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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)

COMPLETION OF PLACING OF NEW H SHARES UNDER GENERAL MANDATE AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Sole Overall Coordinator

Joint Placing Agents

The Board is pleased to announce that all the conditions under the Placing Agreement have been satisfied and that the completion of the Placing took place on October 17, 2025. A total of 20,700,000 new H Shares, representing approximately 3.94% of the H Shares in issue and approximately 2.26% 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$75.58 per H Share upon the terms and subject to the conditions set out in the Placing Agreement.

Reference is made to the announcement of InnoScience (Suzhou) Technology Holding Co., Ltd. (the "**Company**") dated October 10, 2025 (the "**Announcement**") in relation to the placing of 20,700,000 new H Shares under the General Mandate. Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

COMPLETION OF THE PLACING

The Board is pleased to announce that all the conditions under the Placing Agreement have been satisfied and that the completion of the Placing took place on October 17, 2025.

A total of 20,700,000 new H Shares, representing approximately 3.94% of the H Shares in issue and approximately 2.26% 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$75.58 per H Share upon the terms and subject to the conditions set out in the Placing Agreement. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placees and their respective ultimate beneficial owners, are Independent Third Parties. None of the Placees becomes a substantial shareholder (as defined under the Listing Rules) of the Company immediately after the completion of the Placing.

USE OF THE PROCEEDS FROM THE PLACING

Upon the completion of the Placing, the proceeds raised will further enhance the Group's financial strength, market competitiveness and comprehensive strength, and promote the long-term healthy and sustainable development of the Group.

The net proceeds from the Placing of approximately HK$1,550.425 million (after deducting the commissions and estimated expenses) will be used for the following purposes and in the amounts set out below:

Expected use of net proceeds from the Placing		Distribution of net proceeds from the Placing *(HK$ million)*	Approximate percentage of the total net proceeds from the Placing	Expected timetable for utilization of the net proceeds from the Placing		
				On or before December 31, 2026 *(HK$ million)*	On or before December 31, 2027 *(HK$ million)*	On or before December 31, 2028 *(HK$ million)*
(1)	Capacity expansion	482.26	31%	34.83	220.03	227.40
(2)	To repay interest-bearing liabilities	376.24	24%	66.39	96.48	213.37
(3)	Working capital and general corporate purposes	691.93	45%	364.75	134.41	192.77
	a. salaries, social insurance, housing provident fund and other human resources expenses	202.15	13%	56.45	67.23	78.47
	b. payments to suppliers and service providers	289.78	19%	108.29	67.19	114.30
	c. potential domestic and foreign investments	200.00	13%	200.00	–	–
Total		**1,550.43**	**100%**	**465.97**	**450.92**	**633.54**

Note: The amounts have been rounded up to the nearest two decimal places and any discrepancy between the totals and sums of amounts listed in the table is due to rounding.

More specifically:

(1) Approximately 31% of the proceeds will be used for capacity expansion.

Our Company continues to expand into new application areas and promote the progress of the entire industry chain. At present, our Company has deployed production lines in the following areas: in the consumer electronics sector, our Company has formed strategic partnerships with leading domestic enterprises. Our 650V high-voltage devices have achieved mass production in the electric drives of range hoods, enhancing their reliability and efficiency. Solutions for air conditioning are under development, with mass production anticipated in Q4 2025. In the automotive electronics sector, we are jointly developing On-Board Chargers (OBC) with a domestic industry leader, targeting mass production in Q4 2025. In the data center sector, as the only selected Chinese supplier, InnoScience supplies a full-chain GaN solution for NVIDIA's 800 VDC power architecture, which is expected to rapidly drive demand for GaN products. Simultaneously, for 48V DC/DC power supplies in data centers, the Company has partnered with a global top-tier power supply enterprise, our 100V GaN products have been successfully deployed. In the field of robotics, the Company's 100V products, leveraging superior high-frequency and low-loss characteristics, have been successfully deployed in robotic joint electric drives. This enables lightweight, high-efficiency, and precise joint control for robots. Rapid growth in this application is anticipated by 2026. The proceeds raised from the Placing will be mainly used for capacity enhancement and production line upgrading to meet the strong demand for the Company's products in the downstream market. The market demand in above emerging sectors has arisen following the Company's listing on the Main Board of the Stock Exchange in December 2024.

(2) Approximately 24% of the proceeds will be used for repayment of interest-bearing liabilities.

As of the end of August 2025, our Company has interest-bearing liabilities of HK$2.576 billion, with a debt-to-asset ratio of nearly 50%. Our Company intends to use approximately HK$376 million of the proceeds raised from the placement to repay some interest-bearing liabilities (see the table below), thereby optimizing its capital structure, alleviating financial burdens, and reducing financial risks.

Unit: RMB

Loan	Nature of loan	Interest rate	Origination date	Maturity date	Loan balance	Use
Bank A-1	Liquidity loan	2.90%	2025/1/26	2028/1/25	85,500,000.00	payments to the suppliers for the module outsourced manufacturing and other business
Bank B	Liquidity loan	2.90%	2025/3/27	2028/3/27	67,900,000.00	payments to the suppliers for the module outsourced manufacturing and other business
Bank A-2	Liquidity loan	2.88%	2025/7/18	2028/7/17	60,000,000.00	payments to the suppliers for the module outsourced manufacturing and other business

Loan	Nature of loan	Interest rate	Origination date	Maturity date	Loan balance	Use
Bank C	Liquidity loan	2.75%	2025/3/14	2028/4/28	49,000,000.00	payments to the suppliers for the module outsourced manufacturing and other business
Bank D	Liquidity loan	2.65%	2024/5/14	2027/8/27	96,000,000.00	payments to the suppliers for the module outsourced manufacturing and other business
Total					**358,400,000.00**	

In 2025 and 2026, the Company's module business orders grow significantly beyond expectations. This requires the Company to pay relatively more outsourced manufacturing fees for this module business, which has a long revenue collection cycle of approximately one year. At the same time, given that the funds raised from the IPO are intended for specific uses, the Company will need to apply for a liquidity loan from a bank to supplement its operating funds for daily operations if its operating cash flow has not turned positive.

We used the proceeds from the Previous Placing to repay the loan of RMB67.9 million that was obtained earlier and had an earlier maturity date (see the table below), while the proceeds from the Placing will be used to repay loans that were obtained at a later time and have a later maturity date.

Unit: RMB

Loan	Nature of loan	Interest rate	Origination date	Maturity date	Loan balance
Bank E	Liquidity loan	2.70%	2023/6/25	2026/6/20	27,900,000.00
Bank F	Liquidity loan	2.95%	2023/5/5	2026/5/4	40,000,000.00
Total					**67,900,000.00**

(3) Approximately 45% of the proceeds will be used for working capital and general corporate purposes.

The proceeds from the Placing will be allocated primarily to the following three areas:

a. Approximately 13% of the proceeds will be used for salaries, social insurance, housing provident funds, and other human resources expenses. The Company is a global leading enterprise in the field of GaN power devices. With the rapid expansion of production capacity and the acceleration of product R&D upgrades following the Company's listing on the Main Board of the Stock Exchange in December 2024, it is in urgent need of recruiting a group of high-end industry talents with profound technical accumulation and innovative capabilities, and providing a competitive salary system and development platform. This will also put certain pressure on the Company's operating cash flow in the short term. The Company will use this part of the proceeds to make strategic talent investments to maintain continuous breakthroughs in product technology and its leading position in the market in the long term;

b. Approximately 19% of the proceeds will be used for payments to suppliers and service providers. The suppliers and service providers are mainly the Company's outsourced processing suppliers for module processing and packaging. The credit period for payments is generally within 30 days after delivery. As of the end of August 2025, the balance of accounts payable is RMB526 million, and with the expected increase of production going forward, various operating expenses will also increase significantly. The Company intends to alleviate the financial pressure by raising proceeds.

   The amount of proceeds raised from the Previous Placing was relatively small, amounting to approximately HK$543 million, of which 50% was used for product research and development to enhance product competitiveness and increase market penetration, and 25% was used to repay interest-bearing liabilities to improve capital structure. Only 25% of the proceeds (approximately HK$136 million) was used for replenishment of liquidity and general operating purposes, a portion of which had been fully allocated to repay suppliers for the module business as planned. The Company intends to allocate approximately 19% of the proceeds (approximately HK$289 million) from the Placing for further payments to the suppliers and service providers, as a supplement to the proceeds from the Previous Placing;

c. Approximately 13% of the proceeds will be used for potential domestic and foreign investments. The domestic and foreign investment expenses mainly include the costs and related investment amounts that will be incurred in identifying potential target companies. The Company intends to rapidly increase its scale, enrich its product ecosystem, and improve research and development efficiency through acquisitions, for example, investing in upstream companies in the industry, such as those engaging in semiconductor equipment and raw materials, to secure key supplies, stabilize costs and even obtain priority access to new technologies; or investing in downstream companies in the industry, such as customers engaging in key automotive electronics, data center servers, to conduct in-depth cooperative development with major customers, more efficiently understand market demands and define new products and new solutions.

   In September 2025, we obtained the Overseas Direct Investment review and filing from the domestic Commission of Commerce and the National Development and Reform Commission, and established a wholly-owned subsidiary in Hong Kong as the platform for external cooperation, investment and attraction of international talents. The initial investment is projected to be US$5 million, and we will increase investment through new Overseas Direct Investment in the future. In addition to organic growth, we are also exploring mergers and acquisitions to accelerate the Company's development. We are seeking to invest in excellent target companies in the upstream and downstream of the industry chain through various channels, with a view to achieving vertical integration and better control over the supply chain. The acquisition will be funded by the proceeds from the Placing, or special loans for mergers and acquisitions and share-based payment, etc. While there is no specific target or definite timetable yet, the proposed targets for investment will be the upstream and downstream enterprises related to power semiconductors. As a global leading enterprise in the GaN power devices, the Company will continue to focus on the development of its core business, and currently has no plan to enter into new markets.

Given the limited IPO proceeds and to focus on the development of our core business, our Company has prioritized the allocation of proceeds towards capacity expansion, without reserving any portion for the repayment of interest-bearing loans. The increased proceeds raised from the Placing will enable us to better address our actual needs in operation and management after supplementing funding for capacity expansion, thereby reducing debt and improving our operational efficiency.

We will place the unutilized net proceeds from the Placing as short-term deposits in interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions, and will apply such amounts in accordance with the expected purposes as stated as above. We will comply with the law of China in relation to foreign exchange registration and remittance of the proceeds.

EQUITY FUND RAISING ACTIVITY IN THE PAST TWELVE MONTHS

Use of Proceeds from Listing

On December 30, 2024, the H Shares of the Company were listed on the Main Board of the Stock Exchange. 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 January 22, 2025) amounted to approximately HK$1,351.96 million (the "**Net Proceeds from Listing**"), which will be utilized for the purposes as set out in the Prospectus.

The intended and actual usage of the Net Proceeds from Listing as at September 30, 2025 are set out below:

Item	Planned proportion	Allocation of the Net Proceeds from Listing *(HK$ million)*	Utilized proceeds as of September 30, 2025 *(HK$ million)*	Unutilized proceeds as of September 30, 2025 *(HK$ million)*	Percentage of utilized proceeds to the allocation of Net Proceeds from Listing as of September 30, 2025	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 June 30, 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	167.20	643.98	21%	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	48.53	221.86	18%	By the end of 2029
Expand the global distribution network of our GaN products	10.0%	135.20	17.70	117.50	13%	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**	**368.62**	**983.34**	**27%**	

We have placed the unutilized Net Proceeds from Listing as short-term deposits in 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 law of China in relation to foreign exchange registration and remittance of the proceeds.

Use of the Proceeds from the Previous Placing

On July 28, 2025, the Company announced the completion of a placement of 13,584,000 new shares to not less than six placees at a placement price of HK$40.50 per share (the "**Previous Placing**"). After deducting commission and estimated expenses, the net proceeds from the previous placing (the "**Net Proceeds from Previous Placing**") amounted to approximately HK$543.55 million.

The expected use and actual usage of the Net Proceeds from Previous Placing on September 30, 2025 are set out below:

Expected use of Net Proceeds from Previous Placing		Distribution of Net Proceeds from Previous Placing *(HK$ million)*	Approximate percentage of the total Net Proceeds from Previous Placing	Utilized proceeds as of September 30, 2025 *(HK$ million)*	Unutilized proceeds as of September 30, 2025 *(HK$ million)*	Percentage of utilized proceeds to the allocation of Net Proceeds from Previous Placing as of September 30, 2025	Expected timetable for the fully utilizing of unutilized proceeds
(1)	To support the Group's product upgrade and iteration, and to expand technical R&D for new product applications to enhance product competitiveness and increase the penetration rate of GaN products in end markets	271.78	50%	31.83	239.95	12%	By or before December 31, 2028
(2)	To repay existing interest-bearing bank borrowings	135.89	25%	108.12	27.77	80%	By or before December 31, 2026
(3)	To replenish liquidity and general operation purposes	135.89	25%	135.88	–	100%	By or before December 31, 2025
Total		**543.55**	**100%**	**275.83**	**267.72**	**51%**	

We have placed the unutilized Net Proceeds from Previous Placing as short-term deposits in 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 Previous Placing Completion Announcement. We will comply with the law of China in relation to foreign exchange registration and remittance of the proceeds.

Save as disclosed above, the Company has not carried out any equity fund raising activities in the past 12 months immediately preceding the date of this announcement.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In accordance with the resolution in relation to the General Mandate passed at the annual general meeting of the Company held on April 30, 2025, the general meeting of the Company has authorized the Board to make any amendments to the Articles of Association as it duly thinks necessary to reflect the registered capital and total share capital of the Company as a result of issuance of additional Shares under the General Mandate.

As the completion of the Placing took place on October 17, 2025, the registered capital and total number of the Shares of the Company have been changed to RMB915,100,653 and 915,100,653 Shares, respectively. To reflect such changes in the registered capital and total share capital of the Company, corresponding amendments to the Articles of Association (the "**Amendments to the Articles of Association**") have been made by the Board pursuant to the above authorization granted by the general meeting.

The industrial and commercial registration, filing and other matters in respect of the Amendments to the Articles of Association will be completed with the relevant government or regulatory authorities in the PRC. The full text of the amended Articles of Association is available on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the website of the Company (www.innoscience.com).

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 and Executive Director

China, October 17, 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.