
SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decide to [REDACTED] in the [REDACTED].

There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the [REDACTED] are set out in “Risk Factors.” You should read that section carefully before you decide to [REDACTED] in the [REDACTED].

OVERVIEW

Who We Are

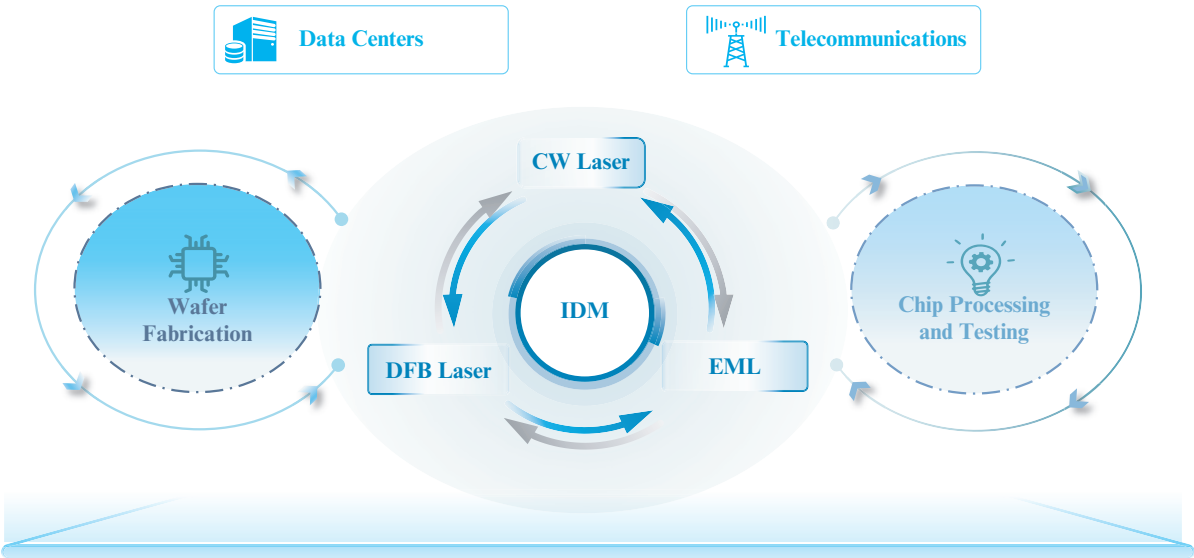
We are a leading global provider of laser chips. Leveraging our deep expertise in optoelectronic semiconductor design and manufacturing, we provide high-reliability, high-speed laser chips at scale with consistent quality to enable advanced data interconnectivity. Our core product portfolio, including continuous wave (“CW”) lasers, electro-absorption modulated lasers (“EML”) and distributed feedback (“DFB”) lasers, serves critical applications across AI data centers, 5G infrastructure and fiber access networks. According to CIC, measured by revenue from external sales in 2025, we ranked as the sixth largest laser chip provider globally and the second largest provider of laser chips for silicon photonics (“SiPh”)-based high-speed optical interconnect products globally. We are one of the few companies worldwide capable of delivering CW lasers at a ten-million-unit scale, which underscores our unique position and reliability in the global supply chain.

Rapid advancements in AI models and applications are driving a massive increase in demand for computing power, which has in turn driven the need for high-speed, low-latency data transmission capabilities. To meet the new-generation AI data center requirements for large-scale, high-speed and high-reliable interconnection, optical interconnects have emerged as a critical solution, offering advantages like higher bandwidth potential, lower transmission loss and effective immunity to electromagnetic interference. At the core of optical interconnect systems, laser chips play a pivotal role by converting electrical signals into optical signals for transmission, directly influencing key performance metrics of optical transmission, such as quality, stability and bandwidth. This has driven strong and sustainable demand for EMLs and CW lasers used in data center applications, particularly high-performance laser chips, which are well suited to support the growing needs of AI data centers. Similarly, the telecommunications market continues to demand laser chips at low-to-mid data rates, while also generating demand for advanced laser chips to support high-speed applications.

We have deep expertise and extensive experience in the research, development and manufacturing of laser chips, and our forward-looking strategy enables us to capture opportunities in this high-growth market. Operating under an integrated device manufacturer (“IDM”) model, we cover the entire value chain, including R&D, wafer fabrication, chip processing, testing and packaging. This full integration ensures consistent product quality, reliable supply, and scalable manufacturing capacity while allowing us to rapidly develop new products and accelerate product iteration in an AI-driven world. We currently offer a comprehensive portfolio of laser chips across various types to serve two critical applications: data centers and telecommunications. By

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maintaining strict control over production, we meet the stringent requirements of our customers and remain at the forefront of the optical interconnect value chain. The following diagram illustrates our simplified business model, our offerings and their key applications:



Over time, we have translated our capabilities into notable achievements, including breakthroughs in product development, successful customer certifications, large-scale manufacturing expansion and effective commercialization. The following diagram illustrates our key achievements:



Notes:

(1) As measured by revenue from external sales in 2025, according to CIC.

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- (2) As measured by the global sales volume of optical transceivers in 2025, according to CIC.
- (3) According to CIC.
- (4) As measured by sales volume in 2025, according to CIC.
- (5) From 2023 to 2025.

Our Products

We provide a comprehensive portfolio of laser chips designed to meet a wide range of data rates, performance requirements and applications, showcasing our broad spectrum coverage across the industry. Our product portfolio is divided into two key product lines:

- **Data center laser chips.** We deliver DFB lasers, EMLs, and CW lasers that support 400G/800G and above optical transceivers and next-generation optical interconnect solutions, enabling high bandwidth, high-speed, low-latency data transmission for rapidly growing data center demands.
- **Telecommunications laser chips.** We offer a full range of FP lasers, DFB lasers and EMLs tailored for fiber access as well as 4G/5G front-haul and mid-haul deployments, addressing the evolving needs of high-speed telecommunications networks.

We are one of the few companies globally whose CW lasers, EMLs and DFB lasers have passed rigorous certifications from leading industry players and achieved large-scale commercialization. This broad product offering underscores our ability to serve diverse market segments with cutting-edge laser chip solutions.

In today’s data center market, optical interconnect solutions are primarily implemented through optical transceivers. These transceivers follow two major technology approaches: the earlier-developed EML design, which relies on high-performance EMLs for advanced data rates like EMLs for 400G and 800G optical transceivers, and the more integrated SiPh architecture, which requires CW lasers to support its high integration. Each approach presents distinct technical requirements for laser chips, making companies with more comprehensive technological capabilities critical to meeting evolving market demands. We are uniquely positioned to capture growth opportunities across both technology routes because of our comprehensive product portfolio. Our ability to deliver high-performance, reliable laser chips tailored to both EMLs and SiPh architectures enables us to address the diverse demands of the AI-driven data center era, solidifying our leadership in the rapidly advancing optical interconnect landscape. In addition, in the telecommunications market, DFB lasers and EMLs are more widely used.

We continue to expand and upgrade our product portfolio in response to evolving market demand. In the near term, we are focused on further scaling shipments of CW lasers and advancing the commercialization of 100G/200G EMLs. Over the medium to long term, we plan to continue advancing higher-end CW lasers toward commercialization and driving the evolution of EMLs toward higher speeds, thereby reinforcing our market leadership and supporting next-generation optical interconnect solutions.

Our Growth Opportunities

The rapid advancement of AI and evolving connectivity demands are creating substantial growth opportunities for high-performance laser chips. AI technologies are driving strong demand for computing power, storage and high-speed connectivity, prompting major global cloud service providers to expand infrastructure investment to support next-generation AI workloads. As large-scale AI computing clusters and high-performance computing hardware continue to expand,

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interconnect performance has become a critical bottleneck, driving demand for higher bandwidth, higher data-rate capacity and low-latency optical interconnects. According to CIC, the global data center optical interconnects market is projected to grow from US\$13.7 billion in 2024 to US\$144.4 billion in 2030, representing a CAGR of 48.1%.

At the same time, SiPh is gaining traction as an innovative optical transceiver design technology due to its high integration, energy efficiency and cost advantages. SiPh supports a broad range of interconnect solutions, from pluggable designs to advanced integration technologies such as near-packaged optics (“NPO”) and co-packaged optics (“CPO”), and is expected to be one of the fastest-growing segments in data center optical interconnects. This trend is further underscoring the strategic importance of CW lasers as essential enablers for next-generation optical interconnects. Beyond the data center market, demand for higher bandwidth and stronger processing capability in the telecommunications market is also driving the adoption of 25G/50G PON technologies.

We are strategically positioned to capitalize on these opportunities through our forward-looking R&D, global integration and robust production capacity. By identifying the potential of SiPh at an early stage and through continuous innovation, we have established a leading position in CW lasers. In addition, supported by our comprehensive product portfolio of CW lasers and high-speed EMLs, we are well positioned to capture growing demand driven by the explosive growth of AI computing and applications. With a global operational footprint and integration into the supply chains of leading technology companies, we support customers worldwide and ensure a stable supply of high-quality products.

Our Results

Founded in 2013 in Shaanxi Province, China, we have upheld a forward-thinking industrial vision combined with a pragmatic approach centered on process optimization, steady growth, and continuous improvement. Our focus remains on meeting the core customer requirements of stable mass production and high-quality laser chips. In 2022, we completed our initial public offering and listed on the SSE STAR Market, enabling us to accelerate the execution of our strategy with greater speed and scale.

During the Track Record Period, we proactively captured the trends of global AI-driven computing upgrades. We expanded our product portfolio from 2.5G, 10G and 25G DFB lasers and EMLs to high-end offerings, including 25G, 50G and 100G EMLs and 50mW, 70mW and 100mW CW lasers. In 2025, driven by surging AI computing demand, revenue from our data center laser chips exceeded that from our telecommunications laser chips, becoming our primary growth driver. As a result, our revenue increased from RMB144.4 million in 2023 to RMB601.4 million in 2025, representing a CAGR of 104.1%. Meanwhile, our gross profit increased from RMB41.5 million in 2023 to RMB334.8 million in 2025, representing a CAGR of 184.0%.

TECHNOLOGY AND R&D

After years of dedicated R&D and industrialization, we have established a comprehensive laser chip technology system covering the epitaxial growth, wafer fabrication, chip design, monolithic integration, and high-frequency packaging and testing of laser chips. Our core proprietary technologies can be categorized into six major technology platforms to address the growing demand of the data center markets, telecommunications and next-generation optical interconnects for high speed, high power efficiency, cost optimization, and extreme reliability. These six technology platforms include: (i) advanced epitaxial and wafer fabrication platforms, (ii) high-speed modulation and monolithic integration platforms, (iii) high-power optical amplifier integration

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technologies, (iv) chip-level optical path optimization and system adaptation technologies, (v) reliability engineering technologies for multi-scenario adaptation, and (vi) high-frequency micro-assembly & packaging testing technologies.

As a high-tech enterprise specializing in the laser chip sector, we have been dedicated to R&D since our inception, accumulating a portfolio of core technologies through sustained investment. To bolster our capabilities, we are continuously increasing our R&D spending to upgrade our laboratories, including our materials science facilities, while optimizing our research environment through the acquisition of advanced production and testing equipment. Our strategy is market-oriented and we actively adjust our product iteration and technical pre-research to align with industry trends, ensuring our solutions remain competitive. Furthermore, we have established a multi-tiered R&D architecture supported by a robust incentive mechanism that rewards contributions to product innovation, parameter improvement, and patent applications. By cultivating a team of skilled engineering talent and actively recruiting high-quality experts, we are constantly enhancing our independent innovation capabilities and technical proficiency.

Our R&D activities are driven by industry developments, application requirements and R&D projects. The new product development process is managed under the R&D Department’s “Design and Development Control Procedure.” Our R&D process typically goes through six stages in sequence, including project initiation, project design and development, engineering verification test, design verification test, R&D-to-production, and production verification test. A project may proceed to the next stage only after the requirements of the current stage are met.

MANUFACTURING

Operating under an IDM model, we have mastered the core technologies of laser chip manufacturing, with in-house capabilities spanning chip design, wafer fabrication, chip processing and testing. Such IDM model allows us to shorten product development cycles, achieve independent and controllable laser chip manufacturing, respond quickly to customer requirements and efficiently provide corresponding solutions, thereby enabling us to react rapidly to dynamic market demand. As of the Latest Practicable Date, we had two production bases in operation, both located in Shaanxi Province with an aggregated gross floor area of over 28,000 sq.m. In addition, one of these production bases is currently undergoing production expansion to accommodate additional production facilities in response to the growing demand.

Our production activities are driven by market demand. The Production and Operations Department formulates production plans by coordinating with relevant departments based on customer orders. In accordance with our annual sales strategy, we conduct capacity assessments and maintain appropriate inventory to cope with demand peaks and alleviate production pressure. In addition, we have a highly qualified manufacturing team. As of December 31, 2025, 535 employees were in manufacturing positions.

In the future, we will also focus on enhancing our reliability engineering and pre-shipment testing capabilities. We plan to refine our accelerated aging tests, lifetime evaluations, and failure analysis to ensure long-term product stability in client applications. We will expand and upgrade our testing facilities, enhance our ability to assess chip performance, reliability, and visual quality during pre-shipment inspections. Additionally, we are increasing the scale and capabilities of our materials testing labs to conduct comprehensive composition and performance tests, ensuring the highest product quality from incoming materials to finished products.

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SALES AND MARKETING

As laser chips are key to optical modules, customers typically require suppliers to provide more direct and in-depth support in product performance, qualification and technical collaboration. Accordingly, we primarily adopt a direct sales model. This approach enables us to maintain and deepen strategic relationships with key customers, ensuring close collaboration and a better understanding of their evolving needs. Meanwhile, we also engage in sales through distribution to expand our customer reach, especially for the sales of our telecommunications laser chips, in an efficient manner. We have a dedicated sales and marketing team responsible for customer development, product promotion, and customer relationship management. This experienced and highly trained sales and marketing team proactively identifies market opportunities and designs sales strategies.

SUPPLIERS AND CUSTOMERS

During the Track Record Period, our suppliers primarily consisted of suppliers of raw materials, equipment and packaging services. We have established a wide network of suppliers in China, Europe and Japan. While using imported raw materials to produce high-quality chips, we have also proactively established relationships with domestic suppliers and continues to maintain a diversified supply chain. In 2023, 2024 and 2025, our purchases from our five largest suppliers in each year in aggregate amounted to RMB32.4 million, RMB54.9 million and RMB83.1 million, respectively, representing 51.9%, 56.9% and 48.1% of our total purchases in the corresponding years. In 2023, 2024 and 2025, our purchases from our largest supplier in each year amounted to RMB10.7 million, RMB18.0 million and RMB20.7 million, respectively, representing 17.2%, 18.7% and 12.0% of our total purchases in the corresponding years.

In addition, our customers primarily consist of optical component and optical transceiver manufacturers as well as our distributors. In 2023, 2024 and 2025, our revenue generated from sales to our five largest customers in each year in aggregate amounted to RMB80.2 million, RMB148.9 million and RMB431.9 million, respectively, representing 55.6%, 59.1% and 71.8% of our total revenue in the corresponding years. In 2023, 2024 and 2025, our revenue generated from sales to our largest customer in each year amounted to RMB27.5 million, RMB41.3 million and RMB320.8 million, respectively, representing 19.0%, 16.4% and 53.4% of our total revenue in the corresponding years.

During the Track Record Period, certain of our major suppliers also acted as our customer and *vice versa*, resulting in an overlap between our customer and supplier relationships in certain cases. For details, see “Business — Customers — Overlapping of Customers and Suppliers.”

COMPETITIVE STRENGTHS

We believe the following competitive strengths have contributed to our success and differentiated us from our competitors:

- Leading laser chip provider with a broad and advanced portfolio for high-speed optical interconnects;
- Comprehensive technological capabilities built on advanced design, manufacturing expertise and rigorous quality control;
- Strong delivery capabilities enabled by our IDM model, end-to-end autonomy and scalable manufacturing capabilities;
- Blue-chip customer base and deep strategic collaborations providing unique market insight; and
- Visionary leadership with a global perspective, supported by a strong R&D and manufacturing team.

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GROWTH STRATEGIES

We plan to implement the following strategies to achieve our vision and mission:

- Advance product and process innovation through sustained R&D investment;
- Build a resilient and efficient global operations network with strategic capacity expansion;
- Accelerate integration into the global AI ecosystem while strengthening customer relationships;
- Attract and cultivate global talents to fuel growth and advance strategic goals; and
- Pursue strategic acquisitions to diversify product portfolio and unlock synergies.

COMPETITION

We operate in a competitive industry. The laser chip market is characterized by intense competition from both established international players and emerging domestic manufacturers. We face direct competition both in China and globally across our products over the laser chips industry. The competition is expected to be further intensified as new domestic entrants are currently seeking to enter into the market. Competition is expected to intensify as certain optical transceiver manufacturers increasingly develop in-house chip capabilities, to build a collaborative, full-industry-chain system that spans optical transceivers, laser chips and optical network terminals.

Moreover, technological evolution is reshaping the competitive landscape. The industry is transitioning toward laser chips with higher data rates, higher output power, and longer transmission distances. Companies with stronger R&D capabilities and faster product iteration cycles are gaining competitive advantages. For details, see “Industry Overview.”

SUMMARY OF HISTORICAL AND FINANCIAL INFORMATION

The tables below present our summary consolidated financial data derived from our consolidated statements of profit or loss and consolidated cash flow statements during the Track Record Period and our consolidated statements of financial position as of December 31, 2023, 2024 and 2025 included in the Accountants’ Report in Appendix I to this document. The following data and discussion should be read in conjunction with our consolidated financial statements and related notes and the section headed “Financial Information.”

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Summary of Consolidated Statements of Profit or Loss

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Revenue	144,404	100.0	252,173	100.0	601,435	100.0
Cost of sales	(102,906)	(71.3)	(193,270)	(76.6)	(266,613)	(44.3)
Gross profit	41,498	28.7	58,903	23.4	334,822	55.7
Other income	14,054	9.7	2,182	0.9	12,041	2.0
Other gains or losses, net	9,104	6.3	3,593	1.4	(3,719)	(0.6)
Selling and marketing expenses	(8,355)	(5.8)	(18,532)	(7.3)	(23,784)	(4.0)
General and administrative expenses	(25,937)	(18.0)	(26,053)	(10.3)	(45,135)	(7.5)
Research and development expenses	(30,946)	(21.4)	(54,518)	(21.6)	(80,843)	(13.4)
Impairment losses on financial assets, net of reversal	(2,856)	(2.0)	2,829	1.1	(6,524)	(1.1)
Finance income, net	21,590	15.0	17,973	7.1	12,883	2.1
Share of results of associate	2	0.1	(1,689)	(0.7)	14,031	2.3
Profit/(Loss) before tax	18,154	12.6	(15,312)	(6.0)	213,772	35.5
Income tax (expense)/credit	1,326	0.9	9,179	3.6	(22,848)	(3.8)
Profit/(Loss) for the year	19,480	13.5	(6,133)	(2.4)	190,924	31.7

Non-IFRS Measure

To supplement our consolidated financial statements that are presented in accordance with IFRS, we also use adjusted net profit/(loss) (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, IFRS. We define adjusted net profit/(loss) (non-IFRS measure) as profit/(loss) for the year adjusted for share-based payment expenses, which are non-cash in nature arising from the grant of share awards to employees.

We believe that this non-IFRS measure facilitates comparisons of operating performance from year to year and company to company by eliminating potential impacts of certain items and provides useful information to investors and others in understanding and evaluating our results of operations in the same manner as it helps our management. However, our presentation of adjusted net profit/(loss) (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS.

The following table sets forth a reconciliation of our adjusted net profit/(loss) (non-IFRS measure) to the nearest measure prepared in accordance with IFRS, which is profit/(loss) for the year:

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Profit/(Loss) for the year	19,480	(6,133)	190,924
Add:			
Share-based payment expenses	3,549	3,662	32,162
Adjusted net profit/(loss) (non-IFRS measure)	23,029	(2,471)	223,086

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Revenue

During the Track Record Period, we generated revenue primarily from the sales of data center laser chips and telecommunications laser chips. We also, to a much lesser extent, generated revenue from our provision of technical services and others, primarily in relation to our customized development for certain types of laser chips and contract manufacturing services. We recognize revenue from product sales upon delivery and acceptance by customers, and revenue from technical services is recognized over time based on the progress of service delivery and acceptance. The following table sets forth a breakdown of our revenue by product line, both in absolute amount and as a percentage of our total revenue, for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Data center laser chips	4,614	3.2	48,013	19.0	393,258	65.4
Telecommunications laser chips	133,054	92.1	202,304	80.2	206,470	34.3
Technical services and others ⁽¹⁾	6,736	4.7	1,856	0.8	1,707	0.3
Total	144,404	100.0	252,173	100.0	601,435	100.0

Note:

- (1) Technical services and others primarily comprise customized development for certain type of laser chips and contract manufacturing services.

In 2023 and 2024, we derived the majority of our revenue from the sales of telecommunications laser chips, with a smaller portion generated from the sales of data center laser chips. Notwithstanding the above, revenue from the sales of data center laser chips experienced rapid growth during the Track Record Period. In 2025, revenue derived from the sales of data center laser chips surpassed that from the sales of telecommunications laser chips and accounted for 65.4% of our total revenue for the year. This shift was primarily driven by our expanded sales volume of data center laser chips, attributable to the accelerated deployment of AI computing centers and the increasing adoption of high-speed optical interconnects and SiPh applications, coupled with our deepened customer relationships in these markets. In response to these industry trends, we are continuing to enhance our data center laser chip offerings and increase our presence in this product line. In addition, our revenue from technical services and others decreased from RMB6.7 million in 2023 to RMB1.9 million in 2024, and further to RMB1.7 million in 2025. The decrease was primarily because our technical services and others mainly consist of customized development projects, which are generally project-based.

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Revenue from sales of our laser chips is primarily driven by sales volume and average selling prices. The following table sets forth a breakdown of the sales volumes and average selling prices of our laser chips by product line for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	Sales Volume	Average Selling Price ⁽¹⁾	Sales Volume	Average Selling Price ⁽¹⁾	Sales Volume	Average Selling Price ⁽¹⁾
	'000 units	RMB per unit	'000 units	RMB per unit	'000 units	RMB per unit
Data center laser chips	225	20.5	2,285	21.0	17,721	22.2
Telecommunications laser chips	28,029	4.7	49,915	4.1	35,711	5.8

Note:

- (1) Average selling price is calculated by dividing the revenue by the sale volume of such product line for a certain year.

The sales volume of our data center laser chips increased significantly from 0.2 million units in 2023 to 2.3 million units in 2024, and further to 17.7 million units in 2025, with the average selling price remaining relatively stable at approximately RMB20.5, RMB21.0, and RMB22.2 per unit in 2023, 2024 and 2025. The sales volume of our telecommunications laser chips experienced a fluctuation of 28.0 million units in 2023, 49.9 million units in 2024 and 35.7 million units in 2025, with average selling prices of RMB4.7, RMB4.1 and RMB5.8 per unit over the same periods.

The overall growth in sales volume of our laser chips from 2023 to 2024 was primarily driven by the recovery of demand from the telecommunications market. The overall sales volume of our laser chips remained stable between 2024 and 2025. The divergence in the sales volume between the two product lines was primarily because we proactively optimized our product portfolio and reallocated our resources to prioritize higher-value products, including our data center laser chips and our high-end telecommunications laser chips.

During the Track Record Period, we primarily marketed our laser chips through a direct sales model, supplemented by a group of distributors. Our revenue generated from sales via the distribution model increased significantly from RMB26.6 million in 2023 to RMB74.8 million in 2024, primarily due to the recovery of demand from the telecommunications market as the distribution model is mostly applied in the sales of telecommunications laser chips. Our revenue generated from distribution decreased by 14.4% from RMB74.8 million in 2024 to RMB64.0 million in 2025, primarily due to the successful market expansion of our CW lasers, which were sold to customers mostly through direct sales. The table below sets out a breakdown of our revenue in both absolute amount and percentage of our total revenue by sales channel for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Direct Sales	117,756	81.5	177,334	70.3	537,405	89.4
Distribution	26,648	18.5	74,839	29.7	64,030	10.6
Total	144,404	100.0	252,173	100.0	601,435	100.0

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Cost of Sales

Our cost of sales primarily consists of (i) manufacturing costs, primarily including packaging fees for our laser chips and depreciation of production-related property, plant and equipment and right-of-use assets, (ii) labor costs, mainly relating to employees involved in production, (iii) raw material costs, (iv) taxes and surcharges, and (v) inventory impairment. The following table sets forth a breakdown of our cost of sales by nature, both in absolute amount and as a percentage of the total cost of sales, for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Manufacturing costs	57,774	56.1	120,507	62.4	139,880	52.5
Labor costs	16,588	16.1	36,838	19.1	70,953	26.6
Raw material costs	10,067	9.8	22,562	11.7	51,767	19.4
Taxes and surcharges	2,826	2.7	2,836	1.5	4,687	1.8
Inventory impairment	15,651	15.3	10,527	5.3	(674)	(0.3)
Total	102,906	100.0	193,270	100.0	266,613	100.0

Gross Profit and Gross Profit Margin

Our gross profit represents revenue less cost of sales, and our gross profit margin represents our gross profit as a percentage of revenue. The following table sets forth a breakdown of our gross profit and gross profit margin by product line, for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	Gross profit <i>RMB'000</i>	Gross profit margin %	Gross profit <i>RMB'000</i>	Gross profit margin %	Gross profit <i>RMB'000</i>	Gross profit margin %
Data center laser chips	1,165	25.2	29,796	62.1	280,228	71.3
Telecommunications laser chips	35,556	26.7	29,020	14.3	53,470	25.9
Technical services and others	4,777	70.9	87	4.7	1,124	65.8
Total	41,498	28.7	58,903	23.4	334,822	55.7

Our gross profit derived from data center laser chips increased significantly from RMB1.2 million in 2023 to RMB29.8 million in 2024, and further to RMB280.2 million in 2025, primarily driven by the continued growth in the sales volume of data center laser chips in response to increasing demand resulting from the expansion of data center infrastructure and the growing adoption of high-speed optical interconnect solutions. The gross profit margin of our data center laser chips increased from 25.2% in 2023 to 62.1% in 2024 and further to 71.3% in 2025, primarily reflecting the continued optimization of our product portfolio in this product line as we progressively launched and commenced volume shipments of higher-performance EMLs and CW lasers.

Our gross profit derived from telecommunications laser chips decreased from RMB35.6 million in 2023 to RMB29.0 million in 2024, primarily due to pricing pressure under prevailing market conditions, despite an increase in sales volume. Our gross profit derived from telecommunications laser chips increased from RMB29.0 million in 2024 to RMB53.5 million in 2025, primarily due to

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our increased sales of higher-end telecommunications laser chips. For the same reasons discussed above, the gross profit margin of the telecommunications laser chips line decreased from 26.7% in 2023 to 14.3% in 2024, and then increased to 25.9% in 2025.

The gross profit and gross profit margin of our technical services and other business fluctuated during the Track Record Period, primarily because the timing, scale, complexity, resource requirements and pricing of our technical services and others varied from project to project. In 2023, 2024 and 2025, our gross profit derived from the technical services and others line was RMB4.8 million, RMB87 thousand and RMB1.1 million, respectively, with a gross profit margin of 70.9%, 4.7% and 65.8%, respectively.

Profit/(Loss) for the Year

We recorded a net profit of RMB19.5 million in 2023, a net loss of RMB6.1 million in 2024 and a net profit of RMB190.9 million in 2025. In 2024, we recorded net loss of RMB6.1 million, primarily due to (i) a decrease in the overall gross profit margin of our telecommunications laser chip segment, because of the downward pricing pressure on certain products within this segment as a result of intensified market competition, and (ii) an increase in our research and development expenses and selling and marketing expenses to support our ongoing R&D activities and market expansion. In 2025, we recorded a net profit of RMB190.9 million, primarily because of a significant increase in our revenue and gross profit, as we actively optimized our product portfolio and increased sales volume for our data center laser chips and high-end telecommunications laser chips, which generally have a higher average selling price.

Summary of Consolidated Statements of Financial Position

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Total non-current assets	605,837	736,328	1,315,311
Total current assets	1,630,846	1,411,218	1,269,939
Total assets	2,236,683	2,147,546	2,585,250
Total current liabilities	95,269	53,949	178,703
Total non-current liabilities	24,726	20,830	74,262
Total liabilities	119,995	74,779	252,965
Net current assets	1,535,577	1,357,269	1,091,236
Net Assets	2,116,688	2,072,767	2,332,285
Total equity	2,116,688	2,072,767	2,332,285

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Our net current assets decreased from RMB1,535.6 million as of December 31, 2023 to RMB1,357.3 million as of December 31, 2024, primarily due to (i) a decrease of RMB262.4 million in cash and cash equivalents, primarily reflecting cash outflows to support business expansion in response to growing market demand, including capital expenditures for capacity expansion and equity investments, and (ii) a decrease in inventories of RMB18.1 million, primarily attributable to improved sales in line with market recovery and an increase in write-downs of inventories, partially offset by a decrease in other payables and accruals of RMB37.9 million, primarily attributable to the timing of the final settlement for the construction of a company building.

Our net current assets further decreased from RMB1,357.3 million as of December 31, 2024 to RMB1,091.2 million as of December 31, 2025, primarily due to (i) a decrease of RMB285.2 million in cash and cash equivalents, primarily reflecting cash outflows to support business expansion in response to growing market demand, including capital expenditures for capacity expansion and equity investments, and (ii) an increase of RMB69.8 million in other payables and accruals, primarily attributable to the increased equipment procurement, partially offset by an increase of RMB143.5 million in trade receivables, primarily due to our business growth.

We recorded total equity of RMB2,116.7 million as of December 31, 2023. Our total equity decreased to RMB2,072.8 million as of December 31, 2024, primarily due to (i) repurchase of shares of RMB55.4 million, (ii) dividend of RMB8.5 million, and (iii) our loss for the year of RMB6.1 million, partially offset by an increase of RMB22.5 million from the issue of new shares upon the exercise of share options. As of December 31, 2025, our total equity increased to RMB2,332.3 million, primarily attributable to (i) our profit for the year of RMB190.9 million, (ii) tax impact of share-based payment of RMB58.4 million, and (iii) an increase of RMB32.2 million in capital reserve from share-based payment expenses, partially offset by dividends of RMB42.7 million and other comprehensive expenses of RMB10.3 million.

Summary of Consolidated Statements of Cash Flows

The following table sets forth a summary of our cash flows for the years indicated:

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net cash (used in)/from operating activities	(17,399)	18,960	150,236
Net cash used in investing activities	(37,777)	(231,663)	(403,923)
Net cash used in financing activities	(27,020)	(42,600)	(16,767)
Net decrease in cash and cash equivalents	(82,196)	(255,303)	(270,454)
Effect of exchange rate changes	(70)	128	(11,125)
Cash and cash equivalents at beginning of the year	1,414,916	1,332,650	1,077,475
Cash and cash equivalents at the end of the year	1,332,650	1,077,475	795,896

SUMMARY

Our primary uses of cash during the Track Record Period were to fund our operation, capital expenditure and general working capital needs. Historically, we had financed our operations and other capital requirements primarily through equity financing and cash generated from our business operations. Our anticipated cash needs primarily include costs associated with R&D activities, manufacturing activities, production capacity expansion and daily operations. We expect to fund our future working capital and other cash requirements with cash generated from our operations, the [REDACTED] from [REDACTED] and, when necessary, bank and other borrowings.

In 2023, we recorded net cash used in operating activities of RMB17.4 million. In 2024 and 2025, we recorded net cash from operating activities of RMB19.0 million and RMB150.2 million, respectively. In 2023, 2024 and 2025, we recorded net cash used in investing activities of RMB37.8 million, RMB231.7 million and RMB403.9 million, respectively; and we recorded net cash used in financing activities of RMB27.0 million, RMB42.6 million and RMB16.8 million, respectively.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as of and for the period indicated:

	As of/for the year ended December 31,		
	2023	2024	2025
Gross profit margin	28.7%	23.4%	55.7%
Revenue growth rate ⁽¹⁾	N/A	74.6%	138.5%
Current ratio ⁽²⁾	17.1	26.2	7.1
Quick ratio ⁽³⁾	15.6	23.9	6.4
Liability-to-asset ratio ⁽⁴⁾	5.4%	3.5%	9.8%
Net profit/(loss) margin	13.5%	(2.4%)	31.7%
Adjusted net profit/(loss) margin (non-IFRS measure) ⁽⁵⁾	15.9%	(1.0%)	37.1%

Notes:

- (1) Revenue growth rate is calculated as the year-on-year growth rate of revenue.
- (2) Current ratio equals current assets divided by current liabilities as of the relevant year end.
- (3) Quick ratio equals current assets excluding inventories divided by current liabilities as of the relevant year end.
- (4) Liability-to-asset ratio was calculated by dividing total liabilities by total assets.
- (5) Adjusted net profit/(loss) margin (non-IFRS measure) represents adjusted net profit/(loss) for the year (non-IFRS measure) divided by revenue for the same year and multiplied by 100%.

For details, see “Financial Information — Key Financial Ratios.”

RISK FACTORS

Our business and the [REDACTED] involve certain risks as set out in “Risk Factors” in this document. You should read that section in its entirety carefully before you decide to [REDACTED] our H Shares. We believe the most significant risks we face include but are not limited to the following:

- Our historical results may not be indicative of our future performance, and we may not be successful in expanding our operations or managing our growth.

SUMMARY

- The industry in which we operate is highly competitive. If we are not able to compete successfully, our business, results of operations and growth prospects may be harmed.
- Our failure to keep pace with technological advancement and evolving industry standards in the semiconductor industry could weaken our market position and adversely affect our business, results of operations and prospects.
- Our performance is subject to demands from our downstream industries that adopt our products. A slowdown in the growth of these downstream industries could adversely affect our business, financial condition and results of operations.
- Our IDM business model requires significant capital expenditures and entails high fixed costs, and any decline in capacity utilization or mismatch between capacity expansion and market demand may materially and adversely affect our profitability.
- Any disruption to the operation of our production plants, failure to successfully execute capacity expansion plans, or inability to manufacture and deliver high-quality products on schedule and on a large scale could restrict our business operations.
- We may not be able to fully maintain quality control over our products, and undetected defects, failures or reliability issues in our products could reduce the market adoption of our products, damage our reputation or expose us to product liability, warranty and other claims.

For details, see “Risk Factors.”

[REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED], after deducting [REDACTED], fees and estimated expenses payable by us in connection with the [REDACTED], and based on an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range stated in this document, assuming that the [REDACTED] is not exercised. We intend to apply such [REDACTED] from the [REDACTED] for the following purposes:

- Approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED], will be used to strengthen our R&D and testing capabilities and to expand our production capacity of laser chips;
- Approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED], will be used for strategic investments and business synergy initiatives to fully leverage the growth potential of our customer base;
- Approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED], will be used to expand our sales and service network and support our marketing activities; and
- Approximately [REDACTED]% of the [REDACTED], or approximately HK\$[REDACTED], will be used for our working capital and other general corporate purposes.

SUMMARY

[REDACTED]

DIVIDENDS

During the Track Record Period, we paid dividends of RMB39.4 million, RMB8.5 million and RMB42.7 million in 2023, 2024 and 2025, respectively.

Pursuant to our Articles of Association and in accordance with the PRC Company Law and the No. 3 Guideline for the Supervision of Listed Companies — Cash Dividend Distribution of Listed Companies (2025 Revision) (上市公司監管指引第3號 — 上市公司現金分紅(2025年修訂)), we have adopted a general annual dividend policy, according to which we may declare dividend by way of cash dividends, stock dividends, or a combination of cash and stock dividends. We prioritize cash dividends. Where specific conditions are met, we shall distribute cash dividends over the past three years in an amount not less than 30% of the average annual distributable profit we realized over the same periods after making the required appropriations to statutory reserves. The aforementioned specific conditions include: (i) we have realized positive distributable profits for the relevant year; (ii) our cumulative distributable profits as of such year remain positive; (iii) our auditors are able to issue an unconditioned opinion on our financial statements for the relevant year; (iv) we have sufficient capital resources, profitability and cash flow to support our ongoing and long-term operations; (v) we do not anticipate any material investment plans or capital expenditures in the next twelve months (excluding investment of raised funds); and (vi) there are no other material circumstances that would cause our shareholders’ meeting to approve a resolution not to distribute cash dividends. However, any proposed distribution of dividends is subject to the discretion of our Board and the approval at our Shareholders’ meetings. Our Board may recommend a distribution of

SUMMARY

dividends in the future after taking into account our results of operations, financial condition, operating requirements, capital requirements, shareholders’ interests and any other conditions that our Board may deem relevant.

[REDACTED]

[REDACTED] represent professional fees, [REDACTED], and other fees incurred in connection with the [REDACTED]. We estimate that our [REDACTED] will be approximately HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED] per Share), representing approximately [REDACTED]% of the estimated [REDACTED] from the [REDACTED] assuming no Shares are issued pursuant to the [REDACTED]. The [REDACTED] consist of (i) [REDACTED]-related expenses, including [REDACTED], of approximately HK\$[REDACTED], and (ii) non-[REDACTED]-related expenses of approximately HK\$[REDACTED], comprising (a) fees and expenses of legal advisors and reporting accountants of approximately HK\$[REDACTED], and (b) other fees and expenses of approximately HK\$[REDACTED]. Approximately HK\$[REDACTED] (equivalent to approximately RMB[REDACTED]) of the estimated [REDACTED] is directly attributable to the [REDACTED] and will be accounted for as a deduction from equity upon completion of the [REDACTED]. Approximately HK\$[REDACTED] (equivalent to approximately RMB[REDACTED]) is expected to be charged in profit or loss before or upon completion of the [REDACTED]. We do not believe any of the above fees or expenses are material or are unusually high for our Group. The [REDACTED] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As of the Latest Practicable Date, (i) Dr. Zhang directly held 10,575,438 A Shares and controlled the voting rights attaching to 1,260,000 A Shares held by Xinxin Juyuan, our incentive platform, by serving as its the general partner; (ii) Mr. QIN Weixing, a non-executive Director, directly held 4,478,859 A Shares; (iii) Mr. QIN Yansheng, the brother of Mr. QIN Weixing, directly held 4,604,859 A Shares; and (iv) Ms. Zhang, the sister of Dr. Zhang and a non-executive Director, directly held 2,944,053 A Shares. Pursuant to the Concert Party Agreement, Ms. Zhang, Mr. QIN Weixing, and Mr. QIN Yansheng have agreed to align their votes with Dr. Zhang at our Shareholders’ meetings. As a result, Dr. Zhang, together with Ms. Zhang, Mr. QIN Weixing, Mr. QIN Yansheng and Xinxin Juyuan, constituted the Single Largest Group of Shareholders of our Company, who were entitled to exercise, or control the exercise of, the voting rights attaching to approximately 27.85% of our total issued shares as of the Latest Practicable Date (excluding the 275,169 A Shares held by our Company as treasury Shares as of the Latest Practicable Date).

Immediately following completion of the [REDACTED] and assuming the [REDACTED] is not exercised and there are no changes in our share capital from the Latest Practicable Date to the [REDACTED], Dr. Zhang, Ms. Zhang, Mr. QIN Weixing, Mr. QIN Yansheng and Xinxin Juyuan will collectively control approximately [REDACTED]% of voting rights in our Company (excluding the 275,169 A Shares held by our Company as treasury Shares as of the Latest Practicable Date). Therefore, Dr. ZHANG, Ms. Zhang, Mr. QIN Weixing, Mr. QIN Yansheng and Xinxin Juyuan will continue being our Single Largest Group of Shareholders upon the [REDACTED].

INCENTIVE SCHEMES

As of the Latest Practicable Date, we had adopted the Incentive Schemes, under which, 884,030 Restricted Shares had been granted to aggregate of 326 grantees (including three Directors and three senior management members) and remained outstanding and 126,900 Restricted Shares remained reserved for further grant which will be completed or lapsed before [REDACTED]. If (i) the reserved grant is completed before [REDACTED] and restricted Shares thereunder fully vest and are satisfied by issuance of A Shares; (ii) all outstanding Restricted Shares granted but not yet vested under the Incentive Schemes fully vest and are satisfied by issuance of A Shares, our share capital following the

SUMMARY

[REDACTED] will be diluted by approximately [REDACTED]%. The dilutive effect on our earnings per Share will be approximately [REDACTED]% (assuming (i) the [REDACTED] is not exercised and (ii) there are no changes to our share capital between the Latest Practicable Date and the [REDACTED]).

OUR LISTING ON THE SSE STAR MARKET AND REASONS FOR THE [REDACTED] ON THE HONG KONG STOCK EXCHANGE

Since December 2022, the A Shares of our Company have been listed on the SSE STAR Market. Our Directors confirmed that, during the Track Record Period and up to the Latest Practicable Date, we had no instances of material non-compliance with the SSE STAR Market Listing Rules and other applicable securities laws and regulations of the PRC in any material respects, and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the investors’ attention in relation to our compliance record on the SSE STAR Market.

We are applying for the [REDACTED] under Rule 8.05(3) of the Listing Rules and satisfy the market capitalization/revenue test. Our Company seeks for the [REDACTED] on the Hong Kong Stock Exchange to further advance our internationalization strategy and global layout, establish an international capital operation platform, strengthen our offshore financing capabilities, and further enhance our capital strength and comprehensive competitiveness. See “Business — Growth Strategies” and “Future Plans and [REDACTED]” in this document for more details.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Since the beginning of 2026, we have focused on expanding production capacity, increasing production investment and enhancing automation levels to achieve simultaneous improvements in both capacity and efficiency. In this period, our sales have maintained steady growth. At the same time, we have continued to advance the R&D of laser chips.

On March 23, 2026, our Board approved a profit distribution and capital reserve capitalization plan (the “**2025 Profit Distribution Plan**”). Pursuant to the 2025 Profit Distribution Plan, our Company will (i) declare a cash dividend of RMB7.0 (inclusive of tax) for every 10 existing A Shares, and (ii) issue 4.5 new A Shares for every 10 existing A Shares by way of capitalization of our capital reserves. The 275,169 A Shares currently held by our Company as treasury Shares will be excluded for the purpose of the 2025 Profit Distribution Plan. The 2025 Profit Distribution Plan is subject to approval by the Shareholders at the annual general meeting, which is expected to be held in the first half of 2026. Assuming there are no other changes in our share capital, upon completion of the Capitalization Plan, our total issued share capital (including A Shares held as treasury Shares) will increase from 85,947,726 A Shares to 124,500,377 A Shares.

Our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since December 31, 2025, being the latest balance sheet date of our consolidated financial statements as set out in the Accountants’ Report in Appendix I to this document.