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InnoScience (Suzhou) Technology Holding Co., Ltd.
英諾賽科(蘇州)科技股份有限公司

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

(Stock Code: 2577)

ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board (the “**Board**”) of directors (the “**Directors**”) of InnoScience (Suzhou) Technology Holding Co., Ltd. (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”, “**InnoScience**”, or “**we**”/“**us**”/“**our**”) for the six months ended 30 June 2025 (the “**Reporting Period**”), together with the comparative figures for the six months ended 30 June 2024.

2025 INTERIM FINANCIAL AND BUSINESS HIGHLIGHTS

1. Continuously Rapid Revenue Growth and Achieving the Milestone of Turnaround Gross Profit Margin

During the Reporting Period, the Group achieved sales revenue of RMB553.4 million, representing an increase of 43.4% as compared with the same period last year;

During the Reporting Period, the Group’s gross profit margin was +6.8% compared with –21.6% in the same period of 2024, which is a significant increase of 28.4 percentage points again, achieving a milestone of turnaround from loss to profit.

2. With the rapid development of the layout of high-end business market, the application of GaN has achieved comprehensive breakthroughs and experienced rapid growth in key fields such as data centers, new energy vehicles, and humanoid robots, demonstrating the arrival of the era of GaN

Driving AI and data centers into the era of GaN:

Sales to AI and data centers increased by 180% as compared with the same period last year; The 48v-12v application based on 100V GaN has entered mass production; Domestic exclusive entry into Nvidia’s 800V high-voltage direct current solution chip supplier list, GaN was adopted by Nvidia’s new generation architecture, and AI/data centers has entered the era of GaN’s high-efficiency and energy-saving capabilities.

New energy vehicles:

Automotive electronic products used in scenarios such as LiDAR and on-board charger (OBC) are growing rapidly. Shipments of automotive-grade chips increased by 128% year-on-year; During the Reporting Period, the Company established a joint laboratory with United Automotive Electronic Systems (UAES), a global leading enterprise in automotive electronics, marking the entry of automotive electronics into the era of GaN.

Mass production and shipment of the world's first GaN humanoid robot product:

The characteristics of GaN chips, such as high frequency and high power density, can provide the best solutions for humanoid robots' joint motor and dexterous hand motor drives, etc. During the Reporting Period, the Company made rapid progress in this field, and the cooperation projects with several leading robots progressed rapidly, and it achieved mass production and shipment of robots equipped with GaN chips for the first time globally with leading customers.

3. Maintaining a leading position in the consumer electronics field and comprehensively expanding and strengthening application scenarios

Consumer electronics: During the Reporting Period, the Company's products continued to maintain an absolute leading edge in application fields such as fast charging, mobile phones, and notebooks, and have also been gradually and comprehensively deployed in high-end consumer market applications such as air conditioners, televisions and audio systems, thus multiple products have started to enter mass production at leading customer terminals.

4. Remarkable Achievements in R&D with Multiple Chip Products Achieving Global First-Time Mass Production Breakthroughs and Increasing Technological Leading Advantages

- During the Reporting Period, the Company achieved several significant technological breakthroughs:

The high-voltage GaN 1200V chip products have achieved the world's first large-scale mass production and shipment in the industrial field;

The low-voltage bidirectional Bidirectional-GaN product has been successfully introduced to major customers in the battery management system (BMS) application field, achieving the world's first large-scale mass production and shipment;

The low-voltage 100V products for robot joints have achieved the world's first mass production and shipment in the humanoid robot field;

The design of the GaN IC product has achieved a breakthrough, the packaging technology has become mature, and the revenue has increased by nearly 16 times year-on-year.

- The Company's 3.0 generation industrialization platform technology has been continuously optimized, device performance has been further enhanced, production costs have been further reduced, thus the Company's core competitiveness has been further enhanced;
- During the Reporting Period, the Group launched a total of over 80 new products and successfully secured 693 new customer engagements.

5. The overseas market maintains rapid growth

During the Reporting Period, the Group's overseas revenue reached RMB63.7 million, a year-on-year increase of 57.8%. The position in the overseas market has been further consolidated.

MANAGEMENT DISCUSSION AND ANALYSIS

I. INDUSTRY TRENDS AND COMPANY OVERVIEW

In the first half of 2025, the demand for AI computing power experienced explosive growth, prompting AI and data center enterprises to accelerate the deployment of high-voltage HVDC architectures. Global AI data centers entered the era of megawatt-level power supply, and GaN chips emerged as a critical technology to improve energy conversion efficiency. The new energy vehicles continued to accelerate their market penetration and automotive intelligence is developing rapidly with increasingly stringent requirements from automakers for range, energy conservation and performance, which has increased the demand for devices with high power density and high conversion efficiency. The humanoid robot industry stands on the brink of explosive growth with increasing demands for high-precision dynamic control, high-load bearing, high-frequency intelligent perception, high burst power, etc. Manufacturers have begun to expand the application of GaN devices. With its advantages of material properties such as high frequency, high power density, low on-resistance and high conversion efficiency, GaN devices have been increasing their penetration rate in the power semiconductor market year by year and quickly capturing emerging application markets.

As the world's first GaN IDM company to achieve mass production of 8-inch wafers, in the first half of 2025, the Company reached cooperation intentions with numerous well-known enterprises at home and abroad. STMicroelectronics and the Group entered into a joint development agreement to jointly expand their respective product portfolios and market supply capabilities, so as to meet the needs of domestic and foreign customers for diversified applications. Midea and the Company have established a strategic cooperation, with both parties making joint investments, focusing on expanding applications of GaN in home appliances and other fields, carrying out innovative R&D, and promoting the implementation of new GaN products and solutions in application fields such as home appliances and kitchen appliances. Among them, the 700V high-voltage GaN product has taken the lead in achieving mass production in Midea's range hood products, and will be further expanded to applications in air conditioners, refrigerators, washing machines and other products. UAES and the Company have established a joint laboratory to jointly develop smaller and lighter power supplies and powertrain systems for electric vehicles, promoting the scenario-based application of GaN in power electronic systems of new energy vehicles. NVIDIA partnered with the Company to jointly promote the large-scale implementation of the 800VDC power architecture in AI data centers. The Company provides NVIDIA with a full-link GaN power supply solution, from 800V input to GPU terminals, covering 15V to 1200V.

II. BUSINESS REVIEW

(I) Product R&D

InnoScience is the world's only GaN-on-Si power semiconductor company with a comprehensive product matrix covering the full voltage spectrum, and its products under mass production and R&D cover voltages from 15V to 1200V. The Group focuses on two major directions in GaN application development: high-power for high-voltage products and high-frequency for medium – and low-voltage products. The Group continually optimizes product performance and application reliability.

High-voltage products (650V/700V/900V/1200V)

The Group continues the advancement of the R&D of high-power devices and modules and the self-developed 1200V GaN products on the 800V battery platform of new energy vehicles can improve on-board charging efficiency, reduce the volume, expand the cruising range and reduce costs. In the fields of AI data center architecture for high-voltage buses and industrial power supplies, it helps achieve efficient and high-density conversion of data center power supplies as well as miniaturization and high efficiency of industrial power supplies. The new-generation 700V GaN device platform has completed customer design-ins and started mass production. Products based on this platform will significantly reduce the switching and conduction losses of devices, while helping AI server power supplies further improve efficiency and power density, breaking through the bottleneck of cabinet power. The 700V-related devices launched by the Company, with significantly improved efficiency, can easily replace MOS or IGBT solutions and be applied to all types of motor drives and inverters in household appliances and industrial application scenarios.

Medium-voltage products (100V/150V/200V)

The Group focuses on developing 100V and 200V medium-voltage devices to meet the technical demands of automotive electronics, data centers and industrial automation. These devices are mainly used in DC power conversion for data centers, robotic dexterous hands, servomotors and other application scenarios. The 100V automotive-grade devices applied in LiDAR for vehicles extends the detection range, and reduces power loss and temperature rise. The 100V half-bridge encapsulated chip applied in data centers and 48V voltage conversion systems for electric vehicles shows great potential in power supplies for humanoid robotic servomotors.

Low-voltage products (15V/30V/40V)

The Group continues to achieve application miniaturization through product high-frequency to meet the extensive demands of various downstream scenarios. The 30V V-GaN products are used in overvoltage protection and load switch scenarios, which have become a better solution to replace silicon MOS products; The 40V GaN product features a compact size, low loss, and high-frequency high-power characteristics. It is widely used in end products such as notebooks and power banks, and its automotive-grade version has also been mass-produced for automotive smart cockpit charging systems.

(II) Product Application

During the Reporting Period, the Group launched a number of GaN products, continuously enriching and developing the downstream application ecosystem, and achieved new breakthroughs in multiple application fields:

AI and data centers: Benefiting from the strong demand for high-efficiency and high-power-density power solutions in data centers, we realized large-scale delivery of the power devices applied to server power supplies and high-power-density power supplies for 48V to 12V conversion on motherboards in data centers. GaN materials, featuring high frequency, high efficiency, high power density, and high temperature resistance, precisely address the core pain points of data center power supplies in terms of efficiency, space, cost, and reliability. They serve as the key technologies enabling the evolution of data centers towards high power density, greenness, and low-carbon emissions.

Humanoid robots: 2025 marks the inaugural year of mass production for humanoid robots, and GaN devices, in the role of “performance revolutionaries”, are shortening the distance between robots’ transition from laboratories to large-scale commercialization. During the Reporting Period, the Group joined hands with leading humanoid robot manufacturers to collaboratively develop solutions for multiple core components and power management systems. The Group’s 150V and 100V power devices have begun to be widely applied in modules such as joint motor drives, internal power conversion, and power management of robots.

Automotive electronics: As the demand for intelligent driving systems in new energy vehicles becomes more diversified, the Group has deepened its cooperation with leading global automobile manufacturers. GaN chip products applied in in-vehicle LiDAR, DC-DC, in-vehicle OBC and other applications have successfully established cooperation with a number of automobile OEMs, and some of them have already entered mass production. Automotive-grade GaN chips we developed have simplified the topology design of power devices, improved the overall energy efficiency of automobiles, reduced vehicle manufacturing costs, and extended mileage, providing robust support for the intelligent and lightweight electric vehicles.

Consumer electronics: Building on its market advantages in mobile phones, laptops, power adapters and fast-charging devices, the Group cooperated with a number of home appliance manufacturers during the Reporting Period, further expanding into home applications such as range hoods, air conditioners and TVs, as well as markets including home energy storage.

Renewable energy and industrial applications: The Group provides GaN chip products to global new energy enterprises engaged in lithium batteries, photovoltaics, and smart home energy management, etc. These products respond to their needs for energy conservation and consumption reduction, help promote energy conservation and emission reduction, and accelerate enterprises’ low-carbon and green transformation.

(III) Iteration of the Process Technology Platform

The upgrade and iteration of the Group’s third-generation process technology platform, as well as new device platforms for automotive-grade, bidirectional conduction and encapsulated ICs, have not only expanded the product voltage range and optimized device performance, but also significantly improved wafer output efficiency, with the output of chips per wafer increasing by more than 30%. We will continue to optimize device design and production processes, reducing the number of processes, lowering raw material costs, and improving equipment utilization efficiency. Through these efforts, we aim to enhance the overall cost-performance ratio of the Company’s chip products, and consolidate our market position and leading advantages.

(IV) Production and Supply Chain Management

As a leading GaN-on-Si IDM manufacturer in the industry, the Company has full control over core business links such as chip design, wafer manufacturing, and packaging and testing. Relying on two modern chip manufacturing factories in Suzhou and Zhuhai, the Company has fully utilized its production capacity. By the end of the Reporting Period, the Group's production capacity reached 13,000 wafers per month. In terms of product yield, to improve process stability, enhance production efficiency and effectively control product defect occurrence, the Company implemented standardized operating procedures, strengthened process monitoring and defect detection, and conducted regular professional training and equipment maintenance. At present, the Company's overall production yield rate exceeded 95%, ranking among the industry's leading level. Meanwhile, the Company continues to promote process optimization and equipment upgrading and transformation, which achieved a continuous decline in material loss rate in the production process and an improvement in energy utilization rate, further reducing manufacturing costs.

The Company has a mature supplier management system and a robust supply chain security system, establishing supplier access mechanisms, supplier assessment and evaluation mechanisms, and procurement pricing mechanisms. While maintaining long-term cooperation with major suppliers, we also attach importance to the introduction and cultivation of new suppliers. By promoting the alternative evaluation of localized materials and equipment, we significantly reduced procurement costs and achieved the stability and security of the supply chain.

(V) Sales and Marketing

During the Reporting Period, the Group seized the opportunity brought by the explosive growth of downstream market demand, actively expanded cooperative customers in various segmented fields, focused on developing overseas markets, and built a "partnership network" for the GaN application ecosystem.

Overseas business

Guided by the concept of international operation, the Company provides services to customers worldwide. The Company has built an international management team and talent pool, and established subsidiaries or marketing institutions in the United States, Europe, Japan, South Korea, China's Taiwan region and other places to better expand the international market. The Company has carried out strategic cooperation with a number of traditional major power chip manufacturers in Europe and America, as well as leading AI data center manufacturers, to jointly promote the large-scale application of GaN chip solutions in consumer electronics, automotive electronics, AI data centers and other fields. During the Reporting Period, the Group's revenue from overseas business was RMB63.7 million, accounting for 11.5% of the total revenue, with a growth of 57.8% as compared with the same period last year.

Customer collaboration

Through market research, the Company takes the initiative to contact and visit target customers, promotes processes and services that match their needs, and strives to gain extensive recognition of our product solutions from major customer groups. The Company carries out promotion activities and establishes cooperative relations with customers by participating in technical seminars, various professional exhibitions, summits and forums in the semiconductor industry. Some customers contact us through public channels such as our official website and word-of-mouth to seek direct cooperation. The main forms of cooperation include direct sales and distributor channels. During the Reporting Period, the Group secured 693 new customer engagements, acquiring 55 new direct sales customers and 1 new distributor.

(VI) Business Outlook and Operation Strategies

Driven by production capacity and process: Along with the profound changes in the industry pattern, GaN IDM enterprises, while focusing on their own process technology and platform construction, also attach greater importance to the layout of the industrial chain. The scale effect of production capacity and the collaborative capability of the industrial chain have become one of the important factors for customers to measure the stability and integrity of the supply chain. The Group plans to expand its production capacity to 20,000 wafers per month and continuously improve capacity utilization rate and manufacturing yield. By utilizing the advantages of production capacity, the Group deepens strategic cooperation with traditional major power chip manufacturers, carries out mass production and shipment, and meets customers' customized demands. In terms of process technology, the Company's third-generation process technology platform as well as product platforms such as automotive-grade and encapsulated ICs will continue to be optimized and upgraded to ensure that more cost-effective GaN products are provided to the Company's customers.

Improving ecological layout: The Company will continue to deepen its presence in the "red ocean market" of consumer electronics applications and expand product layouts in multiple fields including home appliances, kitchen appliances, air conditioners, wearable devices, and mobile energy storage. In the fields of data centers and automotive electronics, the Company will work with leading industry manufacturers to promote the large-scale mass production of new GaN solutions. Meanwhile, in emerging application areas such as humanoid robots, drones and Bitcoin and Stablecoin server power supply, the Company will continue to increase R&D investment and proactively lay out more efficient and environmentally friendly solutions.

Extensive global business cooperation: The Company will continue to promote in-depth cooperation with leading global semiconductor enterprises and key customers, implement various energy transformation solutions, and significantly expand the global market space.

Looking ahead, we will leverage our competitive advantages in technological leadership and large-scale manufacturing to become a global leader in GaN power products. We aim to empower the global green technology revolution, contribute to global energy transformation and sustainable development, and create a better "chip" future for humanity – one that is more low-carbon, energy-saving, efficient, and intelligent!

III. FINANCIAL ANALYSIS

The following table sets forth the comparative figures for the periods and dates indicated:

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	553,354	385,811
Cost of sales	(515,506)	(469,051)
Gross profit/(loss)	37,848	(83,240)
Other net income	47,966	37,648
Selling and marketing expenses	(53,878)	(50,650)
Administrative expenses	(245,509)	(202,015)
Research and development expenses	(162,326)	(145,453)
Loss from operations	(375,899)	(443,710)
Finance costs	(52,507)	(44,124)
Loss before taxation	(428,406)	(487,834)
Income tax	(266)	(169)
Loss for the period	(428,672)	(488,003)
Other comprehensive income for the period	(105)	(1,181)
Total comprehensive income for the period	(428,777)	(489,184)
	At 30 June	At 31 December
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Total current assets	3,027,095	2,459,941
Total non-current assets	2,829,401	3,087,308
Total assets	5,856,496	5,547,249
Total current liabilities	942,121	995,984
Total non-current liabilities	2,238,225	1,580,247
Total liabilities	3,180,346	2,576,231
Total equity	2,676,150	2,971,018

Revenue

During the Reporting Period, the total revenue of the Group was RMB553.4 million, representing an increase by 43.4% as compared with RMB385.8 million in the same period last year. This was mainly due to the continuous expansion of GaN application fields, and the rapid growth in customer demand.

In particular:

- Revenue from GaN discrete chip and GaN IC products increased by 49.9% year-on-year from RMB138.4 million in the same period last year to RMB207.4 million during the Reporting Period, primarily due to the continuous expansion of application scenarios in fields such as electric vehicles, data centers, and industry, leading to more customers adopting GaN solutions.
- Revenue from GaN wafers decreased by 22.2% from RMB138.9 million in the same period last year to RMB108.1 million during the Reporting Period. This is mainly because, in order to better meet customers' demands for system-integrated products, some wafer orders have been converted into orders for discrete chips and IC products.
- Revenue from GaN modules increased by 121.7% year-on-year from RMB106.5 million in the same period last year to RMB236.1 million during the Reporting Period, mainly due to the deepened cooperation with customers and the continuous iteration of products, which have gained extensive applications on the customer side.

Cost of Sales

During the Reporting Period, the cost of sales of the Group increased by 9.9% from RMB469.1 million for the same period last year to RMB515.5 million, mainly attributable to an increase in sales revenue, along with the decrease in unit cost.

Gross Profit and Gross Margin

During the Reporting Period, the Group's gross profit amounted to RMB37.8 million, a turnaround from a loss of RMB83.2 million for the same period last year. The gross margin turned from -21.6% in the same period last year to 6.8% during the Reporting Period. The improvement in gross margin was primarily due to an increase in the Company's revenue, realization of the production scale effect, continuous optimization of production processes and reduction of costs.

Other Net Income

During the Reporting Period, the Group's other net income amounted to RMB48.0 million, representing an increase of 27.7% as compared with RMB37.6 million for the same period last year, mainly due to an increase in government grants and bank interest income.

Selling and Marketing Expenses

During the Reporting Period, the Group's selling and marketing expenses amounted to RMB53.9 million, representing an increase of 6.4% as compared with RMB50.7 million for the same period last year, mainly attributable to an increase in salary expenses as a result of expansion of the sales team.

Administrative Expenses

During the Reporting Period, the Group's administrative expenses amounted to RMB245.5 million, representing an increase of 21.5% as compared with RMB202.0 million for the same period last year, mainly due to an increase in expenses related to professional consulting services during the Reporting Period.

Research and Development Costs

During the Reporting Period, the Group's research and development costs amounted to RMB162.3 million, representing an increase of 11.5% as compared with RMB145.5 million for the same period last year, mainly due to an increase in R&D investment as a result of the expansion of product application areas.

Finance Costs

During the Reporting Period, the Group's finance costs amounted to RMB52.5 million, representing an increase of 19.0% as compared with RMB44.1 million for the same period last year, primarily due to an increase in interest on new loans during the Reporting Period.

Loss for the Period

For the reasons mentioned above, the Group's loss for the period amounted to RMB428.7 million, representing a decrease of 12.2% as compared with RMB488.0 million for the same period last year.

Liquidity and Capital Resources

The Group's policy is to regularly monitor liquidity requirements and to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet the liquidity requirements in the short and longer term.

As of 30 June 2025, the Group had RMB1,425.2 million in cash and cash equivalents, as compared to RMB1,525.0 million as of 31 December 2024. The Group's cash and cash equivalents primarily consist of cash at banks and on hand denominated in HK\$, RMB and USD.

The Group's net outflow of cash flow from operating activities during the Reporting Period was RMB387.3 million. The net outflow of cash flow from operating activities is calculated by adjusting the loss before taxation of RMB428.4 million by non-cash and other items to arrive at an operating loss before changes in working capital of RMB25.1 million.

INDEBTEDNESS AND FINANCIAL RATIOS

Loans and Borrowings

As of 30 June 2025, the Group had total loans and borrowings of RMB2,495.2 million, which increased RMB571.3 million as compared to that as of 31 December 2024, mainly due to an increase in loans for supporting the expansion of production scale. The Group's loans and borrowings are all denominated in RMB.

Lease Liabilities

As of 30 June 2025, the Group's total lease liabilities amounted to RMB65.1 million, which decreased RMB5.4 million as compared to that as of 31 December 2024, mainly due to the gradual decrease in liabilities following each payment of rent during the lease term.

Financial Ratios

Current ratio

The Group's current ratio (calculated as current assets divided by current liabilities as of the relevant period end) increased from 2.5 times as of 31 December 2024 to 3.2 times as of 30 June 2025, primarily due to the expansion of sales scale and an increase in accounts receivable and inventory.

Quick ratio

The Group's quick ratio (calculated as current assets less inventories divided by current liabilities as of the relevant period end) increased from 2.0 times as of 31 December 2024 to 2.5 times as of 30 June 2025, primarily due to the expansion of sales scale and an increase in receivables.

Net Gearing Ratio

The Group's net gearing ratio (calculated as total borrowings less cash and cash equivalents divided by the total equity as of the end of the respective period and multiplied by 100%) increased from 13.4% as of 31 December 2024 to 40.0% as of 30 June 2025, primarily due to an increase in total borrowings.

Contingent Liabilities

As of 30 June 2025, certain subsidiaries of the Group are respondents in several legal dispute cases – EPC California Case, Infineon California Case and Infineon Germany Case in relation to claims of alleged infringement of intellectual property rights, for details, please refer to the section headed “Business – Legal Proceedings and Compliance – Legal Proceedings” in the prospectus of the Company dated 18 December 2024 (the “**Prospectus**”). While certain litigations are still ongoing and the future development cannot be estimated with certainty, the Directors having given due consideration to the legal advice and the relevant facts and circumstances, are of the opinion that it is not probable that the Group will need to make significant payments to the claimants in those cases. Therefore, no provision has been made in respect of those cases as of 30 June 2025.

As of 30 June 2025, except for the aforementioned contingencies associated with the legal disputes, the Group did not have any material contingent liabilities.

Pledge of Assets

The Group’s pledged bank deposits increased from RMB6.3 million as of 31 December 2024 to RMB30.9 million as of 30 June 2025, primarily attributable to an increase in disbursed but undrawn bank loans.

Apart from the above, the Group did not have any other pledge of assets as of 30 June 2025.

Capital Expenditures

The Group’s capital expenditures were mainly used for the purchase of equipment and construction of production bases. During the Reporting Period, the Group’s capital expenditures amounted to RMB50.4 million, which decreased RMB21.0 million from the same period last year, primarily due to a reduction in expenditure relating to building infrastructure.

Capital Commitments

As of 30 June 2025, the Group’s capital commitments amounted to RMB64.5 million (as of 31 December 2024: RMB39.8 million). The Group’s capital commitments were mainly used for purchase of equipment for production expansion.

Foreign Exchange Risk

The majority of the Group’s revenue and expenditures are denominated in Renminbi. Some of the Group’s subsidiaries operate outside of Mainland China, with their functional currencies being the local currencies. The Group engages in certain transactions denominated in foreign currencies, thereby exposing it to exchange rate fluctuation risks. Currently, the Group does not have a foreign currency hedging policy in place. However, the management actively monitors foreign exchange risks and will consider hedging significant foreign currency exposures when necessary.

Significant Investments, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

Save as disclosed in this announcement, the Company had no other significant investments and/or material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

As of the end of the Reporting Period, the Group did not have any material investments that are required to be disclosed under Paragraph 32(4A) of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Future Plans For Material Investments Or Capital Assets

As of the date of this announcement, save as disclosed in the Prospectus under the section headed “Future Plans and Use of Proceeds”, and the Announcement on the Completion of Placing of New H Shares under General Mandate and Amendments to the Articles of Association dated 28 July 2025, the Company did not have any future plans for material investments or capital assets.

Human Resources

As of 30 June 2025, the Group had a total of 1,238 employees and the majority of its employees were based in mainland China. The Group established a comprehensive set of internal management measures, outlining the procedures and criteria for recruitment, training, internal referrals, among others. The Group uses various recruitment methods, including campus recruitment, online recruitment, other external recruitment channels as well as internal referrals and transfers. In addition to salaries and benefits, we generally provides performance-based bonuses for the full-time employees. The Group has established a comprehensive system for employee training and development, including general trainings covering corporate culture, employee rights and responsibilities, workplace safety, data security and other logistics aspects, as well as specific trainings that improve employee knowledge and expertise in certain important areas related to our business. The Group is committed to making continual efforts to provide an engaging working environment for the employees.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME*For the six months ended 30 June 2025 – unaudited**(Expressed in Renminbi)*

		Six months ended 30 June	
	<i>Note</i>	2025	2024
		RMB'000	RMB'000
Revenue	3	553,354	385,811
Cost of sales		<u>(515,506)</u>	<u>(469,051)</u>
Gross profit/(loss)		37,848	(83,240)
Other net income	4	47,966	37,648
Selling and marketing costs		(53,878)	(50,650)
Administrative expenses		(245,509)	(202,015)
Research and development costs		<u>(162,326)</u>	<u>(145,453)</u>
Loss from operations		<u>(375,899)</u>	<u>(443,710)</u>
Finance costs	5(a)	<u>(52,507)</u>	<u>(44,124)</u>
Loss before taxation	5	(428,406)	(487,834)
Income tax	6(a)	<u>(266)</u>	<u>(169)</u>
Loss for the period		<u>(428,672)</u>	<u>(488,003)</u>
Loss per share			
Basic and diluted (<i>RMB</i>)	7	<u>(0.49)</u>	<u>(0.60)</u>

	Six months ended 30 June	
	<i>Note</i> 2025 RMB'000	2024 RMB'000
Loss for the period	(428,672)	(488,003)
Other comprehensive income for the period		
Item that is or may be reclassified subsequently to profit or loss:		
Exchange differences on translation of:		
– financial statements of overseas subsidiaries	<u>(105)</u>	<u>(1,181)</u>
Total comprehensive income for the period	<u><u>(428,777)</u></u>	<u><u>(489,184)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025 – unaudited

(Expressed in Renminbi)

	Note	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Non-current assets			
Property, plant and equipment		2,527,360	2,741,887
Right-of-use assets		110,233	116,841
Intangible assets		157,745	197,720
Other non-current assets		34,063	30,860
		<u>2,829,401</u>	<u>3,087,308</u>
Current assets			
Inventories	8	714,593	444,293
Trade and other receivables	9	638,957	484,388
Financial assets at fair value through profit or loss ("FVPL")		172,153	–
Financial assets at fair value through other comprehensive income ("FVOCI")		45,266	–
Pledged bank deposits		30,908	6,306
Cash and cash equivalents		1,425,218	1,524,954
		<u>3,027,095</u>	<u>2,459,941</u>
Current liabilities			
Trade and other payables	10	522,836	462,401
Loans and borrowings	11	408,691	522,426
Lease liabilities		10,594	11,157
		<u>942,121</u>	<u>995,984</u>
Net current assets		<u>2,084,974</u>	<u>1,463,957</u>
Total assets less current liabilities		<u>4,914,375</u>	<u>4,551,265</u>
Non-current liabilities			
Loans and borrowings	11	2,086,514	1,401,470
Lease liabilities		54,466	59,342
Deferred income	12	97,245	119,435
		<u>2,238,225</u>	<u>1,580,247</u>
NET ASSETS		<u>2,676,150</u>	<u>2,971,018</u>
Share capital		880,816	879,152
Reserves		1,795,334	2,091,866
TOTAL EQUITY		<u>2,676,150</u>	<u>2,971,018</u>

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

1 GENERAL INFORMATION AND BASIS OF PREPARATION

InnoScience (Suzhou) Technology Holding Co., Ltd.* (the “**Company**”) (英諾賽科(蘇州) 科技股份有限公司) was incorporated in Suzhou, Jiangsu Province, People’s Republic of China (the “**PRC**”) on 21 July 2017 as a limited liability company. In September 2023, the Company was converted from a limited liability company into a joint stock limited liability company. The Company’s shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 30 December 2024 (the “**Listing**”).

The Company and its subsidiaries (together, “**the Group**”) are principally engaged in design, research and development, and manufacture of various types of Gallium Nitride (“**GaN**”) power semiconductor products.

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“**HKAS**”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). It was authorised for issue on 28 August 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA.

2 CHANGES IN ACCOUNTING POLICIES

The Group has applied the amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) to this interim financial report for the current accounting period. The amendments do not have a material impact on this interim report as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

(i) *Disaggregation of revenue*

Disaggregation of revenue from contracts with customers by major products is as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products		
– Sales of GaN Discrete Chips and GaN ICs	207,364	138,443
– Sales of GaN Wafers	108,081	138,928
– Sales of GaN Modules	236,095	106,470
– Others	1,814	1,970
	<u>553,354</u>	<u>385,811</u>

Disaggregation of the Group's revenue from contracts with customers by the timing of revenue recognition is set out below:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Point-in-time	553,354	384,302
Over-time	–	1,509
	<u>553,354</u>	<u>385,811</u>

(ii) *Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date.*

The Group has applied the practical expedient in paragraph 121(a) of HKFRS 15 to its sales contracts for GaN power semiconductor products that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for sales of GaN power semiconductor products that had an original expected duration of one year or less.

(b) Segment reporting

HKFRS 8, *Operating Segments*, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the Group's chief operating decision maker for the purpose of resources allocation and performance assessment. On this basis, the Group has determined that it only has one operating segment which is the sales of GaN power semiconductor products.

(i) Geographic information

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the GaN power semiconductor products were sold.

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Mainland of the PRC	489,640	345,454
Overseas	63,714	40,357
	<u>553,354</u>	<u>385,811</u>

4 OTHER NET INCOME

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Bank interest income	16,198	1,468
Interest income from financial assets measured at FVOCI	300	2,087
Net gain on disposal of property, plant and equipment	–	3,756
Net gain from financial assets measured at FVPL	2,070	877
Government grants (<i>Note</i>)	38,236	26,731
Net foreign exchange (loss)/gain	(9,030)	2,618
Others	192	111
	<u>47,966</u>	<u>37,648</u>

Note: For the period ended 30 June 2025, government grants primarily comprise subsidies received from the government for the encouragement of research and development projects and additional deduction on input value-added tax.

5 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

(a) Finance costs:

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Interest on		
– loans and borrowings	51,185	46,571
– lease liability	1,322	782
Less: interest expense capitalised into construction in progress	–	(3,229)
Total interest expense	<u>52,507</u>	<u>44,124</u>

(b) Staff costs:

	Note	Six months ended 30 June	
		2025	2024
		<i>RMB'000</i>	<i>RMB'000</i>
Salaries, wages and other benefits		230,024	199,569
Contributions to defined contribution retirement plans (i)		13,167	12,410
Equity-settled share-based payment expenses	13(b)	88,343	88,103
		<u>331,534</u>	<u>300,082</u>

(i) Defined contribution retirement plans

Employees of the Company and its subsidiaries are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Company and its subsidiaries contributes funds which are calculated on certain percentages of the average employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees.

The Group's contributions made to the defined contribution retirement scheme are non-refundable and cannot be used to reduce the future or existing level of contribution of the Group should any forfeiture be resulted from the schemes.

The Group has no other material obligation for the payment of retirement benefits associated with the scheme beyond the annual contributions described above.

(c) Other items:

	Note	Six months ended 30 June	
		2025	2024
		<i>RMB'000</i>	<i>RMB'000</i>
Cost of inventories	8(b)	515,506	461,105
Depreciation:			
– owned property, plant and equipment		226,843	213,536
– right-of-use assets		6,853	5,050
Research and development expenses (i)		162,326	145,453
Amortisation of intangible assets		40,160	39,970
		<u>985,648</u>	<u>865,064</u>

(i) During the six months ended 30 June 2025, staff costs, depreciation expenses and amortisation expenses in research and development expenses are RMB141,853,000 (six months ended 30 June 2024: RMB131,875,000), which are also included in the total amounts disclosed separately above.

6 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(a) **Taxation in the consolidated statements of profit or loss and other comprehensive income represents:**

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Current tax:		
Provision for corporate income tax in respective jurisdictions	266	169
Deferred tax:		
Origination and reversal of temporary differences	—	—
	<u>266</u>	<u>169</u>

7 LOSS PER SHARE

(a) **Basic loss per share**

Basic loss per share for the six months ended 30 June 2025 and 2024 is calculated by dividing the loss attributable to equity shareholders of the Company by the weighted average number of ordinary shares in issue.

	Six months ended 30 June	
	2025	2024
Ordinary shares in issue at 1 January	879,152	800,711
Effect of ordinary shares issued under capital injection from shareholders	—	15,569
Effect of ordinary shares issued under issuance of ordinary shares by over-allotment option	1,416	—
Effect of unvested restricted share units	<u>(10,487)</u>	<u>(1,475)</u>
Weighted average number of ordinary shares at 30 June	<u>870,081</u>	<u>814,805</u>

(b) **Diluted loss per share**

For the periods ended 30 June 2025 and 2024, restricted share units were not included in the calculation of diluted loss per share, as their effect would have been anti-dilutive. Accordingly, diluted loss per share were the same as basic loss per share for both periods.

8 INVENTORIES

(a) Inventories in the statements of financial position comprise:

	At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Raw materials	28,165	25,766
Semi-finished products and WIP	319,418	270,128
Finished products	367,010	148,399
	<u>714,593</u>	<u>444,293</u>

(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	At 30 June 2025 <i>RMB'000</i>	At 30 June 2024 <i>RMB'000</i>
Carrying amount of inventories used	528,370	415,603
(Reversal)/write-down of inventories	<u>(12,864)</u>	<u>45,502</u>
	<u>515,506</u>	<u>461,105</u>

9 TRADE AND OTHER RECEIVABLES

	At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Trade receivables, net of loss allowance	496,791	362,319
Prepayments	57,279	76,399
VAT recoverable	69,041	36,175
Other receivables and deposits, net of loss allowance	15,846	9,495
	<u>638,957</u>	<u>484,388</u>

All of trade and other receivables are due from third parties and are expected to be recovered or recognised as expenses within one year.

As at 30 June 2025 and 31 December 2024, the ageing analysis of trade receivables (which are included in trade and other receivables) based on the invoice date and net of loss allowance, is as follows:

	At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Within 1 year	494,919	362,319
Over 1 year but less than 2 years	1,872	–
	<u>496,791</u>	<u>362,319</u>

10 TRADE AND OTHER PAYABLES

	At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Trade payables	162,883	122,248
Accrued payroll	54,871	74,917
Tax payable	18,655	20,601
Other payables and accruals	286,427	244,635
	<u>522,836</u>	<u>462,401</u>

- (a) All trade and other payables are due to third parties expected to be settled or recognised as income within one year or are repayable on demand.
- (b) As at 30 June 2025 and 31 December 2024, the ageing analysis of trade payables (which are included in trade and other payables), based on the invoice date, is as follows:

	At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Within 3 months	160,144	117,056
After 3 months but within 6 months	605	362
After 6 months but within 12 months	163	2,688
After 12 months	1,971	2,142
	<u>162,883</u>	<u>122,248</u>

11 LOANS AND BORROWINGS

- (a) Loans and borrowings comprise:

	At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Bank loans	2,495,205	1,884,096
Other loans	–	39,800
	<u>2,495,205</u>	<u>1,923,896</u>

(b) As of the end of each reporting period, loans and borrowings were repayable as follows:

	At 30 June 2025	At 31 December 2024
Within 1 year or on demand	408,691	522,426
After 1 year but within 2 years	393,921	460,591
After 2 years but within 5 years	1,406,201	901,779
More than 5 years	286,392	39,100
	<u>2,086,514</u>	<u>1,401,470</u>
	<u>2,495,205</u>	<u>1,923,896</u>

(c) As of the end of each reporting period, loans and borrowings were secured as follows:

	At 30 June 2025	At 31 December 2024
Secured bank loans	1,684,615	1,632,110
Unsecured bank loans	810,590	291,786
	<u>2,495,205</u>	<u>1,923,896</u>

12 DEFERRED INCOME

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Government grants	<u>97,245</u>	<u>119,435</u>

Government grants are related to assets which were obtained by the Group for the purposes of purchase, construction or acquisition of the long-term assets in relation to research and development projects.

13 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

- (i) Dividends payable to equity shareholders of the Company attributable to the interim period:

The Board of directors did not recommend a payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

- (ii) Nil dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the interim period (six months ended 30 June 2024: Nil).

(b) Equity settled share-based transactions

In February 2024, the Group adopted a RSU scheme (“**the Scheme**”) to replace the share options schemes for purpose of providing incentives to eligible employees of the Group. And this replacement was deemed as a modification as the type of equity instrument granted was modified from share options to RSU.

As of 30 December 2024 (the “**listing date**”), the aggregate of 50,559,342 RSUs were outstanding for vesting. These RSUs have been exercised at the price of RMB1.00 and shall vest over four years with 75% at the end of the third year and 25% at the end of the fourth year from the date of joining the Company or vest in the years upon the completion of the Company’s initial public offering (“**IPO**”), whichever is later.

During the six months ended 30 June 2025, no RSU was granted (during the six months ended 30 June 2024: 7,841,142) and equity-settled share-based payment expenses were RMB88,343,000 (during the six months ended 30 June 2024: RMB88,103,000). As at 30 June 2025, a total of 21,048,392 shares were outstanding for vesting.

14 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group’s financial instruments measured at the end of each reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

The Group has a team performing valuations for the financial instruments categories into Level 3 of the fair value hierarchy. The team reports directly to the chief financial officer. Valuation assessment with analysis of changes in fair value measurement is prepared by the team at each reporting date and is reviewed and approved by the chief financial officer.

	Fair value at 30 June 2025 RMB’000	Fair value measurements as at 30 June 2025 categorised into		
		Level 1 RMB’000	Level 2 RMB’000	Level 3 RMB’000
Recurring fair value measurement				
Financial assets at FVPL:				
– Wealth management products	172,153	–	–	172,153
Financial assets at FVOCI:				
– Negotiable certificate of deposits with banks	45,266	–	–	45,266

During relevant periods, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group’s policy is to recognise transfers between levels of fair value hierarchy as at the end of reporting period in which they occur.

Information about Level 3 fair value measurements

The fair values of wealth management products have been estimated using a discounted cash flow valuation model based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors of the Company to make estimates about the expected future cash flows including expected future interest return on maturity of the wealth management products and negotiable certificate of deposits with banks. The directors of the Company believe that the estimated fair values resulting from the valuation technique are reasonable, and that they were the most appropriate values at the end of the period.

Below is a summary of significant unobservable inputs to the valuation of these financial assets at FVPL and financial assets at FVOCI together with a quantitative sensitivity analysis at the end of the reporting period:

	Valuation techniques	Significant unobservable inputs	Range	Sensitivity of fair value to the input
Wealth management products	Discounted cash flow method	Interest return rate	1% – 4.5%	0.5% increase/(decrease) in interest return rate would result in increase/(decrease) in fair value by RMB862,565
Negotiable certificate of deposits with banks	Discounted cash flow method	Interest return rate	2.00% – 2.15%	0.5% increase/(decrease) in interest return rate would result in increase/(decrease) in fair value by RMB225,000

The movement during the period in the balance of these Level 3 fair value measurements are as follows:

	At 30 June 2025 RMB'000	At 30 June 2024 RMB'000
At 1 January	–	20,074
Purchase	247,513	576,472
Changes in fair value recognised in profit or loss during the period (<i>Note 4</i>)	2,070	877
Foreign Exchange	(2,430)	–
Interest income from financial assets measured at FVOCI (<i>Note 4</i>)	300	2,087
Redemption	(30,034)	(327,583)
At 30 June	<u>217,419</u>	<u>271,927</u>

(ii) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 30 June 2025 and 31 December 2024.

15 COMMITMENTS

Capital commitments outstanding at 30 June 2025 and 31 December 2024 not provided for in the financial statements were as follows:

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Contracted for	<u>64,515</u>	<u>39,844</u>

16 CONTINGENT LIABILITIES

As of 30 June 2025, certain subsidiaries of the Group are respondents in several legal dispute cases-EPC California Case and Infineon California Case in relation to claims of alleged infringement of intellectual property rights. While the arbitrations are still ongoing and the future development cannot be estimated with certainty, the directors of the Company, having given due consideration to the legal advice and the relevant facts and circumstances, are of the opinion that the Group is more likely than not to prevail in those cases and it is not probable that the Group will need to make payments to the claimants. Therefore, no provision has been made in respect of those cases as at 30 June 2025.

17 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

On 22 July 2025, the Company and the placing agents entered into the placing agreement (the "Placing Agreement") and on 28 July 2025, a total of 13,584,000 new H Shares, representing approximately 2.69% of the H Shares in issue and approximately 1.52% of the total number of shares in issue as enlarged by the allotment and issuance of the placing shares immediately upon completion of the placing, have been successfully placed to certain places at the placing price of HK\$40.50 per H Share upon the terms and subject to the conditions set out in the Placing Agreement. The total funds raised from the placing amount to approximately HK\$550,152,000.

Purchase, Sale or Redemption of Listed Securities of the Company

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company (including sale or transfer of treasury shares (as defined in the Listing Rules)). As at 30 June 2025, the Company did not hold any treasury shares.

Interim Dividend

The Board of Directors has resolved not to declare an interim dividend for the six months ended 30 June 2025.

Compliance with Corporate Governance Code

The Company is committed to maintaining a high standard of corporate governance to safeguard the interests of shareholders and enhance corporate value and accountability. The Company has adopted the Corporate Governance Code contained in Appendix C1 to the Listing Rules (the “**Corporate Governance Code**”), setting out the principles of good corporate governance. To the best knowledge of the Directors, the Company has complied with applicable code provisions set out in Part 2 of the Corporate Governance Code for the Reporting Period.

The Board will continue to review and monitor the Company’s corporate governance practices to ensure compliance with the Corporate Governance Code and maintain high standards of corporate governance practices.

Compliance with the Model Code

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules (the “**Model Code**”) as the code of conduct for securities transactions by Directors and supervisors. Having made specific enquiry by the Company, each of the Directors and supervisors acknowledged that they had complied with the Model Code during the Reporting Period.

Use of Proceeds from Listing

The H shares of the Company were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 30 December 2024. After deducting underwriting fees, commissions and other offering expenses, the net proceeds from the Global Offering and the exercise of the over-allotment option (details as disclosed in the over-allotment announcement of the Company dated 22 January 2025) amounted to approximately HK\$1,351.96 million (the “**Net Proceeds**”), which will be utilized in accordance with the plans disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus, namely:

Item	Planned proportion	Allocation of the Net Proceeds (HK\$ million)	Utilized Proceeds during the Reporting Period (HK\$ million)	Unutilized proceeds as at the end of the Reporting Period (HK\$ million)	Percentage of utilized proceeds to the allocation of Net Proceeds as of the end of the Reporting Period	Expected timetable for the fully utilizing of unutilized proceeds
Expand our production capacity of the 8-inch GaN wafer from 12,500 wafers per month as of 30 June 2024, to 70,000 wafers per month over the next five years, purchase and upgrade equipment and machinery for production and recruit manufacturing personnel	60.0%	811.18	41.67	769.51	5%	By the end of 2029
R&D and expansion of our product portfolio to increase the penetration rate of GaN products in end markets, such as consumer electronics, renewable energy and industrial applications, automotive electronics, and data centers	20.0%	270.39	25.73	244.66	10%	By the end of 2029
Expand the global distribution network of our GaN products	10.0%	135.20	0.48	134.72	0%	By the end of 2029
Working capital and other general corporate purposes	10.0%	135.19	135.19	–	100%	By the end of 2029
Total	100%	1,351.96	203.07	1,148.89	15%	

We have placed the unutilized net proceeds in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions, and will apply the amount unutilized in accordance with the intended purposes as stated in the Prospectus. We will comply with the Chinese laws in relation to foreign exchange registration and remittance of the proceeds.

Events after the Reporting Period

Completion of placing of H shares under general mandate

On 22 July 2025 (before trading hours of the Stock Exchange), the Company entered into the placing agreement (the “**Placing Agreement**”) with CLSA LIMITED and Haitong International Securities Company Limited (the “**Placing Agents**”), pursuant to which the Placing Agents have conditionally and severally (not jointly nor jointly and severally) agreed, as agents of the Company, to procure, on a best effort basis, not less than six places in aggregate to purchase 13,584,000 new H shares at the placing price of HK\$40.50 per H share upon the terms and subject to the conditions set out in the Placing Agreement.

After all the conditions under the Placing Agreement have been satisfied, the completion of the placing took place on 28 July 2025. A total of 13,584,000 new H shares, representing approximately 2.69% of the H shares in issue and approximately 1.52% of the total number of shares in issue as enlarged by the allotment and issuance of the placing shares immediately upon completion of the placing, have been successfully placed to not less than six placees at the placing price of HK\$40.50 per H share upon the terms and subject to the conditions set out in the Placing Agreement. The placees and their respective ultimate beneficial owners are independent third parties.

Immediately after the completion of the placing, the number of issued shares of the Company is 894,400,653 shares, comprising 389,559,466 domestic unlisted shares and 504,841,187 H shares. The Company's registered capital is RMB894,400,653. To reflect such changes in the registered capital and total share capital, corresponding amendments to the Articles of Association have been made by the Board pursuant to the authorization granted by the general meeting.

For details about the placing and the use of the proceeds from the placing, please refer to the announcements published by the Company on 22 July 2025 and 28 July 2025.

From 30 June 2025 to the date of this announcement, there has been no material adverse change in our financial or trading position or prospects, and there has been no event which would materially affect the data set out in the Group's consolidated financial statements in this announcement.

Save as disclosed in this announcement, there were no other significant subsequent events occurred to the Group from 30 June 2025 to the date of this announcement.

Review of Interim Results by Audit Committee

The Company has established the audit committee (the "**Audit Committee**") with written terms of reference in compliance with Rules 3.21 and 3.22 of the Listing Rules and Code Provisions D.3.3 of the Corporate Governance Code. The Audit Committee consists of 3 independent non-executive Directors including Mr. Wong Hin Wing, MH, JP, Dr. Yi Jiming and Dr. Chan, Philip Ching Ho, and is currently chaired by Mr. Wong Hin Wing, MH, JP with appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 30 June 2025, and confirmed that all applicable accounting principles, standards and requirements have been complied with and that adequate disclosures have been made.

Scope of Work of KPMG

The Group's interim financial report for the six months ended 30 June 2025 is unaudited but has been reviewed by the Company's auditor, KPMG, Certified Public Accountants, in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.innoscience.com). The interim report of the Company for the six months ended 30 June 2025, containing all the information required by the Listing Rules, will be despatched to the shareholders who request printed copies and made available on the above websites in due course.

By order of the Board
InnoScience (Suzhou) Technology Holding Co., Ltd.
英諾賽科(蘇州)科技股份有限公司
Dr. Weiwei Luo
Chairperson of the Board and Executive Director

PRC, 28 August 2025

As at the date of this announcement, the Board of the Company comprises Dr. Weiwei Luo, Mr. Jay Hyung Son, Dr. Wu Jingang and Mr. Zhong Shan as executive Directors, Dr. Wang Can, Ms. Zhang Yanhong and Ms. Cui Mizi as non-executive Directors, and Mr. Wong Hin Wing, MH, JP, Dr. Yi Jiming, Dr. Yang, Simon Shi-Ning and Dr. Chan, Philip Ching Ho as independent non-executive Directors.

Certain amounts and percentage figures included in this announcement have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

This announcement contains certain forward-looking statements. These forward-looking statements are based on information currently available to the Group or the current belief, expectations and assumptions of the Board. These forward-looking statements are subject to risks, uncertainties and other factors beyond the Company's control which may cause actual results or performance to differ materially from those expressed or implied in such forward-looking statements. In light of the risks and uncertainties, the inclusion of forward-looking statements in this announcement should not be regarded as representations by the Board or the Company that the plans and objectives will be achieved, and shareholders and investors of the Company should not place undue reliance on such statements.