



# 2021

## Corporate Social Responsibility Report



Montage Technology Co., Ltd.

Stock code: 688008



# About this Report

The 2021 Montage Technology Corporate Social Responsibility Report (hereinafter referred to as "this Report") is released by Montage Technology Co., Ltd. (hereinafter referred to as "Montage Technology" or "the Company") to demonstrate the Company's CSR philosophy, practices and achievements during 2021.

## Guidelines for Preparation

*SDG Compass*

Global Sustainability Standards Board: *GRI Sustainability Reporting Standards* (GRI Standards)

Chinese Academy of Social Sciences: *Guidelines for the Preparation of Corporate Social Responsibility Reports in China* (CASS-CSR4.0)

Chinese National Standard: *Guidance on Social Responsibility Reporting* (GB/T36001-2015)

Shanghai Stock Exchange: *Notice on Strengthening the Social Responsibility Undertaking of Listed Companies and Guidelines for Environmental Information Disclosure of SSE Listed Companies*

## Scope of this Report

This Report covers Montage Technology and its subsidiaries. This Report covers a time frame from January 1, 2021 to December 31, 2021, in some cases 2022.

## Release of this Report

This Report is released in electronic form, and accessible on SSE's website: [www.sse.com.cn](http://www.sse.com.cn).

## Contact Us

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# Letter from Our Chairman

2021 is a year of great significance for Montage Technology. Thanks to the stable business growth of interconnect chips and a surge in sales of Jintide® server platform, the Company's annual revenue has hit a record of RMB 2.562 billion with a YoY growth of 40.49%, exceeding the RMB 2 billion mark for the first time.

With the business breakthrough of Jintide® CPU as well as the successful mass production and shipment of the first-generation DDR5 memory interface chips and module supporting chips in the fourth quarter, the Company reported Q4 revenue of RMB 969 million, with interconnect chips contributing RMB 601 million, both setting a quarterly record. Through 2021, the Jintide® server platform business reported revenue of RMB 845 million with a YoY growth of 27.5 times, heralding a promising future of the Company.

As a leading data processing IC and interconnect IC design company, Montage Technology is dedicated to providing high-performance, low-power IC solutions for cloud computing and AI markets. We always "accelerate R&D with focus and innovation" and sustain a high level of capital investment in R&D, which reaches RMB 370 million in 2021, with a YoY growth of 23%. In terms of product development, the Company continuously launches new products based on its own technological and marketing capabilities, and realizes the positive cycle of "Reserves - R&D - Mass Production". In 2021, Montage Technology officially launched the third-generation Jintide® CPU, and completed the mass production and shipment of the first-generation DDR5 memory interface chips and module supporting chips, while focusing on the development of the second-generation DDR5 memory interface chips, PCIe5.0 Retimer chips, and AI chips, as well as the technological reserves in key areas such as CXL, MCR, SerDes, and Clock Driver. Continuous R&D and innovation have not only strengthened the world-leading position of our core products, but also promoted our new product development. In 2021, the Company has been granted 17 patents, contributing to a total number of 126. In addition, the Company has been granted multiple honors such as National Technological Innovation Demonstration Enterprise and Single Champion Model Enterprise in Manufacturing Industry.

Letter from Our Chairman

Montage Technology always bears in mind its social responsibility in pursuit of high-quality development. Championing a people-centered culture, the Company is making every effort to provide a "diverse, inclusive, and equitable" working environment for employees' development. By the end of 2021, the Company has had more than 500 employees, of which 30% are females, increasing by 1.2% over the previous year; and 21% of the R&D team are females, increasing by 1.8% over the previous year. To "achieve open innovation", we have been committed to providing customers with quality products and services in joint cooperation with partners, and contributing to the development of the microelectronics industry as a member of the Board of Directors of JEDEC (Joint Electron Device Engineering Council). To "take responsibility for shareholders", we continuously optimize our governance and internal control system, including the revision of the Articles of Association of the Company and 18 internal systems, and the re-election of the board of directors and the board of supervisors, with the proportion of female directors / supervisors / senior executives rising to 36% from 19% last year. As investor returns, we have accumulatively distributed over RMB 912 million cash dividends in three consecutive years. To "take social responsibility", we have been doing our part in various fields, such as energy saving, public service, university-enterprise cooperation, and so forth. In 2021, we released the first CSR report after our stock market listing.

Looking forward to 2022 amid an era of thriving digital economy, our DDR5 ecosystem will increasingly penetrate the market, as new technologies and market demands keep driving chip innovation. Following the latest technology trends in the chip industry, Montage Technology will fulfill market opportunities with timely products, and make social contributions with innovative products. Meanwhile, we will attach greater importance to social responsibility, especially in charitable donation and employee wellbeing, improving our ESG performance.



Dr. Howard Yang  
Chairman of the Board/CEO of  
Montage Technology



# Corporate Social Responsibility Management Indicators



|                                                                                     |                                                                                                                                                                                                                                   |                                                                                      |                                                                                                                                                                                                                                  |                                                                                       |                                                                                                                                                                                                                                             |                                                                                       |                                                                                                                                                                                      |
|-------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    | <p>The Company guarantees employees' occupational safety, emergency preparedness, work-related injuries and diseases, public health, food and accommodation, etc. with comprehensive workplace facilities and a sound system.</p> |    | <p>The Company provides diversified on-site training and online learning courses to help employees with sustainable career development.</p>                                                                                      |    | <p>The Company promotes gender equality in recruitment and career progression. As of the end of 2021, female employees account for 30%, and female directors, supervisors and senior executives account for 36%.</p>                        |    | <p>As an IC design company, Montage Technology does not produce any environmental pollution during operations.</p>                                                                   |
|   | <p>Montage Technology is dedicated to providing high-performance, low-power IC solutions for cloud computing and AI markets.</p>                                                                                                  |   | <p>Safeguard employees' wellbeing, provide competitive remuneration and benefits (with an equity incentive coverage ratio of 75% above), and adopt a flat management system.</p>                                                 |   | <p>With strong R&amp;D and innovation capabilities, the Company has developed its core technologies with independent intellectual property rights, allowing for a virtuous cycle of Technological Reserves - R&amp;D - Mass Production.</p> |   | <p>The Company recruits and evaluates employees based on individual capabilities, equity, and non-discrimination principles.</p>                                                     |
|  | <p>The Company reduces the overall carbon emissions of the data center industry through technological innovation, and adopts a series of environmental protection measures for sustainable development.</p>                       |  | <p>In addition to guaranteeing product quality by strictly controlling its supply chain, the Company also reviews suppliers' performance in energy saving and environmental protection when selecting cooperative suppliers.</p> |  | <p>Advocating low-carbon life and green workplace, the Company takes energy saving and environmental protection actions, and regularly checks greenhouse gas emissions to fight climate change.</p>                                         |  | <p>Adhering to "open innovation", the Company actively participates in the formulation of industry standards to further advance the industry in joint cooperation with partners.</p> |

**In 2021, Montage Technology integrated 12 of the 17 United Nations Sustainable Development Goals (SDGs) into its corporate social responsibility management in accordance with the Company's situation.**



# Corporate Social Responsibility Management Mechanism

The board of directors is responsible for developing corporate social responsibility strategies and goals, and the Corporate Social Responsibility Working Group, as a sub-organization of directorate, is responsible for implementing specific corporate social responsibility work.

In 2021, the Company further optimized the Corporate Responsibility Work Management System, appointing the specific department personnel in charge of social responsibility work. The Corporate Social Responsibility Working Group held the Annual Social Responsibility Working Meeting 2021, summarizing the social responsibility work progress in 2020 and proposing improvement plans for 2021.



In April 2021, the Company released the first CSR report after its stock market listing. In December 2021, the Company was awarded the Shanghai Corporate Social Responsibility Report - Outstanding Enterprise by Shanghai Federation of Economic Organizations (SFEO) and Shanghai Federation of Industrial Economics (SFIE).





# ESG Performance in 2021

## Diverse employee wellbeing measures

100% labor contract signing rate  
Zero occupational injury rate  
Zero child labor  
75% equity incentive coverage ratio  
Non-discriminatory practices

## Gender equality

30% female employees, increasing by 1.2% over the previous year  
36% female directors, supervisors and senior executives, increasing by 17% over the previous year  
21% female R&D staff, increasing by 1.8% over the previous year

## Continuously improved corporate governance

100% attendance in meetings of directors, supervisors and senior executives  
Revision of the Articles of Association of the Company and 18 internal systems  
Four measures to ensure information security  
Anti-fraud policy incorporated into contract templates

## Training system helps employees with career development

Four-in-one training system  
90%+ employee training coverage ratio  
24 hours of training per employee



## Annual revenue hit a record high

Annual revenue reaches RMB 2.562 billion, with a YoY growth of 40.49%

## Persistent R&D and innovation

R&D personnel account for 71% of total employees  
RMB 370 million investment in R&D, with a YoY growth of 23%  
65% of R&D staff with master's or higher degree

## Keep on improving quality management

Zero quality incident  
Continuously high customer satisfaction

## Advance energy saving and emission reduction with innovative technology

The second-generation DDR5 products vs the first-generation DDR5 products:  
5% less power consumption on average at the same speed

## Continuous shareholder returns

77% cash dividend payout ratio

## University-enterprise cooperation

Co-established lab with Shanghai Jiaotong University, with three project applications approved

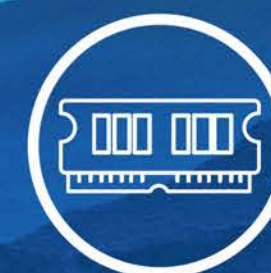
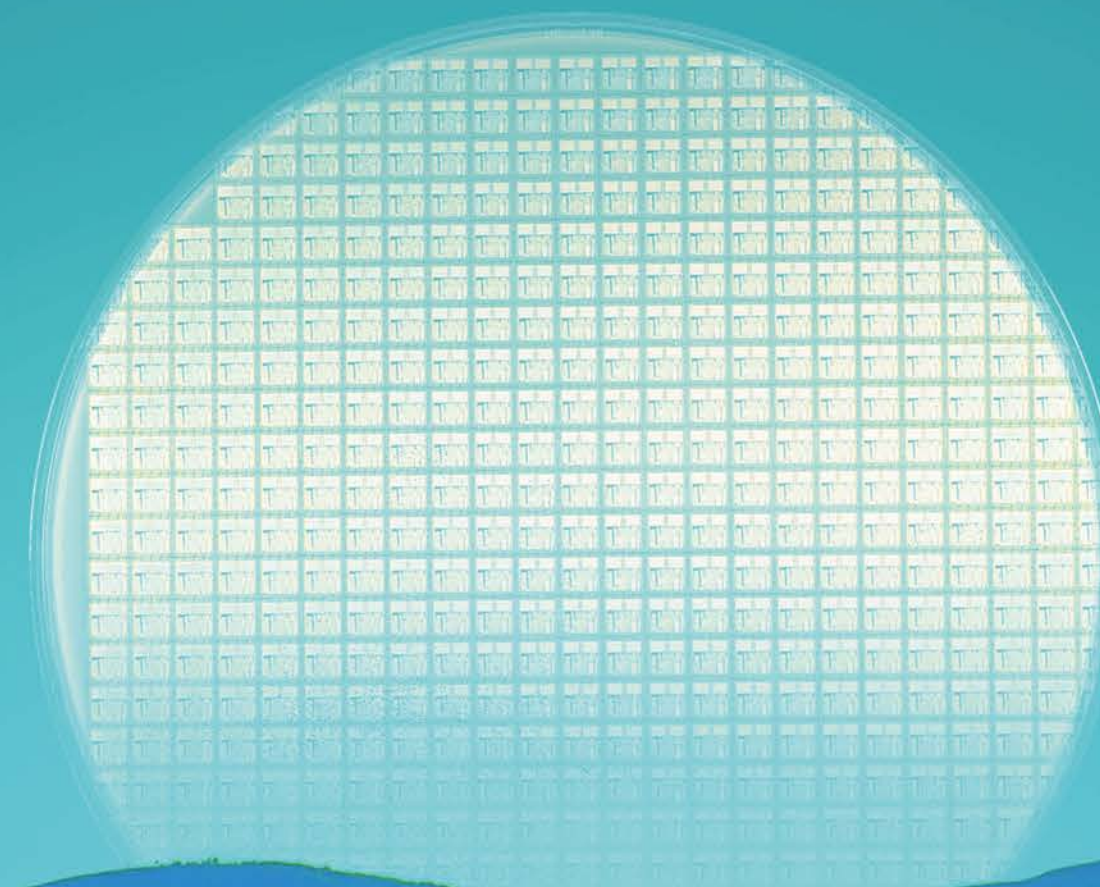


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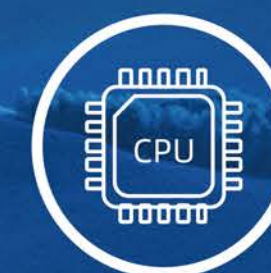
## About Montage Technology

Founded in 2004, Montage Technology is a leading data processing IC and interconnect IC design company. As one of the first batch of listed companies on SSE STAR Market, Montage Technology was listed on the Shanghai Stock Exchange in July 2019 with stock code 688008.

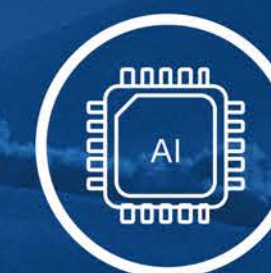
Montage Technology is headquartered in Shanghai, with branches in Kunshan, Beijing, Xi'an, Macao, the U.S. and South Korea.



Interconnect  
chips



Jintide® Server  
Platform



AI chips



# Milestones of Montage Technology

May 2004  
Montage Technology was founded.

January 2006  
Montage Technology started mass production of its first chip.

June 2006  
Montage Technology obtained its first granted invention patent.

June 2008  
Montage Technology DDR2 Advanced Memory Buffer (AMB) chips were certified.

August 2011  
Montage Technology DDR3 Register Buffer and Memory Buffer chips were certified.

Since its cumulative profit turned positive in 2011, Montage Technology has been profitable for 11 consecutive years.

October 2013  
Montage Technology DDR4 Register Clock Driver and Data Buffer chips were certified.

October 2014  
Montage Technology received the 2014 GSA Award for Best Financially Managed Semiconductor Company.

January 2016  
Montage Technology jointly developed a new general-purpose processor with Tsinghua University and Intel.

May 2019  
Montage Technology started the mass production of the first-generation Jintide<sup>®</sup> CPU.

July 2019  
Montage Technology was listed on the Shanghai Stock Exchange as one of the first batch of listed companies on the Star Market.

September 2020  
Montage Technology started the mass production of PCIe 4.0 Retimers.

2021  
Montage Technology was recognized as Single Champion Model Enterprise in Manufacturing Industry and National Technological Innovation Demonstration Enterprise.

February 2021  
Montage Technology was appointed to the Board of Directors of JEDEC.

September 2021  
The cumulative shipped quantity of Jintide<sup>®</sup> CPU exceeded 100,000 pcs.

October 2021  
Montage Technology started the mass production and shipment of the first-generation DDR5 memory interface chips and module supporting chips.



# Corporate Culture

$$a=f.i^{\text{®}}$$

accelerating with focus & innovation

“ 动 止  
作 为  
涛 潭  
澜 渊  
起 深 ”

Poems from Song Dynasty Poet Su Zhe



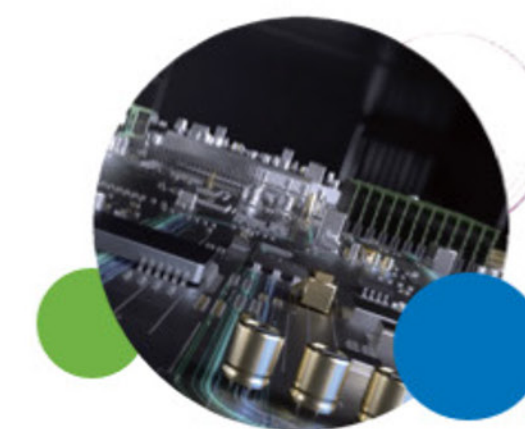
## Corporate Vision

To become an innovative international IC design company focusing on data processing IC and interconnect IC



## Corporate Mission

To make data transfer more efficient and data computing more secure

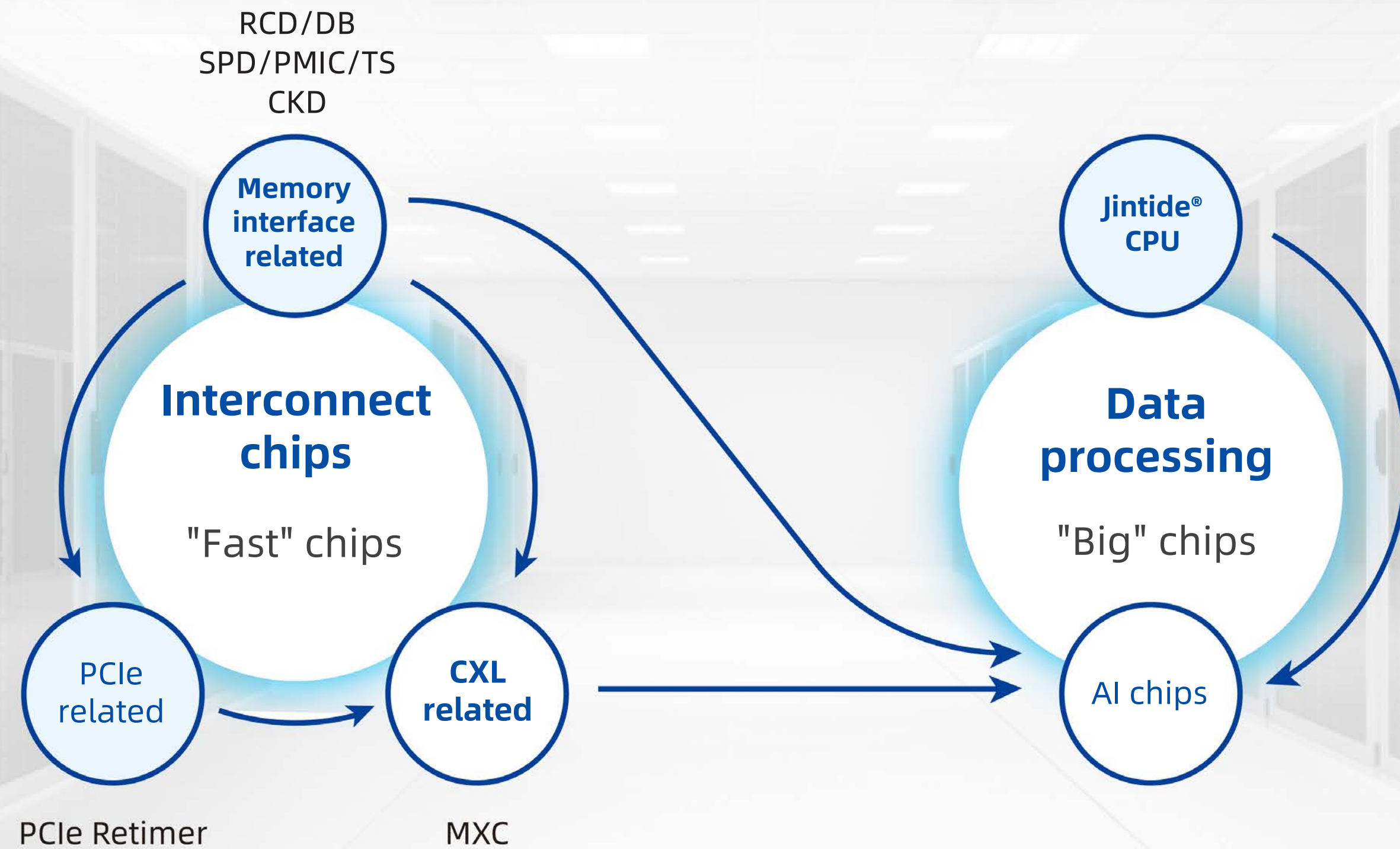


## Corporate Culture

Accelerating with focus and innovation



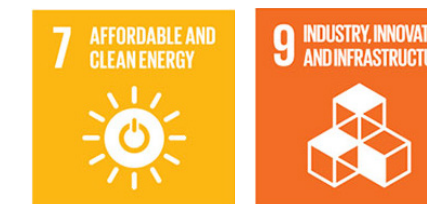
# Product Portfolio



**Focusing on high-speed interconnect and high-performance data processing related technologies**



# Products & Services

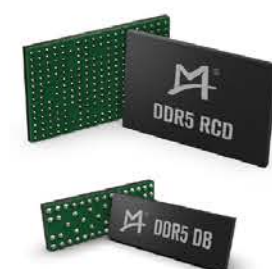


## Interconnect Chips Product Line

### Memory Interface Chips

As the core logic device of server memory module, memory interface chips mainly increases the speed and stability of memory data access to meet the growing demand of server CPU for memory module with high performance and large capacity. The Company has successively launched DDR2-DDR5 series memory interface chips.

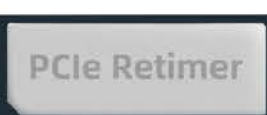
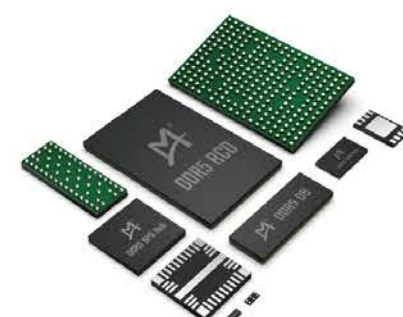
The Company has successfully developed the first-generation DDR5 memory interface chips, and started its mass production and shipment in Q4 2021.



### Memory Module Supporting Chips

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

The Company has successfully developed the mass-production version of DDR5 memory module supporting chips together with partners, and started the mass production and shipment in Q4 2021.



### PCIe Retimer Chips

As an ultra-speed Retimer chip meeting the PCIe high speed data transmission protocol, the PCIe Retimer chip has become one of the important components of high speed circuit. It mainly solves the problems such as misaligned timing, large loss and poor integrity when data is transmitted at high speed and long distance in a data center.

The Company's mass-produced PCIe 4.0 Retimer chips have reached the international advanced level in terms of key performance indicators such as power consumption and transmission latency, including a 8-lane version and a 16-lane version, which can be applied to typical application scenarios such as NVMe SSD, AI server, and Riser card.



## Jintide® Server Platform Product Line

### Jintide® CPU & Hybrid Security DIMM

Jintide® CPU, a series of x86 architecture processors featuring pre-check or dynamic security check (DSC), can be used on Jintide® and other universal server platforms.

The Company has launched the third-generation Jintide® CPU with higher performance in order to meet the increasing demand for CPU performance and security in the server market.

The hybrid security DIMM adopts the memory monitoring technology with independent intellectual property rights, which can provide more secure and reliable memory solutions for server platforms.

To meet different application needs, the Company has launched two series of products: Hybrid Security DIMM (HSDIMM®) and Hybrid Security DIMM-Lite (HSDIMM®-Lite).



## AI Chips

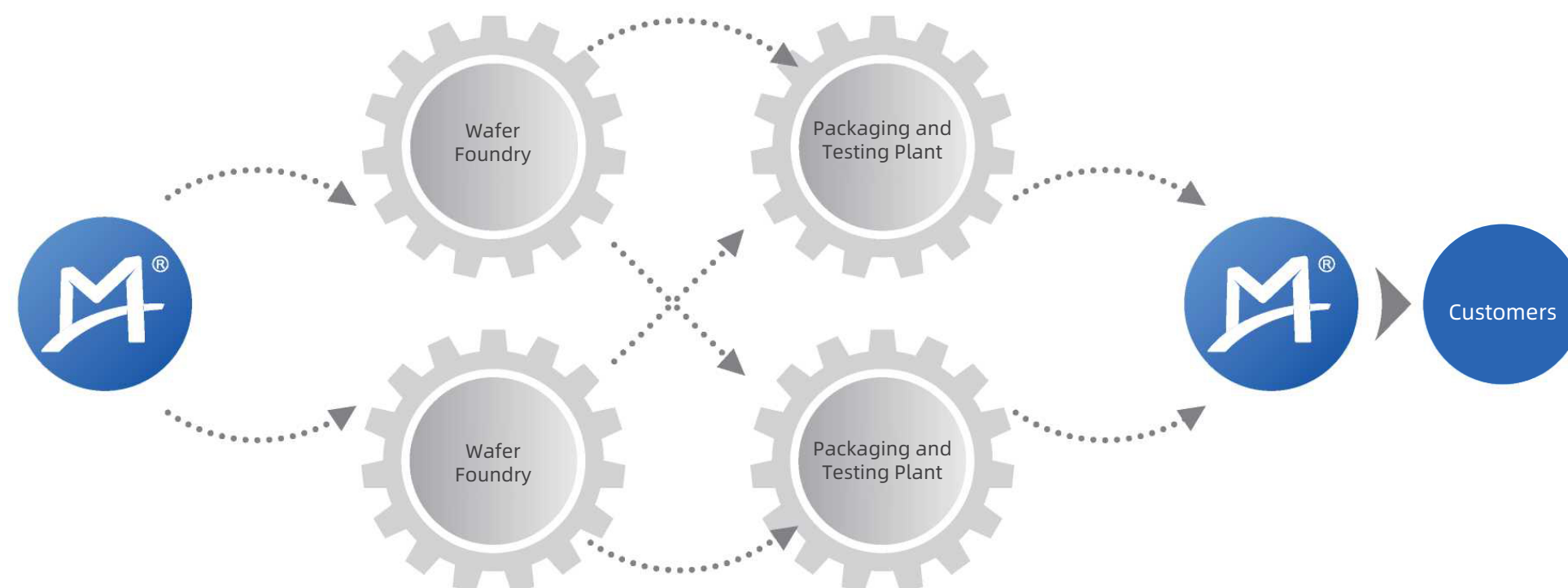
The Company is currently developing an AI chip solution consisting of hardware (such as AI chips) and supporting software. It adopts a near-memory computing architecture, which aims to solve the bottlenecks of AI computing in inference applications with high data throughput, such as CPU bandwidth, performance, and GPU memory capacity, therefore providing customers with a low-latency and high-efficiency AI computing solution.



# Products & Services

## Business Model

As an IC design company, Montage Technology adopts a fabless operating model. The Company focuses on key R&D and core customers, that is, both ends of the smile curve. In other words, the company focuses on IC design and marketing in the industrial chain, outsources the other processes to wafer foundries, packaging and testing vendors, and sells the tested chips to customers.



## Industry Status

As a member of the Board of Directors of JEDEC, Montage Technology serves as the chair of three committees and subcommittees under JEDEC, and plays a significant role in the JEDEC standard-setting. The "1+9" distributed memory buffer subsystem architecture developed by the Company has been incorporated in the JEDEC standards.

Montage Technology is one of the three major providers of DDR4 memory interface chips in the world, and its related products have successfully entered the international mainstream fields of memory, server and cloud computing, occupying an important share of the global market.

The Company is one of the two major providers of a complete solution of DDR5 memory interface chips and module supporting chips in the world.

The Company is one of the major providers that can mass produce PCIe 4.0 Retimer chips in the world.

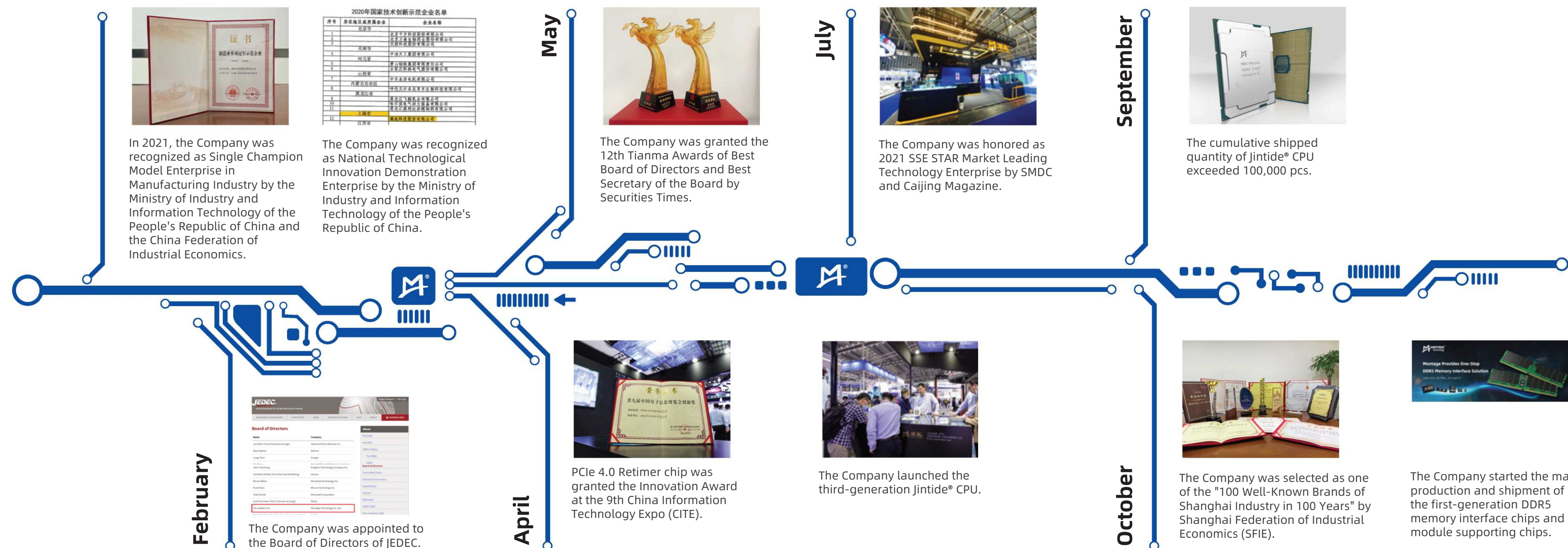
**Global TOP 2**  
DDR5 memory interface  
chip supplier

**The Only  
Chinese  
Company**  
that can mass produce PCIe  
4.0 Retimer chips in the world

**Member of  
Board of  
Directors**  
of JEDEC



# Corporate Events in 2021

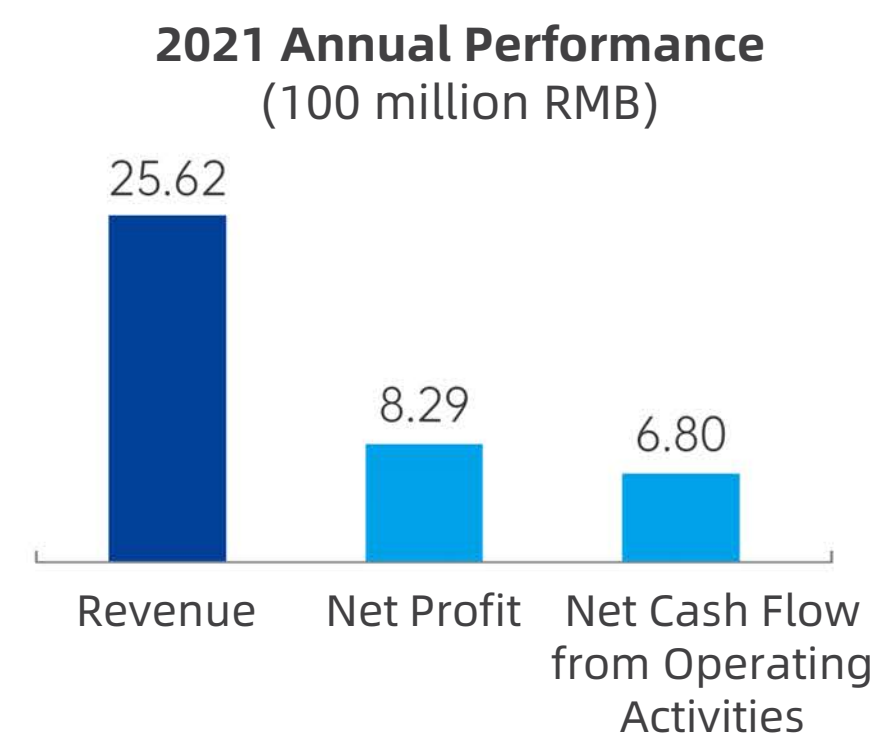




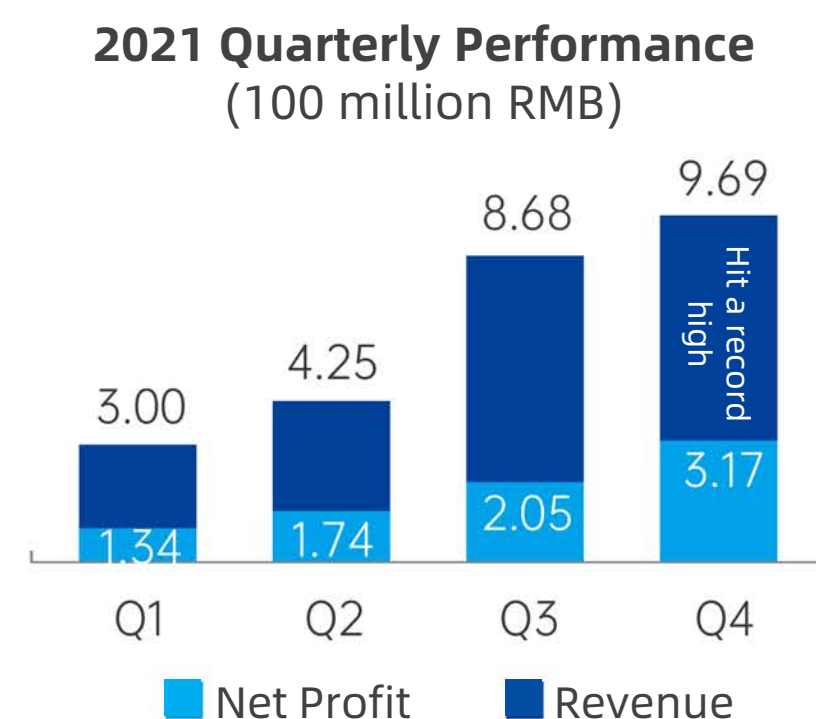
# Annual Performance

In 2021, the Company reported revenue of RMB 2.562 billion, with a YoY growth of 40.49%; Net profits attributable to shareholders of the listed company reached RMB 829 million, with a YoY decrease of 24.88%.

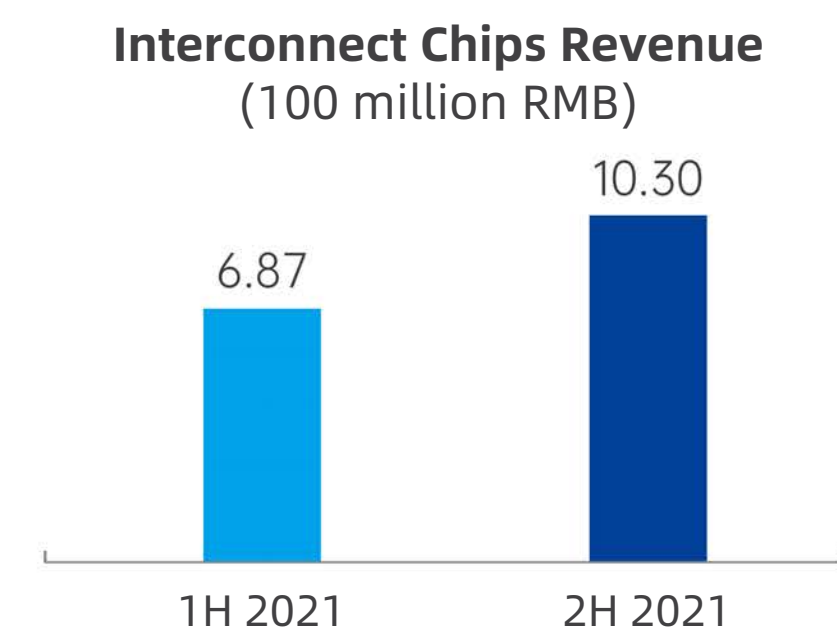
In 2021, the Company hit historic highs in its annual revenue, Q4 revenue, and the quarterly revenue of interconnect chips.



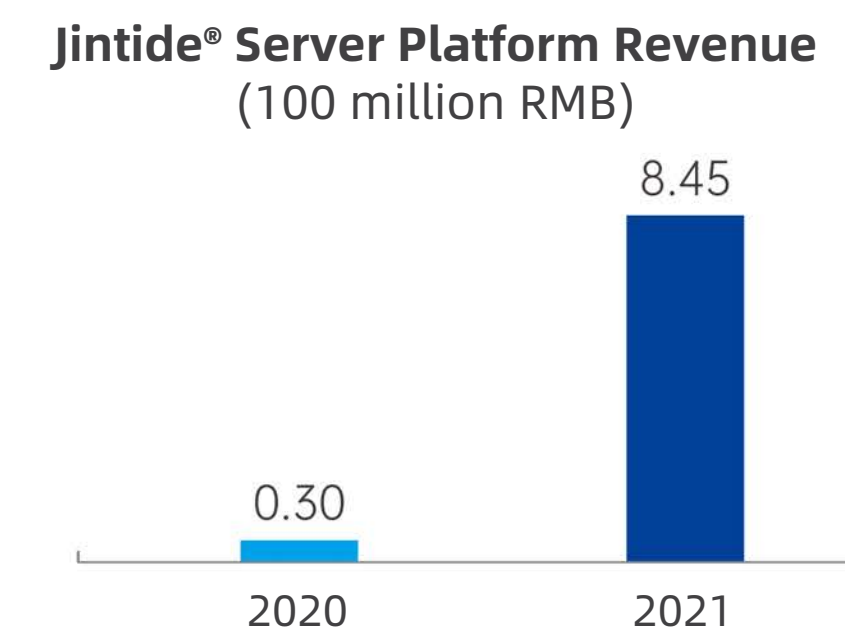
**Annual revenue hit a record high**



**Consecutive quarterly revenue growth**



**Q4 revenue hit a record high**

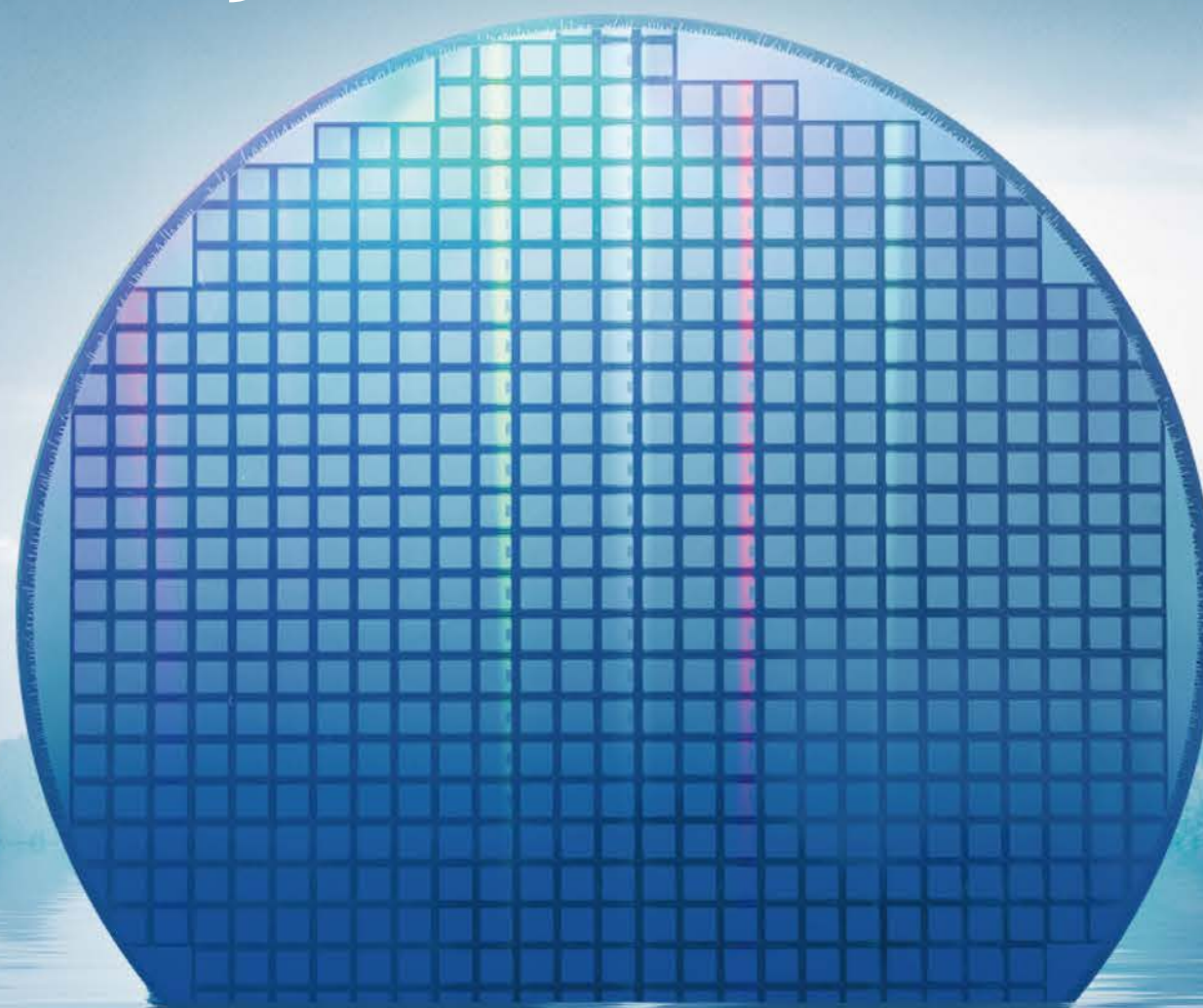


**A 27.5 times increase over the previous year**



# 02

## Shareholder Responsibility



Corporate  
Governance



Information  
Disclosure



Internal Control  
Management



Information  
Security



Investor  
Relations



Shareholder  
Returns

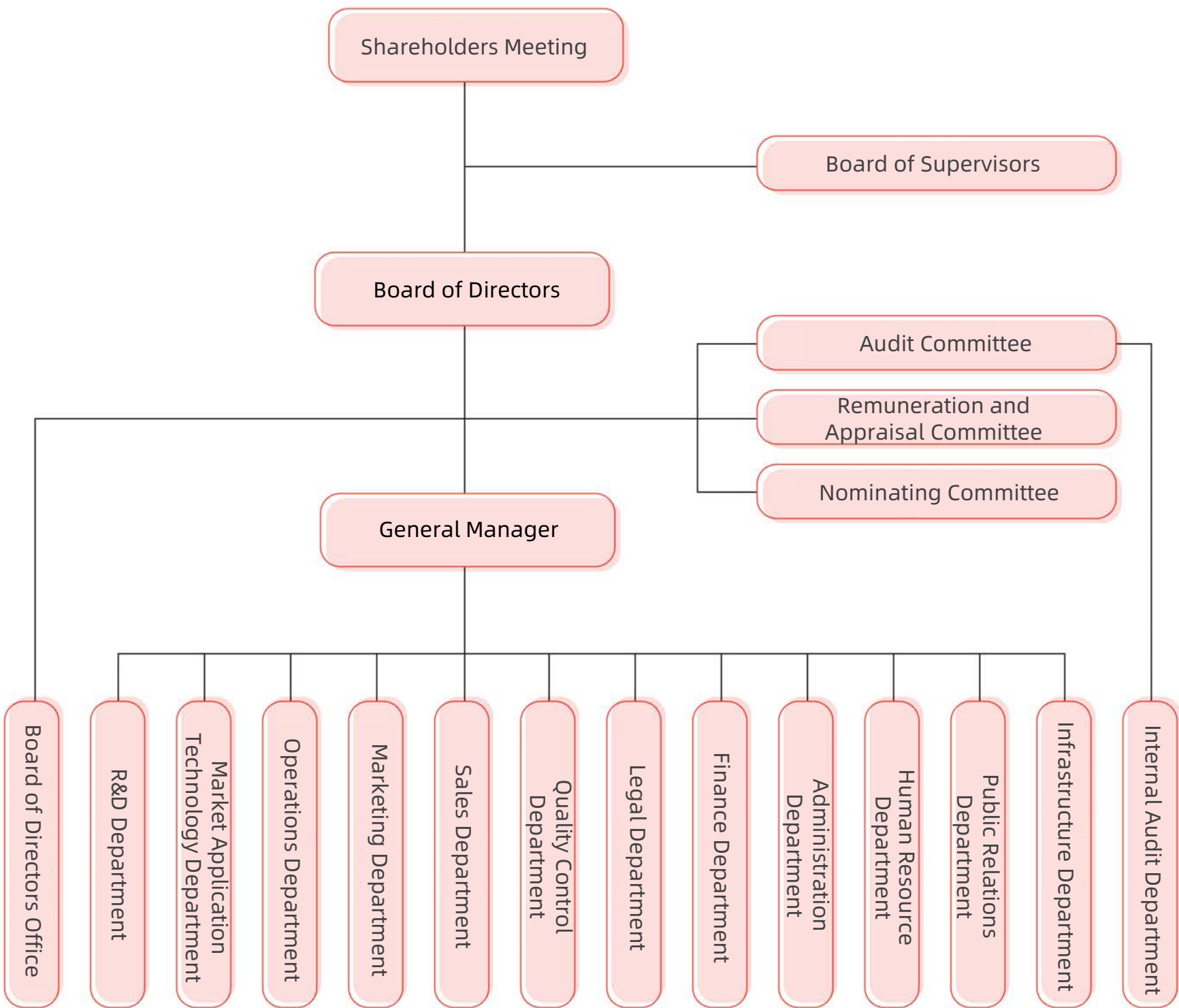


# Corporate Governance

## Governance Structure

At present, the Company has established a modern corporate governance system with the shareholders meeting, the board of directors, the board of supervisors and senior executives as the core, and formed a mechanism with clear rights and responsibilities and standardized operation among the authority, policy-making agency, supervisory agency and management, which enables each organization to coordinate and balance each other and provides an organizational guarantee for efficient and stable operation of the Company.

The shareholders meeting, the board of directors, the board of supervisors and the senior executives of the Company shall exercise their powers and fulfill their obligations in accordance with the *Company Law* and the *Articles of Association of the Company*.





# Corporate Governance

## Governance Structure

**Board of Directors**  
**Members**  
In September 2021, the Company elected the second board of directors consisting of 9 directors, 4 of which are independent directors.  
**Meetings**  
10 meetings were held in 2021, with 100% attendance.  
**Responsibilities**  
Setting the Company's development goals and making major business decisions within the authorization scope stipulated by the *Articles of Association of the Company* and shareholders' meetings.

|                        |                                                                                                                                                                                                             |
|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Chairman               | Howard Yang - Chairman and CEO of Montage Technology                                                                                                                                                        |
| Employee Directors     | Stephen Tai - General Manager of Montage Technology                                                                                                                                                         |
|                        | Yi Shi - Director of Marketing Communications of Montage Technology                                                                                                                                         |
| Non-Employee Directors | Rongxin Li - General Manager of Shanghai Youci Information Technology Co., Ltd.                                                                                                                             |
|                        | Brent Young - Managing Director of the China Corporate Strategy Office (CCSO) at Intel Corporation and Vice President of Intel Corporation                                                                  |
| Independent Directors  | Zhiyao Yin - Chairman and General Manager of China Micro Semiconductor Equipment (Shanghai) Co., Ltd.                                                                                                       |
|                        | Changjiang Lv - Professor of Accounting, Doctoral Supervisor, and Associate Dean of School of Management, Fudan University                                                                                  |
|                        | Jingdong Liu - Researcher, Professor of the Graduate School, Doctoral Supervisor, and Director of International Economic Law Department, Institute of International Law, Chinese Academy of Social Sciences |
|                        | Bo Yu - Vice President of Semiconductor Manufacturing International Corporation                                                                                                                             |

**Audit Committee**  
**Members**  
3 independent directors  
**Meetings**  
7 meetings were held in 2021, with 100% attendance.  
**Responsibilities**  
Improving the board of directors' audit evaluation and supervisory mechanism and its supervision over the Company, and optimizing the corporate governance structure. Supervising the external audit of the Company, instructing the Company's internal audit, and promoting the establishment of an effective internal control system and the preparation of true, accurate, and complete financial statements.

**Remuneration and Appraisal Committee**  
**Members**  
3 independent directors  
**Meetings**  
3 meetings were held in 2021, with 100% attendance.  
**Responsibilities**  
Establishing and improving the remuneration appraisal and management system for directors, General Manager, and other senior executives. Developing the appraisal standards for directors, General Manager, and other senior executives, conducting the appraisal, as well as formulating and reviewing the remuneration policies and plans for them.

**Nominating Committee**  
**Members**  
3 directors, including 2 independent directors  
**Meetings**  
2 meetings were held in 2021, with 100% attendance.  
**Responsibilities**  
Regulating the appointment and recruitment of directors, General Manager, and other senior executives, optimizing the composition of the board of directors, as well as reviewing the qualifications of directors and senior executives nominated by authorized nominees as stipulated in the *Articles of Association of the Company* and making suggestions.



# Corporate Governance

## Board Election

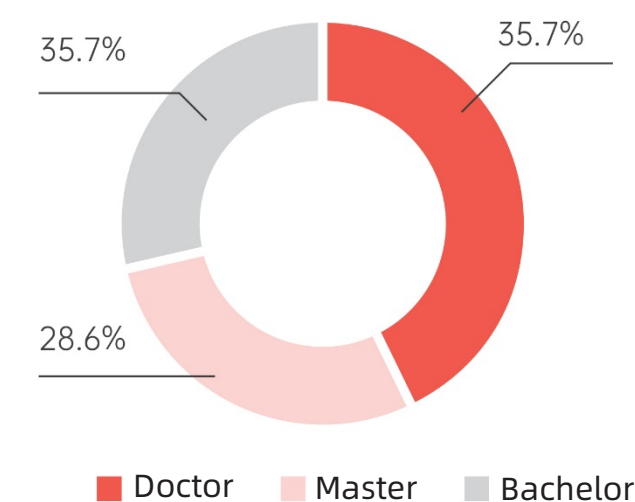
In 2021, Montage Technology successfully completed the re-election of the board of directors and the board of supervisors, keeping the professionalism and diversity of board members. The new board of directors consists of 9 members and the new board of supervisors consists of 3 members. Among them, 2 employee directors and 1 employee supervisor were elected through the Workers' Congress.

The percentage of females has increased from 0% to 11% on the new board of directors, and remained at 67% on the board of supervisors. The proportion of independent directors has increased from 36% to 44%. Meanwhile, senior executives were appointed by the new board of directors, with the percentage of females increasing from 25% to 50%.

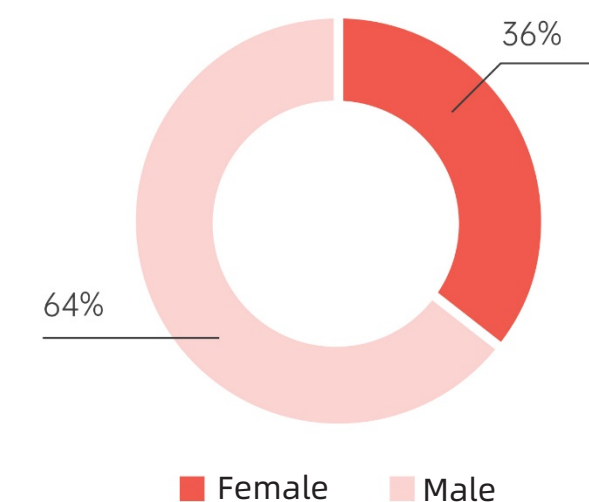


## Professionalism and Diversity of Directors, Supervisors, and Senior Executives

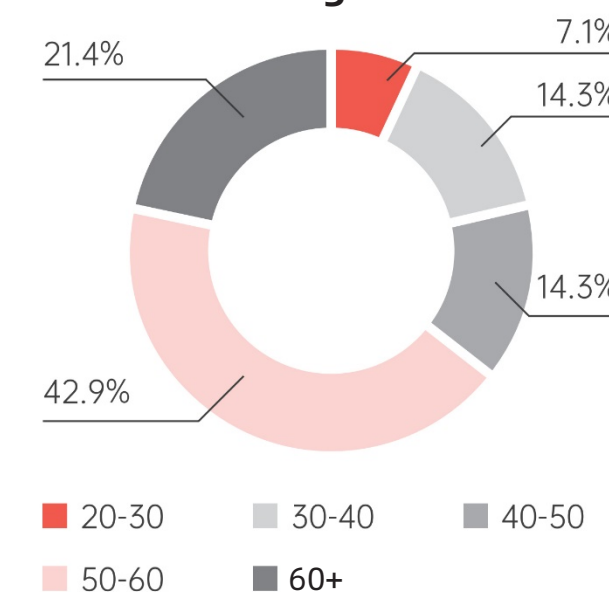
Education background



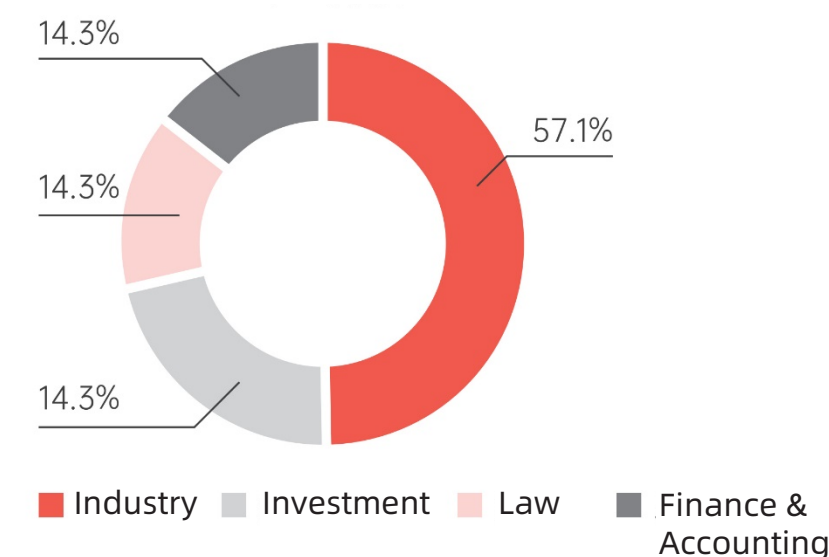
Gender



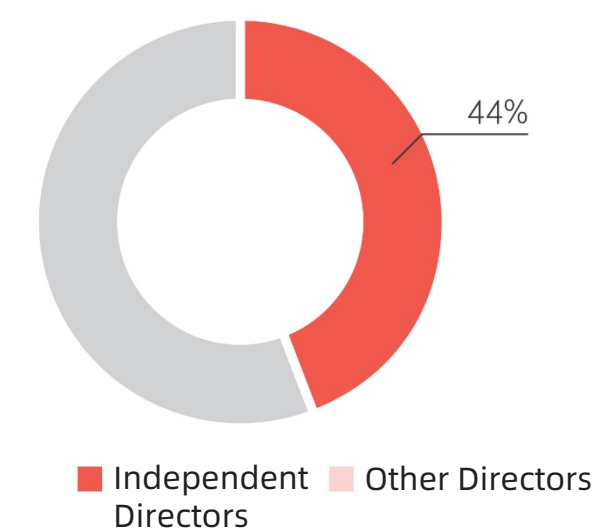
Age



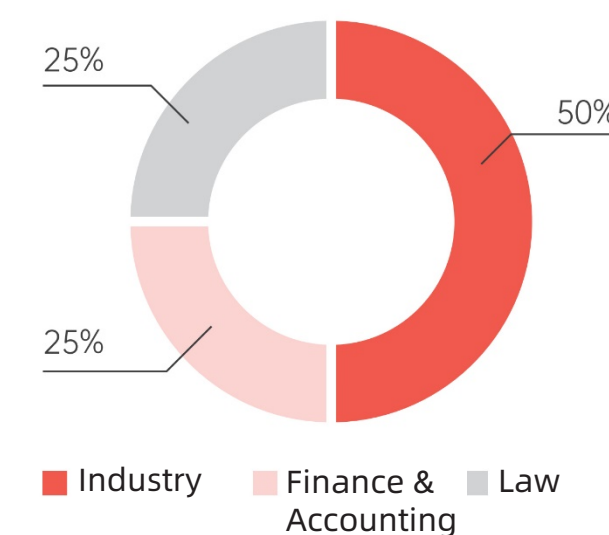
Professional background



Proportion of independent directors on the board



Professional background of independent directors





# Corporate Governance

## Training for Directors, Supervisors, and Senior Executives in 2021

To enhance the professional competence of the directors, supervisors, and senior executives, the Company arranged the following training courses in 2021. Through the training, the directors, supervisors, and senior executives have gained a better understanding of the current situation and regulatory requirements of the capital market, increased their awareness of risk and standardization, and established the basic concept of scientific management. In 2021, the training time for the directors, supervisors, and senior executives summed up to 72.5 hours.

### Training Courses

|                                                                                                             |                                                             |
|-------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|
| Supervision of Information Disclosure of Listed Companies and Standard Performance of Independent Directors | Interpretation of Criminal Law Amendments                   |
| Key Takeaways of Information Disclosure of Material Asset Reorganization for Listed Companies               | Continuous Regulatory Concept and Logic of STAR Market      |
| Typical Case Analysis of Disciplinary Action                                                                | <i>Research on Accounting Issues of Listed Companies</i>    |
| Interpretation of New Delisting Rules                                                                       | <i>Case Analysis of Financial Fraud in Listed Companies</i> |

## Remuneration Appraisal and Management of Directors, Supervisors, and Staff Employed by the Board

### Remuneration Plan For Directors and Supervisors

It was approved at the 25th meeting of the first board of directors and the 3rd extraordinary general meeting in 2021.

### Remuneration Management of Staff Employed by the Board

The performance of staff employed by the board in 2020 was appraised, and the basic annual salary plan for the staff employed by the new board of directors was formulated.



# Information Disclosure

## Revision of Relevant Information Disclosure Systems

In 2021, the Company revised the *Information Disclosure System*, *Insider Registration and Management System*, to further standardize and detail relevant systems for information disclosure.

- *Information Disclosure System*
- *Business Management System on Postponement of and Exemption from Information Disclosure*
- *Insider Registration and Management System*

## Specifying the Responsible Persons for Information Disclosure

- The Chairman of the board is the principal responsible person for information disclosure.
- The Secretary of the board is responsible for coordinating and organizing matters related to information disclosure.
- All members of the board are jointly and severally liable.
- The board office is the department responsible for managing information disclosure matters.

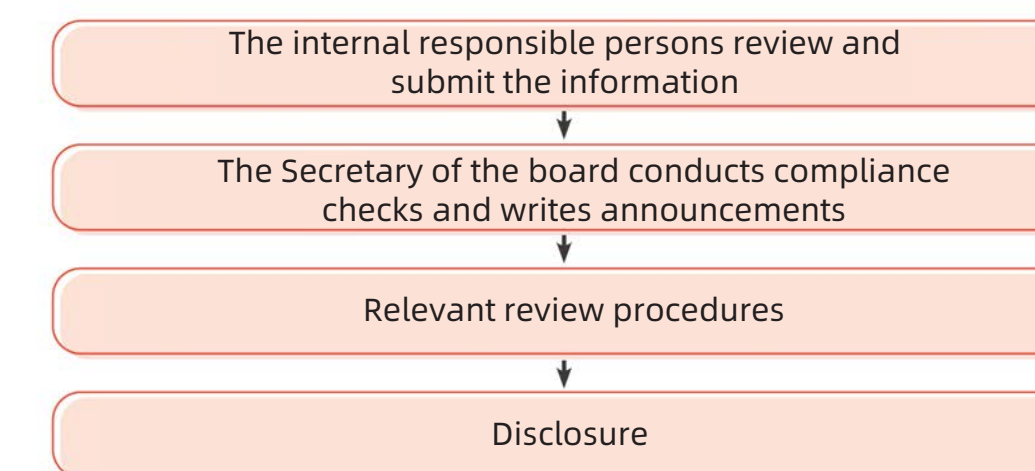
## Strictly Implementing Information Disclosure Systems

The Company has strengthened the management of information disclosure, fulfilled the duties of the principal responsible person, and ensured that the announcements disclosed are "truthful, accurate, complete, timely, fair, concise, clear, and understandable".

In addition to the announcements, all information to be published (such as Q&As on SSE E Interaction, investor research, and media interviews) was strictly checked based on the principles of truth, accuracy, and compliance. As required by the *Insider Registration and Management System*, the Company took measures to keep the number of insiders to a minimum and registered the insiders that have access to the unpublished inside information during the reporting, transmission, preparation, review, disclosure, and other processes.



## Information Disclosure Procedure



**58**  
provisional  
notices  
disclosed

**4**  
periodic  
reports  
disclosed



# Internal Control Management

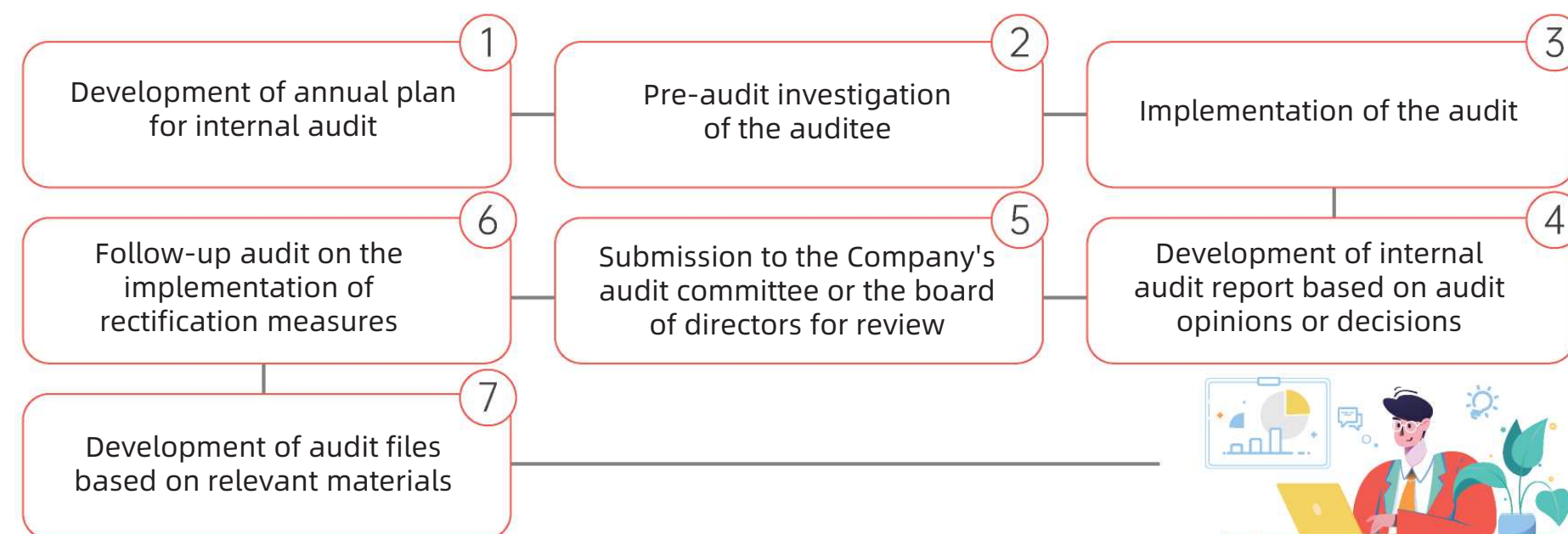
## Internal Audit System



## Department Responsible for Internal Control and Its Functions

The Internal Audit Department is responsible for promoting the Company's operational management and assisting the board of directors and the audit committee in fulfilling their responsibilities. Specifically, this includes the review and evaluation of the following items: the reliability, effectiveness, and integrity of the internal monitoring mechanism, the appropriateness of the Company's organizational structure, systems, and procedures, the safety and integrity of assets, and the possibility of significant risks, to facilitate risk management and other efforts.

## Internal Audit Procedure



## 2021 Internal Audit and Control Assessment

In 2021, the Internal Audit Department specifically standardized the procedures related to infrastructure procurement and payment.

In strict compliance with *Anti-fraud Management System*, the anti-fraud policy has been integrated as templates into most procurement and sales contracts since 2021.

The board of directors issued the 2021 Internal Control Assessment Report, and Ernst & Young Hua Ming issued the Internal Control Audit Report for the Company.

### 2021 Internal Control Evaluation Report

Based on the identification of significant deficiency of internal control over financial reporting, there were no significant deficiencies in the internal control over financial reporting as at the base date of the Internal Control Assessment Report. The board believes that the Company has maintained effective internal control over financial reporting in all major aspects in accordance with the requirements of the internal control standard system and related regulations.

Based on the identification of significant deficiencies in the internal control over non-financial reporting, there were no significant deficiencies in the internal control over non-financial reporting as at the base date of the Internal Control Assessment Report.

From the base date to the issuance date of the Internal Control Assessment Report, there were no significant changes that may impact the assessment of the effectiveness of the internal control.



# Information Security

Montage Technology greatly values information security and data privacy protection. The Company has formulated a relatively complete information security management system based on industry features and actual needs and built a preliminary information security system. The Company has taken four key measures to keep information-related factors (including resources, technology, and management) under control, protect IT assets from unauthorized access or attacks, and prevent all kinds of information risk factors to the greatest extent.

In 2021, the Company performed information security awareness training for all new employees while issuing reminders from time to time to improve employees' online security awareness of illegal links such as email phishing.

## Network Partition Management

The Company's intranet is divided into different VLAN network segments according to functions, which cannot be assigned arbitrarily. Users cannot access data across network segments. All user terminals have been provided with local anti-virus software, firewalls, and other measures to strengthen vulnerability management and protection.

## Information Security of R&D Department

As the most vital data department, the R&D Department has adopted the following special strategies to protect its core data:

- Indirectly accessing sensitive data using non-directly connected secure access terminals and virtual terminals
- Setting up access control for special documents
- Enhancing control on file transfer

## Security Protection for User Terminals

Take protective measures in device access control, account management & user name specifications, password policies, and vulnerabilities & defense.

## Standardized Management of Internet Access and VPN Access

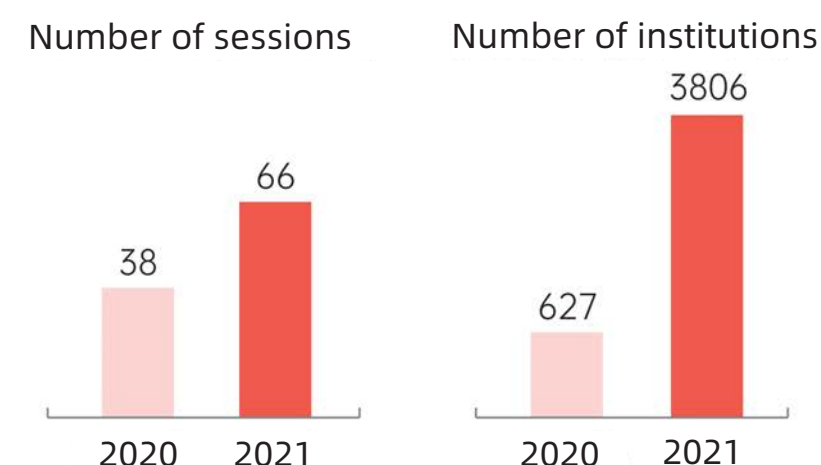
The Company strictly controls Internet access and VPN access.



# Investor Relations

In 2021, the Company strictly complied with the *Investor Relations Management System* to facilitate effective communication with medium to small investors and answer investor concerns under the premise of compliance.

The Company has engaged with a total of **3806** investment institutions during **66** sessions



**12**  
Records of Investor Relations Activities disclosed

**82**  
SSE E interactions replied

- Held the 2020 Annual Performance Exchange Meeting and the 2021 Semi-Annual Performance Exchange Meeting
- Media interviews
- Calls with investors
- Communication with the society through the official website and official WeChat account
- Industry/government forums
- In 2021, the Company held 5 shareholders' meetings and performed separate counting of votes from small and medium investors for major issues.

## The Company's stock is included in many major indexes at home and abroad as well as the Shanghai-Hong Kong Stock Connect program

In 2021, the Company was included in indexes, including STAR Next Generation Information Technology Index, CSI National Brands Project of Xinhua Index, and FTSE Global Equity Index, and was admitted into the Shanghai-Hong Kong Stock Connect program.

| No. | Index                                                                              | Effective Time     |
|-----|------------------------------------------------------------------------------------|--------------------|
| 1   | CSI National Brands Project of Xinhua Index                                        | September 14, 2021 |
| 2   | STAR Next Generation Information Technology Index                                  | August 16, 2021    |
| 3   | FTSE Global Equity Index                                                           | March 22, 2021     |
| 4   | The Company's stock was admitted into the Shanghai-Hong Kong Stock Connect program | February 1, 2021   |
| 5   | CSI Digital Economy Index                                                          | December 14, 2020  |
| 6   | SSE 380 Index                                                                      | December 14, 2020  |
| 7   | CSI 300 Index                                                                      | December 14, 2020  |
| 8   | CSI Semiconductor Industry Index                                                   | December 14, 2020  |
| 9   | CSI Artificial Intelligence Index                                                  | December 14, 2020  |
| 10  | CSI Electronics 50 Index                                                           | December 14, 2020  |
| 11  | China Semiconductor Chips Index                                                    | December 14, 2020  |
| 12  | MSCI China A Onshore Index                                                         | November 30, 2020  |
| 13  | Science and Technology Innovation Board 50 Index                                   | June 19, 2020      |



# Shareholder Returns

In 2021, the Company revised the Articles of Association of the Company to clarify:

1. Basic principles of profit distribution policy
2. Methods of profit distribution: cash, stock, or both, with priority given to cash dividends
3. Conditions and intervals of profit distribution
4. Conditions and proportion of cash dividends



The Company adopts a positive profit distribution policy and pays back the investors by means of cash dividends while repurchasing shares by centralized bidding transactions.

In 2021, the Company planned to distribute a cash dividend of RMB 3.0 for every 10 shares and is expected to distribute cash dividends for a total of RMB 339 million. Meanwhile, the Company has repurchased RMB 300 million worth of shares through centralized bidding transactions.

As per Article 8 of the *No. 7 Guidelines for the Self-Regulatory Supervision of Listed Companies on SSE - Repurchase of Shares*, the amount of share repurchase is regarded as cash dividends and is included in the calculation of the relevant proportion of cash dividends for the year.

Therefore, it is expected that the Company will distribute cash dividends totaling RMB 639 million in 2021, accounting for 77% of the net profit attributable to shareholders of the listed company in the consolidated statement.

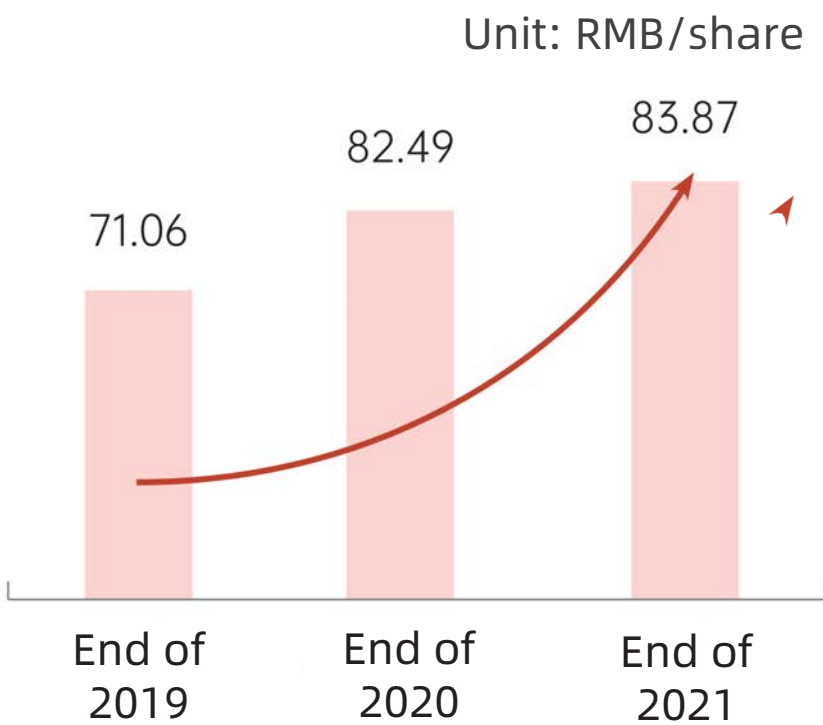
In the future, the Company will continue to return the shareholders by distributing dividends based on the financial condition, capital use, and other factors while ensuring its sustainable, sound, and stable development.

RMB **339** million cash dividends to be distributed (to be approved at the shareholders' meeting)

RMB **300** million worth shares repurchased

Cash dividends are expected to account for **77** % of net profit for the year

The year-end closing price has **risen** for **3** consecutive years





# 03

## Customer Responsibility



Product  
Innovation



Quality  
Management



Customer  
Service

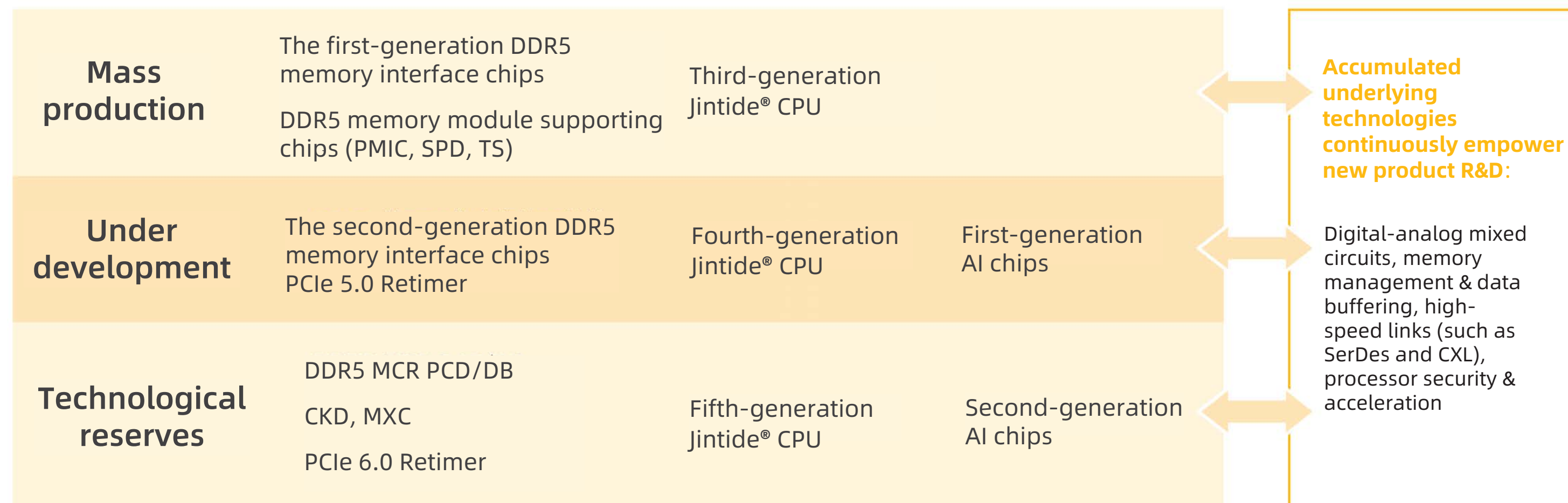


# Product Innovation



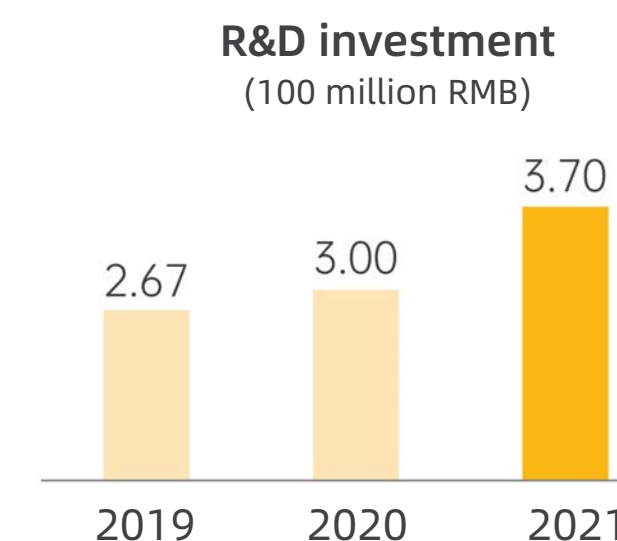
The Company has strong R&D and innovation capabilities in IC design. Over the past 18 years since its establishment, the Company has been dedicated to the development of chips, supported by a team of skilled professionals in IC and a self-developed IC design platform. In terms of product development, the Company keeps innovation based on its own technological and marketing capabilities, allowing for a virtuous cycle of Technological Reserves - R&D - Mass Production.

## Product Innovation System



## Investment in Product Innovation

Montage Technology has been investing heavily in R&D. In 2021, the Company invested a total of RMB 370 million in R&D, increasing by 23.33% over the previous year; The total R&D investment accounted for 14.44% of the revenue and has remained at around 15% for many consecutive years.





# Product Innovation



## Excellent Talents

Montage Technology has been recruiting excellent technical talents since its establishment, with core technical personnel remaining stable ever since their employment.

The Company is founded by entrepreneurs with extensive expertise and industry experience:

### Howard Yang

M.S. and Ph.D. in Electrical and Computer Engineering of Oregon State University. Dr. Yang was elected a Fellow of the Institute of Electrical and Electronics Engineers (IEEE) in 2010. He used to work for companies such as National Semiconductor, and co-founded Newave Semiconductor Corp., a Silicon Valley-type IC design company, in 1997.

### Stephen Tai

B.S. in Electrical and Computer Engineering of Johns Hopkins University, and M.S. in Electrical Engineering of Stanford University. With over 25 years of experience in semiconductor architecture, design, and engineering management, Mr. Tai worked as a senior design engineer at Sigmax Technology from 1994 to 1995, and participated in the foundation of Marvell Technology Group Ltd. while serving as the Engineering R&D Director from 1995 to 2003.

The core technical personnel have extensive expertise and industry experience with a zero employee turnover rate.

### Gang Shan joined the Company in 2005

Before joining the Company, Mr. Shan used to work for ZTE No.1 Shanghai Research Institute and served as an engineer at Newave and the Design Manager at IDT-Newave.

### Zhongyuan Chang joined the Company in 2013

Before joining the Company, Dr. Chang served as a senior IC design engineer at Alcatel Bell Belgium, the Vice President of IDT-Newave, and the CTO of Shanghai Belling.

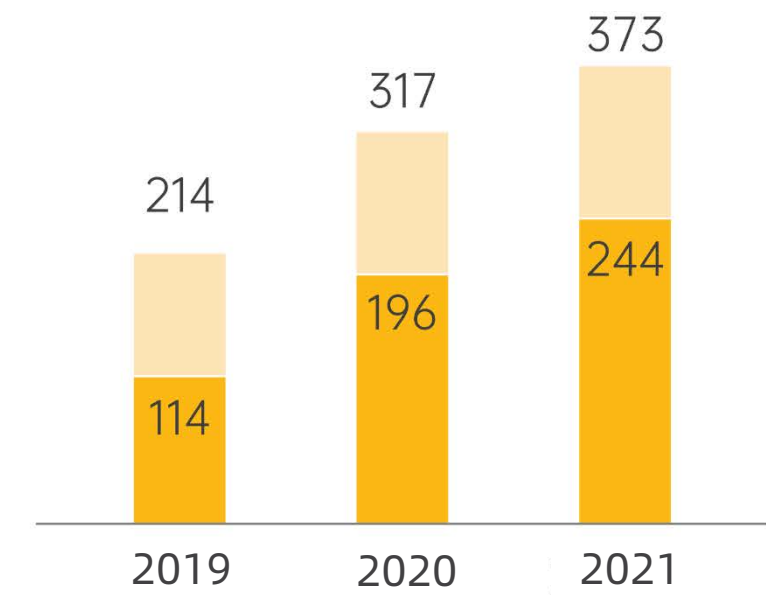
### Gang Shi joined the Company in 2017

Before joining the Company, Mr. Shi served as the Quality Engineer and Quality Manager at Advanced Semiconductor Manufacturing Corporation Limited, Deputy General Manager of Operations at IDT-Newave, Vice President of Operations and General Manager of the First Product Business Group at BCD Semiconductor Manufacturing Limited, and General Manager of Protection Products Division of Discrete Device Business Group and China Marketing Director of Discrete Device Business Group at Diodes Inc.

## Technical personnel training

Devoted to talent training and innovation since its establishment, Montage Technology has developed hundreds of professionals in the field of high-speed, low-power, and digital-analog mixed circuit design. **R&D personnel accounts for about 71% of the Company's total employees, 65% of which hold master's degrees or above.** This has laid a solid foundation for the Company's sustainable product innovation.

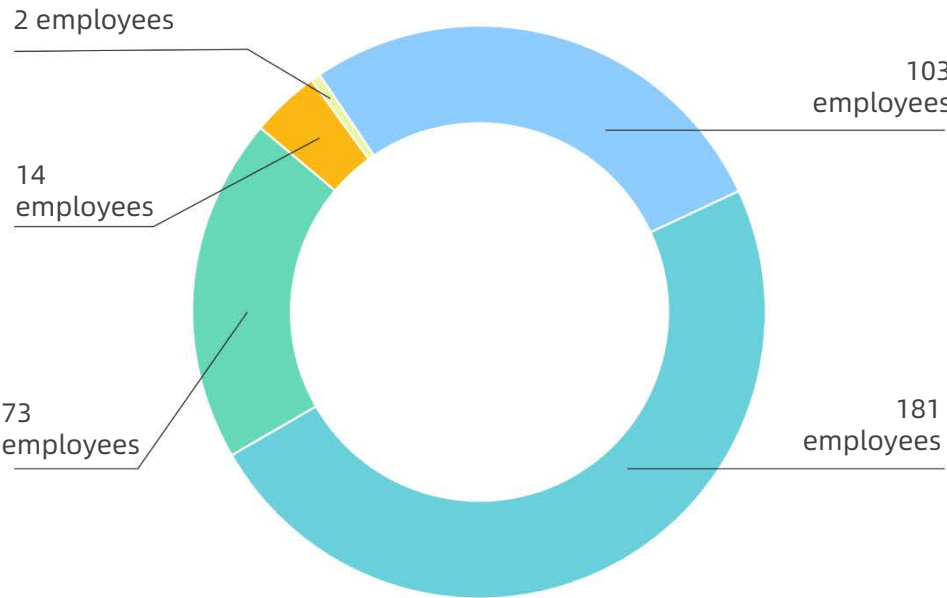
The proportion of R&D personnel with master's degrees or above in total R&D personnel



Number of R&D personnel

Number of R&D personnel with master's degrees or above

Age composition of the R&D team



< 30  
(excl. 30)

30-40  
(incl. 30, excl. 40)

40-50  
(incl. 40, excl. 50)

50-60  
(incl. 50, excl. 60)

60 and above



# Product Innovation



## Product R&D in 2021

### DDR5 Memory Interface Chips and Memory Module Supporting Chips

The Company has successfully developed the first-generation of memory interface chips and memory module supporting chips, and started the mass production and shipment in Q4 2021. Meanwhile, the Company has completed the prototype tapeout of the second-generation DDR5 memory interface chips and has them tested by major memory module manufacturers and mainstream server platforms for performance evaluation.

### PCIe Retimer Chips

For PCIe 5.0 Retimer chips, the Company has completed the prototype tapeout and component and system-level testing and performance evaluation, and shipped samples to customers and partners for interoperability testing.

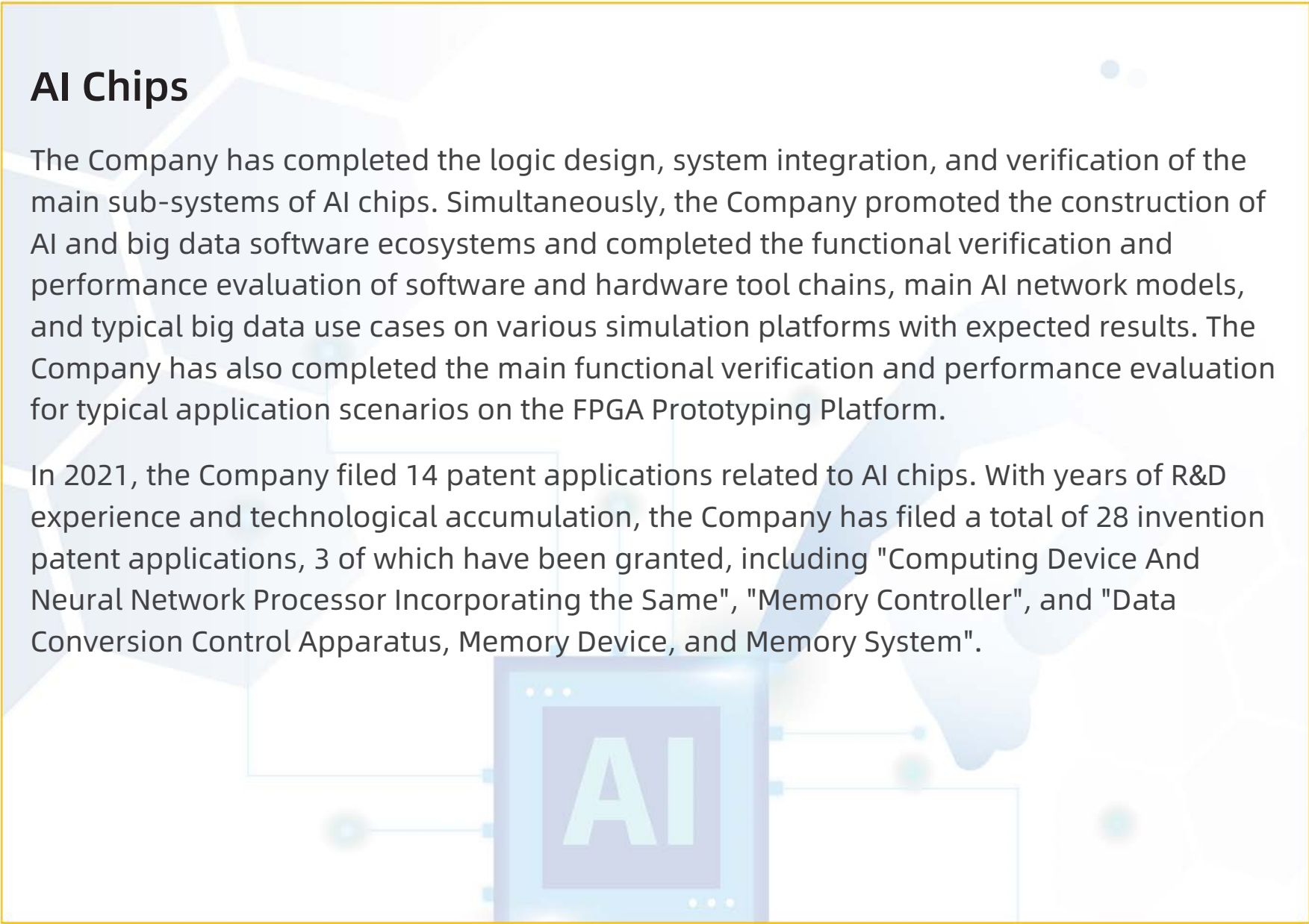
### Jintide® Server Platform

For Jintide® CPUs, the Company has launched the third-generation Jintide® CPU products with enhanced performance, which have been applied to multiple types of servers.

### AI Chips

The Company has completed the logic design, system integration, and verification of the main sub-systems of AI chips. Simultaneously, the Company promoted the construction of AI and big data software ecosystems and completed the functional verification and performance evaluation of software and hardware tool chains, main AI network models, and typical big data use cases on various simulation platforms with expected results. The Company has also completed the main functional verification and performance evaluation for typical application scenarios on the FPGA Prototyping Platform.

In 2021, the Company filed 14 patent applications related to AI chips. With years of R&D experience and technological accumulation, the Company has filed a total of 28 invention patent applications, 3 of which have been granted, including "Computing Device And Neural Network Processor Incorporating the Same", "Memory Controller", and "Data Conversion Control Apparatus, Memory Device, and Memory System".





# Product Innovation

## Intellectual Properties

As a technology-intensive IC design enterprise, Montage Technology has always adhered to the R&D strategy of independent innovation for the strategic consideration of long-term development, attached importance to the protection of independent intellectual property rights, and purchased third-party intellectual property rights when necessary to avoid intellectual property infringements.

The Company has set up a sound Intellectual Property Management System to promote patent application and maintenance, IC design layout registration, software copyright registration, commercial and technical secret protection, etc., so as to continuously increase accumulated intellectual properties, enhance the core competitiveness of products, and reduce the risk of copyright infringement.

The Company is equipped with a state-of-the-art intellectual property management system and patent search & analysis platform that features search, query, analysis, and statistics of patents to achieve the information management of intellectual property rights.

The Company has also formulated the *Intellectual Property Incentive Program* to reward inventors or designers of inventions and proprietary technologies in a move to encourage employees to conduct technological innovation and promote the output of intellectual property achievements.

The Company has never been involved in any intellectual property litigation or disputes since its listing.

In 2021, the Company was granted a total of 17 invention patents (increasing by 89% YoY), filed 48 new invention patent applications (increasing by 37% YoY), and registered 16 new IC layout designs (increasing by 78% YoY) and registered 2 new software copyrights.

17

granted invention patents

48

invention patent applications

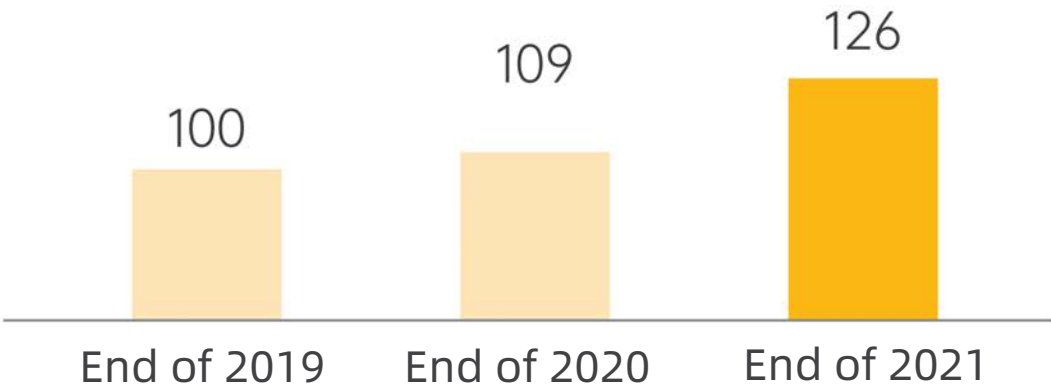
16

IC layout design registrations

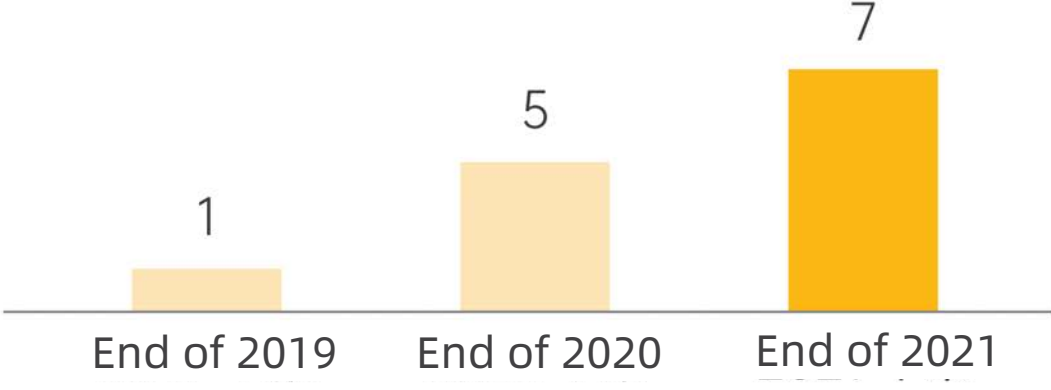
2

software copyright registrations

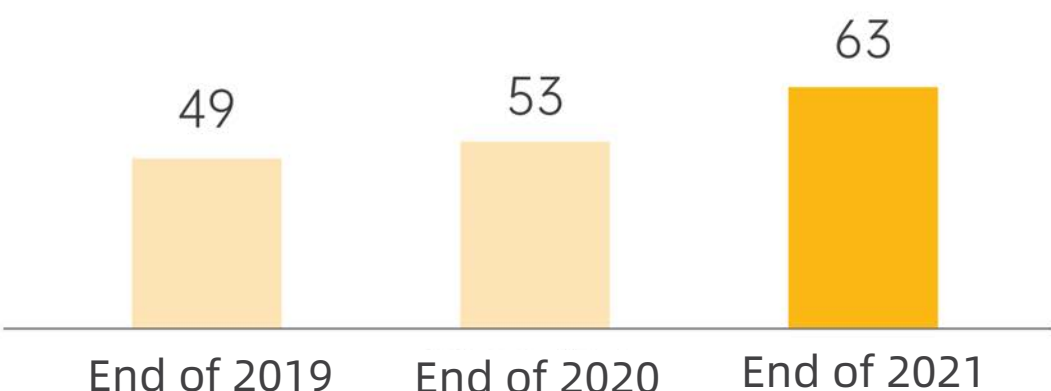
Granted Invention Patents



Software Copyright Registration



IC Layout Design Registrations





# Product Innovation



## Playing a Significant Role in the Development of International Standards



### The Company's Position in JEDEC

JEDEC is the global leader in developing open standards for the microelectronics industry. The mission of JEDEC is to drive the innovation and development of the microelectronics industry by creating, publishing, and promoting global standards and providing forums for technical exchanges on leading industry topics. The organization consists of over 300 member companies working together in more than 100 committees and subcommittees. Today, the JEDEC standards and publications have been widely adopted in mainstream semiconductor memory circuits and related storage devices worldwide.

In January 2020, Dr. Howard Yang, the Chairman and CEO of Montage Technology, was honored with the JEDEC Distinguished Executive Leadership Award and became the world's first recipient of the award.

In February 2021, Montage Technology was appointed to the Board of Directors of JEDEC. At present, Montage Technology is the only IC design company in China that has been appointed to the Board of Directors of JEDEC.

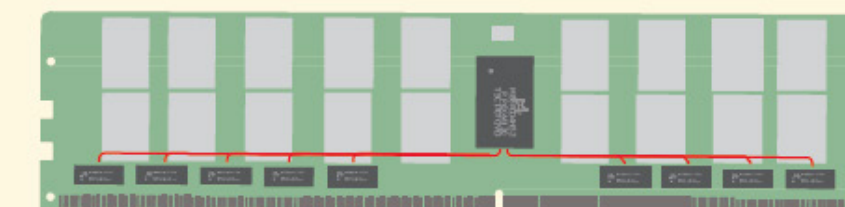
Currently, Montage Technology is serving as the chair of three committees and subcommittees under JEDEC and plays a significant role in the development of JEDEC standards.

### Development of International Standards

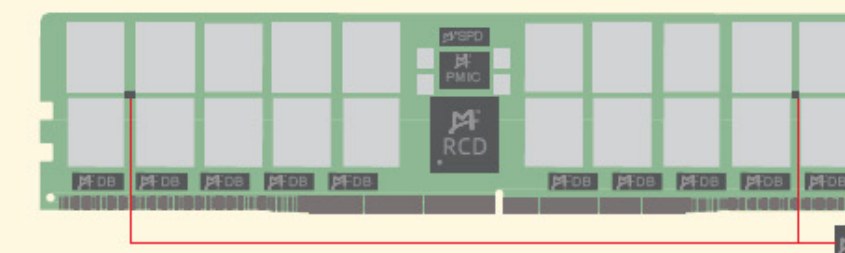
In the DDR4 generation, the Company has developed the DDR4 fully buffered "1+9" memory buffer architecture, which has been adopted by JEDEC as an industry standard.

In the DDR5 generation, the "1+9" memory buffer architecture evolved into "1+10", which continues to be incorporated in JEDEC standard.

In 2021, the Company took the lead in developing the first-generation and second-generation of DDR5 memory interface chip (RCD/DB) standards in the JEDEC organization and played a significant role in the development of DDR5 memory module supporting chip standards.



DDR4 generation



DDR5 generation

### Proud Member of PCI-SIG and CXL

#### PCI-SIG Member



PCI-SIG (Peripheral Component Interconnect Special Interest Group) owns and manages the open standards of PCI Specifications. As industry requirements on I/O evolve, PCI-SIG is responsible for defining and developing new industry I/O (input/output) specifications. At present, over 900 industry-leading companies worldwide have joined PCI-SIG.

#### CXL Member



The CXL (Compute Express Link) Consortium is an organization led by Intel to develop CXL technical standards. Until now, multiple chip companies, cloud computing providers, and traditional large-scale IT companies have joined the CXL Consortium.





# Quality Management

The products of Montage Technology mainly target the data center market where high product quality and stability are required as a matter of life and death for businesses. Driven by a lifelong commitment to better products, Montage Technology places a high value on quality management. The Company has established a sound quality management system by formulating the *Quality Manual* and has established a highly standardized R&D process and a quality control system, which are constantly evolving based on the actual implementation.

The whole-process monitoring quality management system covers all product stages and effectively controls the R&D quality, risk, and cost of each new product, improving the Company's overall quality management level and pushing the Company's product quality to the top tier of the industry.

In 2021, the quality management system of Montage Technology successfully passed the ISO9001 update certification.



No significant product quality incidents have occurred since the establishment of the Company in 2004.

## Quality Management Objectives

The quality and reliability objective of Montage Technology is  $\leq 100$  DPPM.

Note: DPPM refers to defective parts per million.

# Customer Service

## Customer Satisfaction Management

The quality management team of Montage Technology conducts customer satisfaction surveys every six months, covering the five dimensions of quality, technology, service, price, and delivery.

In 2021, Montage Technology maintained **excellent** customer satisfaction.



## Customer Recognition

The Company has been recognized as the Best Supplier of the Year by customers several times. In 2021, the Company was granted the 2020 Best Cooperation Award by H3C Group.





# 04 Partner Responsibility



Supply Chain  
Management



Cooperation with  
Industrial Chain  
Partners



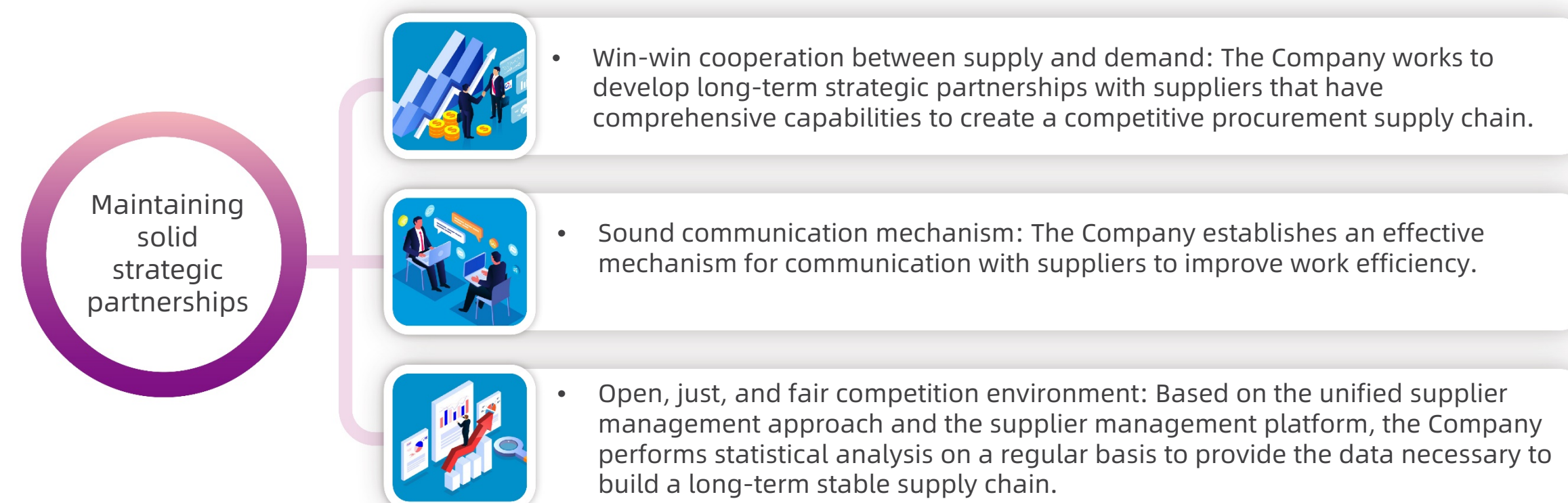
Investment  
for Industry  
Development



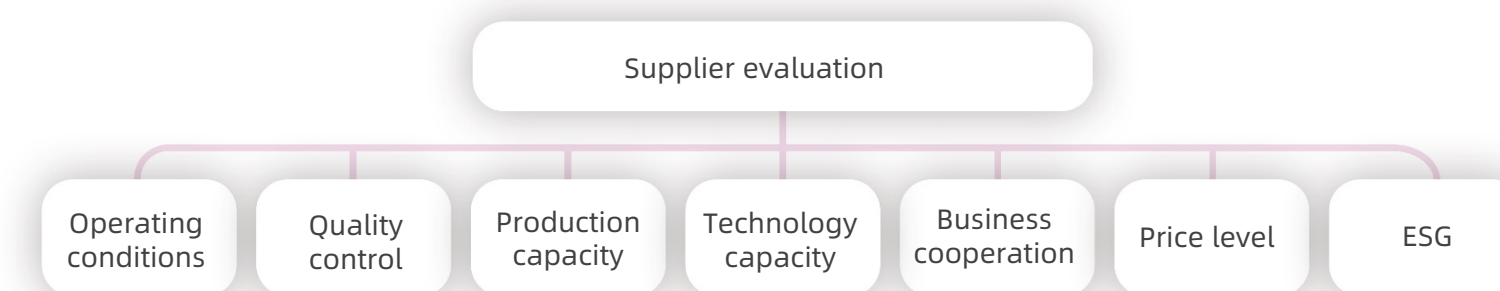
# Supply Chain Management



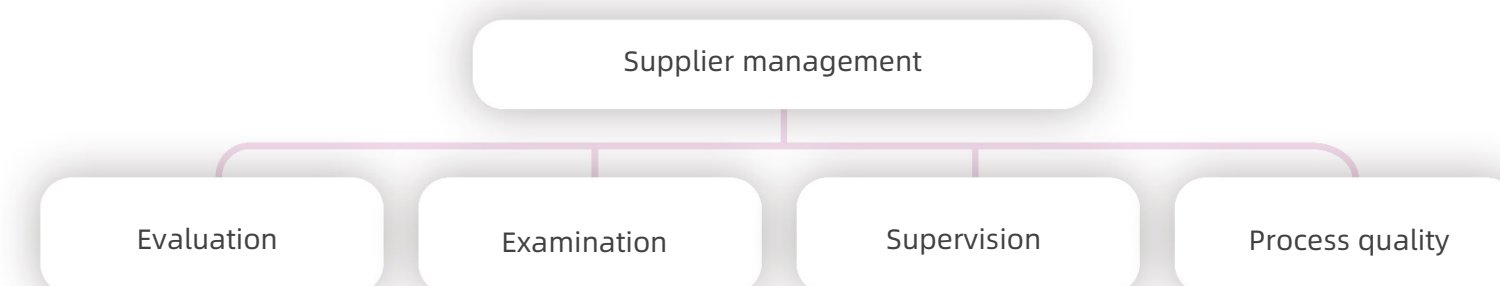
In 2021, Montage Technology continued to maintain solid strategic partnerships with suppliers. Although the supply chain capacity is tight, with the support of suppliers, the Company secured the basic production capacity for major products by predicting the situation and taking effective countermeasures.



In terms of supplier evaluation, the Company selects suppliers based on such factors as operating conditions, quality control, production capacity, technical capacity, business cooperation, price level, and ESG.



In terms of supplier management, the Company conducts regular evaluations and examinations on wafer fabrication and packaging and testing plants, maintaining supervision and control over the process quality.



**The Company has enjoyed a long-standing partnership with major suppliers**



# Cooperation with Industrial Chain Partners

The Company has established a sound mechanism for cooperation and sharing with partners in the industry chain to jointly develop new products and expand potential markets. This mechanism allows the Company to quickly enter new fields of technology, integrate industry chain resources, and join forces with partners, to stay a step ahead in potential markets.

## The First-Generation DDR5 Memory Module Supporting Chips (SPD, TS, PMIC)

In 2021, the Company and its partners successfully developed the mass-production versions of the first-generation DDR5 Serial Presence Detect (SPD), Temperature Sensor (TS), and Power Management IC (PMIC).

## Jintide® CPU

The Company has jointly developed Jintide® CPU with Tsinghua University and Intel.

In 2021, the Company launched the third-generation Jintide® CPU.

## Increasingly Improved Jintide® Server Platform Ecosystem

Jintide® CPU and the hybrid security DIMM have been certified by several partners for compatibility, improving the ecosystem increasingly. Some of the certifications are shown below:





# Investment for Industry Development

The Company seeks potential partners by utilizing its resources in the upstream and downstream of the industry chain and drives the development of relevant businesses through investment and value-added services.

In December 2021, Shanghai Primarius Technologies Co., Ltd. invested by the Company was listed on SSE STAR Market.

In January 2022, Credo Technology invested by the Company was listed on NASDAQ.



**PRIMARIUS**  
概 伦 电 子

Founded in 2010, Primarius Technologies is an EDA Company with international market competitiveness and advanced EDA core technologies. It has been dedicated to improving the overall technology level and market value of the IC industry, providing professional and efficient EDA process and tool support, as well as promoting the further integration between IC design and manufacturing, accelerating process development and chip design, improving IC product yields and performance, and enhancing the overall market competitiveness of IC enterprises through EDA methodology innovation.

 **credo**  
CENTER FOR RESEARCH ON EDUCATION OUTCOMES

Credo (NASDAQ: CRDO), founded in 2008, is a global leading semiconductor design company. It focuses on the development of SerDes, a physical layer high-speed communication technology, to provide low-cost, low-power, state-of-the-art, ultra-high-speed, single-channel 112G/56G/28G commercial solutions for mobile Internet, cloud computing, big data, 5G, and AI applications.



# 05

## Employee Wellbeing



Employee Policy



Career Development



Talent Incentive



Employee Benefits



Various Activities



# Employee Policy

Talents are the foundation and driving force for technical innovation. Montage Technology has always regarded its employees as the core competitiveness of the Company. Montage Technology is committed to creating a diversified and inclusive work environment. The Company has been working hard to attract and retain outstanding talents by offering exciting and challenging career opportunities, various talent incentive measures, and a comprehensive employee benefits system. Thanks to these efforts, the Company has maintained a stable workforce.

## Attach Importance to Employees' Human Rights

[Protection of human rights and privacy] The Company attaches importance to the protection of human rights and privacy of all employees.

[Non-discriminatory practices] The Company treats all employees equally without any discrimination. The Company treats all applicants equally, without discrimination on the basis of nationality, race, gender, age, marital status, maternity status, disability, etc.

[Prohibition of child labor] The Company explicitly prohibits the recruitment of children under the age of 16.

[Open communication channel] The Company implements a flat management system, encouraging direct communication between employees and management, while holding occasional staff seminars, to provide a smooth communication channel between employees and management.

- In 2021, the Company's labor contract signing rate was 100%.
- In 2021, the occupational injury rate was 0%.
- In 2021, the Company's commercial insurance coverage rate was 100%.
- In 2021, the employee mortality rate was 0%.
- In 2021, 0 working day was lost due to occupational injuries.
- The employee turnover rate of the Company has remained at a low level in the industry for 3 consecutive years.



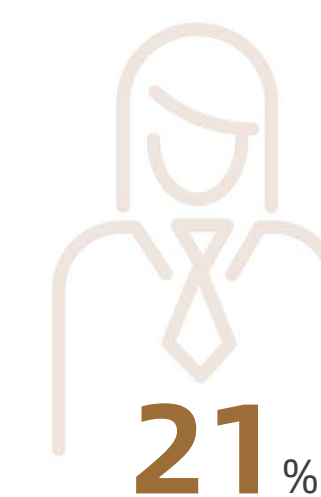
By the end of 2021, the total number of employees of the Company reached 527, 30% of which are females, increasing by 1.2% over the previous year. Females account for 21% of the R&D technicians, increasing by 1.8% over the previous year.



employees in total



of employees are females



of R&D personnel are females

## Encourage Employee Development

Montage Technology gives full play to the potential and initiative of employees, helps employees achieve their learning and development goals, and establishes a talent training system. Committed to the growth and development of every employee, the Company provides multiple development channels and promotes the career planning and development of employees according to business needs. Promotion opportunities are offered based on employee performance, competence, development potential, vacancies, and other factors.

The Company has created a sound environment for the development and growth of fresh graduates and implemented personalized training approaches that shorten their growth cycle.



# Career Development



The Company has been introducing excellent talents from home and abroad, strengthening the construction of the talent team, paying attention to the improvement of employees' capabilities, continuously improving the comprehensive quality of employees through education, training, etc., and providing good opportunities and platforms for employees to give full play to their subjective initiative in their career development.

## Employee Training Approaches

- Considering the abilities, potentials, and interests of each employee
- Setting career goals based on business needs
- Individualized cultivation
- Promotion & growth

## On-Campus Recruitment

In 2021, the Company recruited 29 fresh graduates from Xi'an Jiaotong University, Southeast University, Hefei University of Technology, Xidian University, and other well-known universities in China, bringing new energy to the Company. The Company also developed a customized training plan for them to facilitate their growth.

## Education and Training of Employees

In 2021, the Company actively and efficiently carried out various types of talent training programs in line with its strategic objectives, including:



**Montage Chip Program**  
Training program for managers



**Montage Star Program**  
A 6-month training program for fresh graduates



**Montage Freshmen Program**  
Training program for new employees



**Montage Youth Program**  
Internal technology and project experience learning and sharing program, etc.

Face-to-face training, online teaching, project discussions, seminars, team building activities, etc.

**50** sessions  
of face-to-face training

**12976** hours  
of teaching

**1150**  
trainees

**90** % above  
training coverage rate



# Career Development



## Case I: Training for Fresh Graduates -- Montage Star Program

Montage Technology has launched the Montage Star Program for 2021 fresh graduates to help them adapt to changes from campus to workplace and complete on-boarding within 6 months.

The six-month training program includes one week of face-to-face learning (introduction to corporate culture, responsibilities of each department, and company products, showroom and lab tour, training exams, reading activities, kick-off, CEO seminar, team building activities, goal communication workshops, etc.), supervisor coaching for licensed induction training, communication and coaching, mid-term and final assessments, as well as professional and general competency training.





# Career Development



## Case II: Training for Technical Managers — Montage Chip Program

To improve the business level of the Company's technical managers and create a good learning atmosphere, as well as to help new employees quickly integrate into the Company's technical management system, Montage Technology has developed a training program for technical managers and veteran employees to enable technical managers to systematically think and analyze from various perspectives such as technology, management, strategy formulation and implementation, helping build a learning R&D team.





# Talent Incentive

Montage Technology has established a talent incentive system in line with its development strategy and actual situation as required by relevant national laws and regulations. The remuneration package includes base pay, equity incentives, special rewards, etc. The Company combines corporate culture, values, work environment, and career development opportunities with competitive remuneration and benefits, to motivate top performers and attract and retain talents, enabling a win-win situation for the employees and the Company.

## Intellectual Property Incentive

The Company directly aligns the employees' innovative contribution with their incomes, allowing them to share the benefits brought by technological innovation by taking an active part in innovation.

A total of 129 patent relevant awards were granted to the employees in 2021.



## Equity Incentive

The Company launched the restricted stock incentive plan in 2019 and completed the first-period vesting for the incentive recipients of the first granted and the reserved granted incentive objects in 2021. The core principle of the Company's equity incentive is to allow employees to benefit from the achievements of the Company's development. The total number of the first granted and reserved granted incentive objects exceeded 95% of the Company's total employees at the time of the award.

In 2021, the Company vested 395 incentive recipients in total, accounting for 75% of the Company's total employees by the end of the period.

The implementation of this incentive measure will further mobilize the enthusiasm of employees, give play to the innovation ability of the team, and provide a powerful guarantee for the improvement of the Company's operating efficiency and the long-term and steady development of the Company's business.

The Company's second meeting of the second session of the Board of Directors held on October 28, 2021 approved the *Proposal on the Repurchase of the Company's Shares by Centralized Competitive Trading*, agreeing to repurchase part of the issued RMB common shares of the Company by its own funds through the SSE trading system by centralized competitive trading. All the repurchased shares will be used for the employee stock ownership plan and/or share incentives at an appropriate time.

Note: According to the *Statistics and Analysis Report on the Practice of Equity Incentives of A-Shares Listed Companies in 2021* released by Realize Investment Consulting Co. Ltd., the proportion of the number of equity incentive objects in the total number of listed companies in 2021 is 22.49% on average.

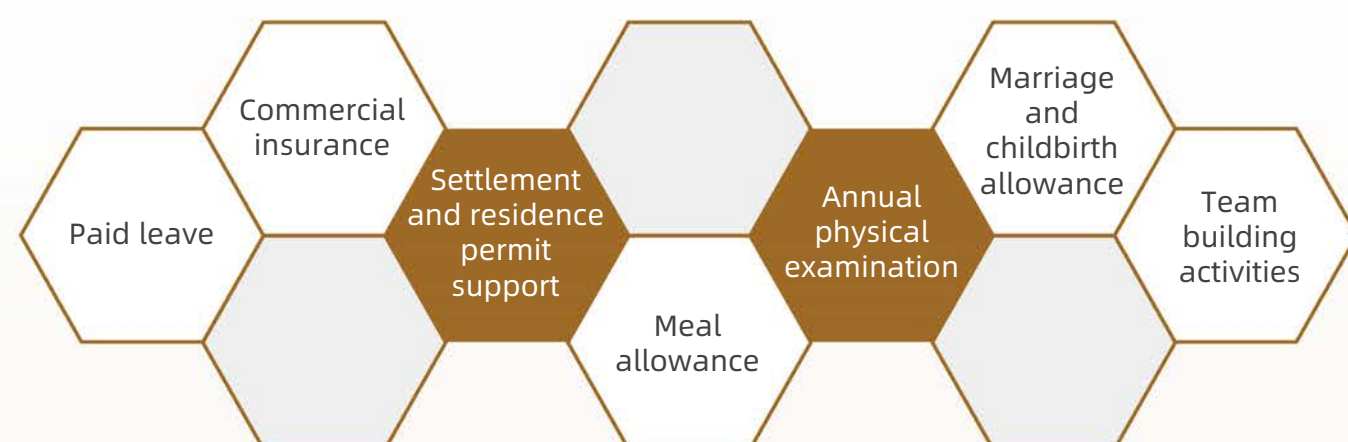


# Employee Benefits

## Employee Benefits

The Company provides employees with a safe and healthy work environment, national statutory social insurance, housing provident fund, as well as various benefits including paid leave, commercial insurance, physical examination, marriage and childbirth allowance, and meal allowance.

- Paid leave: In addition to statutory annual leaves, additional paid leave is granted as appropriate.
- Commercial insurance. Comprehensively cover the risks that employees may encounter during their employment, and alleviate the economic pressure on the employees in medical treatment through group supplemental health insurance.
- Settlement and residence permit support: The Company provides employees with residence permits, residence transfers, and settlements of residence for fresh graduates.
- Meal allowance: The Company provides lunch allowances for employees.
- Marriage and childbirth allowance: In addition to the statutory marriage and childbirth benefits, the Company also provides additional marriage and childbirth allowance for employees.
- Team building activities: A monthly departmental activity fund is provided to promote communication among colleagues and improve team cohesion.
- Annual physical examination: The Company arranges a routine physical examination annually to help employees prevent diseases and stay healthy.



The Company strives to build a safe culture to create a safe and healthy working environment for employees. The Company offers pre-job and on-the-job occupational health examinations for employees to safeguard their health.

The Company regularly conducts sanitary supervision and spot checks and inspections in the common area to ensure food and water safety and continuously improve the working environment.



## Safety Drill

In 2021, the Company organized employees to participate in a fire drill to improve their awareness and ability to implement self-rescue in response to unexpected accidents.





# Employee Benefits

## Work Environment



## Labor Union Protection

The Company has set up a labor union to protect the rights and interests of employees, and provided a platform for employees to participate in democratic communications such as surveys, interactive interviews, talks, questionnaires, and network communications, to master the conditions of all the factors affecting employee satisfaction with rights and interests, including cultural inclusion, organizational care, teamwork, and career development, and provide personalized support to employees by identifying key factors.

In 2021, recommended by the Company's labor union, employee Pengzhan Zhang was awarded the Shanghai May Day Labor Medal.





# Various Activities





# Various Activities





# Various Activities



## "Playing" at Montage Technology

Pleasant outdoor team building activities and lively club activities



# 06

## Social Responsibility



Energy Saving  
and  
Environmental  
Protection



Public Service



University-  
Enterprise  
Cooperation



# Energy Saving and Environmental Protection



## Pollution-Free Business Model

Montage Technology seeks to realize harmonious development of the Company and environment. The Company adopts a fabless operating model, which allows the Company to give full play to its technological advantages for rapid development of relevant products without having any foundry, so the daily operation is free of environmental pollution.

## Technology Advancement for Low Carbon Emission

With the performance improvement and quantity increase of servers, the power consumption of related products has gradually become a prominent problem. Montage Technology has made reducing power consumption one of the main goals in the product design stage and has independently developed a series of low-power consumption design technologies to effectively reduce product power consumption, assist end-users to reduce energy consumption, and protect the environment.

Taking DDR5 RCD chips as an example, technological advancement has reduced the power consumption of the second-generation DDR5 products by more than 5% compared to the first-generation products at the same rate. According to relevant research, with every 1W reduction in power consumption on semiconductor devices, the overall power consumption of data centers will be reduced by 2-3W.

The Company has never had any litigation or punishment related to environmental protection since its establishment.

## Paying Attention to the Investigation of Partners' Energy Conservation and Environmental Protection Indicators

When selecting partners, the Company attaches great importance to examining the performance of a potential partner in energy conservation and environmental protection by identifying risks that may cause environmental impacts on the society.

The Company has formulated strict green product implementation policies and strategies: The main products (including RCD, DB, PMIC, SPD, TS, and PCIe Retimer) are required to comply with China RoHS and EU RoHS, REACH requirements, and are halogen-free.

The first-generation DDR5 memory interface chips and module supporting chips mass-produced by the Company in 2021 also comply with China RoHS and EU RoHS, REACH requirements, and are halogen-free.

This statement reflects Montage Technology (Montage) understanding of the applicability of European Union Regulation (EC) No. 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) to Montage's products as "articles", and Montage will fulfill the obligations for communication of the Substance of Very High Concern (SVHC).

Based on the Substance of Very High Concern (SVHC) Candidate List updated by ECHA on January 17, 2022 bringing the total number of substance to 223, Montage hereby declares that the Substances of Very High Concern in Montage products do not exceed 0.1% by weight per article, although it may be present as adventitious trace impurities.

The Declaration is applicable to the products listed as below:

|               |               |               |               |
|---------------|---------------|---------------|---------------|
| M88D0R4RCD01A | M88D0R4RCD01A | M88D0R4RCD01P | M88D0R4RCD01P |
| M88D0R4RCD01B | M88D0R4RCD01B | M88D0R4RCD01C | M88D0R4RCD01C |
| M88D0R4RCD01D | M88D0R4RCD01D | M88D0R4RCD01E | M88D0R4RCD01E |
| M88D0R4RCD01F | M88D0R4RCD01F | M88D0R4RCD01G | M88D0R4RCD01G |

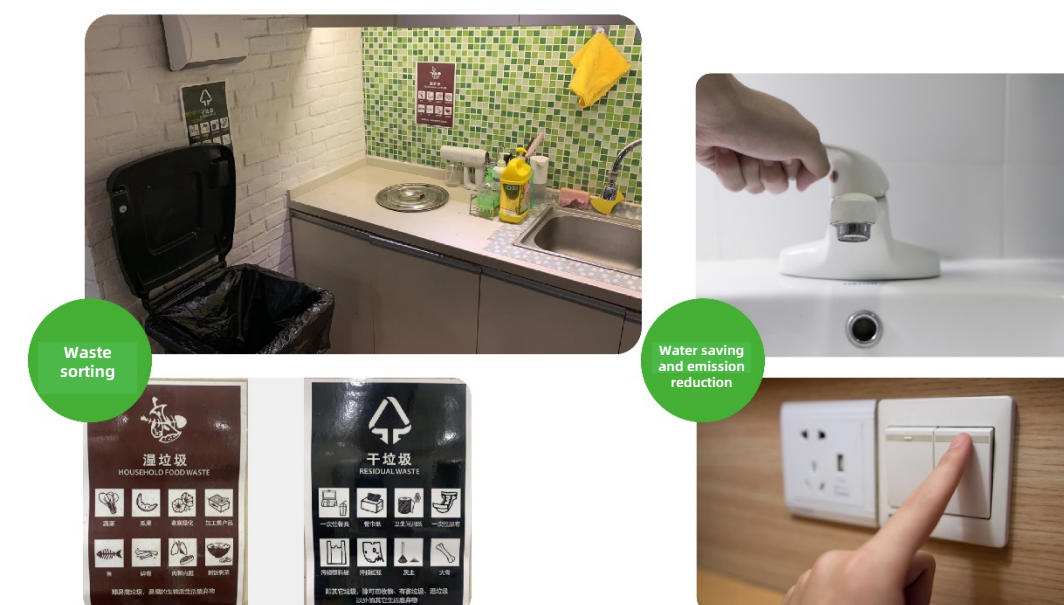
QA Manager  
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## Energy Conservation and Emission Reduction & Waste Sorting

The Company advocates "energy saving and emission reduction" policies in daily business. The Company encourages employees to use their own cups rather than disposable paper cups in the office; requires employees to print on both sides of the paper to avoid wasting paper; strictly controls the daily water consumption in the office to avoid wasting water resources; strengthens power saving management, installs self-control devices to monitor power consumption equipment, and requires all employees to turn off the power after use, reducing power consumption in the office. In 2021, the Company's electricity consumption reduced by about 7% per capita.

At the same time, the Company strictly implements waste sorting by reducing the number of garbage bins in the office and posting waste sorting slogans.





# Public Service

Montage Technology has long been committed to public welfare support and has been giving back to society based on the development achievements of the Company. The Company formulates and implements a proper public welfare support plan every year in which senior executives practice and encourage all employees to actively participate to achieve the harmonious development of the Company and society. The Company actively organizes volunteer activities for its employees every year. In 2021, the Company's employees voluntarily donated blood (totaling 31 employees), donated books and clothes to poor areas, and served special education centers to provide care for autistic children.

## Case I: Book Donation Activity

In 2021, Montage Technology's (Xi'an) employees actively participated in the public welfare activity of "Donating Books for Building Dreams", donating nearly 100 books in just one week, and the Company was granted the honor of "Public Welfare Enterprise".

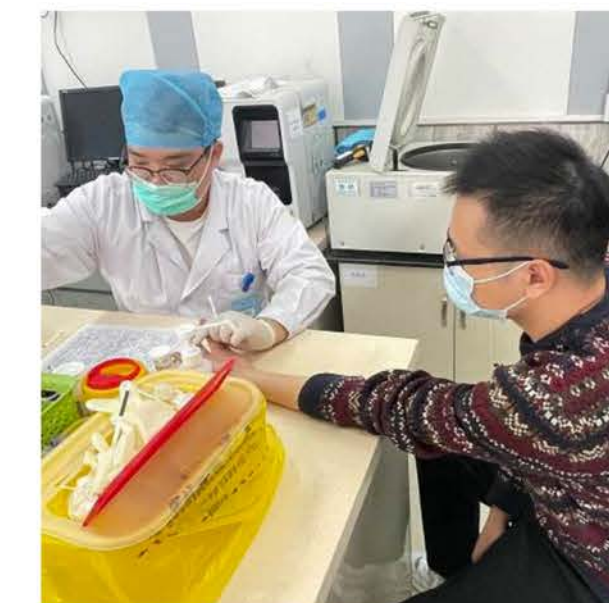
These books have been sent to Chonger Township Central Primary School in Ruogai County, Tibetan Qiang Autonomous Prefecture of Ngawa, Sichuan Province and Pingba Township Middle School in Jingshan County, Hubei Province, helping mountain schools build libraries that enrich children's extracurricular life. The donated books helped children learn knowledge and perceive the world through reading, and built a bridge for them to explore the world and realize dreams.



## Case II: Organizing Employees to Participate in Voluntary Blood Donation

Voluntary blood donation is a traditional public welfare activity of Montage Technology. In 2021, a total of 31 employees of Montage Technology participated in voluntary blood donation.

On November 12, 2021, Montage Technology's (Kunshan) employees came to the blood donation house on Chaoyang Road. They donated 200CC blood respectively, contributing to the social medical industry and warming the world with their love.





# University-Enterprise Cooperation

Montage Technology has carried out extensive talent exchange and technical cooperation with famous universities in China such as Tsinghua University, Shanghai Jiao Tong University, and Duke Kunshan University, aiming to cultivate high-quality talents and promote the application of advances in science and technology.



## Cooperation Cases

### The Company and Shanghai Jiao Tong University established the "Joint Laboratory for Frontier Technology of IC Design"

On June 16, 2021, the "Joint Laboratory for Frontier Technology of IC Design" (hereinafter referred to as the "Joint Laboratory") jointly built by Montage Technology and Shanghai Jiao Tong University was inaugurated. As a world-class university and a world-class enterprise respectively, both parties will leverage this platform to fully promote the deep integration of sci-tech innovation and industrial applications in the field of IC, satisfying national development needs.

The joint laboratory will focus on the cooperation in technological innovation and talent training to achieve technological breakthroughs in key areas, cultivate high-quality talents for the industry, and strive to be a new engine for economic and social development in line with national innovation-driven development strategies.

Three project initiation requests have been approved by the Management Committee and Academic Committee of the Joint Laboratory in 2021, marking the beginning of the Joint Laboratory's substantive operations.





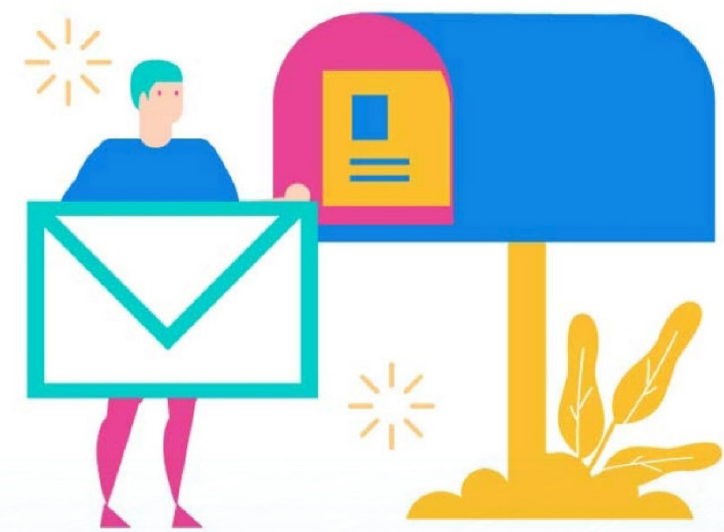
# Suggestion and Feedback

Thank you for reading our 2021 Montage Technology CSR Report. In order to provide you and other stakeholders with more professional and valuable information about corporate social responsibility, please answer the questions in the feedback form to help us further improve our management of social responsibility and sustainable development in the future.

You can email or mail us your feedback. Contact information is as follows:

Address: 6/F, Block A, Technology Building, 900 Yishan Road, Shanghai, China, Postal Code: 200233

Email: [ir@montage-tech.com](mailto:ir@montage-tech.com)



Please rate the following on a scale of 1 to 5 (1 being the lowest and 5 being the highest score)

- |                                                                                                   |                                                                                       |                                                                                       |                                                                                       |                                                                                       |                                                                                       |
|---------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| 1. Please give your overall evaluation of this report.                                            |    |    |    |    |    |
| 2. Please rate Montage Technology's performance on social and environmental responsibilities.     |    |    |    |    |    |
| 3. Do you think this report can reflect the economic significance of Montage Technology?          |    |    |    |    |    |
| 4. Do you think this report can reflect the environmental significance of Montage Technology?     |    |    |    |    |    |
| 5. Do you think this report can reflect the social significance of Montage Technology?            |    |    |    |    |    |
| 6. Do you think this report can reflect the corporate governance of Montage Technology?           |  |  |  |  |  |
| 7. Please rate the degree of information disclosure in this report.                               |  |  |  |  |  |
| 8. Please rate the design style of this report.                                                   |  |  |  |  |  |
| 9. Please leave other comments and suggestions on the work of Montage Technology and this report: | <div></div> <div></div>                                                               |                                                                                       |                                                                                       |                                                                                       |                                                                                       |





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