



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

2025

INTERIM REPORT



**CREATE
A BETTER FUTURE
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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 21 July 2017 and converted into a joint stock limited liability company in the PRC on 27 September 2023, the H Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2577)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“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”	9 September 2025, 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, 30 December 2024
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or 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 or otherwise modified from time to time
“Prospectus”	the prospectus of the Company dated 18 December 2024
“Reporting Period”	the six months ended 30 June 2025
“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
“Supervisor(s)”	member(s) of the Supervisory Committee
“Supervisory Committee”	the supervisory committee of the Company
“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 and 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 9 November 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 23 October 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 17 December 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 (*Chief financial officer*)

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

SUPERVISORS ^(Note)

Mr. Ke Shanyong (*Chairperson*)

Dr. Huang Xi

Mr. Ren Weifeng

Mr. Peng Xingguo

Ms. Lai Guangyi

JOINT COMPANY SECRETARIES

Ms. Liu Lihua (*resignation with effect on 18 July 2025*)

Mr. Yu Xiaotong (*appointment with effect on 18 July 2025*)

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

Beishe, Lili Town

Wujiang District, Suzhou

Jiangsu Province, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40/F, Dah Sing Financial Centre

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

Note: As considered and approved by the Company's 2025 first extraordinary general meeting held on 9 July 2025, after the extraordinary general meeting, the Company cancelled the Supervisory Committee, and each member of the Supervisory Committee resigned as a Supervisor with effect from 9 July 2025.

CORPORATE INFORMATION

NOMINATION COMMITTEE

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

COMPANY'S WEBSITE

<https://www.innoscience.com>

INDEPENDENT AUDITOR

KPMG
Certified Public Accountants
Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
8/F, Prince's Building
10 Chater Road, Central
Hong Kong

LEGAL ADVISORS TO THE COMPANY

As to Hong Kong Law:
Clifford Chance
27th Floor, Jardine House
One Connaught Place
Central
Hong Kong

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

STOCK CODE

2577

COMPLIANCE ADVISOR

Maxa Capital Limited
Unit 2602, 26/F, Golden Centre
188 Des Voeux Road Central
Sheung Wan
Hong Kong

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

2025 INTERIM FINANCIAL AND BUSINESS HIGHLIGHTS

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

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

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

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

Driving AI and data centers into the era of GaN:

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

New energy vehicles:

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

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

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

2025 INTERIM FINANCIAL AND BUSINESS HIGHLIGHTS

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

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

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

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

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

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

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

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

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

5. The overseas market maintains rapid growth

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

MANAGEMENT DISCUSSION AND ANALYSIS

I. INDUSTRY TRENDS AND COMPANY OVERVIEW

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

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

II. BUSINESS REVIEW

(I) Product R&D

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

(II) Product Application

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

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

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

(III) Iteration of the Process Technology Platform

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

(IV) Production and Supply Chain Management

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

(V) Sales and Marketing

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

Overseas business

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

Customer collaboration

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

(VI) Business Outlook and Operation Strategies

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

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

III. FINANCIAL ANALYSIS

Revenue

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

In particular:

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

MANAGEMENT DISCUSSION AND ANALYSIS

Cost of Sales

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

Gross Profit and Gross Margin

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

Other Net Income

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

Selling and Marketing Expenses

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

Administrative Expenses

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

Research and Development Costs

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

Finance Costs

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

MANAGEMENT DISCUSSION AND ANALYSIS

Loss for the Period

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

Liquidity and Capital Resources

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

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

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

Indebtedness and Financial Ratios

Loans and Borrowings

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

Lease Liabilities

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

Financial Ratios

Current ratio

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

MANAGEMENT DISCUSSION AND ANALYSIS

Quick ratio

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

Net gearing ratio

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

Treasury Policy

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

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

Pledge of Assets

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

Capital Expenditures

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

Capital Commitments

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

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

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

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

Non-HKFRS Measure

To supplement its consolidated financial statements, which are 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 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 its consolidated results of operations in the same manner as it helps its management. 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.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group defines adjusted net loss (non-HKFRS measure) as loss for the period adjusted by adding back (i) equity-settled share-based payment expenses; and (ii) listing expenses, which relate to the Global Offering. The adjustments were consistently made during the 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 2025 and 30 June 2024 to the nearest measure prepared in accordance with HKFRS Accounting Standards:

	For the six months ended 30 June	
	2025	2024
	(RMB in thousands)	
Reconciliation of loss for the period to adjusted loss for the period (non-HKFRS measure):		
Loss for the period	(428,672)	(488,003)
Add:		
– Equity-settled share-based payment expenses ⁽¹⁾	88,343	88,103
– Listing expenses	0	22,159
Adjusted net loss (non-HKFRS measure)	(340,329)	(377,741)

Note:

- (1) Equity-settled share-based payment expenses are non-cash in nature and mainly represent the arrangement that the Group receives services from employees as consideration for its equity instruments. Equity-settled share-based payment expenses are 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 exchange rate 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

Currency Risk

The Group is exposed to currency risk primarily through purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily Hong Kong dollars, United States dollars and European currency units.

As of 30 June 2025, the Group did not hold any financial instruments for hedging purposes.

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 |

MANAGEMENT DISCUSSION AND ANALYSIS

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. Please refer to note 21 to the financial statements.

V. HUMAN RESOURCES AND REMUNERATION

As of 30 June 2025, the Group had a total of 1,238 employees and the majority of its employees were based in mainland China. During the Reporting Period, the total employee costs incurred by the Group amounted to RMB331.53 million, including salaries, wages, allowances, benefits and related expenses on share incentive plan.

	As of 30 June 2025	
	Number of employees	Percentage of total employees (%)
Supply and manufacturing	612	49%
Research and development	343	28%
General and administrative	208	17%
Sales and marketing	75	6%
Total	1,238	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, we generally provide performance-based bonuses for our full-time employees. In addition, the Group has adopted a share incentive scheme, intending to motivate the Company's employees by awarding shares, enabling them to share in the benefits of the Company's growth, enhancing their sense of responsibility and mission for the Company's development, and at the same time attracting and retaining outstanding talents and improving the core competitiveness of the Company.

The Group has established a comprehensive system for employee training and development, including general training covering corporate culture, employee rights and responsibilities, workplace safety, data security and other logistics aspects, as well as specific training 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 its employees.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS', SUPERVISORS' 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 2025, 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, Supervisors 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:

Name	Position in our Company	Nature of interest	Number of Shares held ⁽¹⁾	As of 30 June 2025	
				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					
Dr. Luo	Founder, chairperson of the Board, executive Director	Beneficial owner	24,604,652 (L)	6.32	2.79
		Interests in controlled corporations ⁽³⁾	96,300,985 (L)	24.72	10.93
		Others ⁽⁴⁾	22,818,868 (L)	5.86	2.59
Mr. Son	Executive Director	Beneficial owner ⁽⁴⁾	22,818,868 (L)	5.86	2.59
Mr. Wu Jingang	Executive Director and chief executive officer	Beneficial owner ⁽⁵⁾	5,000,571 (L)	1.28	0.57
Mr. Zhong Shan	Executive Director and chief financial officer	Beneficial owner ⁽⁵⁾	4,600,000 (L)	1.18	0.52
H Shares					
Dr. Luo	Founder, chairperson of the Board, executive Director	Beneficial owner	24,604,653 (L)	5.01	2.79
		Interests in controlled corporations ⁽³⁾	96,300,986 (L)	19.60	10.93
		Others ⁽⁴⁾	22,818,868 (L)	4.64	2.59
Mr. Son	Executive Director	Beneficial owner ⁽⁴⁾	22,818,868 (L)	4.64	2.59
Mr. Wu Jingang	Executive Director and chief executive officer	Beneficial owner ⁽⁵⁾	5,000,571 (L)	1.02	0.57
Mr. Zhong Shan	Executive Director and chief financial officer	Beneficial owner ⁽⁵⁾	4,600,000 (L)	0.94	0.52

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

- (1) "L" denotes long positions.
- (2) As at 30 June 2025, the Company had 389,559,466 Domestic Unlisted Shares and 491,257,187 H Shares, with a total of 880,816,653 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 96,300,985 Domestic Unlisted Shares and 96,300,986 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) 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 2025, none of the Directors, Supervisors or 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, Supervisors 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As at 30 June 2025, so far as the Directors are aware, the following persons (other than Directors, Supervisors 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:

			As of 30 June 2025	
Name of Shareholders	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⁾ (%)
Domestic Unlisted Shares				
Inno Holding	Beneficial owner	43,001,465 (L)	11.04	4.88
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⁾	48,902,412 (L)	12.55	5.55
China Merchants Bank Co., Ltd. (招商銀行股份有限公司)	Interests in controlled corporations ⁽³⁾	65,880,676 (L)	16.91	7.48
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⁾	65,880,676 (L)	16.91	7.48
CMB International Capital Holdings Corporation Limited (招銀國際金融控股有限公司)	Interests in controlled corporations ⁽³⁾	65,880,676 (L)	16.91	7.48
CMB International Capital Corporation Limited (招銀國際金融有限公司)	Interests in controlled corporations ⁽³⁾	65,880,676 (L)	16.91	7.48
CMB Finance Holding (Shenzhen) Co., Ltd. (招銀金融控股(深圳)有限公司)	Interests in controlled corporations ⁽³⁾	65,880,676 (L)	16.91	7.48
Suzhou Wujiang Industrial Investment Co., Ltd. (蘇州市吳江產業投資有限公司)	Beneficial owner ⁽⁴⁾	44,749,893 (L)	11.49	5.08
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⁾	44,749,893 (L)	11.49	5.08

CORPORATE GOVERNANCE AND OTHER INFORMATION

Name of Shareholders	Nature of interest	Number of Shares held ⁽¹⁾	As of 30 June 2025	
			Approximate percentage of shareholding in the relevant class of Shares ⁽²⁾ (%)	Approximate percentage of shareholding in the total share capital of our Company ⁽²⁾ (%)
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⁾	44,749,893 (L)	11.49	5.08
Shenzhen Huaye Tiancheng Investment Co., Ltd. (深圳華業天成投資有限公司)	Beneficial owner ⁽⁵⁾	33,967,323 (L)	8.72	3.86
Sun Yelin (孫業林)	Interests in controlled corporations ⁽⁵⁾	33,967,323 (L)	8.72	3.86
H Shares				
Inno Holding	Beneficial owner	43,001,466 (L)	8.75	4.88
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⁾	48,902,412 (L)	9.95	5.55
China Merchants Bank Co., Ltd. (招商銀行股份有限公司)	Interests in controlled corporations ⁽³⁾	65,880,674 (L)	13.41	7.48
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⁾	65,880,674 (L)	13.41	7.48
CMB International Capital Holdings Corporation Limited (招銀國際金融控股有限公司)	Interests in controlled corporations ⁽³⁾	65,880,674 (L)	13.41	7.48
CMB International Capital Corporation Limited (招銀國際金融有限公司)	Interests in controlled corporations ⁽³⁾	65,880,674 (L)	13.41	7.48
CMB Finance Holding (Shenzhen) Co., Ltd. (招銀金融控股(深圳)有限公司)	Interests in controlled corporations ⁽³⁾	65,880,674 (L)	13.41	7.48
SK China Company Limited	Beneficial owner ⁽⁶⁾	48,479,039 (L)	9.87	5.50
SK Inc.	Interests in controlled corporations ⁽⁶⁾	48,479,039 (L)	9.87	5.50

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

- (1) All interests denote long positions.
- (2) As at 30 June 2025, the Company had 389,559,466 Domestic Unlisted Shares and 491,257,187 H Shares, with a total of 880,816,653 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**”) 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 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 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.
- (5) Each of the general partners of Shenzhen Tongchuang Zhuoyue Investment L.P. (深圳同創卓越投資合夥企業(有限合夥)) (“**Tongchuang Zhuoyue**”), Hunan Huaye Tiancheng Venture Capital Investment L.P. (湖南華業天成創業投資合夥企業(有限合夥)) (“**Huaye Tiancheng**”), Xiamen Huaye Qirong Venture Capital Partnership L.P. (廈門華業啟融創業投資合夥企業(有限合夥)) (“**Huaye Qirong**”) and Shenzhen Gongchuang Future Investment Partnership L.P. (深圳共創未來投資合夥企業(有限合夥)) (“**Gongchuang Future**”) is ultimately managed by Shenzhen Huaye Tiancheng Investment Co., Ltd. (“**Huaye Investment**”), which is ultimately controlled by Mr. Sun Yelin (孫業林). Therefore, each of Mr. Sun Yelin (孫業林) and Huaye Investment is deemed to be interested in the interests of Tongchuang Zhuoyue, Huaye Tiancheng, Huaye Qirong and Gongchuang Future in our Company for the purpose of the SFO.
- (6) SK China Company Limited is ultimately controlled by SK Inc. Therefore, SK Inc. is deemed to be interested in the interests of SK China in our Company for the purpose of the SFO.

Save as disclosed above, as at 30 June 2025, the Directors were not aware of any other person (other than Directors, Supervisors 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 and Supervisors. Having made specific enquiry by the Company, each of the Directors and Supervisors acknowledged that they had complied with the Model Code during the Reporting Period.

INTERIM DIVIDEND

The Board does not propose to declare the interim dividends for the six months ended 30 June 2025.

RESERVES

During the six months ended 30 June 2025, details of the movements in the reserves of the Group and the Company are set out in note 20 to the financial statements respectively.

DISTRIBUTABLE RESERVES

As of 30 June 2025, the Group has RMB0 distributable reserves.

PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, details of the movements in the property, plant and equipment of the Company and the Group are set out in note 9 to the financial statements.

CORPORATE GOVERNANCE AND OTHER INFORMATION

BANK LOANS AND OTHER BORROWINGS

Details of the Group's bank loans and other borrowings as at 30 June 2025 are set out in note 18 to the financial statements.

SECURITIES ISSUANCE AND LISTING

On 30 December 2024, 489,592,787 H Shares issued by the Company (before the exercise of the over-allotment option) were listed and traded on the Main Board of the Hong Kong Stock Exchange. On 22 January 2025, the Over-allotment Option described in the Prospectus (the **"Over-allotment Option"**) was partially exercised by the stabilizing manager (for itself and on behalf of the over-allotment underwriters) in respect of a total of 1,664,400 H Shares, representing approximately 3.67% of the total number of the offer shares initially available under the Global Offering before any exercise of the Over-allotment Option. The Over-allotment Shares were issued and allotted by the Company at HK\$30.86 per Share (excluding brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%). The over-allotment shares are used to facilitate the delivery of part of the offer shares to cornerstone investors who have agreed to delay the delivery of the relevant offer shares subscribed by them under the Global Offering. The listing of and dealings in the over-allotment shares on the Stock Exchange commenced on 27 January 2025. After deducting the estimated offering expenses payable by the Company in connection with the partial exercise of the Over-allotment Option, the Company received additional net proceeds of approximately HK\$49.5 million from the issue and allotment of the over-allotment shares. The additional net proceeds will be used on a *pro rata* basis for the purposes as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus, for details of the use of proceeds during the Reporting Period, please refer to the section "Use of Proceeds from Listing" in this interim report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company (including sale or transfer of Treasury Shares). As at 30 June 2025, the Company did not hold any Treasury Shares.

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

Item	Planned proportion	Allocation of the Net Proceeds (HK\$ million)	Utilized proceeds during the Reporting Period (HK\$ million)	Unutilized proceeds as at the end of the Reporting Period (HK\$ million)	Percentage of utilized proceeds to the allocation of Net Proceeds as of the end of the Reporting Period	Expected timetable for the fully utilizing of unutilized proceeds
Expand our production capacity of the 8-inch GaN wafer from 12,500 wafers per month as of 30 June 2024 to 70,000 wafers per month over the next five years, purchase and upgrade equipment and machinery for production and recruit manufacturing personnel	60.0%	811.18	41.67	769.51	5%	By the end of 2029
R&D and expansion of our product portfolio to increase the penetration rate of GaN products in end markets, such as consumer electronics, renewable energy and industrial applications, automotive electronics and data center	20.0%	270.39	25.73	244.66	10%	By the end of 2029
Expand the global distribution network of our GaN products	10.0%	135.20	0.48	134.72	0%	By the end of 2029
Working capital and other general corporate purposes	10.0%	135.19	135.19	–	100%	Not applicable
Total	100%	1,351.96	203.07	1,148.89	15%	

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

SHARE INCENTIVE SCHEME

The 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 Pre-IPO Share 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 8.01% 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 labour contract with the Group (the “**Service Period**”).

Vesting Schedule: The Awards granted to a Participant shall be vested 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 vested in the years upon the completion of the Company’s initial public offering, whichever is later.

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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Details of the Awards Granted: As at 30 June 2025, a total of 21,048,392 share of Awards were outstanding for vesting. The following table sets out the share of Awards not vested of the Pre-IPO Share Plan as at 1 January 2025 and 30 June 2025, 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 1 January 2025	Granted during the Reporting Period	Vested during the Reporting Period ⁽²⁾	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Awards not vested as at 30 June 2025
Dr. Wu Jingang (吳金剛博士)	Executive Director and chief executive officer	1 January 2024	10,001,142	0	0	0	0	10,001,142
Ms. Lai Guangyi (賴廣禕女士)	Employees' representative Supervisor	1 June 2023	40,000	0	40,000	0	0	0
Mr. Ke Shanyong (柯善勇先生)	Chairperson of the supervisory committee and employees' representative Supervisor	7 July 2023	180,000	0	180,000	0	0	0
Mr. Yang Zhen (楊震先生)	Director of the Company's subsidiary	8 September 2023	80,000	0	80,000	0	0	0
Mr. Wu Lei (吳磊先生)	Director of the Company's subsidiary	8 July 2023	400,000	0	0	0	0	400,000
Subtotal of employee Participants other than Directors or Supervisors			19,838,200	0	9,000,950	0	190,000 ⁽³⁾	10,647,250
Total			30,539,342	0	9,300,950	0	190,000	21,048,392

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 have been vested as the Participants have achieved corresponding service period conditions.
- (3) As there are resignations of incentive recipients during the Reporting Period, in accordance with the rules of the Pre-IPO Share Plan, the administrator repurchased 190,000 Shares and lapsed them.

CORPORATE GOVERNANCE AND OTHER INFORMATION

2025 SHARE AWARD PLAN

Shareholders of the Company approved and adopted the 2025 Share Award Plan at the 2025 First Extraordinary General Meeting held on 9 July 2025. The following is a summary of the key terms of the 2025 Share Award Plan.

Purpose of the Plan: The purpose of the 2025 Share Award Plan is to motivate the employees of the Company by awarding shares, enhance their work enthusiasm and loyalty, and promote the long-term stable development of the Company. It aims to share the profits generated from the growth of the Company by granting the Company's shares to its employees, enhance their sense of responsibility and mission for the development of the Company, while attracting and retaining outstanding talents to enhance the Company's core competitiveness.

Validity Period: Except for any early termination determined by the Board in accordance with the rules of the 2025 Share Award Plan, the 2025 Share Award Plan shall be valid and effective for a period of 10 years from the Adoption Date, and no further Award may be made after the expiry of the validity period.

Source of Funds: The source of funds for the 2025 Share Award Plan is the Company's internal funds; and/or the amount that the incentive recipients are required to pay to the Company (or other persons instructed by the Board and/or the Authorized Persons) in accordance with the terms of the grant letter and/or the rules of the Plan to obtain the Awarded Shares.

Source of Shares: The source of H Shares under the 2025 Share Award Plan is the H Shares that the Trustees will acquire using the 2025 Share Award Plan funds and/or additional H Shares (including Treasury Shares, if any) issued to the Trustees in accordance with the Trust Deeds and the instructions of the Company and the relevant provisions of the rules of the 2025 Share Award Plan.

Plan Mandate Limit: As of the Latest Practicable Date, the mandate limit of the 2025 Share Award Plan shall not exceed 10% of the total number of issued H Shares (excluding Treasury Shares) as at the Adoption Date or the relevant date of approval of the refreshment of the Plan Mandate Limit, which is 49,125,718 H Shares.

Eligible Participants: Persons entitled to participate in the 2025 Share Award Plan are employee participants, including the Company's senior management, core technical personnel and key business personnel who have outstanding contributions to the Company's development.

Grant and Purchase Price of Awarded Shares: The Board or the Chairperson of the Board (as delegated by the Board) shall, subject to and in accordance with the 2025 Share Award Plan, be entitled (but shall not be bound) to, at any time during the continuation of the 2025 Share Award Plan, make an award out of the Shares Pool to any of the Eligible Participants. Such H Shares are fully paid or credited as fully paid, as the Board or the Chairperson of the Board (as delegated by the Board) shall determine pursuant to the 2025 Share Award Plan. The eligibility of any of the Eligible Participants to an Award shall be determined by the Board or the Chairperson of the Board (as delegated by the Board) from time to time on the basis of its opinion as to his/her contribution and/or future contribution to the development and growth of the Group. Subject to the Listing Rules, the purchase price of any Award, if any, shall be determined by the Board or the Chairperson of the Board (as delegated by the Board) in its sole discretion at the time when the relevant Award is granted (and stated in the notice of grant), taking into account factors such as the current closing price of the H Shares, the purpose of the plan, and the characteristics and background of the relevant Participants.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Vesting of the Awarded Shares: The Vesting Date in respect of any Award shall be not less than 12 months from the Grant Date. The Awarded Shares will be vested in tranches as per the agreed proportions upon the Selected Participants satisfying the corresponding vesting conditions. The vesting period and vesting schedule are as follows:

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

If the labor contract between the Selected Participant and the Company is valid and has not expired, and there is no circumstances provided for in Article 39 of the Labor Contract Law of the PRC 《中華人民共和國勞動合同法》 within the last 12 months, the Trustees shall, subject to the 2025 Share Award Plan, transfer to any Selected Participant the legal and beneficial ownership of the Awarded Shares to which such Selected Participant is entitled under the relevant Award as soon as practicable after the latest of: (a) the vesting date according to the vesting schedule above; (b) the receipt by the Trustees of the requisite information and documents stipulated by the Trustees within the stipulated period; and (c) where applicable, the date on which the condition(s) and/or performance target(s) (if any) to be attained or paid by such Selected Participant as specified in the related Award Notice have been attained or paid and notified to the Trustees by the Board or the Chairperson of the Board (as delegated by the Board) in writing.

Among them, the performance targets (if any) will be tailored to the specific circumstances of the relevant Selected Participants. Depending on the specific circumstances, the performance targets may include, but are not limited to: (i) the annual results and performance of the Group or members of the Group; (ii) the achievement of milestones of important projects of the Group; (iii) the key performance indicators of the Selected Participant's department and/or business unit; and (iv) the position held by the Selected Participants and the results of their annual appraisal, etc. The Board or the Chairperson of the Board (as delegated by the Board) or the Remuneration Committee will conduct a comparative assessment at the end of the performance period of the relevant performance targets to determine, in its absolute discretion, whether or not the relevant performance targets have been achieved.

As of the Latest Practicable Date, the Company has not granted, vested, cancelled or lapsed any awards under the 2025 Share Award Plan. The number of awards available for grant under the 2025 Share Award Plan at the beginning and the end of the Reporting Period were both 49,125,718 H Shares.

CHANGES IN INFORMATION OF DIRECTORS AND SUPERVISORS

The Resolution on Amendments to the Articles of Association and Cancellation of the Supervisory Committee was approved by the Shareholders on 9 July 2025. According to this resolution, Mr. Ke Shanyong, Dr. Huang Xi, Mr. Ren Weifeng, Mr. Peng Xingguo and Ms. Lai Guangyi have resigned as Supervisors of the Company with effect from 9 July 2025. For details, please refer to the relevant announcements of the Company dated 21 May 2025, 9 July 2025 and the circular of the Company dated 19 June 2025.

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 2025, 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 2025 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.

EVENTS AFTER THE REPORTING PERIOD

Completion of Placing of H Shares under General Mandate

On 22 July 2025 (before trading hours of the Stock Exchange), the Company entered into the Placing Agreement (the **“Placing Agreement”**) with CLSA LIMITED (中信里昂證券有限公司) and Haitong International Securities Company Limited (海通國際證券有限公司) (the **“Placing Agents”**), pursuant to which the Placing Agents have conditionally and severally (not jointly nor jointly and severally) agreed, as agents of the Company, to procure, on a best effort basis, not less than six Placees in aggregate to purchase 13,584,000 new H Shares at the Placing Price of HK\$40.50 per H Share upon the terms and subject to the conditions set out in the Placing Agreement.

After all the conditions under the Placing Agreement have been satisfied, the completion of the Placing took place on 28 July 2025. A total of 13,584,000 new H Shares (representing approximately 2.69% of the H Shares in issue of the Company immediately upon completion of the Placing and 1.52% of the total number of shares in issue as enlarged by the allotment and issuance of the Placing Shares) has been successfully placed to not less than six Placees at the Placing Price of HK\$40.50 per H Share upon the terms and subject to the conditions set out in the Placing Agreement. The Placees and their respective ultimate beneficial owners are Independent Third Parties.

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

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

Save as disclosed in this interim report, there were no other significant subsequent events occurred to the Group from 30 June 2025 to the Latest Practicable Date.

INDEPENDENT AUDITOR'S REVIEW REPORT



Review report to the board of directors of InnoScience (Suzhou) Technology Holding Co., Ltd.

(Incorporated in the People's Republic of China (the "PRC") with limited liability))

INTRODUCTION

We have reviewed the interim financial report set out on pages 38 to 60 which comprises the consolidated statement of financial position of InnoScience (Suzhou) Technology Holding Co., Ltd. (the "**Company**") as of 30 June 2025 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity and 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 2025 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 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025 - unaudited

(Expressed in Renminbi)

Six months ended 30 June			
	Note	2025 RMB'000	2024 RMB'000
Revenue	4	553,354	385,811
Cost of sales		(515,506)	(469,051)
Gross profit/(loss)		37,848	(83,240)
Other net income	5	47,966	37,648
Selling and marketing costs		(53,878)	(50,650)
Administrative expenses		(245,509)	(202,015)
Research and development costs		(162,326)	(145,453)
Loss from operations		(375,899)	(443,710)
Finance costs	6(a)	(52,507)	(44,124)
Loss before taxation	6	(428,406)	(487,834)
Income tax	7(a)	(266)	(169)
Loss for the period		(428,672)	(488,003)
Loss per share			
Basic and diluted (RMB)	8	(0.49)	(0.60)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025 - unaudited

(Expressed in Renminbi)

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

The accompanying notes form part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025 – unaudited

(Expressed in Renminbi)

	Note	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Non-current assets			
Property, plant and equipment	9	2,527,360	2,741,887
Right-of-use assets		110,233	116,841
Intangible assets		157,745	197,720
Other non-current assets	10	34,063	30,860
		2,829,401	3,087,308
Current assets			
Inventories	11	714,593	444,293
Trade and other receivables	12	638,957	484,388
Financial assets at fair value through profit or loss ("FVPL")	13	172,153	–
Financial assets at fair value through other comprehensive income ("FVOCI")	14	45,266	–
Pledged bank deposits	15	30,908	6,306
Cash and cash equivalents	16	1,425,218	1,524,954
		3,027,095	2,459,941
Current liabilities			
Trade and other payables	17	522,836	462,401
Loans and borrowings	18	408,691	522,426
Lease liabilities		10,594	11,157
		942,121	995,984

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025 – unaudited

(Expressed in Renminbi)

	Note	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Net current assets		2,084,974	1,463,957
Total assets less current liabilities		4,914,375	4,551,265
Non-current liabilities			
Loans and borrowings	18	2,086,514	1,401,470
Lease liabilities		54,466	59,342
Deferred income	19	97,245	119,435
		2,238,225	1,580,247
NET ASSETS		2,676,150	2,971,018
Share capital		880,816	879,152
Reserves		1,795,334	2,091,866
TOTAL EQUITY		2,676,150	2,971,018

Approved and authorised for issue by the Board of Directors on 28 August 2025.

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 2025 – unaudited

(Expressed in Renminbi)

	Note	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Exchange reserve RMB'000	Accumulated losses RMB'000	Total equity RMB'000
Balance at 1 January 2024		800,711	9,727,026	448,706	3,150	(9,015,670)	1,963,923
Changes in equity for the six months ended 30 June 2024:							
Loss for the period		–	–	–	–	(488,003)	(488,003)
Other comprehensive income		–	–	–	(1,181)	–	(1,181)
Total comprehensive income		–	–	–	(1,181)	(488,003)	(489,184)
Capital injection from shareholders		33,077	607,600	–	–	–	640,677
Equity-settled share-based transactions	20(b)	–	–	88,103	–	–	88,103
Balance at 30 June 2024 and 1 July 2024		833,788	10,334,626	536,809	1,969	(9,503,673)	2,203,519
Changes in equity for the six months ended 31 December 2024:							
Loss for the period		–	–	–	–	(557,674)	(557,674)
Other comprehensive income		–	–	–	(542)	–	(542)
Total comprehensive income		–	–	–	(542)	(557,674)	(558,216)
Issue of ordinary shares by initial public offering, net of issuance costs		45,364	1,201,514	–	–	–	1,246,878
Equity-settled share-based transactions	20(b)	–	–	78,837	–	–	78,837
Balance at 31 December 2024 and 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 ordinary shares by over-allotment option, net of issuance costs		1,664	43,902	–	–	–	45,566
Equity-settled share-based transactions	20(b)	–	–	88,343	–	–	88,343
Balance at 30 June 2025		880,816	11,580,042	703,989	1,322	(10,490,019)	2,676,150

The accompanying notes form part of the consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2025 – unaudited
(Expressed in Renminbi)

	Note	Six months ended 30 June	
		2025 RMB'000	2024 RMB'000
Operating activities:			
Cash used in operations		(387,009)	(155,354)
Income tax paid		(266)	(169)
Net cash used in operating activities		(387,275)	(155,523)
Investing activities:			
Payment for the purchase of property, plant and equipment and intangible assets		(50,373)	(71,384)
Payments for acquisition of financial assets measured at FVPL		(172,513)	(246,226)
Payments for acquisition of financial assets measured at FVOCI		(75,000)	(330,246)
Proceeds from disposal of property, plant and equipment		–	11,708
Proceeds from disposal of financial assets measured at FVPL		–	196,783
Proceeds from disposal of financial assets measured at FVOCI		30,000	130,000
Interest of financial assets measured at FVOCI received		34	800
Net cash used in investing activities		(267,852)	(308,565)
Financing activities:			
Capital element of lease rentals paid		(5,704)	(4,279)
Interest element of lease rentals paid		(1,322)	(782)
Proceeds from loans and borrowings		1,355,794	170,764
Repayment of loans and borrowings		(789,070)	(171,601)
Capital contributions by investors		–	640,677
Interest of loans and borrowings paid		(36,600)	(37,929)
Proceeds from issuance of H shares by over-allotment option, net of issuance costs		44,488	(2,077)
Net cash generated from financing activities		567,586	594,773
Net (decrease)/increase in cash and cash equivalents		(87,541)	130,685
Effect of foreign exchange rate changes		(12,195)	41
Cash and cash equivalents at 1 January	16	1,524,954	328,978
Cash and cash equivalents at 30 June	16	1,425,218	459,704

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 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in note 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 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG’s independent review report to the Board of Directors is included on page 37.

The financial information relating to the financial year ended 31 December 2024 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 2024 are available in the Company’s registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 28 March 2025.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

3 CHANGES IN ACCOUNTING POLICIES

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

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

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

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

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

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(Expressed in Renminbi unless otherwise indicated)

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	
	2025 RMB'000	2024 RMB'000
Mainland of the PRC	489,640	345,454
Overseas	63,714	40,357
	553,354	385,811

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5 OTHER NET INCOME

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

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

6 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

(a) Finance costs:

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

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(Expressed in Renminbi unless otherwise indicated)

6 LOSS BEFORE TAXATION (CONTINUED)

(b) Staff costs:

Six months ended 30 June			
	Note	2025 RMB'000	2024 RMB'000
Salaries, wages and other benefits		230,024	199,569
Contributions to defined contribution retirement plans (i)		13,167	12,410
Equity-settled share-based payment expenses	20(b)	88,343	88,103
		331,534	300,082

(i) Defined contribution retirement plans

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

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

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

(c) Other items:

Six months ended 30 June			
	Note	2025 RMB'000	2024 RMB'000
Cost of inventories	11(b)	515,506	461,105
Depreciation:			
– owned property, plant and equipment	9	226,843	213,536
– right-of-use assets		6,853	5,050
Research and development expenses (i)		162,326	145,453
Amortisation of intangible assets		40,160	39,970

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

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	
	2025 RMB'000	2024 RMB'000
Current tax:		
Provision for corporate income tax in respective jurisdictions	266	169
Deferred tax:		
Origination and reversal of temporary differences	—	—
	266	169

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

The Company's subsidiary Innoscience Korea Inc. incorporated in South Korea is liable to South Korea Profits tax at progressive tax rates from 9% to 24% of annual taxable profits. The Company's subsidiary Innoscience America Inc. incorporated in the United States is liable to the federal corporate tax at a rate of 21% and the state income tax at a rate 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 2022 respectively and Innoscience (Zhuhai) Technology Co., Ltd. renewed its certificate in 2022. Both subsidiaries are subject to income tax rate at 15% in 2025 and 2024.

- (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.

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(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 2025 and 2024 is calculated by dividing the loss attributable to equity shareholders of the Company by the weighted average number of ordinary shares in issue.

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

(b) Diluted loss per share

For the period ended 30 June 2025 and 2024, restricted share units as disclosed in Note 20(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 2025, the Group acquired items of property, plant and equipment with a cost of RMB12,019,000 (six months ended 30 June 2024: RMB36,960,000).

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

10 OTHER NON-CURRENT ASSETS

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Prepayments for property, plant and equipment	32,882	20,002
Deposits for leaseback assets	1,181	10,858
	34,063	30,860

11 INVENTORIES

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

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

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

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

12 TRADE AND OTHER RECEIVABLES

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

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

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

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

13 FINANCIAL ASSETS MEASURED AT FVPL

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Wealth management products	172,153	–

The Group's wealth management products primarily were money market funds purchased from banks in the PRC during the period.

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(Expressed in Renminbi unless otherwise indicated)

14 FINANCIAL ASSETS MEASURED AT FVOCI

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Negotiable certificate of deposits with banks	45,266	–

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 2.00% to 2.15% 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.

15 PLEDGED BANK DEPOSITS

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Pledged bank deposits	30,908	6,306

As at 30 June 2025, pledged bank deposits were pledged to banks for entrusted payment to suppliers.

16 CASH AND CASH EQUIVALENTS

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Cash at bank and on hand	1,425,218	1,524,954

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

17 TRADE AND OTHER PAYABLES

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

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

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

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(Expressed in Renminbi unless otherwise indicated)

18 LOANS AND BORROWINGS

(a) Loans and borrowings comprise:

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

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

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

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

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

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(Expressed in Renminbi unless otherwise indicated)

19 DEFERRED INCOME

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

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.

20 CAPITAL, RESERVES AND DIVIDEND

(a) Dividends

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

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

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

(b) Equity settled share-based transactions

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

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

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

21 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

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

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

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

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

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

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(Expressed in Renminbi unless otherwise indicated)

21 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

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

Information about Level 3 fair value measurements

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

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

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

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(Expressed in Renminbi unless otherwise indicated)

21 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

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

Information about Level 3 fair value measurements (Continued)

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

	At 30 June 2025 RMB'000	At 30 June 2024 RMB'000
At 1 January	–	20,074
Purchase	247,513	576,472
Changes in fair value recognised in profit or loss during the period (Note 5)	2,070	877
Foreign Exchange	(2,430)	–
Interest income from financial assets measured at FVOCI (Note 5)	300	2,087
Redemption	(30,034)	(327,583)
At 30 June	217,419	271,927

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

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

22 COMMITMENTS

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

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

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23 CONTINGENT LIABILITIES

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

24 MATERIAL RELATED PARTY TRANSACTIONS

(a) 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	
	2025 RMB'000	2024 RMB'000
Salaries, wages and other benefits	8,422	6,595
Discretionary bonuses	4,805	4,115
Contributions to defined contribution retirement plan	387	139
Equity-settled share-based payment expenses	42,191	31,630
	55,805	42,479

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

25 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

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