SUMMARY

This summary aims to give you an overview of the information contained in this document. As it 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 forth in the section headed "Risk Factors" in this document. You should read that section carefully before you decide to* **[REDACTED]** *in the* **[REDACTED]**.

OVERVIEW

We are a provider of optoelectronic interconnection products, offering optical transceivers, active optical cables ("**AOC**"), which integrate optical transceivers and fiber cables into a single assembly for high-speed interconnection), and other products. Our optoelectronic interconnection products are widely deployed in AI data centers to support high-speed, high-density and energy-efficient data transmission. We differentiate ourselves by establishing end-to-end technological capabilities spanning from chip design to optical transceiver manufacturing, with a focus on silicon photonics ("**SiPh**") technology.

Our optical transceiver portfolio covers 100G, 200G, 400G and 800G transmission speeds and is compatible with various industry-standard form factors. All of our single-mode optical transceivers are of 400G and above adopt SiPh technology. Our AOC and other products are diversified to meet varying customer requirements, generating synergies across our product portfolio and creating cross-selling opportunities.

According to Frost & Sullivan, we ranked twelfth globally among specialized optical transceiver providers by revenue in 2025, with the second fastest revenue growth among the top 12 players from 2023 to 2025 and a global market share of 0.8% in terms of revenue in 2025. According to the same source, we ranked eighth globally and seventh in China among specialized AI optical transceiver providers, with a global market share of 1.6% by revenue in 2025.

We focus on the next generation of optoelectronic interconnection technologies. In particular, we are developing:

- 1.6T, 3.2T and other next-generation high-speed optoelectronic interconnection products, supporting the continuously increasing data throughput requirements in AI data centers;

- advanced optoelectronic interconnection technologies, including near-packaged optics ("**NPO**") and co-packaged optics ("**CPO**"), which integrate optical engines in close proximity to or directly with electronic chips to significantly reduce signal loss, improve energy efficiency and support ultra-high bandwidth density; and

- PCIe AEC and PCIe AOC products which enable high-speed electrical and optical interconnections for server and accelerator cards, providing higher transmission bandwidth and lower power consumption.

OUR PRODUCTS

We design, manufacture and sell optoelectronic interconnection products, including (i) optical transceivers, (ii) AOC, and (iii) others. As of the Latest Practicable Date, substantially all of our optoelectronic interconnection products were used in AI data centers.

Optical Transceivers

We categorize our optical transceivers by whether they are based on silicon photonics technology or non-silicon photonics technology, namely SiPh optical transceivers and other optical transceivers. During the Track Record Period, we experienced strong growth in revenue generated from SiPh optical transceivers.

SiPh Optical Transceivers

Our SiPh optical transceivers are optical transceivers developed based on scilicon photonics technology to apply SiPh chips to single-mode optical transceivers. As of the Latest Practicable Date, our major SiPh optical transceivers all had transmission rates of 400G and above. These products are widely deployed in AI data centers of internet companies, where they support large-scale model training, cloud workloads and backbone network interconnections. We are committed to continuously advancing our SiPh optical transceivers.

As of the Latest Practicable Date, we had four commercialized SiPh optical transceivers and one commercialized SiPh optical transceivers under development.

Other Optical Transceivers

Our other optical transceivers primarily include 100G, 200G, 400G and 800G multi-mode optical transceivers. Characterized by broad compatibility, advanced technology and cost efficiency, these products are widely adopted in multiple application scenarios, particularly in data centers.

AOC

AOCs are optoelectronic interconnection products that integrate optical transceivers and optical fibers into a single cable assembly, enabling high-speed and low-latency data transmission over short distances with lower power consumption. AOCs complement optical transceivers by serving short-reach interconnection needs within racks or between adjacent devices, whereas optical transceivers are typically used for longer-distance data transmission between servers and switches.

We categorize our AOC by whether they are based on silicon photonics technology or non-silicon photonics technology, namely SiPh AOC and other AOC.

SiPh AOC

As of the Latest Practicable Date, our SiPh AOC were under development. Leveraging our proprietary technologies, we are developing SiPh AOC, such as 400G SiPh AOCs, 800G SiPh AOCs and PCIe 6.0 AOCs to meet the growing market demand for higher bandwidth, lower power consumption and enhanced integration.

Other AOC

Our other AOC products are commercialized and in the mass production phase. Our other AOC products are widely adopted in data centers and other high-speed transmission scenarios.

AEC

AECs are high-speed electrical interconnection products that integrate active equalization and amplification chips at both ends of copper cables to enhance signal integrity and extend transmission distance. AECs complement AOCs and optical transceivers in data center interconnection applications. While AOCs adopt optical fibers to achieve low-loss optical transmission for short- to medium-distance connections, AECs achieve comparable transmission performance through copper conductors, making them suitable for ultra-short distance connections within servers or between closely located devices.

We have commenced commercialization of our AEC products since December, 2025.

OUR BUSINESS MODEL

We primarily operate our business under three models, including (i) the joint design manufacturing (the "**JDM**") model; (ii) the original design manufacturer ("**ODM**") model; and (iii) the private label model, to cater to the diverse needs of our customers.

Our JDM Model

With the growing demand for customized optical transceivers from global leading internet companies and cloud service providers, traditional standardized products and fragmented supply chains are no longer sufficient to meet stringent market performance and reliability requirements.

Benefiting from the long-standing trust and collaboration established with our customers, we are able to gain in-depth insight into their technology roadmaps and product requirements, enabling us to co-develop next-generation optoelectronic interconnection products tailored to their specific needs. In response, we have adopted a JDM model and cooperated with our major customers under the JDM model since 2022.

Under the JDM model, our customers grant us access to their proprietary designs, technical specifications and relevant patent know-how for the purpose of product customization and co-development, while we leverage our advanced R&D and manufacturing capabilities to deliver high-performance, reliable and scalable optical transceiver products that meet their stringent requirements.

Our ODM Model

Under the ODM model, we design and manufacture products based on customer's specifications and requirements, while the final products are marketed and sold under the customer's own brands. This model allows us to leverage our design and R&D capabilities while benefiting from our customers' established brand recognition and distribution networks.

For instance, since 2022, we have collaborated with a leading global interconnect solutions provider, which is both one of our top five customers and top five suppliers during the Track Record Period. Through this cooperation, our products are sold into overseas markets under the customer's brand, facilitating our entry into new geographic markets and customer segments.

Our Private Label Model

Under our Private Label ("**PL**") Model, we directly supply standardized optical transceivers and optoelectronic interconnection products to customers, which are marketed under our own brands. This model enables us to reach a broader customer base and penetrate markets efficiently.

RESEACH AND DEVELOPMENT

R&D Investment

We have placed a strong emphasis on establishing and maintaining our R&D capabilities. In 2023, 2024 and 2025, our R&D expenses were RMB42.3 million, RMB63.8 million and RMB104.3 million, representing 24.1%, 7.4%, and 8.5% of our total revenue, respectively. Though the absolute amount of our R&D expenses increased during the Track Record Period, our R&D expenses as the percentage of revenue during the same period generally experienced a downward trend primarily because the growth of our revenue generated has greatly outpaced that of our R&D expenses, representing increased R&D efficiency resulting from enhanced commercialization of R&D outputs.

R&D Team

We operate two R&D centers in Suzhou and Beijing, respectively. As of December 31, 2025, our R&D team comprised 211 employees, representing approximately 45.1% of our total workforce. Over 31.8% of our R&D employees had an average of ten years of global industry experience, including experience gained at renowned multinational enterprises.

We also work closely with leading fabs and AI data centers of internet companies to develop integrated packaging solutions for SiPh optical transceivers, which have been successfully applied to customer projects and standardized for broader applications.

Our team has developed strong expertise in automation, chip-to-fiber coupling algorithms, high-yield process optimization, and silicon photonics integration, which allows us to achieve industry-leading yields and shorten production cycles. We have also actively promoted domestic substitution by gradually introducing domestically produced key equipment such as high-precision coupling tools and direct current testing systems, reducing costs while ensuring reliability.

OUR TECHNOLOGIES

Major Technologies in Product Research and Development

The key technologies that we have adopted in our product research and development include, but are not limited to, the following:

- ***SiPh Chip Design.*** We have developed and maintained our device libraries for our silicon photonics technology. By combining multi-physics simulations (covering electromagnetic, thermal, and photoelectric effects) with empirical wafer test data, we continuously refine device models for design accuracy and manufacturing robustness. With our device libraries,

we design SiPh chips from architecture definition to layout verification, and collaborate with fabs to achieve high-yield wafer fabrication and stable mass production through closed-loop feedback and process optimization.

- ***Optical and Electrical Design.*** We integrate optical and electrical design capabilities to improve coupling efficiency, signal integrity and overall transmission performance. Our proprietary design libraries and simulation models support rapid iteration and high-precision optimization.

- ***Mechanical and Structural Design.*** We focus on miniaturization, thermal management and modular integration. Our standardized component library and mechanical design tools enable scalable production and consistency in product performance.

- ***Firmware and Automation.*** We develop embedded firmware that ensures multi-protocol interoperability, real-time monitoring and intelligent control over optical/electrical conversion, temperature and power management.

- ***Advanced Manufacturing and Automation.*** We have established automated wafer testing and packaging systems as well as AI-enabled production lines to ensure high yield, quality consistency and traceability throughout the manufacturing process. Our WIMO integration enables a seamless flow from silicon wafer input to optical transceiver output under a digitized manufacturing environment.

- ***Fabrication Process Lab.*** During the design verification stage, we conduct comprehensive evaluations on fabrication processes, including process adhesive strength assessment, Fourier-transform infrared spectroscopy testing, viscosity testing, differential scanning calorimetry testing and die shear testing. These evaluations ensure the reliability and stability of key materials and process parameters prior to mass production.

- ***Reliability Lab.*** We perform full reliability testing before mass production, including high-temperature operating life ("**HTOL**"), temperature cycling, biased damp heat, electromagnetic interference, and electrostatic discharge tests, as well as other mechanical reliability evaluations. In addition, we have established dedicated reliability test platforms for optoelectronic and SiPh chips, including chip-level HTOL and large-optical-input endurance testing.

- ***System Compatibility Testing Platform.*** Following design verification of products under development, we conduct extensive system compatibility testing to validate product performance across different network environments. Products are tested with network interface cards, switches and other application-specific network equipment from various brands to ensure that both hardware performance and firmware functionality are fully compatible with diversified customer network scenarios.

OUR STRENGTHS

We believe the following strengths position us well to capitalize on future opportunities anddeliver continued growth:

(i) Founder and Team: Founders with Profound Expertise in Optoelectronic Interconnection Industry and Seasoned Team of Diverse Professional Strengths;

(ii) Focus on AI: We Provide High-Speed, Low-Power and Low-Latency Optoelectronic Interconnection Products that Enable AI Computing;

(iii) Focus on SiPh: Seasoned R&D Team Advancing for the Next-Generation AI Optoelectronic Integration; and

(iv) Business Model: A Full-Chain from Upstream SiPh Fabs to Downstream Leading Cloud Service Providers.

OUR STRATEGIES

We intend to implement the following strategies:

(i) Technology: Continuous Advancement of SiPh Technology and Optoelectronic Integration;

(ii) Production Capacity: Expanding SiPh and Optoelectronic Co-Packaging Capacity to Meet Rapidly Growing Downstream Demand;

(iii) Domestic Customers: Capturing the Opportunities of China's AI Transformation and Driving Continuous Sales Growth; and

(iv) Overseas Customers: Deepening Collaboration with Key Partners.

OUR CUSTOMERS AND SUPPLIERS

During the Track Record Period, our customers primarily consisted of global leading internet companies and internet companies in China. In 2023, 2024 and 2025, revenue generated from our five largest customers amounted to RMB168.0 million, RMB605.9 million, and RMB961.0 million, respectively, accounting for 95.8%, 70.3%, and 78.7% of our total revenue, respectively. In addition, revenue generated from our largest customer accounted for 48.3%, 25.2%, and 21.0% of our total revenues in 2023, 2024 and 2025, respectively. Please see "Business — Our Customers" for more details.

During the Track Record Period, our suppliers primarily consisted of global and domestic providers of electronic components, optical and electrical parts, printed circuit boards and semiconductor devices. In 2023, 2024 and 2025, purchases from our five largest suppliers amounted to RMB157.3 million, RMB683.3 million and RMB864.3 million, respectively, representing 62.6%, 72.5%, and 56.6% of our total purchases, respectively. In addition, purchases from our largest supplier

accounted for 24.9%, 29.8%, and 28.4% of our total purchases in 2023, 2024 and 2025, respectively. Please see "Business — Procurement and Supply Chain Management — Supplier Selection and Management — Our Major Suppliers" for more details.

MARKET OPPORTUNITIES

In response to the growing opportunities arising from AI data centers and SiPh technology, we have established a product portfolio centered on high-speed optoelectronic interconnection technologies. Leveraging our deep technological expertise and vertical integrated R&D platform, we believe we are well positioned to capture the significant growth potential in this rapidly expanding market.

SiPh Technology: The Key to High-Density, High-Speed and Power-Efficient Optical Interconnection

By integrating optical and electronic components on a single chip, SiPh enables close coordination between optical communication and electrical signal processing, combining the precision and scalability of integrated-circuit manufacturing with the high-speed, low-power advantages of photonics. Supported by the manufacturability and cost advantages of silicon materials, SiPh achieves high levels of integration, performance, and energy efficiency, effectively meeting the growing requirements of next-generation optoelectronic integration technologies.

According to Frost & Sullivan, the global SiPh optical transceiver market by sales revenue has grown from RMB20.7 billion in 2021 to approximately RMB63.1 billion in 2025, representing a CAGR of 32.2%, and is expected to further grow to RMB263.3 billion, representing a CAGR of 33.1% from 2025 to 2030.

AI-Driven Demand for High-Speed Optoelectronic Interconnection and Integration

Since 2022, the rapid growth of AI has greatly increased the need for computing power around the world. This has led major tech companies to build and improve AI data center infrastructure all over the world. AI data center networks are accelerating the transition toward next-generation optoelectronic integration technologies. These technologies are being progressively applied in product development, including DSP-based optical transceivers, LPO, LRO and AEC, as well as more advanced NPO and CPO technologies.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The summary of consolidated financial information should be read together with the consolidated financial information to the Accountants' Report set out in Appendix I to this document, including the accompanying notes and the information set out in "Financial Information" in this document.

Summary of Consolidated Statements of Profit or Loss

The following table sets out key items of our consolidated statements of profit or loss for the periods indicated:

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Revenue	175,338	100.0	861,832	100.0	1,221,063	100.0
Cost of sales	(206,642)	(117.9)	(760,019)	(88.2)	(1,111,307)	(91.0)
Gross (loss)/profit	(31,304)	(17.9)	101,813	11.8	109,756	9.0
Other income and gains	6,389	3.6	3,296	0.4	15,791	1.3
Selling and marketing expenses	(7,675)	(4.4)	(10,131)	(1.2)	(15,750)	(1.3)
Research and development expenses	(42,266)	(24.1)	(63,797)	(7.4)	(104,267)	(8.5)
Administrative expenses	(22,492)	(12.8)	(30,850)	(3.6)	(74,134)	(6.1)
Reversal of impairment/ (impairment) of financial assets, net	5,431	3.1	(1,973)	(0.2)	(2,755)	(0.2)
Other expenses and losses	(13,072)	(7.5)	(7,559)	(0.9)	(9,653)	(0.8)
Finance costs	(3,252)	(1.9)	(8,537)	(1.0)	(19,126)	(1.6)
Fair value losses on derivative financial instruments	(323)	(0.2)	—	—	—	—
Loss before tax	**(108,564)**	**(61.9)**	**(17,738)**	**(2.1)**	**(100,138)**	**(8.2)**
Income tax expenses	—	—	(157)	(0.0)	—	—
Loss for the year	**(108,564)**	**(61.9)**	**(17,895)**	**(2.1)**	**(100,138)**	**(8.2)**
Other comprehensive (loss)income for the year, net of tax	—	—	(321)	(0.0)	114	0.0
Total comprehensive loss for the year	**(108,564)**	**(61.9)**	**(18,216)**	**(2.1)**	**(100,024)**	**(8.2)**

We recorded adjusted net losses during the Track Record Period primarily because (i) we recorded gross losses in 2023, as we sold a higher proportion of lower-speed products, including optical transceivers and AOC, to reduce inventory levels, while the production and sales of our higher-speed products, including optical transceivers and AOC, were still at a ramp-up stage and had not yet achieved optimal production scale or cost efficiency. Our gross profit margin subsequently turned positive from 2024 onwards, primarily driven by the realization of economies of scale and higher manufacturing efficiency resulting from increased production volume and capacity utilization and (ii) we incurred substantial R&D expenses during the Track Record Period. Our R&D expenses as percentage of our revenue significantly decreased since 2023 as the result of the realization of our R&D output.

Revenue

During the Track Record Period, we generated revenue from (i) optical transceivers, (ii) AOC, and (iii) others, mainly comprising optoelectronic components and raw materials. In 2023, 2024 and 2025, our revenue amounted to RMB175.3 million, RMB861.8 million and RMB1,221.1 million, respectively.

Revenue by Business Line

The following table sets forth a breakdown of our revenue by business line, in absolute amounts and as percentages of the total revenue, for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Optical transceivers	123,845	70.6	589,721	68.5	923,944	75.7
AOC	46,057	26.3	151,116	17.5	248,127	20.3
Others	5,437	3.1	120,995	14.0	48,992	4.0
Total	**175,338**	**100.0**	**861,832**	**100.0**	**1,221,063**	**100.0**

During the Track Record Period, we have seen strong revenue growth as the result of the increase in both our optical transceivers business line and our AOC business line, as the result of (i) the rapid growth in market demand of our products driven by AI-related applications, (ii) our expanded production capacity and (iii) our advancing product portfolio.

Revenue by Geographical Locations

The following table sets forth a breakdown of our revenue by geographical locations, in absolute amounts and as percentages of our total revenue, for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
North America						
— the U.S.	84,784	48.4	121,207	14.1	93,798	7.7
Asia						
— Chinese mainland	76,124	43.4	623,555	72.4	1,099,262	90.0
— Malaysia	—	—	108,865	12.6	13,690	1.1
— Rest of Aisa	11,790	6.7	5,539	0.6	9,705	0.8
Europe and others	2,640	1.5	2,666	0.3	4,608	0.4
Total	**175,338**	**100.0**	**861,832**	**100.0**	**1,221,063**	**100.0**

We experienced steady revenue growth in Chinese mainland during the Track Record Period and in the U.S. from 2023 to 2024. Our revenue from overseas markets decreased from RMB238.3 million in 2024 to RMB121.8 million in 2025, primarily due to a decrease in revenue from Malaysia, following the substantial completion of certain projects of our key customers in 2024.

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

As a result of the foregoing, we recorded gross loss of RMB31.3 million in 2023, representing gross loss margin of 17.9% during the same periods. We recorded gross profit of RMB101.8 million and RMB109.8 million in 2024 and 2025, representing gross profit margin of 11.8%, and 9.0% during the same periods, respectively.

Gross (Loss)/Profit and Gross (Loss)/Profit Margin by Business Line

The following table sets forth a breakdown of our gross (loss)/profit by business line, in absolute amounts and as percentages of revenue, or gross (loss)/profit margins, for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	Gross (Loss)/Profit	Gross Margin	Gross (Loss)/Profit	Gross Margin	Gross (Loss)/Profit	Gross Margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Optical transceivers	(31,628)	(25.5)	73,331	12.4	62,308	6.7
AOC	303	0.7	27,150	18.0	43,206	17.4
Others	21	0.4	1,332	1.1	4,242	8.7
Total	**(31,304)**	**(17.9)**	**101,813**	**11.8**	**109,756**	**9.0**

Gross (Loss)/Profit and Gross (Loss)/Profit Margin by Geographical Locations

The following table sets forth a breakdown of our gross (loss)/profit and gross (loss)/profit margin by geographical locations for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	Gross (Loss)/Profit	Gross Margin	Gross (Loss)/Profit	Gross Margin	Gross (Loss)/Profit	Gross Margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Chinese Mainland	(23,391)	(30.7)	55,717	8.9	75,612	6.9
Overseas	(7,913)	(8.0)	46,096	19.3	34,144	28.0
Total	**(31,304)**	**(17.9)**	**101,813**	**11.8**	**109,756**	**9.0**

Please see "Financial Information — Results of Operations" for more details.

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	166,320	234,700	343,058
Total current assets	270,804	777,164	1,486,955
Total assets	**437,124**	**1,011,864**	**1,830,013**
Total non-current liabilities	38,244	117,503	173,765
Total current liabilities	238,156	682,698	1,070,501
Total liabilities	**276,400**	**800,201**	**1,244,266**
Net current assets	32,648	94,466	416,454
Net assets	**160,724**	**211,663**	**585,747**
Share capital	61,200	62,949	76,111
Reserves	99,524	148,714	509,636
Total equity	**160,724**	**211,663**	**585,747**

Our net current assets increased by 189.3% from RMB32.6 million as of December 31, 2023 to RMB94.5 million as of December 31, 2024, primarily due to (i) the increase in trade and bills receivables, and (ii) the increase in inventories, partially offset by the increase in interest-bearing bank and other borrowings.

Our net current assets increased by 340.9% from RMB94.5 million as of December 31, 2024 to RMB416.5 million as of December 31, 2025, primarily due to (i) the increase in the cash and cash equivalents, and (ii) the increase in inventories, partially offset by the increase in (i) interest-bearing bank borrowings and (ii) trade and bills payables.

Our total equity increased from RMB160.7 million as of December 31, 2023 to RMB211.7 million as of December 31, 2024, primarily attributable to capital paid in shareholders of RMB60.0 million. Our total equity increased from RMB211.7 million as of December 31, 2024 to RMB585.7 million as of December 31, 2025, primarily due to capital paid in shareholders of RMB460.0 million. Please see "Consolidated Statements of Changes in Equity" in the Accountants' Report in Appendix I to this document.

Summary of Consolidated Statements of Cash Flows

The following table sets forth selected information from our cash flows for the periods indicated:

	Year Ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net cash flows used in operating activities	(91,042)	(254,808)	(359,097)
Net cash flows generated from/(used in) investing activities	(98,804)	(106,912)	(111,032)
Net cash flows generated from financing activities	71,747	411,366	733,376
Net increase/(decrease) in cash and cash equivalents	**(118,099)**	**49,646**	**263,247**
Cash and cash equivalents at the beginning of the year	153,677	32,967	74,963
Cash and cash equivalents at the end of the year	**32,967**	**74,963**	**334,040**

We incurred net cash outflows from operating activities throughout the Track Record Period, with the amount of such outflows increasing over the period, which was primarily attributable to movements in working capital including increase in inventories and increase in trade and bills receivables, which was generally in line with our business expansion and increased sales volume during the Track Record Period.

Please see "Financial Information — Liquidity and Capital Resources — Cash Flows Analysis" for more details.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as of the dates or for the periods indicated:

	As of December 31,		
	2023	2024	2025
Current ratio[(1)]	1.1	1.1	1.4
Quick ratio[(2)]	0.6	0.7	0.8
Debt-to-equity ratio[(3)]	99.7%	247.4%	141.4%
Gearing ratio[(4)]	1.0	2.5	1.4

	For the year Ended December 31,		
	2023	2024	2025
Gross profit margin[(5)]	(17.9)%	11.8%	9.0%

Notes:

(1) Current ratio is calculated using total current assets divided by total current liabilities.

(2) Quick ratio is calculated using total current assets less inventories divided by total current liabilities.

(3) Debt-to-equity ratio is calculated using total debt (being the carrying balance of the interest-bearing bank and other borrowings) divided by total equity and multiplied by 100%.

(4) Gearing ratio equals to total indebtedness (being interest-bearing bank and other borrowings and lease liabilities) divided by total equity.

(5) Gross profit margin represents gross profit as a percentage of total revenue.

See "Financial Information — Key Financial Ratios" for more details.

RISK FACTORS

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks relating to our business and industry, (ii) risks relating to the jurisdictions where we operate, and (iii) risks relating to the **[REDACTED]**. These risks include, among others, (1) Any fluctuation in the growth of the end markets that adopt our products could adversely affect our business, financial condition and results of operations, (2) We face significant competition in the industry in which we operate. If we are unable to compete effectively, our results of operations and financial condition could be materially and adversely affected, (3) If we are unable to continuously optimize our product portfolio to adapt to developments in technologies and customer preferences and achieve market acceptance in a timely and cost-effective manner, our prospects and results of operations could be materially and adversely affected, (4) Our success depends to a great extent on our R&D capabilities. Any failure to advance our technologies, enhance our R&D capabilities, or achieve our anticipated R&D milestones could hurt our competitiveness and profitability, and (5) Any product defects or quality instability may adversely affect our business and reputation.

BUSINESS SUSTAINABILITY

We expect to further improve our financial performance and achieve profitability through (i) continuous revenue growth, (ii) enhanced cost efficiency, and (iii) disciplined management of operating expenses.

See "Business — Business Sustainability."

LEGAL PROCEEDINGS AND NON-COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration or administrative proceedings (including any bankruptcy or receivership proceedings) that we believe would have a material adverse effect on our business, results of operations, financial condition or reputation and compliance.

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any material non-compliance incidents that have led to fines, enforcement actions, or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, results of operations and financial conditions.

SINGLE LARGEST GROUP OF SHAREHOLDERS

As of the Latest Practicable Date, Dr. Hu, Suzhou Haiyi and Suzhou Haixu were collectively interested in 21.11% of the total issued Shares of our Company. Immediately following the completion of the **[REDACTED]**, assuming the **[REDACTED]** is not exercised and no Shares are issued under the Pre-**[REDACTED]** Share Option Scheme, they will be collectively interested in **[REDACTED]**% of the total issued Shares of our Company and will remain the single largest group of Shareholders.

PRE-[REDACTED] INVESTMENTS

We have engaged in the Pre-**[REDACTED]** Investments with our Pre-**[REDACTED]** Investors. For further details of the identities and background of our Pre-**[REDACTED]** Investors and the principal terms of the Pre-**[REDACTED]** Investments, see "History, Development and Corporate Structure — Pre-**[REDACTED]** Investments."

[REDACTED]

DIVIDENDS

During the Track Record Period, no dividend was paid or declared by us or any of our subsidiaries since our incorporation.

Please see "Financial Information — Dividends" for details.

FUTURE PLANS AND USE OF [REDACTED]

We estimate that we will receive **[REDACTED]** of HK$**[REDACTED]** after deducting **[REDACTED]** fees and **[REDACTED]** and estimated **[REDACTED]** paid and payable by us in the **[REDACTED]**, assuming no **[REDACTED]** is exercised and assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** (being the mid-point of the **[REDACTED]** stated in this document).

Please see "Future Plans and Use of **[REDACTED]**" for details.

[REDACTED]

Our **[REDACTED]** mainly include (i) **[REDACTED]**-related expenses, such as **[REDACTED]** fees and **[REDACTED]**, and (ii) non-**[REDACTED]**-related expenses, comprising professional fees paid to our legal advisors and Reporting Accountants for their services rendered in relation to the **[REDACTED]** and the **[REDACTED]**, and other fees and expenses. Assuming full payment of the discretionary incentive fee, the estimated total **[REDACTED]** (based on the mid-point of the **[REDACTED]** and assuming that the **[REDACTED]** is not exercised) for the **[REDACTED]** are approximately HK$**[REDACTED]**, accounting for approximately of **[REDACTED]**% of our gross **[REDACTED]**. Among such estimated total **[REDACTED]**, we expect to pay **[REDACTED]**-related expenses of HK$**[REDACTED]**, professional fees for our legal advisors and Reporting Accountants of HK$**[REDACTED]** and other fees and expenses of HK$**[REDACTED]**. An estimated amount of HK$**[REDACTED]** for our **[REDACTED]**, accounting for approximately **[REDACTED]**% of our gross **[REDACTED]**, was or is expected to be expensed through the statement of profit or loss and the remaining amount of HK$**[REDACTED]** is expected to be recognized directly as a deduction from equity upon the **[REDACTED]**. We did not recognize any **[REDACTED]** in 2022, 2023 and 2024 in our consolidated statements of profit or loss and other comprehensive income, respectively.

PRE-[REDACTED] SHARE OPTION SCHEME

We adopted the Pre-**[REDACTED]** Share Option Scheme on October 23, 2025. For details, see "Statutory and General Information." As of the Latest Practicable Date, the number of underlying Shares pursuant to the outstanding Options amounted to 2,800,000 Shares, representing approximately **[REDACTED]**% of the issued Shares immediately following the completion of the **[REDACTED]** (assuming that (1) the **[REDACTED]** is not exercised; and (2) no Shares are issued under the Pre-**[REDACTED]** Share Option Scheme). Assuming full exercise of all outstanding Options, the shareholding of the Shareholders immediately following completion of the **[REDACTED]** (assuming that (1) all Options are exercised; (2) the **[REDACTED]** is not exercised; and (3) no further Shares are issued under the Pre-**[REDACTED]** Share Option Scheme) and our **[REDACTED]** will be diluted by approximately **[REDACTED]**%.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

In the first quarter of 2026, we entered into a three-year JDM collaboration agreement with a major optical connectivity provider; in addition, we received the Lightwave Innovation Award, a leading industry award in the global optical communication industry, for our high-speed optical transceivers, demonstrating recognition of our technological capabilities and product performance.

We expect to remain loss-making and net operating cash outflow position in 2026, primarily because we expect to continuously invest in our research and development activities in order to stay competitive to capture opportunities arising from the rapid development of AI technologies. For more details on the risk relating to our future financial performance, see "Risk Factors — We incurred net loss during the Track Record Period. An inability to manage our growth effectively may have an adverse impact on our business, future prospects, and financial condition."

Our Directors have confirmed 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 end date of our latest audited financial statements, and there has been no event since December 31, 2025 that would materially affect the information shown in the Accountants' Report set out in Appendix I to this document.