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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 ANNUAL RESULTS FOR THE YEAR ENDED  
DECEMBER 31, 2025**

The board (the “**Board**”) of directors (the “**Directors**”) of InnoScience (Suzhou) Technology Holding Co., Ltd. (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”, “**InnoScience**” or “**we**”) for the year ended December 31, 2025 (the “**Reporting Period**”), together with the comparative figures for the year ended December 31, 2024, as shown below:

**2025 FINANCIAL AND BUSINESS HIGHLIGHTS**

**Revenue continued to achieve rapid growth (+46.3%), simultaneously realizing the dual milestones of a positive full-year gross profit margin (+7.3%) and a positive adjusted EBITDA**

- The Group’s revenue during the Reporting Period reached RMB1,213.3 million, representing a year-on-year increase of 46.3%;
- The Group’s consolidated gross profit margin during the Reporting Period turned positive to +7.3% from -19.5% in the same period of last year, representing a significant improvement of 26.8%. The adjusted EBITDA turned from loss to profit.

There are three main reasons:

- Scale effect emerged: with the ramp-up of production capacity and the increase in shipments, the unit fixed cost decreased, and the scale effect initially emerged;
- Optimization of product structure: the product structure began to shift to high value-added products, which helped to improve the overall gross profit margin level;
- Effectiveness of cost control: process upgrade and optimization, continuous improvement of capacity utilization and yield rate, and optimization of supply chain management.

## **Comprehensively expanding application fields, completing layouts in key fields, and promoting GaN applications from a single scenario to “comprehensive empowerment”**

During the Reporting Period, relying on its profound accumulation and experience in the GaN field, the Company successfully expanded the application boundaries of GaN from consumer electronics to three core fields: AI data centers, new energy vehicles, and robot joint drives, successfully completing the industrialization process from concept to mass production. The Company thereby achieved a transformation from a component supplier to an underlying definer of AI computing infrastructure, future intelligent terminals, and energy architectures.

### **Breakthrough 1: AI computing power, promoting and helping to define the next-generation data center power architecture:**

- As an international leading GaN enterprise, the Company successfully entered the high-voltage direct current (800V HVDC) solution supply system of multiple domestic and international leading customers including NVIDIA, becoming a core supplier for AI infrastructure construction and high-density computing centers.
- It established strategic cooperation with multiple top 10 international power semiconductor companies (including STMicroelectronics, onsemi, etc.) to jointly develop dozens of power and module solutions applicable to high-density computing centers, driving the rapid upgrading and development of data centers towards high-density computing centers.
- During the Reporting Period, the Company realized a sales revenue of RMB63.19 million for GaN chips in the AI and data center fields, representing a year-on-year increase of 50.20%, completing the entire process of GaN applications in AI and data centers from solution design to mass production design-ins. It is expected that with the implementation and volume scale-up of the high-voltage direct current architecture, a “new era” of large-scale AI-GaN applications will be ushered in.

### **Breakthrough 2: The application of automotive-grade GaN chips in new energy vehicles doubled:**

- During the Reporting Period, GaN officially entered the fast lane of “large-scale vehicle integration” in the automotive field, with deliveries of automotive-grade GaN chips increasing by 105% year-on-year, and sales revenue reaching RMB57.90 million.
- During the Reporting Period, the Company completed a “triple jump” for GaN in the automotive field: from the mass production and shipment of OBC (on-board chargers) and DC-DC converters to the completion of the first verification for main drive inverters.
- Milestone event: In December 2025, the Company, together with United Automotive Electronic Systems (UAES) and Changan Automobile, jointly announced: the 6.6kW OBC system based on the Company’s 650V high-voltage GaN was successfully implemented in mass-produced vehicle models of Changan Automobile. In December, the Company’s bidirectional conduction devices completed the AEC-Q102 automotive-grade certification, paving the way for official mass production in 2026.
- Low-voltage GaN chips used in fields such as autonomous driving and LiDAR continued to achieve rapid growth, with revenue reaching RMB51.46 million, representing a year-on-year increase of 31.21%. In addition, applications such as in-vehicle LED headlights, automotive-grade audio, and in-vehicle DC-DC converters have commenced implementation and shipments, and the Company has completed a comprehensive product layout and planning for the new energy vehicle track.

### **Breakthrough 3: Leading the trillion-level new track of GaN humanoid robots, opening a brand-new growth curve from power chips to “driving joints”:**

- 2025 marks the first year of humanoid robot mass production, and robotics companies have achieved a transformation from concept to mass production and shipment. Humanoid robots have extremely stringent requirements for joint drives: extremely high-power density, extremely fast response speed, and extremely high reliability. The high-frequency characteristics of GaN perfectly match this demand.
- During the Reporting Period, the Company established strategic cooperation with several leading domestic and international humanoid robotics enterprises to develop integrated drives based on 100V GaN for robot joint motor drive modules.
- During the Reporting Period, the Company realized the mass production and shipment of GaN chips in the robotics field for the first time, with sales reaching RMB1.26 million. This figure is expected to synchronously increase rapidly with the exponential growth of robot shipments.

### **Consumer electronics achieved comprehensively expanding and upgrading the market from charging equipment to high-end consumer electronics while maintaining rapid growth**

- In 2025, the Company promoted GaN in the consumer field to complete the transformation from niche to standardized;
- During the Reporting Period, the Company’s sales revenue from consumer electronics products was RMB568.1 million. The penetration rate of the GaN solutions in fields such as fast chargers, mobile phones, and laptops steadily increased, and its market share firmly maintained the first place;
- In the diversified emerging business end, the revenue of GaN chips applied to brand-new scenarios such as drones, electric bicycles, beauty appliances, e-cigarettes, televisions, and audio systems reached RMB56.47 million, representing a year-on-year increase of 88.12%;
- In the high-end consumer market end, the Company reached strategic cooperation with leading domestic household appliance enterprises, achieving mass production in fields such as white goods, smart home appliances, and high-end kitchen appliances, with sales increasing by 166.58% year-on-year.

### **In the industrial and energy storage markets, benefiting from the explosive growth of the global energy storage industry and its urgent demand for high-efficiency, high-power-density, and high-reliability solutions, the Company successfully upgraded GaN technology from consumer electronics to the energy storage field, bringing brand-new growth space**

- GaN grew rapidly in fields where “efficiency is king”, such as residential energy storage, industrial energy storage, portable energy storage, and the integration of photovoltaics and energy storage.

- 3kW-10kW residential energy storage based on the Company's 650V GaN devices has been mass-produced at scale, and 50kW-200kW industrial energy storage system based on 1,200V GaN devices has achieved mass production in the industry for the first time.
- During the Reporting Period, the Company achieved a sales revenue of RMB520.51 million in the industrial and energy storage fields, representing a year-on-year increase of 137.93%.

**During the Reporting Period, the Company achieved remarkable R&D results, and multiple chip products achieved the world's first mass production breakthroughs**

- On the R&D end, it leaped from the mass production of the 3.0 process platform to the 4.0 technology platform, comprehensively optimizing device performance.
  - High-voltage 1,200V high-power devices achieved mass production in the industry for the first time in fields such as industry, renewable energy, and AI servers, with nearly 500,000 chips shipped in total;
  - High-voltage bidirectional conduction products achieved mass production. In applications such as in-vehicle OBC, photovoltaic inverters, and AI data center HVDC, they promoted the upgrading of the power supply architecture from traditional multi-stage AC-DC-DC conversion to a high-voltage single-stage architecture;
  - The low-voltage 100V series products took the global lead in expanding to customized applications for artificial intelligence and multiple leading domestic robot and joint module customers, with shipments exceeding 10 million chips;
  - Low-voltage devices below 30V have commenced mass production and sampling at the client end. Relying on excellent high-frequency characteristics, in the last stage DC/DC conversion of GPU/CPU, they achieved an increase in switching frequency to the MHz level, a 30%-50% reduction in the volume and number of components, and an overall efficiency improvement of 2% to 4%.
  - IC product revenue increased significantly by 513% year-on-year. Through the encapsulated integration of drivers and GaN power devices, they enhanced system efficiency and power density, and lowered overall system costs. They are applied in large-scale mass production in scenarios such as motor drives, robots, household appliances, and charging.

**Leading customers intensively completed verification design-ins, and shipments accelerated to new heights**

- During the Reporting Period, the Company launched 87 new products and achieved 1,182 customer design-ins; it achieved the delivery of over 800 million GaN chips, with cumulative deliveries of more than 2 billion chips, maintaining a market share ranking first in the world.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **I. Industry Trends and Company Overview**

In 2025, the global semiconductor industry continued to migrate towards third-generation semiconductors. With its core advantages of high frequency, high power density, and low energy loss, GaN accelerated its penetration into the traditional silicon-based power chip market and occupied a dominant position in emerging application markets. The demand for AI computing power grew exponentially. To enhance power supply efficiency and lower operational costs, data centers adopted GaN solutions on a large scale; new energy vehicles developed towards intelligence and lightweighting, making the demand for high-efficiency and small-sized power devices increasingly urgent; the first year of humanoid robot industrialization officially arrived. The requirements for high-precision joint control and long endurance promoted the extensive application of GaN in servomotors and power management. In addition, fields including consumer electronics, renewable energy, and industrial applications also ushered in structural transformation and upgrades, with the penetration rate of GaN rapidly increasing.

As the first GaN IDM company in the world to achieve large-scale mass production of 8-inch GaN-on-Si wafers, the Group achieved robust and sustained revenue growth by leveraging its full voltage spectrum product matrix, continuous technological iteration capabilities, and deep synergy throughout the industry value chain. It further consolidated its position as the global leader in GaN power semiconductors, comprehensively empowering downstream industries to transition towards green and intelligent development.

### **II. Business Review**

#### **(I) Product R&D Review**

The Group is the only GaN-on-Si power chip company in the world that offers a full voltage spectrum product matrix from 15V to 1,200V. It focuses on two major development trends: high-power for high-voltage products and high-frequency for medium and low-voltage products, and continually optimizes product performance and application reliability. In 2025, the Group achieved major breakthroughs in process platform iterations, packaging innovations, and integrated development. The scaled mass production process of new products accelerated, further broadening the performance boundaries of GaN.

### ***High-voltage products (650V/700V/900V/1,200V)***

The Group's high and low-voltage 3.0 process platform has fully entered the stage of large-scale mass production, with over 70 new products launched cumulatively. The product yield stabilized at above 90%, highlighting mature mass production control capabilities. Based on the new-generation process platform, over 50 new models of high-voltage products were added, covering the full voltage spectrum of 650V, 700V, 900V, and 1,200V, which have achieved mass production and shipment in fields such as smart home appliances, data centers, automotive electronics, and renewable energy.

The 700V G3.0 platform products were successfully designed into the original chargers of leading mobile phone manufacturers; the "senseGaN" integrated encapsulated chips, integrating non-destructive current detection functions, have fully unleashed high-frequency performance and achieved design-ins for inbox applications from leading manufacturers, and will scale up in 2026. Addressing the high-power demand of AI servers, the Group's Gen3 650V high-power products completed product design-ins with key AI HVDC customers; the 1,200V platform products achieved mass production in new energy battery formation applications. Meanwhile, the Group is vigorously developing the next-generation high and low-voltage 4.0 technology platform, aiming to further improve device switching speed and on-resistance. Through the optimization of the number of processes, it will continuously reduce the cost per chip on the existing basis, laying a solid foundation for large-scale market penetration.

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

In the medium-voltage field, based on the third-generation 100V GaN process platform, the Group innovatively launched the dual-side cooling En-FCLGA packaging, developing a full series of 3.3x3.3mm and 5x6mm products. This series is fully compatible with MOS packaging. Its compact design features PCB layout-friendly and vertical current paths, and the dual-side heat dissipation path significantly improves heat dissipation efficiency and system reliability. Based on its innovative VGaN technology, the Group launched 100V and 120V bidirectional GaN product series. Paired with self-developed driver ICs, these products have fully matured the battery management system (BMS) ecosystem for battery protection.

The 100V and 150V products successfully achieved mass production and shipment in audio systems; the 100VGaN series has expanded to multiple leading domestic robot and joint module customers. Geared towards 48V voltage conversion for data centers and automotive 48V systems, the dual-side cooling En-FCLGA packaged 100V series products achieved design-ins with multiple leading AI 800VDC and 48VDC customers. With a 20% higher power density and a 1% efficiency advantage, they enable data centers to enter the "Megawatt Era".

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

The low-voltage product line continues to achieve application miniaturization through high-frequency optimization. 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 products are widely used in end-user products from various leading customers in the e-cigarette, power bank and laptop; automotive-grade 40V devices have commenced mass production, being applied to scenarios such in-vehicle charging modules for mobile phones and laptops.

## **(II) Product Application Review**

Relying on the industry's most comprehensive full voltage spectrum product matrix, the Group not only consolidated its leading position in the consumer electronics market, but also achieved milestone commercialization progress in global data centers, new energy vehicles, and the emerging humanoid robot field.

### ***Consumer electronics***

The 700V G3.0 platform products were successfully shipped in batches in the original chargers of leading mobile phone manufacturers; the non-destructive current detection products achieved design-ins from leading manufacturers and will scale up in 2026. In the medium and low-voltage field, 100V and 150V products were mass-produced in audio systems; 40V and 100V products achieved mass production and shipment to leading customers in multiple fields including e-cigarette and power banks. In the household appliance field, the Group reached strategic cooperation with Midea's kitchen and water heater division. The 700V series products achieved cumulative shipments of millions of chips in the AK9 Pro project, opening a new chapter of high energy efficiency for the household appliance industry and achieving a breakthrough in the high-end white goods market. GaN has officially entered the white goods era, helping household appliance manufacturers save energy, reduce costs, and lower noise.

### ***Data centers and AI computing power***

Benefiting from the extreme demand for power supply efficiency by AI computing power, the Group has become a core supplier to multiple global AI server manufacturers. The 650V products achieved mass production and delivery to domestic core data center customers; through deep cooperation with NVIDIA, the Group became the only Chinese chip supplier in its 800V HVDC power architecture, moreover, 800VDC power supply solutions that are built around InnoScience's GaN devices now account for more than half of the market, making them the mainstream choice. Meanwhile, the Gen3 650V high-power products completed product design-ins with key AI HVDC customers; the dual-side cooling En-FCLGA packaged 100V series products achieved design-ins with multiple leading customers leveraging their power density and efficiency advantages, and will achieve large-scale mass production in 2026.

### ***Automotive electronics***

Focusing on automotive intelligence and lightweighting, the Group supported the sustainable development and value enhancement of the new energy vehicle industry. The in-vehicle LiDAR applications continued to exert force, with annual shipments exceeding 6 million chips, successfully empowering the deployment of over 1.5 million intelligent assisted driving cars. In the fields of in-vehicle OBC and DC-DC, the Group reached strategic cooperation with UAES and NOVOSENSE to jointly release a GaN on-board charger, which has improved the power density and efficiency of the solution, and has been successfully implemented in mass-produced vehicle models. In-vehicle LED headlight and smart driving (intelligent driving) 48V DC-DC system solutions are being developed in cooperation with terminal customers (such as Changan Automobile, etc.), and will achieve mass production and vehicle integration in 2026, while automotive-grade audio solutions are under simultaneous implementation.

### ***Renewable energy and industrial applications***

Relying on the rapid development of the energy storage industry, the Group's GaN chips successfully expanded to customers of battery formation and capacity equipment and micro-inverters. In the battery protection BMS field, by innovatively utilizing the bidirectional switching characteristics of VGaN combined with self-developed high-side and low-side control chips, it achieved a solution featuring small volume, large current, low temperature rise, and low cost, which has been mass-produced and shipped at scale to multiple leading energy storage customers and in lithium battery BMS applications.

The Company has been consistently supplying power modules to major global manufacturers of new energy vehicle batteries, and its Gen3 1,200V products have entered mass production for formation applications. The Company's pioneering 100V GaN chips with bilateral switch have achieved volume shipments to energy storage customers; in the photovoltaic sector, products used in micro-inverters have also commenced mass delivery. With the development of data centers, global demand for green, stable and efficient energy continues to grow, presenting significant market opportunities for GaN in the energy storage and photovoltaic sectors.

### ***Humanoid robots***

2025 marks the first year of humanoid robot industrialization. The Group, leveraging the high frequency and high efficiency characteristics of GaN, helped customers achieve more precise joint control and longer endurance for robots. Compared with the traditional MOS solution, the GaN low-voltage motor drive solution realizes four core advantages: a 39% reduction in losses, support for high-frequency designs of 20kHz-100kHz, an 18°C reduction in temperature rise, and a significant improvement in power density. Currently, the 100V GaN series products have expanded to multiple leading domestic robot and joint module customers, and have achieved the mass production and shipment of the world's first GaN humanoid robot solution.

### **(III) Iteration of the Process Technology Platform**

Based on its 8-inch GaN-on-Si technology, the Group continuously promoted the iteration and upgrading of the process platform. During the Reporting Period, the high and low-voltage 3.0 process platform comprehensively undertook the mass production of chips in various downstream fields. The chip yield per wafer increased by more than 30% compared with the previous generation platform, with further optimizations in key performance indicators. Meanwhile, the R&D of the next-generation high and low-voltage 4.0 technology platform progressed smoothly, aiming to achieve new breakthroughs in switching speed, on-resistance, and cost control.

In terms of new device platforms such as automotive-grade, bidirectional conduction, and encapsulated ICs, the Group also achieved significant progress, providing richer and more reliable power solutions for downstream customers. By continuing to optimize device design and production processes, reducing the number of processes, lowering raw material usage costs, and improving equipment utilization efficiency, the Group further reduced chip production costs and expanded market competitive advantages.

#### ***Forward-looking Technology and Integrated Development***

The Group actively developed encapsulated and monolithically integrated devices to further enhance GaN application frequency and power density. The “senseGaN” encapsulated products, integrating non-destructive current detection functions, will fully unleash high-frequency performance, helping customers achieve more efficient and compact power supply designs. Highly integrated solutions for emerging sectors including data centers and humanoid robots are under accelerated development, aiming to meet the core requirements of future applications for ultimate power density and lightweight design.

### **(IV) Production and Supply Chain Management**

The Group controls the entire process from chip design, wafer manufacturing, packaging and testing, to sales and delivery, with each business process closely coordinated to fully utilize production capacity potential. By the end of 2025, the Group’s wafer production capacity had steadily increased to 20,000 wafers per month, continuously meeting vigorous market demand. The overall product yield was maintained at over 95%, reflecting excellent process stability and mass production control capabilities.

During the Reporting Period, the Group deepened strategic collaboration with core partners while simultaneously strengthening the supplier management system and procurement pricing mechanism. By advancing the evaluation of domestic equipment and material substitution, it significantly reduced procurement costs. Relying on cross-departmental technical efforts, it continuously optimized processes and equipment upgrades and transformations, achieving a decrease in material loss rates and an improvement in energy utilization efficiency. In addition, the Group utilized IT systems to optimize inventory management, reducing inventory costs and enhancing operational efficiency.

## **(V) Sales and Marketing**

The Group adhered to a globalized service strategy and deeply penetrated key overseas markets through a dual-driven model of “direct sales + distribution”. During the Reporting Period, it added 1,182 customer design-ins, added 39 new direct sales customers and 3 new distributors, with significant progress made in customer acquisition and service efficiency continuously improved.

By participating in and showcasing at top international exhibitions such as electronica Shanghai and PCIM Asia, the Group showcased comprehensive solutions to the industry ranging from high voltage to low voltage, and from discrete devices to highly integrated modules, further consolidating its technological leadership in the high-end power semiconductor field.

### ***Global Layout and Ecosystem Collaboration***

The Group deepened joint technological development with international power semiconductor leaders, maintaining strategic collaboration with companies such as onsemi and STMicroelectronics to jointly promote the large-scale application of GaN chips in fields including consumer electronics, automotive electronics, and data centers, thereby enhancing the GaN ecosystem. During the Reporting Period, the Company engaged in in-depth research and development collaborations with leading global customers across various segmented fields, earning widespread recognition from customers worldwide. During the Reporting Period, the Company maintained its leading edge in global market share, and its global service capabilities continued to strengthen.

## **(VI) Business Outlook**

Looking ahead to 2026, the Group will continue to improve the layout of GaN in the consumer electronics sector, so as to constantly expand application scenarios; promote the scaled implementation of new products in the data center, automotive electronics, industry and energy storage to complete more customer design-ins and mass production; and actively deepen technical cooperation with customers in new application fields such as robots and computing center servers to expand application boundaries.

In terms of product R&D, the Group will continue to invest in the development of the next-generation high and low-voltage 4.0 technology platform and highly integrated solutions, enriching the product portfolio to meet customer demands for ultimate efficiency and power density. In terms of production and supply chain management, it plans to further expand wafer production capacity upwards from 20,000 wafers per month, continuously optimizing processes, improving the yield rate, reducing costs, and enhancing efficiency. In terms of market sales, it will deepen strategic cooperation with major traditional power chip manufacturers abroad to drive mass production and shipments, actively respond to customized customer needs, and accelerate the penetration of GaN in the global power market.

The Group will continue to leverage its technological leadership and large-scale manufacturing capabilities to lead the development of the global GaN power semiconductor industry. By empowering the green technology revolution with third-generation semiconductor technology, it aims to support global energy transition and sustainable development, creating a smarter and lower-carbon future for humanity!

### III. FINANCIAL ANALYSIS

The following table sets forth the comparative figures for the years ended December 31, 2025 and 2024:

	<b>Year Ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
	<i><b>(RMB in thousands)</b></i>	<i><b>(RMB in thousands)</b></i>
<b>Revenue</b>	<b>1,213,273</b>	828,459
Costs	<u><b>(1,124,509)</b></u>	<u>(989,876)</u>
Gross profit/(loss)	<b>88,764</b>	(161,417)
Other net income	<b>113,101</b>	72,233
Selling and marketing expenses	<b>(109,971)</b>	(97,905)
Administrative expenses	<b>(470,396)</b>	(451,160)
Research and development costs	<u><b>(374,239)</b></u>	<u>(323,028)</u>
Loss from operations	<b>(752,741)</b>	(961,277)
Finance costs	<u><b>(87,258)</b></u>	<u>(84,065)</u>
Loss before taxation	<b>(839,999)</b>	(1,045,342)
Income tax	<u><b>(514)</b></u>	<u>(335)</u>
<b>Loss for the year</b>	<u><b>(840,513)</b></u>	<u>(1,045,677)</u>
Other comprehensive income for the year	<b>(1,033)</b>	(1,723)
Total comprehensive income for the year	<b>(841,546)</b>	(1,047,400)
Total current assets	<u><b>4,332,704</b></u>	<u>2,459,941</u>
Total non-current assets	<u><b>2,737,799</b></u>	<u>3,087,308</u>
<b>Total assets</b>	<b>7,070,503</b>	5,547,249
Total current liabilities	<b>819,567</b>	995,984
Total non-current liabilities	<b>2,040,345</b>	1,580,247
<b>Total liabilities</b>	<b>2,859,912</b>	2,576,231
<b>Total equity</b>	<u><b>4,210,591</b></u>	<u>2,971,018</u>

## Revenue

The total revenue of the Group for 2025 was RMB1,213.3 million, representing an increase of 46.4% from RMB828.5 million in the previous year. The increase was primarily due to the Company's GaN products achieving application breakthroughs in multiple fields, with continuously increasing orders.

In particular:

- Revenue from the sales of GaN discrete devices and GaN ICs increased from RMB360.8 million in the previous year to RMB510.1 million in 2025, representing a year-on-year increase of 41.3%, primarily due to the continuous expansion of application scenarios in fields such as electric vehicles, data centers, and industry, with more customers adopting GaN solutions.
- Revenue from the sales of GaN wafers was RMB253.4 million in 2025, compared with RMB280.5 million in 2024, representing a year-on-year decrease of 9.7%, primarily due to part of the wafer orders being converted into discrete device and IC orders to better meet customers' demands for system integration products.
- Revenue from the sales of GaN modules increased from RMB183.9 million in 2024 to RMB446.2 million in 2025, representing a year-on-year increase of 142.6%, primarily due to the launch of new-generation modules, which further expanded the technological and cost advantages of module products in relevant fields.

## Cost of Sales

The cost of sales of the Group for 2025 was RMB1,124.5 million, representing an increase of 13.6% from RMB989.9 million in the previous year. The increase was primarily due to the growth of product sales revenue alongside a decline in unit costs.

## Gross Profit/(Loss) and Gross Profit/(Loss) Margin

The gross profit of the Group for 2025 was RMB88.8 million, turning profitable from a gross loss of RMB161.4 million in the previous year. The gross profit margin shifted from -19.5% in 2024 to 7.3% in 2025. The improvement in the gross profit margin was primarily due to an increase in the Company's revenue, the release of production scale effects, and the continuous optimization of production processes to reduce costs.

## Other Net Income

The other net income of the Group for 2025 was RMB113.1 million, representing an increase of 56.6% from RMB72.2 million in the previous year, primarily due to an increase in government grants and bank interest income.

## Selling and Marketing Expenses

The selling and marketing expenses of the Group for 2025 were RMB110.0 million, representing an increase of 12.4% from RMB97.9 million in the previous year, primarily due to the expansion of the sales team to better meet continuously growing customer demands.

## **Administrative Expenses**

The administrative expenses of the Group for 2025 were RMB470.4 million, representing an increase of 4.3% from RMB451.2 million in the previous year, primarily due to an increase in employee compensation.

## **Research and Development Costs**

The research and development costs of the Group for 2025 were RMB374.2 million, representing an increase of 15.9% from RMB323.0 million in the previous year, primarily due to the continuous expansion of R&D investment.

## **Finance Costs**

The finance costs of the Group for 2025 were RMB87.3 million, representing an increase of 3.8% from RMB84.1 million in the previous year, primarily due to an increase in loans.

## **Loss for the Year**

As a result of the foregoing, the Group's loss for the year in 2025 was RMB840.5 million, representing a decrease of 19.6% compared to the loss of RMB1,045.7 million in the previous year.

In particular, driven by a significant improvement in gross profit for and largely stable expenses for the period, adjusted EBITDA increased from -RMB148 million in 2024 to RMB52 million. Adjusted EBITDA is calculated by adding back depreciation of property, plant and equipment, and right-of-use assets, amortization of intangible assets and land use rights, equity-settled share-based payment expenses and non-recurring compliance related costs to loss from operations.

## **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 long term.

As of December 31, 2025, the Group had RMB879.0 million in cash and cash equivalents, as compared to RMB1,525.0 million as of December 31, 2024. The Group's cash and cash equivalents primarily consist of bank deposits denominated in HKD, RMB and USD.

In 2025, the Group's net outflow of cash flow from operating activities was RMB806.4 million. The net outflow of cash flow from operating activities is calculated by adjusting the loss before taxation of RMB840.0 million by non-cash and other items to arrive at an operating loss before changes in working capital of RMB94.2 million.

## INDEBTEDNESS AND FINANCIAL RATIOS

### Loans and Borrowings

As of December 31, 2025, the Group had total loans and borrowings of RMB2,229.7 million, representing an increase of RMB305.8 million as compared to RMB1,923.9 million as of December 31, 2024, primarily due to the increase in loans to support the expansion of production scale and the purchase of equipment for capacity expansion. The Group's loans and borrowings were denominated in RMB.

### Lease Liabilities

As of December 31, 2025, the Group recognized total lease liabilities of RMB72.4 million, representing an increase of RMB1.9 million as compared to RMB70.5 million as of December 31, 2024, primarily because of the renewal of property leases leading to an increase in lease liabilities.

### Financial Ratios

#### *Current ratio*

The Group's current ratio (calculated as current assets divided by current liabilities as of the end of the relevant period) increased from 2.5 times as of December 31, 2024 to 5.3 times as of December 31, 2025, primarily due to the increase in capital inflows from placements, as well as the expansion of sales scale leading to an increase in trade receivables and inventories.

#### *Quick ratio*

The Group's quick ratio (calculated as current assets minus inventories divided by current liabilities as of the end of the relevant period) increased from 2.0 times as of December 31, 2024 to 4.2 times as of December 31, 2025, primarily due to the increase in capital inflows from placements, and the expansion of sales scale leading to an increase in receivables.

#### *Net Gearing Ratio*

The Group's net gearing ratio (calculated as total borrowings minus cash and cash equivalents divided by total equity as of the end of the respective period and multiplied by 100%) increased from 13.4% as of December 31, 2024 to 32.1% as of December 31, 2025, primarily due to a portion of funds being used to purchase risk-free deposit products classified as financial assets, resulting in a decrease in cash at the end of the period, as well as an increase in total borrowings.

## **Financial Policies**

The management of the Group executes financial functions and continually monitors the Group's cash requirements from time to time. If the Group's cash requirements exceed the liquidity it holds at the time, the Group may seek credit facilities and external borrowings, or issue securities as it considers necessary and appropriate.

## **Contingent Liabilities**

As of December 31, 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 December 18, 2024 (“**Prospectus**”). While certain litigations 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 it is not probable that the Group will need to make material payments to the claimants in those cases. Therefore, no provision has been made in respect of those cases as of December 31, 2025.

As of December 31, 2025, except for the aforementioned contingencies associated with the legal disputes, the Group did not have any material contingent liabilities.

## **Pledge of Assets**

The pledged bank deposits of the Group increased from RMB6.3 million as of December 31, 2024 to RMB7.8 million as of December 31, 2025, primarily due to an increase in restricted funds in the special account for government grants.

Save as disclosed above, as at 31 December 2025, the Group had no other assets pledged.

## **Capital Expenditures**

The Group's capital expenditures were primarily used for the purchase of equipment and the construction of production bases. For the year ended December 31, 2025, the Group's capital expenditures were RMB210.6 million, representing an increase of RMB38.8 million as compared to RMB171.8 million for the year ended December 31, 2024. The increase was primarily due to an increase in the purchase of capacity expansion equipment.

## **Capital Commitments**

As of December 31, 2025, the Group's capital commitments were RMB159.1 million (as of December 31, 2024: RMB39.8 million). The Group's capital commitments were primarily used for the purchase of capacity expansion equipment.

## **Foreign Exchange Risk**

The majority of the Group's revenues and most of its expenditures are denominated in RMB. Certain subsidiaries of the Group operate outside mainland China and use their respective local currencies as their functional currencies. The Group engages in certain transactions denominated in foreign currencies, which give rise to risks of exchange rate fluctuations. The Group currently does not have a foreign currency hedging policy. However, the management will monitor the foreign exchange risk and consider hedging significant foreign currency exposure when necessary.

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

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

As at the end of the Reporting Period, the Company had no material investments 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, except for what was disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus, the announcement dated July 28, 2025 in relation to the completion of placing of new H shares under the general mandate and amendments to the Articles of Association, and the announcement dated October 17, 2025 in relation to the completion of placing of new H shares under the general mandate and amendments to the Articles of Association, the Group had no future plans for any material investments or capital assets.

## **Human Resources**

As of December 31, 2025, the Group had a total of 1,359 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 adopted 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 provide performance-based bonuses for 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 year ended 31 December 2025

(Expressed in RMB'000)

		Years Ended 31 December	
	Note	2025	2024
		RMB'000	RMB'000
<b>Revenue</b>	2	1,213,273	828,459
Cost of sales		<u>(1,124,509)</u>	<u>(989,876)</u>
Gross profit/loss		88,764	(161,417)
Other net income		113,101	72,233
Selling and marketing costs		(109,971)	(97,905)
Administrative expenses		(470,396)	(451,160)
Research and development costs		<u>(374,239)</u>	<u>(323,028)</u>
<b>Loss from operations</b>		<b>(752,741)</b>	<b>(961,277)</b>
Finance costs	3(a)	<u>(87,258)</u>	<u>(84,065)</u>
Loss before taxation	3	(839,999)	(1,045,342)
Income tax	4	<u>(514)</u>	<u>(335)</u>
<b>Loss for the year attributable to equity shareholders of the Company</b>		<b><u>(840,513)</u></b>	<b><u>(1,045,677)</u></b>
<b>Loss per share</b>			
Basic and diluted (RMB)	5	<u><b>(0.95)</b></u>	<u><b>(1.28)</b></u>
<b>Other comprehensive income for the year (after tax and reclassification adjustments)</b>			
Item that is or may be reclassified subsequently to profit or loss:			
Exchange differences on translation of:			
– financial statements of overseas subsidiaries		<u>(1,033)</u>	<u>(1,723)</u>
<b>Other comprehensive income for the year</b>		<u><b>(1,033)</b></u>	<u><b>(1,723)</b></u>
<b>Total comprehensive income for the year attributable to equity shareholders of the Company</b>		<b><u><u>(841,546)</u></u></b>	<b><u><u>(1,047,400)</u></u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2025

(Expressed in RMB'000)

		As at 31 December	
	Note	2025	2024
		RMB'000	RMB'000
<b>Non-current assets</b>			
Property, plant and equipment	6	2,372,038	2,741,887
Right-of-use assets		116,474	116,841
Intangible assets		118,351	197,720
Other non-current assets		130,936	30,860
		<u>2,737,799</u>	<u>3,087,308</u>
<b>Current assets</b>			
Inventories	7	897,493	444,293
Trade and other receivables	8	776,237	484,388
Financial assets measured at fair value through other comprehensive income ("FVOCI")		1,636,738	–
Pledged bank deposits		7,798	6,306
Time deposits		135,483	–
Cash and cash equivalents		878,955	1,524,954
		<u>4,332,704</u>	<u>2,459,941</u>
<b>Current liabilities</b>			
Trade and other payables	9	472,431	462,401
Loans and borrowings		336,102	522,426
Lease liabilities		11,034	11,157
		<u>819,567</u>	<u>995,984</u>
<b>Net current assets</b>		<u>3,513,137</u>	<u>1,463,957</u>
<b>Total assets less current liabilities</b>		<u>6,250,936</u>	<u>4,551,265</u>

	<i>Note</i>	<b>As at 31 December</b>	
		<b>2025</b>	2024
		<b>RMB'000</b>	<b>RMB'000</b>
<b>Non-current liabilities</b>			
Loans and borrowings		<b>1,893,606</b>	1,401,470
Lease liabilities		<b>61,372</b>	59,342
Deferred income		<b>85,367</b>	119,435
		<u><b>2,040,345</b></u>	<u>1,580,247</u>
<b>NET ASSETS</b>		<u><b>4,210,591</b></u>	<u>2,971,018</u>
Share capital	<i>10</i>	<b>915,100</b>	879,152
Reserves		<b>3,295,491</b>	2,091,866
<b>TOTAL EQUITY</b>		<u><b>4,210,591</b></u>	<u>2,971,018</u>

## CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2025

(Expressed in RMB'000)

### Years Ended 31 December

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Operating activities:</b>		
<b>Cash used in operations</b>	<b>(805,917)</b>	(336,011)
Income tax paid	(514)	(335)
<b>Net cash used in operating activities</b>	<b>(806,431)</b>	(336,346)
<b>Investing activities:</b>		
Payment for the purchase of property, plant and equipment and intangible assets	(210,617)	(171,753)
Payments for acquisition of financial assets measured at FVPL	(452,513)	(338,019)
Payments for acquisition of financial assets measured at FVOCI	(1,833,000)	(451,158)
Payment for purchase of time deposits with maturity over 3 months	(135,483)	–
Proceeds from disposal of property, plant and equipment	5,907	17,648
Proceeds from disposal of financial assets measured at FVPL	452,753	359,567
Proceeds from disposal of financial assets measured at FVOCI	200,000	451,158
Interest of financial assets measured at FVOCI received	161	3,691
<b>Net cash used in investing activities</b>	<b>(1,972,792)</b>	(128,866)



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 MATERIAL ACCOUNTING POLICIES

### (a) Statement of compliance

These financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new or amended HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

### (b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### (c) Changes in accounting policies

The Group has applied amendments to HKAS 21, The effects of changes in foreign exchange rates – Lack of exchangeability issued by the HKICPA to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements 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.

## 2 REVENUE AND SEGMENT REPORTING

### (a) Revenue

#### (i) Disaggregation of revenue

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

	Years Ended 31 December	
	2025	2024
	RMB'000	RMB'000
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Disaggregated by major products		
– Sales of GaN Discrete Chips and GaN ICs	510,061	360,761
– Sales of GaN Wafers	253,390	280,499
– Sales of GaN Modules	446,243	183,946
– Others	3,579	3,253
	<u>1,213,273</u>	<u>828,459</u>

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

	Years Ended 31 December	
	2025	2024
	RMB'000	RMB'000
Point-in-time	1,211,045	826,950
Over-time	2,228	1,509
	<u>1,213,273</u>	<u>828,459</u>

**(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. The Group's chief operating decision maker is the chief executive officer of the Group who reviews the Group's consolidated results of operations in assessing performance of and making decisions about allocations to this segment. On this basis, the Company has determined that it only has one operating segment.

**(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 products were sold.

	Years Ended 31 December	
	2025	2024
	RMB'000	RMB'000
Chinese Mainland	1,096,411	702,073
Overseas	116,862	126,386
	<u>1,213,273</u>	<u>828,459</u>

**(ii) Information about major customers**

Revenue from each major customer which accounted for 10% or more of the Group's revenue during the year is set out below:

	Years Ended 31 December	
	2025	2024
	RMB'000	RMB'000
Customer A	<u>384,657</u>	<u>181,885</u>

**3 LOSS BEFORE TAXATION**

Loss before taxation is arrived at after charging:

**(a) Finance costs:**

	Years Ended 31 December	
	2025	2024
	RMB'000	RMB'000
Interest on		
– loans and borrowings	84,836	85,814
– lease liabilities	2,422	1,480
Less: interest expense capitalised into construction in progress	–	(3,229)
Total interest expense	<u>87,258</u>	<u>84,065</u>

(b) **Staff costs:**

	Years Ended 31 December	
	2025	2024
	RMB'000	RMB'000
Salaries, wages and other benefits	445,150	400,712
Contributions to defined contribution retirement plans	28,084	23,063
Equity-settled share-based payment expenses	164,162	166,940
	<u>637,396</u>	<u>590,715</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 contribute 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	Years Ended 31 December	
		2025	2024
		RMB'000	RMB'000
Cost of inventories	7(b)	1,124,509	989,494
Depreciation:			
– owned property, plant and equipment	6	424,570	425,514
– right-of-use assets		13,304	9,915
Research and development expenses (i)		374,239	323,028
Amortisation of intangible assets		79,461	80,519
Auditors' remuneration		2,490	2,160
		<u>2,013,563</u>	<u>1,830,530</u>

(i) During the years ended 31 December 2025, research and development expenses include staff costs, depreciation and amortisation expenses of RMB309,481,000 (2024: RMB277,526,000), of which the amounts are also included in the respective total amounts disclosed separately above.

**4 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:**

	Years Ended 31 December	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Current tax:</b>		
Provision for PRC income tax for the year	514	335
<b>Deferred tax:</b>		
Origination and reversal of temporary differences	—	—
	<u>514</u>	<u>335</u>

**(b) Reconciliation between tax expense and accounting loss at applicable tax rates:**

	Years Ended 31 December	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss before taxation	<u>(839,999)</u>	<u>(1,045,342)</u>
Notional tax on loss before taxation, calculated at the rates applicable to the jurisdictions concerned (i)	(205,922)	(258,007)
Effect of preferential tax rate (ii)	51,276	62,412
Effect of additional deduction on research and development expenses (iii)	(43,161)	(31,576)
Tax effect of non-deductible share-based payment expenses	30,306	29,881
Tax effect of other non-deductible expenses	983	181
Effect of deferred tax assets in respect of temporary differences and tax losses not recognised	<u>167,032</u>	<u>197,444</u>
Actual tax expense	<u>514</u>	<u>335</u>

(i) Pursuant to the Enterprise Income Tax (the “EIT”) Law of the PRC (the “EIT Law”), the Company and its subsidiaries established and operated in the PRC are liable to EIT at a rate of 25% unless otherwise specified.

The Company’s subsidiary Innoscience Korea Inc. incorporated in South Korea is liable to South Korea Profits tax at progressive tax rates from 9% to 24% of annual taxable profits. The Company’s subsidiary Innoscience America Inc. incorporated in the United States is liable to the federal corporate tax at a rate of 21% and the state income tax at a rate from 8% to 8.87%. The Company’s subsidiary Innoscience Europe NV incorporated in Belgium is liable to the Belgium Profits tax at a rate of 25%.

(ii) According to the EIT Law and its relevant regulations, entities that qualified as high-technology enterprise are entitled to a preferential income tax rate of 15%. The Company’s subsidiaries Innoscience (Zhuhai) Technology Co., Ltd. and Innoscience (Suzhou) Semiconductor Co., Ltd. are qualified high-technology enterprise and are subject to income tax rate at 15% in 2025.

(iii) Under the PRC EIT Law and its relevant regulations, 100% additional tax deduction is allowed for qualified research and development costs in the year.

## 5 LOSS PER SHARE

### (a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of RMB840,513,000 (2024: RMB1,045,667,000) and the weighted average of 881,025,000 ordinary shares (2024: 819,216,000 shares) in issue or deemed to be in issue during the year, calculated as follows:

Weighted average number of ordinary shares:

	Years Ended 31 December	
	2025 '000	2024 '000
Ordinary shares in issue/deemed to be in issue at 1 January	879,152	800,711
Effect of ordinary shares issued under capital injection from shareholders	–	24,395
Effect of ordinary shares issued under initial public offering (Note 10(b))	–	124
Effect of issuance of new ordinary shares (Note 10(b))	11,600	–
Effect of shares repurchased (Note 10(b))	(79)	–
Effect of unvested restricted share units	(9,648)	(6,014)
	<u>881,025</u>	<u>819,216</u>
Weighted average number of ordinary shares at 31 December	<u>881,025</u>	<u>819,216</u>

### (b) Diluted loss per share

For the year ended 31 December 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 years.

## 6 PROPERTY, PLANT AND EQUIPMENT

	Plant and Buildings RMB'000	Equipment and machinery RMB'000	Office equipment and furniture RMB'000	Vehicles RMB'000	Construction in progress RMB'000	Leasehold improvements RMB'000	Total RMB'000
<b>Cost:</b>							
1 January 2024	1,682,370	2,041,132	76,230	4,009	330,520	42,580	4,176,841
Additions	8,875	742	242	265	98,586	3,733	112,443
Transfer	259,821	66,035	7,484	–	(320,688)	(12,652)	–
Disposals	(16,633)	(15,667)	(199)	–	–	–	(32,499)
Exchange adjustments	–	(154)	(7)	–	–	(53)	(214)
At 31 December 2024 and 1 January 2025	1,934,433	2,092,088	83,750	4,274	108,418	33,608	4,256,571
Additions	–	7,777	78	657	62,979	123	71,614
Transfer	6,115	59,972	3,434	–	(69,521)	–	–
Disposals	–	(43,684)	(11)	(1,552)	–	–	(45,247)
Exchange adjustments	–	(63)	(81)	–	–	(2)	(146)
At 31 December 2025	1,940,548	2,116,090	87,170	3,379	101,876	33,729	4,282,792
<b>Accumulated depreciation:</b>							
At 1 January 2024	(246,452)	(809,800)	(34,156)	(2,754)	–	(22,274)	(1,115,436)
Charge for the year	(88,926)	(330,096)	(13,269)	(484)	–	7,261	(425,514)
Written back on disposals	13,818	12,210	170	–	–	–	26,198
Exchange adjustments	–	54	8	–	–	6	68
At 31 December 2024 and 1 January 2025	(321,560)	(1,127,632)	(47,247)	(3,238)	–	(15,007)	(1,514,684)
Charge for the year	(92,785)	(309,793)	(13,607)	(414)	–	(7,971)	(424,570)
Written back on disposals	–	27,234	11	1,247	–	–	28,492
Exchange adjustments	–	1	7	–	–	–	8
At 31 December 2025	(414,345)	(1,410,190)	(60,836)	(2,405)	–	(22,978)	(1,910,754)
<b>Net book value:</b>							
At 31 December 2025	<u>1,526,203</u>	<u>705,900</u>	<u>26,334</u>	<u>974</u>	<u>101,876</u>	<u>10,751</u>	<u>2,372,038</u>
At 31 December 2024	<u>1,612,873</u>	<u>964,456</u>	<u>36,503</u>	<u>1,036</u>	<u>108,418</u>	<u>18,601</u>	<u>2,741,887</u>

Property, plant and equipment with net book value of RMB1,606,837,000 was pledged as security for bank loans as at 31 December 2025 (2024: RMB1,830,085,000).

## 7 INVENTORIES

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

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Raw materials	30,817	25,766
Semi-finished products and WIP	253,838	270,128
Finished products	612,838	148,399
	<u>897,493</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:

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Carrying amount of inventories used	1,185,711	873,344
(Reversal of write-down)/write-down of inventories	(61,202)	116,150
	<u>1,124,509</u>	<u>989,494</u>

## 8 TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables, net of loss allowance	559,016	356,778
Bills receivable	17,159	476
Bills receivable, measure at FVOCI	12,918	5,065
Prepayments	56,994	76,399
VAT recoverable	106,882	36,175
Other receivables and deposits, net of loss allowance	23,268	9,495
	<u>776,237</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 of the end of each reporting period, the ageing analysis of trade receivables based on the invoice date and net of loss allowance, is as follows:

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	557,385	356,778
Over 1 year but less than 2 years	1,631	–
	<u>559,016</u>	<u>356,778</u>

## 9 TRADE AND OTHER PAYABLES

	<b>As at 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Trade payables	<b>176,544</b>	122,248
Accrued payroll	<b>89,145</b>	74,917
Tax payable	<b>22,590</b>	20,601
Payables for property, plant and equipment	<b>63,929</b>	93,121
Contract liabilities	<b>19,038</b>	16,871
Other payables	<b>101,185</b>	134,643
	<hr/>	<hr/>
Trade and other payables	<b>472,431</b>	462,401
	<hr/> <hr/>	<hr/> <hr/>

- (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 of the end of each reporting period, the ageing analysis of trade payables (which are included in trade and other payables), based on the invoice date, is as follows:

	<b>As at 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Within 3 months	<b>172,665</b>	117,056
After 3 months but within 6 months	<b>1,034</b>	362
After 6 months but within 12 months	<b>136</b>	2,688
After 12 months	<b>2,709</b>	2,142
	<hr/>	<hr/>
	<b>176,544</b>	122,248
	<hr/> <hr/>	<hr/> <hr/>

## 10 CAPITAL, RESERVES AND DIVIDENDS

### (a) Dividends

No dividends were paid or declared by the Company or any of its subsidiaries during the year.

### (b) Share capital

Issued and fully paid:

	2025		2024	
	Numbers of ordinary shares '000	Share capital RMB'000	Numbers of ordinary shares '000	Share capital RMB'000
<b>Issued and fully paid</b>				
<b>At 1 January</b>	<b>879,152</b>	<b>879,152</b>	800,711	800,711
Issue of ordinary shares by initial public offering, net of issuance costs (i)	–	–	45,364	45,364
Capital injection from shareholders	–	–	33,077	33,077
Issue of ordinary shares by over-allotment option, net of issuance costs (ii)	<b>1,664</b>	<b>1,664</b>	–	–
Placing of new H shares under general mandate, net of issuance costs (iii)	<b>34,284</b>	<b>34,284</b>	–	–
<b>At 31 December</b>	<b>915,100</b>	<b>915,100</b>	<b>879,152</b>	<b>879,152</b>

- (i) On 30 December 2024, the Company issued 45,364,000 H shares with par value of RMB1 each at a price of HK\$30.86 per share by initial public offering. The proceeds of RMB45,364,000, representing the par value, were credited to the Company's share capital. The remaining proceeds of RMB1,201,514,000 (net of issuance costs) was recognized in share premium.
- (ii) On 22 January 2025, the Company issued 1,664,000 H shares with par value of RMB1.00 each at a price of HK\$30.86 per share pursuant to the IPO over-allotment option. The proceeds of RMB1,664,000, representing the par value, were credited to the Company's share capital. The remaining proceeds of RMB43,902,000 (net of issuance costs) was recognised in share premium.
- (iii) On 22 July 2025, the Company issued 13,584,000 H Shares with a par value of RMB1.00 each at an issue price of HK\$40.50 per Share by way of placing of new H shares. An amount of RMB13,584,000, representing the aggregate par value of such H Shares, was credited to the Company's share capital. The remaining net proceeds of RMB481,323,000 (after deducting issuance expenses) was credited to the Company's share premium.

On 10 October 2025, the Company issued 20,700,000 H Shares with a par value of RMB1.00 each at an issue price of HK\$75.58 per Share by way of placing of new H shares. An amount of RMB20,700,000, representing the aggregate par value of such H Shares, was credited to the Company's share capital. The remaining net proceeds of RMB1,393,133,000 (after deducting issuance expenses) was credited to the Company's share premium.

(iv) Shares held for Share Award Scheme

	<b>Number of shares</b>	<b>2025 Amount HK\$'000</b>	<b>Amount RMB'000</b>
Shares held for Share Award Scheme	<u>596,300</u>	<u>42,941</u>	<u>39,351</u>

These shares of the Company were acquired and held by the Trustee of Share Award Scheme for the purpose of granting shares under the Share Award Scheme adopted by the Company. Total amount of HK\$37,417,000 (2024: Nil) was paid to the Trustee, with a balance of unutilized cash of RMB591,000 as restricted cash as at 31 December 2025 (2024: Nil).

## **11 CONTINGENT LIABILITIES**

As at 31 December 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. 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 31 December 2025.

As at 31 December 2025, except for the aforementioned contingencies associated with those legal dispute cases, the Group did not have any material contingent liabilities.

## **Purchase, Sale or Redemption of Listed Securities of the Company**

Reference is made to the Company's announcements dated November 5, 2025, November 21, 2025, and January 22, 2026, regarding the purchase of the Company's H shares from the secondary market by the trustee of the Company under the 2025 Share Award Scheme. On November 5, 2025, the trustee of the 2025 Share Award Scheme, pursuant to the terms and conditions of the 2025 Share Award Scheme, purchased a total of 239,000 H shares of the Company from the market at an aggregate consideration of approximately HK\$17,271,717.4, representing approximately 0.0261% of the total number of shares then in issue; from November 10, 2025 to November 21, 2025, the trustee purchased a total of 357,300 H shares from the market for approximately HK\$25,662,677.9, representing approximately 0.0390% of the total number of shares then in issue; on January 21, 2026, the trustee further purchased a total of 1,260,000 H shares of the Company from the market at approximately HK\$79,525,152, representing approximately 0.1377% of the total number of shares then in issue. The trustee holds these shares on trust. For the avoidance of doubt, the Company has not itself purchased, sold or redeemed any of its H shares.

Save as disclosed above, during the Reporting Period and as of the date of this announcement, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company (including sale or transfer of treasury shares). As of December 31, 2025, the Company or its subsidiaries did not hold any treasury shares.

## **Final Dividend**

The Board has resolved not to recommend the payment of a final dividend for the year ended December 31, 2025.

## **Annual General Meeting**

The Company will inform the shareholders of the Company (the “**Shareholders**”) at a later date about the date of the forthcoming annual general meeting and the corresponding arrangement for the closure of register of members.

## **Compliance with the 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 code provisions as set out in the Corporate Governance Code (the “**Corporate Governance Code**”) in Appendix C1 to the Listing Rules, which sets out the principles of good corporate governance. To the best knowledge of the directors, during the Reporting Period, the Company had complied with all applicable Code Provisions set out in Part 2 of the Corporate Governance Code.

The Board will continue to review and monitor the Company’s corporate governance practices to ensure that the Company complies with the Corporate Governance Code and maintains 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 (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by Directors. Having made specific enquiries by the Company, the Directors have confirmed they have complied with the Model Code during the Reporting Period.

## 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 of Hong Kong Limited (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 (for details, please refer to the over-allotment announcement of the Company dated January 22, 2025) (the “**Net Proceeds**”) amounted to approximately HK\$1,351.96 million. The Net Proceeds will be utilized in accordance with the plans disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus, namely:

Item	Percentage	Allocation of Net Proceeds (HK\$ million)	Unutilized proceeds as of December 31, 2024 (HK\$ million)	Utilized proceeds during the Reporting Period (HK\$ million)	Unutilized proceeds as of December 31, 2025 (HK\$ million)	Expected timetable for the full utilization 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	781.48	240.47	570.71	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 center	20.0%	270.39	260.49	60.08	210.31	By the end of 2029
Expand the global distribution network of our GaN products	10.0%	135.20	130.25	24.75	110.45	By the end of 2029
Working capital and other general corporate purposes	10.0%	135.19	135.19	135.19	0.00	By the end of 2029
<b>Total</b>	<b>100%</b>	<b>1,351.96</b>	<b>1,307.41</b>	<b>460.49</b>	<b>891.47</b>	

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 gradually 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.

## Use of Proceeds from the First Placing of H Shares

On July 22, 2025 (before trading hours of the Stock Exchange), the Company entered into a placing agreement (the “**First H Share Placing Agreement**”) with CLSA Limited and Haitong International Securities Company Limited (collectively, the “**First H Share Placing Agents**”), pursuant to which the First H Share Placing Agents conditionally and severally (but not jointly nor jointly and severally) agreed, as agents of the Company, to use their best efforts to procure not less than six places to purchase 13,584,000 new H shares (the “**First H Share Placing**”) subject to the terms and conditions set out in the First H Share Placing Agreement, at the closing price of HK\$44.45 per H Share as quoted on the Stock Exchange on the last trading day (i.e., July 21, 2025) and the date for determining the placing price. On July 28, 2025, the First H Share Placing was completed. A total of 13,584,000 new H shares were successfully placed to not less than six places at the placing price of HK\$40.50 per H share, on the terms and subject to the conditions set out in the First H Share Placing Agreement.

The total nominal value of the new H shares issued under the First H Share Placing was HK\$550.152 million. After deducting commissions and estimated expenses, the net proceeds from the First H Share Placing amounted to approximately HK\$543.55 million, and the net issue price will be approximately HK\$40.01 per placing share, which will be applied by the Company in accordance with the proposed uses set out in the First H Share Placing announcement. During the Reporting Period, the proposed uses and actual utilization of the net proceeds from the First H Share Placing are set out below:

Intended use of net proceeds from the First H Share Placing	Allocation of net proceeds from the First H Share Placing (HK\$ million)	Approximate percentage of total net proceeds from the First H Share Placing	Utilized proceeds during the Reporting Period (HK\$ million)	Unutilized proceeds as of December 31, 2025 (HK\$ million)	Expected timetable for the full utilization of unutilized proceeds
(1) Support the Group’s product upgrade and iteration, expand technological R&D for new product applications to enhance product competitiveness, and increase the penetration rate of GaN products in end markets	271.78	50%	71.96	199.82	On or before December 31, 2028
(2) Repayment of existing interest-bearing bank liabilities	135.89	25%	135.89	0.00	On or before December 31, 2026
(3) Supplementing working capital and general corporate purposes	135.89	25%	135.89	0.00	On or before December 31, 2025
<b>Total</b>	<b>543.55</b>	<b>100%</b>	<b>343.73</b>	<b>199.82</b>	

*Note:* Amounts have been rounded to the nearest two decimal places. Any discrepancies between the total shown and the sum of the amounts listed in the table are due to rounding.

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

### Use of Proceeds from the Second Placing of H Shares

On October 10, 2025 (before trading hours of the Stock Exchange), the Company entered into a placing agreement (the “**Second H Share Placing Agreement**”) with CLSA Limited and Haitong International Securities Company Limited (collectively, the “**Second H Share Placing Agents**”), pursuant to which the Second H Share Placing Agents conditionally and severally (but not jointly nor jointly and severally) agreed, as agents of the Company, to use their best efforts to procure not less than six placees to purchase 20,700,000 new H shares (the “**Second H Share Placing**”) subject to the terms and conditions set out in the Second H Share Placing Agreement, at the closing price of HK\$82.05 per H share as quoted on the Stock Exchange on the last trading day (i.e., October 9, 2025) and the date for determining the placing price. On October 17, 2025, the Second H Share Placing was completed. A total of 20,700,000 new H shares were successfully placed to not less than six placees at the placing price of HK\$75.58 per H share, on the terms and subject to the conditions set out in the Second H Share Placing Agreement.

The total nominal value of the new H shares issued under the Second H Share Placing was HK\$1,564.506 million. After deducting commissions and estimated expenses, the net proceeds from the Second H Share Placing amounted to approximately HK\$1,550.425 million, and the net issue price will be approximately HK\$74.90 per placing share, which will be applied by the Company in accordance with the proposed uses set out in the Second H Share Placing announcement. During the Reporting Period, the proposed uses and actual utilization of the net proceeds from the Second H Share Placing are set out below:

Intended use of net proceeds from the Second H Share Placing	Allocation of net proceeds from the Second H Share Placing (HK\$ million)	Approximate percentage of total net proceeds from the Second H Share Placing	Utilized proceeds during the Reporting Period (HK\$ million)	Unutilized proceeds as of December 31, 2025 (HK\$ million)	Expected timetable for the full utilization of unutilized proceeds
(1) Capacity expansion	482.26	31%	0.00	482.26	On or before December 31, 2028
(2) Repayment of interest-bearing liabilities	376.24	24%	88.42	287.82	On or before December 31, 2028
(3) Working capital and general corporate purposes	691.93	45%	234.37	457.56	On or before December 31, 2028
<i>a. Salaries, social insurance, housing provident funds and other human resources expenses</i>	202.15	13%	54.21	147.94	On or before December 31, 2028
<i>b. Payments to suppliers and service providers</i>	289.78	19%	180.15	109.63	On or before December 31, 2028

Intended use of net proceeds from the Second H Share Placing	Allocation of net proceeds from the Second H Share Placing (HK\$ million)	Approximate percentage of total net proceeds from the Second H Share Placing	Utilized proceeds during the Reporting Period (HK\$ million)	Unutilized proceeds as of December 31, 2025 (HK\$ million)	Expected timetable for the full utilization of unutilized proceeds
c. <i>Potential onshore and offshore investments</i>	200.00	13%	0.00	200.00	On or before December 31, 2026
<b>Total</b>	<b><u>1,550.43</u></b>	<b><u>100%</u></b>	<b><u>322.78</u></b>	<b><u>1,227.64</u></b>	

*Note:* Amounts have been rounded to the nearest two decimal places. Any discrepancies between the total shown and the sum of the amounts listed in the table are due to rounding.

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

## EVENTS AFTER THE REPORTING PERIOD

From December 31, 2025 and up 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, the Group had no other material event after the Reporting Period from December 31, 2025 and up to the date of this announcement.

## REVIEW OF ANNUAL 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 audited annual results of the Group for the year ended December 31, 2025, and confirmed that it has complied with all applicable accounting principles, standards and requirements and that adequate disclosures have been made.

## SCOPE OF WORK OF KPMG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary results announcement.

## PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

The annual results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.innoscience.com](http://www.innoscience.com)). The annual report of the Company for the year ended December 31, 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.**  
**Dr. Weiwei Luo**  
*Chairperson of the Board and Executive Director*

PRC, March 27, 2026

*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.*