
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 establish 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 seventeenth globally among optical transceiver providers by revenue in 2025, with a global market share of 0.8% in terms of revenue in 2025. According to the same source, we ranked eighth globally among Chinese optical transceiver providers in terms of AI optical transceiver, with a global market share of 1.6% by revenue in 2025.

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 silicon 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.

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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.

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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.

RESEARCH AND DEVELOPMENT

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. 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. See “Business — Research and Development” for further details.

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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.

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OUR STRENGTHS

We believe the following strengths position us well to capitalize on future opportunities and deliver 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.

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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 27.1% from 2026 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.

COMPETITIVE LANDSCAPE

According to Frost & Sullivan, optical transceivers are core products in optical communication system that enable electro-optical/optical-electrical signal conversion, serving as key interfaces for high-speed, long-reach interconnection within data centers. The optical transceiver industry features high entry barriers due to continuous technological innovation and stringent customer qualification requirements. For further details, please refer to the section headed “Industry Overview” in this document. According to Frost & Sullivan, the prices of optical transceivers and AOCs across various transmission speeds, including 200G, 400G and 800G-and-above products, generally declined industry-wide during the Track Record Period, primarily due to increasingly mature technologies, continuous capacity expansion, intensified market competition and cost reductions achieved through large-scale production. In line with such industry trend and consistent with our industry peers, the average selling prices of each of our 200G, 400G and 800G-and-above optical transceivers and AOCs also decreased during the Track Record Period. We expect the future decline in the prices of 800G and above high-speed optical transceivers and AOCs to moderate, while the prices of 400G and below low-speed optical transceivers and AOCs are expected to continue to decline. As we strategically focus on the 800G-and-above high-speed market and plan to expand our overseas sales, which generally command higher gross profit margins, we believe that the anticipated downward pricing trend will not have a material adverse impact on our financial performance.

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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)

For details on the accounting treatment of redemption rights, see “Financial Information — Share Capital” and Note 29 to the Accountants’ Report set out in Appendix I to this document.

We recorded 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. Our R&D

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activities primarily focused on next-generation high-speed optical interconnect products, with core projects including 400G QSFP112 optical transceivers, the flagship 800G full-series modules and the development and customer sampling of 1.6T cutting-edge optical transceivers for next-generation computing networks. The above high-speed products have achieved commercial delivery and form a standalone high-end high-speed optical transceiver revenue segment. These products generate higher gross margins than traditional low-speed modules and continue to drive our overall revenue and profitability growth.

Revenue

During the Track Record Period, we generated revenue from (i) optical transceivers, (ii) AOC, and (iii) others, mainly comprising optoelectronic components, such as optical sub-assemblies (“**OSA**”) and chip-on-board (“**COB**”) assemblies, as well as raw materials, including printed circuit board assemblies (“**PCBA**”) and other related components. 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	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
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	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
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 Asia	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

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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

We recorded gross loss of RMB31.3 million in 2023, representing gross loss margin of 17.9% during the same period, primarily because (i) we sold a higher proportion of lower-speed products and (ii) our higher-speed products were still at a ramp-up stage and had not yet achieved optimal production scale or cost efficiency. 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, primarily driven by the realization of economies of scale and higher manufacturing efficiency resulting from increased production volume and capacity utilization. For details, see “Business — Business Sustainability.”

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
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
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
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
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.

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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
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
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

For details on the accounting treatment of redemption rights, see “Financial Information — Share Capital” and Note 29 to the Accountants’ Report set out in Appendix I to this document.

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.

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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
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
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
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%

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.

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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.

IMPACT OF THE OUTBOUND INVESTMENT RULE BY THE U.S. DEPARTMENT OF THE TREASURY

On October 28, 2024, the U.S. Department of the Treasury (the “**Treasury**”) issued regulations pertaining to U.S. investments in certain national security technologies and products in countries of concern (the “**Outbound Investment Rule**”), which became effective on January 2, 2025.

Our design activities focus on integrated circuits for optical communication applications and do not involve advanced semiconductor manufacturing or design activities referred to in the definition of “prohibited transactions” for the semiconductors and microelectronics sector under the Outbound Investment Rule. However, under the Outbound Investment Rule, the activity of “designing any integrated circuit” is itself identified as a “covered activity” giving rise to a “notifiable transaction” if conducted by a “covered foreign person.” After consultation with Paul Hastings LLP, our legal advisor as to the Outbound Investment Rule, our Directors are of the view that we are a “covered foreign person” and the activity in which we are engaged may be subject to notification requirement.

After consultation with the relevant legal advisor, we are of the view that the Outbound Investment Rule will not have a material adverse impact on our Group, the [REDACTED] or post-[REDACTED] trading because (i) although investments by U.S. persons in us likely constitute “notifiable transactions” under the Outbound Investment Rule, they do not constitute “prohibited transactions” under the Outbound Investment Rule, as our business involving the design of integrated circuits for optical communication applications and does not involve advanced semiconductor manufacturing or design activities referred to in the definition of “prohibited transactions” under the Outbound Investment Rule; (ii) Should the purchase of our H Shares in the [REDACTED] by U.S. persons be considered notifiable transactions, the obligation to report such notifiable transactions to the the Treasury lies with the U.S. persons making such investments, and there is no reporting obligation imposed on us under the Outbound Investment Rule; (iii) investments by persons other than U.S. persons as defined under the Outbound Investment Rule are not subject to Outbound Investment Rule and (iv) although investments by U.S. persons in us likely constitute “notifiable transactions” under the Outbound Investment Rule, an exception to the notifiable transactions allows U.S. persons to invest in publicly traded securities as long as certain conditions provided by the Outbound Investment Rule are met.

SUMMARY

Please see “Risk Factors — We are subject to the risks associated with geopolitics, including protectionist trade and national security measures, which could adversely affect our business, financial condition and results of operations” and “Business — Our Sales to the U.S. and Applicable U.S. Laws and Regulations — Outbound investment rule” for details.

BUSINESS SUSTAINABILITY

We recorded loss of RMB108.6 million, RMB17.9 million and RMB100.1 million in 2023, 2024 and 2025, respectively, primarily because we were in the course of a strategic transition from lower-speed products to higher-speed products during the Track Record Period. We had historically demonstrated profitability in 2020 and 2021 when our business was primarily focused on more mature 100G-and-below products, which experienced strong market demand at the time, according to our management account. However, since 2022, as we identified the growing opportunities arising from AI data centers and SiPh technology, we have transitioned to establish a product portfolio centered on high-speed optoelectronic interconnection technologies. Such transition has temporarily affected our profitability during the Track Record Period, which was generally consistent with the industry trend, as confirmed by Frost & Sullivan.

Although the benefits of such transition and ramp-up had yet to be fully realized during the Track Record Period, we have seen strong revenue growth and improving economies of scale following the inflection point in the commercialization of our R&D output in 2023. We expect to further improve our financial performance and achieve profitability through:

- (i) continuous revenue growth by (a) growing with the market to seize the growth potential, (b) expanding globally by consolidating and scaling up our existing product offerings in overseas markets while actively advancing market qualification and customer certification processes for other higher-speed products to meet overseas customer requirements, (c) deepening collaboration with customers under our diverse collaboration models and (d) continuing to create value and expanding SiPh and optoelectronic co-packaging capacity to meet customers’ demand.
- (ii) enhanced cost efficiency by (a) further leveraging economies of scale and (b) enhancing manufacturing capabilities through production planning, materials management and efficient production, and
- (iii) improved efficiency by (a) improving R&D efficiency resulting from commercialization of R&D results, (b) increasing sales efficiency under the JDM model and (c) optimizing administrative functions through digitalized internal control and financial systems.

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.

SUMMARY

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.”

SHARE CAPITAL

We entered into respective shareholders’ agreements with various Pre-[REDACTED] Investors and issued 48,559,313 ordinary shares for a total net cash proceed of approximately RMB787,139,000 (collectively the “Pre-[REDACTED] Investments”) with the respective par value being recorded as share capital and the remainder as reserves. Pursuant to the agreements, the Pre-[REDACTED] Investors were granted by the Company with special rights which included redemption rights, anti-dilution rights and liquidation preference rights.

On October 23, 2025, our Company and the Pre-[REDACTED] Investors entered into the Termination Agreement that the redemption rights granted by our Company to Pre-[REDACTED] Investors have been irrecoverably terminated and shall be void ab initio. Prior to the execution of the Termination Agreement, there had been no exercise of redemption rights granted by our Company to the Pre-[REDACTED] investors, and the only special rights exercised by certain Shareholders were the rights to nominate directors and board observers and the right to information. Taking into account the legal and regulatory framework of our Company’s jurisdiction and the governing law of the supplemental agreements, our Director considered that it is appropriate to present the Pre-[REDACTED] Investments as equity.

Had the special rights granted by the Company to the Pre-[REDACTED] Investors been accounted for as financial liabilities measured at fair value of the redemption amount prior to entering into the supplemental agreements, (i) the redemption financial liabilities, total current liabilities, net current (liabilities)/assets and net (liabilities)/assets would have been as follows:

	As of December 31,		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Financial liabilities at fair value through			
profit or loss	1,175,523	1,224,433	—
Total current liabilities	1,413,679	1,907,131	1,070,501
Net current (liabilities)/assets	(1,142,875)	(1,129,967)	416,454
Net (liabilities)/assets	(1,014,799)	(1,012,770)	585,747

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and (ii) the changes in the carrying amounts of redemption liabilities, the net loss for the year, basic and diluted loss per share would have been:

	As of December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Fair value losses on financial liabilities at			
fair value through profit or loss	44,359	48,910	16,257
Total net loss	(152,923)	(66,805)	(116,395)
Loss per share			
Basic and diluted (<i>RMB</i>)	(2.50)	(1.08)	(1.61)
	(2.50)	(1.08)	(1.61)

[REDACTED]

DIVIDENDS

No dividends have been paid or declared by us during the Track Record Period.

We do not maintain a formal dividend policy or have a fixed dividend distribution ratio, and we may distribute dividends by way of cash or by other means that our Board considers appropriate. Pursuant to the Articles of Association, any proposed distribution of dividends is subject to the discretion of our Board and the approval of our Shareholders. In our company, our Board may recommend a distribution of 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. We cannot assure you that we will be able to distribute dividends of the above amount or any amount, or at all, in any year. The declaration and payment of dividends may also be limited by legal restrictions and by loan or other agreements that our Company and our subsidiaries have entered into or may enter into in the future. Under applicable PRC laws, dividends may be paid only out of distributable profits, which refer to after-tax profits less any recovery of accumulated losses and required allocations to statutory capital reserve funds. As advised by our PRC Legal Advisor, we cannot pay dividends to our Shareholders as there is no distributable profits in view of the accumulated losses. Furthermore, in the future, we may not have sufficient or any

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distributable profit to enable us to make dividend distributions to our Shareholders, including in years in which we are profitable. See “Risk Factors — Risks Relating to our Business and Industry — There can be no assurance as to whether and when we will declare and distribute any dividends.” In addition, our ability to distribute dividends in the future also depends on whether we can receive dividends from our subsidiaries.

FUTURE PLANS AND USE OF [REDACTED]

We estimate that we will receive net [REDACTED] of HK\$[REDACTED] after deducting [REDACTED] fees and [REDACTED] and estimated [REDACTED] expenses 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]). We intend to use the [REDACTED] from the [REDACTED] for the purposes set forth below:

- approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is expected to be used for expanding our production capacity for optical transceivers, and other optoelectronic interconnection products, and enhancing automation across our product lines;
- approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is expected to be used for continuous investment in the research and development of new products and technologies over the next three years;
- approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is expected to be used for business promotion and market expansion initiatives over the next three years; and
- approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is expected to be used for working capital and for general corporate purposes.

Please see “Future Plans and Use of [REDACTED]” for details.

[REDACTED] EXPENSES

Our [REDACTED] expenses 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] expenses (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 [REDACTED]% of our gross [REDACTED]. Among such estimated total [REDACTED] expenses, 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] expenses, 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]. Approximately HK\$[REDACTED] of [REDACTED] expenses was charged to our consolidated statements of profit or loss in 2025.

SUMMARY

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 earnings per Share will be diluted by approximately [REDACTED]%.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

In the second quarter of 2026, we entered into a strategic cooperation agreement with a leading industry partner for cooperation on the development and commercialization of CPO/NPO solutions for AI computing infrastructure applications. 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.