MONTAGE® Technology

2024

Environmental, Social and Governance (ESG) Report

Montage Technology Co., Ltd.

Stock code：688008

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Letter from Our Chairman

Dr. Howard Yang

Chairman of the Board/CEO,
Chief Scientist of Montage Technology

> In 2024, the rapid evolution of artificial intelligence (AI) technology is profoundly reshaping the infrastructure of the global technology industry and driving exponential growth in computing power demand. During this critical turning period, Montage Technology has consistently adhered to the development philosophy of "accelerating with focus and innovation" concentrating on the data-moving segment within cloud computing and AI infrastructure, and continuously promoting the systematic layout and engineering implementation of data interconnectivity technologies. We have closely aligned with the strategic window of DDR5 memory interface standard iteration, continuously optimizing signal integrity and system compatibility solutions, thereby further consolidating and enhancing our technological leadership in the memory interface field. Meanwhile, the Company has achieved large-scale commercial deployment of three key chip products: PCIe Retimer, MRCD/MDB, and CKD. This not only enriches our product line of high-performance data-moving chips but also forms a diversified technological engine supporting business growth. The steady growth of multiple core indicators reflects our technical depth and strategic resolve in constructing a smart computing data-moving support system, laying a solid data-moving foundation for continuous expansion in the industrial depth of the AI era.

Deeply involved in the formulation of global industry standards, we lead technological innovation in related fields

Over two decades of dedicated effort have transformed Montage Technology into a global leader in the memory interface chip industry. As a board member of JEDEC the global microelectronics industry standard-setting body, we have taken the lead in formulating international standards for DDR5 RCD, MDB, and CKD chips, driving innovation in memory interconnect technology.

Building on our technological expertise in memory interconnect, we have successfully expanded into the PCIe and CXL high-speed interconnect domains, independently developing key foundational technologies such as SerDes high-speed serial interfaces and achieving industrial application of PCIe Retimer chips. As members of international standard organizations and industry consortia such as PCI-SIG, CXL, and UALink, we collaborate with global partners to build a technological ecosystem and drive continuous innovation in high-speed interconnect technology.

Improving the corporate governance structure to lay a solid foundation for steady development

We have established a modern corporate governance system centered around the shareholders' meeting, the Board of Directors, and senior management, enabling us to quickly identify opportunities and challenges in the complex and ever-changing market environment and make scientific decisions. The Company has set up Strategic and ESG Committee under the Board of Directors, integrating the ESG (Environmental, Social, and Governance) concept into daily operations and management, and promoting the deep integration of sustainability with corporate strategic goals.

During the business development process, we emphasize close cooperation with various stakeholders, adhering to the concept of progressing together, and working jointly with partners, clients, and employees to achieve common development. Meanwhile, we continue to strengthen internal control and risk management, fostering a transparent and honest business environment to safeguard the steady development of the enterprise.

Adhering to a people-oriented philosophy to promote the mutual growth of employees and the enterprise

As a hard-tech enterprise, R&D is its core driving force, Montage Technology has consistently focused on the global technological frontier, continuously attracting and gathering high-level R&D and management talents to build an outstanding team with international vision and systems engineering capabilities. This talent strategy is not only a key support for our sustained technological leadership and enhanced global competitiveness, but also the fundamental driving force for the long-term sustainability of the enterprise.

We are committed to attracting talents through career development, offering opportunities for technical personnel to participate in the design and engineering implementation of internationally leading chip architectures, and establishing a growth platform that spans the depth of R&D and the breadth of professional

advancement, enabling them to achieve self-breakthroughs and value enhancement through overcoming challenges. We unite talents through corporate culture, deeply integrating humanistic care and an innovative spirit into the organization, fostering an open, collaborative, and creative work environment that encourages technological accumulation, craftsmanship, and cross-team collaboration. We motivate talents through institutional mechanisms, constructing a market-competitive compensation system and multi-tiered welfare benefits, promoting employee stock ownership plans, strengthening the long-term interest linkage among employees, the enterprise, and shareholders, thereby enhancing their sense of belonging and responsibility.

With the continuous expansion of the Company's business system, we place even greater importance on the strategic value of talent as the primary resource. In the future, we will further strengthen team capability building, optimize organizational synergy efficiency, and deeply stimulate individual potential and collective momentum through refined incentive systems, systematic talent cultivation paths, and flexible and diverse career development mechanisms, providing a solid talent guarantee for Montage Technology to maintain long-term resilience and sustainable growth in the global technological competition.

Adhering to our original environmental commitment and promoting green development practices

In alignment with the national strategic goals of "carbon peaking and carbon neutrality", we have constructed a strategic framework to address climate change. We've implemented various energy-saving and emission-reduction measures, effectively enhanced energy efficiency, and controlled carbon emissions. Meanwhile, we have fully leveraged our technological advantages to reduce industry energy consumption through research and development innovations, contributing to the achievement of the global "Green Earth" goal. During the reporting period, we further improved the disclosure of carbon emission data, demonstrating our corporate determination and confidence in green development through transparent environmental responsibility.

Participating in social welfare initiatives and actively taking social responsibility

The Company collaborates with industry partners and universities to explore cutting-edge technologies and actively engages in public welfare and charitable endeavors such as rural education, joint construction projects among communities, schools, and enterprises, and environmental protection. During the reporting period, we successfully implemented multiple public welfare projects, providing tangible support to groups in urgent need and generating positive social impact.

Artificial intelligence is driving a historic transformation. As a key hardware enabler in the AI era, Montage Technology aims to gradually evolve into a world-leading full-interconnect chip design company over the next five to ten years. We will continue to focus on the data-moving chips, delivering a comprehensive portfolio of high-speed interconnect chip solutions with combinatorial. Through relentless R&D innovation, we aim to enable faster, more stable data connectivity for cloud computing and AI infrastructure. We firmly believe that, with the concerted efforts of all employees at Montage Technology, we will compose an even more splendid chapter in the era of AI.

Company Profile

Founded in 2004, Montage Technology is a leading data-processing and interconnect IC design company dedicated to providing high-performance and low-power IC solutions for cloud computing and artificial intelligence markets, and has two primary product lines—interconnect chips and Jintide® server platform.

The Company was listed in July 2019 among the first batch of companies on SSE STAR Market (Stock code: 688008.SH).

Beijing   South Korea
Xi'an
Kunshan
Shanghai (Headquarters)
Zhuhai   Macao
Hainan
The U.S.

Headquarters	Shanghai, China
Branches	Kunshan Xi'an Beijing Macao Zhuhai Hainan The U.S. South Korea
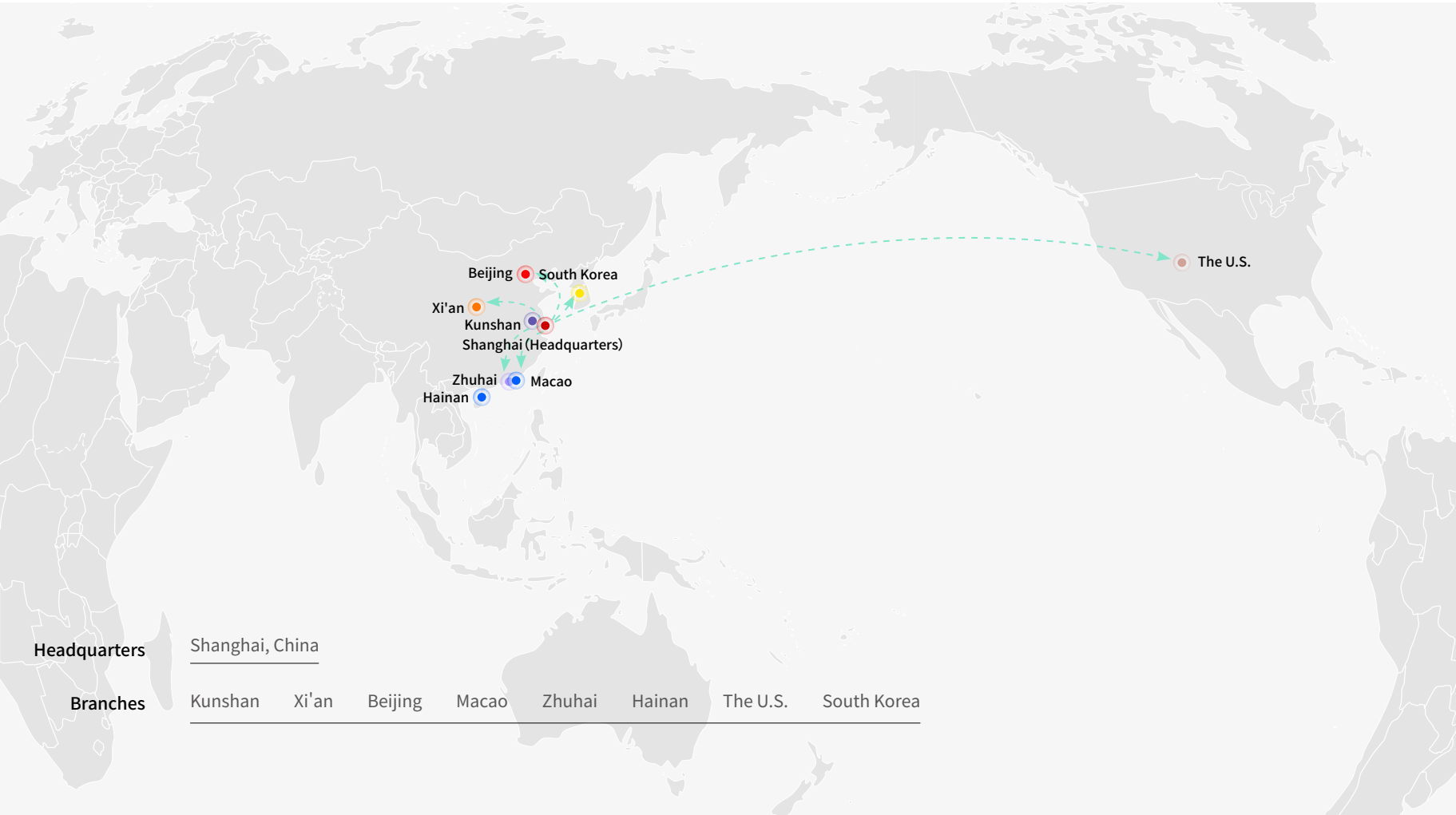
Development Strategy

The rapid development of AI technologies and applications has driven exponential growth in demand for computing power and storage capacity, while data transfer efficiency - the throughput between and within computing and storage systems - has emerged as the critical bottleneck limiting overall system performance. A high-performance AI system requires three key elements working in concert: powerful computing capabilities for data processing, massive storage capacity to ensure data supply, and high-performance data-moving to enable high-bandwidth, low-latency data transmission. Only through the synergistic optimization of these three components can overall system efficiency be maximized.

Against this backdrop, Montage Technology's strategic objective for the next five to ten years is to evolve into a globally leading provider of comprehensive interconnect chip solutions, with particular focus on data-moving chips. Through continuous R&D innovation, we aim to deliver a diverse portfolio of high-speed interconnect chip solutions with integrated competitive advantages, thereby enabling more efficient and stable data connectivity for cloud computing and AI infrastructure.

Computing

AI

Intelligent Computing

Computing ⟷ **Data-Moving** ⟷ Memory/Storage
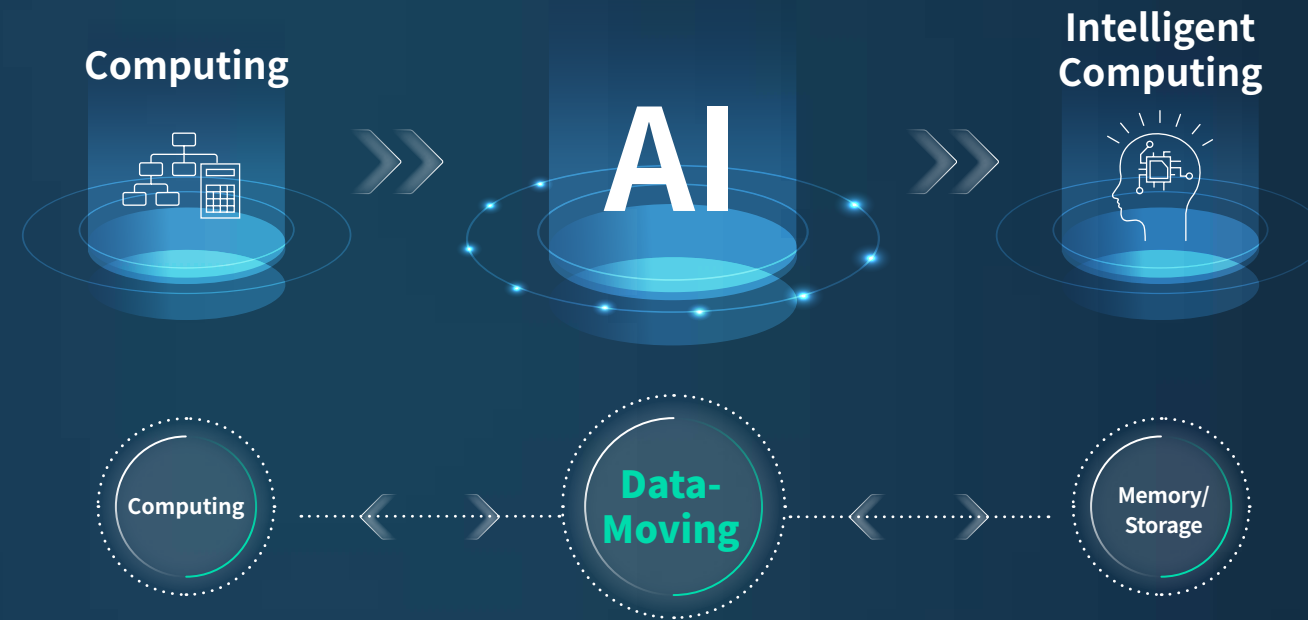
Focused on eliminating interconnect bottlenecks in AI infrastructure to deliver faster and more reliable data transmission

High-Performance Data-Moving Powered by Montage Solutions

**Clock Driver
CKD**

**High-Bandwidth Memory
Interconnect Chips
MRCD/MDB**

**PCIe High-Speed
Interconnect Chip
PCIe Retimer**

**CXL High-Speed
Interconnect Chip
MXC**

**New Products on the way
PCIe Switch**
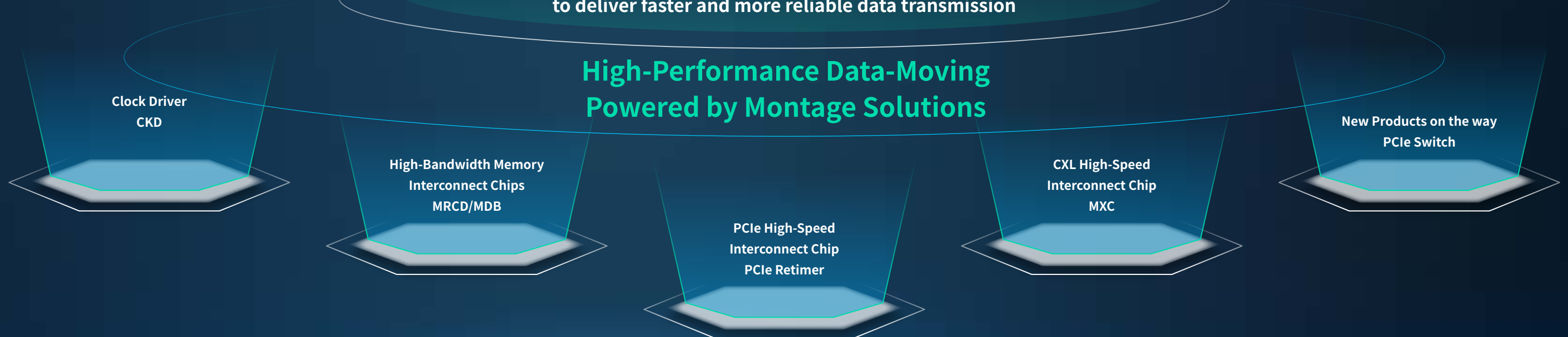
Interconnect Chips Product Line

Memory interface chips

Memory interface chips serve as the core logic devices for server memory modules. Their primary function is to enhance the speed and stability of memory data access, meeting servers' growing demands for high performance and large capacity from CPU memory modules. The Company has successively developed memory interface chip series spanning from DDR2 to DDR5 generations.

During the reporting period, the shipment volume of the Company's DDR5 memory interface chips surpassed that of DDR4 chips. Furthermore, the shipment volume of second-generation DDR5 RCD chips exceeded that of the first-generation products.

Memory module supporting chips

The DDR5 memory module requires three supporting chips, namely Serial Presence Detect (SPD) Hub, Temperature Sensor (TS) and Power Management IC (PMIC).

The Company continues to ship companion chips for DDR5 memory modules, which were jointly developed with partners.

MRCD/MDB chips

MRCD/MDB chips serve as the core logic devices in MRDIMM (Multiplexed Rank DIMM), a new generation of high-bandwidth server memory modules designed to meet the demanding memory bandwidth requirements of AI and high-performance computing applications. A standard MRDIMM configuration will incorporate 1 MRCD chip and 10 MDB chips.

During the reporting period, the Company's first-generation MRCD/MDB chips entered pilot-scale deployment.

CKD chips

CKD chips are used in PC memory modules. When DDR5 data rates reach 6,400MT/s and above, a dedicated clock driver chip (CKD) is required to buffer and re-drive the clock signals on the memory module, so as to ensure the integrity and reliability of high-speed clock signals. AI PCs require higher-capacity and wider-bandwidth memory to boost overall computing performance, where CKD chips will play an increasingly critical role.

During the reporting period, the Company took the industry lead in trial production of CKD chips and initiated pilot-scale deployment across the industry.

PCIe Retimer chips

PCIe Retimer chips are designed to address issues such as signal timing misalignment, severe signal loss, and poor signal integrity during long-distance, high-speed PCIe data transmission in data centers. These chips have become critical components in PCIe high-speed circuits, helping to extend channel reach. They can be widely used in applications like AI servers, active electrical cables (AEC), NVMe SSDs, and riser cards.

During the reporting period, the Company's PCIe Retimer chip shipments experienced rapid growth, and its market share has significantly increased.

MXC chips

MXC chips are CXL memory expansion controller chips, primarily used for memory expansion and memory pooling. They are designed for memory AIC expansion cards, backplanes and EDSFF memory modules. In the era of artificial intelligence, MXC can greatly expand memory capacity and bandwidth to meet the growing needs of data-intensive applications such as high-performance computing and artificial intelligence.
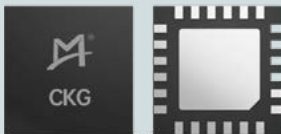
Montage Technology launched the world's first CXL MXC chip globally and collaborated with partners during the reporting period to advance the ecosystem development and practical implementation of CXL technology.

Clock chips

Clock chips are integrated circuit that provide essential clock pulses to electronic systems. As a key subcategory of clock chips, clock generator chips are capable of producing multiple clock signals at different frequencies, serving as foundational components in data centers, industrial control systems, and new energy vehicles.

The Company has successfully mass-produced its first batch of high-performance programmable clock generator chips. Leveraging Montage Technology's advanced I/O technology, these chips deliver exceptional jitter performance and provide clock signals with wide frequency coverage for low-phase-noise spread spectrum applications.

Industry Status

Montage Technology's high-speed interconnect chips are defined as industry-standard products by international standards organizations or comply with the standards and specifications set by industry alliances.

Memory interface chips and module supporting chips

Industry-standard products defined by JEDEC

PCIe Retimer chips

Compliant with the standard system established by the PCI-SIG Alliance

CXL MXC chips

Adhering to CXL industry standard specifications and JEDEC standards

Memory Interconnect

Leading the Development of Industry Standards

Serves as a member of the JEDEC Board of Directors

Holds Chair or Vice-Chair positions in four JEDEC committees and subcommittees

Leads the development of international standards for: DDR5 RCD chips, DDR5 MDB chips and CKD chips

Industry-Leading Comprehensive Strengths

Pioneering technological innovation in the industry

Unmatched capabilities in product iteration, stability and reliability

Commands significant global market share

PCIe/CXL Interconnect

PCIe Interconnect

World's leading

PCIe Retimer chip supplier
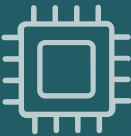
Self-developed core SerDes IP

Rapidly growing market share

CXL Interconnect

Dlivered the World's First CXL MXC

Driving CXL industrialization with ecosystem partners

Among the world's first batch of suppliers to enter the CXL 1.1 & CXL 2.0 integrators list.

Corporate Philosophy

Corporate Vision

- To become an innovative international IC design company focusing on interconnect chips

Corporate Mission

- To make data transfer more efficient and data computing more secure

Corporate Culture

- Accelerating with focus and innovation
- Adhering to the spirit of craftsmanship, driving extraordinary growth with constant innovation

Focus

- **Be the best at what you do**

"Don't get involved in other fields until you have ranked among the top two in your own field."

We are dedicated to advancing high-speed interconnect technology through relentless innovation, maintaining global leadership in the memory interconnect chip sector.

Innovation

- **Make "valuable" innovations**

Innovation in applied technology refers to effectively solving problems encountered in practical applications.

We continue to explore effective solutions to new problems arising in the field of applied technology.

Acceleration

- **Achieve a qualitative leap**

"Acceleration" is a natural result of "focus" and continuous "innovation".

We uphold the spirit of craftsmanship with the pursuit of excellence, and achieve an acceleration in PCIe, CXL and other new fields, while strategically expanding our presence across the broader high-speed interconnect market.

$$a = f \cdot i^{®}$$

accelerating with focus & innovation

From computing to intelligent computing
Montage's "acceleration" with "focus" and "innovation"

Business Performance

In 2024, the Company's operating results achieved substantial growth over the previous year, with a number of financial indicators hitting record highs, demonstrating strong market competitiveness and technological innovation capability.

On one hand, the global demand for servers and custom computers is picking up, and the DDR5 penetration rate continues to increase, driving significant growth in the sales revenue of the Company's memory interface and module supporting chips; on the other hand, some of the Company's new high-performance data-moving chips have begun mass shipments, providing strong momentum for the Company's performance growth.

The revenue of three new high-performance interconnect chips (PCIe Retimer, MRCD/MDB, and CKD) reached approximately 422 million RMB, eight times that of the previous year.

Revenue
Unit:RMB 100million

3.639 Billion

Year-on-year increase

59.20%

| 2023 | 2024 |
| 22.86 | 36.39 |

Revenue of Interconnect Chips
Unit:RMB 100million

3.349 Billion

Year-on-year increase

53.31%

Record High

| 2023 | 2024 |
| 21.85 | 33.49 |

Net Profit Attributable to Owners of the Parent
Unit:RMB 100million

1.412 Billion

Year-on-year increase

213.10%

Record High

| 2023 | 2024 |
| 4.51 | 14.12 |

Net Cash Flow from Operating Activities
Unit:RMB 100million

1.691 Billion

Year-on-year increase

131.29%

Record High

| 2023 | 2024 |
| 7.31 | 16.91 |

R&D Breakthroughs

Launch the fourth-generation RCD chip of DDR5

The chip supports data rates up to 7,200 MT/s to cope with the rising demand for memory rates and bandwidth on the next generation of server platforms.

Take the lead in trial production of DDR5 first-generation CKD chip

The product is used in the new generation of client memory to improve the speed and stability of memory data access to match the increasing CPU speed and performance.

Pilot-scale deployment of the first-generation MRCD and MDB chips

The chips address the critical demand for memory bandwidth in high-performance computing (HPC) and artificial intelligence applications, and have undergone large-scale pilot deployment by downstream customers in 2024.

Launch high-performance programmable clock generator chips

Using Montage Technology's advanced I/O technology, this series of chips has excellent jitter performance and can provide clock signals covering a wide frequency range for low-phase noise spread spectrum applications.

Release the sixth-generation of the Jintide ®CPU

Designed for high-density and scale-out workloads, the product is fully optimized for density, energy efficiency, throughput, and scalability compared to previous products.

Launch Data Protection and Trusted Computing Acceleration Chip

This chip integrates two core functionalities—data encryption and platform trust measurement—while delivering high-performance computing capabilities and system-wide trust assurance. It provides the information security sector with an integrated solution that combines exceptional performance, robust security, cost-effectiveness, and user-friendly deployment.

Milestones of Montage Technology

2004
- Montage Technology was founded

2006
- Started mass production of the first chip
- Obtained its first granted invention patent

2008
- DDR2 Advanced Memory Buffer (AMB) chips were certified

2011
- DDR3 Register Buffer and Memory Buffer chips were certified
- Since its cumulative profit turned positive in 2011, Montage Technology has been profitable for 14 consecutive years

2013
- DDR4 Registering Clock Driver (RCD) and Data Buffer chips were certified

2014
- Won the GSA Award for Best Financially Managed Semiconductor Company

2021
- Recognised as single Champion Model Enterprise in Manufacturing Industry and National Technological Innovation Demonstration Enterprises
- Started the mass production and shipment of Gen1 DDR5 memory interface chips and module supporting chips

2020
- Started the mass production of PCIe®4.0 Retimers

2019
- Started the mass production of Gen1 Jintide® CPU
- Listed as one of the first batch of listed companies on the SSE STAR Market

2016
- Jointly developed a new general-purpose processor with Tsinghua University and Intel

2022
- Released the world's first CXL Memory eXpander Controller (MXC) chips
- Pioneered trial production of Gen2 DDR5 RCD chips

2023
- Started the mass production of PCIe®5.0/CXL® 2.0 Retimer
- Among the world's first batch of suppliers to enter the CXL integrators list
- Pioneered trial production of Gen3 DDR5 RCD chips

2024
- MRCD/MDB and CKD chips entered industry pilot deployment
- PCIe Retimer chip shipments exceed 1 million Units
- Company's annual net profit attributable to parent reaches record high

Practice ESG Governance

Montage Technology deeply recognizes the importance of sustainability of enterprises and integrates ESG concept into the enterprise management framework. Montage Technology maintains regular communication with its stakeholders to fully understand their expectations and needs. By conducting materiality analysis on ESG issues, we identify critical priorities and strategic focus areas for ESG initiatives.

- 2024 ESG performance
- ESG Governance Framework
- Stakeholder Communication
- Double Materiality Analysis

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

2024 ESG Performance

Value Creation Practitioner

·852 million yuan
Amount of proposed cash dividend and share repurchase

·60%
Proportion of the Company's net profit attributable to shareholders in 2024

· level A (Excellent)
Information disclosure assessment of listed companies in Shanghai Stock Exchange from 2022 to 2024

R&D Innovation Leader

· Innovation-driven identified as a financially material issue for the **first time**

·21%
R&D expense ratio

·75%
Proportion of R&D technicians

· Down by 17-22% ↘
Comparison of power consumption between Gen4 DDR5 products and Gen1 products at the same rate

Intellectual Property Pioneer

· Intellectual property protection identified as a financially material issue for the **first time**

·187
Cumulative granted patents

·None
Intellectual property related violations

High-quality Product Provider

·≤ 100
DPPM

·>90%
Customer satisfaction rate

·None
Major quality accidents

·None
Marketing violations

· Passed **ISO 9001** certification audit
· Passed **ISO 27001** follow-up audit and certification

People-oriented Employer

·43%
Proportion of female directors

·50%
Proportion of female Senior Executives

·>95%
Employee satisfaction rate

·>96%
Coverage of employee stock incentives

·23.96 hours
Average training hours per person

·100%
Coverage of employee training

Social Value Creator

·100%
Coverage of core suppliers with quality management systems

·100%
Products met the requirements of ROHS, REACH and TSCA standards

·None
Sourcing of conflict minerals

Climate Change Guardian

· Conducted climate change scenario analysis to further identify climate change-related risks, opportunities, and response measures

·2.96 Tons of CO_2e /Person
GHG emission intensity (Scope 1&Scope 2)

Down by **4.34**%

·462.83 Tons of CO_2e
GHG emissions (Scope 3) including employee commuting and business travel

Green Operation Advocator

·8.34 Tons/Person
Water use intensity

· Down by **10.32**%

ESG Governance Framework

The Company has established an ESG management system with a complete framework, clear hierarchy, well-defined rights and responsibilities, and efficient operations. It clarifies the responsibilities of personnel at all levels, departments, and positions, and improves the ESG management mechanism to provide organizational support for the Company's ESG initiatives.

The Company's ESG governance framework consists of the decision-making level, management level and execution level.

Decision-making

Board of Directors
- The leadership and decision-making body of ESG work, decides the Company's ESG development direction, strategy and objectives, and approves the Company's ESG management policies, ESG report and material ESG issues.

Strategy and ESG Committee of the Board
- The governing body dedicated to studying, analyzing, and evaluating ESG related matters. Its core responsibilities include deliberating on the Company's ESG strategic direction, objectives, as well as reviewing ESG disclosures and material sustainability issues.

Management

Sustainability Working Group
- The management body of ESG work. The members of the working group are composed of heads of various departments, who are mainly responsible for overall management of ESG related work and guiding the daily work of ESG.

Execution

Sustainability Related Functional Departments
- The executive body of ESG implementation of the annual plan and comply with relevant ESG management requirements of the Company, including organizing information collection and preparing ESG reports, etc.

Montage Technology's ESG Governance Framework

Montage Technology has deeply integrated ESG concepts into corporate governance and established the Strategy and ESG Committee in June 2024. Meanwhile, Montage Technology fully integrates sustainability risk factors into the Company's risk management system, regularly reviews the potential sustainability risks faced by the Company, and makes corresponding response plans.

Communication Mechanism

The Company has established an ESG information communication mechanism to ensure smooth information with stakeholders. According to ESG information communication mechanism, the Company can listen to feedback and suggestions from stakeholders through interviews, discussions, questionnaires and other means, so as to continuously improve work effectiveness.

ESG Rating and Honor

Rating agency	Rating
MSCI ESG Rating	BB
Wind ESG Rating	A
China Securities Index ESG Rating	AAA
Huazheng ESG Rating	A

The Company was awarded the "Guoxin Cup · ESG Golden Bull Award"

Stakeholder Communication

Montage Technology attaches great importance to communication with stakeholders and opens diverse communication channels to stakeholders. Guided by the principles of integrity, equality and transparency, Montage Technology regularly and actively communicates with stakeholders to ensure that the Company fully understands the needs and expectations of all stakeholders and updates and refines the Company's sustainability plan and practice according to feedback.
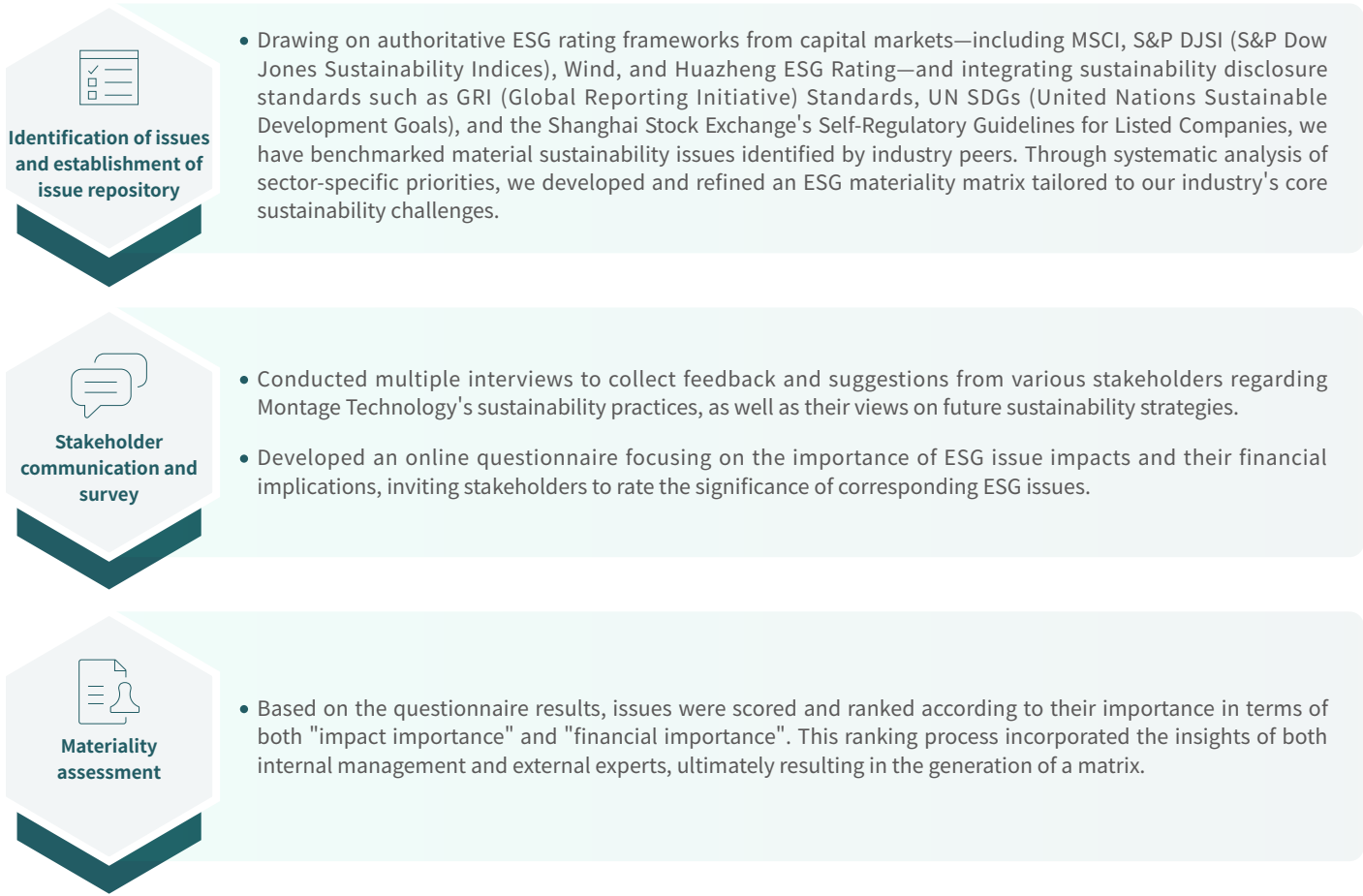
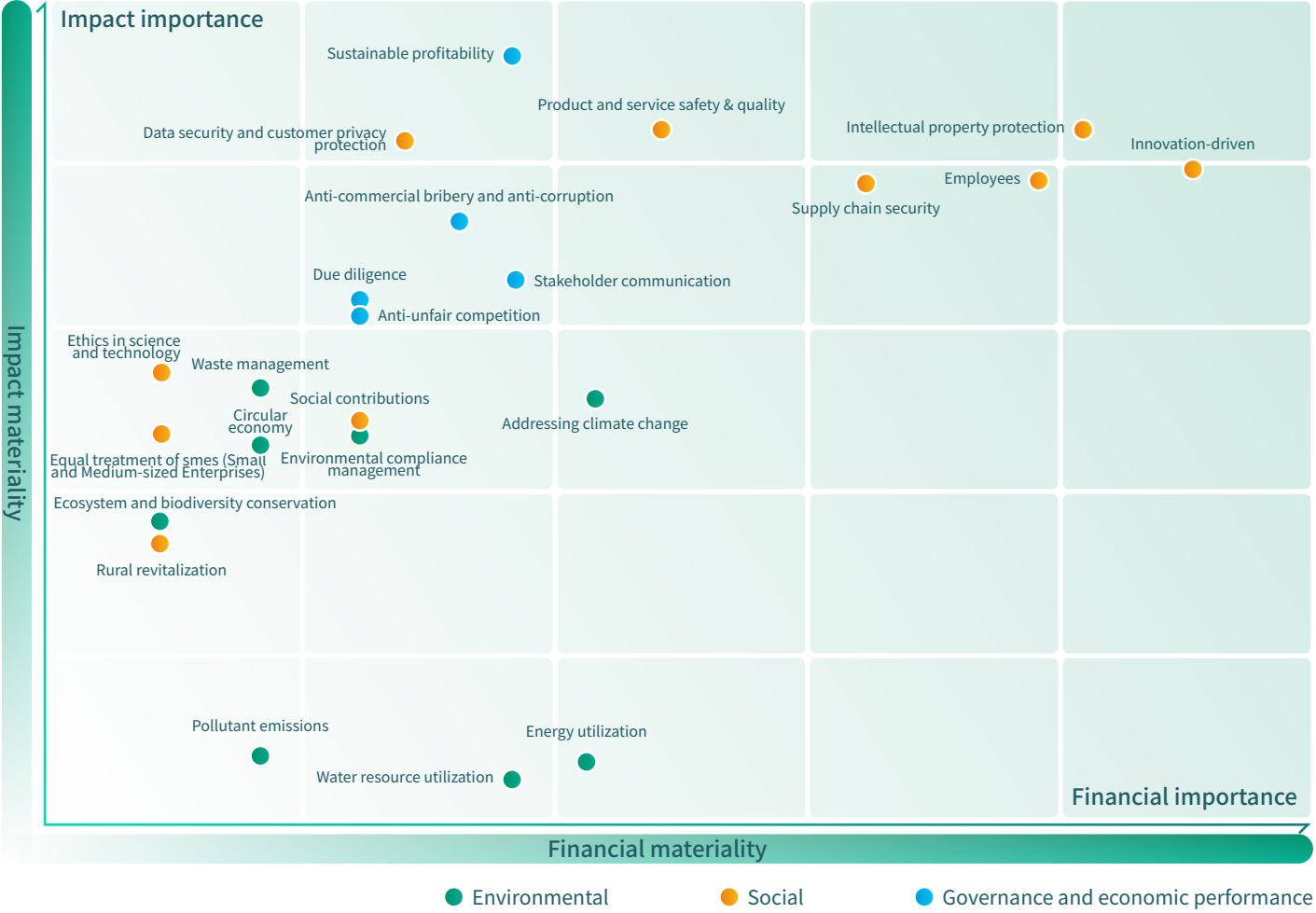| Stakeholders	Issues of concern		Channels of communication	
Shareholders/Investors	• Product Quality • Innovative Research and Development	• Business Ethics • Business Performance	• General Shareholders' Meeting • Results Release	• Information Disclosure • Roadshow and Investor Conference
Government/Regulators	• Business Performance • Product Quality	• Innovation Management • Business Ethics	• Information Disclosure • Reception of investors • Documentation Exchange	• Policy Implementation • Daily Communication • Subject to Supervision
Customers	• Win-Win Cooperation • Product Quality • Green Products	• Business Ethics • Information Security	• Customer Visits • Customer Service Feedback • Online Communication	• Special Meetings • Technical Discussion
Employees	• Human Capital • Employee Rights and Benefits	• Occupational Health • Business Ethics	• Career Planning • Compensation and Benefits • Employee Events	• Training & Education • Complaints Channel
Partners/Suppliers	• Customer Service • Business Ethics	• Innovation Management • Supply Chain Management	• Industry Seminars • Supplier Conference • Supplier Training	• Supplier Assessment • Complaint Channel
Community/Public	• Community Engagement • Environmental Protection	• Win-Win Cooperation	• Community Events • Public Welfare Undertakings	• Educational Support

Double Materiality Analysis

During the reporting period, based on the communication of the Company's six major stakeholders, feedback from the capital market and best practices benchmarking, Montage Technology identified 23 ESG issues. Based on the list of issues, Montage Technology systematically gathered feedback on ESG issues from shareholders, customers, employees and other stakeholders through different channels such as annual ESG questionnaires, investor roadshows, and conducted a summary and analysis on the results based on in-depth research to ultimately draw Montage Technology's 2024 double materiality matrix.

After conducting a thorough analysis, Montage Technology has identified two issues of financial materiality, namely innovation-driven development and intellectual property protection. Based on the constructed double materiality matrix, the Company prioritizes each issue for management, using different shades of color to distinguish the levels of importance. The Company integrates these results into its strategic priority adjustments, enabling it to undertake the most beneficial and impactful sustainability initiatives within limited resources and time constraints.

Double Materiality Identification Process

Identification of issues and establishment of issue repository
- Drawing on authoritative ESG rating frameworks from capital markets—including MSCI, S&P DJSI (S&P Dow Jones Sustainability Indices), Wind, and Huazheng ESG Rating—and integrating sustainability disclosure standards such as GRI (Global Reporting Initiative) Standards, UN SDGs (United Nations Sustainable Development Goals), and the Shanghai Stock Exchange's Self-Regulatory Guidelines for Listed Companies, we have benchmarked material sustainability issues identified by industry peers. Through systematic analysis of sector-specific priorities, we developed and refined an ESG materiality matrix tailored to our industry's core sustainability challenges.

Stakeholder communication and survey
- Conducted multiple interviews to collect feedback and suggestions from various stakeholders regarding Montage Technology's sustainability practices, as well as their views on future sustainability strategies.
- Developed an online questionnaire focusing on the importance of ESG issue impacts and their financial implications, inviting stakeholders to rate the significance of corresponding ESG issues.

Materiality assessment
- Based on the questionnaire results, issues were scored and ranked according to their importance in terms of both "impact importance" and "financial importance". This ranking process incorporated the insights of both internal management and external experts, ultimately resulting in the generation of a matrix.

Montage Technology's Double Materiality Matrix

Impact importance

- Sustainable profitability
- Product and service safety & quality
- Data security and customer privacy protection
- Intellectual property protection
- Innovation-driven
- Anti-commercial bribery and anti-corruption
- Employees
- Supply chain security
- Due diligence
- Stakeholder communication
- Anti-unfair competition
- Ethics in science and technology
- Waste management
- Social contributions
- Circular economy
- Addressing climate change
- Equal treatment of smes (Small and Medium-sized Enterprises)
- Environmental compliance management
- Ecosystem and biodiversity conservation
- Rural revitalization
- Pollutant emissions
- Energy utilization
- Water resource utilization

Impact materiality

Financial importance

Financial materiality

● Environmental　　● Social　　● Governance and economic performance

01 Value Creation Practitioner

Montage Technology has established an efficient governance framework and internal control management system. The Company regulates employee conduct through its *Code of Business Conduct* to ensure compliant and orderly operations. Montage Technology maintains close communication with investors, promptly addressing and responding to their concerns.

- Corporate Governance Structure
- Compliance and Internal Control
- Business Ethics
- Investor Relations

Corporate Governance Structure

Montage Technology has established a robust corporate governance system by strictly complying with the *Company Law of the People's Republic of China,* the *Securities Law of the People's Republic of China,* the *Code of Corporate Governance for Listed Companies*, and other relevant laws and regulations. The General Meeting of Shareholders, the Board of Directors, and the Supervisory Committee, as the highest authority, executive body, and supervisory body of the Company respectively, jointly form the corporate governance framework of the Company. Under the Board of Directors, the Company has set up the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee, and the Strategy and ESG Committee.
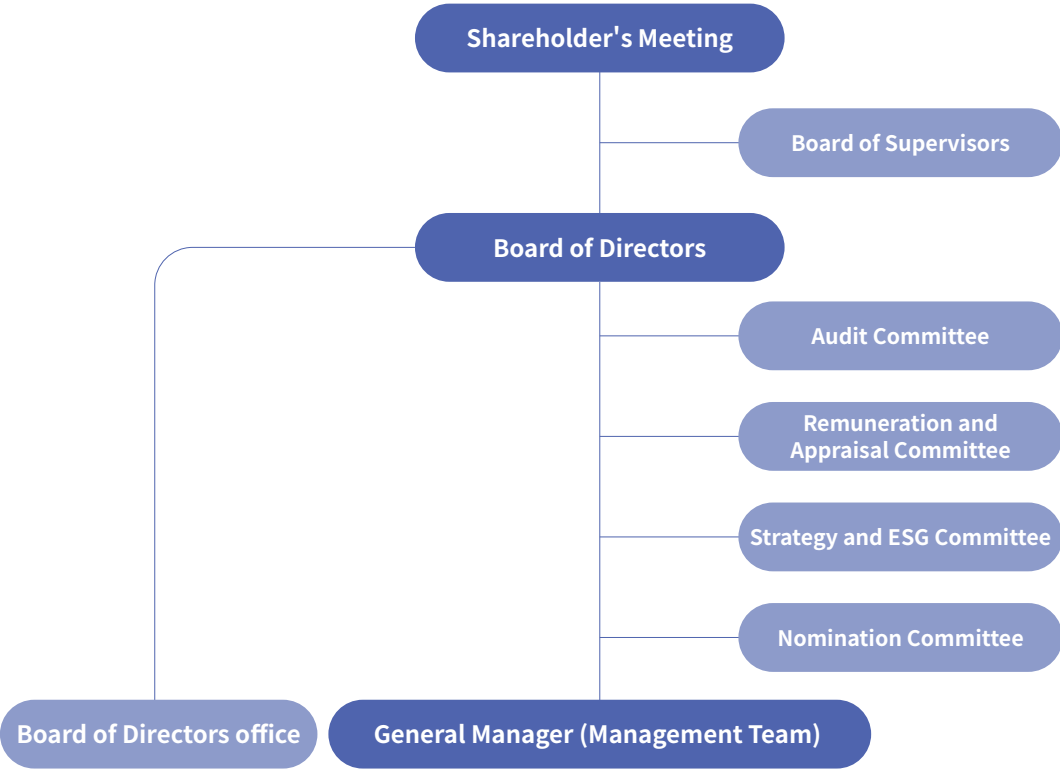
During the reporting period

Montage Technology completed the election process for its Board of Directors and Supervisory Board. The Board of Directors is composed of **2** non-independent directors, **3** independent directors, and **2** employee directors.

Position	Name	Gender	Audit Committee	Remuneration and Appraisal Committee	Nomination Committee	Strategy and ESG Committee
Chairman	Howard Yang	Male			✓	✓
Non-independent Director	Wang Rui	Female				✓
Independent Director	Ruoshan Li	Male	✓		✓	
	Yuhua Cheng	Male	✓	✓		
	Hailing Shan	Female		✓	✓	
Employee Director	Stephen Tai	Male				✓
	Zhoujie Fang	Female	✓	✓		

To further enhance corporate governance and facilitate the implementation of sustainability strategies, the Company newly established the Strategy and ESG Committee. This committee, comprising directors with extensive industry experience and professional expertise, is primarily tasked with researching and providing recommendations on the Company's long-term development strategies and Environmental, Social and Governance (ESG) initiatives. By establishing this committee, the Company seeks to embed ESG principles into its business operations and strategic decision-making processes, in response to increasingly stringent regulatory requirements and investors' concerns about sustainability, while simultaneously enhancing the Company's long-term competitiveness and brand value.
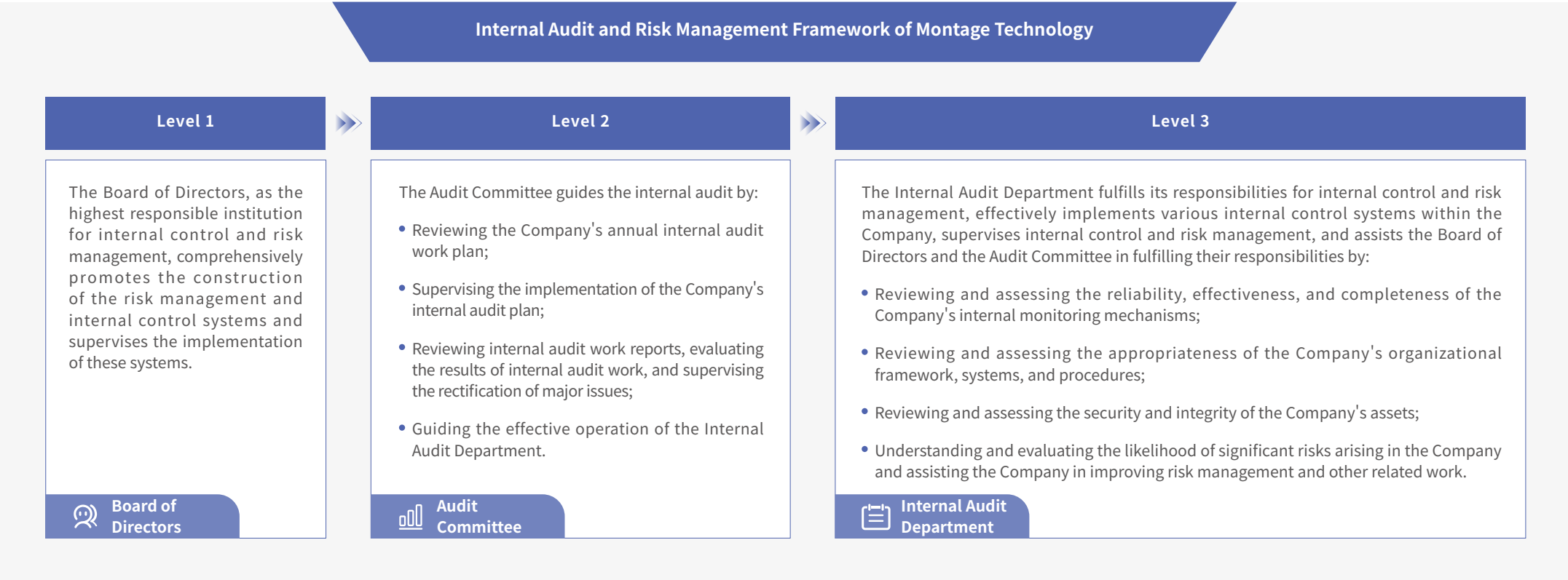
During the reporting period, in compliance with the requirements of laws, regulations, and normative documents, including the *Guidelines on the Articles of Association of Listed Companies* and the *Administrative Measures for Independent Directors of Listed Companies*, the *Shanghai Stock Exchange STAR Market Listing Rules* and *Guidelines No. 1 of the Shanghai Stock Exchange for the Self-regulation of Listed Companies on the STAR Market – Standardized Operation*, the Company revised its *Articles of Association*, *Working Rules for Independent Directors*, *Rules of Procedure for the Board of Directors*, and *Related Party Transaction System*. Additionally, the Company formulated the *Internal Control System* and *Internal Reporting System on Material Matters*, etc., to further improve its internal governance and management system.

```
Shareholder's Meeting
    ├── Board of Supervisors
    └── Board of Directors
            ├── Audit Committee
            ├── Remuneration and Appraisal Committee
            ├── Strategy and ESG Committee
            └── Nomination Committee
    Board of Directors office — General Manager (Management Team)
```

Compliance and Internal Control

Montage Technology places a high emphasis on the development of its internal control system and continuously refines the *Internal Control Management Manual* and other related systems. The Company established a three-tier risk management framework composed of the Board of Directors, the Audit Committee and the Internal Audit Department.

Internal Audit and Risk Management Framework of Montage Technology

Level 1

The Board of Directors, as the highest responsible institution for internal control and risk management, comprehensively promotes the construction of the risk management and internal control systems and supervises the implementation of these systems.

Board of Directors

Level 2

The Audit Committee guides the internal audit by:

- Reviewing the Company's annual internal audit work plan;

- Supervising the implementation of the Company's internal audit plan;

- Reviewing internal audit work reports, evaluating the results of internal audit work, and supervising the rectification of major issues;

- Guiding the effective operation of the Internal Audit Department.

Audit Committee

Level 3

The Internal Audit Department fulfills its responsibilities for internal control and risk management, effectively implements various internal control systems within the Company, supervises internal control and risk management, and assists the Board of Directors and the Audit Committee in fulfilling their responsibilities by:

- Reviewing and assessing the reliability, effectiveness, and completeness of the Company's internal monitoring mechanisms;

- Reviewing and assessing the appropriateness of the Company's organizational framework, systems, and procedures;

- Reviewing and assessing the security and integrity of the Company's assets;

- Understanding and evaluating the likelihood of significant risks arising in the Company and assisting the Company in improving risk management and other related work.

Internal Audit Department

The Company regularly conducts internal audits on high-risk processes such as sales and procurement to ensure that all key business nodes are basically covered every three years. During the reporting period, the Company conducted a total of 11 special audits, and the audits did not find any major irregularities, and all issues have been urged to be rectified by the responsible departments, with the rectification and improvement rate reaching 100%.

The Board of Directors of the Company has issued an Internal Control Evaluation Report for 2024 and an Internal Control Audit Report on the Company's internal control has been issued by Ernst & Young Hua Ming LLP.

During the reporting period

the Company conducted a total of

11

special audits

Internal Audit Processes

Annual Plan for Internal Audit

Implementation of Audit Projects

Drafting Audit Opinions and Decisions to Form Internal Audit Reports and Internal Control Evaluation Reports

Submission to the Company's Audit Committee or the Board of Directors for Review

Follow-up Audit on the Implementation of Rectification Measures

Preparation of Audit Files Based on Relevant Materials

Business Ethics

Montage Technology has always regarded business ethics as the lifeline of corporate governance. The Company strictly complies with the *Anti-Unfair Competition Law of the People's Republic of China*, the *Interim Provisions on Prohibition of Commercial Bribery* and other laws, regulations and related rules. The Board of Directors has formulated the *Code of Business Conduct*, which defines behaviors that violate business ethics, such as bribery and corruption, discrimination, disclosure of confidential information, conflict of interest, monopoly, unfair competition, money laundering, and insider trading, and guides the Company's employees and managers to carry out legal and compliant business activities in line with the corporate values of Montage Technology.

Meanwhile, for high-risk processes, relevant employees are required to sign the *Anti-fraud Commitment* and an *Anti-Bribery Statement* thereby making a solemn commitment to fulfilling their compliance obligations. In terms of supplier management, the Company has incorporated the *Anti-Bribery Statement* into the supplier contracts, requiring partners to understand and comply with Montage Technology's relevant compliance regulations.

To further enhance all employees' understanding of Montage Technology's business ethics and compliance policies, the Company conducts regular compliance training to ensure that employees are clearly understand and effectively implement the Company's policies.

During the reporting period

Montage Technology got

0

Whistleblowing regarding business ethics

Supervising Institution – the Board of Directors	Management Institution - General Manager's Office

Code of Business Conduct Coverage

- Anti-competitive
- Anti-trust legislation
- Anti-bribery and anti-fraud
- Prohibition of complicity and collusion
- Honest advertising
- Anti-money laundering

- Prohibition of trading on insider information
- Compliance with environmental, health and safety laws
- Conflict of interest
- Protection and utilization of company assets
- Duty of confidentiality
- Accurate audit reports

- Anti-discrimination and anti-harassment
- Honest and ethically sound business conduct
- Compliance with laws and regulations

Reporting Mechanism

If an employee believes that a violation of the *Code of Business Conduct* or other illegal or unethical business conduct has occurred or may occur, they should immediately report it to their supervisor or the General Manager's Office. They can also make a report through channels such as hotline, email, or letter. Alternatively, they may entrust someone else to make the report on their behalf. The Company encourages employees to report using their real names to facilitate more efficient handling. The reporting channels are as follows:

1. **Whistleblowing Hotline:** 021-54679037

2. **Whistleblowing Email:** antifraud@montage-tech.com

3. **Mail Address:** General Manager's Office, 16/F, 181 Caobao Road, Montage Circle, Xuhui District, Shanghai, China

Investigation Procedures

Upon receiving the report, the General Manager's Office shall promptly register it, record each case truthfully, and submit it to the Company's General Manager within five working days. The General Manager, in conjunction with relevant departments, shall promptly investigate and handle the matter, and inform the reporter of the investigation status or outcome within one month. If the case is complex and cannot be concluded within the mentioned timeframe, the reporter shall be informed of the reasons. If the reporter has not provided their real name or valid contact information, resulting in the inability to communicate the investigation results, the Company will not provide separate feedback. During the relevant investigation, the General Manager's Office may, as needed, conduct the investigation through internal secondments or the hiring of external experts.

Handling Measures

The Company will take corresponding disciplinary actions against violations of the *Code of Business Conduct*, which specifically include the following measures: verbal warning, written warning, dismissal, etc. When determining the specific disciplinary action, the Company will comprehensively consider the following factors: the nature and severity of the violation, whether the violation is a single incident or a recurring event, whether the violation was intentional or unintentional, whether the employee was informed of the correct conduct prior to the violation, and whether there have been any other violations in the past.

If an employee's conduct involves illegal or criminal activities, the Company will refer the matter to the relevant authorities for handling.

Whistleblower Protection Mechanism

The Company commits to keeping whistleblowing acts made in good faith confidential and, when necessary, taking certain measures to protect whistleblowers. The Company strictly prohibits retaliation against whistleblowers. Any manager or employee who retaliates against a whistleblower will face disciplinary action, up to and including termination in accordance with the law.

The Company's whistleblower protection mechanism includes the following:

1. Confidentiality and Rewards. The Company adheres to the principle of protecting the legitimate rights and interests of whistleblowers, maintaining confidentiality for whistleblowing acts, and rewarding meritorious whistleblowers.

2. Confidentiality of Whistleblowers and Information. Any personnel involved in the investigation shall not disclose relevant information about the whistleblower or the content of the report without authorization. If access to relevant materials is indeed necessary for work purposes, registration must be carried out at the General Manager's Office and approval must be obtained from the General Manager.

3. Non-interference and Non-obstruction of Whistleblowing. No unit or individual shall interfere with or obstruct the investigation and handling of cases. Violations of this provision will result in disciplinary sanctions depending on the severity of the circumstances; those suspected of criminal offenses will be referred to the relevant authorities for handling.

4. Recusal System. If a whistleblower believes that an investigator has a close familial relationship or other vested interests with the accused, which may affect the objective and fair handling of the case, they have the right to request recusal from their supervisor or the General Manager's Office. Upon verification, the relevant personnel must recuse themselves.

In tax management, Montage Technology has established a comprehensive Tax Risk Management Framework, ensuring full compliance with local tax laws and regulations. Additionally, we regularly disclose relevant tax policies through public channels. For detailed information, please refer to the dedicated section in the Company's 2024 Annual Report.

In 2024, we strictly complied with the requirements of the Exchange as well as the laws and regulations of the operation region, and paid taxes in full and on time in accordance with the law. During the reporting period, the Company did not incur any tax violations or receive any penalties for tax issues.

Compliance Competition

- Montage Technology strictly adheres to laws and regulations such as the *Anti-Unfair Competition Law of the People's Republic of China*, as well as internal policies like the *Code of Business Conduct*, which outline ethical business conduct standards including anti-monopoly and anti-bribery provisions.

- The Company is committed to participating fairly in market competition and actively promoting the healthy development of the market. No employee shall harm the legitimate rights and interests of the Company, its partners, competitors, or their employees through manipulation, fraud, misuse of confidential information, false statements of material facts, or other unfair trading practices.

- The Company pledges to operate in compliance with laws and regulations and to strictly abide by the *Anti-Monopoly Law of the People's Republic of China* in its interactions with third parties. No employee shall enter into or participate in restrictive agreements with competitors, customers, suppliers, or distributors that constitute monopolistic behavior.

- The Company is committed to complying with applicable anti-bribery and anti-corruption regulations. Neither the Company nor its employees shall offer, promise, solicit, or accept bribes or kickbacks, nor shall they participate in or assist in any form of corrupt activity.

- The Company pledges to adhere to the principles of honest advertising and not to obtain benefits through improper means such as false advertising or misleading information.

- In terms of cultivating employees' awareness of compliant competition, the Company regularly conducts compliance training for its sales team.

- During the reporting period, the Company did not face any litigation or significant administrative penalties resulting from unfair competition practices.
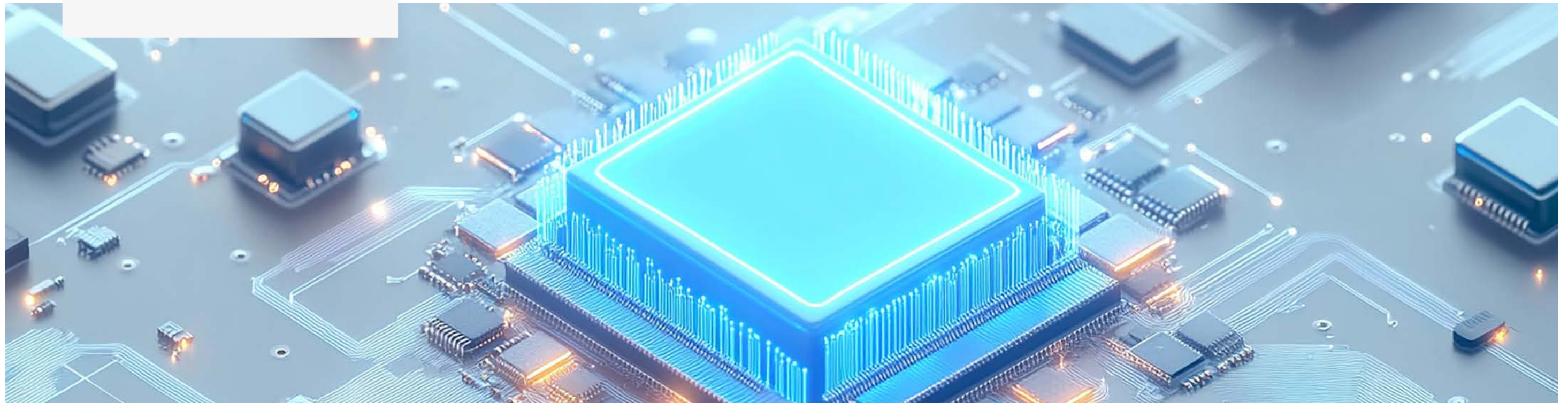
Investor Relations

The Company regularly holds performance briefings and vividly, clearly, and understandably presents the Company's performance, strategy, ESG, and other information to investors through long-form graphics. Additionally, the Company conducts investor research and participates in brokerage strategy meetings online and offline. During the reporting period, the number of the Company was surveyed and the number of participating organizations ranked among the top in A-share listed companies. The Company has designated personnel responsible for investor relations, opened a dedicated investor communication hotline and investor email to answer questions and provide clarifications for investors, and promptly responds to investor inquiries on the SSE e-Interaction platform.

In 2024, the Company actively addressed investor concerns and deepened investor relations efforts by incorporating "market capitalization" as a key performance indicator for the first time in the incentive plan for senior executives, further guiding management to focus on company value creation and shareholder interests. This incentive plan was overwhelmingly approved by the Company's shareholders at the general meeting.

Performance briefings organized **4**	Disclosure of **26** transcripts of investor relations activities	Responded to **155** SSE e-interactive questions
Investor receptions **139**	Foreign-funded receptions **71**	More than **2,352** participating organizations

Honor

Securities Times 15th Investor Relations Pegasus Awards

Received an A-level (Outstanding) rating in the information disclosure evaluation by the Shanghai Stock Exchange for two consecutive years

Comein Financial Investor Relations "Best Institutional Coverage"

Outstanding Practices in the 2023 Annual Report Earnings Briefings by CAPCO-Listed Companies

Dividends and Repurchases

The Company implements a proactive profit distribution policy, emphasizing reasonable returns on investment for shareholders. The proposed profit distribution plan for the fiscal year 2024 is to distribute a cash dividend of RMB **3.90 per 10 shares** (tax inclusive)*, representing a **30%** increase compared to the previous year. For the first time, the Company's Board of Directors has proposed an interim dividend plan for the fiscal year 2025, aiming to enhance returns for investors.

The estimated cash dividends to be distributed in 2024 amount to

RMB **443** million

The cumulative amount of share repurchases by the Company in 2024 is

RMB **409** million

The total amount of proposed cash dividends and share repurchases in 2024, which amounts to

RMB **852** million

Accounts for

60 %

of the Company's net profit attributable to shareholders in 2024

* This proposal still requires approval at the Company's 2024 annual general meeting of shareholders.

02 R&D Innovation Leader

Montage Technology continues to improve its innovation and R&D governance structure and management system, implement its innovation and R&D development strategy, continue to explore cleantech opportunities, and increase R&D investment to promote its continuous development and advancement in the industry, leading the innovation of industry technology.

Governance Structure

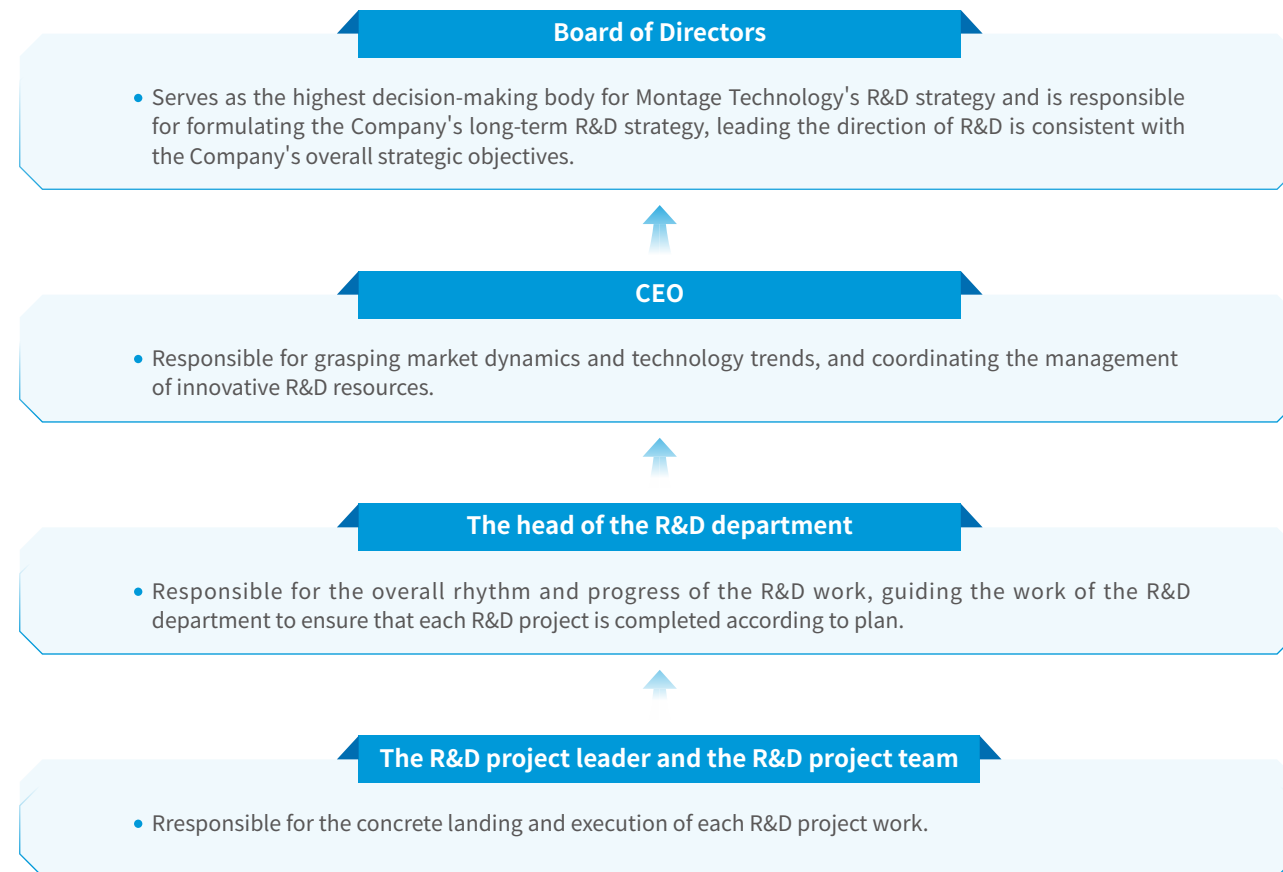Management Strategy
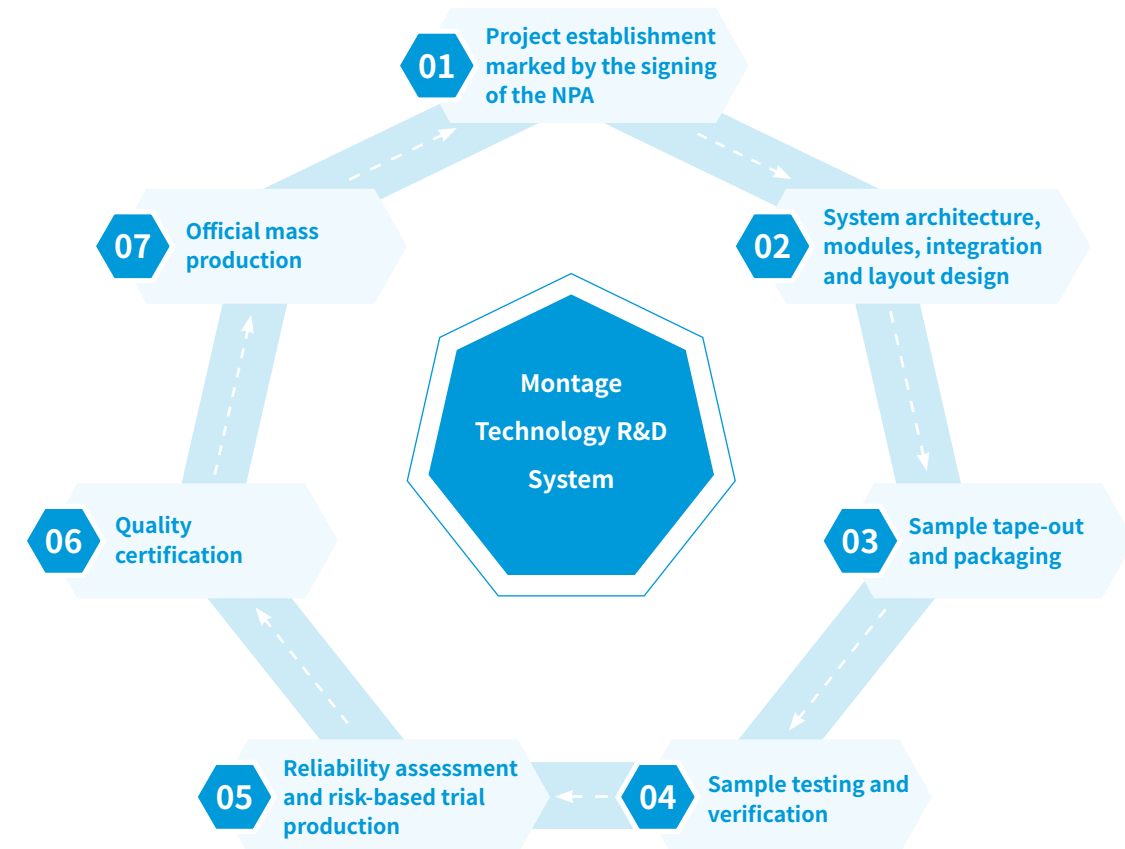
Impact, Risk and Opportunity Management

Indicators and Targets

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Governance Structure

The Company continues to improve its innovation and R&D governance structure, which consists of the Board of Directors, the Chief Executive Officer (CEO), the head of R&D departments and R&D project managers, and the R&D project team, constituting a hierarchical and clearly defined system, which enables the efficient operation of innovation and R&D management.

Board of Directors
- Serves as the highest decision-making body for Montage Technology's R&D strategy and is responsible for formulating the Company's long-term R&D strategy, leading the direction of R&D is consistent with the Company's overall strategic objectives.

CEO
- Responsible for grasping market dynamics and technology trends, and coordinating the management of innovative R&D resources.

The head of the R&D department
- Responsible for the overall rhythm and progress of the R&D work, guiding the work of the R&D department to ensure that each R&D project is completed according to plan.

The R&D project leader and the R&D project team
- Rresponsible for the concrete landing and execution of each R&D project work.

In addition to clarifying the work responsibilities of each level, the Company provides for the internal reporting mechanism and supervision procedures of the R&D management structure to ensure that the innovative R&D is carried out in an orderly manner.

The Company has built a clear and efficient integrated innovation and R&D system，Comprehensively Covering Three Critical Phases, including technology reserves & frontier exploration, in-depth R&D & breakthroughs, mass production & market commercialization to significantly accelerate the advancement of R&D initiatives

Montage Technology R&D System

- 01 Project establishment marked by the signing of the NPA
- 02 System architecture, modules, integration and layout design
- 03 Sample tape-out and packaging
- 04 Sample testing and verification
- 05 Reliability assessment and risk-based trial production
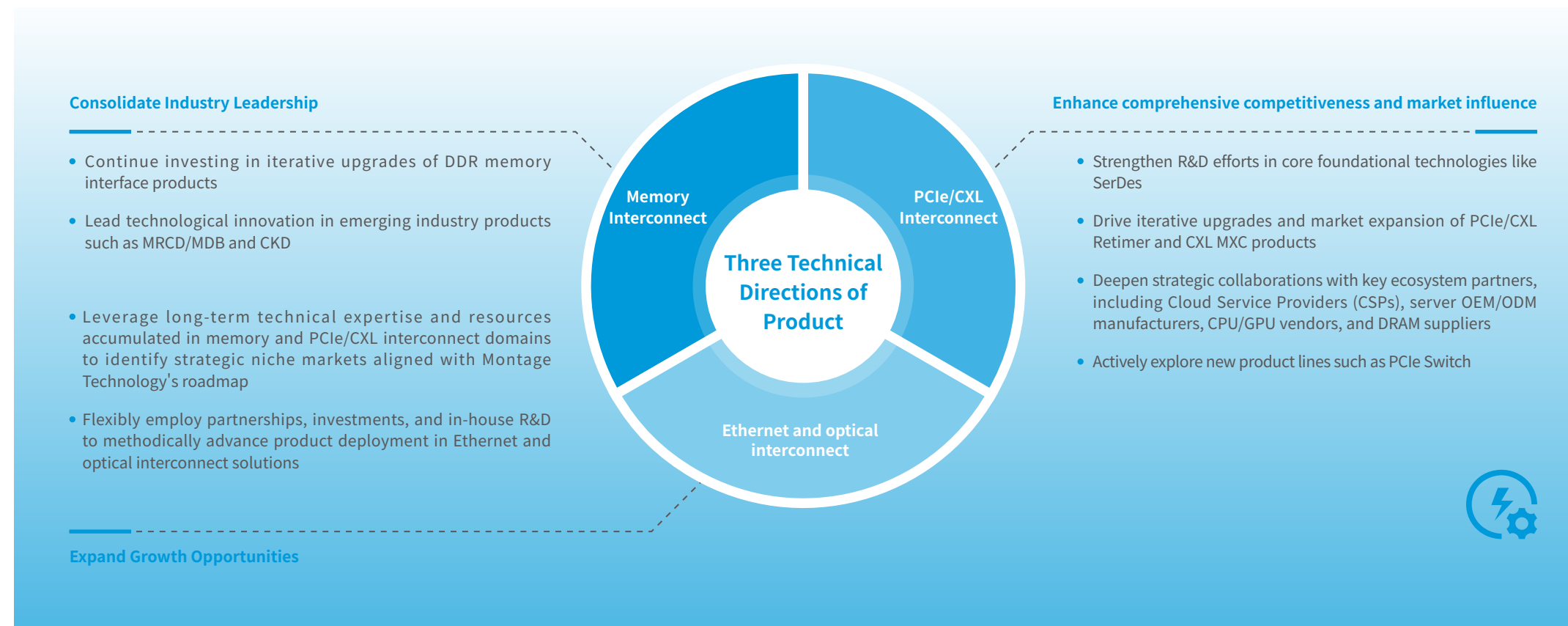- 06 Quality certification
- 07 Official mass production

Management Strategy

As an IC design company, R&D innovation belongs to the core of the Company's operation, and the Company has formulated corresponding strategies in the three aspects of product innovation, green R&D and talent innovation.

Product Innovation Strategy

Strategic Objectives for the Next 5-10 Years: To evolve into a globally leading full-interconnect chip design company, with focused excellence in data-moving chips. Through sustained R&D innovation, we will deliver diverse, composable high-speed interconnect solutions, empowering cloud computing and AI infrastructure with efficient and stable data connectivity.

Consolidate Industry Leadership

- Continue investing in iterative upgrades of DDR memory interface products

- Lead technological innovation in emerging industry products such as MRCD/MDB and CKD

- Leverage long-term technical expertise and resources accumulated in memory and PCIe/CXL interconnect domains to identify strategic niche markets aligned with Montage Technology's roadmap

- Flexibly employ partnerships, investments, and in-house R&D to methodically advance product deployment in Ethernet and optical interconnect solutions

Expand Growth Opportunities

Three Technical Directions of Product

- Memory Interconnect
- PCIe/CXL Interconnect
- Ethernet and optical interconnect

Enhance comprehensive competitiveness and market influence

- Strengthen R&D efforts in core foundational technologies like SerDes

- Drive iterative upgrades and market expansion of PCIe/CXL Retimer and CXL MXC products

- Deepen strategic collaborations with key ecosystem partners, including Cloud Service Providers (CSPs), server OEM/ODM manufacturers, CPU/GPU vendors, and DRAM suppliers

- Actively explore new product lines such as PCIe Switch

Green R&D Strategy

In the process of innovation and R&D, Montage Technology adheres to the "Green R&D Strategy" and actively seizes the opportunities of clean technology in the industry. The Company implements the core concept of "low power consumption" in all stages of chip design, and is committed to developing more environmentally friendly and energy-saving products and technologies. At the same time, the Company promotes the greening of the supply chain, giving priority to foundries and packaging and testing vendors that use renewable energy sources in order to achieve a win-win situation in terms of both environmental and economic benefits.

Innovative Talent Strategy

Montage Technology recognizes that the core of innovation and R&D lies in human resources, and therefore considers the "Innovative Talent Strategy" as the cornerstone of the Company's development. This strategy not only serves as the critical pillar for sustaining technological leadership and enhancing global competitiveness but also acts as the fundamental driver of long-term sustainable development. Since its inception, the Company has paid great attention to the cultivation and innovation of innovative talents, and has trained hundreds of professional and technical talents in the field of high-speed, low-power and mixed digital-analog circuit design. The Company's "innovative talent strategy" through the "career to attract talent", "culture to unite talent", and "mechanisms to motivate talent", the Company stimulates the innovation potential of talents, breaks through technical bottlenecks, and brings a steady stream of innovation power to the Company.

Impact, Risk and Opportunity Management

Risk Management

The IC design industry is characterized by rapid technology and product iteration, and innovation and research and development are important factors influencing the sustainability of Montage Technology in the industry. In the face of potential new product development risk and talent loss risk, Montage Technology focused investment in both R&D resources and R&D talents, so as to continuously consolidate and improve the Company's competitive advantage and market position.

In terms of the risk of new product development, the Company faces potential risks such as long cycle and large capital investment. To manage these risks, the Company has strengthened real-time tracking of emerging technologies and market demands, enhanced analytical capabilities in market trend assessment, and continuously optimized internal R&D processes alongside the innovation management framework. Through the integrated innovation and R&D system of "Technological Reserves - R&D - Mass Production", the Company has promoted the orderly development of the Company's R&D work and improve the efficiency of R&D. At the same time, the Company continues to improve its own IC design platform, effectively improving the integration of R&D solutions, system energy efficiency and product performance.

Regarding the risk of talent loss, the chip design industry is a technology-intensive industry with a high dependence on R&D technicians. The Company provides employees with the opportunity to participate in international cutting-edge chip design work, so that employees can grow in cooperation with the world's top teams, to attract and retain outstanding talent. The Company also provides a number of incentives for outstanding R&D talents, and has formulated a reward mechanism for patent applications and innovative inventions, which plays a positive role in stabilizing the Company's core technology team. At the same time, the Company provides employees with a variety of occupational health and safety protection measures, such as providing engineers with noise-canceling headphones and other protection in the laboratory area where there is obvious noise, and setting up various interest clubs to protect the physical and mental health of employees.

Opportunity Management

Montage Technology effectively manages risks while fully leveraging its technological advantages to actively explore development opportunities in clean technology. For the chip design industry, low-power design has become a key focus of technological evolution and market demand, aligning with semiconductor policy directions such as the carbon neutrality goals set in the *European Chips Act*, which will promote energy conservation and emissions reduction in the semiconductor industry.

Low-power design of semiconductor products can reduce heat accumulation within chips and improve product stability, directly lowering energy consumption during product use while indirectly reducing energy usage in system cooling processes. Given the massive energy consumption of data centers, products with lower power consumption hold greater competitive advantages globally.
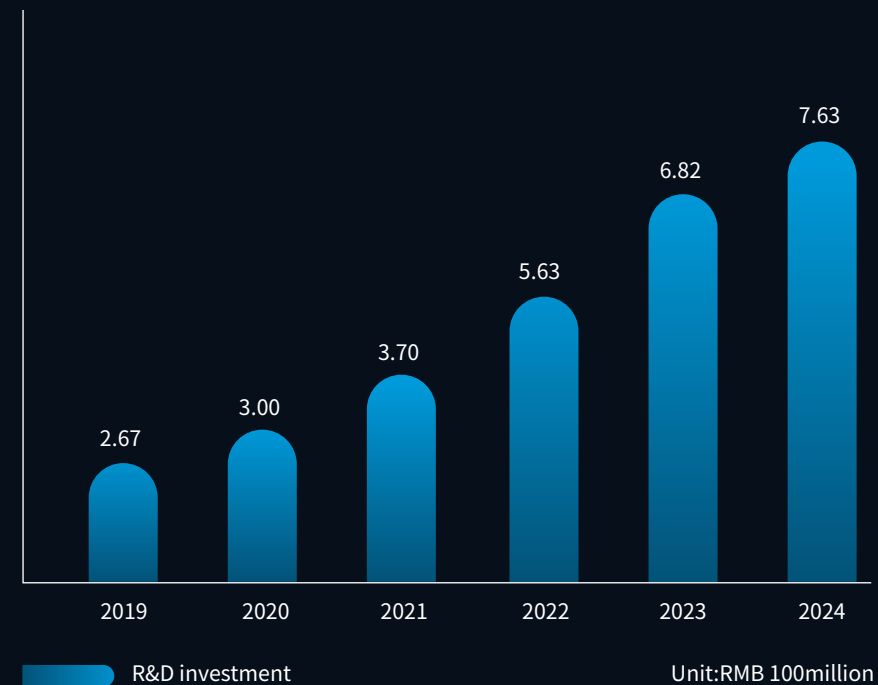
Montage Technology integrates the "low-power" concept throughout all stages of chip design. During the product definition phase, the Company focuses on balancing power consumption and performance while actively developing cutting-edge technologies, such as its MXC chip, which utilizes the CXL protocol's cache coherence and data sharing to reduce data migration and its associated energy consumption. In the product design phase, advanced circuit processes are selected, and design optimizations are implemented to improve energy efficiency. During production, the Company's main products, including memory interface and module supporting chips, use mature packaging materials compatible with liquid cooling solutions to meet data center liquid cooling requirements, thereby enhancing cooling efficiency.

In its laboratory R&D processes, the Company employs multiple measures to reduce energy consumption and improve R&D efficiency. It is gradually replacing outdated equipment with the latest server models, leveraging state-of-the-art high-performance computing technologies to improve energy efficiency per unit of server performance. Additionally, computing resource allocation for simulation servers is adjusted according to project requirements at different stages, increasing server utilization rates and reducing idle time.
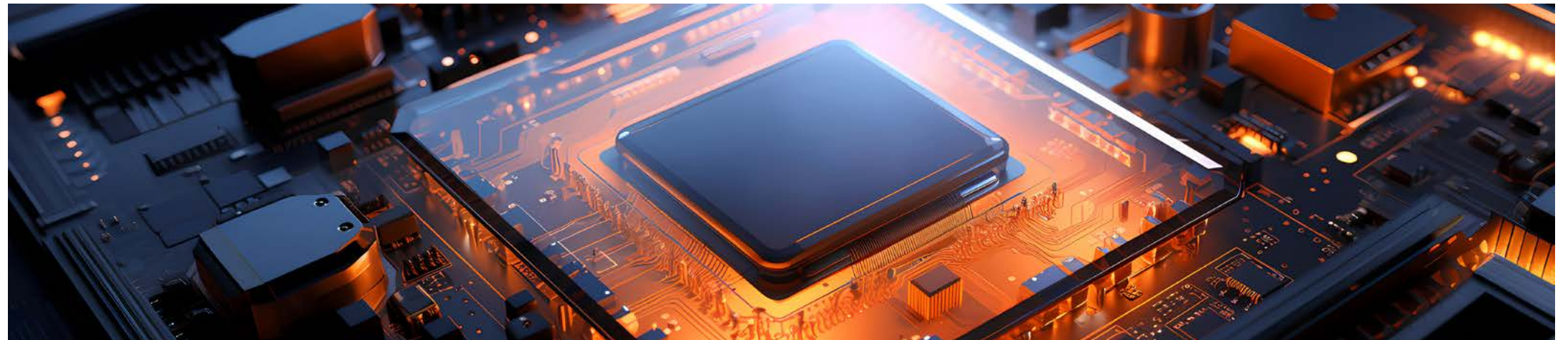
Indicators and Targets

The Company attaches great importance to innovation and research and development, and maintains high intensity R&D investment. R&D expenses have increased year by year since its listing in 2019. The proportion of R&D expenses to operating revenue has exceeded **15%** for three consecutive years.

Chart: R&D investment

2019	2020	2021	2022	2023	2024
2.67	3.00	3.70	5.63	6.82	7.63

R&D investment — Unit:RMB 100million

Significant Investment in R&D

R&D expenses
RMB **763** million

Year-on-year increase in R&D expenses
12 %

R&D expense ratio
21 %

Highly Skilled R&D Team

R&D technicians
536

Proportion of R&D technicians to the total number of employees
75 %

Proportion of those with a Master's degree or above to the total number of R&D technicians
63 %

Energy-Efficient R&D Design

Comparison of power consumption between Gen4 DDR5 products and Gen1 products at the same rate
17-22 %

03 Intellectual Property Pioneer

Montage Technology attaches great importance to the protection of intellectual property rights and regards it as an important part of the core competitiveness of the enterprise. With independent intellectual property as the core, the Company focuses on intellectual property protection and the commercialization of innovations, and continuously improves the patent layout to comprehensively safeguard its technological advantages and brand value.

- Governance Structure
- Management Strategy
- Impact, Riks and Opportunity Management
- Indicators and Targets

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Governance Structure

Montage Technology has established a well-defined intellectual property (IP) management framework. The General Manager is responsible for setting the overall IP strategy, while the IP management department handles day-to-day operations and implements the strategy. Furthermore, the Company has formed an IP Committee, consisting of R&D leaders and technical experts from various fields. The committee's main responsibilities include reviewing patent application proposals, guiding patent portfolio development, and supporting the formulation and execution of the annual application plan.

Within the Intellectual Property Management Department, the IP Director oversees and coordinates all intellectual property matters, while the Patent Manager handles the application and maintenance of intellectual property.

Intellectual Property Management Framework

Patent Manager → Director of Intellectual Property → Intellectual Property Management Department → General Manager

Intellectual Property Management Department ↕ Intellectual Property Committee
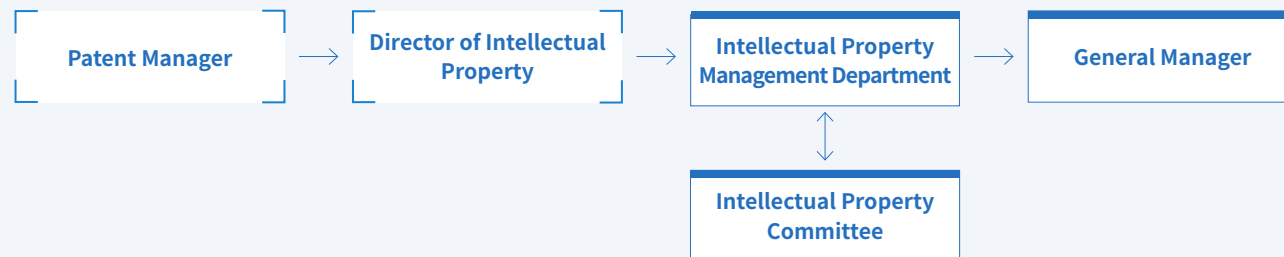
Montage Technology has established a comprehensive intellectual property management system, and has formulated internal management systems such as *Administrative Measures for Intellectual Property Protection, Patent Application Process*, *Paper Publication Application Process*, *Trade Secret Management Measures, Intellectual Property Incentive Program, Intellectual Property Training Measures*, and *Annual Plan Formulation and Assessment Measures* for *Patent Application*. The Company regularly reviews and updates these systems to provide a clear and practical implementation framework for intellectual property protection.

Management Strategy

Montage Technology's intellectual property management strategy centers around "independent intellectual property". The Company's core technologies are built upon its own IP, forming a strategically planned patent portfolio. Leveraging its independent IP, Montage Technology has broken through a series of critical technological barriers, establishing an industry-leading position for its related products.

Intellectual property management scope

- Patent application and maintenance
- IC layout design and software copyright registration
- Trademark registration and maintenance
- Protection of Business and Trade Secrets

The Incentives

In order to fully stimulate the innovation enthusiasm of engineers and encourage patent applications, Montage Technology has implemented a series of effective intellectual property incentive strategies. The Company has formulated a detailed *Intellectual Property Incentive Program*, which specifies the incentive mechanism and specific measures to recognize and reward employees who have made outstanding contributions to technological innovation.

During the reporting period, Montage Technology presented patent-related incentives in 110 award instances, which significantly enhanced the team's innovation vitality, facilitating the continuous deepening of technological innovation and steady growth in patent applications.

During the reporting period

Patent-related incentives

110 award instances
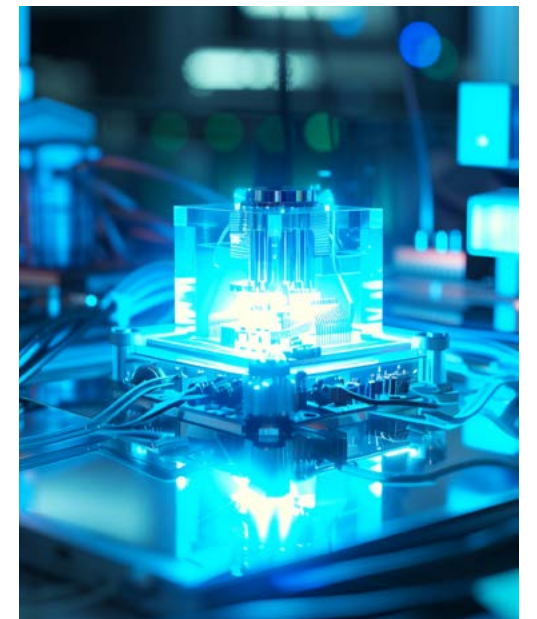
Impact, Riks and Opportunity Management

Facing potential risk of intellectual property infringement and leakage, Montage Technology has taken multiple preventive measures to build a comprehensive and efficient intellectual property protection system.

Measures against the risk of intellectual property infringement

- The Company formally launched the intellectual property management system during the reporting period, which can provide certificate and document search services
- The Company cooperated with a third-party patent search platform to provide search services of global patent database

Measures against the risk of intellectual property leakage

- Employee confidentiality, non-competition and invention rights agreements are signed between the Company and its employees
- Regular training on intellectual property

Specialized training on intellectual property

In 2024, the Company invited a patent agency to conduct specialized training, primarily targeting engineers with no prior experience in patent applications. The training covered topics such as patent mining, technical disclosure and patent document interpretation, aiming at enhancing the patent awareness and application capabilities of the engineering team.

As of the end of the reporting period, the Company did not experience any violations or non-compliance related to intellectual property, nor were there any lawsuits initiated.

Indicators and Targets

To promote the effective transformation and application of intellectual property innovations, Montage Technology has formulated the *Measures for Formulating and Assessing the Annual Patent Application Plan*, which sets patent application targets for relevant departments every year and establishes strict assessment and evaluation indexes. Through regular evaluation and feedback once every six months, the Company continues to improve the work of patent application and enhance the quality and conversion rate of innovation achievements.

IP Type	New IP in the year		Cumulative IP over the years	
	Patent application	Granted patents	Patent application	Granted patents
Invention patent	39	20	142	187
Utility model patent	/	/	/	1
Software copyright	/	/	12	12
IC layout design right	17	11	87	81
Total	56	31	241	281

Note 1: For details of intellectual property data, please see the *2024 Annual Report of Montage Technology*;

Note 2: The cumulative number of invention patent applications of the Company includes 1 PCT (Patent Cooperation Treaty) application;

Note 3: The above table shows the intellectual property data exclusively owned by the Company, in addition to which, the Company has jointly applied for 10 Chinese patents (2 of which have been granted) with a number of partners.

Honors and Awards

The efforts in research and innovation, along with efficient management of intellectual property, have yielded corresponding rewards for Montage Technology. The Company has been awarded the "National Intellectual Property Advantage Enterprise" by the State Intellectual Property Office and won the 23rd China Patent Excellence Award and the second prize of the 4th Shanghai Intellectual Property Innovation Award.

During the reporting period, the Company was awarded the "Single Manufacturing Champion Enterprise" by the Ministry of Industry and Information Technology of the People's Republic of China, and its subsidiary Montage Electronic Technology (Kunshan) Co., Ltd. was awarded the national specialized and special new "Little Giant" enterprise.

National Intellectual Property Advantage Enterprise

Single Manufacturing Champion Enterprise

The Subsidiary was awarded the national specialized and special new "Little Giant" enterprise

04 High-quality Product Provider

Montage Technology adheres to the philosophy of "Quality First, Service First". Through a quality management system that encompasses the entire product lifecycle, coupled with a well-established customer service management process, the Company consistently delivers high-quality products and services to its customers. Simultaneously, Montage Technology constructs its own information security system to safeguard the privacy and data security of both the Company and its clients.

Product Quality

Privacy and Data Security

Customer Service

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
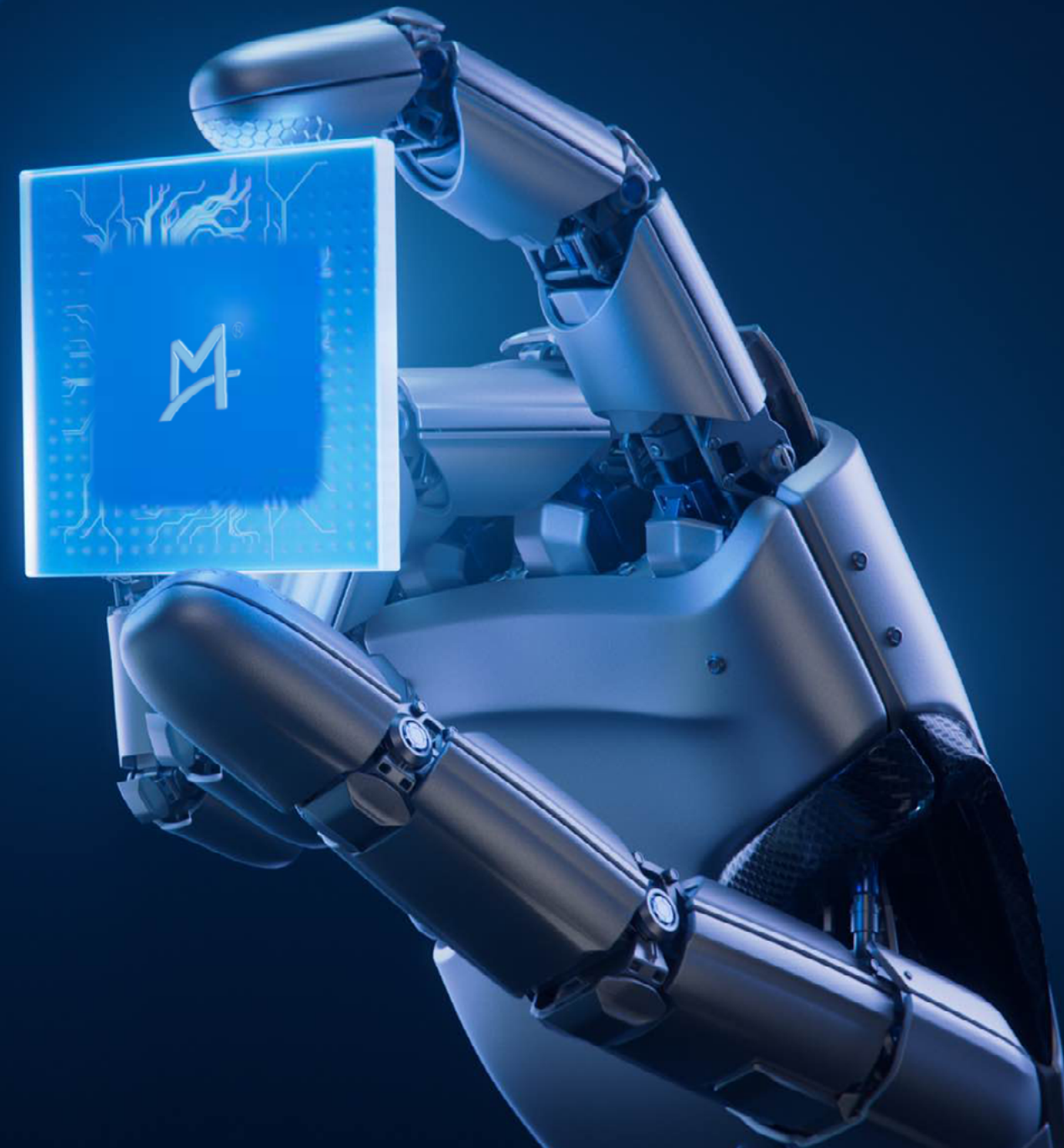
Product Quality

End-to-End Quality Management Process Across the Product Lifecycle

Montage Technology strictly abides by the laws and regulations related to product quality in all domestic and foreign operations and the requirements of ISO 9001 quality management system, and has compiled internal quality management systems such as the *Quality Manual*, *New Product Development Process*, and *Reliability Qualification Requirement*. These systems comprehensively stipulate the quality control requirements for integrated circuit design, development, outsourcing, manufacturing, and sales.
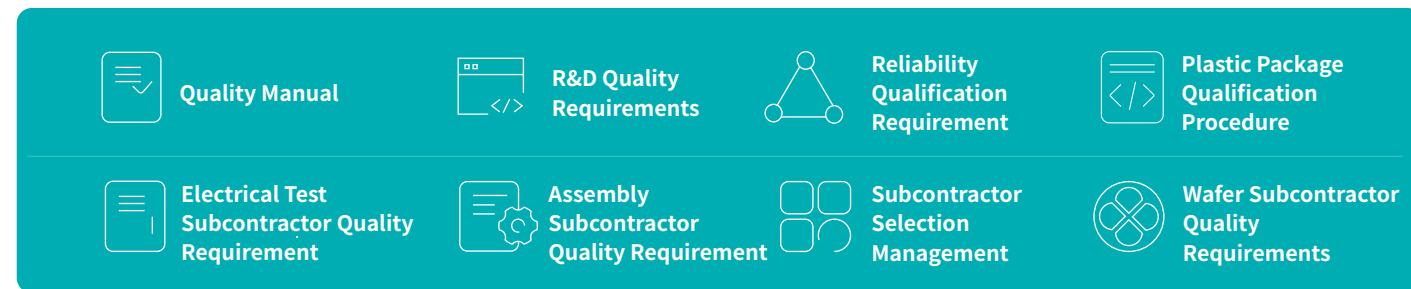
Montage Technology adopts a fabless (fabrication-less) business model, focusing on chip design and R&D, while chip manufacturing and packaging testing are done by external manufacturing suppliers. The Company has formulated a series of quality management systems, which specifies the quality assessment process and standards for the production process/product packaging, etc. The Company has established a perfect quality management process for the whole life cycle of the chip products, which includes the design, production, validation, delivery and other phases, the implementation of the whole process of quality control, through the collection of the key processes on a regular basis to collect the ability index, the establishment of product testing process, failure analysis and other measures.

In terms of supplier management, Montage Technology has established a comprehensive supplier management system, requiring core suppliers to possess ISO 9001 quality management system certification and recommending that suppliers establish management systems that comply with information security management systems and ESG requirements.
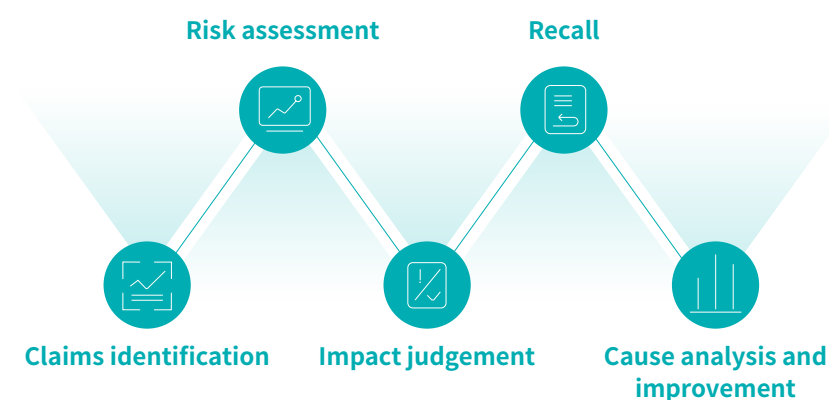
In order to further improve the quality control awareness of relevant employees in each segment, cultivate quality assurance capabilities and build a quality culture, during the reporting period, the Company conducted a total of four quality-related trainings for all employees in key departments such as R&D, operations and quality, including training on R&D project management, quality management system, digital management tools and other quality assurance-related skills and systems.

Quality Manual	R&D Quality Requirements	Reliability Qualification Requirement	Plastic Package Qualification Procedure
Electrical Test Subcontractor Quality Requirement	Assembly Subcontractor Quality Requirement	Subcontractor Selection Management	Wafer Subcontractor Quality Requirements

Montage Technology quality management system

Quality-related trainings

4

In order to continuously optimize work effectiveness and improve work efficiency, the Company has formulated a series of quality management-related objectives and achieved all of them during the reporting period.

Product Recall Process

The Company has established a product recall process, which mainly includes problem identification and risk assessment, recall decision-making and plan formulation, internal communication and customer notification, supply chain traceability and product recall/isolation, defect analysis and corrective actions, as well as recall verification and documentation. Montage Technology's product recall process emphasizes rapid response, precise traceability, and proper handling.

Quality and reliability indicator:
Defects Per Million (DPPM)

$$\leqslant 100$$

Passed ISO 9001:2015 recertification audit

Montage Technology 2024 quality management goals

ISO 9001 Quality management system certificate

Risk assessment

Recall

Claims identification

Impact judgement

Cause analysis and improvement

During the reporting period, the Company had **No** major quality accidents
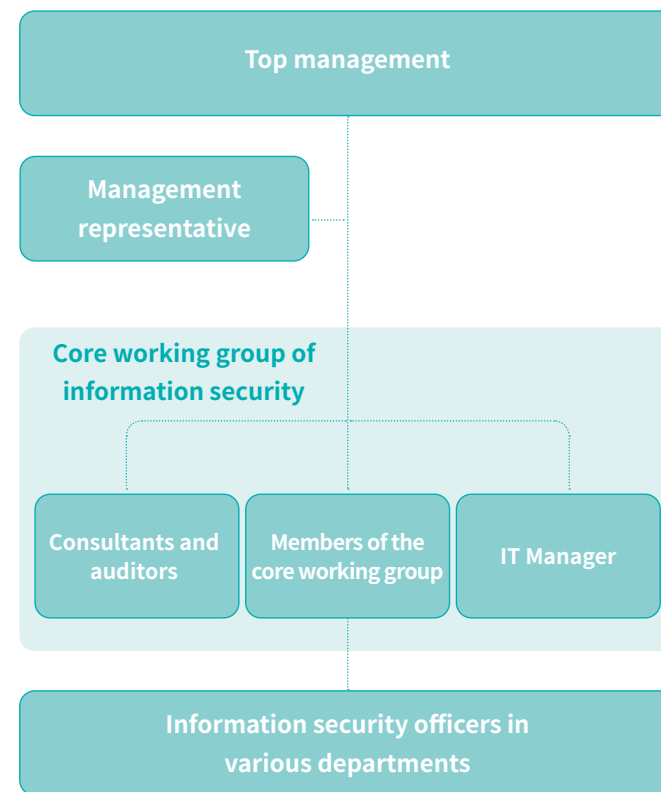
Privacy and Data Security

The Company strictly follows the *Cybersecurity Law of the People's Republic of China* and other relevant laws and regulations, and has formulated privacy and information security management systems, including *Network Partition Management, High Security Level Data Access Strategy, Document Access Control Strategy*.

Montage Technology has established an Information Security Committee and clarified the management responsibilities at all levels within the committee to ensure that the information security of Montage Technology internally and that of its clients is properly managed. In 2024, the Company successfully passed the follow-up audit and certification of the ISO 27001 information security management system. The Company's information security system is operating normally, and no information leakage incidents have occurred.

Top management

Management representative

Core working group of information security

Consultants and auditors

Members of the core working group

IT Manager

Information security officers in various departments

ISO 27001 information security management system certification

Montage Technology information security management system

Information systems security aspects

- A redundant IT architecture is constructed to ensure continuous system operation and data security, effectively preventing data loss and damage.
- When accessing external information, multi-layer encryption, firewall authentication, and two-factor VPN authentication are employed to strictly limit unauthorized access.
- The firewall is configured with malicious code filtering, anti-virus, and anti-attack functions, and an automatic update mechanism is set up to keep the protection policy current.
- Mail servers are equipped with protection modules to effectively intercept malicious code emails and phishing emails.
- The server is enabled in anti-virus mode, and non-essential high-risk ports are closed to block the spread of worms.

Data access and leakage prevention aspects

- Sensitive data can only be accessed indirectly through secure access terminals or virtual terminals, improving the security of data access.
- Information system assets are classified into different security levels, and the permission application process is clarified, the principle of least privilege is adhered to, and the distribution of permissions is strictly controlled.
- Access restrictions are imposed on systems storing sensitive information, allowing only specific terminals to access them, and content transmission is rigorously controlled.

Data backup and storage aspects

- Dual telecommunication lines are enabled to enhance the availability and stability of the enterprise network, ensuring smooth and unobstructed data transmission.
- Adopting world-leading data storage systems for centralized storage and distributed backup of data can significantly enhance data security and reliability.
- Data confidentiality management tools are used to achieve data desensitization and hierarchical sharing within the enterprise, with a strict authority control mechanism in place.
- Data backup and recovery drills are regularly conducted.

Periodic audit assessments

- Monthly internal audits of information systems are carried out, covering account privileges, server room access logs, system operation logs, firewall logs, etc., to promptly identify and rectify problems, and test conclusions are recorded.
- A professional information security team is regularly hired to conduct third-party audits, comprehensively assessing the Company's information security status and the effectiveness of information security management.

Trade secret protection

- Non-Disclosure Agreements (NDAs) are signed with clients.
- Customer information must be desensitized for internal communication and archiving.
- Dedicated personnel are assigned to specific cases to prevent information leakage.
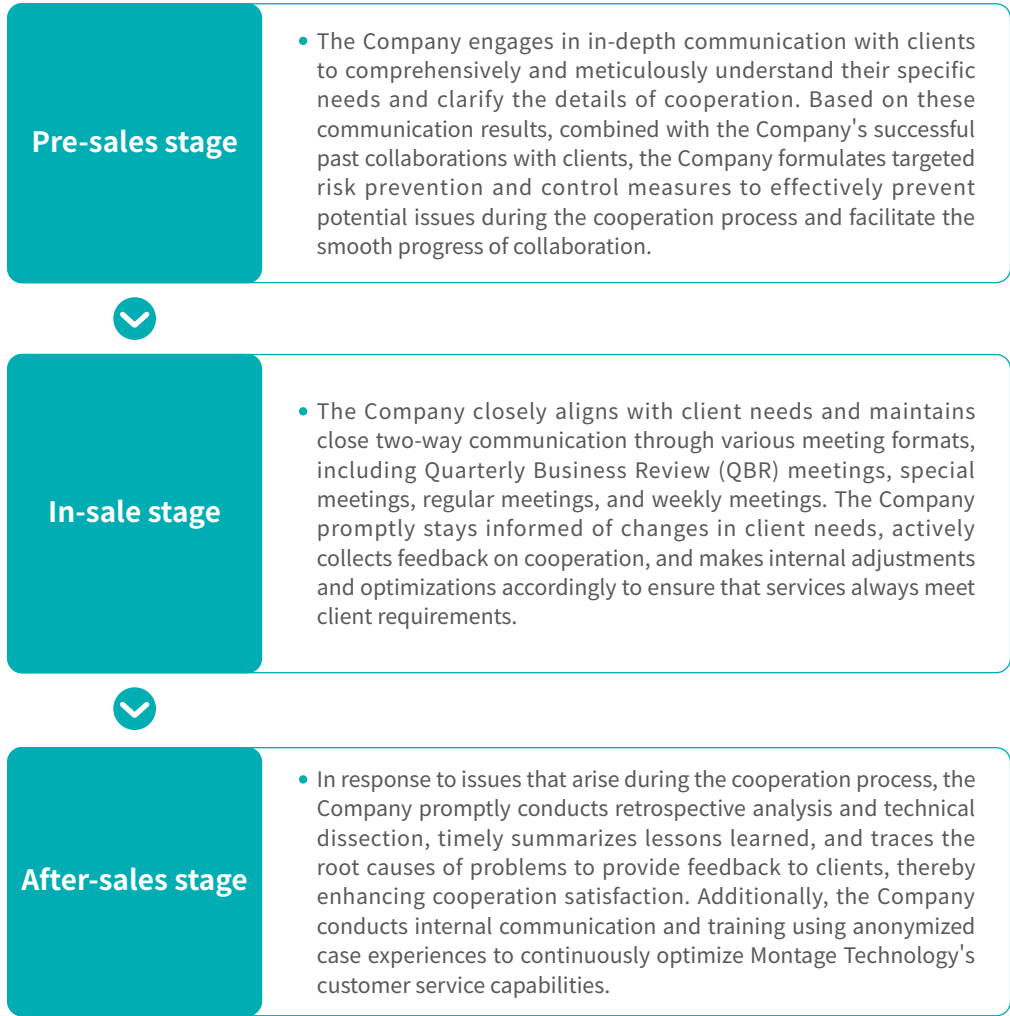- Overlap of service teams for competing clients is prevented.

Montage Technology's information security management initiatives

The Company continues to implement a series of information security management measures and constantly upgrades its information security technology system to optimize Montage Technology's information security protection capabilities and safeguard the information assets of the Company and its partners. During the reporting period, the Company successfully established a comprehensive log audit and analysis system, which significantly improved the collection, analysis, and processing capabilities of system logs, greatly enhanced the efficiency and accuracy of security monitoring, and provided a more robust safeguard for the Company's information security.
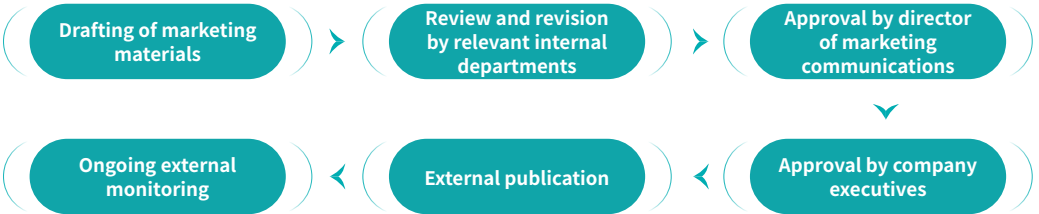
To enhance employees' awareness of information security protection, the Company regularly conducts information security training for all staff. Meanwhile, all new hires are required to undergo training related to privacy protection and data security. During the reporting period, the Company provided information security training to all new employees, achieving a 100% coverage rate among new hires.

| | 1.Value Creation Practitioner | 2.R&D Innovation Leader | 3.Intellectual Property Pioneer | 4.High-quality Product Provider | 5.People-oriented Employer | 6.Social Value Creator | 7.Climate Change Guardian | 8.Green Operation Advocator | 34 |

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Customer Service

In order to provide excellent and continuous customer service capabilities, the Company has established a sales management system that covers all stages of the sales process. This system is designed to drive the Company to provide professional and efficient services to customers at all stages of "pre-sales, sales, and after-sales", meet the diverse needs of customers, and enhance customer satisfaction.

Pre-sales stage
- The Company engages in in-depth communication with clients to comprehensively and meticulously understand their specific needs and clarify the details of cooperation. Based on these communication results, combined with the Company's successful past collaborations with clients, the Company formulates targeted risk prevention and control measures to effectively prevent potential issues during the cooperation process and facilitate the smooth progress of collaboration.

In-sale stage
- The Company closely aligns with client needs and maintains close two-way communication through various meeting formats, including Quarterly Business Review (QBR) meetings, special meetings, regular meetings, and weekly meetings. The Company promptly stays informed of changes in client needs, actively collects feedback on cooperation, and makes internal adjustments and optimizations accordingly to ensure that services always meet client requirements.

After-sales stage
- In response to issues that arise during the cooperation process, the Company promptly conducts retrospective analysis and technical dissection, timely summarizes lessons learned, and traces the root causes of problems to provide feedback to clients, thereby enhancing cooperation satisfaction. Additionally, the Company conducts internal communication and training using anonymized case experiences to continuously optimize Montage Technology's customer service capabilities.

Montage Technology's customer service provisions

Responsible Marketing

The Company has always strictly complied with the marketing-related laws and regulations of its domestic and overseas operating locations, and has established relevant marketing material management regulations, which explicitly prohibit the use of non-public information for publicity or participation in customer bidding activities. All the Company's customer communication materials, brochures and other external promotional materials are subject to strict compliance review by the internal team, department heads and the Company's executives to ensure compliance with legal and regulatory requirements as well as client confidentiality, thereby safeguarding the compliance of marketing activities. During the reporting period, the Company did not commit any marketing violations.

Drafting of marketing materials → Review and revision by relevant internal departments → Approval by director of marketing communications

Ongoing external monitoring ← External publication ← Approval by company executives

Montage Technology's marketing material review and management process

In order to further enhance employees' awareness of compliance in marketing, the Company regularly conducts compliance marketing trainings for the marketing department, sales department and other relevant departments, and carries out the latest compliance provisions and case sharing to ensure that employees master the Company's compliance regulations and related laws and regulations.

Customer Satisfaction Survey

Montage Technology conducts a comprehensive customer satisfaction survey every six months among its major clients. The survey dimensions cover product quality, technical support, service levels, cost control, and delivery capabilities, targeting core customer groups that account for over 90% of the Company's sales. The Company places a high value on customer feedback and is committed to improving internal management and optimizing cooperation processes, striving to continuously enhance customer satisfaction. The Company's annual customer service management goal is to achieve an average customer satisfaction rate of over 90%. During the reporting period, Montage Technology successfully conducted two customer satisfaction surveys, both achieving average satisfaction rates exceeding 90%, thereby successfully meeting the established goals.

Customer satisfaction rate

>90%
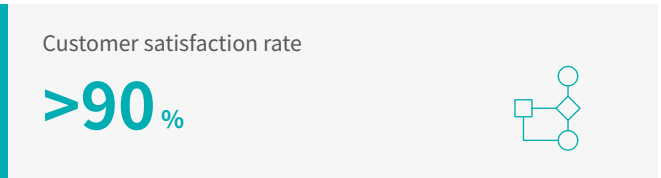
Customer Complaint Handling Process

The Company has established a customer complaint handling process, which mainly includes the following steps: complaint reception and classification, preliminary assessment and assignment of responsibility, technical investigation and root cause analysis, closed-loop feedback and continuous improvement, as well as document management.

05 People-oriented Employer

As an IC design company with science and technology innovation as its core competitiveness, talent is the foundation and important guarantee for the Company's sustainability. Montage Technology adheres to the concept of people-oriented talent management, and has always been committed to realizing the unity of the Company's development and the self-worth of its employees. Montage Technology regards its employees as valuable assets of the Company, optimizes the talent structure and salary and benefit system, strengthens the construction of talent ladder, opens up the talent development channels, continuously improves the talent cultivation system, and promotes the common development of the employees and the Company while safeguarding the basic rights and interests of the employees.

- Equality and Compliant Employment
- Talent Cultivation and Development
- Employee Rights and Care
- Employee Health and Safety

8 DECENT WORK AND ECONOMIC GROWTH

Equality and Compliant Employment

Montage Technology strictly abides by relevant labor laws and regulations such as the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, and the Regulations on Prohibiting the Use of Child Labor, as well as labor policies and regulations in the locations where it operates. Meanwhile, the Company continuously improves various employee management systems, including the Employee Handbook and the Recruitment System, to comprehensively safeguard employees' legitimate rights and interests in recruitment.

Based on a sound internal management system, Montage Technology is committed to building a diversified and equal labor relationship, and creating a fair and equitable employment environment for employees. In terms of employment compliance, the Company strictly prohibits the recruitment of child labor, eliminates any employee discrimination and unequal competition, and all employees sign labor contracts with the Company in accordance with the principle of voluntariness. During the reporting period, the Company did not experience any incidents of human rights violations such as child labor, discrimination, harassment and forced labor. In the Company's Board of Directors, women account for 43% of the members; in the Board of Supervisors, women account for 67% of the supervisors; and among the senior management, women account for 50% of the senior executives.

In the field of talent recruitment, the Company closely aligns with its development strategy, business growth needs, and the actual operational status of projects to accurately forecast talent requirements and scientifically plan recruitment strategies. The Company is committed to building a talent echelon with potential and a reserve pool of fresh talent, extensively attracting individuals with relevant professional knowledge, research skills, and rich experience to join. By utilizing both campus and social recruitment channels, the Company has provided a solid talent guarantee for its long-term development.

As of the end of the reporting period, total number of employees

718

Classification by gender
68.8% 31.2%
- Female employees
- Male employees

Classification by age
59.2% 32.6% 8.2%
- 30 and below
- 31-50
- 51 and above

Classification by nationality
91.1% 8.9%
- Chinese employees (including Hong Kong, Macao and Taiwan)
- Foreign employees

Classification by position
74.7% 15.4% 9.9%
- R&D technicians
- Marketing and sales personnel
- Management personnel

Classification by education level
51.1% 43.6% 2.8% 1.8% 0.7%
- PhD
- Master's degree
- Bachelor's degree
- Junior college degree
- High school degree and below

Talent Cultivation and Development

Excellent talents are the driving force of sustainability and the key to build the core competitiveness, Montage Technology is committed to the long-term common development with the staff, to provide all employees with a perfect promotion and development mechanism and a wealth of training courses, to meet the needs of the staff to enhance their capabilities, to achieve the integration of the staff's general skills and management skills.

Employee Development

The Company has set up a comprehensive promotion assessment system, aiming to build a fair and competitive promotion mechanism, and fully explore and give full play to the potential of employees. The Company closely combines the needs of the position and the actual situation of individual employees, continues to optimize the matrix of diversified promotion channels, constantly improves the promotion path and process, and strengthens the standardized management of employee promotion and internal mobility, to ensure that each employee can obtain sufficient space for growth and valuable opportunities for development.

Performance management is mainly divided into four stages: performance planning, performance feedback and coaching, performance evaluation, performance incentives, through a perfect performance appraisal mechanism to stimulate employee motivation and creativity, improve personal competence and skills, enhance teamwork and communication skills, and promote the common growth of individuals and organizations.

Specific	**Measurable**	**Attainable**	**Relevant**	**Time-bound**
Indicators must be specific, with targets and expected results	Determine how performance will be measured	Indicator is ultimately achievable with best efforts	Individual goals must be aligned with company, department and team goals	Indicators are subject to final or milestone deadlines for completion

Employee performance goal setting following SMART principles

In terms of employee performance appraisal, the Company carries out employee performance evaluation once every six months. The Company not only pays attention to the achievement of goals, but also pays more attention to the process of achieving goals. Montage Technology emphasizes on continuous two-way communication, the appraiser needs to record the appraisee's performance, and find out the problems in time for feedback and counseling; meanwhile, the appraisee is encouraged to actively participate in the appraisal, and take the initiative to seek the appraiser's feedback. In the process of performance management, if the appraiser and appraisee are unable to agree on the performance objectives and the achievement of the performance objectives and the related behavioral competencies, or if the appraisee holds objections to the assessment results, he/she may submit a written appeal.

Staff Training

The Company has established a comprehensive multi-level development program and designed multi-dimensional and diversified training for employees at different levels, positions and development stages, aiming to enhance employees' managerial, professional and vocational abilities, and to deepen the potential and value of each employee.

During the reporting period, a total of **17,793.50** hours of various types of training were conducted, with **23.96** hours of training per employee and a training coverage rate of **100%**.

Introduction of partial featured training contents

Type of training	Objects of training		Main content	Results
Vocational training	Montage freshmen program	New employees	Face-to-face learning: strengthening the promotion of corporate culture and increasing the number of product introduction categories	38 participants
			Online learning: Introduction to financial systems, intellectual property rights and other related online courses	
	Montage star program	2024 fresh graduates	Intensive Training: "*Company and Corporate Culture*", "*Role Transformation from Campus to Workplace*", "*Efficient Time Management for Task Achievement*", "*Win-Win Communication Skills for Knowing Yourself and Understanding Yourself*" and other courses	24 participants
			Training follow-up: research on training needs, one-on-one communication with students, mid-term & final evaluations, etc	
	Montage chip program	Middle management	Management capacity enhancement, internal development of "*from technology to management role awareness*", "*performance communication coaching and motivation and authorization*" two management courses, in line with the actual business issues of the R & D cases 3	four trainings with 74 participants
Professional skills training	Montage youth program	R&D related employees	Invite internal experts to conduct "*RDM R&D Management System Training*" and Q&A, etc	two trainings, 170 participants
		New employees	*Information Security Training* includes information security systems and IT-related content	68 people studying online, 100% pass rate on online exams
		R&D related employees	*Patent Mining and Technical Disclosure*, assists in supporting and guiding employees to write patent submissions to enhance the willingness to apply for patents	one training session, 26 participants

Employee Rights and Care

Montage Technology consistently offers competitive compensation and benefits, respects employees' rights to express their concerns and demands, and organizes a variety of employee activities to help them achieve a balance between work and life.

Compensation Mechanism

The Company has formulated a salary system that is fair internally and competitive externally, following the principle of combining positions and grades, and setting the annual basic salary based on the employee's position level, professional ability and other factors. The compensation is not only in compliance with local government regulations but also competitive within the industry.

To further enhance employees' motivation and incentives, Montage Technology's variable compensation plan covers all employees, with a flexible variable compensation component based on the results of employee performance evaluations, individual performance, and team performance as a way of recognizing and motivating employees' contributions.

Employee Motivation

In addition to the basic salary and performance bonus, the Company has also set up intellectual property incentives, equity incentives, outstanding employee bonuses and other incentives to promote the common growth and development of the Company and employees from more dimensions.

Equity Incentive and Stock Ownership Plan

The Company attaches importance to the fruits of employees' labor and respects their contributions, believing that only by fully mobilizing the work enthusiasm of the majority of employees can we better bring into play the team's innovative ability, enhance operational efficiency and promote the long-term and sound development of the Company's business.

During the reporting period, Montage Technology launched two new equity incentive plans with 289 new incentive recipients; launched a new employee stock ownership plan with 56 participating employees; and the existing incentive plans vested 6 times with a total of 687 employees involved, with a consolidated equity incentive coverage rate over 96%.

Twentieth Anniversary Employee Award Presentation

During the reporting period

Employees covered by equity incentives	Equity incentive coverage rate
687	**>96**%

Employee Communication

The Company always respects the power of employees to express their demands, and ensures employee voices drive organizational development and growth of the enterprise. The Company has built a smooth and flexible employee communication system and actively developed various employee communication channels to enhance the overall communication efficiency between employees and the enterprise. During the reporting period, Montage Technology conducted an annual satisfaction survey to fully understand the opinions and suggestions of employees

The Company has established a grievance handling mechanism to encourage employees to raise grievances through appropriate channels. While safeguarding the privacy of employees who file grievances, the Company responds promptly, addresses the grievance matters, and provides timely feedback on the final resolution to the employees concerned. All relevant documents during the grievance process are properly preserved and managed.

☎ Reporting hotline │ 021-54679037

✉ Reporting email │ antifraud@montage-tech.com

Employee complaint channels

Employee Satisfaction

During the reporting period, the Company conducted an annual employee satisfaction survey through online questionnaires distributed in the form of a seven-dimensional questionnaire: organizational processes, work-life balance, direct supervisor effectiveness, performance management, career development, communication and my perception of my job, culminating in an overall satisfaction rating. The employee satisfaction survey achieved a coverage rate of approximately 98%, with a questionnaire response rate exceeding 80%. The results revealed that employee satisfaction with the Company surpassed 95%, significantly exceeding the industry average. The Company attaches great importance to the common problems raised by employees in the survey, and actively handles them to promote the growth and development of the organization

During the reporting period

The coverage rate of the employee satisfaction survey

98%

Overall employee satisfaction rate

>95%

Employee Benefits

To promote the Company's corporate culture and values, as well as to demonstrate its humanistic care for its employees, Montage Technology strictly complies with local laws and regulations and provides statutory benefits to its employees. In addition, the Company also provides a series of diversified benefits to care for our employees in all aspects.

System of flexible working hours

Standard working hours and irregular working hours are implemented according to business needs and the nature of employees' work.

Holiday benefits

In addition to statutory holidays, paid annual leave, personal leave, paid sick leave, marriage leave, maternity leave, paternity leave, breastfeeding leave, bereavement leave, public holidays, etc., the Company also provides employees with additional welfare leave as a supplement to the statutory holidays to provide effective support for the work-life balance of the employees.

Supplementary commercial insurance

In addition to the statutory "five insurance and one gold" for employees, employees and their children to pay the supplementary commercial insurance including major diseases, accident insurance and medical insurance, etc., to solve the worries of employees.

Festival benefits

Celebrate major holidays and provide employees with holiday allowances and benefits.

Female employee care

The Company has set up a mother and baby room, with a comprehensive paid maternity leave system, according to the basic situation of individual female employees to set up paid breastfeeding leave.

Employee Activities

The Company always pays attention to the balance between work and life of the employees, pays attention to the physical and mental health of the employees in all aspects, and organizes various kinds of interest activities to enrich the spare time life of the employees.

Staff Club Activities

Zoo Tour for Employees and Their Children

Employee Spring and Fall Trips

Employee Health and Safety

Montage Technology attaches great importance to the occupational health of its employees and provides them with a safe and healthy working environment. Montage Technology strictly abides by the Law of the People's Republic of China on Prevention and Control of Occupational Diseases and other laws and regulations, and has formulated internal rules and regulations in accordance with its own situation to improve its occupational health management system, and is committed to continuous improvement of occupational health and safety-related performance, and to fully safeguard the health and safety of its employees.

Given that the Company is an integrated circuit design enterprise, where employees primarily work at computers, prolonged sedentary behavior can easily lead to issues with the neck, shoulders, and lower back among staff, the Company invited doctors from the rehabilitation department of Shanghai Ruijin Hospital to carry out the prevention of shoulder, neck and lumbar vertebrae problems and health care lectures in the Company.

The Company conducts regular occupational health and safety risk and hazard assessments to identify factors that may cause injury in the workplace. In areas with significant noise in the laboratory, engineers are provided with protection such as noise-canceling headphones and notices are posted to remind them to take proper precautions.

The Company organizes regular emergency drills to reduce health and safety incidents in its operations.

Emergency fire drills

In November 2024, the Company organized an emergency fire drill in Caobao Road Heguangtiandi project to simulate a fire scenario. The drill subjects included simulated fire alarm and alarm handling, information reporting and emergency response activation, fire linkage, emergency evacuation, headcount, and fire extinguisher practical exercises. At the same time, through fire safety education, we aim to enhance safety awareness among personnel and prevent potential risks before the occurrence.

Flood and typhoon prevention drills

The Company has established a flood control and emergency management program. In 2024, the Company conducted drills on typhoon and flood control, and provided hands-on training on the arrangements before, during and after the typhoon.

During the reporting period The Company

had **No** workplace injuries or fatalities

Social Value Creator

Montage Technology upholds responsibility as its foundation and action as its pathway, actively fulfilling social responsibilities. By establishing a sustainable supply chain and embedding ESG principles into daily operations, the Company advances environmental sustainability alongside corporate accountability. In industry partnerships, it leads the formulation of sector-wide standards and collaborates with peers to propel technological innovation for industrial progress. For community initiatives, the organization prioritizes educational assistance and emotional support, empowering children in remote regions with developmental resources, ensuring knowledge and care serve as guiding beacons for their future journey.

Responsible Supply Chain

Industry Collaboration

Community Investment and Engagement

4 QUALITY EDUCATION

10 REDUCED INEQUALITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Responsible Supply Chain

Montage Technology treats sustainable supply chain as a key component of its core competitive advantage. The Company maintains close collaboration with supply chain partners, establishing standardized supplier qualification and evaluation processes, and adopts a tiered management system to incentivize suppliers to continuously improve their performance.

Simultaneously, Montage Technology is committed to advancing sustainability principles by integrating key ESG indicators—including product quality, environmental protection, and social responsibility—into its supplier assessment framework. The Company firmly pledges to avoid conflict minerals, thereby driving the sustainability of the entire industry's supply chain.

Supplier Lifecycle Management

Montage Technology places high priority on supply chain management. The Company has formulated the *Supplier Management Policy* and related management procedures to rigorously ensure the quality of partnered suppliers and uphold high standards throughout the production process. Its efficient supplier management framework facilitates the establishment and maintenance of long-term, stable partnerships with suppliers while advancing the sustainability of the entire supply chain.
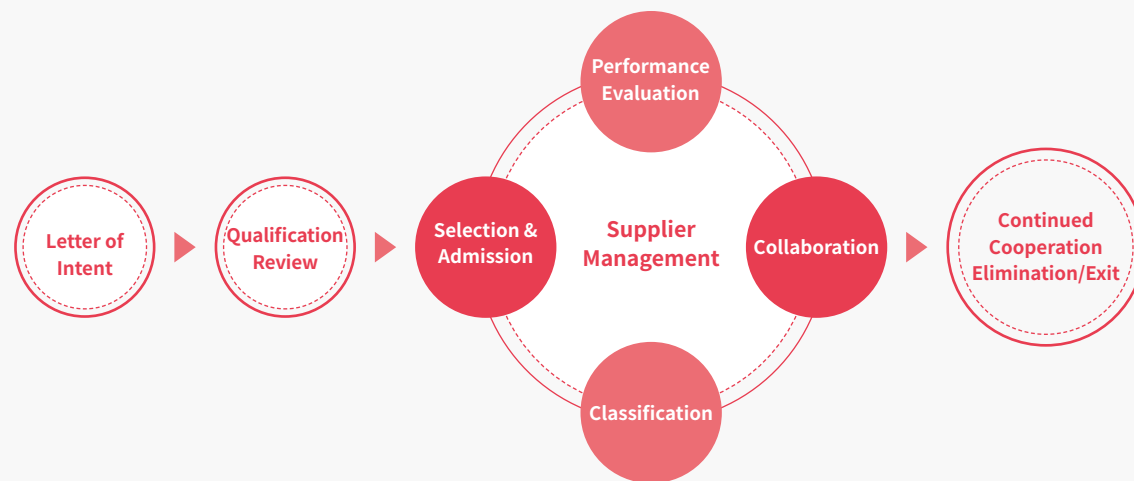
Supplier management process

Montage Technology has implemented a comprehensive supplier evaluation system encompassing new supplier certification, information updates, performance reviews, account suspension/reactivation, and exit protocols. When screening new suppliers, the Company evaluates not only quality, pricing, and service but also prioritizes their ESG performance.

Montage Technology mandates that core suppliers must establish a quality management system certified to ISO 9001 standards and comply with environmental regulations across all operational phases, including raw material sourcing, production, packaging, transportation, and logistics. The Company strictly adheres to international directives such as the European Union's *Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment* (ROHS) and the *Registration, Evaluation, Authorization and Restriction of Chemicals* (REACH), ensuring product compliance with ROHS, REACH, and *Toxic Substances Control Act* (TSCA) requirements. Concurrently, the Company maintains proactive communication with suppliers to monitor their Responsible Business Alliance (RBA) certification status, verifying their ESG performance aligns with established criteria.

Following initial evaluations, suppliers undergo rigorous assessments during trial production phases, covering technical competency, production efficiency, product quality, and logistical support capabilities.

Only suppliers passing these comprehensive evaluations qualify for inclusion in the approved vendor list.

Meanwhile, Montage Technology conducts annual comprehensive evaluations and ratings of suppliers, assessing performance across quality, pricing, service delivery, and ESG compliance. Suppliers are classified into tiers based on evaluation outcomes, with collaboration terms adjusted according to their ranking. For underperforming suppliers, the Company first mandates corrective actions; those failing to meet standards post-rectification face potential partnership termination. The 2024 assessment results indicate 100% compliance among all production-related suppliers.

In selecting suppliers for exhibition hall construction, the Company enforces green procurement principles, prioritizing vendors with energy conservation and environmental certifications. For instance, the LED screens in Kunshan Exhibition Hall utilize low-carbon products from Leyard Optoelectronics, certified by the *China Energy Conservation Certification*. Over **50**% of exhibition hall suppliers hold green certifications, accounting for approximately **50**% of total contractual value.

Coverage rate of core suppliers with quality management systems

100%

Company products fully comply with relevant requirements such as ROHS/REACH/TSCA

100%

Ensuring Supply Chain Stability

Montage Technology implements multiple measures to ensure supply chain stability and continuity. For stability assurance, the Company has developed a comprehensive Business Continuity Plan (BCP) designed to proactively address potential disruptions, including natural disasters, fires, chemical spills, critical equipment failures, logistics challenges, and IT system outages. Through preemptive risk assessments of incident probabilities and formulation of mitigation strategies, the BCP minimizes operational recovery time and costs while maintaining consistent product supply to customers.

Montage Technology ensures supply chain continuity through a "leading supplier + double/triple backup mechanism". For critical supply chain nodes, the Company selects top-tier suppliers while establishing redundant backup systems with secondary and tertiary vendors, enhancing supply chain resilience and reliability. Core suppliers with business continuity certifications receive priority selection, supported by a two-tier verification process combining supplier self-assessments and corporate audits to ensure quality and operational stability. Furthermore, the Company implements a collaborative risk management protocol where identified supplier risks are shared across the supply network, prompting proactive preventive measures to strengthen overall supply chain robustness.

For construction contractors involved in office building projects, Montage Technology mandates comprehensive safety training for all on-site personnel to ensure full understanding of the Company's operational safety requirements and enhance worksite security. Prior to commencing work, contractors must undergo training followed by a safety competency assessment, with access to the site granted only upon successful completion. The training curriculum covers the Company's HSE (Health, Safety, and Environment) regulations, on-site safety protocols, risk mitigation strategies for high-risk operations, and emergency response procedures, all designed to enforce stringent safety standards and minimize potential hazards during construction. As of the reporting period, Montage Technology recorded **zero** workplace injury incidents among contractors.

Conflict Minerals Commitment

Montage Technology continues to improve the Company's conflict minerals management. The Company works with upstream and downstream companies in its supply chain to ensure that there are no conflict minerals incidents in the supply chain. Montage Technology has developed a *Conflict Minerals Procurement Policy* and established a Conflict Minerals Management Process that collects, organizes and evaluates conflict minerals information such as Conflict Minerals Reporting Template (CMRT), Expanded Minerals Reporting Templates (EMRTs) and other conflict minerals information provided by its suppliers. The Company conducts regular audits of its supply chain to continuously monitor and assess conflict minerals risks.

Conflict Minerals Management Process

- Concept promotion: The Company requires suppliers to meet its conflict minerals policy
- Survey plan: Based on the latest version of the CMRT Questionnaire released, the Company screens suppliers that may offer 3TG and cobalt products
- Survey implementation: Distribute the CMRT Questionnaire to suppliers and ask them to fill it out to collect and summarize supplier feedback
- Survey results: Eliminate unqualified suppliers and smelters in the supply chain, and output the Company's CMRT Questionnaire

During the reporting period, Montage Technology followed the Organization for Economic Cooperation and Development (OECD) Due Diligence Management Guidance for Responsible Minerals Supply Chains, utilizing tools such as the Conflict Minerals Reporting Template (CMRT) and the Expanded Minerals Reporting Template (EMRT) created by the Responsible Minerals Initiative (RMI), and performed due diligence on all production suppliers to ensure that minerals in products are not sourced from conflict-affected and high-risk areas. In addition, Montage Technology actively works with clients to complete responsible minerals due diligence, submit relevant information in a timely and efficient manner, and disclose smelter and source compliance.

During the reporting period

Ensuring compliance with the avoidance of controversial raw material procurement

100%

| | 1.Value Creation Practitioner | 2.R&D Innovation Leader | 3.Intellectual Property Pioneer | 4.High-quality Product Provider | 5.People-oriented Employer | 6.Social Value Creator | 7.Climate Change Guardian | 8.Green Operation Advocator | |

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Industry Collaboration

Driving Industry Standardization

Montage Technology collaborates with industry partners to advance the evolution of high-speed interconnect technologies through standards development and knowledge exchange, fostering continuous technological progress and accelerating ecosystem growth.

As a board member of JEDEC Solid State Technology Association, the global microelectronics standards organization, the Company actively participates in four JEDEC committees and subcommittees, with employees holding chair or vice-chair positions. It leads the development of international standards for DDR5 RCD, MDB, and CKD chips, maintaining industry-leading technical capabilities and product iteration expertise.

Leveraging its profound expertise in memory interconnects, Montage Technology has expanded into high-speed interconnect domains including PCIe and CXL. As a member of international consortia such as PCI-SIG, CXL Consortium, and UALink Alliance, the Company collaborates closely with industry partners to drive technological innovation and strengthen ecosystem maturity.

In-depth Exchange of Industry Technology and Products

In 2024, Montage Technology participated in five industry exhibitions and nearly ten collaborative marketing events with partners. Through in-depth technical exchanges with industry leaders, the Company has strengthened the industrial chain ecosystem while promoting the adoption and commercialization of cutting-edge technologies and premium products.

The 2nd China (Shanghai) Commercial Cryptography Exhibition

At the exhibition, Montage Technology officially launched its data protection and trusted computing acceleration chip. The Company is building a comprehensive product ecosystem and has joined open-source communities such as OpenEuler and OpenAnolis, with a commitment to enhancing user experience.

2024 Open data center conference

At the exhibition, Montage Technology demonstrated high-speed interconnect chip solutions for the AI era.

The 3rd GMIF2024 innovation summit

At the summit, Montage Technology delivered a presentation titled *CXL Memory Expansion Solution*, showcasing the Company's latest CXL memory expansion solution.

Montage | 2024 Environmental, Social and Governance (ESG) Report

1. Value Creation Practitioner　2. R&D Innovation Leader　3. Intellectual Property Pioneer　4. High-quality Product Provider　5. People-oriented Employer　**6. Social Value Creator**　7. Climate Change Guardian　8. Green Operation Advocator　45

School-enterprise Cooperation to Explore Cutting-Edge Technology

Montage Technology and Shanghai Jiao Tong University
"joint laboratory for frontier technologies of IC design"

Montage Technology has established a joint laboratory with Shanghai Jiao Tong University to advance cutting-edge technological innovations.

By integrating the Company's mature architecture solutions and extensive expertise in chip design with the university's academic research capabilities in high-speed interface technologies, the joint laboratory has secured and executed multiple key R&D initiatives, achieving notable outcomes in product development, academic exploration, and intellectual property generation.

During the reporting period, their co-developed project "High-Speed Energy-Efficient Wired Communication Interface Key Technologies" received funding support from the 2024 Key Program of the National Natural Science Foundation of China.
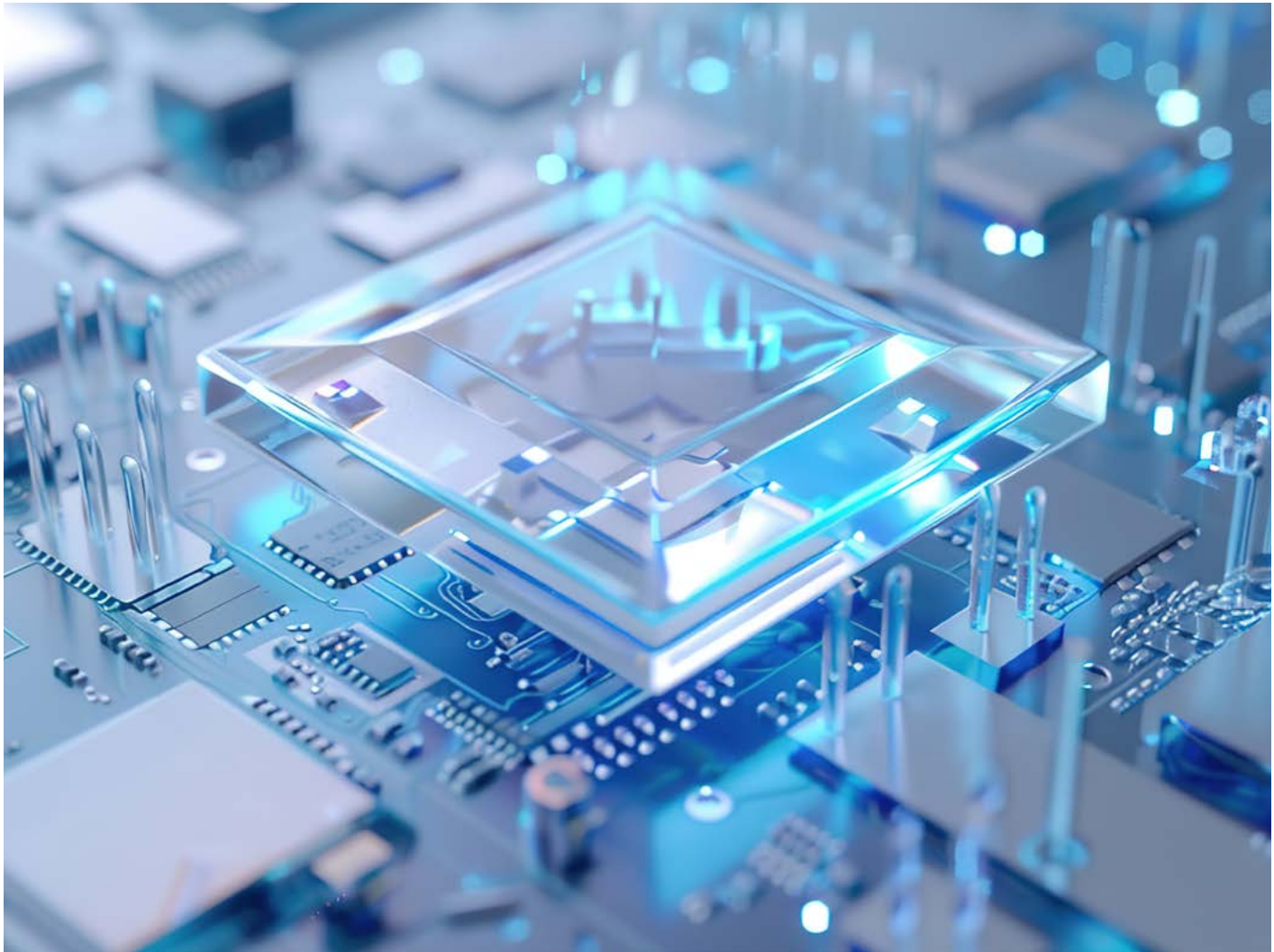
Community Investment and Engagement

Montage Technology firmly believes that corporate success is inextricably linked to social responsibility fulfillment. The Company embeds societal commitment into its core values by implementing targeted initiatives in rural revitalization, focusing on educational empowerment and psychological support programs. These efforts aim to cultivate holistic developmental ecosystems for students in remote regions, bridging opportunity gaps through knowledge accessibility and emotional well-being enhancement.

Rural Education

Throughout 2024, Montage Technology has continued to deepen its "Philanthropic Initiative" at Fengshan Primary School in Yunnan Province. Building upon the completion of the school's teaching building, the Company donated sports facilities, teaching equipment, and reading materials to enhance students' access to educational resources. Concurrently, in collaboration with a professional psychological counseling organization, Montage Technology provided mental health courses for rural students, achieving positive outcomes.

Mental health program

In 2024, Montage Technology partnered with East China University of Science and Technology to conduct a mental health course for students at Fengshan Primary School in Yunnan Province. The course contents includes emotional management, interpersonal communication, frustration response, etc., helping students to establish correct psychological concepts and providing them with spiritual companionship.

Donation of teaching equipment

In 2024, the Company donated five laptops to teachers to improve their work efficiency.

Donation of sports and cultural goods

In 2024, the Company donated sporting goods to the school, including basketballs, jump ropes, badminton and table tennis, to enrich the after-school activities of the students.

Book donation

In 2024, Montage Technology mobilized all staff to donate nearly 700 books to Fengshan Primary School and provided the elementary school with a universal chip curriculum to meet the learning and reading needs of students at all grade levels.

Community-School-Enterprise Collaboration

In 2024, Montage Technology was invited to participate in the Community-School-Enterprise Partnership Program. Through science popularization lectures, hands-on facility tours, and interactive workshops, the Company disseminates cutting-edge technological knowledge while broadening students' intellectual horizons. This initiative creates experiential learning platforms that bridge academic theories with industrial practices, empowering youth through multidimensional educational engagement.

Science and technology lessons in schools

The Company's R&D staff went to the campus to carry out a science popularization course for the students with the theme of artificial intelligence.


Student career experience

In 2024, students and teachers from Southwest Weiyu School visited the Company for a career exploration activity. They toured the Company's exhibition hall to gain insights into corporate operations, visited laboratories to experience the working environment of engineers, and completed an in-depth career exploration journey.

Voluntary Blood Donation

In 2024, the Company continued to organize voluntary blood donation charity events, with Montage Technology employees actively participating, demonstrating the selfless and dedicated spirit of Montage Technology through their actions.
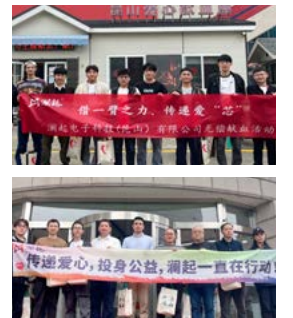
Charity Awards

In 2024, Montage Technology was awarded the "Outstanding Collective in Charitable Work" at the 10th Xuhui District Charity Awards, while Stephen Tai, the Company's President, received the "Outstanding Individual" title for his philanthropic contributions at the same ceremony.

07 Climate Change Guardian

Climate change is a major global challenge facing mankind today. Responding to the country's dual-carbon goal, Montage Technology has been actively identifying climate change risks and opportunities, and setting up special response initiatives to enhance the Company's ability to cope with climate change in a comprehensive manner.

Governance Structure

Management Strategy

Impact, Risk and Opportunity Management

Indicators and Targets

13 CLIMATE ACTION

Governance Structure

To effectively address the challenges of climate change, the Company has established a top-down climate change management structure. The Strategy and ESG Committee of the Board of Directors, as the decision-making level, is responsible for the overall decision-making on climate change related issues. The Working Group on Sustainability, as the management level, is responsible for guiding the implementation of climate change related strategies and coordinating the management of climate change related issues, organizing regular meetings and providing relevant suggestions to The Strategy and ESG Committee of the Board of Directors for the identification of climate change risks and opportunities. The Sustainability Related Functional Departments, as the executive level, are responsible for promoting the implementation of climate change related work, closely communicating and cooperating with all stakeholders, continuously establishing and optimizing climate change related risk management mechanisms, and promoting targeted climate change mitigation and adaptation initiatives.

To ensure that the relevant internal organizations of the Company have sufficient professional competence and effectively perform the functions of identifying, assessing, managing and supervising the impacts, risks and opportunities related to sustainability, the Company encourages ESG-related personnel to continuously learn and improve their professional skills and competence by attending climate risk management training, participating in relevant thematic activities and discussions, and paying attention to the important domestic and international climate change policies and best practices in the industry.

The Company regularly convenes meetings of the Strategy and ESG Committee to review and analyze the progress of various ESG strategies, including those related to climate change, and to facilitate decision-making on relevant matters.

Decision-making

The Strategy and ESG Committee of the Board of Directors
- Responsible for making overall decisions regarding matters related to climate change

Management

Sustainability Working Group
- Responsible for guiding the implementation of climate change related strategies and coordinating the management of climate change related issues, providing relevant suggestions to The Strategy and ESG Committee of the Board of Directors, for the identification of climate change risks and opportunities

Executive level

Sustainability Related Functional Departments
- Responsible for promoting the implementation of climate change related work, closely communicating and cooperating with all stakeholders, continuously establishing and optimizing climate change related risk management mechanisms, and promoting targeted climate change mitigation and adaptation initiatives

Montage Technology's Climate Change Governance Structure

Management Strategy

The Company actively identifies and evaluates climate-related risks and opportunities, and analyzes and categorizes the impacts of climate change. In the assessment process, Montage Technology follows the recommendations of TCFD (Task Force on Climate-related Financial Disclosure), comprehensively considers the potential impact of climate change-related risks on the Company's overall operations and finances through scenario analysis, in-depth identification and detailed sorting of climate-related risks and opportunities that may be encountered in its business operations and formulates a layered coping strategy. In the short term, we will reduce the risk of operational disruption through contingency planning, and in the medium to long term, we will realize low-carbon transformation through technological upgrading and energy transformation.

During the reporting period, combining the short-, medium- and long-term business development and the current policies, regulations and macroeconomic environment, the Company analyzed the risks from two dimensions, namely physical risks and transformation risks, and focused on selecting different climate scenarios under two types of temperature rise assumptions for the risk identification and analysis, including RCP2.6 and NZE under the assumptions of 2°C or below, and RCP8.5 and STEPS under the assumptions of 2°C or above, and combining them with the list of climate change risks and opportunities is then summarized and identified by combining the industry characteristics, the policy direction of the operation site and the natural characteristics of the operation site.

Scenario	Climate scenarios		Introduction to the scenario
2°C or below	Physical environment	RCP2.6[1]	In response to climate change, countries adopt proactive policies and approaches to reduce greenhouse gases over the next 10 years so that temperatures do not rise by 2°C.
	Transition scenarios	NZE[2]	The International Energy Agency (IEA) proposes a net-zero emissions scenario for 2050, with recommendations in terms of technology and emission reduction options, country cooperation, and energy sector transformation, which is expected to limit the increase in global average temperatures to 1.5°C .
2°C or above	Physical environment	RCP8.5[3]	Assuming that individual countries engage in high greenhouse gas emissions and energy consumption under the baseline scenario in the absence of climate change policy interventions. By 2100, global carbon dioxide concentrations would be 3-4 times higher than pre-industrial revolution concentrations.
	Transition scenarios	STEPS[4]	Based on currently implemented and developing energy-related policies, an assessment is made between industries and countries to reflect the effectiveness and feasibility of current policies. The scenario also considers the current planned manufacturing capacity of clean energy technologies to provide a reference for energy policy direction.

[1] RCP (Representative Concentration Pathway), which corresponds to a specific atmospheric concentration trajectory that determines the level of greenhouse gases in the atmosphere at the end of the century.
RCP2.6: This is one of the most optimistic scenarios, which assumes that the global community is able to take strong mitigation measures and achieve net GHG emissions close to or equal to zero around the middle of the century. Under this scenario, global average temperature rise is projected to be contained at a relatively low level by 2100.
[2] NZE (Net Zero Emissions), IEA has set a Net Zero Emissions Scenario (NZE) for 2050 in its *World Energy Outlook*, which calls for the global energy sector to achieve net zero carbon dioxide emissions by 2050 and to limit global temperature rise to 1.5°C.
[3] This is the most pessimistic scenario, which assumes that economic activity and technological development will lead to a sustained increase in greenhouse gas emissions over the next few decades without effective mitigation measures.RCP8.5 The projected outcome of the RCP8.5 is a significant increase in the Earth's surface temperature by the end of the century under this scenario.
[4] STEPS (Stated Policies Scenario), i.e., an outlook based on the latest policy objectives of each country, which cover the energy, climate and related industry sectors).

List of Climate Change Risks

Risk type	Climate risk name		Potential financial impact	Time frame	Countermeasures
Physical risks	Acute risk	Typhoon	The operating sites in Shanghai may be hit by typhoons, resulting in unfavorable conditions such as power outages and traffic disruptions, which may lead to safety accidents or force the suspension of R&D work, ultimately increasing operating costs	Short-term	• Regularly assess the likelihood of the Company's operations being affected by extreme weather, and formulate a sound climate risk contingency plan and response mechanism
		Floods	Shanghai's operating sites are at some risk of flooding, which may cause financial loss by damaging facilities related to the operating sites	Short-term	• Regularly conduct emergency drills for extreme weather, and equip emergency material stockpiles in a timely manner
	Chronic risk	Rising mean temperatures	On top of the hot summer weather, rising temperatures will lead to an increase in production cooling demand, and operating costs may increase	Long term	• Continuously improve extreme weather response strategies to ensure production continuity
Transition risks	Policy risk	Regulation and requirements for existing products	National and local laws and regulations, together with emerging policies may impose stricter requirements on the Company's production and operations. For instance, heightened emission standards for the company and its partners could result in elevated compliance costs	Mid-term	• Regularly update consolidated policy and regulatory, make timely policy interpretations, and actively respond to meet compliance requirements
	Reputation risk	Growing stakeholder concerns	Stakeholders are increasingly concerned about corporate ESG performance, for example, MSCI, DJSI and other ratings have included corporate disclosure of climate change risk response and carbon target disclosure in corporate ESG rating indicators, when the disclosure is lower than the expectations of customers, investors and other stakeholders, it may have an adverse impact on the Company's corporate image and reputation, reducing the capital market's recognition of the Company	Mid-term	• Regular disclosure the the Company's ESG performance, including through ESG reports • Listen to stakeholders through multiple channels and responding to their demands in a timely manner

List of Climate Change Opportunities

Climate change opportunities		Potential impact	Impact time frame
	Resource opportunities	Enhance energy efficiency in product development and operations through equipment upgrades and technological advancements, reduce energy intensity, and lower corporate operating costs; Drive R&D to develop low-power consumption products, thereby securing more customer orders	Medium- and long-term
	Energy transition opportunities	Under the dual-carbon target, the country's strong promotion of new energy sources and the establishment of the carbon market will bring about changes in the structure of energy use and carbon market trading opportunities	Medium- and long-term

Impact time frames are defined as: short-term refers to 1 year and below, medium-term refers to 2-3 years, and long-term refers to 3 years above.

Impact, Risk and Opportunity Management

The Company has integrated climate change into its enterprise risk management process and has prioritized the Company's climate risks by means of qualitative and quantitative analysis.

Montage Technology assesses the impact of climate change risks in different scenarios and ranks the risk levels. At the same time, the Company further evaluates the physical and transition risks that it may face in the form of data analysis and regular review of the risk list of historical events to ensure that the risk assessment work is closely aligned with the actual business situation and demonstrates a high degree of relevance and accuracy.
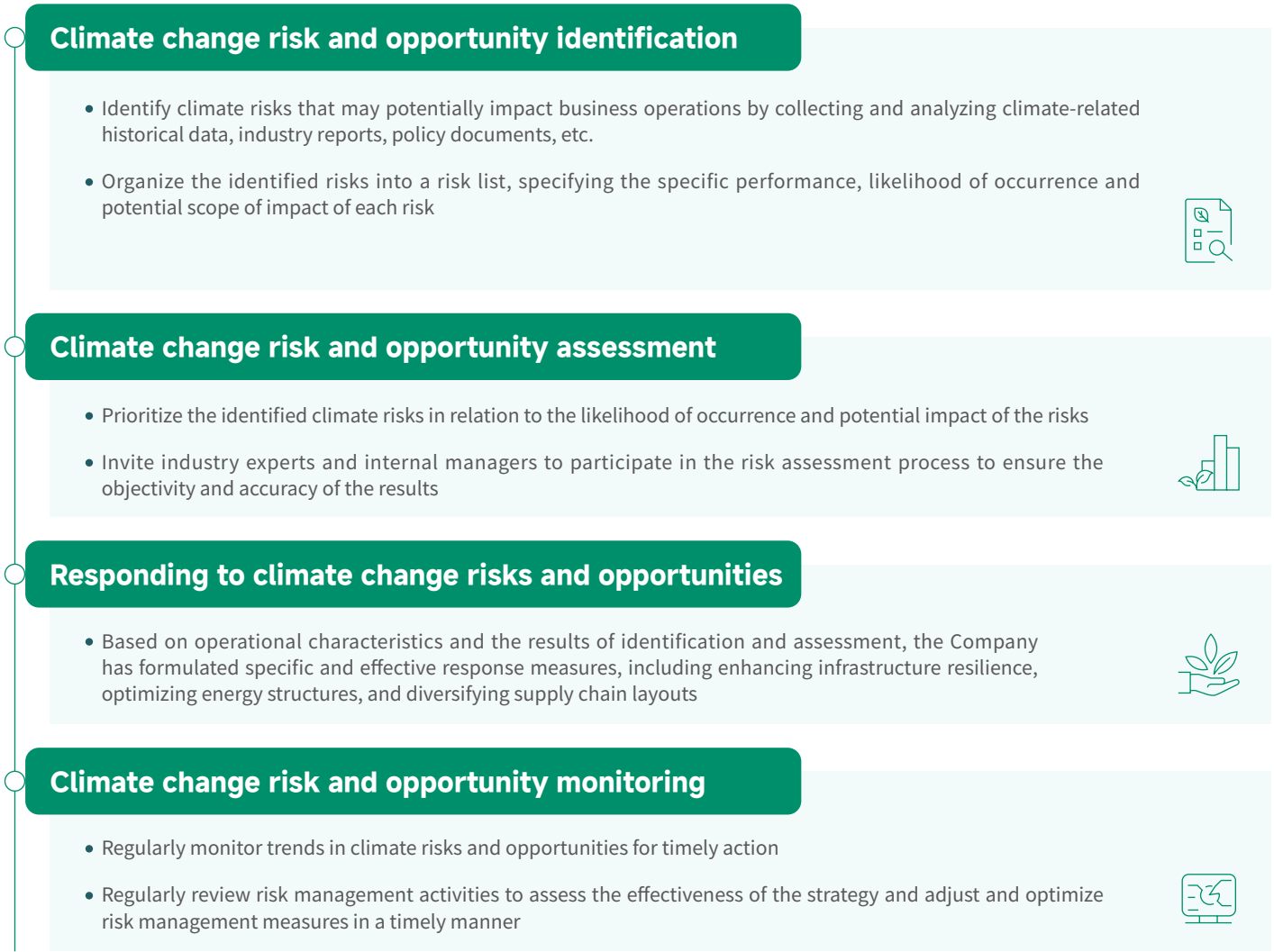
Risk and Opportunity Identification

Through a combination of qualitative and quantitative analysis and the location of the Company's assets, the Company classifies the likelihood of the occurrence of the currently identified risks according to a hierarchy of low, medium, and high risks and develops a disclosure of the results:

Climate change risks		Likelihood of occurrence	
		RCP2.6 scenario	RCP8.5 scenario
Physical risks	Typhoon	Low	Middle
	Floods	Low	Middle
	Rising mean temperatures	Low	Middle

Climate change risks		Likelihood of occurrence	
		NZE	STEPS
Transition risks	Regulation and requirements for existing products	Middle	Low
	Increasing stakeholder concerns	Middle	Low

Through a refined climate change risk and opportunity identification, monitoring and management process, the Company comprehensively identifies potential climate-related risks and takes targeted measures to minimize the specific impacts of these risks on the Company's operations. The systematic process of identifying, monitoring and managing climate risks and opportunities ensures that the Company is able to maintain long-term stability in the face of climate change challenges.

Climate change risk and opportunity identification

- Identify climate risks that may potentially impact business operations by collecting and analyzing climate-related historical data, industry reports, policy documents, etc.
- Organize the identified risks into a risk list, specifying the specific performance, likelihood of occurrence and potential scope of impact of each risk

Climate change risk and opportunity assessment

- Prioritize the identified climate risks in relation to the likelihood of occurrence and potential impact of the risks
- Invite industry experts and internal managers to participate in the risk assessment process to ensure the objectivity and accuracy of the results

Responding to climate change risks and opportunities

- Based on operational characteristics and the results of identification and assessment, the Company has formulated specific and effective response measures, including enhancing infrastructure resilience, optimizing energy structures, and diversifying supply chain layouts

Climate change risk and opportunity monitoring

- Regularly monitor trends in climate risks and opportunities for timely action
- Regularly review risk management activities to assess the effectiveness of the strategy and adjust and optimize risk management measures in a timely manner

Climate Change Risk and Opportunity Management Process

Indicators and Targets

Montage Technology has established a series of specific climate change targets and goals aimed at improving energy efficiency, promoting recycling, and reducing carbon emissions in various dimensions.

We explored our own and upstream and downstream emission reduction potentials in our business operations, and carried out carbon emission verification and analysis in an orderly manner, contributing to the national "dual-carbon" target and the global response to climate change. During the reporting period, the Company carried out Scope 3 greenhouse gas emission accounting with reference to the *Greenhouse Gas Accounting System - Corporate Accounting and Reporting Standard (Revised)* (GHG Protocol) standard, including two categories of employee commuting and business travel, and the greenhouse gas emission data are as follows:

Greenhouse gas emission[5]	Unit	2024
GHG emissions (Scope 1)	Tons of CO_2e	5.78
GHG emissions (Scope 2)	Tons of CO_2e	2,191.83
GHG emissions (Scope 3)[6]	Tons of CO_2e	462.83
Total GHG emissions(Scope 1&Scope 2)	Tons of CO_2e	2,197.61
GHG emission intensity (Scope 1&Scope 2)	Tons of CO_2e/Person	2.96

GHG emission intensity (Scope 1&Scope 2)

2.96 Tons of CO_2e/Person

A decrease of

4.34 %

compared to 2023

[5] GHG emissions are calculated according to the *Guidelines for Greenhouse Gas Emissions Accounting Methods and Reporting for Enterprises in Other Industrial Sectors (Trial)* issued by the National Development and Reform Commission of the People's Republic of China, the *Research on Carbon Dioxide Emission Factors of China's Regional Power Grids (2023)* issued by the Ministry of Ecology and Environment of the People's Republic of China, and the *Emission Factors for Greenhouse Gas Inventories* issued by the US Environmental Protection Agency.

[6] Scope 3 greenhouse gas emissions include employee commuting and business travel.

08 Green Operation Advocator

In the face of the risk of global climate change, Montage Technology takes the initiative to assume corporate responsibility, actively responds to environmental challenges, and continuously improves its environmental management system. Through the implementation of energy-saving projects, the construction of green buildings and the implementation of green offices, the Company has gradually realized its green energy-saving goals to achieve green development.

Energy Use

Water Resource Use

Circular Economy

Emission Management

Biodiversity

Energy Use

Montage Technology strictly abides by the *Energy Conservation Law of the People's Republic of China* and other laws and regulations, continuously improves the internal energy management structure, formulates the *Energy Consumption and Greenhouse Gas Emission Management Procedures*, and clarifies the responsibilities of the relevant departments in energy management, so as to rationally utilize energy and resources, continuously reduce the consumption of energy and resources, and minimize greenhouse gas emissions by effectively managing and controlling resources, energy and greenhouse gas emissions within the Company.

In its daily operations, Montage Technology has taken targeted measures to reduce the Company's energy consumption levels. The Company focuses on energy resources that account for a large portion of its costs and that can be effectively managed. As an integrated circuit designer, the Company's energy consumption is mainly electricity, of which the energy consumption of the simulation server cluster in the research and development process and the energy consumption of office operations account for a relatively high proportion, and the Company actively reduces the Company's energy consumption from the two aspects of green research and development and green office.

Energy conservation in R&D	Energy conservation in Office
• Establish and improve the operation requirements of key power-consuming equipment and standardize equipment operation	• Publicize and educate on power saving through slogans, status boards and training to raise employees' awareness of savings
• Gradual replacement of old machines with the latest models of server products to improve the unit energy efficiency of servers	• Turn off the lights when people leave; control air conditioning running time, set the cooling (heating) temperature
• According to the different stages of project development computing needs, timely adjustment of the simulation server computing power allocation, reduce the idle time of the server and reduce energy consumption	• Save power by using printers with hibernation mode
	• Regular statistics on power consumption and checking the implementation of power-saving measures

Type of energy	Energy consumption (MWh)	Energy intensity (MWh/person)
Electricity	4,171.99	5.62
Gasoline	22.73	0.03
Direct energy consumption	22.73	0.03
Indirect energy consumption	4,171.99	5.62
Comprehensive energy consumption	4,194.72	5.65

Comprehensive Energy Consumption

4,194.72 MWh

Comprehensive Energy Use Intensity

5.65 MWh/person

Green Building

Montage Technology is committed to promoting green building. The Company carries out new projects in strict accordance with green building standards, and actively carries out low-carbon publicity activities to promote green energy-saving awareness among employees.

Implementation of green building standards for Lingang project

During the reporting period, Montage Technology carried out the construction of the Lingang Project in compliance with *Assessment Standard for Green Building in Shanghai*, *Green Design Standards for Public Buildings*, *Assessment Standard for Green Building*, *Design Standard for Energy Efficiency of Public Buildings* and other green building-related standards. The project has set up an intelligent lighting control system in the building, which realizes automation of lighting control and achieves the effect of energy saving and consumption reduction through the lighting management system; meanwhile, it has set up a monitoring and management system of building energy consumption in the building, which effectively monitors the energy consumption and adopts energy-saving solutions in a timely manner.

"Light and you, discover the beauty of the Earth" event

On April 22, 2024, the 55th World Earth Day, Montage Technology successfully held the event, "Light and you, discover the beauty of the Earth", advocating the improvement of the Earth's environment through green and low-carbon office. The event consisted of two elements: firstly, the Company invited the staff in the building to take photos of materials consistent with the concept of green and low-carbon office, such as flowers and trees, green cycling, low-carbon walking, etc., and widely publicized them in the WeChat Moments under the topic of #Light and you, discover the beauty of the Earth; secondly, the Company responded to the call of the WWF (World Wide Fund for Nature) to implement the activity of turning off the lights for an hour on Earth Day, making contributions to energy saving and emission reduction of the Earth.

"Light and you, discover the beauty of the Earth" event

Water Resource Use

Montage Technology believes that water is precious and limited, and has taken a number of steps to save water and foster its reasonable usage.

Water Conservation In Facilities

The Company's office adheres to the principle of green building, and is committed to minimizing water consumption while maintaining normal operation through the implementation of water conservation concept.

Equipped with a reclaimed water system to reuse water resources for routine cleaning

Adoption of water-saving products for sanitary ware and its fittings

Faucet automatic water supply device with infrared sensor

Enhance the maintenance of water supply pipes to eliminate leakage, and the Administration Department is responsible for daily supervision

Water Conservation In Office

In daily office operations, the Company encourages employees to move from small actions, to collectively contribute to protecting water resources and maintaining the ecological balance of the planet.

Posting slogans and reminders at the Company's main water consumption points to educate employees about water conservation

Rationalize water use and turn off unnecessary faucets to prevent drips and leaks

During the reporting period,

Total water consumption

6,194.14 tons

Water use intensity

8.34 tons per person

Reduction compared to 2023

10.32 % ↘

Saving Electricity

Water Conservation

Paper Reduction

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1.Value Creation Practitioner | 2.R&D Innovation Leader | 3.Intellectual Property Pioneer | 4.High-quality Product Provider | 5.People-oriented Employer | 6.Social Value Creator | 7.Climate Change Guardian | **8.Green Operation Advocator** | 55

Circular Economy

On the path toward green transformation, Montage Technology actively engages in the practice and innovation of the circular economy, striving to create a modern enterprise that is resource-efficient and environmentally friendly. The Company integrates circular economy principles into exhibition activities, project construction, and daily office operations, aiming to maximize resource utilization and minimize environmental impact at every stage.

Daily Office Operation

- Promote the exchange of old batteries for new ones, and implement unified recycling of used batteries

- Set up a public office supplies area on each floor, so that office supplies with a low utilization rate in daily office work can be shared and used in the public area to reduce the waste of resources

- Set up a special box for recycling used paper in the printing area to promote the rational use of used paper

Montage technology's "Better Stands" concept

Montage Technology actively participates in the "Better Stands" Program[7], adhering to the concept of sustainability in the design and construction of exhibition booths. During recent trade shows, 38% of materials used in booth construction were eco-friendly alternatives, with over 86% of materials achieving post-event recyclability.
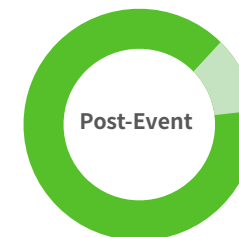
During the construction of its Kunshan exhibition hall, the Company adopted new low-carbon and energy-efficient LED large screens.

Better Stands Exhibition Booth
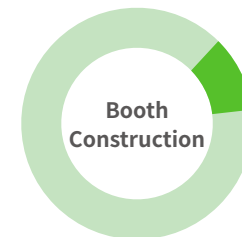
Booth Construction
38 %
percentage of eco-friendly material use

Post-Event
86 %
percentage of recyclable materials

The Company uses eco-friendly materials to design reusable gift bags, contributing to the circular economy in subtle ways.

[7] Better Stands Program, promotes a new eco-friendly concept for exhibitions.

Montage Technology | 2024 Environmental, Social and Governance (ESG) Report

Emission Management

Montage Technology attaches great importance to emission management and has implemented a series of stringent management on waste discharge, wastewater discharge and exhaust emissions to minimize the environmental impact of the Company's operations.

Waste Management

- Actively promote waste classification and management, and advocate waste classification to employees in daily office work to properly handle and recycle all sorts of waste

- Effective reuse of recyclable waste, such as setting up special recycling bins for waste batteries

- Hazardous waste is handled by qualified property companies

Wastewater Management

- Mainly from domestic sewage

- Partly from new project construction. We conduct monthly sewage discharge inspection to ensure sewage discharge compliance

Exhaust Gas Management

- Install environmental detectors at new project construction sites to monitor suspended particle concentration indicators, automatically collect data and analyze and record exceedances

- Actively promote the use of new energy vehicles to reduce automobile exhaust emissions

During the reporting period
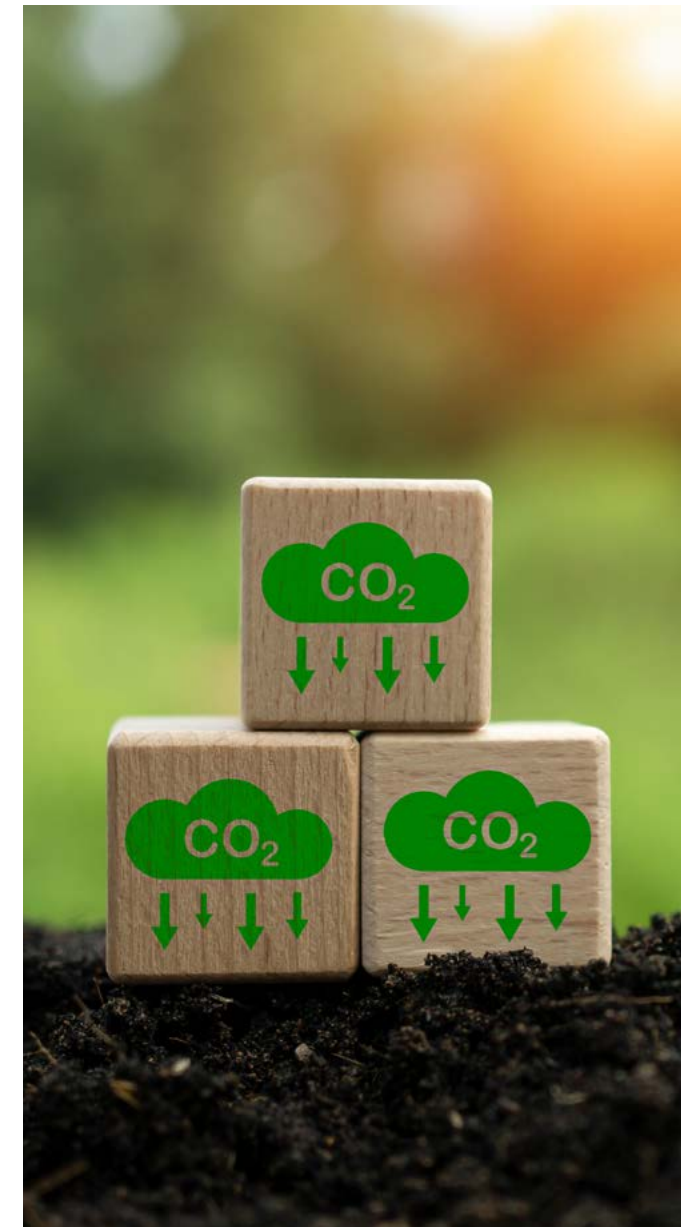
General Waste Emissions

30.86 tons

Recyclable Waste Emissions

3.12 tons

Office Paper Consumption

421,800 sheets

Biodiversity

Montage Technology fully acknowledges the vital significance of biodiversity in preserving Earth's ecological equilibrium and fostering sustainability. In line with this understanding, the Company consistently prioritizes biodiversity conservation matters by engaging employees in related activities, continuously fostering staff awareness of biodiversity protection, and implementing biodiversity considerations in the site selection and planning of new projects.

Montage Technology firmly believes that through the Company's unremitting efforts and the collective participation of society, we can effectively advance the protection and restoration of biodiversity, thereby contributing to the creation of a greener, healthier, and more harmonious global habitat. Looking ahead, Montage Technology will further intensify its biodiversity conservation practices and explore new pathways for achieving harmonious coexistence between technological advancement and natural preservation.

❖ During the site selection and planning stage of new projects, Montage Technology strictly follows the relevant environmental standards to ensure that all construction activities are far away from ecologically sensitive areas and nature reserves, and to avoid any adverse impact on the local ecosystem.

❖ To further promote the concept of biodiversity conservation, Montage Technology encourages and supports its employees to actively participate in various biodiversity conservation activities. During the reporting period, the Company actively participated in a series of activities such as the World Wildlife Day and the International Biodiversity Day, which not only enhanced employees' understanding of the value of biodiversity, but also inspired them to take part in biodiversity conservation actions.

Appendix

About this Report

Scope of the Report

The scope of information disclosed in the 2024 ESG Report (hereinafter referred to as the "Report") of Montage Technology Co., Ltd. encompasses Montage Technology Co., Ltd. and its subsidiaries, aligning with the scope of the Company's consolidated financial statements.

Reporting Period

This Report covers the period from January 1 to December 31, 2024. To enhance the comparability and completeness of this Report, certain information has been appropriately extended both retrospectively and prospectively.

Basis of Preparation of the Report

This report is prepared in compliance with the *Self-regulatory Guideline* No. *14 for Listed Companies of Shanghai Stock Exchange—Sustainability Report (Trial)* of the Shanghai Stock Exchange (hereinafter referred to as the "SSE"), with reference to the United Nations Sustainable Development Goals ("SDGs"), and responds to the MSCI ESG rating.

Explanation of Designation

In this report, "Montage Technology Co., Ltd." is also referred to as "Montage Technology" or "the Company".

Report Data Declaim

Financial data: The amounts mentioned in this report are denominated in RMB as the currency unit, unless otherwise stated. The financial data covered in this report is consistent with the Company's annual report for 2024.

ESG data：The ESG data and case descriptions in this report are mainly sourced from the Company's statistical reports, relevant documents.

Report Access

This report is released in electronic form, and accessible on Shanghai Stock Exchange (SSE) website: http://www.sse.com.cn to inquire or download.

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ESG Data Sheet

Environmental Key Performance Indicators

Index	Unit	2024	2023	2022
Energy Use	/			
Gasoline consumption	Liter	2,619.00	2,104.00	2,888.00
Purchased electricity usage	MWh	4,171.99	3,883.13	3,225.78
Comprehensive energy consumption	MWh	4,194.72	3,901.78	3,251.38
Direct energy consumption	MWh	22.73	18.65	25.60
Indirect energy consumption	MWh	4,171.99	3,883.13	3,225.78
Comprehensive energy consumption intensity	MWh/Person	5.65	5.54	5.57
GHG Emissions				
GHG emissions (Scope 1)	Tons of CO_2e	5.78	4.75	6.52
GHG emissions (Scope 2)	Tons of CO_2e	2,191.83	2,173.44	1,808.66

Index	Unit	2024	2023	2022
GHG emissions (Scope 3)[8]	Tons of CO_2e	462.83	/	/
Total GHG emissions (Scope 1&Scope 2)	Tons of CO_2e	2,197.61	2,178.19	1,815.18
GHG emission intensity (Scope 1&Scope 2)	Tons of CO_2e/Person	2.96	3.09	3.11
Water Resources Use				
Total water consumption	Tons	6,194.14	6,548.57	4,973.41
Water consumption intensity	Tons/Person	8.34	9.30	8.52
Waste				
General waste generation	Tons	30.86	28.86	25.71
Office paper consumption	Ten thousand sheets	42.18	40.98	35.07

[8] Scope 3 greenhouse gas emissions include employee commuting and business travel.

Social Key Performance Indicators

Indicators		Unit	2024	2023	2022
Employees					
Signing rate of labor contracts		%	100	100	100
Commercial insurance coverage		%	100	100	100
Total Number of Employees		Person	718	767	641
By Gender	Male	%	68.80	71.06	70.83
	Female	%	31.20	28.94	29.17
By Education Level	PhD	%	1.81	2.00	2.00
	Master's degree	%	51.11	55.00	51.00
	Bachelor's degree	%	43.59	39.00	43.00
	Junior college degree	%	2.79	3.00	3.00
	High school degree and below	%	0.70	1.00	1.00
By Age	30 years old and below	%	32.59	32.59	29.64
	31 to 50 years old	%	59.19	59.84	64.12
	51 years old and above	%	8.22	7.57	6.24
By Function	Marketing	%	9.89	9.00	10.00
	R&D	%	74.65	77.00	73.00
	Management	%	15.46	14.00	17.00

Indicators		Unit	2024	2023	2022
By Nationality	Chinese employees (including Chinese Hong Kong, Macao and Taiwan)	%	91.09	91.70	/
	Foreign employees	%	8.91	8.30	/
Health and Safety					
Number of work-related incidents		Case	0	0	0
Number of deaths caused by work-related accidents		Person	0	0	0
Working hours lost due to work-related accidents		Hour	0	0	0
Employee Training					
Proportion of trained employees		%	100	100	100
Average training hours		Hour	23.96	23.38	22.75
Average training hours for male employees		Hour	25.26	23.09	24.96
Average training hours for female employees		Hour	21.15	24.09	10.45
Long-term Incentives					
Comprehensive coverage of equity incentives		%	96	95	94
Performance Evaluation and Career Development Assessment					
Percentage of employees receiving regular performance and career development assessment		%	100	100	100
Responsible Supply chain					
Supplier responsible mineral sourcing survey coverage		%	100	100	100

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Dimension	Serial Number	Topics	Corresponding Articles	Corresponding Chapters
Environment	1	Tackling climate change	Articles 21 to 28	Climate Change Guardian
	2	Pollutant discharge	Article 30	Green Operation Advocator-Emission Management
	3	Waste disposal	Article 31	Green Operation Advocator-Emission Management
	4	Ecosystem and biodiversity conservation	Article 32	Green Operation Advocator-Biodiversity
	5	Environmental compliance management	Article 33	Green Operation Advocator
	6	Energy utilization	Article 35	Green Operation Advocator - Energy Use
	7	Water resources utilization	Article 36	Green Operation Advocator - Water Resource Use
	8	Circular economy	Article 37	Green Operation Advocator - Circular Economy
Society	9	Rural revitalization	Article 39	Social Value Creator- Community Investment and Engagement
	10	Social contribution	Article 40	Social Value Creator- Community Investment and Engagement
	11	Innovation drivers	Article 42	R&D Innovation Leader
	12	Ethics of science and technology	Article 43	R&D Innovation Leader

Dimension	Serial Number	Topics	Corresponding Articles	Corresponding Chapters
Society	13	Supply chain security	Article 45	Social Value Creator-Responsible Supply chain
	14	Equal treatment of SMEs	Article 46	Value Management Practitioner-Compliance and Internal Control / Social Value Creator- Industry Collaboration
	15	Product and service safety and quality	Article 47	High-quality Product Provider - Product Quality / High-quality Product Provider-Customer Service
	16	Data security and customer privacy protection	Article 48	High-quality Product Provider - Privacy and Data Security
	17	Employees	Article 50	People-oriented Employer
Sustainability-related governance	18	Due diligence	Article 52	Social Value Creator-Responsible Supply chain
	19	Shareholders' communication	Article 53	Practice ESG Governance-Stakeholder Communication
	20	Anti-commercial bribery and anti-corruption	Article 55	Value Management Practitioner-Business Ethics
	21	Anti-unfair competition	Article 56	Value Management Practitioner-Business Ethics