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InnoScience (Suzhou) Technology Holding Co., Ltd.

英諾賽科(蘇州)科技股份有限公司

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

(Stock Code: 2577)

**CONTINUING CONNECTED TRANSACTIONS
REVISION OF ANNUAL CAPS UNDER THE FRAMEWORK AGREEMENT
FOR SALE OF PRODUCTS, SERVICES AND EQUIPMENT**

Reference is made to the announcement of the Company dated March 28, 2025 (the “**CCT Announcement**”) in relation to, among others, the entering into of the Framework Agreement for Sale of Products, Services and Equipment between the Company and Stark Semiconductor for a term of three years commencing from January 1, 2025 and ending on December 31, 2027 (both dates inclusive). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the CCT Announcement.

Due to the rapid increase of cooperation business volume, the Board expects that the transaction amounts under the Framework Agreement for Sale of Products, Services and Equipment will increase, and the original annual caps for the two financial years ending December 31, 2026 and December 31, 2027 (the “**Original Annual Cap(s)**”) may be insufficient to cover the relevant transaction amounts. Therefore, on February 2, 2026 (after trading hours), the Company entered into a supplemental agreement to the Framework Agreement for Sale of Products, Services and Equipment (the “**Supplemental Agreement**”) with Stark Semiconductor to revise the annual caps for the transactions of products, services and equipment to be conducted with Stark Semiconductor for the years of 2026 and 2027 (the “**Revised Annual Cap(s)**”). Save for the Revised Annual Caps, all other terms of the Framework Agreement for Sale of Products, Services and Equipment remain unchanged. For the principal terms of the Framework Agreement for Sale of Products, Services and Equipment, please refer to the CCT Announcement.

As at the date of this announcement, Stark Semiconductor is ultimately controlled by Dr. Luo, a member of the group of Controlling Shareholders of the Company. Accordingly, Stark Semiconductor constitutes a Connected Person of the Company under Chapter 14A of the Listing Rules, and the Framework Agreement for Sale of Products, Services and Equipment and the Supplemental Agreement and the transactions contemplated thereunder will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The Company will comply with the relevant requirements under Chapter 14A of the Listing Rules.

As the maximum applicable percentage ratio (as defined in the Listing Rules) for the Revised Annual Caps under the Supplemental Agreement exceeds 0.1% but is less than 5%, the Supplemental Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements, but is exempt from the independent shareholders' approval requirement.

BACKGROUND

Reference is made to the announcement of the Company dated March 28, 2025 (the “**CCT Announcement**”) in relation to, among others, the entering into of the Framework Agreement for Sale of Products, Services and Equipment between the Company and Stark Semiconductor for a term of three years commencing from January 1, 2025 and ending on December 31, 2027 (both dates inclusive). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the CCT Announcement.

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SUPPLEMENTAL AGREEMENT

The principal terms of the Supplemental Agreement are set out below:

(1) Date

February 2, 2026 (after trading hours)

(2) The Parties

(a) Stark Semiconductor; and

(b) The Company

(3) Revised Annual Caps

Pursuant to the Supplemental Agreement, the Original Annual Caps and the Revised Annual Caps for the two financial years ending December 31, 2026 and December 31, 2027 are set out below:

	For the year ending December 31, 2026		For the year ending December 31, 2027	
	Original Annual Cap <i>RMB</i>	Revised Annual Cap <i>RMB</i>	Original Annual Cap <i>RMB</i>	Revised Annual Cap <i>RMB</i>
GaN EPI Wafers purchased by Stark Semiconductor from the Group	–	22,000,000	–	3,000,000
Outbound testing services such as FA purchased by Stark Semiconductor from the Group	600,000	1,300,000	600,000	1,500,000
Epitaxial growth equipment and machinery purchased by Stark Semiconductor from the Group	–	18,000,000	–	5,400,000

The Revised Annual Caps were determined upon arm's length negotiation by the Company after taking into account, among others, the following factors and assumptions:

- The actual transaction amounts incurred between the Group and Stark Semiconductor under the Framework Agreement for Sale of Products, Services and Equipment during the financial year ended December 31, 2025:

	For the year ended December 31, 2025	
	Existing Annual Cap <i>RMB</i>	Actual Transaction Amount <i>RMB</i>
GaN EPI Wafers purchased by Stark Semiconductor from the Group	6,240,000	5,690,679
Outbound testing services such as FA purchased by Stark Semiconductor from the Group	600,000	213,595
Epitaxial growth equipment and machinery purchased by Stark Semiconductor from the Group	16,373,900	12,291,356

- Stark Semiconductor has made significant progress in technology, production lines, markets and capital, and is accelerating the commercial application of Micro-LED technology. Micro-LED will be the most ideal “ultimate display” solution for AI application fields such as AR glasses. Benefiting from this, the downstream customer order demand of Stark Semiconductor is expected to continue to increase in 2026, and the need for capacity ramp-up is significant. Under the circumstances where its self-produced chips are difficult to fully meet the downstream demand, additional usage of externally sourced wafers is required. Therefore, the Company expects that Stark Semiconductor will continue to purchase GaN EPI Wafers from the Group in 2026, and the purchase volume is expected to increase by nearly 3 times as compared to 2025. With the improvement of Stark Semiconductor’s self-produced wafer capability, its demand for externally sourced wafers will decline in 2027.
- The increase in wafer purchase volume will correspondingly lead to a significant increase in the demand for outbound testing services such as FA. Meanwhile, due to the accelerated application of core scenarios such as augmented reality, smart cockpits and wearable devices, it is expected that testing services required for product research and development will also show a continuous upward trend from 2026 onwards.
- The demand of downstream customers of Stark Semiconductor for purchasing its chip products continues to increase. By acquiring the mature equipment of the Company, Stark Semiconductor can accelerate the product development cycle and quickly achieve capacity ramp-up. Taking into account the procurement demand of Stark Semiconductor, the Company determined the Revised Annual Cap for 2026 by estimating the total amount of existing machinery and equipment that can be sold to Stark Semiconductor in 2026. Considering that Stark Semiconductor also concurrently procures equipment from other equipment manufacturers and the total amount of equipment that the Company can update and iterate in 2027, the Company expects that the supply of machinery and equipment in 2027 will be approximately 30% of that in 2026.

From January 1, 2026 to the date of this announcement, the transaction amounts under the Framework Agreement for Sale of Products, Services and Equipment have not exceeded the Original Annual Cap for the financial year ending December 31, 2026. If the total transaction amount for a financial year under the Framework Agreement for Sale of Products, Services and Equipment (as amended and supplemented by the Supplemental Agreement) is expected to exceed the Revised Annual Caps, the Company will re-comply with the relevant requirements under the Listing Rules by publishing further announcement(s) or seeking independent shareholders’ approval (if applicable).

INTERNAL CONTROL MEASURES

The Group has implemented sound internal controls measures to monitor the continuing connected transactions contemplated under the Framework Agreement for Sale of Products, Services and Equipment and the Supplemental Agreement, including but not limited to:

- When Stark Semiconductor purchases products, services and equipment and machinery under the Framework Agreement for Sale of Products, Services and Equipment and the Supplemental Agreement, the Group shall compare the agreed prices with Stark Semiconductor to the prices charged to independent third-party customers for purchasing similar products, services, and equipment, as well as the prevailing market prices, to ensure that the prices to be charged to Stark Semiconductor are comparable to those charged to other independent third-party customers and are no more favorable than the prices provided to independent third-party customers and the prevailing market prices;

- In order to determine whether the annual caps for the period of the Framework Agreement for Sale of Products, Services and Equipment and the Supplemental Agreement have been exceeded, the finance department of the Group is required to aggregate the total amount of each transaction under the Framework Agreement for Sale of Products, Services and Equipment and the Supplemental Agreement at the end of each calendar month and compare the aggregate amount with the corresponding annual caps;
- The independent non-executive Directors and auditors of the Company will conduct an annual review of the transactions contemplated under the Framework Agreement for Sale of Products, Services and Equipment and the Supplemental Agreement to ensure that such transactions have been carried out in accordance with the terms of the Framework Agreement for Sale of Products, Services and Equipment and the Supplemental Agreement on normal commercial terms or better, and that the relevant annual caps have not been exceeded; and
- The Company also arranges compliance training on the Listing Rules for the Directors, senior management and employees of relevant departments of the Company, covering, among others, the rules relating to connected transactions under Chapter 14A of the Listing Rules.

REASONS FOR AND BENEFITS OF THE ENTERING INTO THE SUPPLEMENTAL AGREEMENT

Stark Semiconductor is a company specialising in the manufacture and sale of optoelectronic devices. As an enterprise with the highest production capacity of 8-inch GaN-on-Si wafers in the world, the Group, with its well-established production capacity, is able to provide Stark Semiconductor with relevant products and services to meet the standards and production time requirements of Stark Semiconductor and its upstream and downstream customers in the supply chain. Based on the smooth progress of the cooperation between both parties, it is expected that Stark Semiconductor's future demand for the Group's products, services and equipment will exceed the original forecast. In order to seize business opportunities, further strengthen the cooperative relationship between both parties, and promote the business and development of the Group, and given that the sale of mature equipment to Stark Semiconductor also facilitates the Company to introduce more advanced equipment, accelerate the technical upgrade of production lines, and achieve asset optimization and efficiency improvement, the Company considers that the entering into of the Supplemental Agreement to revise the existing annual caps is prudent and necessary.

The Board (including the independent non-executive Directors) is of the view that the Supplemental Agreement was negotiated on an arm's length basis and was entered into in the ordinary and usual course of business of the Group on normal or better commercial terms, and the relevant terms thereunder and the Revised Annual Caps are fair and reasonable and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS OF THE LISTING RULES

As at the date of this announcement, Stark Semiconductor is ultimately controlled by Dr. Luo, a member of the group of Controlling Shareholders of the Company. Accordingly, Stark Semiconductor constitutes a Connected Person of the Company under Chapter 14A of the Listing Rules, and the Framework Agreement for Sale of Products, Services and Equipment and the Supplemental Agreement and the transactions contemplated thereunder will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The Company will comply with the relevant requirements under Chapter 14A of the Listing Rules.

As the maximum applicable percentage ratio (as defined in the Listing Rules) for the Revised Annual Caps under the Supplemental Agreement exceeds 0.1% but is less than 5%, the Supplemental Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements, but are exempt from the independent shareholders' approval requirement.

The Board has approved the entering into of the Supplemental Agreement and the Revised Annual Caps. Dr. Luo is deemed to be materially interested due to her ultimate control over Stark Semiconductor, and has therefore abstained from voting on the relevant resolution approving the entering into of the Supplemental Agreement and the Revised Annual Caps. Save as disclosed above, none of the Directors has any material interest in the Supplemental Agreement and the transactions contemplated thereunder (including the Revised Annual Caps) or has abstained from voting on the resolution approving the entering into of the Supplemental Agreement and its Revised Annual Caps.

INFORMATION ON THE PARTIES

Stark Semiconductor

Stark Semiconductor is a company incorporated in the PRC with limited liability and is principally engaged in the manufacture and sale of optoelectronic devices. Stark Semiconductor has made significant progress in technology, production lines, markets and capital, and is accelerating the commercial application of Micro-LED technology, which is expected to occupy an important position in the field of next-generation display technology. Stark Semiconductor is ultimately controlled by Dr. Luo, a member of the Company's Controlling Shareholders.

The Group

The Group is the company in the world with the highest production capacity of 8-inch GaN-on-Si wafers, and has the industrial scale to provide GaN-on-Si semiconductor products across the full voltage spectrum. The Group's core business includes research and development, manufacturing and sales of GaN-on-Si wafers, devices, modules and other products.

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

China, February 2, 2026

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