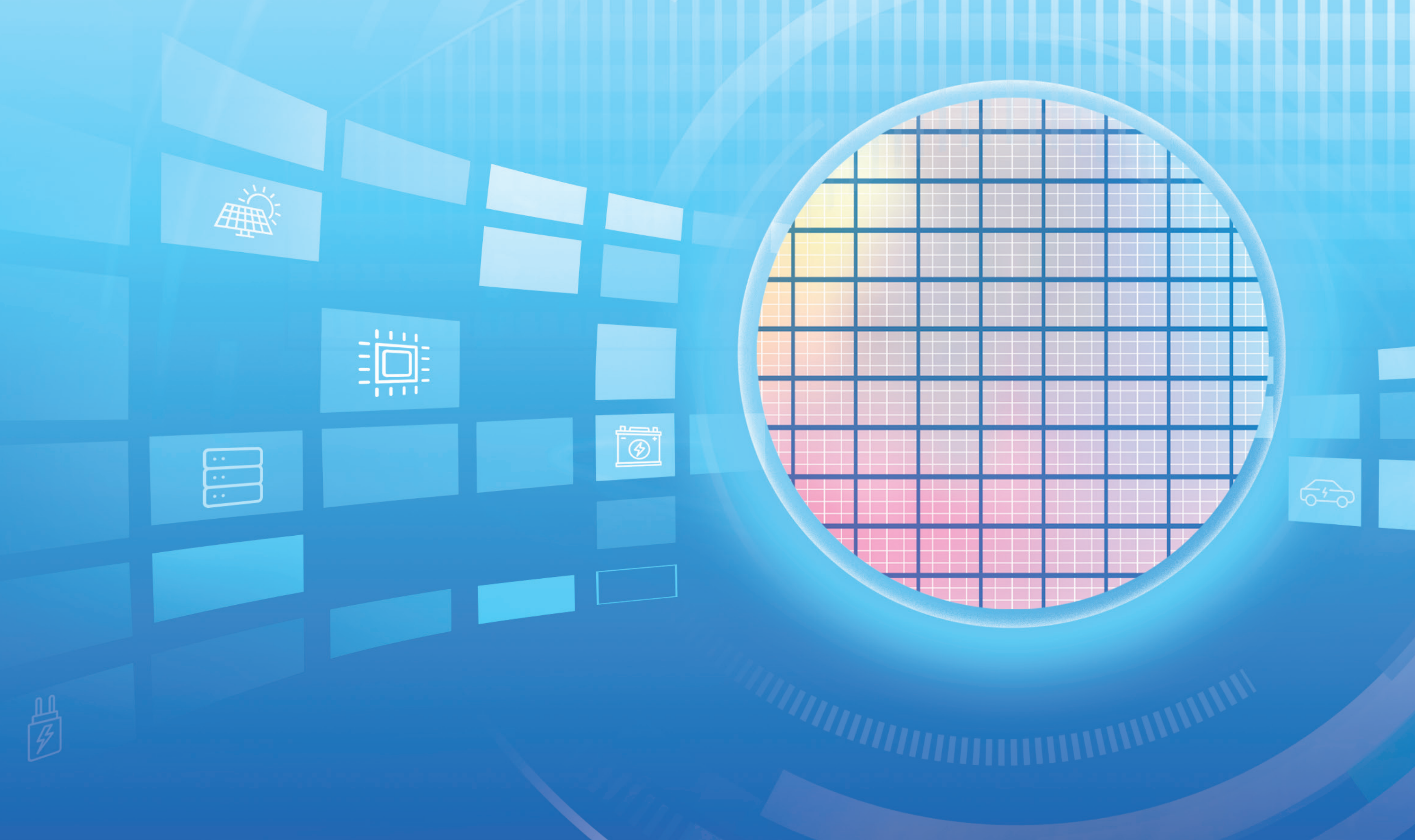
Innoscience
英诺赛科

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

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

Stock Code: 2577

2026
INTERIM REPORT



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DEFINITIONS

In this interim report, unless the context otherwise requires, the following terms shall have the meanings set out below:

"Articles of Association" or "Articles"	the articles of association of the Company, as amended, supplemented or otherwise modified from time to time
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board of the Company
"Board"	the board of Directors of the Company
"Board committees"	the Board committees of the Company, namely the Audit Committee, the Remuneration Committee and the Nomination Committee
"PRC" or "China"	the People's Republic of China, but for the purpose of this interim report and for geographical reference only, excluding Hong Kong, Macau Special Administrative Region and Taiwan, China
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company"	InnoScience (Suzhou) Technology Holding Co., Ltd. (英諾賽科(蘇州)科技股份有限公司), a limited liability company established under the laws of the PRC on July 21, 2017 and converted into a joint stock limited liability company in the PRC on September 27, 2023, the H Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2577)
"Controlling Shareholders"	has the meaning ascribed thereto under the Listing Rules, and unless the context otherwise requires, refers to Dr. Luo, Inno Holding, Innocore, Inno HK, Inno Youpeng and Xinsheng Dapeng
"Corporate Governance Code"	the Corporate Governance Code contained in Appendix C1 to the Listing Rules, as amended, supplemented or otherwise modified from time to time
"Director(s)"	director(s) of the Company
"Domestic Unlisted Shares"	ordinary shares in the share capital of our Company with a nominal value of RMB1.00 each, which are not listed on any stock exchange

DEFINITIONS

"Global Offering"	has the meaning ascribed thereto under the Prospectus
"Group" or "we" or "us"	the Company, its subsidiaries and consolidated affiliated entities from time to time
"H Share(s)"	overseas-listed foreign ordinary share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which is/are listed on the Stock Exchange and traded in HK dollars
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Latest Practicable Date"	September 15, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this interim report prior to its publication
"Listing Date"	the date on which the H Shares of the Company are listed on the Main Board of the Stock Exchange, namely, December 30, 2024
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented and otherwise modified from time to time
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules, as amended, supplemented and otherwise modified from time to time
"Prospectus"	the prospectus of the Company dated December 18, 2024
"Reporting Period"	the six months ended 30 June 2026
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each

DEFINITIONS

"Shareholder(s)"	holder(s) of the Shares
"subsidiary(ies)"	has the meaning ascribed thereto in section 15 of the Companies Ordinance
"substantial Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Treasury Shares"	has the meaning ascribed thereto under the Listing Rules
"Mr. Son"	Mr. Jay Hyung Son, an executive Director of the Company
"Dr. Luo"	Dr. Weiwei Luo, the founder, chairperson of the Board, executive Director of the Company, and a member of the Controlling Shareholders Group
"Xinsheng Dapeng"	Suzhou Wujiang District Xinsheng Dapeng Equity Investment Partnership (Limited Partnership) (蘇州市吳江區芯生大鵬股權投資合夥企業(有限合夥)), a member of the Controlling Shareholders Group, our employee shareholding platform, a limited partnership established under the laws of the PRC with Dr. Luo as its general partner
"Innocore"	Suzhou Innocore Enterprise Management Center L.P. (蘇州英諾芯企業管理中心(有限合夥)), a member of the Controlling Shareholders Group, the Company's employee shareholding platform, and a limited liability partnership established in the PRC with Dr. Luo as its ultimate general partner
"Inno HK"	Inno Investment (Hong Kong) Limited, a member of the Controlling Shareholders Group, the Company's employee shareholding platform, and a company incorporated in Hong Kong with limited liability
"Inno Holding"	InnoScience Holding Pte. Ltd., a member of the Controlling Shareholders Group, and an exempt private company limited by shares incorporated in Singapore, held by Dr. Luo and Mr. Son as to 55.38% and 44.62%, respectively
"Inno Shenzhen"	InnoScience (Shenzhen) Semiconductor Technology Co., Ltd. (英諾賽科(深圳)半導體有限公司), a limited liability company established in the PRC on November 9, 2020 and a wholly-owned subsidiary of the Company

DEFINITIONS

"Inno Suzhou"	InnoScience (Suzhou) Semiconductor Technology Co., Ltd. (英諾賽科(蘇州)半導體有限公司), a limited liability company established in the PRC on October 23, 2017 and a wholly-owned subsidiary of the Company
"Inno Youpeng"	Shanghai Inno Youpeng Enterprise Consulting L.P. (上海英諾優朋企業諮詢合夥企業(有限合夥)), a member of the Controlling Shareholders Group and a limited partnership established in the PRC with Dr. Luo as its ultimate general partner
"Inno Zhuhai"	InnoScience (Zhuhai) Technology Co., Ltd. (英諾賽科(珠海)科技有限公司), a limited liability company established in the PRC on December 17, 2015 and a wholly-owned subsidiary of the Company
"%"	percent

CORPORATE INFORMATION

COMPANY NAME

Chinese Name

英諾賽科(蘇州)科技股份有限公司

English Name

InnoScience (Suzhou) Technology Holding Co., Ltd.

DIRECTORS

Executive Directors

Dr. Weiwei Luo *(Chairperson of the Board)*
Mr. Jay Hyung Son
Dr. Wu Jingang *(Chief executive officer)*
Mr. Zhong Shan

Non-executive Directors

Dr. Wang Can
Ms. Zhang Yanhong
Ms. Cui Mizi

Independent non-executive Directors

Mr. Wong Hin Wing, MH, JP
Dr. Yi Jiming
Dr. Yang, Simon Shi-Ning
Dr. Chan, Philip Ching Ho

AUDIT COMMITTEE

Mr. Wong Hin Wing, MH, JP *(Chairperson)*
Dr. Yi Jiming
Dr. Chan, Philip Ching Ho

REMUNERATION COMMITTEE

Dr. Yang, Simon Shi-Ning *(Chairperson)*
Dr. Weiwei Luo
Dr. Chan, Philip Ching Ho

JOINT COMPANY SECRETARIES

Mr. Yu Xiaotong
Mr. Chung Ming Fai

AUTHORIZED REPRESENTATIVES

Dr. Weiwei Luo
Mr. Chung Ming Fai

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 98 Xinli Road
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Jiangsu Province, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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248 Queen's Road East
Wanchai, Hong Kong

H SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

CORPORATE INFORMATION

NOMINATION COMMITTEE

Dr. Weiwei Luo *(Chairperson)*
Dr. Yi Jiming
Dr. Yang, Simon Shi-Ning

COMPANY'S WEBSITE

https://www.innoscience.com

INDEPENDENT AUDITORS

KPMG
Certified Public Accountants
Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
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LEGAL ADVISORS TO THE COMPANY

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Central
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As to PRC Law:
CM Law Firm
Room 2805, Plaza 66 Tower 2
1366 West Nanjing Road
Shanghai
PRC

STOCK CODE

2577

PRINCIPAL BANKS

China Merchants Bank, Suzhou Wujiang branch
No. 920, Gaoxin Road
Wujiang District, Suzhou
Jiangsu Province, PRC

China Merchants Bank, Zhuhai Information Port branch
No. 88, Xiangshan Road
Tangjiawan Town
Gaoxin District, Zhuhai
Guangdong Province, PRC

Bank of China, Suzhou Luxu branch
No. 79, Luxupu North Road
Lili Town
Wujiang District, Suzhou
Jiangsu Province, PRC

2026 INTERIM FINANCIAL AND BUSINESS HIGHLIGHTS

1) Sustained Rapid Revenue Growth (+50.6%), Rising Gross Profit Margin (11.6%), and Positive Net Operating Cash Flow

- During the Reporting Period, the Group achieved sustained rapid revenue growth, with sales revenue of RMB833.62 million, representing a year-on-year increase of 50.6%;

- During the Reporting Period, the Group recorded gross profit of RMB97.08 million, up by 156.50% year-on-year, with gross profit margin rising steadily to 11.6%. The improvement in gross profit margin was mainly attributable to a higher proportion of high-margin products and cost reduction driven by production scale effects of the Company;

- During the Reporting Period, the Group achieved a milestone of turning positive in net operating cash flow, marking a substantial further improvement in the Company's industrial scale and profitability;

- During the Reporting Period, the Group recorded total shipments of 547 million chips, with cumulative shipments over the years exceeding 2.5 billion chips, firmly maintaining its position as a leading player in the GaN industry.

Item	24H1	25H1	26H1
Revenue (RMB'000)	385,811	553,354	**833,616**
Gross profit (RMB'000)	-83,240	37,848	**97,082**
Gross profit margin	-21.60%	6.80%	**11.60%**

2) Continuous Optimisation of Product Mix, Accelerated Growth in Proportion of High-value Products, and Notable Improvement in GaN Revenue Quality

During the Reporting Period, the Group's product mix shifted from volume-focused strength in consumer electronics to a new growth phase driven by high-value markets such as AI data centers, industrial and energy storage, and new energy vehicles. During the Reporting Period, the Company generated revenue of RMB532.27 million from the aforementioned high-end application sectors, rising by 70% as compared with the same period last year and outpacing growth in the consumer market. Key highlights are set out below:

- Strong growth in shipments for high-value markets: During the Reporting Period, shipments of the Group's chips for AI and data center applications surged by 183% year-on-year; automotive-grade chip shipments grew by 103% year-on-year; chip shipments for humanoid robot applications rose by 50% year-on-year;

- Further breakthrough and steady growth in energy storage and industrial sectors: During the Reporting Period, the Group's business recorded steady growth in energy storage and industrial sectors, with sales up by 83% year-on-year. The first low-voltage bidirectional VGaN BMS solution in the industry achieved mass production at leading energy storage customers and generated sales revenue of RMB11.06 million, signifying the full penetration of GaN into the battery management system (BMS) business;

- Motor drive sector: Breakthroughs were achieved in low-voltage motor drive business, a sector poised to lead future transformation, with revenue reaching RMB7 million, up by 685% year-on-year;

- White goods sector: During the Reporting Period, the Company's products for air conditioners, refrigerators and other home appliances entered mass production, with revenue jumping by 924% year-on-year, as the white goods business embarked on volume ramp-up and expansion.

3) Accelerated New Product Introduction and Explosive Growth in Strategic Emerging Markets, Laying Foundations for Future Explosive Growth Momentum

- During the Reporting Period, the Company secured 747 new customer design-ins targeting key markets including AI, data centers, new energy vehicles and humanoid robots, achieving full coverage of strategic emerging markets;

- During the Reporting Period, shipments of the Group's chips for AI and data center applications rose by 183% year-on-year, making it one of the fastest-growing strategic pillars during the Company's product mix upgrade;

- Full value chain coverage of data center power supply was realised. Compared with traditional consumer electronics applications, the Company is evolving from a discrete power device supplier to a core power supplier of high-power, high-integration and high-reliability computing power supplies.

- 800V HVDC: The Company has deeply participated in the development of the global 800V HVDC technology ecosystem and completed the development and introduction of a series of chip products including 5.5kW AC-DC, 800V HVDC, 48V/12V and 6V/1V solutions

  ✓ Over 100 high-voltage chip products for 800V HVDC and 100V medium-voltage chip products for 48V/12V applications have secured design-ins from more than 20 leading global CSP vendors;

  ✓ Some of the above chips have commenced mass production and delivery to multiple leading global enterprises, with shipments rising by 183% year-on-year;

  ✓ DrGaN products for 6V/1V GPU power supply in 800V HVDC scenarios have been successfully launched and sample testing completed at leading customers.

- New energy vehicles: In the high-value automotive-grade market, scale advantages in consumer electronics are extending to core automotive systems

  ✓ During the Reporting Period, the Group's high-voltage automotive-grade product platform obtained formal certification and rolled out mass production and shipments, with automotive-grade chip deliveries surging by 103% year-on-year, marking the gradual shift of the Company's automotive business from early peripheral applications to high-value core power supply systems;

  ✓ GaN chips tailored for the 6.6kW OBC + 3.5kW DC/DC bidirectional on-board power supply system have been successfully launched, mass-produced and deployed in vehicles;

  ✓ The Company maintains industry leadership in LiDAR applications, with cumulative shipments approaching 20 million chips. Long-term large-volume shipments and customer validation have not only built the existing business scale but also verified the reliability of the Company's GaN products under high-temperature, vibration and complex automotive environments, laying a solid foundation for further penetration into core applications such as OBC, DC/DC and intelligent driving.

- Humanoid robots: Next-stage high-growth market: Leveraging its industrial and automotive expertise, the Company has completed pre-layout for full-body GaN applications

  During the Reporting Period, the Group recorded shipments of 464,600 chips for humanoid robot applications, up by 50% year-on-year. The industry remains in the early commercialisation phase; current shipments mainly reflect customer design-ins and technological pre-positioning, and the incremental upside from end-market volume growth in the future will far exceed current revenue contribution

  ✓ Mass production and deliveries have commenced for multiple leading customers of humanoid robots and joint modules;

  ✓ GaN technology has been successfully adopted in key segments including joint drive, 48V/12V power conversion, BMS, dexterous hands and LiDAR.

4) Steady Growth in Consumer Electronics, Evolving from Primary Revenue Source to a Stable Base and Technology Scaling Platform

During the Reporting Period, the Group generated sales revenue of RMB301.40 million from consumer electronics, representing a 26% year-on-year increase and sustaining solid growth

✓ The Company maintained global leading market share in traditional core markets including fast charging, smartphones and laptops. The large-scale shipments, customer coverage, manufacturing yield and supply chain capabilities established through its mature consumer electronics business form a critical foundation for the Company to expand into markets demanding higher reliability and higher power ratings;

- ✓ With accelerated upgrades of smart terminals such as AI phones and AI PCs, GaN is expected to penetrate from traditional external adapters to internal power management of devices, unlocking structural growth opportunities within mature markets;

- ✓ In the high-end home appliance market, the Company continued to deepen cooperation with leading domestic home appliance manufacturers on white goods such as air conditioners and refrigerators, with relevant products entering mass production and revenue surging by 924% year-on-year. Smart home appliances further demonstrate the trend of the Company's products expanding from traditional consumer charging scenarios to higher-power, longer-lifecycle applications;

- ✓ Shipment volumes for emerging consumer scenarios including audio devices, e-bicycles, wireless charging and beauty devices continued to rise.

The consumer electronics business will remain a key source of scale and cash flow for the Company, yet its strategic role is transforming: it is shifting from the primary driver of revenue growth to a foundational pillar supporting manufacturing scale, technology verification and cash generation, while new growth momentum of the Company will be increasingly derived from high-value markets including industry, AI data centers, automobiles and robots.

5) Increasing R&D Investment and Comprehensive Evolution of Technology Roadmap Focusing on High Power, High Reliability and System Integration to Further Consolidate Absolute Industry Leadership

During the Reporting Period, the Company ramped up R&D investment, accelerated iterative upgrades of its Fab process platform, and expedited the development of chips, system integration and overall solutions targeting strategic and high-end applications

- R&D progress of the 4.0-generation process under development is on track. Optimisation of process layers is expected to deliver a further substantial reduction in per-wafer manufacturing costs. This upgrade will not only strengthen cost competitiveness in consumer electronics, but more importantly, deliver superior performance-to-cost advantages for industrial, AI data center and new energy vehicle markets characterised by more systematic price competition and higher performance requirements;

- High-voltage products: The Company continues to advance high-voltage high-power and automotive-grade high-voltage bidirectional GaN technologies, primarily serving high-value applications including AI data centers, new energy vehicles and industrial energy. A rising proportion of high-voltage products will drive the evolution of the Company's product mix from predominantly mid-to-low power consumer applications towards high-power core power supply scenarios;

- Low-voltage products: Targeting AI server GPU power supply, humanoid robots, automotive 48V architecture and smart terminals, the Company continues to develop 15V DrGaN and 100V/150V low-voltage GaN products to enhance high-frequency switching performance and system integration capability;

- IC products: The Company continues to strengthen R&D of GaN power ICs, advancing deep coordination and integration between power devices and driver control circuits. As products evolve from discrete devices towards encapsulated and power ICs, the product value and technological barriers of the Company within end systems are expected to further improve.

Beyond mere revenue growth, the more notable development for the Group in the first half of 2026 lies in the continuous optimisation of product and application mix. In the past, building on consumer electronics, the Company has achieved large-scale commercialisation of GaN technology and established leading strengths in manufacturing scale, cost control, customer coverage and supply chain capacity. Currently, the Company is systematically replicating these strengths across higher-value markets including industrial and energy storage, AI data centers and new energy vehicles.

Industrial and energy storage have become key contributors to revenue growth; AI data center and new energy vehicle businesses are rapidly transitioning from product verification to scaled design-in, while humanoid robots offer longer-term growth resilience. Meanwhile, consumer electronics continues to provide a stable base and cash flow support. Accordingly, the Company is forging a new business structure wherein consumer electronics underpins production scale, industrial & energy storage drives near-term incremental growth, AI data centers and automobiles unlock high-value space, and robots provide long-term growth resilience.

As the proportion of revenue from high-value applications keeps rising, the Company's future growth will be reflected not only in larger revenue scale, but also in higher per-product value, extended customer lifecycles, strengthened technological barriers and improved profitability. The Company is gradually transforming from a supplier renowned for scaled GaN deployment in consumer electronics into an integrated power semiconductor platform covering strategic markets including AI computing, automobiles, industrial energy and robots, with further room for long-term value release.

MANAGEMENT DISCUSSION AND ANALYSIS

I. Industry Trends and Company Overview

In the first half of 2026, the global power semiconductor industry accelerated its transition to third-generation semiconductors. The AI computing boom drove rapid widespread adoption of the 800V HVDC architecture in data centers. New energy vehicles exhibit clear trends toward higher intelligence and lightweight design, while humanoid robot enters a phase of large-scale expansion. Coupled with energy efficiency upgrades for home appliances and robust growth in the energy storage sector, GaN stands out for its core strengths of high frequency, high efficiency and high power density, putting its industry penetration rate onto a fast growth track.

As the world's first IDM enterprise to achieve large-scale mass production of 8-inch GaN-on-Si wafers, the Group boasts a comprehensive product portfolio covering voltage ratings from 15V to 1,200V. During the Reporting Period, the Company seized industrial opportunities by advancing process iteration and product portfolio upgrades, deepening strategic cooperation with leading customers, consolidating its dominant position in consumer electronics and accelerating penetration into high-end sectors including data centers, automotive electronics, humanoid robots, industrial and energy storage. Meanwhile, the comprehensive upgrade of its global customer service system further elevated the Company's technological edge and market share.

II. Business Review

(I) Product R&D Review

The Group focuses on two major trajectories of GaN application and development: high-power for high-voltage products and high-frequency for medium- and low-voltage products, and continually optimizes our product performance and application reliability. In the first half of 2026, the Group achieved significant breakthroughs in process platform iteration, packaging innovation and integrated development. The accelerated large-scale mass production of new products further broadened the performance boundaries of GaN products.

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

The Group continues to develop GaN products for high-power applications to realise high-efficiency and high-density conversion in data center power supplies as well as the miniaturisation and higher efficiency of industrial power supplies. Tailored for AI 800VDC applications, the newly developed 700V GaN products completed customer onboarding and commenced mass production. Products built on this platform cater to high-frequency requirements, helping AI server power supplies further improve efficiency and power density and break through cabinet power bottlenecks.

The automotive-grade high-voltage platform obtained certification and entered mass production, marking the Company's comprehensive R&D and supply capacity for full-range automotive-grade products. The Group launched an automotive-grade high-voltage encapsulated GaN-IC product, which has been successfully onboarded for mass production in EV OBCs. The high-voltage bidirectional GaN product completed development and entered the customer system verification phase, driving the upgrade of on-board power supply architectures towards monolithic single-stage high-efficiency architectures.

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

The Group focuses on the development of 100V-200V medium-voltage devices tailored for data center, automotive electronics and robotics applications. These devices are primarily used in data center DC power conversion, robot motor drives and automotive 48V systems. The Group launched a portfolio of products featuring ultra-low on-resistance to improve the power density of AIDC 800V HVDC and 48V DC systems, as well as the power density of robot joint motor drives.

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

The Group continues to launch low-voltage high-frequency products to meet the rising power requirements for motherboard power supplies across scenarios including smartphones, PCs and AI Core Power applications. The Group launched new-generation 40V/50V products for internal smartphone charging systems and 30V products for PC motherboard power supply systems. The 15V DrGaN products for 6-1V final-stage power supply of AI GPUs completed customer sampling, enabling a substantial increase in switching frequency, marked reduction in BOM component count and form factor, and significant improvement in conversion efficiency.

(II) Product Application Review

Backed by the industry's most comprehensive full-voltage product portfolio, the Group not only consolidated its leading position in the consumer electronics market, but also pioneered full-stack system solutions for global data centers, new energy vehicles and humanoid robots.

1. AI & Data Centers

Leveraging its first-mover edge in the 800V HVDC architecture, the Company achieved end-to-end GaN solutions spanning high-voltage buses to GPU terminals. 650V devices are deployed for high-voltage AC-DC and DC-DC conversion, drastically boosting power supply efficiency and power density and breaking the power bottlenecks of server racks. 100V devices serve 48V-to-12V/5V power conversion, delivering dual improvements in power density and conversion efficiency. Currently, products entered large-scale delivery to multiple top-tier server and power supply manufacturers. Moving forward, shipment volumes will sustain rapid growth as the penetration rate of high-voltage DC architectures continues to climb.

2. **New Energy Vehicles**

Automotive-grade products officially entered mass vehicle deployment. In the on-board power sector, 650V GaN solutions are adopted for OBC and DC-DC systems. Our self-developed automotive-grade encapsulated products were successfully applied in integrated bidirectional 6.6kW OBC + 3.5kW DC/DC systems, enabling the Group to gain access to the core supply chains of domestic new energy vehicles. High-voltage bidirectional GaN products facilitate the upgrade of on-board power supplies to single-stage high-efficiency architectures. In the intelligent driving sector, shipments of LiDAR devices recorded steady growth, covering mainstream intelligent driving vehicle models. Mass production was sequentially rolled out for application scenarios such as automotive LED headlamps, 48V power supplies and cabin charging systems, while validation of main drive inverters is progressing as scheduled.

3. **Humanoid Robots**

The Company's medium- and low-voltage GaN solutions have become the mainstream technical route for robot joint actuators. 100V/150V devices and encapsulated products are widely integrated into joint motors, dexterous hands and servo power core modules. Compared with traditional silicon MOS solutions, such GaN products cut power losses and temperature rises, support ultra-high-frequency control, and improve robot response precision and endurance. During the Reporting Period, the Company deepened collaboration with multiple top-tier humanoid robot manufacturers and commenced large-scale deliveries, further solidifying its industry-leading position.

4. **Consumer Electronics**

The Group holds a globally leading market share in traditional 3C sectors including fast chargers, smartphones and laptops, consistently supporting the product iteration cycles of top-tier customers. Significant progress was made in the home appliance sector. We deepened strategic cooperation with leading domestic home appliance enterprises including Midea and Haier. Full product lines for air conditioners, refrigerators, washing machines and kitchen appliances were sequentially ramped up to mass production, enabling home appliances to achieve energy conservation, noise reduction and miniaturisation. Revenue from the emerging consumer applications including smart audio devices, electric bikes and wireless charging grew rapidly with the continuous expansion of our application scope.

5. Renewable Energy and Industrial Applications

The energy storage and industrial sector becomes a core growth driver. The VGaN BMS solution entered mass production at our top-tier customers by virtue of compact form factors and low power loss. 650V devices are widely adopted in residential and portable energy storage systems. 1,200V high-voltage devices realised volume ramp-up in commercial and industrial energy storage as well as battery formation and grading equipment, emerging as the preferred solution for top-tier customers in this sector. In the photovoltaic sector, micro-inverter and bidirectional DC-DC solutions were launched successively. On the industrial side, landmark solutions including the 900W Buck-Boost solution are accelerating the substitution of silicon-based devices across industrial power supplies, servo drives and maglev flexible conveying platforms.

(III) Iteration of Process Technology Platforms

During the Reporting Period, the Company achieved phased milestones in the iteration of its process platforms, further broadening its technological moat.

The R&D work on the 4.0-generation high- and low-voltage technology platform is advancing smoothly, with comprehensive optimisations targeting switching speed, on-resistance and manufacturing costs proceeding in line with schedules. Once mass-produced, this platform will further widen the Company's technological lead over industry competitors and facilitate deep penetration into a broader range of high-end application sectors.

In parallel, specialised device platforms for automotive-grade products, bidirectional conduction and encapsulated ICs continue to mature and iterate, catering to customised demands across niche applications, raising product added value and deepening customer collaboration.

(IV) Production and Supply Chain Management

Drawing on its two production bases in Suzhou and Zhuhai, the Company continues to unlock the full end-to-end strengths of its IDM model. The Company maintained high-capacity utilisation, with overall production yield sustained above 95%, outperforming industry peers and enabling stable deliveries to downstream customers.

On the production side, continuous process optimisation and equipment upgrades aim to reduce material loss ratios and lift energy utilisation efficiency. Coupled with iterative upgrades to process platforms, manufacturing costs may decline further. From a supply chain perspective, the Company operates a mature supplier governance system and a sound supply chain security system. It maintains long-term, stable partnerships with core suppliers. Meanwhile, the Company keeps advancing validation and introduction of domestically produced materials and equipment to substantially lower procurement costs and strengthen the supply chain's self-reliance, autonomy and operational stability.

MANAGEMENT DISCUSSION AND ANALYSIS

(V) Sales and Marketing

Adopting a "direct sales + distribution" dual-drive model, the Company has established targeted sector-specific and tiered service mechanisms. Centered on high-growth applications, it delivers customised solution packages to both top industry players and small and medium-sized customers. During the Reporting Period, the Group onboarded a total of 747 new customer projects, including 17 new direct sales customers and 2 authorised distributors, seeing stable improvement in customer base and retention performance.

The Company has built an experienced and specialised service team. Drawing on its mature GaN technology reserves, the Company provides end-to-end services covering product selection, technical support, technical troubleshooting and after-sales assurance, alongside a fast-response mechanism for technical issues. Dedicated service teams are assigned to core strategic customers to coordinate project implementation, and track orders, delivery schedules and material progress for efficient collaboration. They can swiftly respond to customers' customisation demands and mobilise internal cross-functional resources to deliver targeted solutions, fully showcasing our professional service capacity and commitment to partnership.

(VI) Business Outlook

1. Synchronised Capacity Expansion and Technology Upgrade to Reinforce IDM Manufacturing Advantages

The Group will press ahead with construction and ramp-up of 8-inch silicon-based GaN wafer production capacity, optimising capacity allocation and enhancing large-scale manufacturing capabilities in response to shifting market demand to amplify the comprehensive IDM edge in supply assurance, cost control and product iteration.

Concurrently, the Company will accelerate upgrades to advanced process platforms. Through continuous process optimisation, yield enhancement and production efficiency improvement, the Company will lower unit manufacturing costs steadily while upgrading product performance and strengthening overall market competitiveness.

Over the long term, the Company will continuously improve its full-process technical capabilities spanning epitaxial materials, wafer manufacturing and packaging & testing, strengthen supply chain collaboration and self-sufficiency in critical processes, further consolidating its position as a world-leading GaN manufacturing platform.

2. Focus on High-Value Application Scenarios to Upgrade Product Portfolio and Solutions

The Group will focus on core growth sectors including AI computing power, new energy vehicles, industrial energy, embodied intelligence and consumer electronics, accelerate product commercialisation and drive the evolution of GaN offerings from discrete devices to system solutions.

3. Accelerate Global Footprint Expansion and Deepen Strategic Customer Collaboration

With continuous efforts, the Group will push forward global market expansion, strengthen overseas sales networks, customer service frameworks and technical support capacity, expedite overseas customer certification and commercialisation, and improve brand influence in international markets.

The Group will take further steps to deepen strategic collaboration with global-leading semiconductor enterprises, end-device manufacturers and industrial chain partners via joint R&D, product certification and supply chain coordination to jointly drive global adoption of GaN technology.

Besides, the Group will continue to optimise its customer operation system, pursue multi-product cross-scenario cooperation with strategic customers to lift customer stickiness and collaboration depth. By accurately tapping customer demands and improving service responsiveness, the Company will deliver sustained customer value growth, driving steady expansion in revenue scale, profitability and global market share.

III. FINANCIAL ANALYSIS

Revenue

During the Reporting Period, the total revenue of the Group was RMB833.6 million, representing an increase of 50.6% as compared with RMB553.4 million in the same period last year. This was mainly due to the Company's continued breakthroughs in GaN products across various application sectors and the rapid growth in customer demand.

In particular:

- Revenue from sales of GaN discrete devices and GaN ICs increased from RMB207.4 million in the same period last year to RMB230.5 million during the Reporting Period, representing a year-on-year increase of 11.1%, primarily driven by continuous expansion of application sectors.

- Revenue from sales of GaN wafers increased from RMB108.1 million in the same period last year to RMB187.5 million during the Reporting Period, representing a year-on-year increase of 73.5%, primarily due to the diversifying GaN industrial ecosystem and a notable increase in orders from strategic customers.

- Revenue from sales of GaN modules increased from RMB236.1 million in the same period last year to RMB411.8 million during the Reporting Period, representing a year-on-year increase of 74.4%, primarily driven by broad customer adoption due to the continuous iteration of module products resulting in expanding performance and cost advantages.

Cost of Sales

During the Reporting Period, the cost of sales of the Group increased by 42.9% from RMB515.5 million in the same period last year to RMB736.5 million, mainly attributable to the combined effect of higher product sales revenue and lower unit costs.

Gross Profit and Gross Profit Margin

During the Reporting Period, the Group's gross profit amounted to RMB97.1 million, representing an increase of 156.5% from the gross profit of RMB37.8 million for the same period last year. The gross profit margin turned from 6.8% in the same period last year to 11.6% during the Reporting Period. The improvement in gross profit margin was primarily due to higher revenue, the release of production scale effects, and continuous optimisation of manufacturing processes to reduce costs.

Other Net Income

During the Reporting Period, the Group's other net income amounted to RMB23.5 million, representing a decrease of 51% as compared with RMB48 million for the same period last year, mainly due to exchange losses from foreign exchange movements and reduced government grants for the current period.

Selling and Marketing Expenses

During the Reporting Period, the Group's selling and marketing expenses amounted to RMB48.7 million, representing a decrease of 9.6% as compared with RMB53.9 million for the same period last year, mainly attributable to a reduction in share-based payment expenses.

Administrative Expenses

During the Reporting Period, the Group's administrative expenses amounted to RMB163.9 million, representing a decrease of 33.2% as compared with RMB245.5 million for the same period last year, mainly due to a reduction in share-based payment expenses and professional fees.

Research and Development Expenses

During the Reporting Period, the Group's research and development expenses amounted to RMB185.1 million, representing an increase of 14% as compared with RMB162.3 million for the same period last year, mainly due to the Company's increasing investment in research and development to expand application sectors and strengthen technological advantages.

Finance Costs

During the Reporting Period, the Group's finance costs amounted to RMB31.8 million, representing a decrease of 39.4% as compared with RMB52.5 million for the same period last year, primarily due to lower interest rates resulting from the Company's optimisation of financing structure.

MANAGEMENT DISCUSSION AND ANALYSIS

Loss for the Period

For the reasons mentioned above, the Group's loss for the period amounted to RMB309.1 million, representing a decrease of 27.9% as compared with the loss of RMB428.7 million for the same period last year.

Liquidity and Capital Resources

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

As of 30 June 2026, the Group had RMB1,578.1 million in cash and cash equivalents, as compared to RMB879 million as of 31 December 2025. The Group's cash and cash equivalents primarily consist of bank deposits denominated in HKD, RMB and USD.

During the Reporting Period, the Group's net inflow of cash flow from operating activities was RMB168.6 million, as compared to a net outflow of operating cash flow of RMB387.3 million for the same period last year. The Group's operating cash flow improved significantly, primarily due to the Group's continued revenue growth, improved profitability and increased operational efficiency.

Indebtedness and Financial Ratios

Loans and Borrowings

As of 30 June 2026, the Group had total loans and borrowings of RMB2,602.6 million, representing an increase of RMB372.9 million as compared to 31 December 2025, primarily due to additional loans incurred to acquire production equipment and expand production scale. The Group's loans and borrowings were denominated in RMB.

Lease Liabilities

As of 30 June 2026, the Group recognized total lease liabilities of RMB66.9 million, representing a decrease of RMB5.5 million as compared to 31 December 2025, primarily because of the reduction in lease liability balance following rental payments.

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) decreased from 5.3 times as of 31 December 2025 to 3.4 times as of 30 June 2026, primarily due to an increase in trade payables and short-term borrowings arising from the expansion of production scale.

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) decreased from 4.2 times as of 31 December 2025 to 2.5 times as of 30 June 2026, primarily due to an increase in trade payables and short-term borrowings arising from the expansion of production scale.

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%) decreased from 32.1% as of 31 December 2025 to 26.5% as of 30 June 2026, primarily due to a substantial increase in cash and cash equivalents at the end of the period.

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 30 June 2026, the Group did not have material contingent liabilities.

Pledge of Assets

As of 30 June 2026, the Group's pledged bank deposits amounted to RMB7.3 million, mainly representing funds pledged to banks for entrusted payments to suppliers.

Save as disclosed above, as of 30 June 2026, the Group had no other assets pledged.

Capital Expenditures

The Group's capital expenditures were primarily used to purchase equipment for production expansion. During the Reporting Period, the Group's capital expenditures amounted to RMB398.2 million, representing an increase of RMB347.9 million compared with the same period last year. This was primarily due to the purchase of equipment for production expansion to continuously advance its capacity expansion.

Capital Commitments

As of 30 June 2026, the Group's capital commitments were RMB700.4 million (as of 31 December 2025: RMB159.1 million). The Group's capital commitments were primarily used for the purchase of equipment relating to capacity expansion.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the Reporting Period, the Company had no material acquisitions or disposals of subsidiaries, associates or joint ventures.

Significant Investments

As at 30 June 2026, the Group had financial assets measured at fair value through other comprehensive income of RMB900.2 million, representing certain large-denomination certificates of deposit ("**CD**") invested by the Group in domestic PRC banks. Among these, the value of CDs subscribed with China Resources Bank of Guangdong Co., Ltd. ("**China Resources Bank**") accounted for 5% or more of the Group's total assets, details of which are set out below:

Bank of Subscription	Product Type	Date of Subscription	Annualized Rate of Return	Principal Subscribed as at 30 June 2026 *(RMB million)*	Realised Return for the Six Months Ended 30 June 2026 *(RMB million)*	Approximate Unrealised Return for the Six Months Ended 30 June 2026 *(RMB million)*	Fair Value/ Carrying Amount as at 30 June 2026 *(RMB million)*	Asset Ratio
China Resources Bank	CD	24 November 2025	2.00%	730	0	7.3406	738.841	10.13%

Note: The asset ratio presented in the table above is calculated by dividing the fair value of the relevant product as at 30 June 2026 by the Group's total assets as at 30 June 2026.

The above CDs are principal-guaranteed and interest-bearing wealth management products with fixed interest rates, which can be withdrawn in advance or disposed of to other investors in accordance with the bank's rules.

The Group subscribed for the above large-denomination negotiable CDs for the purpose of fund management. Having considered, among other factors, the low risk profile and the expected return of the large-denomination negotiable CDs, the Company considers that such subscription can provide better returns than time deposits with commercial banks and improve the overall profitability of the Company.

Save as disclosed above, as of the end of the Reporting Period, the Group had no significant investments required to be disclosed under paragraph 32(4A) of Appendix D2 to the Listing Rules.

Future Plans for Material Investments or Capital Assets

As of the Latest Practicable Date, except for what was disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus, the announcement dated 28 July 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 17 October 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.

Non-HKFRS Measure

To supplement the consolidated financial statements of the Group presented in accordance with HKFRS Accounting Standards, the Group also uses adjusted net loss (non-HKFRS measure) as an additional financial measure, which is not required by, or presented in accordance with HKFRS Accounting Standards. The Group believes that this non-HKFRS measure facilitates comparisons of operating performance from period to period by eliminating potential impacts of items.

The Group believes that this measure provides useful data to investors and others in understanding and evaluating the consolidated results of operations of the Group in the same manner as it helps the management of the Group. However, the Group's presentation of adjusted net loss (non-HKFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of this non-HKFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of, the results of operations or financial condition as reported under HKFRS Accounting Standards. In addition, the non-HKFRS measure may be defined differently from similar terms used by other companies.

The Group defines adjusted net loss (non-HKFRS measure) as loss for the period adjusted by adding back equity-settled share-based payment expenses. The adjustments were consistently made during Track Record Period. The following table sets forth the reconciliations of the Group's adjusted net loss (non-HKFRS measure) for the six months ended 30 June 2026 and 30 June 2025 to the nearest measure prepared in accordance with HKFRS Accounting Standards:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Reconciliation of loss for the period to adjusted loss for the period (non-HKFRS measure):		
Loss for the period	**-309,079**	-428,672
Add:		
– Equity-settled share-based payment expenses[1]	**42,721**	88,343
Adjusted net loss (non-HKFRS measure)	**-266,358**	-340,329

Note:

(1) Equity-settled share-based payment expenses is non-cash in nature and mainly represents the arrangement that the Group receives services from employees as consideration for its equity instruments. Equity-settled share-based payment expenses is not expected to result in future cash payments.

IV. RISK MANAGEMENT

The Group's results of operations have been, and are expected to continue to be, materially affected by a number of factors, many of which are outside of its control, including: (i) overall economic growth and conditions; (ii) development and prosperity of the global semiconductor industry, in particular the power semiconductor industry, as well as the penetration of GaN in power semiconductor industry; (iii) conditions of the downstream markets of the semiconductor industry and the resulting fluctuations in customer demand; (iv) technology development and competition in the semiconductor industry; and (v) relevant laws and regulations, government policies and initiatives.

The management regularly manages and monitors the financial risks of the Group, including credit risk, liquidity risk, interest rate risk and foreign exchange risk, to ensure appropriate measures are implemented in a timely and effective manner.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in a financial loss to our Group. The Group's credit risk is primarily attributable to trade and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents and pledged bank deposits is limited because the counterparties are state-owned banks or reputable commercial banks which the Group considers to have low credit risk.

Liquidity Risk

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 its liquidity requirements in the short and longer term.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from cash at bank, pledged bank deposits and interest-bearing borrowings. Borrowings issued at variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively.

During the Reporting Period, the Group did not use any interest rate swap contracts or other financial instruments to hedge against its interest rate risk.

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.

Fair Value Measurement

Fair value hierarchy

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

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

The Group has a team performing valuations for the financial instruments categorized into Level 3 of the fair value hierarchy. The team reports directly to the chief financial officer. Valuation assessment with analysis of changes in fair value measurement is prepared by the team at each reporting date and is reviewed and approved by the chief financial officer. Please refer to Note 20 to the financial statements.

V. HUMAN RESOURCES AND REMUNERATION

As of 30 June 2026, the Group had a total of 1,391 employees and the majority of its employees were based in mainland China. During the Reporting Period, total employee costs incurred by the Group amounted to RMB331.36 million, including salaries, wages, allowances, benefits and expenses related to share incentive schemes.

	As of 30 June 2026	
	Number of employees	**Percentage of total employees (%)**
Supply and manufacturing	678	49%
Research and development	399	29%
General and administrative	229	16%
Sales and marketing	85	6%
Total	1,391	100%

Human resources are particularly important to achieve the long-term sustainable development of the Company. We uphold the principle of valuing moral character as the foremost quality, alongside competence and integrity. We are committed to creating a diverse, equal, personality-respecting, positive and self-transcending work environment and development platform for our employees.

The Group established a comprehensive set of internal management measures, outlining the procedures and criteria for recruitment, training, internal referrals, among others. The Group uses various recruitment methods, including campus recruitment, online recruitment, other external recruitment channels as well as internal referrals and transfers.

In addition to salaries and benefits, the Group generally provides performance-based bonuses for the full-time employees. Furthermore, the Group has implemented a share incentive scheme to motivate staff by granting share awards, allowing employees to share in the benefits of the Company's growth. This helps strengthen their sense of responsibility and commitment to the Company's development, while also attracting and retaining outstanding talent and enhancing the Company's core competitiveness.

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 the Group's business. The Group is committed to making continual efforts to provide an engaging working environment for the employees.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2026, the interests and short positions in the Shares, underlying Shares and debentures of our Company or any of its associated corporation (within the meaning of Part XV of the SFO) held by the following Directors and chief executive of the Company which shall be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which shall be recorded in the register required to be kept by our Company under Section 352 of the SFO, or which shall be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code are as follows:

				As of 30 June 2026	
Name	**Position in our Company**	**Nature of interest**	**Number of Shares held[1]**	**Approximate percentage of shareholding in the relevant class of Shares[2]** (%)	**Approximate percentage of shareholding in the total share capital of our Company[2]** (%)
H Shares					
Dr. Luo	Founder, chairperson of the Board, executive Director	Beneficial owner	49,209,305(L)	5.47	5.38
		Interests in controlled corporations[3]	185,273,371(L)	20.60	20.25
		Others[4]	45,637,736(L)	5.07	4.99
Mr. Son	Executive Director	Beneficial owner[4]	28,637,736(L)	3.18	3.13
		Interests in controlled corporations[5]	17,000,000(L)	1.89	1.86
		Interests in controlled corporations[5]	17,000,000(S)	1.89	1.86
Mr. Wu Jingang	Executive Director and chief executive officer	Beneficial owner[6]	10,001,142(L)	1.11	1.09
Mr. Zhong Shan	Executive Director	Beneficial owner[6]	9,200,000(L)	1.02	1.01

Notes:

(1) "L" denotes long positions and "S" denotes short positions.

(2) As at 30 June 2026, the Company had 15,718,196 Domestic Unlisted Shares and 899,382,457 H Shares, with a total of 915,100,653 Shares in issue.

(3) Dr. Luo is (i) the controller of Inno Holding, (ii) the ultimate general partner of Innocore, (iii) the controller of Inno HK, (iv) the ultimate general partner of Inno Youpeng, and (v) the general partner of Xinsheng Dapeng. Therefore, Dr. Luo is deemed to be interested in a total of 185,273,371 H Shares through Inno Holding, Innocore, Inno HK, Inno Youpeng and Xinsheng Dapeng for the purpose of the SFO.

(4) Dr. Luo and Mr. Son agreed on the written voting rights arrangement and voting rights proxy agreement on 15 October 2024 and 24 November 2024, respectively (the "**Voting Rights Arrangements**"). Mr. Son agreed, among others, to have acted and will continue to act pursuant to Dr. Luo's direction for all actions in relation to the voting rights attached to the shares of our Company and Inno Holding, in which he was or has been interested directly or indirectly pursuant to a written voting rights arrangement entered into between Dr. Luo and Mr. Son on 15 October 2021. Further, pursuant to the voting rights proxy agreement (the "**Voting Rights Proxy Agreement**") entered into between Dr. Luo and Mr. Son on 24 November 2024, Mr. Son confirmed that he has appointed and will appoint Dr. Luo as his true and lawful proxy to vote all shares of our Company and Inno Holding that Mr. Son has been and will be interested at any and all meetings of shareholders of our Company and Inno Holding (as the case may be), and on any and all actions taken by written consent of shareholders of our Company and Inno Holding (as the case may be). Prior to the Voting Rights Proxy Agreement, Mr. Son has acted pursuant to Dr. Luo's direction for all actions in relation to the voting rights attached to the shares of our Company and Inno Holding, in which he was or has been interested directly or indirectly. The Voting Rights Arrangements will remain valid until termination with mutual written consent of both parties.

(5) The 17,000,000 Shares in long position and 17,000,000 Shares in short position are registered in the name of Eteridge Holdings Limited, which is wholly-owned by Mr. Son. For the purpose of the SFO, Mr. Son is deemed to be interested in all shares held by Eteridge Holdings Limited (in both long position and short position).

(6) All Shares held by Mr. Wu Jingang and Mr. Zhong Shan are Shares granted under the Pre-IPO Share Plan.

Save as disclosed above, as at 30 June 2026, none of the Directors and chief executive of our Company had the interests and short positions in the Shares, underlying Shares and debentures of our Company or any of its associated corporation (within the meaning of Part XV of the SFO) which shall be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which shall be recorded in the register required to be kept by our Company under Section 352 of the SFO, or which shall be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code.

During the Reporting Period, none of the Directors and chief executive of the Company (including their spouses or children under the age of 18) were authorized by the Company to subscribe for any Shares or debentures of the Company or any associated corporations.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2026, so far as the Directors are aware, the following persons (other than Directors or the chief executive of our Company) had the interests or short positions in the Shares or underlying Shares of our Company which shall be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or which shall be recorded in the register required to be kept by our Company under Section 336 of the SFO:

Name of Shareholders	Nature of interest	Number of Shares held[1]	As of 30 June 2026 Approximate percentage of shareholding in the relevant class of Shares[2] (%)	Approximate percentage of shareholding in the total share capital of our Company[2] (%)
Domestic Unlisted Shares				
Shanghai Guoping Private Equity Investment Fund Partnership (Limited Partnership) (上海國玶私募投資基金合夥企業(有限合夥))	Beneficial owner	7,278,515(L)	46.31	0.80
Wuhan Optics Valley Core Future Special Investment Fund Partnership Enterprise (Limited Partnership) (武漢光谷芯未來專項投資基金合夥企業(有限合夥))	Beneficial owner	4,266,667(L)	27.14	0.47
Dongke Semiconductor (Anhui) Co., Ltd. (東科半導體(安徽)股份有限公司)	Beneficial owner	1,940,937(L)	12.35	0.21
Shenzhen Huashengchuang Technology L.P. (深圳市華升創科技合夥企業(有限合夥))	Beneficial owner	1,261,609(L)	8.03	0.14
Guotai Haitong Zhengyu Investment Co., Ltd. (國泰海通證裕投資有限公司)	Beneficial owner	970,468(L)	6.17	0.11
H Shares				
Inno Holding	Beneficial owner	86,002,931(L)	9.56	9.40
Shenzhen CMB Growth No.17 Equity Investment Fund L.P. (深圳市招銀成長拾柒號股權投資基金合夥企業(有限合夥))	Beneficial owner[3]	71,499,624(L)	7.95	7.81
China Merchants Bank Co., Ltd. (招商銀行股份有限公司)	Interests in controlled corporations[3]	98,860,350(L)	10.99	10.80
CMB International Capital Management (Shenzhen) Co., Ltd. (招銀國際資本管理(深圳)有限公司)	Interests in controlled corporations[3]	98,860,350(L)	10.99	10.80
CMB International Capital Holdings Corporation Limited (招銀國際金融控股有限公司)	Interests in controlled corporations[3]	98,860,350 (L)	10.99	10.80
CMB International Capital Corporation Limited (招銀國際金融有限公司)	Interests in controlled corporations[3]	98,860,350 (L)	10.99	10.80
CMB Finance Holding (Shenzhen) Co., Ltd. (招銀金融控股(深圳)有限公司)	Interests in controlled corporations[3]	98,860,350 (L)	10.99	10.80
Suzhou Wujiang Industrial Investment Co., Ltd. (蘇州市吳江產業投資有限公司)	Beneficial owner[4]	57,445,587(L)	6.39	6.28
Suzhou Wujiang Dongfang State-owned Capital Investment and Management Co., Ltd. (蘇州市吳江東方國有資本投資經營有限公司)	Interests in controlled corporations[4]	57,445,587(L)	6.39	6.28
State-owned Assets Supervision and Administration Office of Wujiang District Government of Suzhou (蘇州市吳江區人民政府國有資產監督管理辦公室)	Interests in controlled corporations[4]	57,445,587(L)	6.39	6.28

Notes:

(1) All interests denote long positions.

(2) As at 30 June 2026, the Company had 15,718,196 Domestic Unlisted Shares and 899,382,457 H Shares, with a total of 915,100,653 Shares in issue.

(3) Each of the general partners of Shenzhen CMB Growth No.17 Equity Investment Fund L.P. (深圳市招銀成長拾柒號股權投資基金合夥企業(有限合夥)) ("**CMB Growth No.17**"), Shenzhen CMB No.1 Equity Investment L.P. (深圳市招銀壹號股權投資合夥企業(有限合夥)) ("**CMB No.1**"), Shenzhen CMB No.4 Equity Investment L.P. (深圳市招銀肆號股權投資合夥企業(有限合夥)) ("**CMB No.4**") and Shenzhen CMB Langyao Growth Equity Investment Fund L.P. (深圳市招銀朗曜成長股權投資基金合夥企業(有限合夥)) ("**CMB Langyao**") is CMB Shenzhen, which is ultimately controlled by China Merchants Bank Co., Ltd. (招商銀行股份有限公司). CMB Growth No.17, CMB No.1, CMB No.4 and CMB Langyao (collectively, the "**CMB Investors**") are therefore considered as a group of shareholders. Therefore, China Merchants Bank Co., Ltd. (招商銀行股份有限公司) is deemed to be interested in the interests of our Company through CMB Growth No.17, CMB No.1, CMB No.4 and CMB Langyao for the purpose of the SFO.

(4) Suzhou Wujiang Industrial Investment Co., Ltd. (蘇州市吳江產業投資有限公司) is a wholly-owned subsidiary of Suzhou Wujiang Dongfang State-owned Capital Investment and Management Co., Ltd. (蘇州市吳江東方國有資本投資經營有限公司), which is wholly-owned by the State-owned Assets Supervision and Administration Office of Wujiang District Government of Suzhou (蘇州市吳江區人民政府國有資產監督管理辦公室). Therefore, the State-owned Assets Supervision and Administration Office of Wujiang District Government of Suzhou is deemed to be interested in the interests of Suzhou Wujiang Industrial Investment Co., Ltd. in our Company for the purpose of the SFO.

Save as disclosed above, as at 30 June 2026, the Directors were not aware of any other person (other than Directors or the chief executive of our Company) who had the interests or short positions in the Shares or underlying Shares of our Company which shall be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or which shall be recorded in the register required to be kept by our Company under Section 336 of the SFO.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to maintaining a high standard of corporate governance to safeguard the interests of Shareholders and enhance corporate value and accountability. The Company has adopted the Corporate Governance Code, setting out the principles of good corporate governance. To the best knowledge of the Directors, the Company has complied with appropriate code provisions set out in Part 2 of the Corporate Governance Code during the Reporting Period.

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

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as the code of conduct for securities transactions by Directors. Having made specific enquiry by the Company, each of the Directors acknowledged that they had complied with the Model Code during the Reporting Period.

CORPORATE GOVERNANCE AND OTHER INFORMATION

INTERIM DIVIDEND

The Board does not propose to declare the interim dividends for the six months ended 30 June 2026.

DISTRIBUTABLE RESERVES

As of 30 June 2026, the Group has no distributable reserves.

PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, details of the movements in the property, plant and equipment of the Company and the Group are set out in note 9 to the unaudited interim financial report.

BANK LOANS AND OTHER BORROWINGS

Details of the Group's bank loans and other borrowings as at 30 June 2026 are set out in note 17 to the unaudited interim financial report.

DEBENTURE ISSUED

During the six months ended 30 June 2026, the Group did not issue any debentures.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, 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 at 30 June 2026, the Company or its subsidiaries did not hold any treasury shares.

H SHARES FULL CIRCULATION

On 3 June 2026, the Company completed the conversion of an aggregate of 373,841,270 domestic unlisted shares into H shares, and such converted H shares were listed on the Hong Kong Stock Exchange on 4 June 2026. Immediately following the conversion and completion of the listing, the Company has an aggregate of 915,100,653 shares in issue, comprising 15,718,196 domestic unlisted shares and 899,382,457 H shares. For details of the full circulation of H shares, please refer to the Company's announcements dated 29 September 2025, 14 April 2026, 15 May 2026 and 3 June 2026.

CORPORATE GOVERNANCE AND OTHER INFORMATION

USE OF PROCEEDS FROM LISTING

On 30 December 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 (for details, please refer to the over-allotment announcement of the Company dated 22 January 2025) (the "**Net Proceeds from Global Offering**") amounted to approximately HK$1,351.96 million. The Net Proceeds from Global Offering 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 from Global Offering (HK$ million)	Unutilized proceeds as of 31 December 2025 (HK$ million)	Utilized proceeds during the Reporting Period (HK$ million)	Unutilized proceeds as of the end of the Reporting Period (HK$ million)	Expected timetable for the fully utilizing of unutilized proceeds
Expand our production capacity of the 8-inch GaN wafer from 12,500 wafers per month as of 30 June 2024 to 70,000 wafers per month over the next five years, purchase and upgrade equipment and machinery for production and recruit manufacturing personnel	60.0%	811.18	570.71	472.55	98.16	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	210.31	29.37	180.94	By the end of 2029
Expand the global distribution network of our GaN products	10.0%	135.20	110.45	22.45	88.00	By the end of 2029
Working capital and other general corporate purposes	10.0%	135.19	0.00	0.00	0.00	By the end of 2029
Total	**100%**	**1,351.96**	**891.47**	**524.37**	**367.10**	

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.

In order to improve capital utilization efficiency, make reasonable use of the Net Proceeds from Global Offering, maximize the return on surplus cash generated therefrom and safeguard the interests of shareholders, in 2025 and during the Reporting Period, the Group used the proceeds from the Global Offering to purchase large-denomination CDs and structured deposits totalling RMB75 million and RMB137.6 million from licensed banks in the PRC, all of which are principal-guaranteed and interest-bearing wealth management products. Owing to an inadvertent oversight and insufficient understanding of the classification of wealth management products, the Company mistakenly believed that such wealth management products were similar in nature to time deposits, resulting in a temporary deviation from the intended use of the Net Proceeds from Global Offering. All of such wealth management products have been disposed or redeemed upon maturity (for details, please refer to the Company's announcement issued on 28 August 2026). The Group has placed them together with the unutilized Net Proceeds from Global Offering in short-term interest-bearing accounts with 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 PRC laws in relation to foreign exchange registration and remittance of proceeds.

USE OF PROCEEDS FROM THE FIRST PLACING OF H SHARES

On 28 July 2025, the Company completed its first H Share placing (the "**First H Share Placing**"). After deducting commissions and estimated expenses, the net proceeds from the First H Share Placing ("**Net Proceeds from First H Share Placing**") amounted to approximately HK$543.55 million. The proposed uses as stated in the announcement of the completion of the First H Share Placing published on 28 July 2025 (the "**Announcement of the Completion of First H Share Placing**") and actual utilization of the Net Proceeds from First H Share Placing are set out below:

Intended uses of Net Proceeds from First H Share Placing	Allocation of Net Proceeds from First H Share Placing (HK$ million)	Approximate percentage of total Net Proceeds from First H Share Placing	Unutilized proceeds as of 31 December 2025 (HK$ million)	Utilized proceeds during the Reporting Period (HK$ million)	Unutilized proceeds as of the end of the Reporting Period (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%	199.82	104.67	95.14	On or before 31 December 2028
(2) Repayment of existing interest-bearing bank liabilities	135.89	25%	0.00	0.00	0.00	On or before 31 December 2026
(3) Supplementing working capital and general corporate purposes	135.89	25%	0.00	0.00	0.00	On or before 31 December 2025
Total	**543.55**	**100%**	**199.82**	**104.67**	**95.14**	

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.

During the Reporting Period, we have placed the unutilized Net Proceeds from First H Share Placing in short-term interest-bearing accounts with 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 Announcement of the Completion of First H Share Placing. We will comply with the PRC laws in relation to foreign exchange registration and remittance of proceeds.

CORPORATE GOVERNANCE AND OTHER INFORMATION

USE OF PROCEEDS FROM THE SECOND PLACING OF H SHARES

On 17 October 2025, the Company completed its second H Share placing (the "**Second H Share Placing**"). After deducting commissions and estimated expenses, the net proceeds from the Second H Share Placing amounted to approximately HK$1,550.425 million ("**Net Proceeds from Second H Share Placing**"). The proposed uses as stated in the announcement of the completion of the Second H Share Placing published on 17 October 2025 (the "**Announcement of the Completion of Second H Share Placing**") and actual utilization of the Net Proceeds from Second H Share Placing are set out below:

Intended uses of Net Proceeds from Second H Share Placing	Allocation of Net Proceeds from Second H Share Placing (HK$ million)	Approximate percentage of total Net Proceeds from Second H Share Placing	Unutilized proceeds as of 31 December 2025 (HK$ million)	Utilized proceeds during the Reporting Period (HK$ million)	Unutilized proceeds as of the end of the Reporting Period (HK$ million)	Expected timetable for the full utilization of unutilized proceeds
(1) Capacity expansion	482.26	31%	482.26	0.00	482.26	On or before 31 December 2028
(2) Repayment of interest-bearing liabilities	376.24	24%	287.82	287.82	0.00	On or before 31 December 2028
(3) Working capital and general corporate purposes	691.93	45%	457.56	257.56	200.00	On or before 31 December 2028
a. Salaries, social insurance, housing provident funds and other human resources expenses	202.15	13%	147.94	147.94	0.00	On or before 31 December 2028
b. Payments to suppliers and service providers	289.78	19%	109.63	109.63	0.00	On or before 31 December 2028
c. Potential onshore and offshore investments	200.00	13%	200.00	0.00	200.00	On or before 31 December 2026
Total	**1,550.43**	**100%**	**1,227.64**	**545.39**	**682.26**	

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.

In order to improve capital utilization efficiency, make reasonable use of the Net Proceeds from Second H Share Placing, maximize the return on surplus cash generated therefrom and safeguard the interests of shareholders, in 2025, the Group used the proceeds from the Second H Share Placing to purchase large-denomination negotiable CDs and structured deposits totalling RMB1,099 million from licensed banks in the PRC, all of which are principal-guaranteed interest-bearing wealth management products. Owing to an inadvertent oversight and insufficient understanding of the classification of wealth management products, the Company mistakenly believed that such wealth management products were similar in nature to time deposits, resulting in a deviation from the intended use of the Net Proceeds from Second H Share Placing. The Group will complete the transfer or withdrawal of such wealth management products as soon as possible by September 2026 (for details, please refer to the Company's announcement issued on 28 August 2026), and place them together with the unutilized Net Proceeds from Second H Share Placing in short-term interest-bearing accounts with 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 Announcements. We will comply with the PRC laws in relation to foreign exchange registration and remittance of proceeds.

SHARE INCENTIVE SCHEME

Pre-IPO Share Plan

The Group adopted an employee share incentive scheme prior to the listing (the "**Pre-IPO Share Plan**").

The Company granted and allotted to qualified participants an aggregate of 50,559,342 Shares under the Pre-IPO Share Plan, representing approximately 5.75% of the share capital in issue of the Company upon its initial public offering. No further Shares will be granted by the Company under the Pre-IPO Share Plan after listing and the terms of the Pre-IPO Share Plan are not subject to the provisions of Chapter 17 of the Listing Rules. For further details on the plan, please refer to the Prospectus.

The following is a summary of the principal terms of the Pre-IPO Share Plan as amended and approved by us on 7 April 2024.

Purposes: The purposes of the Pre-IPO Share Plan are to promote the Company's core value of "growth and sharing", establish an excellent value distribution system, and motivate and regulate the Group's employees. This enables employees to share in the benefits of the Company's growth and strengthens team cohesion.

Types of awards: The Pre-IPO Share Plan governs the award of restricted share units (the "**Awards**").

Participants: Persons eligible to participate in the Pre-IPO Share Plan (the "**Participants**") include key management personnel, core staff, and other significant employees who have major value and impact on the Group's development, as well as other individuals who have made significant contributions to the Group's growth.

Maximum number of Shares: The maximum number of Shares underlying the Pre-IPO Share Plan is 71,678,760 Shares, representing approximately 7.83% of the share capital in issue of the Company as at the Latest Practicable Date. No further Awards will be granted by the Company under the Pre-IPO Share Plan after listing.

Administration: The Pre-IPO Share Plan is managed by an internal department or candidate (the "**Administrator**") authorized by the Board of the Company. The Administrator has the power, among other things, (i) to interpret, revise, alter, or abolish the terms and implementation of the Pre-IPO Share Plan; (ii) to identify individuals with significant value and contribution to the development of the Group as the Participants under the Pre-IPO Share Plan; and (iii) to determine the allocation, grant, unlock, exercise, or termination of any incentive shares, along with their terms and conditions.

Service Period: In order to be eligible to participate in the Pre-IPO Share Plan, a Participant shall have at least served in the Group for no less than four years from the date on which the Participant signs the labor contract with the Group (the "**Service Period**").

Vesting Schedule: 75% of the Awards granted to a Participant shall be unlocked on the third anniversary of the Service Period commencement date, and the remaining 25% shall be unlocked on the fourth anniversary of the Service Period commencement date or over four years with every 25% shall be unlocked at each year end of the four years. Any Awards unlocked shall only be vested and exercised following the Company's listing.

Non-transferability of the Awards: Except as otherwise provided by the Administrator, no Award shall be transferred by a Participant. Without the prior written consent of the Administrator, a Participant shall not sell, transfer, assign, pledge, mortgage, gift, or otherwise dispose of incentive shares obtained and held under the Pre-IPO Share Plan (whether vested or not).

Lapse of the Awards: In the event of resignation, dismissal, retirement, death, disability, or other change in circumstances, the Administrator shall have the right (but not an obligation) to repurchase any Awards granted in accordance with the terms of the Pre-IPO Share Plan. The Administrator shall have the right (but not an obligation) to purchase, either on its own account or by a designated third-party employee, the employee's share of the employee shareholding platform under the terms of the Pre-IPO Share Plan if: (i) the employee resigns voluntarily, the Group requires termination of the employment relationship, the employment contract expires and is not renewed, or the employee and the Group mutually agree to terminate the employment contract; (ii) the employee resigns or is dismissed due to misconduct; or (iii) the employee is unable to continue working for the Group due to death, disability, or retirement before the listing.

Details of the Awards Granted: As of the end of the Reporting Period, an aggregate of 6,379,285 shares of the Awards remain unvested. The following table sets out the share of Awards not vested as at 31 December 2025 and 30 June 2026 under the Pre-IPO Share Plan, and the movement in such share during the Reporting Period:

Name of the grantees	Position held in our Group	Date of complete grant of Awards	Awards not vested as at 31 December 2025	Granted during the Reporting Period	Vested during the Reporting Period[2]	Cancelled during the Reporting Period	Lapsed during the Reporting Period[3]	Awards not vested as at 30 June 2026
Dr. Wu Jingang	Executive Director and chief executive officer	1 January 2024	2,500,285	0	0	0	0	2,500,285
Mr. Wu Lei	Director of the Company's subsidiary	8 July 2023	100,000	0	0	0	0	100,000
Subtotal of employee Participants other than Directors			5,742,250	0	1,578,250	0	385,000	3,779,000
Total			**8,342,535**	**0**	**1,578,250**	**0**	**385,000**	**6,379,285**

Notes:

(1) The purchase price of the Awards under the Pre-IPO Share Plan is RMB1 per Share.

(2) During the Reporting Period, the relevant Awards were vested as the Participants had met the corresponding Service Period conditions.

(3) During the Reporting Period, there were cases of resignation of the incentive targets. According to the rules of the Pre-IPO Share Plan, the Administrator repurchased and lapsed 385,000 shares.

2025 Share Award Scheme

The Shareholders of the Company approved the adoption of the 2025 Share Award Scheme at the 2025 first extraordinary general meeting held on 9 July 2025. A summary of the principal terms of the 2025 Share Award Scheme is set out below.

Purposes of the Scheme: The purpose of the 2025 Share Award Scheme is to motivate the employees of the Company by awarding shares, to enhance their work enthusiasm and loyalty, and to promote the long-term stable development of the Company. It aims to enable employees to share the benefits brought by the growth of the Company through granting shares of the Company to them, to strengthen the employees' sense of responsibility and mission for the development of the Company, and at the same time to attract and retain outstanding talents to enhance the core competitiveness of the Company.

Validity Period: Subject to any early termination as may be determined by the Board pursuant to the rules of the 2025 Share Award Scheme, the 2025 Share Award Scheme shall be valid and effective for a term of 10 years commencing on the adoption date, and no further awards shall be made upon the expiration of the validity period. As of the date of this report, the remaining validity period is approximately eight years and nine months.

Source of Funds: The source of funds for the 2025 Share Award Scheme shall be the internal funds of the Company; and/or the amount payable by the incentive targets to the Company (or such other person as the Board and/or the authorized person may direct) in order to obtain the awarded shares in accordance with the terms of the grant letter and/or the scheme rules.

Source of Shares: The source of H Shares under the 2025 Share Award Scheme shall be the H Shares to be acquired and/or new H Shares to be issued to the Trustee (including Treasury Shares, if any) using the funds of the 2025 Share Award Scheme by the trustee pursuant to the trust deed and in accordance with the instructions of the Company and the relevant provisions of the rules of the 2025 Share Award Scheme.

Scheme Mandate Limit: As of the Latest Practicable Date, the mandate limit of the 2025 Share Award Scheme shall not exceed 49,125,718 H Shares, representing approximately 5.37% of the issued share capital of the Company (excluding Treasury Shares) as of the date of this report.

Eligible Participants: Persons entitled to participate in the 2025 Share Award Scheme are all employee participants, including senior management, core technical personnel and business backbones who have made outstanding contributions to the development of the Company.

Grant of Share Awards and Purchase Price: The Board or the chairperson (authorized by the Board) shall have the right (but shall not be bound) to grant awards out of the share pool to any eligible participant at any time during the continuation of the 2025 Share Award Scheme pursuant to the 2025 Share Award Scheme. Whether such H Shares are fully paid or credited as fully paid shall be determined by the Board or the chairperson (authorized by the Board) pursuant to the 2025 Share Award Scheme. The eligibility of any eligible participant to an award shall be determined by the Board or the chairperson (authorized by the Board) from time to time on the basis of their opinion as to his/her contribution and/or future contribution to the development and growth of the Group. Subject to the requirements of the Listing Rules, the purchase price (if any) of any award shall be determined at the sole discretion of the Board or the chairperson (authorized by the Board) at the time of the grant of the relevant award (and stated in the grant notice), taking into account factors such as the current closing price of H Shares, the purpose of the scheme, and the characteristics and background of the relevant participant.

Vesting of Share Awards: The vesting date of any award shall not be less than 12 months from the date of grant. The awarded shares will be vested in tranches in the agreed proportion after the selected participant satisfies the corresponding vesting conditions, and the vesting period and vesting schedule are as follows:

Vesting arrangement	Vesting date	Vesting proportion
First vesting date	The first trading day after 12 months from the date of grant	25%
Second vesting date	The first trading day after 24 months from the date of grant	25%
Third vesting date	The first trading day after 36 months from the date of grant	25%
Fourth vesting date	The first trading day after 48 months from the date of grant	25%

Provided that the labor contract between the selected participant and the Company is valid and unexpired, and none of the circumstances specified in Article 39 of the Labor Contract Law of the People's Republic of China has occurred in the past 12 months, the trustee shall transfer the legal and beneficial ownership of the awarded shares to any selected participant as soon as practicable after the latest of the following dates in accordance with the provisions of the 2025 Share Award Scheme: (a) the vesting date in accordance with the vesting schedule above; (b) the date on which the trustee receives the necessary information and documents required by the trustee within the prescribed period; and (c) where applicable, the date on which the conditions and/or performance targets (if any) to be attained or paid by such selected participant have been attained or paid and notified to the trustee in writing by the Board or the chairperson (authorized by the Board).

Among them, the performance targets (if any) will be formulated according to the specific circumstances of the relevant selected participant. Depending on the specific circumstances, performance targets may include but are not limited to: (i) the annual results and performance of the Group or a member company of the Group; (ii) whether milestone nodes of major projects of the Group have been achieved; (iii) the key performance indicators of the department and/or business unit to which the selected participant belongs; and (iv) the position of the selected participant and their annual appraisal results. The Board or the chairperson (authorized by the Board) or the Remuneration Committee will conduct a comparative assessment at the end of the performance period of the relevant performance targets and determine at its sole discretion whether the relevant performance targets have been achieved.

As of the Latest Practicable Date, no award of the Company has been granted, vested, cancelled or lapsed under the 2025 Share Award Scheme. At the beginning and at the end of the Reporting Period, the awarded shares that can be granted under the 2025 Share Award Scheme were 49,125,718 H Shares.

CHANGES IN INFORMATION OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

In accordance with Rule 13.51B(1) of the Listing Rules, during the Reporting Period and up to the Latest Practicable Date, changes in the information of Directors and chief executive officer required to be disclosed pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules are as follows:

Mr. Wong Hin Wing, MH, JP, an independent non-executive Director of the Company, has served as a member of the Court of Hong Kong Metropolitan University since 20 June 2026 and the deputy chairman to the board of the Ocean Park Hong Kong since 1 July 2026.

In light of the expiration of the term of office of the Company's chief executive officer, the Board resolved on 28 August 2026 to appoint Dr. Wu Jingang to continue serving as the Company's chief executive officer for a term of three years with effect from 28 August 2026.

Save as disclosed above, during the Reporting Period and as of the Latest Practicable Date, there has been no information of Directors and chief executive officer required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules of the Stock Exchange.

REVIEW OF THE INTERIM REPORT

The Audit Committee of the Company has reviewed the interim financial report of the Group for the six months ended 30 June 2026, and confirmed that financial reports have complied with relevant accounting standards, rules and regulations and that adequate and appropriate disclosures have been made.

The interim financial report for the six months ended 30 June 2026 was unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

SUBSEQUENT EVENTS

Save as disclosed in this interim report, there were no other significant subsequent events occurred to the Group from 30 June 2026 to the Latest Practicable Date.

INDEPENDENT REVIEW REPORT

Review report to the board of directors of InnoScience (Suzhou) Technology Holding Co., Ltd.
(Incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 43 to 64 which comprises the consolidated statement of financial position of InnoScience (Suzhou) Technology Holding Co., Ltd. (the "**Company**") as of 30 June 2026 and the related consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 Interim financial reporting as issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of this interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to express a conclusion, based on our review, on this interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, Review of interim financial information performed by the independent auditor of the entity as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2026 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 Interim financial reporting.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

28 August 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026 – unaudited

(Expressed in RMB'000)

		Six months ended 30 June	
	Note	**2026** **RMB'000**	2025 RMB'000
Revenue	4	**833,616**	553,354
Cost of sales		**(736,534)**	(515,506)
Gross profit		**97,082**	37,848
Other net income	5	**23,536**	47,966
Selling and marketing costs		**(48,748)**	(53,878)
Administrative expenses		**(163,898)**	(245,509)
Research and development costs		**(185,125)**	(162,326)
Loss from operations		**(277,153)**	(375,899)
Finance costs	6(a)	**(31,792)**	(52,507)
Loss before taxation	6	**(308,945)**	(428,406)
Income tax	7(a)	**(134)**	(266)
Loss for the period attributable to equity shareholders of the Company		**(309,079)**	(428,672)
Other comprehensive income for the period (after tax and reclassification adjustments)			
Item that is or may be reclassified subsequently to profit or loss:			
Exchange differences on translation of:			
– financial statements of overseas subsidiaries		**(589)**	(105)
Total comprehensive income for the period attributable to equity shareholders of the Company		**(309,668)**	(428,777)
Loss per share			
Basic and diluted (RMB)	8	**(0.34)**	(0.49)

The accompanying notes form part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2026 – unaudited

(Expressed in RMB'000)

	Note	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Non-current assets			
Property, plant and equipment	9	**2,504,695**	2,372,038
Right-of-use assets		**109,905**	116,474
Intangible assets		**83,167**	118,351
Other non-current assets	10	**200,045**	130,936
		2,897,812	2,737,799
Current assets			
Inventories	11	**1,069,250**	897,493
Trade and other receivables	12	**837,393**	776,237
Financial assets at fair value through other comprehensive income ("**FVOCI**")	13	**900,241**	1,636,738
Pledged bank deposits	14	**7,344**	7,798
Time deposits		**–**	135,483
Cash and cash equivalents	15	**1,578,089**	878,955
		4,392,317	4,332,704
Current liabilities			
Trade and other payables	16	**677,342**	472,431
Loans and borrowings	17	**615,067**	336,102
Lease liabilities		**11,442**	11,034
		1,303,851	819,567

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2026 – unaudited
(Expressed in RMB'000)

	Note	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Net current assets		**3,088,466**	3,513,137
Total assets less current liabilities		**5,986,278**	6,250,936
Non-current liabilities			
Loans and borrowings	17	**1,987,489**	1,893,606
Lease liabilities		**55,452**	61,372
Deferred income	18	**70,876**	85,367
		2,113,817	2,040,345
NET ASSETS		**3,872,461**	4,210,591
Share capital		**915,100**	915,100
Reserves		**2,957,361**	3,295,491
TOTAL EQUITY		**3,872,461**	4,210,591

Approved and authorised for issue by the Board of Directors on 28 August 2026.

Weiwei Luo
Director

Zhong Shan
Director

The accompanying notes form part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026 – unaudited

(Expressed in RMB'000)

	Note	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Share Award Scheme RMB'000	Exchange reserve RMB'000	Accumulated losses RMB'000	Total equity RMB'000
Balance at 1 January 2025		879,152	11,536,140	615,646	–	1,427	(10,061,347)	2,971,018
Changes in equity for the six months ended 30 June 2025:								
Loss for the period		–	–	–	–	–	(428,672)	(428,672)
Other comprehensive income		–	–	–	–	(105)	–	(105)
Total comprehensive income		–	–	–	–	(105)	(428,672)	(428,777)
Issue of new ordinary shares, net of issuance costs		1,664	43,902	–	–	–	–	45,566
Equity-settled share-based transactions	19(b)	–	–	88,343	–	–	–	88,343
Balance at 30 June 2025 and 1 July 2025		880,816	11,580,042	703,989	–	1,322	(10,490,019)	2,676,150
Changes in equity for the six months ended 31 December 2025:								
Loss for the period		–	–	–	–	–	(411,841)	(411,841)
Other comprehensive income		–	–	–	–	(928)	–	(928)
Total comprehensive income		–	–	–	–	(928)	(411,841)	(412,769)
Issue of new ordinary shares, net of issuance costs		34,284	1,876,458	–	–	–	–	1,910,742
Shares held for Share Award Scheme	19(c)	–	–	–	(39,351)	–	–	(39,351)
Equity-settled share-based transactions	19(b)	–	–	75,819	–	–	–	75,819
Balance at 31 December 2025 and at 1 January 2026		**915,100**	**13,456,500**	**779,808**	**(39,351)**	**394**	**(10,901,860)**	**4,210,591**
Changes in equity for the six months ended 30 June 2026:								
Loss for the period		**–**	**–**	**–**	**–**	**–**	**(309,079)**	**(309,079)**
Other comprehensive income		**–**	**–**	**–**	**–**	**(589)**	**–**	**(589)**
Total comprehensive income		**–**	**–**	**–**	**–**	**(589)**	**(309,079)**	**(309,668)**
Shares held for Share Award Scheme	19(c)	**–**	**–**	**–**	**(71,183)**	**–**	**–**	**(71,183)**
Equity-settled share-based transactions	19(b)	**–**	**–**	**42,721**	**–**	**–**	**–**	**42,721**
Balance at 30 June 2026		**915,100**	**13,456,500**	**822,529**	**(110,534)**	**(195)**	**(11,210,939)**	**3,872,461**

The accompanying notes form part of the consolidated financial statements.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2026 – unaudited

(Expressed in RMB'000)

	Note	Six months ended 30 June 2026 RMB'000	2025 RMB'000
Operating activities:			
Cash generated from/(used in) operations		**168,737**	(387,009)
Income tax paid		**(134)**	(266)
Net cash generated from/(used in) operating activities		**168,603**	(387,275)
Investing activities:			
Payment for the purchase of property, plant and equipment and intangible assets		**(398,248)**	(50,373)
Payments for acquisition of financial assets measured at FVPL		**(137,600)**	(172,513)
Payments for acquisition of financial assets measured at FVOCI		**(15,000)**	(75,000)
Proceeds from disposal of property, plant and equipment		**1,000**	–
Proceeds from disposal of financial assets measured at FVPL		**137,660**	–
Proceeds from disposal of financial assets measured at FVOCI		**762,205**	30,000
Interest of financial assets measured at FVOCI received		**1,112**	34
Proceeds from disposal of time deposits with maturity over 3 months		**138,829**	–
Net cash generated from/(used in) investing activities		**489,958**	(267,852)
Financing activities:			
Capital element of lease rentals paid		**(5,542)**	(5,704)
Interest element of lease rentals paid		**(1,181)**	(1,322)
Proceeds from loans and borrowings		**550,970**	1,355,794
Repayment of loans and borrowings		**(379,920)**	(789,070)
Interest of loans and borrowings paid		**(30,962)**	(36,600)
Payment for the purchase of shares held for Share Award Scheme		**(71,183)**	–
Proceeds from issuance of H shares by over-allotment option, net of issuance costs		**–**	44,488
Net cash generated from financing activities		**62,182**	567,586
Net increase/(decrease) in cash and cash equivalents		**720,743**	(87,541)
Effect of foreign exchange rate changes		**(21,609)**	(12,195)
Cash and cash equivalents at 1 January	15	**878,955**	1,524,954
Cash and cash equivalents at 30 June	15	**1,578,089**	1,425,218

The accompanying notes form part of the consolidated financial statements.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

1 GENERAL INFORMATION

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

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

2 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("**HKAS**") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). It was authorised for issue on 28 August 2026.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in note 3.

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

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual financial statements. The condensed consolidated interim financial statements and the accompanying notes do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG's independent review report to the Board of Directors is included on page 42.

The financial information relating to the financial year ended 31 December 2025 that is included in the interim financial report as comparative information does not constitute the company's statutory annual consolidated financial statements for that financial year, but is derived from those financial statements. The annual financial statements for the year ended 31 December 2025 are available in the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 27 March 2026.

3 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments to HKFRS Accounting Standards that are first effective for the current accounting period. None of these developments have had a material effect on these financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

(i) Disaggregation of revenue

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

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products		
– Sales of GaN Discrete Chips and GaN ICs	**230,484**	207,364
– Sales of GaN Wafers	**187,472**	108,081
– Sales of GaN Modules	**411,775**	236,095
– Others	**3,885**	1,814
	833,616	553,354

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

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Point-in-time	**832,805**	553,354
Over-time	**811**	–
	833,616	553,354

4 REVENUE AND SEGMENT REPORTING (CONTINUED)

(a) Revenue (Continued)

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

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

(b) Segment reporting

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

(i) Geographic information

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

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Chinese Mainland	**796,651**	489,640
Overseas	**36,965**	63,714
	833,616	553,354

5 OTHER NET INCOME

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Bank interest income	**9,907**	16,198
Interest income from financial assets measured at FVOCI	**11,820**	300
Net gain on disposal of property, plant and equipment	**179**	–
Net gain from financial assets measured at FVPL	**60**	2,070
Government grants (Note)	**26,561**	38,236
Net foreign exchange loss	**(24,785)**	(9,030)
Others	**(206)**	192
	23,536	47,966

Note: For the period ended 30 June 2026, government grants primarily comprise subsidies received from the government for the encouragement of research and development projects and additional deduction on input value-added tax.

6 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

(a) Finance costs:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Interest on		
– loans and borrowings	**30,611**	51,185
– lease liabilities	**1,181**	1,322
Total interest expense	**31,792**	52,507

6 LOSS BEFORE TAXATION (CONTINUED)

(b) Staff costs:

	Note	Six months ended 30 June 2026 RMB'000	 2025 RMB'000
Salaries, wages and other benefits		**271,945**	230,024
Contributions to defined contribution retirement plans (i)		**16,697**	13,167
Equity-settled share-based payment expenses	19(b)	**42,721**	88,343
		331,363	331,534

(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	Six months ended 30 June 2026 RMB'000	 2025 RMB'000
Cost of inventories	11(b)	**734,771**	515,506
Depreciation:			
– owned property, plant and equipment	9	**199,862**	226,843
– right-of-use assets		**6,461**	6,853
Amortisation of intangible assets		**39,236**	40,160
Research and development expenses (i)		**185,125**	162,326

(i) During the six months ended 30 June 2026, staff costs, depreciation expenses and amortisation expenses in research and development expenses are RMB150,696,000 (six months ended 30 June 2025: RMB141,853,000), which are also included in the total amounts disclosed separately above.

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

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

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Current tax:		
Provision for corporate income tax in respective jurisdictions	**134**	266
Deferred tax:		
Origination and reversal of temporary differences	**–**	–
	134	266

(i) Pursuant to the Enterprise Income Tax (the "**EIT**") Law of the PRC (the "**EIT Law**"), the Company and it's 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 of 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. obtained the certificate of high-technology enterprise in 2019 and and 2022 respectively and renewed their certificate each three years. Both subsidiaries are subject to income tax rate at 15% in 2026 and 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 relevant periods.

(Expressed in Renminbi unless otherwise indicated)

8 LOSS PER SHARE

(a) Basic loss per share

Basic loss per share for the six months ended 30 June 2026 and 2025 is calculated by dividing the loss attributable to equity shareholders of the Company by the weighted average number of ordinary shares in issue.

	Six months ended 30 June	
	2026	2025
Ordinary shares in issue at 1 January	**915,100**	879,152
Effect of ordinary shares issued under issuance of ordinary shares by over-allotment option	**–**	1,416
Effect of shares repurchased	**(1,696)**	–
Effect of unvested restricted share units	**(2,663)**	(10,487)
Weighted average number of ordinary shares at 30 June	**910,741**	870,081

(b) Diluted loss per share

For the six months ended 30 June 2026 and 2025, restricted share units as disclosed in Note 19(b) were not included in the calculation of diluted loss per share, as their effect would have been anti-dilutive. Accordingly, diluted loss per share were the same as basic loss per share for both periods.

9 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired items of property, plant and equipment with a cost of RMB340,774,000 (six months ended 30 June 2025: RMB12,019,000).

10 OTHER NON-CURRENT ASSETS

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Prepayments for property, plant and equipment	**200,045**	130,936

11 INVENTORIES

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

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Raw materials	**37,445**	30,817
Semi-finished products and WIP	**247,258**	253,838
Finished products	**784,547**	612,838
	1,069,250	897,493

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

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Carrying amount of inventories used	**745,391**	528,370
Reversal of inventories write-down	**(10,620)**	(12,864)
	734,771	515,506

12 TRADE AND OTHER RECEIVABLES

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Trade receivables, net of loss allowance	535,278	559,016
Bills receivable	20,467	17,159
Bills receivable, measured at FVOCI	39,301	12,918
Prepayments	59,474	56,994
VAT recoverable	143,924	106,882
Other receivables and deposits, net of loss allowance	38,949	23,268
	837,393	776,237

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

As at 30 June 2026 and 31 December 2025, the ageing analysis of trade receivables (which are included in trade and other receivables) based on the invoice date and net of loss allowance, is as follows:

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Within 1 year	529,740	557,385
Over 1 year but less than 2 years	5,538	1,631
	535,278	559,016

13 FINANCIAL ASSETS MEASURED AT FVOCI

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Negotiable certificate of deposits with banks	900,241	1,636,738

The Group invested in certain negotiable certificate of deposits with banks in the PRC. The negotiable certificate of deposits were transferable and carried at fixed interest rate ranged from 1.55% to 2.00% per annum. The directors of the Group determine such negotiable certificate of deposits are mainly for the purpose of short-term fund management to collect contractual payments, which will be sold in the secondary market within one year, depending on the cash needs. Therefore, the negotiable certificate of deposits are classified as current financial assets at FVOCI.

14 PLEDGED BANK DEPOSITS

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Pledged bank deposits	**7,344**	7,798

As at 30 June 2026, pledged bank deposits were pledged to banks for entrusted payment to suppliers.

15 CASH AND CASH EQUIVALENTS

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Cash at bank and on hand	**1,578,089**	878,955

16 TRADE AND OTHER PAYABLES

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Trade payables	**204,695**	176,544
Bills payables	**117,765**	–
Accrued payroll	**66,075**	89,145
Tax payable	**26,935**	22,590
Payables for property, plant and equipment	**90,405**	63,929
Contract liabilities	**51,728**	19,038
Other payables and accruals	**119,739**	101,185
Trade and other payables	**677,342**	472,431

16 TRADE AND OTHER PAYABLES (CONTINUED)

(a) All trade and other payables are due to third parties expected to be settled or recognised as income within one year or are repayable on demand.

(b) As at 30 June 2026 and 31 December 2025, the ageing analysis of trade payables (which are included in trade and other payables), based on the invoice date, is as follows:

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Within 3 months	200,163	172,665
After 3 months but within 6 months	1,556	1,034
After 6 months but within 12 months	280	136
After 12 months	2,696	2,709
	204,695	176,544

17 LOANS AND BORROWINGS

(a) Loans and borrowings comprise:

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Bank loans	2,602,556	2,229,708

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

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Within 1 year or on demand	615,067	336,102
After 1 year but within 2 years	896,712	429,432
After 2 years but within 5 years	839,247	1,241,535
More than 5 years	251,530	222,639
	1,987,489	1,893,606
	2,602,556	2,229,708

17 LOANS AND BORROWINGS (CONTINUED)

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

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Secured bank loans (i)	1,181,130	1,427,151
Unsecured bank loans	1,421,426	802,557
	2,602,556	2,229,708

(i) Loans and borrowings of the Group were secured by the following assets of the Group:

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Property, plant and equipment	1,294,394	1,606,837
Right-of-use assets	36,479	47,590
	1,330,873	1,654,427

18 DEFERRED INCOME

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Government grants	70,876	85,367

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

19 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

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

The Board of directors did not recommend a payment of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

(ii) Nil dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the interim period (six months ended 30 June 2025: Nil).

(b) Equity settled share-based transactions

In February 2024, the Group adopted a RSU scheme ("**the Scheme**") to replace the share options schemes for purpose of providing incentives to eligible employees of the Group. And this replacement was deemed as a modification as the type of equity instrument granted was modified from share options to RSU. These RSUs shall vest over four years with 75% at the end of the third year and 25% at the end of the fourth year from the date of joining the Company or vest in the years upon the completion of the Company's initial public offering ("**IPO**"), whichever is later.

During the six months ended 30 June 2026, no RSU was granted (during the six months ended 30 June 2025: Nil) and a total number of 1,578,250 shares (for the six months ended 30 June 2025: 21,931,807 shares) were vested. As at 30 June 2026, a total of 6,379,285 shares (as at 31 December 2025: 8,342,535 shares) were unvested.

(c) Shares held for Share Award Scheme

	Number of shares	Amount HK$'000	Amount RMB'000
As at 1 January 2025	–	–	–
Shares acquired for Share Award Scheme during the year	596,300	42,941	39,351
As at 31 December 2025 and 1 January 2026	596,300	42,941	39,351
Shares acquired for Share Award Scheme during the year	1,260,000	79,817	71,183
As at 30 June 2026	1,856,300	122,758	110,534

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. A total amount of RMB167,000,000 (six months ended 30 June 2025: nil) was paid to the Trustee for the six months ended 30 June 2026, with a balance of unutilised cash of RMB96,275,000 as at 30 June 2026 (31 December 2025: RMB591,000).

20 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

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

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

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

		Fair value measurements as at 30 June 2026 categorised into		
	Fair value at 30 June 2026 RMB'000	**Level 1** RMB'000	**Level 2** RMB'000	**Level 3** RMB'000
Recurring fair value measurement				
Financial assets at FVOCI:				
– Negotiable certificate of deposits with banks	900,241	–	900,241	–
– Bills receivable, measure at FVOCI	39,301	–	39,301	–

20 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(i) Financial assets and liabilities measured at fair value (continued)

Fair value hierarchy (continued)

	Fair value at 31 December 2025	Fair value measurements as at 31 December 2025 categorised into		
		Level 1	**Level 2**	**Level 3**
	RMB'000	RMB'000	RMB'000	RMB'000
Recurring fair value measurement				
Financial assets at FVOCI:				
– Negotiable certificates of deposit with banks	1,636,738	–	1,636,738	–
– Bills receivable, measure at FVOCI	12,918	–	12,918	–

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

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

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 30 June 2026 and 31 December 2025.

21 COMMITMENTS

Capital commitments outstanding at 30 June 2026 and 31 December 2025 not provided for in the financial statements were as follows:

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Contracted for acquisition of property, plant and equipment	**700,391**	159,144

22 MATERIAL RELATED PARTY TRANSACTIONS

(a) Names and relationship of the related parties that had material transactions with the Group during the year

Name of related parties	Relationship
Anhui Starksemi Semiconductor Co., Ltd. 安徽星鑰半導體有限公司	Entity controlled by a controlling shareholder of the Company
Starksemi Semiconductor (Wuhan) Co., Ltd. 星鑰半導體(武漢)有限公司	Entity controlled by a controlling shareholder of the Company

(b) Transactions with related parties

	Six months ended 30 June	
	2026 **RMB'000**	2025 RMB'000
Sales of products and provision of services	**8,517**	368

(c) Balance with related parties

	As at 30 June **RMB'000**	As at 31 December RMB'000
Trade related:		
Trade and other receivables	**23,697**	17,504

(d) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Group's directors and certain of the highest paid employees, is as follows:

	Six months ended 30 June	
	2026 **RMB'000**	2025 RMB'000
Salaries, wages and other benefits	**5,065**	8,422
Discretionary bonuses	**5,006**	4,805
Contributions to defined contribution retirement plan	**175**	387
Equity-settled share-based payment expenses	**9,803**	42,191
	20,049	55,805

Total remuneration is included in staff costs (see Note 6(b)).

23 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

There were no material non-adjusting events after the reporting period.

24 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS, AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE SIX MONTHS ENDED 30 JUNE 2026

A number of amendments and new standards are not yet mandatory for annual periods beginning 1 January 2026. Earlier application is permitted; however, the Group has not early adopted any new or amended standards in preparing this interim financial report.

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

HKFRS 18, Presentation and disclosure in financial statements

HKFRS 18 will replace HKAS 1 Presentation of financial statements and aims to improve the transparency and comparability of information about an entity’s financial statements. HKFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt HKFRS 18 and is still in the process of assessing the impact of the adoption.