上海復旦微電子集團股份有限公司
Shanghai Fudan Microelectronics Group Company Limited*
(a joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 1385)

RESULTS ANNOUNCEMENT
FOR THE HALF-YEAR ENDED 30 JUNE 2026

The board of directors (the "Board") of Shanghai Fudan Microelectronics Group Company Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the half-year ended 30 June 2026 together with the comparative figures for the corresponding period in 2025 or as at 31 December 2025 as follows:

KEY ACCOUNTING DATA

	Half-year ended 30 June	
	2026	2025
	RMB 0'000	RMB 0'000
	(Unaudited)	(Unaudited)
Revenue	**222,549.41**	183,885.10
Total profits	**89,251.18**	17,252.53
Net profits attributable to the shareholders of the Company	**84,915.36**	19,361.41
Net profits attributable to the shareholders of the Company after deducting non-recurring profit or loss	**41,181.04**	18,231.26
Net cash flows generated from operating activities	**77,013.43**	18,553.43

	As at 30 June 2026	As at 31 December 2025
	RMB 0'000	RMB 0'000
	(Unaudited)	(Audited)
Net assets attributable to the shareholders of the Company	**698,437.85**	613,481.62
Total assets	**995,172.69**	920,513.58

KEY FINANCIAL INDICATORS

	Half-year ended 30 June	
	2026	2025
	RMB	RMB
	(Unaudited)	(Unaudited)
Basic earnings per share (RMB/share)	**1.03**	0.24
Diluted earnings per share (RMB/share)	**1.03**	0.24
Basic earnings per share after deducting non-recurring profit or loss (RMB/share)	**0.50**	0.22
Weighted average return on net asset (%)	**12.90**	3.23
Weighted average return on net asset after deducting non-recurring profit or loss (%)	**6.26**	3.04
Percentage of research and development investment of revenue (%)	**26.45**	28.99

During 1 January 2026 and 30 June 2026 (the "Reporting Period"), the Group achieved an revenue of approximately RMB2.225 billion, representing an increase of approximately 21.03% over the same period in 2025; the comprehensive gross profit margin was 56.99%, remaining stable over the same period in 2025; net profit attributable to owners of the parent company of approximately RMB849 million, representing an increase of approximately 338.58% over the same period in 2025; and net profit attributable to owners of the parent company after deducting non-recurring profit or loss of approximately RMB412 million, representing an increase of approximately 125.88% over the same period in 2025. During the Reporting Period, driven by the recovery in industry conditions and the favourable impact of growing demand from downstream customers, the Company's revenue and gross profit from all product lines in its integrated circuit design business increased, with gross profit increased by approximately RMB224 million when compared with the same period in 2025. Gains from changes in the fair value of shares acquired through strategic allotment were recognised, which boosting net profit by approximately RMB420 million. As the amount for impairment loss on inventory in the corresponding period of the previous year was relatively high, and there were no new significant impairment events during the Reporting Period, recognition of impairment loss on inventory decreased by approximately RMB128 million when compared with the same period in 2025.

The Company remains committed to technological innovation and product iteration and upgrades. New products such as the FPGA series, security and identification series products, and automotive-grade MCUs, along with their supporting solutions, have been successively launched and are contributing to revenue. Combined with robust demand for non-volatile memory, which there was increase in both volume and prices, these factors had collectively driven the growth in the revenue of the Company. At the same time, the product mix has been optimised, leading to a further improvement in overall operational efficiency.

During the Reporting Period, cash flows from operating activities amounted to approximately RMB770 million, representing an increase of approximately 315.09% over the same period in 2025. This was mainly due to an increase in cash received from sales of products during the Reporting Period, which led to an increase in cash inflows from operating activities.

MANAGEMENT DISCUSSION AND ANALYSIS

(I) INDUSTRY AND PRINCIPAL BUSINESS

1. Industry Development

The Group is mainly engaged in the design, development and testing of large integrated circuits. According to the "Classification of Industries of the National Economy (GB/T 4754-2017)" the Company is under the industry of "C Manufacturing Industry - C39 Computer, Communication and Other Electronic Equipment Manufacturing Industry".

In 2026, the development of artificial intelligence and computing infrastructure continued to advance, whilst robust market demand in niche sectors such as logic ICs and memory drove accelerated growth in the semiconductor industry's market size. Looking at the global market, the World Semiconductor Trade Statistics (WSTS) organisation forecasts that the global semiconductor market will maintain strong growth for the third consecutive year in 2026, with year-on-year growth expected to reach 89.9% and the market size projected to reach US$1,511.2 billion. In particular, the semiconductor market in the Asia-Pacific region is expected to reach US$823.9 billion in 2026, representing annually growth of 87.4%. It is the world's largest semiconductor market and a key market with a growth rate second only to that of North America. Looking at the PRC market, according to data from the China Semiconductor Industry Association, the Chinese integrated circuit design sector's turnover reached RMB826.1 billion in 2025, representing annually increase of 24.8%. In the first quarter of 2026, China's total integrated circuit sales arrived RMB362.5 billion, representing an increment of 30.5% over the same period in 2025. The semiconductor industry's upswing is gathering pace, placing greater demands on companies' ability to capitalise on opportunities.

2. Description of Principal Business Activities

The Company offers a wide range of products, primarily targeting the industrial-grade and high-reliability markets. The Company's products are widely used in numerous fields, including data centres, satellite communications, network communications, automotive electronics, industrial control, household appliances, finance and social security, anti-counterfeiting and traceability, and signal processing. With regard to industrial-grade products, whilst maintaining the leading position of our existing flagship products, the Company is actively expanding into application areas characterised by high technological barriers and low domestic production rates, thereby broadening our customer reach across the board and breaking through growth barriers. In the field of high-reliability products, whilst continuously expanding our product portfolio in existing markets, increasing our market share and strengthening customer loyalty, the Company is also actively embracing emerging markets such as commercial space, providing customers with comprehensive solutions at the component, system and application levels for commercial space applications. At present, the Company offers a range of products for the commercial space sector, including FPGAs, RF-FPGAs, PSoCs, RFSoCs, flash memory, dedicated refresh chips and fully domestically produced end-to-end EDA tools. These can be applied in scenarios such as on-board satellite payloads, space-based computing power, on-board laser communications and ground terminals, providing a comprehensive suite of domestically produced solutions for the domestic satellite communications industry.

a) FPGA chips

FPGAs, alongside GPUs, CPUs and ASICs, are regarded as the cornerstones of computing power and can be applied in fields such as artificial intelligence, 5G communications, high-end routing and test and measurement. FPGAs are characterised by their hardware reconfigurability, offering a more flexible and cost-effective software-programmable solution in scenarios involving frequent algorithm iterations, whilst also providing advantages in low-latency streaming processing. The Company is a leader in the domestic FPGA chip market and is the pioneer behind several innovative product architectures, including RF-FPGA and FPAI.

b) Security and identification IC chips

The security and identification product range comprises several product series, including radio-frequency identification (RFID) and sensor chips, smart cards and security chips, and chips for smart identification devices. The product range encompasses dozens of products, including memory cards, high-frequency and ultra-high-frequency tags, NFC tags, contact, contactless and dual-interface smart cards, secure SE chips, secure MCU chips, contactless readers and writers, and mobile payment solutions. The Company is one of the suppliers in China offering one of the most comprehensive ranges of security and identification chip products, with a wide variety of downstream applications spanning numerous sectors including smart consumer electronics, smart home, automotive, industrial and financial applications.

c) Non-volatile memory

The non-volatile memory product range includes various memory products such as electrically erasable programmable read-only memory (EEPROM), NOR flash memory (NOR Flash) and SLC NAND flash memory (NAND Flash), available in a variety of capacities, interfaces and package types. The Company's memory products are primarily targeted at two major application areas: industrial-grade and high-reliability applications. The Company holds a leading market share in downstream applications sectors such as consumer electronics, industrial control and instrumentation, security and surveillance, and satellite communications.

d) Smart meter chips

Smart meter chips include smart meter MCUs, general-purpose MCUs and automotive-grade MCUs. Smart meter MCUs are the core components of smart meters, enabling functions such as metering, automatic reading and data transmission for both industrial and domestic electricity consumers. General-purpose MCUs can be applied in a wide range of fields, including smart meters, smart water, gas and heating meters, smart home appliances and industrial control. Automotive-grade MCUs can be used in vehicle body control and comfort systems.

e) Integrated circuit testing services

The Group's subsidiary, Sino IC Technology Co., Ltd. (上海華岭集成電路技術股份有限公司) ("Sino IC"), is an independent professional integrated circuit testing company dedicated to providing high-quality, cost-effective, and efficient testing solutions and a variety of value-added services to various integrated circuit companies. Main business includes: testing technology research, testing software and hardware development, testing equipment manufacturing, testing verification analysis, wafer testing, finished product testing, reliability testing, and leasing of proprietary equipment.

Sino IC provides customers with comprehensive integrated circuit testing solutions, ranging from chip verification analysis and wafer testing to finished product testing. Its testing capabilities cover a wide range of product areas, including processors, 5G communications, artificial intelligence, wireless connectivity, memory, automotive-grade MCUs, and analog chips.

(II) CORE TECHNOLOGY AND RESEARCH AND DEVELOPMENT PROGRESS

Core technology and its leading advancements and changes during the Reporting Period

(a) FPGA chips

The Company is a leader in the domestic FPGA chip market and currently offers the widest range of FPGA products in China. The Company's FPGA product line has successfully achieved breakthroughs in key technologies such as ultra-large-scale FPGA architectures, programmable device compilers, multi-protocol ultra-high-speed serial transceivers, heterogeneous intelligent computing architectures, high-reliability programmable devices, and end-to-end EDA for ultra-large-scale programmable devices, thereby establishing a distinct technological cluster advantage. The Company currently boasts an extensive range of FPGA products, including 1xnm FPGAs, RF-FPGAs, PSoC products, RFSoC products and FPAI products, and possesses a full suite of supporting EDA tools with independent intellectual property rights throughout the entire development process.

The Company possesses leading capabilities in FPGA chip architecture innovation. It has pioneered a number of domain-optimised innovative architectures, such as RF-FPGA and FPAI, and is currently a major supplier of domain-optimised FPGA products in China. During the Reporting Period, the Company completed the tape-out, testing and reliability verification of two RFSoC products, the 68DR and 52DR, and will actively promote their adoption by customers as flagship products for the communications sector. The Company has completed the tape-out, testing and reliability verification of an FPAI chip, finalised a product portfolio ranging from 4 TOPS to 128 TOPS, and is providing multi-chip computing cluster system solutions to customers, and also the product promotion is progressing well. During the reporting period, the Company also completed the tape-out, testing and reliability verification of several new FPGA products, and actively pursued the design of next-generation FPGAs and computing chips.

The Company is actively exploring ways in which artificial intelligence can enhance its FPGA products. During the Reporting Period, it launched the Agent intelligent FPGA development platform—Fathom L4 Agent—shifting its focus from the delivery of traditional chip products and solutions to the delivery of development capabilities and services supporting the continuous evolution of products, thereby establishing a new business direction. Through the Company's Agent intelligent development platform, customers can automate the entire FPGA development process using Agents, thereby lowering the barriers to entry in terms of the languages, tools and verification required for FPGA use. During the Reporting Period, the Company systematically launched a range of FPGA IP and solutions, with the aim of utilising Agent intelligent agents to transform the development paradigm of the FPGA industry, shifting the positioning of FPGAs from niche accelerators used by a select few experts to general-purpose computing infrastructure with a broader range of application scenarios, thereby reshaping the FPGA industry ecosystem.

(b) Security and identification IC chips

Following many years of continuous research and development and the accumulation of technical expertise, the security and identification product line has established a distinct technical and research and development ("R&D") advantage in the two key technological fields of radio frequency and security. Based on many years of accumulated expertise in RF chip design, the Company has conducted further research to develop a new generation of NFC technology, designed to support a wider range of NFC devices. At the same time, it has achieved technical breakthroughs in the development of UHF RFID tag chips and reader chips, building up technical expertise in areas such as high-sensitivity design, low-power design and high-reliability design.

During the Reporting Period, the Company successfully launched a new generation of UHF reader chips, which delivered outstanding performance. The Company has introduced a solution combining these UHF reader chips with UHF tag chips, which effectively improves the success rate of tag inventory counts and significantly extends the tag reading range. This solution has been widely recognised by customers, and the Company is currently promoting its adoption by customers actively, also, subsequent shipment volumes and market share are expected to increase further.

The NFC channel/tag product range is widely used in applications such as electronic price tags, LED lighting, smart home systems, 'tap-to-connect/pay' solutions and AI-enabled toys. Its excellent mobile phone compatibility and reliable performance have earned it consistent praise from customers. The NFC reader chip series has been successfully applied in automotive digital keys, in-car ignition, in-vehicle wireless charging and in-vehicle air fresheners, providing automotive OEMs and Tier 1 customers with cost-effective, automotive-grade solutions. It is one of the preferred solutions for major OEMs.

Security chips are widely used in various Internet of Things (IoT) applications and hold a significant market share in areas such as copyright protection, anti-counterfeiting of consumables and genuine parts certification; product roll-out is progressing well. During the Reporting Period, the Company actively refined its product portfolio, continuously improved product performance and reliability, and by integrating its NFC and RFID products, developed differentiated solutions, thereby further expanding its competitive advantage.

(c) Non-volatile memory

The Company's non-volatile memory product range boasts one of the most comprehensive product portfolios in the industry. We remain committed to enhancing performance and reliability, expanding applications and optimising costs, whilst pursuing breakthroughs in key technologies, the coordinated development of multiple device process platforms and product upgrades, and have made significant progress in core areas.

During the Reporting Period, The Company's EEPROM products overcame technical bottlenecks in automotive-grade wide temperature range, ultra-wide voltage range and low-power consumption, achieving industry-leading levels in key characteristics such as data erase/write endurance, data retention time and product robustness. The serialisation of the 9xnm platform has accelerated, the industrial-grade and automotive-grade product portfolios have been rapidly expanded, and several medium to high capacity products have obtained AEC-Q100 Grade 1 certification. These products have been successfully integrated into the supply chains of numerous Tier 1 suppliers and original equipment manufacturers (OEMs), resulting in substantial growth in the automotive electronics business. The Company's SPD5 Hub products for DDR5 have entered mass production. We are continuing to drive the miniaturisation of our NOR Flash products, whilst R&D on the 4xnm platform is progressing steadily. The ETOX 5xnm low-voltage, high-performance, low-power product series has entered mass production, and automotive-grade validation for the same series is progressing smoothly. Product development for the NORD Process Platform 3.3V is progressing on schedule, and development of new 1.2V ultra-low-voltage products has commenced. The Company's 2xnm-platform SLC NAND Flash products have achieved significant growth in sectors such as networking and wearables. Mass production of the new 2xnm-platform product series is currently underway, meeting customers' supply chain security requirements and enhancing supply chain resilience. With regard to high-reliability memory products, the research, development and commercialisation of the high-reliability NOR FLASH product series based on the ETOX process platform are progressing smoothly, and some new products have already entered mass production. The development of high-reliability NAND FLASH products based on the new 2xnm SLC NAND process is progressing as planned.

(d) Smart meter chips

During the Reporting Period, The Company's MCU product line actively expanded its domestic supply chain across China, and completed the research and development of several products based on a domestically produced e-flash process platform. The target markets cover sectors such as utilities, white goods, automotive electronics and industrial control. The Company has established a comprehensive presence across both 12-inch and 8-inch process platforms, further enriching its product portfolio, and is advancing customer onboarding and mass production efforts actively. The Company's product portfolio centres on building ultra-low-power technology platforms, highly reliable automotive-grade technology platforms and mixed-signal technology platforms tailored to industry applications. Whilst delving deeper into these applications, the Company is actively expanding the scope of its technologies and products. The Company is continuously expanding its portfolio of entry-level 32-bit MCUs, and it has also launched a range of mid- to high-performance MCUs, as well as a variety of specialised, integrated MCU products designed for specific applications such as metering, touch control and fully integrated high-voltage automotive applications. During the Reporting Period, the Company's shipments of main control units for white goods and automotive-grade MCUs grew rapidly, with sales volumes increasing by over 100% over the same period in 2025.

(e) Research and development achievements obtained during the Reporting Period

As at the end of the Reporting Period, the Group had obtained 8 new domestic and overseas invention patents, 7 utility model patents, 10 computer software copyright registrations and 19 integrated circuit layout-design registration certificates.

List of intellectual property rights obtained during the Reporting Period:

	Addition		Accumulated	
	Application number	Obtained number	Application number	Obtained number
Invention patents	24	8	167	232
Utility model patents	1	7	5	26
Design patents	0	0	0	3
Software copyrights	5	10	5	372
Others	3	19	3	203
Total	33	44	180	836

(f) R&D expenditure table

RMB 0'000

	30 June 2026	30 June 2025	Change（%）
R&D expenses	53,389.76	46,347.99	15.19
Capitalized R&D expenditures	5,477.71	6,965.55	-21.36
Total R&D expenditures	58,867.47	53,313.54	10.42
Total R&D expenditures over revenue（%）	26.45	28.99	Decreased by 2.54 percentage point
Proportion of Capitalized R&D expenditures（%）	9.31	13.07	Decreased by 3.76 percentage point

(III) MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, robust demand in sectors such as artificial intelligence, memory and satellite communications drove an upturn in the semiconductor industry. The Company has continued to expand its range of FPGA products, tackling applications characterised by high technical barriers and low domestic production rates, thereby increasing its market share. Non-volatile memory products continue to undergo iterative development, with sales growing significantly in sectors such as automotive electronics, wearables, and networking and security. Security and identification, as well as MCU products, are continuing to expand their application scenarios in the consumer, automotive and Internet of Things sectors, with sales of related chip products growing rapidly. The Company continues to refine its staff incentive schemes, strengthen supply chain management, reduce current stock levels and enhance collaboration with upstream and downstream industries, with its business performance showing a steady improvement.

In the first half of 2026, the Group achieved revenue of approximately RMB2.225 billion, representing an increase of approximately 21.03% over the same period in 2025; the comprehensive gross profit margin was 56.99%, remaining stable over the same period in 2025; net profit attributable to owners of the parent company of approximately RMB849 million, representing an increase of approximately 338.58% over the same period in 2025. During the Reporting Period, there were no significant changes in the Group's main business. The Group has a wide range of product lines among the domestic chip design enterprises, with four major product lines, namely, field-programmable gate arrays (FPGA), security and identification, non-volatile memory and smart meter chips, and provides chip testing services to customers through its holding subsidiary, Sino IC.

1. **FPGA product line:** This product line comprises three sub-series: Field-Programmable Gate Array (FPGA) chips, Programmable Silicon on Chip (PSoC) chips and Field-Programmable Artificial Intelligence (FPAI) chips, and includes dedicated EDA development tools. The Company is a leading domestic manufacturer of FPGA chips, having achieved revenue of approximately RMB740 million in the first half of 2026 (2025: RMB681 million).

   The FPGA product range features 100-million-gate FPGAs and PSoC chips as its flagship products. During the Reporting Period, the product line adhered to high standards of product quality and service, building a ‘chip-software-solutions’ ecosystem. The Company systematically released FPGA IP and solutions, and launched FathomL4Agent, an intelligent FPGA development platform. Customers can utilise this platform to implement an ‘Agent’-based approach across the entire FPGA development process, thereby lowering the barriers to entry in terms of the languages, tools and verification required for FPGA use, and optimising development costs.

   The FPGA product line is actively advancing the development and commercialisation of ultra-large-scale, high-end FPGA products utilising fully in-house advanced FinFET processes and 2.5D advanced packaging. It is strengthening technological barriers and building a diversified product portfolio, covering a range of product types including FPGA, RF-FPGA, PSoC, RFSoC and FPAI, with logic resources ranging from 50K to 4000K, with computing power ranging from 4 TOPS to 128 TOPS. The number of new customers adopting our products has been rising steadily. The range of applications and the customer base are expanding rapidly. Widespread market recognition is driving rapid growth in sales, and the product’s penetration and influence in key sectors have increased significantly. During the Reporting Period, the FPGA sub-series continued to demonstrate strong growth momentum, with revenue growing steadily. Sales of the PSoC sub-series remained stable and the FPAI sub-series saw successful expansion of its new product range, which is gradually generating revenue, leading to rapid growth in sales.

2. **Security and identification product line**: This product line comprises several sub-product series, including radio-frequency identification (RFID) and sensor chips, smart card and security chips, and chips for smart identification devices. Its downstream applications span a wide range of sectors, including smart consumer electronics, smart home, automotive, industrial and financial applications. In the first half of 2026, revenue was approximately RMB472 million. (2025: RMB393 million).

   Radio Frequency Identification (RFID) and sensor chips, including high-frequency and ultra-high-frequency RFID chips, as well as sensor chips. During the Reporting Period, the competitiveness of the Company's high-frequency RFID products continued to strengthen, its market share remained among the highest in the industry, and its customer ecosystem expanded at an accelerated pace. Attributable to ongoing technological innovation, the Company's NFC module and tag chips have achieved leading shipment volumes in sectors such as consumer electronics, industry and the automotive sector, further consolidating its dominant position. UHF RFID is primarily used in large-scale applications such as footwear and apparel retail management, stock-taking in supermarkets and hypermarkets, and airline baggage tracking. Through proactive market strategies, the Company has effectively driven market demand and achieved a further increase in market share. At the same time, the Company places great emphasis on product synergies, integrating sensor chips with high-frequency and ultra-high-frequency RFID chips at the system level to provide customers with more value-added, comprehensive solutions, thereby enhancing customer loyalty and our overall service capabilities.

   The industry in which the Company's smart card chip business operates has entered a mature phase. The market size and the Company's market share are stabilising, and its core business remains solid. The secure chip business is benefiting from the continued growth in demand for IoT security, with strong growth momentum; secure modules for wireless charging are being widely shipped across the consumer, automotive and industrial sectors, and sales volumes are gradually increasing. The Company is actively expanding into various market segments, combining secure chips with NFC and RFID products to create integrated solutions and build a competitive edge, and has made significant progress in promoting a wide range of Internet of Things applications.

   In terms of chips for smart identification devices, NFC readers and writers are widely used in areas such as mobile payments, public transport, smart access control and smart homes. With the deepening development of the digital economy and the widespread deployment of Internet of Things (IoT) infrastructure, the scope of application for NFC technology continues to expand. The Company's NFC products are continuing to gain a stronger foothold in traditional markets where we hold a competitive advantage, such as financial POS terminals, smart door locks and access control systems, and our market share is steadily increasing. At the same time, we continue to expand our product portfolio, actively branching out into higher value-added application areas to enhance our overall competitiveness, whilst maintaining our industry-leading position in terms of customer recognition and market reputation.

3. **Non-volatile memory product line**: This product range includes NOR Flash memory, SLC NAND Flash memory and EEPROM memory, available in a wide variety of capacities, interfaces and package types. The Company's memory products are primarily targeted at two key sectors: industrial-grade and high-reliability applications, with downstream markets spanning consumer electronics, industrial control and instrumentation, security and surveillance, and satellite communications. In the first half of 2026, the revenue was approximately RMB621 million (2025: RMB440 million).

During the Reporting Period, EEPROM products saw steady growth in the industrial control instrumentation, display, consumer electronics and PC peripherals markets. The Company successfully entered the supply chains of several automotive manufacturers, achieving significant growth in sales in the automotive electronics market. Due to fluctuations in the industry cycle, businesses such as wafers and integrated packaging, CCM modules and household appliances have undergone temporary adjustments. The low-voltage NOR Flash product range is being phased out at a relatively rapid pace in sectors such as displays and PCs, whilst sales volumes and prices for medium to large-capacity products of 64M and above are rising. Driven by the continuing widening of the supply-demand gap in the market, NAND flash has seen significant growth in sales in sectors such as networking, security and surveillance, and wearables. During the Reporting Period, sales of high-reliability memory grew steadily. It has found widespread application in sectors such as satellite communications and forms a key component of the Company's non-volatile memory product range.

4. **Smart meter product line**: The Company's range of smart meter products includes smart meter MCUs, general-purpose MCUs and automotive-grade MCUs. The MCU in a smart electricity meter is the core component of the meter, enabling functions such as the metering of electricity consumption, automatic meter reading and data transmission for both industrial and domestic customers. General-purpose MCU products are widely used in smart water, gas and heating meters, smart home appliances, and industrial applications, amongst other fields. Automotive-grade MCU products can be used in vehicle body control and comfort systems. Revenue for the first half of 2026 was amounted to approximately RMB275 million (2025: RMB248 million).

   During the Reporting Period, the Company's revenue from this product line continued to grow steadily. Owing to the transition between the old and new domestic standards for smart meters, domestic sales of smart meter MCUs declined by a certain margin. However, overseas shipments of smart meter MCUs showed a year-on-year increase, resulting in a slight year-on-year decline in overall smart meter MCU sales. With regard to general-purpose MCU products and automotive-grade MCU products, influenced by factors such as the macroeconomy and industry cycles, overall demand in downstream end markets, including the automotive and household appliance sectors, has come under pressure, resulting in a temporary downturn in industry conditions. Against this backdrop, the Company's products have achieved counter-cyclical growth in shipment volumes, with a significant year-on-year increase, attributable to their outstanding performance metrics and robust quality control.

5. **Other principal business:**

   (1) Other products

   Other products mainly consist of chips for smart appliances, which are widely used in new energy sectors such as residual current devices, charging points for new energy electric vehicles, photovoltaic systems and electrical fire prevention. During the Reporting Period, sales in the traditional residual current device market came under pressure due to the downturn in the property sector. However, attributable to the Company's proactive expansion into the new energy and electric vehicle charging station sectors, sales of related earth leakage protection products have grown rapidly, effectively cushioning the impact of the downturn in the traditional market. Furthermore, shipments of fault arc protection chips have remained stable, and the smart photovoltaic module solution has been successfully implemented at a number of client sites.

(2) Testing services business of Sino IC

The Company's subsidiary, Sino IC, is one of the earliest companies in China to be involved in the research and development of IC testing technology and professional services. It has accumulated a wealth of technical experience in high-end product testing solutions, mass production automation, testing information technology and other areas, and has achieved significant results in technological innovation. Sino IC has undertaken a number of major national science and technology projects and provincial and ministerial-level research projects, having independently developed over 1,000 high-end chip testing solutions, achieved breakthroughs in mass production in areas such as KGD testing of wafers manufactured using advanced processes, high-end chiplet packaging, and 2.5D/3D heterogeneous integration testing. In addition, Sino IC continues to carry out R&D and innovative applications in the areas of artificial intelligence chips, high-performance computing chips, automotive chip testing solutions and complete sets of engineering technologies.

(3) Business of Fuwei Xunjie

The business of Shanghai Fuwei Xunjie Digital Technology Co., Ltd.* (上海復微迅捷數字科技股份有限公司) ("Fuwei Xunjie") leverages NFC technology and cloud services as the cornerstones of its business, striving to develop distinctive services. During the Reporting Period, Fuwei Xunjie collaborated with major internet platforms to empower the public transport sector in enhancing the consumer experience; it also partnered with leading global IP providers to launch transport card products featuring cultural and creative elements, thereby actively participating in the Goods Economy/IP Merchandise Economy. As a Tier 1 supplier in the automotive industry, it has commenced mass production of automotive-grade IC card car keys. At the same time, through its short-range communication testing laboratory, it provides professional testing services to automotive manufacturers, mobile phone manufacturers and chip manufacturers. It is also expanding the application scenarios for physical cards and continuing to promote the use of mobile NFC in areas such as university campus cards and access control systems across China.

(IV) RISK FACTORS

1. Risk of new product development and technology iteration

The integrated circuit design industry in which the Group operates is a typical technology-intensive industry, where technology upgrades and product iterations are fast. The Group will face the risk of being seized by competitors for market share if the Group misjudges the market demand in the follow-up research and development process or the research and development progress becomes slow. In addition, high-end chip research and development has the characteristics of long development cycle, large capital investment, and high research and development risk. During the research and development process, some key technologies may be failed to break through or product performance, parameters, yield, etc. which may not meet the needs of the market and there is risk of failure of research and development and falling behind next-generation technology.

2. Risks related to attracting talent

Currently, the domestic chip design industry is developing rapidly, and competition among companies for R&D talent is fierce. The Group needs to continuously optimise its staff incentive policies and continually enhance its human resources management capabilities to keep pace with the demands of rapid development, otherwise, it may face the risk of losing key personnel and may also find it difficult to attract a sufficient number of high-calibre individuals, which could in turn have an adverse impact on the Group's ability to innovate on an ongoing basis.

3. Risk of falling of product selling price and gross profit margin

   The integrated circuit design industry is characterised by rapid technological advancement and intense competition. On the one hand, changes in the industry's supply landscape, such as capacity expansions by peers and an increase in competing products, may put pressure on the Group's product prices. On the other hand, there is a risk of cost fluctuations in areas such as upstream raw materials and foundry manufacturing for integrated circuits. Should the Group fail to continue launching new high-value-added products, optimise its product mix, or see its pricing power weaken, it may face the risk of a decline in product selling prices and gross profit margins, which would have an adverse impact on the Group's operating results.

4. Risk of impairment of inventories

   The inventories of the Group mainly include chips and wafers. To safeguard the supply chain, the Group has invested more resources in inventories. At the end of the Reporting Period, the carrying amount of the inventories of the Group was approximately RMB2,535.774 million, accounting for 32.80% of the corresponding total current assets at the end of the period. The Group makes corresponding impairment provisions every year according to the amount of the net realizable value of inventories lower than the cost. At the end of the Reporting Period, the balance of inventory impairment provisions of the Group was approximately RMB803.9015 million, and the proportion of inventory impairment provisions was 24.07%. If the market accelerates to go down in the future or the product replacement is accelerated due to technical repetitive computing, the risk of impairment of inventories may increase, which will have an adverse impact on the operating results of the Group.

5. Financial risks associated with R&D investment

   The Group attaches great importance to the independent research and development of core technologies. During the Reporting Period, the R&D investment was approximately RMB589 million, accounting for 26.45% of the revenue during the Reporting Period. The R&D investment intensity was relatively high. The amortization provided for the intangible assets formed by development expenditure or write-off of the development expenditure and impairment of the intangible assets may have a significant impact on the profits of the Group.

6. Risks of policy changes such as government subsidies and tax incentives

   The Group's integrated circuit design and integrated circuit testing related businesses are encouraged and supported by national industrial policies. The Group has strong scientific research capabilities and obtained more subsidies for scientific research projects during the Reporting Period, which can make up for the Group's R&D investment to a certain extent. As a high and new technology enterprise, the Group enjoys preferential tax policy support. If the national incentive policy changes, it may cause the risk of fluctuations in the profitability of the Group.

7. Risk of collection of accounts receivable and notes receivable

   At the end of the Reporting Period, the book balance of the accounts receivable of the Group was approximately RMB2,287.0047 million, and the book balance of notes receivable was approximately RMB120.0082 million. The total book balance of accounts receivable and notes receivable accounted for 108.16% of the revenue. If the macroeconomic situation, industry development prospects and other factors adversely change in the future, and the operating conditions of customers experience major difficulties, the Group may face the risk of increasing bad debt losses due to uncollectible accounts receivable and notes receivable.

8. Risk of changes in industry conditions

During the Reporting Period, changes in the supply and demand of chips and intensified competition in the industry brought challenges to the Group's gross profit margin. Although the Group's product lines cover industrial grade products, consumer and high reliability applications and are more resilient to volatility, an industry-wide slowdown in growth could adversely affect the Group's results.

9. Risks of supply chain adjustments or changes

With trade controls and technological restrictions in the global semiconductor industry continuing to intensify, domestic chip design companies are facing external pressure stemming from adjustments to overseas supply chain systems. As these companies proceed with the diversification and restructuring of their supply chains, they will encounter operational challenges such as rising supply chain transition costs and longer adaptation periods for key components. At the same time, due to external regulatory policies, some domestic and overseas clients may, for reasons of supply chain stability and compliance, adjust their cooperation intentions or transfer orders. This could expose the Company to market risks such as client attrition and obstacles to market expansion, which in turn could have an adverse impact on its operating performance, market share and competitive position within the industry.

10. Macro-environmental risks

In recent years, the uncertainty of the international trade environment has increased, and anti-globalization trade has further spread. Some countries have adopted trade protection measures and have repeatedly taken longarm jurisdictional measure. The integrated circuit industry has typical characteristics of global division of labor and cooperation. If there are major adverse changes in the international trade environment, the trade friction between countries and regions further escalates, and global trade protectionism continues to heat up, the production and operation of upstream and downstream companies in the integrated circuit industry chain may be adversely affected, resulting in an increase in upstream and downstream transaction costs in the industry chain or influence on the security of supply chain of the Group, which may adversely affect the operation of the Group.

11. Risk of external investment

The semiconductor industry chain is characterised by a high degree of interdependence. Based on its analysis of trends in the semiconductor industry and strategic considerations aimed at ensuring supply chain stability, the Group has strengthened strategic cooperation with companies across the upstream and downstream segments of the industry chain and has made forward-looking equity investments in high-quality enterprises operating in certain segments of the industry chain. Companies within the semiconductor industry chain are subject to inherent uncertainties such as fluctuations in operating performance, changes in industry cycles and adjustments to market valuations. Should these factors take an adverse turn, this may lead to changes in the share prices of the investee companies, which in turn could cause fluctuations in the Group's non-recurring gains and losses, thereby affecting the Group's reported financial performance.

(V) MAIN OPERATION SITUATION IN THE REPORTING PERIOD

Main business analysis

1. Analysis of changes in financial statements related items

RMB0'000

Item	Half-year ended 30 June		Change
	2026	2025	(%)
Revenue	**222,549.41**	183,885.10	21.03
Cost of sales	**95,723.06**	79,432.77	20.51
Research and development expenses	**62,195.67**	50,861.05	22.29
Other income	**5,573.93**	3,562.31	56.47
Gains from changes in fair value	**46,560.53**	(23.62)	N/A
Asset impairment losses	**(1,690.68)**	(15,051.65)	N/A
Income tax expenses	**4,918.40**	(795.29)	N/A
Net cash flow generated from operating activities	**77,013.43**	18,553.43	315.09
Net cash flow generated from investing activities	**(26,379.70)**	(11,479.89)	N/A
Net cash flow generated from financing activities	**(24,848.29)**	(3,601.07)	N/A

Reasons for change in revenue: mainly attributable to an increase in sales of the Company's various integrated circuit design product lines during the Reporting Period.

Reasons for change in cost of sales: mainly attributable to an increase in revenue during the Reporting Period, which led to a corresponding rise in cost of sales.

Reasons for change in research and development expenses: the Company continues to make substantial investments in research and development, driven by product iterations and the expansion of its product portfolio, as well as the strengthening of product development based on processes utilising a diversified supplier base.

Reasons for changes in other income: mainly attributable to the transfer of funds from a government project of Sinc IC, following its successful completion and acceptance during the Reporting Period.

Reasons for changes in gains from changes in fair value: mainly attributable to the Company's acquisition of strategic allotment shares during the period. As the fair value at the end of the period exceeded the cost, a substantial gain was recognised.

Reasons for changes in asset impairment losses: mainly attributable to the amount for impairment loss on inventory in the corresponding period of the previous year was relatively high, and there were no new significant impairment events during the Reporting Period, the amount of the provision for inventory impairment was lower than in the same period of the previous year. Inventories are stated at the lower of cost and net realizable value, which are written down below cost to net realizable value if the cost is higher than the net realizable value.

Reasons for changes in income tax expenses: mainly attributable to the Company's subscription of strategic allotment shares in listed companies within its industrial chain, there were gains arising from changes in fair value recognised at the end of the period, giving rise to a deferred income tax expense.

Reasons for changes in net cash flow generated from operating activities: mainly attributable to the increase in cash received from sales of goods, which led to an increase in cash inflows from operating activities.

Reasons for changes in net cash flow generated from investing activities: mainly attributable to a net increase in investments in bank wealth management products and the purchase of shares through strategic allotments during the Reporting Period.

Reasons for changes in net cash flow generated from financing activities: mainly attributable to decrease in cash received as a result of obtaining loans by the Company.

2. Analysis of assets and liabilities status

Status of assets and liabilities

RMB0'000

Item	**30 June 2026**	Balance as at 30 June 2026 as a percentage of total assets (%)	31 December 2025	Balance as at 31 December 2025 as a percentage of total asset (%)	Change in balance as at the end of the Reporting Period as compared with last year (%)
Financial assets held for trading	**81,073.90**	**8.15**	18,013.38	1.96	350.08
Notes receivable	**11,721.93**	**1.18**	29,699.45	3.23	-60.53
Accounts payable	**38,480.90**	**3.87**	23,320.45	2.53	65.01
Other payables	**9,264.96**	**0.93**	6,883.82	0.75	34.59
Non-current liabilities due within one year	**31,449.30**	**3.16**	17,577.28	1.91	78.92
Long-term borrowings	**41,524.63**	**4.17**	63,712.67	6.92	-34.83
Deferred income tax liabilities	**5,307.30**	**0.53**	653.87	0.07	711.67

Reasons for changes in financial assets held for trading: mainly attributable to the Company's subscription of strategic allocation shares during the current period, resulting in an increase in the gain on changes in fair value.

Reasons for changes in notes receivable: mainly attributable to the receipt of payments upon maturity of the current period notes.

Reasons for changes in accounts payable: mainly attributable to increase in procurement to meet operational requirements.

Reasons for changes in other payables: mainly attributable to the Company recognised dividends payable.

Reasons for changes in non-current liabilities due within one year: mainly attributable to increase in long-term borrowings due within one year.

Reasons for changes in long-term borrowings: mainly attributable to reduction loans, as well as the reclassification of certain loans to non-current liabilities due within one year.

Reasons for changes in deferred income tax liabilities: mainly attributable to the purchase of strategic allotment shares and the recognition of gains arising from changes in fair value which resulting the deferred tax liability.

FINANCIAL STATEMENTS

Consolidated Balance Sheet (Unaudited)
30 June 2026

RMB

Item	Note	30 June 2026 (unaudited)	31 December 2025 (audited)
Current assets:			
Cash at bank and on hand	(4)	**1,549,929,026.72**	1,298,621,710.02
Financial assets held for trading	(5)	**810,739,021.89**	180,133,750.68
Notes receivable	(6)	**117,219,303.88**	296,994,501.37
Accounts receivable	(7)	**2,173,706,707.24**	1,876,899,180.89
Receivable financing	(8)	**201,924,906.13**	190,455,252.30
Prepayments	(9)	**314,230,184.33**	346,455,226.64
Other receivables	(10)	**6,545,372.39**	5,802,950.31
Inventories	(11)	**2,535,773,967.02**	2,636,594,349.55
Other current assets	(12)	**21,316,103.91**	27,539,158.57
Total current assets		**7,731,384,593.51**	6,859,496,080.33
Non-current assets:			
Long-term equity investments	(13)	**45,389,790.93**	46,892,929.09
Investment in other equity instruments	(14)	**53,170,209.94**	55,347,871.25
Fixed assets	(15)	**1,368,957,572.03**	1,467,987,999.20
Construction in progress	(16)	**95,677,902.92**	81,428,048.12
Right-of-use assets	(17)	**44,121,145.15**	41,875,235.62
Intangible assets	(18)	**239,348,155.39**	310,123,944.62
Development costs	(60)	**229,573,291.35**	204,362,592.25
Long-term prepaid expenses	(19)	**47,020,286.70**	50,152,070.41
Deferred income tax assets	(20)	**14,898,942.33**	17,542,624.19
Other non-current assets	(21)	**82,185,020.66**	69,926,424.80
Total non-current assets		**2,220,342,317.40**	2,345,639,739.55
Total assets		**9,951,726,910.91**	9,205,135,819.88
Current liabilities:			
Short-term borrowings	(23)	**535,783,263.75**	675,896,654.17
Accounts payable	(24)	**384,808,960.72**	233,204,494.78
Contract liabilities	(25)	**136,560,141.61**	127,777,512.09
Employee benefits payables	(26)	**159,059,926.69**	212,158,413.45
Taxes payables	(27)	**32,173,729.17**	37,303,192.73
Other payables	(28)	**92,649,558.48**	68,838,190.24
Non-current liabilities due within one year	(29)	**314,493,030.75**	175,772,810.70
Other current liabilities	(30)	**163,608,905.79**	175,187,801.73
Total current liabilities		**1,819,137,516.96**	1,706,139,069.89

Non-current liabilities:			
Long-term borrowings	(31)	**415,246,285.00**	637,126,685.00
Lease liabilities	(32)	**32,078,868.51**	31,738,955.78
Provisions	(33)	**2,403,529.00**	34,035,079.00
Deferred income	(34)	**31,868,359.44**	35,374,548.33
Deferred income tax liabilities	(20)	**53,073,044.27**	6,538,728.07
Total non-current liabilities		**534,670,086.22**	744,813,996.18
Total liabilities		**2,353,807,603.18**	2,450,953,066.07
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)	(35)	**82,371,925.00**	82,371,325.00
Capital reserve	(36)	**1,980,669,064.25**	1,939,566,639.74
Other comprehensive income	(37)	**35,383,988.67**	33,345,873.50
Surplus reserve	(38)	**41,185,662.50**	41,185,662.50
Undistributed profit	(39)	**4,844,767,896.18**	4,038,346,732.33
Total owners' equity attributable to the parent company (or shareholders' equity)		**6,984,378,536.60**	6,134,816,233.07
Minority interest		**613,540,771.13**	619,366,520.74
Total owners' equity (or shareholders' equity)		**7,597,919,307.73**	6,754,182,753.81
Total liabilities and owners' equity (or shareholders' equity)		**9,951,726,910.91**	9,205,135,819.88

Balance Sheet of the Parent Company (Unaudited)
30 June 2026

RMB

Item	Note	30 June 2026 (unaudited)	31 December 2025 (audited)
Current assets:			
Cash at bank and on hand		**1,356,258,402.07**	1,078,715,288.59
Financial assets held for trading		**760,739,021.89**	180,133,750.68
Notes receivable		**115,181,007.82**	292,700,982.22
Accounts receivable	(70)1	**2,135,135,866.20**	1,842,392,625.23
Receivable financing		**197,492,553.43**	179,372,523.90
Prepayments		**312,717,690.68**	345,781,748.06
Other receivables	(70)2	**4,118,037.15**	3,417,640.44
Inventories		**2,534,814,721.64**	2,635,999,089.39
Other current assets		**10,378,943.30**	10,601,404.66
Total current assets		**7,426,836,244.18**	6,569,115,053.17
Non-current assets:			
Long-term equity investments	(70)3	**135,931,990.65**	137,629,554.79
Investment in other equity instruments		**42,705,518.79**	42,705,518.79
Fixed assets		**628,773,041.61**	663,601,069.56
Construction in progress		**15,620,849.27**	3,306,452.45
Right-of-use assets		**27,939,211.59**	21,281,008.34
Intangible assets		**240,423,723.62**	310,816,461.34
Development costs		**229,573,291.35**	204,362,592.25
Long-term prepaid expenses		**24,871,314.13**	27,004,660.97
Other non-current assets		**32,103,483.62**	57,696,132.10
Total non-current assets		**1,377,942,424.63**	1,468,403,450.59
Total assets		**8,804,778,668.81**	8,037,518,503.76
Current liabilities:			
Short-term borrowings		**535,783,263.75**	675,896,654.17
Accounts payable		**431,972,403.91**	290,054,589.45
Contract liabilities		**133,043,986.38**	125,442,160.98
Employee benefits payables		**150,730,815.33**	201,969,806.41
Taxes payables		**30,649,531.12**	34,901,531.36
Other payables		**58,854,778.12**	22,657,460.76
Non-current liabilities due within one year		**291,968,423.34**	160,910,060.37
Other current liabilities		**168,664,442.37**	175,971,431.70
Total current liabilities		**1,801,667,644.32**	1,687,803,695.20

Non-current liabilities:		
Long-term borrowings	**297,300,000.00**	509,180,400.00
Lease liabilities	**22,472,361.34**	17,886,981.63
Provisions	**2,193,529.00**	34,035,079.00
Deferred income	**15,306,963.26**	15,418,404.53
Deferred tax liabilities	**53,070,611.97**	6,536,198.68
Total non-current liabilities	**390,343,465.57**	583,057,063.84
Total liabilities	**2,192,011,109.89**	2,270,860,759.04
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	**82,371,925.00**	82,371,325.00
Capital reserve	**1,787,087,187.22**	1,745,984,762.71
Other comprehensive income	**27,670,218.71**	27,670,218.71
Surplus reserve	**41,185,662.50**	41,185,662.50
Undistributed profit	**4,674,452,565.49**	3,869,445,775.80
Total owners' equity (or shareholders' equity)	**6,612,767,558.92**	5,766,657,744.72
Total liabilities and owners' equity (or shareholders' equity)	**8,804,778,668.81**	8,037,518,503.76

Consolidated Income Statement (Unaudited)
For the half-year ended 30 June 2026

RMB

Item	Note	Half-year ended 30 June 2026 (unaudited)	2025 (unaudited)
Total Revenue	(40)	**2,225,494,085.21**	1,838,851,016.48
Including: Revenue		**2,225,494,085.21**	1,838,851,016.48
Total cost of sales		**1,832,934,834.97**	1,530,652,926.71
Including: Cost of sales	(40)	**957,230,628.33**	794,327,683.07
Business taxes and surcharges	(41)	**14,741,067.67**	11,428,375.33
Selling expenses	(42)	**128,057,726.36**	117,085,245.69
Administrative expenses	(43)	**92,845,258.88**	83,820,612.68
Research and development expenses	(44)	**621,956,669.44**	508,610,492.48
Finance expenses	(45)	**18,103,484.29**	15,380,517.46
Including: Interest expenses		**16,234,940.77**	19,919,772.17
Interest income		**6,513,907.88**	8,594,860.95
Add: Other income	(46)	**55,739,316.19**	35,623,070.31
Investment income	(47)	**769,685.81**	713,852.94
Including: Investment losses from associates and joint venture		**(1,503,138.16)**	(1,391,990.69)
Gains/(Losses) from changes in fair value	(48)	**465,605,280.81**	(236,208.33)
Credit impairment losses	(49)	**(8,945,249.42)**	(21,276,085.38)
Assets impairment losses	(50)	**(16,906,820.51)**	(150,516,521.61)
Gains on disposal of assets	(51)	**3,763,449.69**	22,274.43
Operating profits		**892,584,912.81**	172,528,472.13
Add: Non-operating income	(52)	**194,538.76**	940.06
Less: Non-operating expenses	(53)	**267,665.94**	4,134.75
Total profits		**892,511,785.63**	172,525,277.44
Less: Income tax expenses	(54)	**49,183,968.81**	(7,952,906.51)
Net profits		**843,327,816.82**	180,478,183.95
Net profits attributable to shareholders of the parent company		**849,153,566.43**	193,614,092.20
Gains or losses of minority interests		**(5,825,749.61)**	(13,135,908.25)
Net other comprehensive income after tax		**363,538.86**	(336,692.28)
Net other comprehensive income after tax attributable to owners of the parent company		**363,538.86**	(336,692.28)
Other comprehensive income that will be reclassified to profit or loss		**363,538.86**	(336,692.28)
Exchange differences arising from translation of foreign currency denominated financial statements		**363,538.86**	(336,692.28)

Total comprehensive income	**843,691,355.68**	180,141,491.67
Total comprehensive income attributable to owners of the parent company	**849,517,105.29**	193,277,399.92
Total comprehensive income attributable to minority interests	**(5,825,749.61)**	(13,135,908.25)
Earnings per share:		
Basic earnings per share (RMB/share)	**1.03**	0.24
Diluted earnings per share (RMB/share)	**1.03**	0.24

Income Statement of the Parent Company (Unaudited)
For the half-year ended 30 June 2026

RMB

Item	Note	Half-year ended 30 June 2026 (unaudited)	2025 (unaudited)
Revenue	(70)4	**2,133,491,584.79**	1,745,619,954.77
Less: Cost of sales	(70)4	**894,002,746.15**	733,130,679.76
Business taxes and surcharges		**13,094,709.38**	11,047,184.05
Selling expenses		**121,233,461.11**	110,752,744.26
Administrative expenses		**65,295,508.85**	52,037,092.69
Research and development expenses		**598,866,430.77**	483,748,917.78
Finance costs		**15,999,571.93**	14,835,148.08
Including: Interest expenses		**14,127,781.56**	17,691,368.27
Interest income		**5,508,725.78**	7,277,994.45
Add: Other income		**34,456,557.06**	34,854,788.51
Investment income	(70)4	**197,035.92**	404,570.06
Including: Investment losses from associates and joint venture		**(1,697,564.14)**	(1,391,990.69)
Gains/ (Losses) from changes in fair value		**465,605,280.81**	(236,208.33)
Credit impairment losses		**(9,097,480.80)**	(21,218,427.23)
Assets impairment losses		**(16,906,820.51)**	(150,516,521.61)
(Losses)/ Gains on disposal of assets		**(16,809.60)**	15,947.79
Operating profits		**899,236,919.48**	203,372,337.34
Add: Non-operating income		**80,000.00**	-
Less: Non-operating expenses		**-**	500,000.00
Total profits		**899,316,919.48**	202,872,337.34
Less: Income tax expenses		**46,534,413.29**	-
Net profits		**852,782,506.19**	202,872,337.34
Net other comprehensive income after tax		**-**	-
Total comprehensive income		**852,782,506.19**	202,872,337.34

Consolidated Cash Flows Statement (Unaudited)
For the half-year ended 30 June 2026

RMB

Item	Note	Half-year ended 30 June 2026 (unaudited)	2025 (unaudited)
Cash flow generated from operating activities:			
Cash received from sale of goods and rendering of services		**2,205,063,056.58**	1,670,846,359.33
Receipts of taxes and surcharges refunds		**2,907,664.36**	27,680,666.13
Cash received relating to other operating activities	(55)	**22,143,492.02**	30,366,982.94
Sub-total of cash inflow from operating activities		**2,230,114,212.96**	1,728,894,008.40
Cash paid for purchase of goods and services received		**630,797,539.29**	771,929,590.57
Cash paid to and on behalf of employees		**567,998,591.32**	509,963,824.78
Payments of taxes and surcharges		**150,491,326.43**	121,277,449.94
Cash paid relating to other operating activities	(55)	**110,692,407.33**	140,188,855.27
Sub-total of cash outflow from operating activities		**1,459,979,864.37**	1,543,359,720.56
Net cash flow generated from operating activities		**770,134,348.59**	185,534,287.84
Net cash flow generated from investing activities			
Cash received from disposal of investments		**1,247,616,200.47**	734,197,390.19
Cash received from return on investments		**9,004,317.04**	1,368,428.62
Net cash recovered from disposal of fixed assets, intangible assets and other long-term assets		**9,810,974.07**	46,215.00
Cash received relating to other investing activities	(55)	**-**	749,883.04
Sub-total of cash inflow from investing activities		**1,266,431,491.58**	736,361,916.85
Cash paid to acquire fixed assets, intangible assets and other long-term assets		**121,072,166.26**	158,160,773.18
Cash payments for investments		**1,409,156,288.22**	693,000,000.00
Sub-total of cash outflow from investing activities		**1,530,228,454.48**	851,160,773.18
Net cash flow generated from investing activities		**(263,796,962.90)**	(114,798,856.33)

Cash flow generated from financing activities:			
Cash proceeds from investments by others		**105,720.00**	-
Cash received from borrowings		**170,000,000.00**	787,872,000.00
Sub-total of cash inflow from financing activities		**170,105,720.00**	787,872,000.00
Cash repayments of borrowings		**392,690,154.60**	798,992,039.08
Cash paid for distribution of dividends, profit or interest expenses		**15,470,916.09**	19,502,757.05
Cash paid relating to other financing activities	(56)	**10,427,520.13**	5,387,944.29
Sub-total of cash outflow from financing activities		**418,588,590.82**	823,882,740.42
Net cash flow generated from financing activities		**(248,482,870.82)**	(36,010,740.42)
Effect of changes in foreign exchange rate on cash and cash equivalents		**(6,592,447.01)**	(3,880,611.47)
Net increase in cash and cash equivalents		**251,262,067.86**	30,844,079.62
Add: Balance of cash and cash equivalents at the beginning of the period		**1,294,510,634.03**	1,063,300,787.15
Balance of cash and cash equivalents at the end of the period		**1,545,772,701.89**	1,094,144,866.77

Cash Flows Statement of the Parent Company (Unaudited)
For the half-year ended 30 June 2026

RMB

Item	Half-year ended 30 June 2026 (unaudited)	2025 (unaudited)
Cash flow generated from operating activities:		
Cash received from sale of goods and rendering of services	**2,073,535,283.87**	1,596,577,783.43
Receipts of taxes and surcharges refunds	**2,907,664.36**	5,829,481.34
Cash received relating to other operating activities	**20,305,331.44**	23,594,173.67
Sub-total of cash inflow from operating activities	**2,096,748,279.67**	1,626,001,438.44
Cash paid for purchase of goods and services received	**688,646,891.96**	827,599,863.63
Cash paid to and on behalf of employees	**490,868,515.84**	425,455,702.64
Payments of taxes and surcharges	**146,841,720.54**	119,498,625.80
Cash paid relating to other operating activities	**92,448,300.84**	122,962,874.63
Sub-total of cash outflow from operating activities	**1,418,805,429.18**	1,495,517,066.70
Net cash flow generated from operating activities	**677,942,850.49**	130,484,371.74
Cash flow generated from investing activities:		
Cash received from disposal of investments	**970,000,000.00**	512,177,534.25
Cash received from return on investments	**1,894,600.06**	1,020,318.88
Net cash recovered from disposal of fixed assets, intangible assets and other long-term assets	**11,144.00**	46,215.00
Cash received relating to other investing activities	**-**	749,883.04
Sub-total of cash inflow from investing activities	**971,905,744.06**	513,993,951.17
Cash paid to acquire fixed assets, intangible assets and other long-term assets	**41,523,646.28**	62,608,985.15
Cash payments for investments	**1,084,999,990.40**	451,000,000.00
Sub-total of cash outflow from investing activities	**1,126,523,636.68**	513,608,985.15
Net cash flow generated from investing activities	**(154,617,892.62)**	384,966.02

Cash flow generated from financing activities:		
Cash proceeds from investments by others	**105,720.00**	-
Cash received from borrowings	**170,000,000.00**	787,872,000.00
Sub-total of cash inflow from financing activities	**170,105,720.00**	787,872,000.00
Cash repayments of borrowings	**390,690,154.60**	798,492,039.08
Cash paid for distribution of dividends, profit or interest expenses	**13,757,920.77**	17,743,430.19
Cash paid relating to other financing activities	**6,097,598.20**	2,177,724.27
Sub-total of cash outflow from financing activities	**410,545,673.57**	818,413,193.54
Net cash flow generated from financing activities	**(240,439,953.57)**	(30,541,193.540)
Effect of changes in foreign exchange rate on cash and cash equivalents	**(5,341,890.82)**	(3,726,841.82)
Net increase in cash and cash equivalents	**277,543,113.48**	96,601,302.40
Add: Balance of cash and cash equivalents at the beginning of the period	**1,078,715,288.59**	815,585,437.35
Balance of cash and cash equivalents at the end of the period	**1,356,258,402.07**	912,186,739.75

Consolidated Statement of Changes in Owners' Equity (Unaudited)
For the half-year ended 30 June 2026

RMB

Item	Owners' equity attributable to the Parent Company						Minority interest	Total owners' equity
	Paid-in capital (or share capital)	Capital reserve	Other comprehensive income	Surplus reserve	Undistributed profit	Subtotal		
At 31 December 2025 and at 1 January 2026	**82,371,325.00**	**1,939,566,639.74**	**33,345,873.50**	**41,185,662.50**	**4,038,346,732.33**	**6,134,816,233.07**	**619,366,520.74**	**6,754,182,753.81**
Increase/decrease in the current period	**600.00**	**41,102,424.51**	**2,038,115.17**	**-**	**806,421,163.85**	**849,562,303.53**	**(5,825,749.61)**	**843,736,553.92**
Total comprehensive income	**-**	**-**	**363,538.86**	**-**	**849,153,566.43**	**849,517,105.29**	**(5,825,749.61)**	**843,691,355.68**
Capital contribution by shareholders	**600.00**	**105,120.00**	**-**	**-**	**-**	**105,720.00**	**-**	**105,720.00**
Amount of share-based payment included in owners' equity	**-**	**40,997,304.51**	**-**	**-**	**-**	**40,997,304.51**	**-**	**40,997,304.51**
Profit distribution to owners (or shareholders)	**-**	**-**	**-**	**-**	**(47,775,716.50)**	**(47,775,716.50)**	**-**	**(47,775,716.50)**
Transfer of other comprehensive income to retained earnings	**-**	**-**	**1,674,576.31**	**-**	**(1,674,576.31)**	**-**	**-**	**-**
Other	**-**	**-**	**-**	**-**	**6,717,890.23**	**6,717,890.23**	**-**	**6,717,890.23**
At 30 June 2026	**82,371,925.00**	**1,980,669,064.25**	**35,383,988.67**	**41,185,662.50**	**4,844,767,896.18**	**6,984,378,536.60**	**613,540,771.13**	**7,597,919,307.73**

For the half-year ended 30 June 2025

RMB

Item	Owners' equity attributable to the Parent Company						Minority interest	Total owners' equity
	Paid-in capital (or share capital)	Capital reserve	Other comprehensive income	Surplus reserve	Undistributed profit	Subtotal		
At 31 December 2024 and at 1 January 2025	82,142,730.00	1,882,822,116.58	16,211,183.24	41,071,365.00	3,871,837,648.79	5,894,085,043.61	650,035,879.18	6,544,120,922.79
Increase/decrease in the current period	-	12,365,999.58	(336,692.28)	-	127,899,908.20	139,929,215.50	(13,135,908.25)	126,793,307.25
Total comprehensive income	-	-	(336,692.28)	-	193,614,092.20	193,277,399.92	(13,135,908.25)	180,141,491.67
Amount of share-based payment included in owners' equity	-	12,365,999.58	-	-	-	12,365,999.58	-	12,365,999.58
Profit distribution to owners (or shareholders)	-	-	-	-	(65,714,184.00)	(65,714,184.00)	-	(65,714,184.00)
At 30 June 2025	82,142,730.00	1,895,188,116.16	15,874,490.96	41,071,365.00	3,999,737,556.99	6,034,014,259.11	636,899,970.93	6,670,914,230.04

Statement of Changes in Owners' Equity of the Parent Company (Unaudited)
For the half-year ended 30 June 2026

RMB

Item	Paid-in capital (or share capital)	Capital reserve	Other comprehensive income	Surplus reserve	Undistributed profit	Total owners' equity
At 31 December 2025 and at 1 January 2026	**82,371,325.00**	**1,745,984,762.71**	**27,670,218.71**	**41,185,662.50**	**3,869,445,775.80**	**5,766,657,744.72**
Increase/decrease in the current period	**600.00**	**41,102,424.51**	**-**	**-**	**805,006,789.69**	**846,109,814.20**
Total comprehensive income	**-**	**-**	**-**	**-**	**852,782,506.19**	**852,782,506.19**
Capital contribution by shareholders	**600.00**	**105,120.00**	**-**	**-**	**-**	**105,720.00**
Amount of share-based payment included in owners' equity	**-**	**40,997,304.51**	**-**	**-**	**-**	**40,997,304.51**
Profit distribution to owners (or shareholders)	**-**	**-**	**-**	**-**	**(47,775,716.50)**	**(47,775,716.50)**
At 30 June 2026	**82,371,925.00**	**1,787,087,187.22**	**27,670,218.71**	**41,185,662.50**	**4,674,452,565.49**	**6,612,767,558.92**

For the half-year ended 30 June 2025

RMB

Item	Paid-in capital (or share capital)	Capital reserve	Other comprehensive income	Surplus reserve	Undistributed profit	Total owners' equity
At 31 December 2024 and at 1 January 2025	82,142,730.00	1,689,240,239.55	11,235,033.32	41,071,365.00	3,681,161,375.45	5,504,850,743.32
Increase/decrease in the current period	-	12,365,999.58	-	-	137,158,153.34	149,524,152.92
Total comprehensive income	-	-	-	-	202,872,337.34	202,872,337.34
Amount of share-based payment included in owners' equity	-	12,365,999.58	-	-	-	12,365,999.58
Profit distribution to owners (or shareholders)	-	-	-	-	(65,714,184.00)	(65,714,184.00)
At 30 June 2025	82,142,730.00	1,701,606,239.13	11,235,033.32	41,071,365.00	3,818,319,528.79	5,654,374,896.24

Notes to Financial Statements
For the half-year ended 30 June 2026

(1) BASIC INFORMATION ON THE COMPANY

Company overview

Shanghai Fudan Microelectronics Group Company Limited (the "Company") established on 10 July 1998 is a joint stock limited liability company incorporated in Shanghai, the People's Republic of China. The RMB ordinary shares (A-share) and H shares issued by the Company are listed on the Shanghai Stock Exchange and the Stock Exchange of Hong Kong Limited, respectively. The registered address of the Company is No. 220, Handan Road, Shanghai.

The principal activities of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") include the design, development and sale of integrated circuit products; and integrated circuit product testing services.

The financial statements have been approved by resolution of the board of directors of the Company on 17 August 2026.

The scope of consolidation in the consolidated financial statements is determined on the basis of control.

(2) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Basis of preparation

The financial statements have been prepared in accordance with the "Accounting Standards for Business Enterprises – Basic Standards" promulgated by the Ministry of Finance and the specific accounting standards, application guidelines, interpretations and other relevant regulations subsequently announced and revised (collectively "Accounting Standards for Business Enterprises" or "ASBEs"). In addition, these financial statements also discloses relevant financial information in accordance with "Rule No. 15 of the Rules for the Preparation and Disclosure of Information by Companies Issuing Public Securities - General Provisions for Financial Reports."

The financial statements are presented on a going concern basis.

Except for certain financial instruments, the financial statements have been prepared under the pricing principle of historical cost. If the assets are impaired, corresponding provisions for impairment shall be made according to relevant regulations.

Going concern

There is no event or circumstance of the Company which casts material doubts to the going concern abilities for the 12 months from the end of the Reporting Period.

(3) PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The Group has formulated specific accounting policies and accounting estimates according to the characteristics of its actual production and operation, which is mainly embodied in the impairment of financial instruments, impairment of inventories, depreciation of fixed assets, amortization of intangible assets, eligibility of the development costs for capitalisation and recognition and measurement of revenue.

1. Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements prepared by the Company are in accordance with the requirements of the ASBEs, and gives a true and complete view on information including the financial position, the operating results, changes in owners' equity and cash flows of the Company. The unaudited interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2025, which have been prepared in accordance with the ASBEs.

2. Accounting period

The Company adopts the Gregorian calendar year as its accounting year, commencing from 1 January to 31 December.

3. Functional currency

The functional currency of the Company is Renminbi.

4. Principal Accounting Policies

The accounting policies used in the preparation of the unaudited interim financial statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2025. The unaudited interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2025, which have been prepared in accordance with the ASBEs.

5. Tax

1. Main types of taxes and corresponding tax rates

Tax type	Tax basis	Tax rate
Value-added tax ("VAT")	VAT payable is the difference between VAT output and deductible VAT input for the current period	13%,6%
Urban maintenance and construction tax	VAT actually paid	7%
Corporate income tax ("CIT")	Taxable profit	29.84%, 25%, 16.5% or 15%
Property tax	It is paid at 1.2% of the original value of the property after deducting 30% or 10%.	1.2%

Different companies with different CIT rates, disclosed as follows:

Name of taxpayer	*Income tax rate (%)*
The Company	15
Sino IC Technology Co., Ltd.	15
Shanghai Fuwei Xunjie Digital Technology Co., Ltd.	15
Shanghai Fudan Microelectronics (Hong Kong) Limited	In accordance with the Inland Revenue (Amendment) (No.3) Ordinance 2018, under the two-tiered profits tax rates regime effective from the year of assessment 2018/2019, the first Hong Kong Dollar ("HK$") 2,000,000 of assessable profits of a qualifying entity is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.
Fudan Microelectronics (USA) Inc.	Subject to US federal corporate income tax rate of 21% and 8.84% in accordance with local laws

2. Tax preferential benefits

(a) According to "Corporate Income Tax Law of the People's Republic of China", the preferential income tax rate of 15% is applicable to high-new technology enterprises. The Company and Sino IC obtained the high-tech enterprise certificates No. GR202331003224 and GR202331002511 respectively in 2023, and Shanghai Fuwei Xunjie Digital Technology Co., Ltd. obtained the high-tech enterprise certificates No. GR202431000324 in 2024, which are valid for three years. Accordingly, they pay corporate income tax at a reduced rate of 15% for the year 2026.

(b) In accordance with the requirements under the Circular of the Ministry of Finance and the State Administration of Taxation on the Value-added Tax Policy of Software Products (Cai Shui [2011] No. 100), the Company is entitled to the policies of recovery upon payment of VAT for software products.

(4) CASH AT BANK AND ON HAND

RMB

Item	**30 June 2026**	31 December 2025
Cash on hand	**-**	13,874.79
Deposits with banks	**1,549,929,026.72**	1,298,607,835.23
Total	**1,549,929,026.72**	1,298,621,710.02
Including: Total overseas deposits	**46,048,706.44**	33,595,147.95

Note:	As at 30 June 2026, the Group has no cash balance being restricted. Bank current deposits generate interest income at the interest rate of bank current deposits. The term of short-term time deposits is 12 months which depending on the cash needs of the Group, and interest income is obtained at the corresponding bank time deposit rates.

(5) FINANCIAL ASSETS HELD FOR TRADING

RMB

Item	**30 June 2026**	31 December 2025
Financial assets at fair value through current profit or loss	**810,739,021.89**	180,133,750.68
– debt instrument investments	**285,394,898.63**	180,133,750.68
– equity instrument investments	**525,344,123.26**	-

(6) NOTES RECEIVABLE

1. Notes receivable by category

RMB

Item	**30 June 2026**	31 December 2025
Bank acceptance notes	**42,462,464.34**	38,929,339.96
Commercial acceptance notes	**74,756,839.54**	258,065,161.41
Total	**117,219,303.88**	296,994,501.37

2. Disclosure under the methods of provision for bad debts by category

RMB

Category	**30 June 2026**					31 December 2025				
	Book balance		**Provision for bad and doubtful debts**		**Carrying amounts**	Book balance		Provision for bad and doubtful debts		Carrying amounts
	Amount	**Percentage (%)**	**Amount**	**Percentage of provision (%)**		Amount	Percentage (%)	Amount	Percentage of provision (%)	
Bad debt provision made on individual basis	**120,008,198.77**	**100.00**	**2,788,894.89**	/	**117,219,303.88**	310,668,926.37	100.00	13,674,425.00	4.40	296,994,501.37
Of which:										
Bank acceptance notes portfolio	**42,462,464.34**	**35.38**	-	/	**42,462,464.34**	38,929,339.96	12.53	-	/	38,929,339.96
Commercial acceptance notes portfolio	**77,545,734.43**	**64.62**	**2,788,894.89**	**3.60**	**74,756,839.54**	271,739,586.41	87.47	13,674,425.00	5.03	258,065,161.41
Total	**120,008,198.77**	/	**2,788,894.89**	/	**117,219,303.88**	310,668,926.37	/	13,674,425.00	/	296,994,501.37

3. Provision for bad debts

RMB

Category	At 31 December 2025 and at 1 January 2026	Change during the period	**30 June 2026**
		Provision or reversal	
Commercial acceptance notes	13,674,425.00	10,885,530.11	**2,788,894.89**
Total	13,674,425.00	10,885,530.11	**2,788,894.89**

(7) ACCOUNTS RECEIVABLE

1. An ageing analysis based on the invoice date is as follows:

RMB

Ageing	**30 June 2026**	31 December 2025
Within 1 year	**1,294,736,929.11**	1,128,104,025.31
1 to 2 years	**690,125,798.80**	689,808,867.73
2 to 3 years	**239,256,957.45**	134,313,233.01
3 to 4 years	**55,553,158.03**	15,811,595.91
4 to 5 years	**5,721,557.81**	1,345,931.88
Over 5 years	**1,610,322.24**	1,532,786.10
Total	**2,287,004,723.44**	1,970,916,439.94

2. Disclosure under the methods of provision for bad debts by category

RMB

Category	**30 June 2026**					31 December 2025				
	Book balance		**Provision for bad and doubtful debts**		**Carrying amounts**	Book balance		Provision for bad and doubtful debts		Carrying amounts
	Amount	**Percentage (%)**	**Amount**	**Percentage of provision (%)**		Amount	Percentage (%)	Amount	Percentage of provision (%)	
Bad debt allowance is provided by portfolio	**2,287,004,723.44**	**100.00**	**113,298,016.20**	**4.95**	**2,173,706,707.24**	1,970,916,439.94	100.00	94,017,259.05	4.77	1,876,899,180.89
Of which:										
Highly Reliable Product Sales Portfolio	**2,095,207,173.93**	**91.61**	**98,624,126.60**	**4.71**	**1,996,583,047.33**	1,791,149,721.64	90.88	83,463,849.05	4.66	1,707,685,872.59
Industrial Sales Portfolio	**150,056,486.95**	**6.56**	**13,414,978.43**	**8.94**	**136,641,508.52**	139,008,517.43	7.05	9,334,745.06	6.72	129,673,772.37
Testing Services Portfolio	**41,741,062.56**	**1.83**	**1,258,911.17**	**3.02**	**40,482,151.39**	40,758,200.87	2.07	1,218,664.94	2.99	39,539,535.93
Total	**2,287,004,723.44**	/	**113,298,016.20**	/	**2,173,706,707.24**	1,970,916,439.94	/	94,017,259.05	/	1,876,899,180.89

3. Provision for bad debts

RMB

Category	At 31 December 2025 and at 1 January 2026	Change during the period			**30 June 2026**
		Provision	Recovery or reversal	Write-off or cancellation	
Bad debt provision	94,017,259.05	19,830,779.53	-	550,022.38	**113,298,016.20**
Total	94,017,259.05	19,830,779.53	-	550,022.38	**113,298,016.20**

4. Five largest accounts receivable and contract assets by debtors at the end of the period

RMB

Entity name	Book balance of accounts receivable and contract assets at the end of the period	Percentage of balance of accounts receivable and contract assets (%)	Provision for bad debts
First	527,343,300.00	23.06	29,681,310.00
Second	206,634,671.38	9.04	9,558,293.14
Third	188,820,000.00	8.26	9,662,430.00
Forth	72,957,880.00	3.19	3,729,238.00
Fifth	69,239,900.00	3.03	5,516,814.00
Total	1,064,995,751.38	46.58	58,148,085.14

(8) RECEIVABLE FINANCING

RMB

Item	**30 June 2026**	31 December 2025
Bank acceptance notes	**201,924,906.13**	190,455,252.30
Total	**201,924,906.13**	190,455,252.30

Notes receivable that was endorsed or discounted but not yet due at the balance sheet date were as follows:

Item	**30 June 2026**	
	Termination of confirmation	**Non-termination confirmation**
Bank acceptance notes	**54,943,416.70**	-

(9) PREPAYMENTS

1. Prepayments by ageing

RMB

Ageing	**30 June 2026**		31 December 2025	
	Amount	**Percentage (%)**	Amount	Percentage (%)
Within 1 year	**265,138,787.34**	**84.38**	317,030,545.04	91.51
1 to 2 years	**20,706,329.00**	**6.59**	27,616,771.03	7.97
2 to 3 years	**28,384,931.20**	**9.03**	1,807,910.57	0.52
Over 3 years	**136.79**	**0.00**	-	-
Total	**314,230,184.33**	**100.00**	346,455,226.64	100.00

2. Five largest prepayments by debtor at the end of the period

RMB

Entity name	Book balance	Percentage of balance of prepayments (%)
First	93,291,262.91	29.69
Second	33,240,549.28	10.58
Third	30,830,000.62	9.81
Forth	25,342,986.96	8.07
Fudan University	20,000,000.00	6.36
Total	202,704,799.77	64.51

(10) OTHER RECEIVABLES

RMB

Item	**30 June 2026**	31 December 2025
Other receivables	**6,545,372.39**	5,802,950.31
Total	**6,545,372.39**	5,802,950.31

Other receivables

1. By ageing

RMB

Ageing	**30 June 2026**	31 December 2025
Within 1 year	**4,277,257.35**	3,097,095.46
1 to 2 years	**154,395.00**	222,398.82
2 to 3 years	**223,376.43**	472,460.75
Over 3 years	**1,890,343.61**	2,010,995.28
Total	**6,545,372.39**	5,802,950.31

2. By nature

RMB

Nature	**30 June 2026**	31 December 2025
Deposit guarantee	**4,312,525.34**	3,697,357.13
Payment on behalf	**813,491.00**	250,000.00
Reserve fund	**137,000.00**	67,000.00
Others	**1,282,356.05**	1,788,593.18
Total	**6,545,372.39**	5,802,950.31

3. Five largest other receivables by debtor at the end of the period

RMB

Entity name	Nature of the receivable	**30 June 2026**	Ageing	Percentage of total of other receivables at the end of the period (%)
Shanghai Foreign Service Holding Group Co., Ltd.	Other	**1,210,179.47**	Within 1 year	18.49
Kweichow Moutai Co., Ltd.	Security deposits	**1,000,000.00**	Within 1 year	15.28
Shanghai Qianda Economic and Technological Development Co., Ltd.	Security deposits	**721,629.50**	Over 3 years	11.03
Guangzhou Yangcheng Tong Co., Ltd.	Security deposits	**226,800.00**	Over 3 years	3.47
Fifth	Security deposits	**200,000.00**	Over 3 years	3.06
Total	/	**3,358,608.97**	/	51.33

(11) INVENTORIES

1. Inventories by category

RMB

Item	**30 June 2026**			31 December 2025		
	Book balance	**Provision for impairment of inventory / contract performance cost**	**Carrying amounts**	Book balance	Provision for impairment of inventory / contract performance cost	Carrying amounts
Raw materials	**1,007,145,684.98**	**257,540,193.72**	**749,605,491.26**	1,044,651,129.54	246,555,606.68	798,095,522.86
Work-in-progress	**1,115,972,760.99**	**151,605,409.92**	**964,367,351.07**	1,089,328,167.57	155,559,999.07	933,768,168.50
Finished goods	**1,205,232,296.87**	**394,755,895.88**	**810,476,400.99**	1,287,126,220.94	393,911,287.27	893,214,933.67
Contract performance costs	**11,324,723.70**	**-**	**11,324,723.70**	11,515,724.52	-	11,515,724.52
Total	**3,339,675,466.54**	**803,901,499.52**	**2,535,773,967.02**	3,432,621,242.57	796,026,893.02	2,636,594,349.55

As at 30 June 2026, the Group did not have inventories used for pledge or guarantee purposes (31 December 2025: Nil).

2. Provision for impairment of inventory and contract performance cost

RMB

Item	At 31 December 2025 and at 1 January 2026	Increase during the period		Decrease during the period	30 June 2026
		Provision or reversal	Others	Write-back or write-off	
Raw materials	246,555,606.68	11,367,075.35	-	382,488.31	**257,540,193.72**
Work-in-progress	155,559,999.07	(3,092,551.77)	-	862,037.38	**151,605,409.92**
Finished goods	393,911,287.27	6,537,550.89	-	5,692,942.28	**394,755,895.88**
Total	796,026,893.02	14,812,074.47	-	6,937,467.97	**803,901,499.52**

(12) OTHER CURRENT ASSETS

RMB

Item	30 June 2026	31 December 2025
Input VAT to be deducted	**10,937,160.61**	16,937,753.91
Prepaid corporate income tax	**9,936,803.14**	9,374,391.90
Amortized expenses	**442,140.16**	1,227,012.76
Total	**21,316,103.91**	27,539,158.57

(13) LONG-TERM EQUITY INVESTMENTS

RMB

Investee	At 31 December 2025 and at 1 January 2026	Opening balance of provision for impairment	Increase or decrease during the period			30 June 2026	Closing balance of provision for impairment
			Reduction of Investment	Investment profit or loss recognized with the equity method	Others		
Associates							
Shanghai Xihongqiao Navigation Technology Co., Ltd	2,462,571.13	-	-	(654,268.61)	-	**1,808,302.52**	-
Shanghai Fukong Hualong Microsystem Technology Co., Ltd.	8,003,677.28	(26,209,347.67)	-	(902,269.33)	-	**7,101,407.95**	(26,209,347.67)
Shanghai Fudan Sci-Tech. Park Venture Investment Co., Ltd	12,469,666.41	-	-	(204,005.53)	-	**12,265,660.88**	-
Shanghai Haojun Venture Capital Partnership (Limited Partnership)	23,857,332.84	-	-	62,979.33	-	**23,920,312.17**	-
Shanghai Finis Digital Technology Co., Ltd.	99,681.43	-	-	194,425.98	-	**294,107.41**	-
Total	46,892,929.09	(26,209,347.67)	-	(1,503,138.16)	-	**45,389,790.93**	(26,209,347.67)

The recoverable amount is determined as the net amount of the fair value less costs to sell

RMB

Item	Book balance	Recoverable amount	Impairment amount	Method for determining fair value and disposal costs	Key assumptions	Basis for determining key assumptions
Shanghai Fukong Hualong Microsystem Technology Co., Ltd	8,003,677.28	8,003,677.28	26,209,347.67	Market multiples method and industry practice	Price-to-sales ratio	Comparable companies
Total	8,003,677.28	8,003,677.28	26,209,347.67	/	/	/

(14) INVESTMENTS IN OTHER EQUITY INSTRUMENTS

RMB

Investee	At 31 December 2025 and at 1 January 2026	Reduction in investment	Other	**30 June 2026**	Accumulated profit in other comprehensive income	Reasons for being designated as at fair value through other comprehensive income
Shanghai Fudan Communication Co., Ltd.	42,705,518.79	-	-	**42,705,518.79**	27,670,218.71	Non-trading
Shenglianke (Shanghai) Technology Co.	10,799,463.58	-	(334,772.43)	**10,464,691.15**	7,330,976.28	Non-trading
ScaleFlux, Inc	1,842,888.88	(1,785,757.43)	(57,131.45)	**-**	-	Non-trading
Zhejiang Jingchang Electronics Co., Ltd.	-	-	-	**-**	-	Non-trading
Total	55,347,871.25	(1,785,757.43)	(391,903.88)	**53,170,209.94**	35,001,194.99	

(15) FIXED ASSETS

RMB

Item	**30 June 2026**	31 December 2025
Fixed assets	**1,368,957,572.03**	1,467,987,999.20
Total	**1,368,957,572.03**	1,467,987,999.20

Fixed assets status

RMB

Item	Buildings and structures	Machinery and equipment	Motor vehicles	Electronics and other equipment	Total
Original book value					
31 December 2025	972,019,103.18	1,363,400,697.06	8,447,220.40	317,878,990.45	2,661,746,011.09
Increase during the period	(25,008,792.77)	46,924,711.90	-	5,287,037.29	27,202,956.42
Additions	-	-	-	4,239,841.00	4,239,841.00
Transfer from construction in progress	-	21,915,919.13	-	1,048,473.77	22,964,392.90
Exchange realignment	-	-	-	(1,277.48)	(1,277.48)
Reclassification	(25,008,792.77)	25,008,792.77	-	-	-
Decrease during the period	-	(30,143,465.76)	(976,447.02)	(62,239.25)	(31,182,152.03)
Disposal or written off	-	(30,143,465.76)	(976,447.02)	(62,239.25)	(31,182,152.03)
30 June 2026	**947,010,310.41**	**1,380,181,943.20**	**7,470,773.38**	**323,103,788.49**	**2,657,766,815.48**
Accumulated depreciation					
31 December 2025	110,873,419.69	934,430,932.63	7,235,317.58	141,218,341.99	1,193,758,011.89
Increase during the period	16,295,836.74	76,538,989.21	240,536.59	28,035,886.73	121,111,249.27
Provision	16,295,836.74	76,538,989.21	240,536.59	28,044,280.69	121,119,643.23
Exchange realignment	-	-	-	(8,393.96)	(8,393.96)
Decrease during the period	-	(25,063,955.11)	(937,389.14)	(58,673.46)	(26,060,017.71)
Disposal or written off	-	(25,063,955.11)	(937,389.14)	(58,673.46)	(26,060,017.71)
30 June 2026	**127,169,256.43**	**985,905,966.73**	**6,538,465.03**	**169,195,555.26**	**1,288,809,243.45**
Carrying amounts					
30 June 2026	**819,841,053.98**	**394,275,976.47**	**932,308.35**	**153,908,233.23**	**1,368,957,572.03**
31 December 2025	861,145,683.49	428,969,764.43	1,211,902.82	176,660,648.46	1,467,987,999.20

(16) CONSTRUCTION IN PROGRESS

RMB

Item	**30 June 2026**	31 December 2025
Construction in progress	**95,677,902.92**	81,428,048.12
Total	**95,677,902.92**	81,428,048.12

Construction in progress status

RMB

Item	**30 June 2026**			31 December 2025		
	Book balance	**Provision for impairment**	**Carrying amounts**	Book balance	Provision for impairment	Carrying amounts
Equipment to be commissioned	**95,677,902.92**	/	**95,677,902.92**	81,428,048.12	/	81,428,048.12
Total	**95,677,902.92**	/	**95,677,902.92**	81,428,048.12	/	81,428,048.12

Changes in the current period of important projects under construction

RMB

Item	Budget	At 31 December 2025 and at 1 January 2026	Increase during the period	Transferred to fixed assets during the period	Accumulative investment of the budget (%)	**30 June 2026**	Source of Fund
IC Technology R&D and Industrial Application Base	800,000,000.00	26,178,067.26	25,282,405.83	5,452,072.36	91.95%	**46,008,400.73**	Own funds/raised funds
Total	800,000,000.00	26,178,067.26	25,282,405.83	5,452,072.36	91.95%	**46,008,400.73**	

(17) RIGHT-OF-USE ASSETS

RMB

Item	Buildings and structures
Original book value	
31 December 2025	120,678,774.17
Increase during the period	9,627,333.91
Addition	9,737,026.41
Exchange realignment	(109,692.50)
Decrease during the period	(2,367,249.94)
Disposal	(2,367,249.94)
30 June 2026	**127,938,858.14**
Accumulated depreciation	
31 December 2025	78,803,538.55
Increase during the period	7,381,424.38
Provision	7,319,959.27
Exchange realignment	61,465.11
Decrease during the period	(2,367,249.94)
Disposal	(2,367,249.94)
30 June 2026	**83,817,712.99**
Carrying amounts	
30 June 2026	**44,121,145.15**
31 December 2025	41,875,235.62

(18) INTANGIBLE ASSETS

RMB

Item	Software use right	Patent technologies	Total
Original book value			
31 December 2025	131,696,596.68	1,006,494,563.61	1,138,191,160.29
Increase during the period	2,210,783.49	9,914,365.80	12,125,149.29
Additions	2,210,783.49	-	2,210,783.49
In-house research and development	-	9,914,365.80	9,914,365.80
Decrease during the period	4,646,328.69	-	4,646,328.69
Disposal	4,646,328.69	-	4,646,328.69
30 June 2026	**129,261,051.48**	**1,016,408,929.41**	**1,145,669,980.89**
Accumulated amortisation			
31 December 2025	99,949,333.66	602,049,975.65	701,999,309.31
Increase during the period	10,114,259.89	68,406,967.71	78,521,227.60
Provision	10,114,259.89	68,406,967.71	78,521,227.60
Decrease during the period	2,361,363.81	-	2,361,363.81
Disposal	2,361,363.81	-	2,361,363.81
30 June 2026	**107,702,229.74**	**670,456,943.36**	**778,159,173.10**
Provision for impairment			
31 December 2025	-	126,067,906.36	126,067,906.36
Increase during the period	-	2,094,746.04	2,094,746.04
Provision	-	2,094,746.04	2,094,746.04
30 June 2026	**-**	**128,162,652.40**	**128,162,652.40**
Carrying amounts			
30 June 2026	**21,558,821.74**	**217,789,333.65**	**239,348,155.39**
31 December 2025	31,747,263.02	278,376,681.60	310,123,944.62

At the end of the period, the intangible assets formed through in-house research and development of the Group accounted for 88.73% of the carrying amount of intangible assets.

Impairment testing of intangible assets

RMB

	Carrying amount	Recoverable amount	Provision for impairment	Forecasted year	Key parameters	Key parameters during the stabilisation phase	Basis for determining key parameters during the stabilisation phase
Security and identification chip technology	2,857,887.91	763,141.87	2,094,746.04		Administrative expenses rate: 3.30% Selling expenses rate: 6.24% Return on working capital: 3.10% Discount rate: 13.00%		
Total	2,857,887.91	763,141.87	2,094,746.04	/	/	/	/

(19) LONG-TERM PREPAID EXPENSES

RMB

Item	At 31 December 2025 and at 1 January 2026	Increase during the period	Amortised during the period	**30 June 2026**
Leasehold improvements of offices and factories	50,152,070.41	4,056,956.14	7,188,739.85	**47,020,286.70**
Total	50,152,070.41	4,056,956.14	7,188,739.85	**47,020,286.70**

(20) DEFERRED INCOME TAX ASSETS / DEFERRED INCOME TAX LIABILITIES

1. Deferred income tax assets before offsetting

RMB

Item	**30 June 2026**		31 December 2025	
	Deductible temporary differences	**Deferred income tax assets**	Deductible temporary differences	Deferred income tax assets
Provision for impairment of assets	**2,979,693.87**	**446,954.08**	3,077,628.28	461,644.24
Deductible losses	**69,872,428.74**	**10,480,864.31**	78,651,218.35	11,797,682.75
Government grants	**34,496,396.18**	**5,174,459.42**	54,813,043.80	8,221,956.57
Lease liabilities	**16,709,680.85**	**2,506,452.12**	11,727,722.29	1,759,158.34
Accrued expenses	**871,000.00**	**130,650.00**	905,000.00	135,750.00
Total	**124,929,199.64**	**18,739,379.93**	149,174,612.72	22,376,191.90

2. Deferred income tax liabilities before offsetting

RMB

Item	**30 June 2026**		31 December 2025	
	Taxable temporary differences	**Deferred income tax Liabilities**	Taxable temporary differences	Deferred income tax Liabilities
Changes in the fair value of financial assets held for trading	**465,344,132.86**	**46,534,413.29**	-	-
Fair value change of other equity instrument investments	**42,705,518.79**	**6,536,198.68**	42,705,518.79	6,536,198.68
Depreciation of fixed assets	**13,754,200.15**	**2,063,130.02**	12,726,448.28	1,908,967.24
Right-of-use assets	**10,142,675.69**	**1,521,622.47**	17,655,235.69	2,648,285.35
Unrealised profit of intra-group transaction	**1,720,782.73**	**258,117.41**	1,858,963.40	278,844.51
Total	**533,667,310.22**	**56,913,481.87**	74,946,166.16	11,372,295.78

3. Deferred income tax assets or liabilities presented at net amount after offsetting:

RMB

Item	**30 June 2026**		31 December 2025	
	Offset amount of deferred income tax assets and Liabilities	**Remaining deferred income tax assets or liabilities after offset**	Offset amount of deferred income tax assets and Liabilities	Remaining deferred income tax assets or liabilities after offset
Deferred income tax assets	**(3,840,437.60)**	**14,898,942.33**	(4,833,567.71)	17,542,624.19
Deferred income tax liabilities	**(3,840,437.60)**	**53,073,044.27**	(4,833,567.71)	6,538,728.07

4. Details of unrecognised deferred income tax assets

RMB

Item	**30 June 2026**	31 December 2025
Deductible temporary differences	**1,313,263,366.52**	1,312,630,292.08
Deductible losses	**540,415,582.28**	424,638,641.62
Total	**1,853,678,948.80**	1,737,268,933.70

5. Deductible losses that are not recognized for deferred income tax assets will expire in:

RMB

Year	**30 June 2026**	31 December 2025
2025	**-**	-
2026	**-**	873,924.24
2027	**9,819,216.13**	1,199,994.58
2028	**16,505,881.37**	8,162,825.68
2029 and after	**514,090,484.78**	414,401,897.12
Total	**540,415,582.28**	424,638,641.62

(21) OTHER NON-CURRENT ASSETS

RMB

Item	30 June 2026			31 December 2025		
	Book balance	**Provision for impairment**	**Carrying amounts**	Book balance	Provision for impairment	Carrying amounts
Prepayment of production capacity deposit	**26,096,780.66**	**-**	**26,096,780.66**	53,861,132.10	-	53,861,132.10
Prepaid equipment	**53,589,757.88**	**-**	**53,589,757.88**	16,065,292.70	-	16,065,292.70
Rental deposit	**2,498,482.12**	**-**	**2,498,482.12**	-	-	-
Total	**82,185,020.66**	**-**	**82,185,020.66**	69,926,424.80	-	69,926,424.80

(22) ASSETS SUBJECT TO RESTRICTIONS ON OWNERSHIP OR USAGE

RMB

Item	30 June 2026				31 December 2025			
	Gross Carrying amount	**Carrying amount**	**Restricted type**	**Restricted situation**	Gross Carrying amount	Carrying amount	Restricted type	Restricted situation
Notes receivable	**7,744,820.43**	**7,744,820.43**	**Endorsed**	**Note1**	1,738,000.00	1,738,000.00	Endorsed	
Total	**7,744,820.43**	**7,744,820.43**	/	/	1,738,000.00	1,738,000.00	/	/

Note 1: At 30 June 2026, the Group endorsed undue commercial notes receivable with a carrying amount of RMB6,744,820.43 and bank notes receivable with a carrying amount of RMB1,000,000.00.

(23) SHORT-TERM BORROWINGS

RMB

Item	**30 June 2026**	31 December 2025
Unsecured borrowings	**535,783,263.75**	675,896,654.17
Total	**535,783,263.75**	675,896,654.17

As at 30 June 2026, annual interest rate for the above unsecured borrowings is 2.11% (31 December 2025: 2.11% to 2.40%). At 30 June 2026, according to the borrowings agreements, the above short-term borrowings were repayable within one year, and the Group had no short-term borrowings due but outstanding (31 December 2025: Nil).

(24) ACCOUNTS PAYABLE

An ageing analysis based on the invoice date is as follows:

RMB

Ageing	**30 June 2026**	31 December 2025
Within 1 year	**344,750,687.74**	181,687,801.95
1 to 2 years	**6,151,383.75**	22,555,500.13
Over 2 years	**33,906,889.23**	28,961,192.70
Total	**384,808,960.72**	233,204,494.78

Accounts payable are non-interest-bearing and are generally settled on terms of within 3 months. As at 30 June 2026, the Group had no significant accounts payable aged over 1 year (31 December 2025: Nil).

(25) CONTRACT LIABILITIES

RMB

Item	**30 June 2026**	31 December 2025
Contract payment and testing fee in advance	**136,560,141.61**	127,777,512.09
Total	**136,560,141.61**	127,777,512.09

At the balance sheet date, the total transaction price allocated to the remaining performance obligations will be recognized as revenue in one year as the related services are provided and goods are sold.

(26) EMPLOYEE BENEFITS PAYABLES

1. Employee benefits payable

RMB

Item	At 31 December 2025 and at 1 January 2026	Increase during the period	Decrease during the period	**30 June 2026**
Short-term employee benefits	205,463,548.81	485,783,348.82	538,846,071.37	**152,400,826.26**
Post-employment – Defined contribution plan	6,694,864.64	45,845,300.10	45,881,064.31	**6,659,100.43**
Total	212,158,413.45	531,628,648.92	584,727,135.68	**159,059,926.69**

2. Short-term employee benefits

RMB

Item	At 31 December 2025 and at 1 January 2026	Increase during the period	Decrease during the period	**30 June 2026**
Salary, bonus, allowances and subsidies	163,664,852.05	439,034,309.57	491,786,529.42	**110,912,632.20**
Employee welfare	-	989,343.79	989,343.79	**-**
Social insurance	3,392,933.71	26,298,292.94	26,283,745.38	**3,407,481.27**
Including: Medical insurance	2,980,446.10	24,898,500.02	24,880,663.73	**2,998,282.39**
Work injury insurance	303,031.91	1,368,131.99	1,369,521.62	**301,642.28**
Maternity insurance	109,455.70	31,660.93	33,560.03	**107,556.60**
Housing funds	2,781,097.92	19,461,312.52	19,582,348.98	**2,660,061.46**
Labour union funds and employee education funds	35,624,665.13	90.00	204,103.80	**35,420,651.33**
Total	205,463,548.81	485,783,348.82	538,846,071.37	**152,400,826.26**

3. Defined contribution plan

RMB

Item	31 December 2025 and 1 January 2026	Increase during the period	Decrease during the period	**30 June 2026**
Basic pensions	6,411,594.88	44,430,611.47	44,464,624.27	**6,377,582.08**
Unemployment insurance	283,269.76	1,414,688.63	1,416,440.04	**281,518.35**
Total	6,694,864.64	45,845,300.10	45,881,064.31	**6,659,100.43**

(27) TAXES PAYABLES

RMB

Item	**30 June 2026**	31 December 2025
VAT	**12,796,463.87**	22,233,738.87
CIT	**74,824.92**	72,188.66
Individual income tax	**15,400,520.97**	9,630,475.79
City maintenance and construction tax	**1,110,455.52**	1,676,831.56
Stamp duties	**786,863.96**	737,703.53
Property tax	**1,901,126.53**	2,934,591.68
Land-use tax	**7,082.95**	17,662.64
Other	**96,390.45**	-
Total	**32,173,729.17**	37,303,192.73

(28) OTHER PAYABLES

RMB

Item	**30 June 2026**	31 December 2025
Dividend payable for ordinary shares	**47,775,716.50**	-
Other payables	**44,873,841.98**	68,838,190.24
Total	**92,649,558.48**	68,838,190.24

Other payables – others by nature of payment

RMB

Item	**30 June 2026**	31 December 2025
Payable equipment expenses	**29,522,751.33**	46,885,191.13
Collection and payment of behalf	**-**	6,921,709.44
Others	**15,351,090.65**	15,031,289.67
Total	**44,873,841.98**	68,838,190.24

On 30 June 2026, the Group had no significant other payables aged over one year.

(29) NON-CURRENT LIABILITIES DUE WITHIN ONE YEAR

RMB

Item	**30 June 2026**	31 December 2025
Current portion of long-term borrowings	**301,510,234.52**	162,498,596.68
Current portion of lease liabilities	**12,982,796.23**	13,274,214.02
Total	**314,493,030.75**	175,772,810.70

(30) OTHER CURRENT LIABILITIES

RMB

Item	**30 June 2026**	31 December 2025
Accrued expenses	**4,689,803.56**	4,544,046.29
Government grants	**134,871,200.00**	152,587,725.00
Output tax to be transferred	**17,271,456.80**	16,318,030.44
Endorsed bills receivable	**6,776,445.43**	1,738,000.00
Total	**163,608,905.79**	175,187,801.73

(31) LONG-TERM BORROWINGS

RMB

Item	**30 June 2026**	31 December 2025
Unsecured borrowings	**716,756,519.52**	799,625,281.68
Less: Long-term borrowings due within one year	**301,510,234.52**	162,498,596.68
Total	**415,246,285.00**	637,126,685.00

As at 30 June 2026, annual interest rate for the above unsecured borrowings is ranged from 2.24% to 2.56% (31 December 2025: 2.24% to 2.88%).

(32) LEASE LIABILITIES

RMB

Item	**30 June 2026**	31 December 2025
Lease liabilities	**45,061,664.74**	45,013,169.80
Less: Lease liabilities due within one year	**12,982,796.23**	13,274,214.02
Total	**32,078,868.51**	31,738,955.78

(33) PROVISIONS

RMB

Item	**30 June 2026**	31 December 2025
Compensation payments	**2,403,529.00**	34,035,079.00
Total	**2,403,529.00**	34,035,079.00

Provision for estimated liabilities represents the estimated compensation for losses, accrued based on the Group's reasonable assessment of the potential loss amount to suppliers and the compensation ratio.

(34) DEFERRED INCOME

Deferred income status

RMB

Item	At 31 December 2025 and at 1 January 2026	Increase during the period	Decrease during the period	**30 June 2026**
Government grants related to assets	35,374,548.33	7,555,000.00	11,061,188.89	**31,868,359.44**
Government grants related to revenue	-	1,398,679.25	1,398,679.25	**-**
Total	35,374,548.33	8,953,679.25	12,459,868.14	**31,868,359.44**

(35) PAID-IN CAPITAL (OR SHARE CAPITAL)

RMB

	At 31 December 2025 and at 1 January 2026	change in the period	**30 June 2026**
Share capital	82,371,325.00	600.00	**82,371,925.00**

As at 30 June 2026, the total number of shares of the Company is 823,719,250.

(36) CAPITAL RESERVE

RMB

Item	At 31 December 2025 and at 1 January 2026	Increase during the period	**30 June 2026**
Capital premium (share capital premium)	1,724,235,686.18	105,120.00	**1,724,340,806.18**
Other capital reserve	215,330,953.56	40,997,304.51	**256,328,258.07**
Total	1,939,566,639.74	41,102,424.51	**1,980,669,064.25**

Note:

1. On 30 December 2025, the Company issued 2,291,950 A Shares to the participants who met the vesting conditions for the fourth vesting period of the initial grant and the third vesting period of the reserved grant under the 2021 A Shares Restricted Share Incentive Scheme. The third vesting period for the reserved grant was completed during the current period at the China Securities Depository and Clearing Corporation Limited, and the corresponding amount of RMB105,120.00 was transferred from other capital reserve to share capital premium.

2. In addition to the above transfer of other capital reserve to share capital premium, movements in other capital surplus are as follows: the Company implemented an employee incentive scheme, and recognised expenses and other capital reserve amounting to RMB40,997,304.51 over the vesting period.

(37) OTHER COMPREHENSIVE INCOME

RMB

Item	At 31 December 2025 and at 1 January 2026	Amount for the period			**30 June 2026**
		Amount before income tax in the period	Reclassified from other comprehensive income to retained earnings	Attributable to the parent company, after tax	
Changes in the fair value of other equity instrument investments	33,326,618.68	-	(1,674,576.31)	1,674,576.31	**35,001,194.99**
Differences on translation of foreign currency financial statements	19,254.82	363,538.86	-	363,538.86	**382,793.68**
Total other comprehensive income	33,345,873.50	363,538.86	(1,674,576.31)	2,038,115.17	**35,383,988.67**

(38) SURPLUS RESERVE

RMB

Item	**30 June 2026**	31 December 2025
Statutory surplus reserve	**41,185,662.50**	41,185,662.50
Total	**41,185,662.50**	41,185,662.50

According to the Company Law and the Articles of Association of the Company, the Company appropriates 10% of the net profit to the statutory surplus reserve. If the accumulated amount of statutory surplus reserve is more than 50% of the company's registered capital, it can no longer be withdrawn.

(39) UNDISTRIBUTED PROFIT

RMB

Item	**Half-year ended 30 June 2026**	Year ended 31 December 2025
Closing balance of undistributed profits for the prior period before adjustment	**4,038,346,732.33**	3,871,837,648.79
Opening balance of undistributed profits after adjustment	**4,038,346,732.33**	3,871,837,648.79
Add: net profits attributable to owners of the Parent Company for the period	**849,153,566.43**	232,337,565.04
Add: reclassified to retained earnings arising from the disposal of other equity instruments	**6,717,890.23**	-
Less: transfer statutory surplus reserve	**-**	114,297.50
Less: dividend payable for ordinary shares	**47,775,716.50**	-
Less: reclassified from other comprehensive income to retained earnings	**1,674,576.31**	-
Distributions to owners	**-**	65,714,184.00
Closing balance of undistributed profits	**4,844,767,896.18**	4,038,346,732.33

According to the resolution of the 2025 Annual General Meeting of shareholders held on 22 May 2026, the Company distributed cash dividends of RMB47,775,716.50 (including tax) based on the total share capital of 823,719,250 shares on 3 July 2026 (as the registration date), representing a dividend of RMB0.058 per ordinary share (including tax).

(40) REVENUE AND COST OF SALES

1. Revenue and Cost of sales

RMB

Item	Half-year ended 30 June			
	2026		2025	
	Income	**Cost**	Income	Cost
Principal businesses	**2,223,667,449.81**	**956,754,707.27**	1,838,092,624.45	793,108,040.12
Other businesses	**1,826,635.40**	**475,921.06**	758,392.03	1,219,642.95
Total	**2,225,494,085.21**	**957,230,628.33**	1,838,851,016.48	794,327,683.07

2. Revenue

RMB

Contract classification	Design and sales of integrated circuits	Integrated Circuit Testing Service	Total
Types of products			
Design and sales of integrated circuits	**2,154,834,866.74**	**-**	**2,154,834,866.74**
Integrated circuit testing service	**-**	**69,487,317.31**	**69,487,317.31**
Lease income	**161,145.57**	**1,010,755.59**	**1,171,901.16**
Sort by place of business			
PRC	**2,083,748,448.70**	**70,211,799.08**	**2,153,960,247.78**
Others	**71,247,563.61**	**286,273.82**	**71,533,837.43**
Sort by time of products transfer			
At a certain point of time	**2,135,254,566.19**	**69,487,317.31**	**2,204,741,883.50**
In a period of time	**19,580,300.55**	**-**	**19,580,300.55**
Lease	**161,145.57**	**1,010,755.59**	**1,171,901.16**
Sort by distribution channels			
Direct sale	**1,020,061,715.51**	**70,498,072.90**	**1,090,559,788.41**
Distributor	**1,134,934,296.80**	**-**	**1,134,934,296.80**
Total	**2,154,996,012.31**	**70,498,072.90**	**2,225,494,085.21**

The revenue of RMB 113,529,761.25 is derived from the balance of contract liabilities as of the end of 2025.

3. Cost of sales

RMB

Contract classification	Design and sales of integrated circuits	Integrated Circuit Testing Service	Total
Types of products			
Design and sales of integrated circuits	**896,794,473.59**	**-**	**896,794,473.59**
Integrated circuit testing service	**-**	**59,807,378.72**	**59,807,378.72**
Lease income	**-**	**628,776.02**	**628,776.02**
Sort by place of business			
PRC	**853,327,277.43**	**60,175,161.28**	**913,502,438.71**
Others	**43,467,196.16**	**260,993.46**	**43,728,189.62**
Sort by time of products transfer			
At a certain point of time	**885,054,549.18**	**59,807,378.72**	**944,861,927.90**
In a period of time	**11,739,924.41**	**-**	**11,739,924.41**
Lease	**-**	**628,776.02**	**628,776.02**
Sort by distribution channels			
Direct sale	**319,930,821.16**	**60,436,154.74**	**380,366,975.90**
Distributor	**576,863,652.43**	**-**	**576,863,652.43**
Total	**896,794,473.59**	**60,436,154.74**	**957,230,628.33**

The information related to the performance obligations of the Group is as follows:

Sale of IC products
Fulfill performance obligations when delivering products to customers. Usually, the payment obligation is performed after the customer received the products. The Group gives different credit arrangements to different customers.

Testing services
The customer usually pays the price according to contract after the service is completed and the customer received the tested product.

(41) BUSINESS TAXES AND SURCHARGES

RMB

Item	**Half-year ended 30 June**	
	2026	2025
City maintenance and construction tax	**9,381,075.25**	7,574,865.98
Education surcharge	**6,777.64**	8,285.72
Local education surcharge	**4,518.42**	5,523.81
Property tax	**3,857,534.13**	2,445,433.04
Land use tax	**36,178.18**	25,924.40
Vehicle and vessel use tax	**960.00**	1,600.00
Stamp duty	**1,454,024.05**	1,366,742.38
Total	**14,741,067.67**	11,428,375.33

(42) SELLING EXPENSES

RMB

Item	**Half-year ended 30 June**	
	2026	2025
Employee remuneration	**94,012,747.38**	85,071,253.07
Share-based payment expenses	**6,818,189.64**	2,761,969.56
Property rental expenses	**1,027,352.28**	575,598.81
Consulting service fee	**703,109.16**	3,235,311.70
Office expenses	**3,715,275.90**	3,572,192.67
Sample expenses	**5,378,569.63**	3,553,836.86
Transportation and travel expenses	**4,485,597.42**	4,288,570.06
Business promotion expenses	**2,282,722.58**	1,665,639.36
Entertainment expenses	**3,841,345.55**	4,558,304.36
Transportation costs	**417,193.11**	1,375,584.42
Depreciation and amortization	**3,118,677.44**	4,294,022.89
Others	**2,256,946.27**	2,132,961.93
Total	**128,057,726.36**	117,085,245.69

(43) ADMINISTRATIVE EXPENSES

RMB

Item	Half-year ended 30 June	
	2026	2025
Employee remuneration	**53,111,154.80**	46,174,164.16
Share-based payment expenses	**9,999,521.82**	394,867.98
Depreciation and amortization	**7,650,363.21**	8,121,148.18
Consulting service fee	**3,125,608.05**	7,796,824.89
Office expenses	**6,901,595.75**	7,650,925.43
Travelling expenses	**1,773,143.31**	1,492,846.69
Entertainment expenses	**495,254.78**	1,122,818.57
Repairs and maintenance	**433,377.17**	1,841,615.48
Others	**9,355,239.99**	9,225,401.30
Total	**92,845,258.88**	83,820,612.68

(44) RESEARCH AND DEVELOPMENT EXPENSES

RMB

Item	Half-year ended 30 June	
	2026	2025
Employee remuneration	**342,116,677.29**	320,770,561.29
Share-based payment expenses	**21,901,466.75**	9,209,162.04
Material and processing expenses	**146,508,742.43**	75,591,041.05
Depreciation and amortization	**101,726,582.30**	82,999,178.90
Technical services expenses	**(106,468.37)**	10,832,534.24
Office expenses	**5,358,297.59**	4,869,372.26
Travel expenses	**1,253,405.55**	1,329,237.74
Others	**3,197,965.90**	3,009,404.96
Total	**621,956,669.44**	508,610,492.48

(45) FINANCIAL EXPENSES

RMB

Item	Half-year ended 30 June	
	2026	2025
Interest expense	**15,663,496.34**	19,703,496.09
Less: interest income	**6,513,907.88**	8,594,860.95
Exchange gains and losses	**8,341,519.62**	3,923,315.25
Bank charges	**40,931.78**	132,290.99
Interest on lease liabilities	**571,444.43**	216,276.08
Total	**18,103,484.29**	15,380,517.46

(46) OTHER INCOME

RMB

Item	Half-year ended 30 June	
	2026	2025
Government grants (Note)	**35,547,176.93**	18,389,176.40
Input tax credits	**18,325,092.33**	14,813,150.04
Refund of commission for paying individual income tax	**1,867,046.93**	2,420,743.87
Total	**55,739,316.19**	35,623,070.31

Note: Details of government grants included in other gains are set out in note (62) of the financial statements.

(47) INVESTMENT INCOME

RMB

Item	Half-year ended 30 June	
	2026	2025
Loss on long-term equity investments under the equity method	**(1,503,138.16)**	(1,391,990.69)
Investment income arising from long-term equity investments	**(13,602.84)**	-
Investment income from held-for-trading financial assets during the period of holding	**2,278,898.01**	2,105,843.63
Other	**7,528.80**	-
Total	**769,685.81**	713,852.94

(48) GAINS/(LOSSES) FROM CHANGES IN FAIR VALUE

RMB

Item	Half-year ended 30 June	
	2026	2025
Financial assets held for trading	**465,605,280.81**	(236,208.33)
Total	**465,605,280.81**	(236,208.33)

(49) CREDIT IMPAIRMENT LOSSES

RMB

Item	Half-year ended 30 June	
	2026	2025
Impairment loss on bad debts of notes receivable	**10,885,530.11**	(1,776,100.81)
Impairment loss on bad debts of accounts receivable	**(19,830,779.53)**	(19,499,984.57)
Total	**(8,945,249.42)**	(21,276,085.38)

(50) ASSET IMPAIRMENT LOSSES

RMB

Item	Half-year ended 30 June	
	2026	2025
Impairment loss on inventory and contract performance cost	**(14,812,074.47)**	(142,951,639.78)
Impairment loss on intangible assets	**(2,094,746.04)**	(7,564,881.83)
Total	**(16,906,820.51)**	(150,516,521.61)

(51) GAINS ON DISPOSAL OF ASSETS

RMB

Item	Half-year ended 30 June	
	2026	2025
Gains on disposal of fixed assets	**3,763,449.69**	22,274.43
Total	**3,763,449.69**	22,274.43

(52) NON-OPERATING INCOME

RMB

Item	Half-year ended 30 June		Amount included in current non-recurring profit or loss
	2026	2025	
Ohers	**194,538.76**	940.06	194,538.76
Total	**194,538.76**	940.06	194,538.76

(53) NON-OPERATING EXPENSES

RMB

Item	Half-year ended 30 June		Amount included in current non-recurring profit or loss
	2026	2025	
Tax penalty	**74.04**	4,134.75	74.04
Other	**267,591.90**	-	267,591.90
Total	**267,665.94**	4,134.75	267,665.94

(54) INCOME TAX EXPENSES

1. Table of income tax expenses

RMB

Item	Half-year ended 30 June	
	2026	2025
Current income tax expense	**5,873.66**	10,196.88
Deferred income tax expense	**49,178,095.15**	(7,963,103.39)
Total	**49,183,968.81**	(7,952,906.51)

2. Reconciliation of accounting profits and income tax

RMB

Item	Half-year ended 30 June 2026
Total profits	**892,511,785.63**
Income tax expense calculated at statutory/applicable tax rate	**133,876,767.84**
Impact of different tax rates applied to subsidiaries	**1,016,399.11**
Impact of adjustment for the income taxes for prior periods	**424.94**
Impact of non-deductible costs, expenses and losses	**1,130,347.59**
Impact of utilising deductible losses for which deferred tax assets had not previously been recognised	**(10,021,862.14)**
Impact of deductible temporary differences or deductible losses that have not recognized for deferred income tax assets during the period	**16,387,534.71**

Deduction of research & development expenses	**(93,205,643.25)**
Income tax expense	**49,183,968.81**

(55) ITEMS IN THE CASH FLOW STATEMENT

1. Cash received relating to other operating activities

RMB

Item	**Half-year ended 30 June**	
	2026	2025
Grants received	**13,011,157.70**	18,346,135.40
Interest income	**6,300,046.62**	7,844,977.91
Others	**2,832,287.70**	4,175,869.63
Total	**22,143,492.02**	30,366,982.94

2. Cash paid relating to other operating activities

RMB

Item	**Half-year ended 30 June**	
	2026	2025
Cash paid for expenses	**110,692,407.33**	140,188,855.27
Total	**110,692,407.33**	140,188,855.27

3. Cash received relating to other investing activities

RMB

Item	**Half-year ended 30 June**	
	2026	2025
Time deposits interest	**213,861.26**	749,883.04
Total	**213,861.26**	749,883.04

(56) CASH PAID RELATING TO OTHER FINANCING ACTIVITIES

RMB

Item	**Half-year ended 30 June**	
	2026	2025
Rent and interest paid	**10,427,520.13**	5,387,944.29
Total	**10,427,520.13**	5,387,944.29

(57) SUPPLEMENTARY INFORMATION OF THE CASH FLOW STATEMENT

1. Supplementary information of the cash flow statement

RMB

Supplementary information	Half-year ended 30 June	
	2026	2025
Net profit adjusted to cash flows of operating activities:		
Net profit	**843,327,816.82**	180,478,183.95
Add: Provision for impairment of assets	**16,906,820.51**	150,516,521.61
Provision for credit impairment	**8,945,249.42**	21,276,085.38
Depreciation of fixed assets, depletion of oil and gas assets and depreciation of productive biological assets	**121,111,249.27**	117,040,635.75
Amortization of right-of-use assets	**7,319,959.27**	7,824,700.42
Amortization of intangible assets	**78,621,457.92**	62,744,038.64
Amortization of long-term prepaid expenses	**7,188,739.85**	8,443,180.81
Losses from disposal of fixed assets, intangible assets and other long-term assets	**(3,763,449.69)**	(22,274.43)
(Gains)/Losses on changes in fair value	**(465,605,280.81)**	236,208.33
Finance expenses	**24,362,599.13**	23,595,618.45
Investment Income	**(769,685.81)**	(713,852.94)
Decrease/(Increases) in deferred income tax assets	**2,643,681.86**	(7,929,423.17)
Increase/(Decrease) in deferred income tax liabilities	**46,534,316.20**	(39.35)
Decrease/(Increase) in inventories	**92,945,776.03**	(70,565,124.03)
(Increase) in operating receivables	**(98,987,207.84)**	(343,606,449.70)
Increase in operating payables	**50,633,128.25**	23,850,278.54
Others	**38,719,178.21**	12,365,999.58
Net cash flows generated from operating activities	**770,134,348.59**	185,534,287.84
Net changes in cash and cash equivalents:		
Closing balance of cash	**1,545,772,701.89**	1,094,144,866.77
Less: Opening balance of cash	**1,294,510,634.03**	1,063,300,787.15
Net decrease in cash and cash equivalents	**251,262,067.86**	30,844,079.62

2. Composition of cash and cash equivalents

RMB

Item	**30 June 2026**	31 December 2025
Cash	**1,545,772,701.89**	1,294,510,634.03
Including: Cash on hand	**-**	13,874.79
Other cash readily available for payment	**1,545,772,701.89**	1,294,496,759.24
Closing balance of cash and cash equivalents	**1,545,772,701.89**	1,294,510,634.03

Note: As at the end of June 2026, closing balance of cash and cash equivalents in the cash flow statement is RMB1,545,772,701.89, and the closing balance of cash at bank and on hand on the balance sheet is RMB1,549,929,026.72 , with a difference of RMB4,156,324.83 , which is due to the fact that the RMB4,156,324.83 of fixed deposits and interest that do not meet the definition of cash and cash equivalents were deducted from "balance of cash and cash equivalents at the end of the period" in cash flow statement .

(58) MONETARY ASSETS IN FOREIGN CURRENCY

Dollar

Item	Balance of foreign currency as at 30 June 2026	Conversion rate	Balance converted to RMB as at 30 June 2026
Cash			
Including: USD	36,154,306.49	6.8109	246,243,366.07
HKD	7,074,934.79	0.8686	6,145,288.36
NTD	333,967.00	0.2136	71,335.35
SGD	24,620.39	5.2605	129,515.56
Won₩	5,153,799.00	0.0044	22,676.72
JPY	28.00	0.0420	1.18
Accounts receivable			
Including: USD	4,071,258.42	6.8109	27,728,933.97
EUR	5,845.39	7.7671	45,401.73
Accounts payable			
Including: USD	11,177,050.00	6.8109	76,125,769.85
Other receivable			
Including: USD	3,831,620.00	6.8109	26,096,780.66

(59) LEASES

1. As a lessee

Short-term lease expenses of RMB2,459,644.32, which are accounted for using the simplified method and included in current period profit or loss, and low-value asset lease expenses (excluding short-term leases) of RMB1,084,963.29, which are also accounted for using the simplified method and included in current period profit or loss. The total cash outflow related to leases amounted to RMB13,972,127.74.

2. As a Lessor

RMB

Item	Half-year ended 30 June 2026
Rental income	**1,171,901.16**
Total	**1,171,901.16**

(60) DEVELOPMENT COSTS

1. The classification by nature is as follows

RMB

Item	Half-year ended 30 June	
	2026	2025
Staff costs	**350,094,643.13**	367,450,311.77
Material and processing costs	**176,017,049.87**	91,518,613.91
Depreciation and amortisation	**33,198,836.41**	45,110,814.51
Professional service fee	**(330,434.40)**	10,918,144.76
Expense for incentive plan	**21,901,466.75**	9,209,162.04
Others	**7,793,204.87**	8,928,441.52
Total	**588,674,766.63**	533,135,488.51
Include: Expensed R&D expenditures	**533,897,617.38**	463,479,942.70
Capitalised R&D expenditures	**54,777,149.25**	69,655,545.81

2. The development expenditures of R&D projects eligible for capitalization are as follows:

RMB

Item	At 31 December 2025 and at 1 January 2026	Increase during the period	Decrease during the period		30 June 2026
		In-house development expenses	Recognized as intangible assets	Included in profit or loss	
Security and identification IC chips	52,186,825.37	8,758,037.00	-	19,652,084.35	**41,292,778.02**
Non-volatile memory	33,816,638.61	8,131,544.62	9,914,365.80	-	**32,033,817.43**
FPGA and other chips	118,359,128.27	37,887,567.63	-	-	**156,246,695.90**
Total	204,362,592.25	54,777,149.25	9,914,365.80	19,652,084.35	**229,573,291.35**

(61) INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(a) Composition of the Group

Name of subsidiaries	Operating place	Registered and paid capital	Registered place	Business nature	Shareholding percentage (%)		Manner
					Direct	Indirect	
Sino IC Technology Co., Ltd. ("Sino IC") (note 1)	Shanghai	RMB 269,507,392	Shanghai	IC products test	42.32	-	Establish
Shanghai Fudan Microelectronics (Hong Kong) Ltd.	Hong Kong	HK$ 45,900,000	Hong Kong	Investment and trading of IC products	100.00	-	Establish
Fudan Microelectronics (USA) Inc	United States	US$ 5,000,000	United States	Trading of IC products	100.00	-	Establish
Shenzhen Fudan Microelectronics Co., Ltd.	Shenzhen	RMB 5,000,000	Shenzhen	Trading of IC products	100.00	-	Establish
Shanghai Fuwei Xunjie Digital Technology Co., Ltd. ("Fuwei Xunjie") (note 2)	Shanghai	RMB 50,000,000	Shanghai	Technology services and technology development	40.85		Establish

Note 1: The Company originally held 50.29% shares of Sino IC. On 28 October 2022, additional shares of Sino IC were issued to the public and the Company's shares of Sino IC was reduced to 42.75%. On 12 September 2024, after the first vesting period of the first grant of Sino IC' Share based Incentive Scheme was completed, the Company's shares of Sino IC were reduced to 42.32%. Management believes that the Company still has control over Sino IC because the Company is the largest single shareholder of Sino IC and the other shares are widely held by numerous other shareholders.

Note 2: The Company has entered into a concert party agreement with another shareholder of Fuwei Xunjie (holding 15% shares of Fuwei Xunjie), which stipulates that in exercising the voting rights of Fuwei Xunjie shareholders' meeting and board of directors' motions, the other party guarantees to be consistent with the Company in exercising the voting rights, and through the agreement arrangement is able to exercise control over Fuwei Xunjie's financial and operating decisions and include Fuwei Xunjie in the scope of consolidation.

(b) Significant non-wholly-owned subsidiaries

RMB

Name of subsidiaries	Percentage of minority shareholding (%)	Profits or loss attributable to the minority shareholders	Dividends declared to distribute to the minority shareholders	**Balance of minority interests as at 30 June 2026**
Sino IC Technology Co., Ltd.	57.68%	(5,994,158.12)	-	**589,527,173.95**

(c) Main financial information of significant non-wholly-owned subsidiaries

Sino IC Technology Co., Ltd.

RMB

Item	**30 June 2026**	31 December 2025
Current assets	**334,061,598.46**	350,662,149.46
Non-current assets	**927,807,791.67**	961,964,276.45
Total assets	**1,261,869,390.13**	1,312,626,425.91
Current liabilities	**84,665,340.78**	109,249,720.21
Non-current liabilities	**142,349,365.28**	159,630,151.09
Total liabilities	**227,014,706.06**	268,879,871.30

RMB

Item	**Half-year ended 30 June**	
	2026	2025
Revenue	**159,301,357.47**	157,643,804.51
Net profit	**(8,891,870.54)**	(13,519,887.82)
Total comprehensive income	**(8,891,870.54)**	(13,519,887.82)
Cash flow from operating activities	**91,561,101.04**	58,640,966.19

2. Interests in joint ventures or associates

(a) Significant joint ventures or associates

RMB

Name of joint venture or associated company	Place of principal operation	Place of registration	Nature of business	Shareholding percentage (%)		Accounting treatment method on investment in joint venture or associates
				Direct	Indirect	
Associates						
Shanghai Fukong Hualong Microsystem Technology Co., Ltd.	Shanghai	Shanghai	IC design	21.25	-	Equity method
Shanghai Fudan Sci-Tech Park Venture Investment Co., Ltd	Shanghai	Shanghai	Equity investment	20.00	-	Equity method
Shanghai Haojun Venture Capital Partnership (Limited Partnership)	Shanghai	Shanghai	Equity investment	25.00	-	Equity method

(b) Major financial information of significant associates

RMB

	30 June 2026/ Half-year ended 30 June 2026		31 December 2025/ Half-year ended 30 June 2025	
	Shanghai Fukong Hualong Microsystem Technology Co., Ltd.	**Shanghai Haojun Venture Capital Partnership (Limited Partnership)**	Shanghai Fukong Hualong Microsystem Technology Co., Ltd.	Shanghai Haojun Venture Capital Partnership (Limited Partnership)
Current assets	**42,421,924.44**	**44,019,556.10**	48,626,202.56	44,153,662.04
Non-current assets	**6,123,255.41**	**51,469,762.00**	6,369,252.30	51,469,762.00
Total assets	**48,545,179.85**	**95,489,318.10**	54,995,454.86	95,623,424.04
Current liabilities	**6,803,444.25**	**-**	9,007,745.95	386,023.22
Non-current liabilities	**5,510,249.43**	**-**	5,510,249.43	-
Total liabilities	**12,313,693.68**	**-**	14,517,995.38	386,023.22
Equity attributable to shareholders of the parent company	**36,231,486.17**	**95,489,318.10**	40,477,459.48	95,237,400.82
Share of net assets calculated according to shareholding ratio	**7,699,190.81**	**23,872,329.53**	8,601,460.14	23,809,350.21
Adjustment:				
- Others	**(597,782.86)**	**47,982.64**	(597,782.86)	47,982.64
Book value of equity investment in associates	**7,101,407.95**	**23,920,312.17**	8,003,677.28	23,857,332.84
Revenue	**796,365.48**	**-**	1,749,823.01	-
Net profit	**(4,245,973.31)**	**251,917.28**	(3,155,684.08)	(206,775.01)
Total comprehensive income	**(4,245,973.31)**	**251,917.28**	(3,155,684.08)	(206,775.01)

RMB

	30 June 2026/ Half-year ended 30 June 2026	31 December 2025/ Half-year ended 30 June 2025
	Shanghai Fudan Sci-Tech Park Venture Investment Co., Ltd	
Current assets	**41,679,690.12**	47,086,614.29
Non-current assets	**21,051,705.33**	16,553,795.01
Total assets	**62,731,395.45**	63,640,409.30
Current liabilities	**5,309,204.41**	5,300,101.56
Total liabilities	**5,309,204.41**	5,300,101.56
Equity attributable to shareholders of the parent company	**57,422,191.04**	58,340,307.74
Share of net assets calculated according to shareholding ratio	**11,484,438.21**	11,668,061.55
Adjustment		
- Others	**781,222.67**	801,604.86
Book value of equity investment in associates	**12,265,660.88**	12,469,666.41
Revenue	**1,383,923.72**	600,000.00
Net profit	**(918,116.70)**	(1,930,223.78)
Total comprehensive income	**(918,116.70)**	(1,930,223.78)

(62) GOVERNMENT GRANTS

Liabilities in relation to government subsidies were as follows:

RMB

Item	At 31 December 2025 and at 1 January 2026	Increase during the period	Charge to other income during the period	**30 June 2026**	Related to assets/income
Deferred income	35,374,548.33	7,555,000.00	11,061,188.89	**31,868,359.44**	Related to Assets
Deferred income	-	1,398,679.25	1,398,679.25	**-**	Related to Revenue
Total	35,374,548.33	8,953,679.25	12,459,868.14	**31,868,359.44**	/

Government grants recognized in profit or loss are as follows

RMB

Item	**Half-year ended 30 June**	
	2026	2025
Related to income	**26,730,014.60**	12,919,896.81
Related to assets	**8,817,162.33**	5,469,279.59
Total	**35,547,176.93**	18,389,176.40

(63) RISKS RELATED TO FINANCIAL INSTRUMENTS

The Group is exposed to risks from various financial instruments in its daily activities, mainly including credit risk, liquidity risk and market risk. The Group's risk management policy in this regard is summarized as follows:

1. Credit risk

The Group only has trade with recognized third party with good credit standing. Based on the Group's policies, customers who conduct credit transaction will be subject to credit review. In addition, the Group will continuously monitor balance of accounts receivable to ensure that the Group will not be exposed to significant risk of bad debts.

Since counterparties of cash and bank balances, bank acceptance notes receivables and structured deposits are banks with good reputation and high credit ratings, credit risk arising from these financial instruments is insignificant.

Other financial assets of the Group include commercial acceptance notes receivables, accounts receivable and other receivables, etc. Credit risk from such financial assets is from default of counterparties, and its maximum risk exposure is equivalent to the carrying amount of such instruments.

The Group's maximum credit risk exposure at each balance sheet date is the total amount charged to customers less the amount of impairment allowances.

Since the Group only trades with recognized third parties with good credit standing, no guarantee is required. Credit risk concentration is managed based on customer/counterparty, geographical region and industry sector. As at 30 June 2026, the Group is exposed to certain credit risk concentration, as 46.58% (31 December 2025: 45.75%) of accounts receivable are from top five customers. The Group does not hold any security or other credit increment over the balances of accounts receivable.

Criteria for judging significant increases in credit risk
The Group will evaluate whether credit risk in connection with financial instruments is increased significantly from initial recognition on each balance sheet date. The Group's main criteria for determining a significant increase in credit risk are the number of days past due exceeding 30 days, or a significant change in one or more of the following indicators: Significant adverse changes in the debtor's business environment, internal and external credit ratings, and actual or expected operating results.

Definition of credit-impaired assets
The Group's primary criterion for determining that a credit impairment has occurred is that the number of days past due exceeds 90 days, however, in certain circumstances the Group also considers a credit impairment to have occurred if internal or external information indicates that the contractual amount may not be recoverable in full before considering any credit enhancements held.

Credit impairment of financial assets may be a joint result of multiple events, rather than a single identifiable event.

Credit risk exposure
Refer to Note (6), (7), (8) and (10) for the information on Group’s credit risk exposure from notes receivable, accounts receivable, receivable financing and other receivables.

2. Liquidity risk

The Group's objective is to maintain a balance between continuity and flexibility of financing by utilising a variety of financing instruments. The Group finances its operations with funds generated from operations and borrowings. The tables below summarise the maturity profile of the Group’s financial liabilities based on contractual undiscounted payments:

RMB

Item	30 June 2026			
	Within 1 year	**1-3 years**	**Over 3 years**	**Total**
Short-term borrowings	**535,500,000.00**	**-**	**-**	**535,500,000.00**
Accounts payable	**384,808,960.72**	**-**	**-**	**384,808,960.72**
Others payables	**92,649,558.48**	**-**	**-**	**92,649,558.48**
Non-current liabilities due within one year	**301,510,234.52**	**-**	**-**	**301,510,234.52**
Long-term borrowings	**-**	**355,300,000.00**	**59,946,285.00**	**415,246,285.00**
Lease liabilities	**-**	**19,054,879.01**	**12,845,305.06**	**31,900,184.07**
Total	**1,314,468,753.72**	**374,354,879.01**	**72,791,590.06**	**1,761,615,222.79**

3. Market risk

(1) Interest rate risk refers to the risk that the fair value or future cash flow of financial instruments will fluctuate due to changes in market interest rates. Interest-bearing financial instruments with fixed interest rates expose the Group to fair value interest rate risk, and interest-bearing financial instruments with floating interest rates expose the Group to cash flow interest rate risk. The Group determines the ratio of fixed interest rate and floating interest rate financial instruments according to the market environment, and maintains an appropriate financial instrument portfolio through regular review and monitoring.

(2) Foreign exchange risk refers to the risk that the fair value or future cash flow of financial instruments will fluctuate due to changes in foreign exchange rates. The risk of exchange rate changes faced by the Group is mainly related to the Group's foreign currency monetary assets and liabilities. The Group operates in China and its main activities are denominated in RMB. Therefore, the market risk of foreign exchange changes undertaken by the Group is not significant.

For the details of the Group's foreign currency monetary assets and liabilities, please refer to the description in Note (58) to the financial statements.

(64) TRANSFERS OF FINANCIAL ASSETS

The transfer of financial assets was as follows:

Type of transfer	The category of the transferred financial assets	Carrying amount	Derecognition	Judgement basis for derecognition
Endorsement	Bank Acceptance Bills	54,943,416.70	Derecognized	Transferred substantially all the risks and rewards
Endorsement	Commercial Acceptance Bills	1,000,000.00	Not derecognized	Retained substantially all of its risks and rewards
Endorsement	Bank Acceptance Bills	6,744,820.43	Not derecognized	Retained substantially all of its risks and rewards
Total		62,688,237.13		

The following financial assets were derecognized as a result of transfers:

	Type of transfer	Derecognized amount	Income or loss related to the derecognition
Notes receivable	Endorsement	54,943,416.70	/
Total	/	54,943,416.70	/

(65) DISCLOSURE OF FAIR VALUE

1. Fair value of assets and liabilities measured at fair value at the end of the period

RMB

Item	Fair value as at 30 June 2026			
	Fair value measured at level 1	Fair value measured at level 2	Fair value measured at level 3	Total
Investment measured at continuous fair value				
(1) Financial assets held for trading	-	810,739,021.89	-	810,739,021.89
Financial assets measured at fair value through profit or loss	-	810,739,021.89	-	810,739,021.89
- Debt instruments	-	285,394,898.63	-	285,394,898.63
- Equity instruments	-	525,344,123.26	-	525,344,123.26
(2) Others equity instrument	-	-	53,170,209.94	53,170,209.94
Financial assets designed	-	201,924,906.13	-	201,924,906.13

at fair value through other comprehensive income - Receivable financing				
Total assets measured at continuous fair value	**-**	**1,012,663,928.02**	**53,170,209.94**	**1,065,834,137.96**

2. Qualitative and quantitative data on the valuation techniques used and important parameters for continuous and non-continuous second-level fair value measurement items

Investments in debt instruments and financing receivables are determined at fair value using the discounted future cash flow method, using market yields on other financial instruments with similar contractual terms, credit risk and remaining maturities as the discount rate. The risk of non-performance against investments in debt instruments and financing of receivables is assessed as insignificant at 30 June 2026.

3. Qualitative and quantitative data on the valuation techniques used and important parameters for continuous and non-continuous third-level fair value measurement items

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the financial controller. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the finance controller.

The fair values of non-listed equity instrument investments are estimated using discounted valuation model, latest financing price and a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. Discounted valuation model requires the Group to make estimates about the expected future cash flows including expected future dividends and proceeds on subsequent disposal of the shares; Market-based valuation model requires the Group to determine comparable listed companies based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such as price to sales multiple, for each comparable company identified for market-based valuation model. They are adjusted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The Group believes that the fair values and changes thereof estimated by valuation technique are reasonable and also the most appropriate values at the balance sheet date.

Below is a summary of significant unobservable inputs of fair value measurements within Level 3:

RMB

Item	Fair value at 30 June 2026	Valuation techniques	Unobservable inputs
Non-listed equity instrument investments	**53,170,209.94**	Discounted valuation model	Perpetual growth rate, discount rate, liquidity discount, minority interest discount
		Market multiplier model	Average price-to-sales ratio of comparable companies and gross profit of investee
		Recent financing price model	Recent financing price of investee

(66) RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. Information on other related parties

Name of other related party	Relationship between the other related party with the Company
Entity A	Company in which related natural persons serve as directors
Fudan University	Shareholders who indirectly hold more than 5% of the Company's shares
Shanghai Fudan Communication Company Limited	Company in which related natural persons serve as directors
Ningbo Xinjian Semiconductor Co., Ltd.	Company in which related natural persons serve as directors

2. Information on related party transactions

(a) Related party transactions on purchase or sales of goods and provision or acceptance of services

Purchase of goods/ services

RMB

Related party	Content of related party transactions	**Half-year ended 30 June**	
		2026	2025
Entity A	Purchase of raw materials	**9,790,761.57**	14,024,180.90
Ningbo Xinjian Semiconductor Co., Ltd.	Purchase of services	**412,031.70**	689,160.71
Fudan University	Purchase of services	**197,884.23**	184,466.02

Sales of goods/ services

RMB

Related party	Content of related party transactions	**Half-year ended 30 June**	
		2026	2025
Shanghai Fudan Communication Company Limited	Sales of goods (note)	**127,166,369.56**	184,327,605.11
Entity A	Sales of goods	**2,217,143.01**	372,085.52
Entity A	Sales of services	**109,653.30**	-
Spear Innovations Oy Ltd	Sales of goods	**237,714.25**	484,109.58
Fudan University	Sales of services	**45,283.02**	145,283.03

Note:
The independent non-executive directors of the Company have reviewed the connected transactions set out above and have confirmed that these connected transactions were entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or on terms no less favourable to the Group than terms available to independent third parties; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

(b) Compensation of key management personnel

RMB'0,000

Item	**Half-year ended 30 June**	
	2026	2025
Compensation of key management personnel	**1,374.89**	987.71

(c) Amount due from or to related parties

Receivable items

RMB

Item	Related party	**30 June 2026**		31 December 2025	
		Carrying amount	**Bad debt provision**	Carrying amount	Bad debt provision
Notes receivable	Shanghai Fudan Communication Co., Ltd.	-	-	43,953,914.00	-
Accounts receivable	Entity A	**427,088.68**	-	618,427.20	-
Accounts receivable	Fudan University	**48,000.00**	-	29,000.00	-

Payable items

RMB

Item	Related party	**30 June 2026**	31 December 2025
Prepayments	Fudan University	**20,000,000.00**	99,056.60
Accounts payable	Entity A	-	4,074,422.80
Accounts payable	Ningbo Xinjian Semiconductor Co., Ltd	**289,800.00**	1,321,032.21
Contract liabilities	Entity A	-	178,024.60
Contract liabilities	Fudan University	**23,400.00**	23,400.00
Contract liabilities	Shanghai Fudan Communication Co., Ltd.	**47,049,935.98**	-

Amount due to related parties are interest free, unsecured and with no fixed maturity date.

(67) GENERAL INFORMATION OF SHARE-BASED PAYMENT

1. Details

RMB

Categories of participants	Granted in the current period		Exercised in the current period	
	Shares (0'000)	Amount	Shares (0'000)	Amount
Management personnel	272.20	79,129,000.00	0.6	105,120.00
R&D personnel	645.20	187,560,700.00	-	-
Sales personnel	185.60	53,954,200.00	-	-
Production personnel	13.00	3,779,100.00	-	-
Total	1,116.00	324,423,000.00	0.6	105,120.00

2. The various equity instruments outstanding for the Company at the end of the period are as follows:

RMB

Category of Grantees	Other equity instruments issued at the end of the period	
	Exercise price	Remaining duration of the contract
Sales personnel	RMB41.59/share	33 months
Management personnel	RMB41.59/share	33 months
R&D personnel	RMB41.59/share	33 months
Production personnel	RMB41.59/share	33 months

On 30 March 2026 (the "Initial Grant Date"), The Company implemented A Shares restricted share incentive scheme (the "2026 A Shares Restricted Share Incentive Scheme") with the aim of motivating and rewarding individuals who contribute to the Group's operations. Participants include, in addition to directors and senior management, such other personnel as the Board considers should be motivated. This scheme is valid for four years, commencing on the date of grant of the restricted shares. Restricted shares granted for the first time are subject to a 12-month vesting period commencing on the Initial Grant Date. Provided the vesting conditions are met, they shall be vested in three tranches at vesting ratios of 20%, 30% and 50% respectively.

3. Equity settled share-based payments

RMB

Recipients of equity settled share-based payments	Company's employee
Method of determining the fair value equity instruments as at the grant date	Black-Scholes option pricing model
Important parameters of fair value of equity instruments on grant date	Dividend Ratio, historical volatility, Risk-free interest rate, expected expiry date of share options, weighted average share price
Basis for determining the quantity of exercisable equity instruments	Best estimation based on achievements of prescribed performance condition and assessment of the grantee's performance during the vesting period
Reasons for significant differences between this period's estimates and last period's estimates	Nil
Accumulated amounts recorded in the capital reserves for the equity-settled share-based payments	392,771,429.02

4. Expense relating to Share-based payment incurred during the period are as follows:

RMB

Item	Expense relating to equity-settled share-based payments
Production personnel	477,567.18
Sales personnel	6,818,189.64
Management personnel	9,999,521.82
R&D personnel	23,702,025.87
Total	40,997,304.51

(68) PROFIT DISTRIBUTION

RMB

Profit or dividend to be distributed	
- Approved profit or dividend to be distributed	**47,775,368.50**

The 2025 profit distribution plan was reviewed and approved at the 2025 annual general meeting on 22 May 2026, and a cash dividend of RMB47,775,368.50 (i.e., RMB0.058 for every 1 ordinary share) was distributed to shareholders.

(69) SEGMENT INFORMATION

1. Determining basis and accounting policies of reporting segments

For management purposes, the Group is organised into business units based on their products and services and has two reportable segments as follows:

(1) The design and sale of IC segment ("Design segment") manufactures products including Security and Identification Chips, Non-Volatile Memory, Smart Meter Chips, FPGA and Other Products;

(2) The IC testing services segment ("Testing segment") provides testing services for IC chips and products.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss before tax. The segment profit/loss before tax is measured consistently with the Group's profit/loss of continuing operation.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

2. Financial information of the reporting segments

RMB

Item	Design Segment	Testing Segment	Eliminations among segments	Total
Revenue	2,154,996,012.31	159,301,357.47	88,803,284.57	2,225,494,085.21
Total profits	899,364,128.55	136,868,687.72	79,002,187.94	957,230,628.33
Total assets	8,795,432,325.72	1,261,869,390.13	105,574,804.94	9,951,726,910.91
Total liabilities	2,207,638,895.46	227,014,706.06	80,845,998.34	2,353,807,603.18

(70) NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY

1. Accounts receivable

(a) An ageing analysis based on the invoice date is as follows:

RMB

Ageing	30 June 2026	31 December 2025
Within 1 year	**1,255,254,832.08**	1,093,234,616.00
Over 1 year	**991,845,139.15**	841,139,103.35
Total	**2,247,099,971.23**	1,934,373,719.35

(b) Disclosure under the methods of provision for bad debts by category

RMB

Type	30 June 2026					31 December 2025				
	Book balance		Bad debt provision		Carrying amounts	Book balance		Bad debt provision		Carrying amounts
	Amount	%	Amount	%		Amount	%	Amount	%	
Provision of bad debts by categories	**2,247,099,971.23**	**100.00**	**111,964,105.03**	**4.98**	**2,135,135,866.20**	1,934,373,719.35	100.00	91,981,094.12	4.76	1,842,392,625.23
Which:										
Highly Reliable Product Sales Portfolio	**2,095,207,173.93**	**93.24**	**98,624,126.60**	**4.71**	**1,996,583,047.33**	1,791,149,721.64	92.59	83,463,849.05	4.66	1,707,685,872.59
Industrial Sales Portfolio	**134,512,663.66**	**5.99**	**13,339,978.43**	**9.92**	**121,172,685.23**	121,984,758.64	6.31	8,517,245.07	6.98	113,467,513.57
Related party portfolio in the scope of consolidation	**17,380,133.64**	**0.77**	**-**	**/**	**17,380,133.64**	21,239,239.07	1.10	-	/	21,239,239.07
Total	**2,247,099,971.23**	**/**	**111,964,105.03**	**/**	**2,135,135,866.20**	1,934,373,719.35	/	91,981,094.12	/	1,842,392,625.23

(c) Bad debt provision

RMB

Category	31 December 2025	Change for the Period				30 June 2026
		Provision	Recovered or reversed	Write-off or cancellation	Other changes	
Bad debt provision	91,981,094.12	19,983,010.91	-	-	-	**111,964,105.03**
Total	91,981,094.12	19,983,010.91	-	-	-	**111,964,105.03**

(d) Five largest accounts receivable and contract assets by debtors at the end of the period

RMB

Name of entity	Book balance	Percentage to accounts receivables balance and contract assets (%)	Bad debt provision
First	**527,343,300.00**	23.47	**29,681,310.00**
Second	**206,634,671.38**	9.20	**9,558,293.14**
Third	**188,820,000.00**	8.40	**9,662,430.00**
Forth	**72,957,880.00**	3.25	**3,729,238.00**
Fifth	**69,239,900.00**	3.08	**5,516,814.00**
Sub-total	**1,064,995,751.38**	47.40	**58,148,085.14**

2. Other receivables

RMB

Item	**30 June 2026**	31 December 2025
Other receivables	**4,118,037.15**	3,417,640.44
Total	**4,118,037.15**	3,417,640.44

(a) Disclosure by ageing

RMB

Ageing	**30 June 2026**	31 December 2025
Within 1 year	**2,124,317.11**	1,190,000.00
1-2 years	**-**	15,000.00
2-3 years	**205,976.43**	457,160.75
Over 3 years	**1,787,743.61**	1,755,479.69
Total	**4,118,037.15**	3,417,640.44

(b) Classified by the nature

RMB

Nature	**30 June 2026**	31 December 2025
Deposit	**3,110,212.44**	3,058,526.82
Receipt or payment on behalf	**813,491.00**	250,000.00
Reserve funds	**137,000.00**	67,000.00
Others	**57,333.71**	42,113.62
Total	**4,118,037.15**	3,417,640.44

(c) Five largest other receivables by debtor at the end of the period

RMB

Entity name	Nature of the receivable	**30 June 2026**	Ageing	Percentage of total other receivables at the end of the period (%)
Kweichow Moutai Co.,Ltd.	Security deposits	**1,000,000.00**	Within 1 year	24.28
Shanghai Qianda Economic and Technological Development Co., Ltd.	Security deposits	**721,629.50**	Over 3 years	17.52
Guangzhou Yangcheng Tong Co., Ltd.	Security deposits	**226,800.00**	Over 3 years	5.51
Fourth	Security deposits	**200,000.00**	Over 3 years	4.86
Shanghai Fudan Science and Technology Park Co., Ltd.	Security deposits	**198,711.84**	Over 3 years	4.83
Total	/	**2,347,141.34**	/	57.00

3. Long-term equity investments

RMB

Item	**30 June 2026**			31 December 2025		
	Book balance	**Provision for impairment**	**Carrying amounts**	Book balance	Provision for impairment	Carrying amounts
Investments in subsidiaries	**90,836,307.13**	**-**	**90,836,307.13**	100,836,307.13	10,000,000.00	90,836,307.13
Investments in associates and joint ventures	**46,371,856.73**	**1,276,173.21**	**45,095,683.52**	48,069,420.87	1,276,173.21	46,793,247.66
Total	**137,208,163.86**	**1,276,173.21**	**135,931,990.65**	148,905,728.00	11,276,173.21	137,629,554.79

(a) Investments in subsidiaries

RMB

Investee	31 December 2025	Balance of provision for impairment as at 31 December 2025	Changes during the period – Other	**30 June 2026**
Sino IC Technology Co., Ltd.	25,146,906.64	-	-	**25,146,906.64**
Shanghai Fudan Microelectronics (Hong Kong) Ltd.	40,262,700.49	-	-	**40,262,700.49**
Shenzhen Fudan Microelectronics Company Ltd.	5,000,000.00	-	-	**5,000,000.00**
Beijing Fudan Microelectronics Technology Co., Ltd.	-	10,000,000.00	(10,000,000)	**-**
Shanghai Fuwei Xunjie Digital Technology Co., Ltd.	20,426,700.00	-	-	**20,426,700.00**
Total	90,836,307.13	10,000,000.00	(10,000,000)	**90,836,307.13**

(b) Investment in associates and joint ventures

RMB

Investee	At 31 December 2025	Balance of provision for impairment at the beginning of the Reporting Period	Increase or decrease during the period	**30 June 2026**	Balance of provision for impairment at the end of the Reporting Period
			Investment profit or loss recognized with the equity method		
Associates					
Shanghai Xihongqiao Navigation Technology Co., Ltd.	2,462,571.13	-	(654,268.61)	**1,808,302.52**	-
Shanghai Fukong Hualong Microsystem Technology Co., Ltd.	8,003,677.28	1,276,173.21	(902,269.33)	**7,101,407.95**	1,276,173.21
Shanghai Fudan Sci-Tech Park Venture Investment Co., Ltd	12,469,666.41	-	(204,005.53)	**12,265,660.88**	-
Shanghai Haojun Venture Capital Partnership (Limited Partnership)	23,857,332.84	-	62,979.33	**23,920,312.17**	-
Total	46,793,247.66	1,276,173.21	(1,697,564.14)	**45,095,683.52**	1,276,173.21

4. Revenue and Cost of sales

(a) Revenue and Cost of sales

RMB

Item	**Half-year ended 30 June**			
	2026		2025	
	Revenue	**Cost**	Revenue	Cost
Main business	**2,131,465,097.18**	**893,477,768.49**	1,743,752,054.67	731,817,532.63
Others business	**2,026,487.61**	**524,977.66**	1,867,900.10	1,313,147.13
Total	**2,133,491,584.79**	**894,002,746.15**	1,745,619,954.77	733,130,679.76

(b) Revenue and cost of sales generated from contracts

RMB

Contract classification	Revenue	Cost of sales
Types of products		
Design and sales of integrated circuits	2,133,059,642.76	894,002,746.15
Lease income	431,942.03	-
Place of business		
PRC	2,053,783,116.97	841,171,440.11
Others	79,708,467.82	52,831,306.04
Sort by time of products transfer		
At a certain point of time	2,133,059,642.76	894,002,746.15
Lease	431,942.03	-
Sort by distribution channels		
Direct sale	992,905,401.90	309,110,357.29
Distributor	1,140,586,182.89	584,892,388.86
Total	2,133,491,584.79	894,002,746.15

The information related to the performance obligations of the Group is as follows:

<u>Sale of IC products</u>
Fulfill performance obligations when delivering products to customers. Usually, the payment obligation is performed after the customer received the products, and the Group gives different credit arrangements to different customers.

(c) Investment income

RMB

Item	**Half-year ended 30 June**	
	2026	2025
Loss on long-term equity investments accounted with the equity method	**(1,697,564.14)**	(1,391,990.69)
Investment income on financial assets held for trading	**1,894,600.06**	1,796,560.75
Total	**197,035.92**	404,570.06

(71) Supplementary information

(a) Statement of non-recurring profit or loss for the period

RMB

Item	Amount
Gains or losses on disposal of non-current assets, including the write-off of the provision for impairment of assets	376.34
Government grants charged to profit or loss for the current period (except for except for those which are closely related to the normal operation of a company, comply with the provisions of state policies, are enjoyed under specific standards, and have a continuing impact on the profits and losses of the Company)	2,812.07
Gains and losses on fair value changes arising from financial assets and financial liabilities held by non-financial corporations and gains and losses arising from the disposal of financial assets and financial liabilities, except for the effective hedging activities related to the Company's ordinary operation	46,788.42

Non-operating income and expense other than the above-mentioned	(7.31)
Less: Effect of income tax	4,973.92
Effect of minority interest (net of tax)	1,261.28
Total	43,734.32

(b) Net return rate of assets and earnings per share

RMB

Profit for the Reporting Period	Weighted average net return rate of assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	12.90	1.03	1.03
Net profit after deducting non-recurring profit or loss attributable to ordinary shareholders of the Company	6.26	0.50	0.50

EVENT AFTER THE REPORTING DATE

There is no significant subsequent event after the reporting date.

COMMITMENTS AND CONTINGENT LIABILITIES

RMB

Ageing	**30 June 2026**	31 December 2025
Capital commitments	**41,673,444.69**	11,779,295.64
Total	**41,673,444.69**	11,779,295.64

As at 30 June 2026, the Group has no contingency that need to be disclosed (2025: Nil).

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the half-year ended 30 June 2026 (2025: nil).

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There was no significant investment and material acquisition or disposal of subsidiaries, associates and joint ventures during the six months ended 30 June 2026 (2025: Nil).

SIGNIFICANT INVESTMENT

As at 30 June 2026, the net book value of the Group's financial assets held for trading amounted to RMB810,739,021.89, of which the fair value of the Group's interest in SJ Semiconductor Company Limited ("SJ Semiconductor") amounted to approximately RMB525,344,123.26, representing 5.28% of the Group's total assets. Unrealized gain of changes in the fair value of approximately RMB465,344,132.86 was recognized during the Reporting Period for the Group's shareholding in SJ Semiconductor. The Group did not receive any dividend from SJ Semiconductor during the Reporting Period.

The Company subscribed 3,048,780 shares issued by SJ Semiconductor for RMB59,999,990.40. SJ Semiconductor was listed on the Sci-Tech Innovation Board of the Shanghai Stock Exchange on 21 April 2026. The Company held 0.16% equity interest in SJ Semiconductor. The investment in SJ Semiconductor is a strategic investment made by the Company in view of the growth potential of its advanced wafer-level packaging and testing technology.

SJ Semiconductor is a company incorporated in China and is a leading provider of advanced 12-inch wafer-level packaging and testing services in China. SJ Semiconductor is a public listed company. Investors may refer to the relevant documents published by SJ Semiconductor on the Shanghai Stock Exchange (www.sse.com.cn) for further details. The Company will monitor the latest business developments of SJ Semiconductor closely and make appropriate investment decisions from time to time.

Save and except for the investment in SJ Semiconductor, during the Reporting Period, the Group did not have other significant investment with a value of 5% or more of the Group's total assets (2025: Nil).

PLEDGE OF ASSETS

As at 30 June 2026, the Group did not have any pledge of assets (2025: Nil).

CAPITAL MANAGEMENT

The key objective of the Group's capital management is to ensure the Group's ability to operate on a going concern basis and maintain healthy capital ratios so as to support business growth and maximise shareholder value.

The Group manages its capital structure and makes adjustments in response to changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the distribution of profits to shareholders, return capital to shareholders or issue new shares. The Group is not constrained by any external mandatory requirements on capital. The capital structure of the Group consists of equity attributable to owners of the Company (comprising issued share capital and various reserves) and bank borrowings. There was no change in the Group's capital management objectives, policies or procedures from January to June of 2026 and year 2025.

The Group manages its capital with the gearing ratio. The gearing ratio of the Group, which is the total liabilities divided by the total liabilities and owner's equity as at 30 June 2026 is approximately 23.65% (2025: 26.63%).

FINANCIAL RESOURCES AND LIQUIDITY

As at 30 June 2026, net assets of the Group amounted to RMB7,597,919,307.73 (2025: RMB6,754,182,753.81), representing an increase of approximately 12.49% over last year; of which current assets amounted to RMB7,731,384,593.51 (2025: RMB6,859,496,080.33), representing an increase of approximately 12.71% over last year; of which cash at bank and on hand amounted to RMB1,549,929,026.72 (2025: RMB1,298,621,710.62), representing an increase of approximately 19.35% over last year.

The Group kept profiting for the past years, and thus profit, placement of shares, bank borrowings and cash flows generated internally have been used to meet the operations and business development needs. With the cautious treasury policy adopted by the Group, the current cashflow is sufficient to cope with daily operation and future development. The Group may also obtain appropriate credit facilities from financial institutions when there is additional funding requirement for its business development in the future, including but not limited to bank borrowings, acceptance bills, discounted bills, trade finance and letters of credit, depending on the scale and duration of the funding requirements. The Group does not use any financial instruments for hedging purposes and does not have foreign currency net investments hedged by currency borrowings and other hedging instruments.

The Group's exposure to currency exchange rate risk is relatively low as most of the Group's operations are carried out in the PRC and most of the transactions conducted are denominated and settled in Renminbi. The Group has not entered into any foreign exchange hedging arrangements. The Directors are of the opinion that the fluctuation of exchange rate has no material impact on the financial performance of the Group.

As at 30 June 2026, the Group had bank borrowings amounted to RMB1,252,539,783.27, which are repayable in 1 to 5 years with interest rate 2.11% to 2.56% per annual (2025: RMB1,475,521,935.85).

An analysis of the Group's borrowings at 30 June 2026 is set out below:

	RMB
Within 1 year	837,293,498.27
1 – 2 years	322,300,000.00
2 – 5 years	92,946,285.00
Total	1,252,539,783.27

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this announcement, there was no other specific plan for material investments or capital assets as at 30 June 2026.

HUMAN RESOURCES

As at 30 June 2026, the Group had a total of 1,904 employees (31 December 2025: 1,958). The employee remunerations (included directors' emoluments) were RMB531,628,648.92 for the 6 months ended 30 June 2026 (2025: RMB544,633,081.72). The remuneration package of the employees is determined by various factors such as their working experience and job performance, the market condition, industry practice and applicable employment law. Year-end bonus based on job performance will be paid to employees as recognition of and reward for their contributions.

INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF DIRECTORS AND CHIEF EXECUTIVE

At 30 June 2026, the interests or short positions of the directors and chief executives of the Company in the share capital and underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required to be entered in the register referred to therein pursuant to section 352 of the SFO; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by directors of Listed Companies contained in the Listing Rules, were as follows:

Long positions in A shares of the Company:

	Number of issued shares held, capacity and nature of interest				
	Directly beneficially owned (restricted shares)	**Through spouse or minor children**	**Through controlled corporation**	**Total**	**Percentage of the Company's issued share capital**
Director					
Mr. Zhang Wei (Note)	500,000	-	-	500,000	0.06
Mr. Shen Lei (Note)	300,000	-	-	300,000	0.04
Mr. Shen Mingjie (Note)	200,000	-	-	200,000	0.02

Note: On 30 March 2026, the Company granted 500,000, 300,000 and 200,000 A Share restricted shares to Mr. Zhang Wei, Mr. Shen Lei and Mr. Shen Mingjie, respectively, under the 2026 A Share Restricted Share Incentive Scheme. The A Share restricted shares are subject to the fulfilment of vesting conditions before vesting. As at the date of this announcement, the A Share restricted shares are not yet vested.

Long positions in associated corporations of the Company:

	Number of issued shares held, capacity and nature of interest				
	Directly beneficially owned	**Through spouse or minor children**	**Through controlled corporation**	**Total**	**Percentage of the associated corporation's issued share capital**
Sino IC					
Director					
Mr. Shen Lei	481,950	-	-	481,950	0.18

Shanghai Fuwei Xunjie Digital Technology Co., Ltd.					
Director					
Mr. Shen Lei (through Shanghai Fuwei Xinxun Enterprise Management Consulting Partnership (Limited partnership))	-	-	156,830	156,830	0.31
Shanghai Fukong Hualong Microsystem Technology Co., Ltd					
Director					
Mr. Shen Lei (through Zhoushanshi Kangxin Investment Partners Enterprise (Limited partnership))	-	-	150,000	150,000	0.21

Save as disclosed above, as at 30 June 2026, none of the directors and chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required to be entered in the register referred to therein pursuant to section 352 of the SFO; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by directors of Listed Companies contained in the Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Reporting Period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

At 30 June 2026, so far as any Directors are aware, the interests and short positions owned by the following parties in the Shares or underlying shares of the Company which were required to be disclosed to the Company under Part XV of the SFO or were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO, were as follows:

Long and short positions in shares of the Company:

Name of shareholders	Note	Capacity and nature of interest	Number of ordinary shares held	Class of shares	Percentage of shareholding on relevant class of shares	Percentage of the Company's issued share capital
Shanghai Fudan Fangao IC Technology Co. Ltd. ("Fuxin Fangao")	(2)	Beneficially owned	106,730,000(L)	A shares	19.78 (L)	12.95 (L)
Shanghai Fudan Asset Management Co., Ltd. ("Fudan Asset")	(2)	Interest of corporation controlled	106,730,000(L)	A shares	19.78 (L)	12.95 (L)
Fudan University	(2)	Interest of corporation controlled	106,730,000(L)	A shares	19.78 (L)	12.95 (L)
Shanghai Fudan Fukong Technology Enterprise Holdings Limited ("Fudan Fukong")	(3)	Beneficially owned	93,498,624(L)	A shares	17.33 (L)	11.35 (L)
Shanghai Commerce and Invest (Group) Corporation ("SCI")	(3)	Interest of corporation controlled	93,498,624(L)	A shares	17.33 (L)	11.35 (L)
Bailian Group Company Limited ("Bailian Group")	(3)	Interest of corporation controlled	93,498,624(L)	A shares	17.33 (L)	11.35 (L)
Morgan Stanley		Investment manager	19,435,584(L) 3,419,909(S)	H shares	6.83 (L) 1.20 (S)	2.35 (L) 0.41 (S)
HSBC Holdings plc		Investment manager	14,429,009(L)	H shares	5.07 (L)	1.75 (L)

Notes:

(1) (L) – Long position
(S) – Short position

(2) Fuxin Fangao is a state-owned enterprise wholly owned by Fudan Asset and Fudan Asset is wholly owned by Fudan University.

(3) Bailian Group is a state-owned enterprise wholly owned by the Shanghai Municipal Government and wholly owned SCI, and SCI held 70.2% of the equity interest of Fudan Fukong. Accordingly, each of SCI and Bailian Group is deemed to be interested in Fudan Fukong's interest in the Company.

Save as disclosed above, as at 30 June 2026, no person, other than the directors of the Company, whose interests are set out in the section headed "Interests and short positions in shares and underlying shares and debentures of directors and chief executives" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be disclosed to the Company under Part XV of the SFO or to be recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the half-year ended 30 June 2026, none of the directors of the Company had an interest in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, as defined in the Listing Rules.

CORPORATE GOVERNANCE

The Company has adopted the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 of the Listing Rules. Throughout the half-year ended 30 June 2026, the Company had complied with the CG Code with the exception from the deviation from the code provisions C.2.1 (relating to segregation of chairman role) as explained below:

Under the code provision C.2.1, the roles of chairman and Managing Director ("chief executive officer") should be separate and should not be performed by the same individual. However, the roles of the Company's chairman and Managing Director are both performed by Mr. Zhang Wei ("Mr. Zhang"). Although the responsibilities of the chairman and the Managing Director are vested in one person, the Company has established detailed rules of procedure for the Board of Directors and the Managing Director, which clearly define their respective powers. Any matters requiring a decision by the Board of Directors will be discussed with the directors and submitted to the Board for a decision. There are two executive Directors, four non-executive Directors, four independent non-executive Directors and one employee Director in the Board. The Board considers that there is sufficient balance of power and the current management maintains a strong management position of the Company. The Board also considers that the current structure can promote efficient formulation and implementation of the Company's strategies and explore business opportunities efficiently and promptly.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct on terms no less exacting than the model code of securities transactions by directors of listed issuers as set out in Appendix C3 of the Listing Rules. Having made specific enquiry to all directors, the directors have complied with such code of conduct and the required standard of dealings throughout the half-year ended 30 June 2026.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the half-year ended 30 June 2026, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

AUDIT COMMITTEE

The Company has an audit committee which was established with written terms of reference in compliance with the Listing Rules and Corporate Governance Code and Corporate Governance Report as set out in Appendix C1 of the Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group. At the date of this announcement, the audit committee comprises three Independent Non-executive Directors Ms. Shi Yanling, Ms. Wang Meijuan and Mr. Hu Xue. The Group's unaudited financial statements for the half-year ended 30 June 2026 have been reviewed by the committee, who were of the opinion that such statements complied with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures had been made.

APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements had been approved by the sixteenth meeting of the tenth session of the Board on 17 August 2026 for publication.

By order of the Board
Shanghai Fudan Microelectronics Group Company Limited*
Chairman
Zhang Wei

Shanghai, the PRC, 17 August 2026

As at the date of this announcement, the Company's executive Directors are Mr. Zhang Wei and Mr. Shen Lei; non-executive Directors are Ms. Yan Na, Mr. Zhuang Qifei, Ms. Zhang Rui and Mr. Song Jiale, and independent non-executive Directors are Ms. Shi Yanling, Ms. Wang Meijuan, Mr. Hu Xue and Mr. Zhang Yu Ming; employee Director is Mr. Shen Mingjie.

** For identification purposes only*