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OVERVIEW

Who We Are

We are a global optical transceiver provider with integrated capabilities spanning R&D and vertically integrated manufacturing. Originating from the telecom market, we have successfully expanded into the datacom market and established a rapidly growing market position in high-speed optical transceivers. We are among the early market participants to develop, mass produce and commercialize 400G and 800G optical transceivers globally, and are one of a limited number of industry participants capable of designing and producing 1.6T optical transceivers. Our in-house manufacturing capabilities cover core optical components and key production processes extending from laser chip on substrate and optical coupling to complete module assembly.

We have participated in the evolution of optical interconnect technologies from cloud computing applications to AI-driven workloads. Our high-speed optical transceiver products are highly versatile and are designed to support a broad range of AI-related networking and interconnection applications, including high-speed interconnection within and between data centers, thereby supporting extensive coverage of major AI-driven datacom applications. Our 400G, 800G, and 1.6T high-speed optical transceivers have been successfully deployed by industry-leading customers, positioning us to capture the growing demand driven by AI infrastructure build-out. We are also developing advanced optical interconnect solutions, including 12.8T extra-dense pluggable optics (XPO), 6.4T and 7.2T near-packaged optics (NPO) architectures, and technologies relevant to co packaged optics (CPO) architectures.

We have established a well-integrated global operational and manufacturing footprint to support our international customer base. Our customer base spans key regions of the global optical interconnect industry, including North America, PRC, and Europe. To meet the needs of our global customers, we operate dual-country production facilities in the PRC and Malaysia. This manufacturing footprint enhances our scalable production and delivery capabilities, particularly in the datacom sector where timely delivery of large-volume orders is a key purchasing consideration. In addition, our global manufacturing setup enables us to achieve flexible capacity allocation, enhance supply chain resilience and respond effectively to evolving global trade dynamics. Our in-house manufacturing capabilities, equipped with digitalized and automated manufacturing technologies, support the large-scale production and commercialization of products developed through our R&D platform.

According to Frost & Sullivan, we ranked 11th globally among optical transceiver providers and 8th among Chinese optical transceiver providers by revenue in 2025, with a global market share of 0.8%. By revenue generated from 400G-and-above high-speed optical transceivers, we ranked 11th among global optical transceiver providers in 2025, and recorded a CAGR of 247.6% from 2023 to 2025, which was the third fastest revenue growth rate among the top 11 global providers of 400G-and-above high-speed optical transceivers in 2025. Further, by revenue generated from 800G-and-above high-speed optical transceivers, we ranked 10th among global optical transceiver providers in 2025, and recorded a CAGR of 1,069.0% from 2023 to 2025, which was the fastest revenue growth rate among the top ten global providers of 800G-and-above high-speed optical transceivers in 2025.

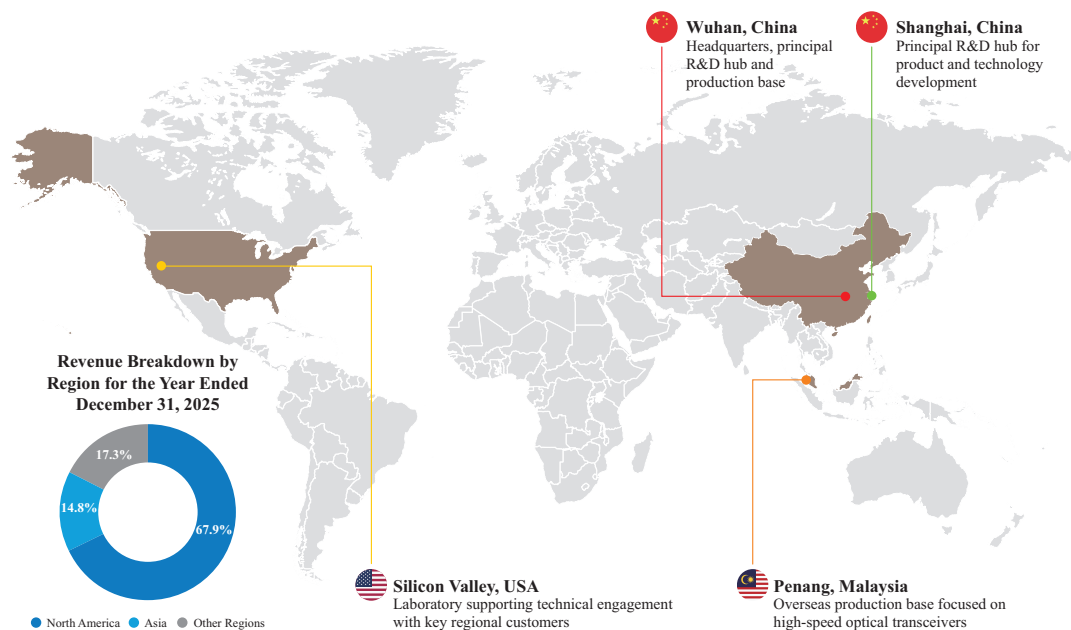
Our Global Footprint

Our products are deployed by leading AI data center operators, cloud service providers, and telecom operators worldwide. Geographically, our revenue was derived from North America, Asia, and

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other regions, accounting for 67.9%, 14.8%, and 17.3% of our total revenue in 2025, respectively. In particular, we have achieved a strong market presence in the United States, one of the largest and most technologically advanced datacom markets globally, where we have established long-standing relationships with a number of leading customers.

The map below illustrates our global footprint:



Our Products

We offer a portfolio of optical transceivers covering a broad range of transmission speeds, including products below 400G, 400G, 800G, and 1.6T.

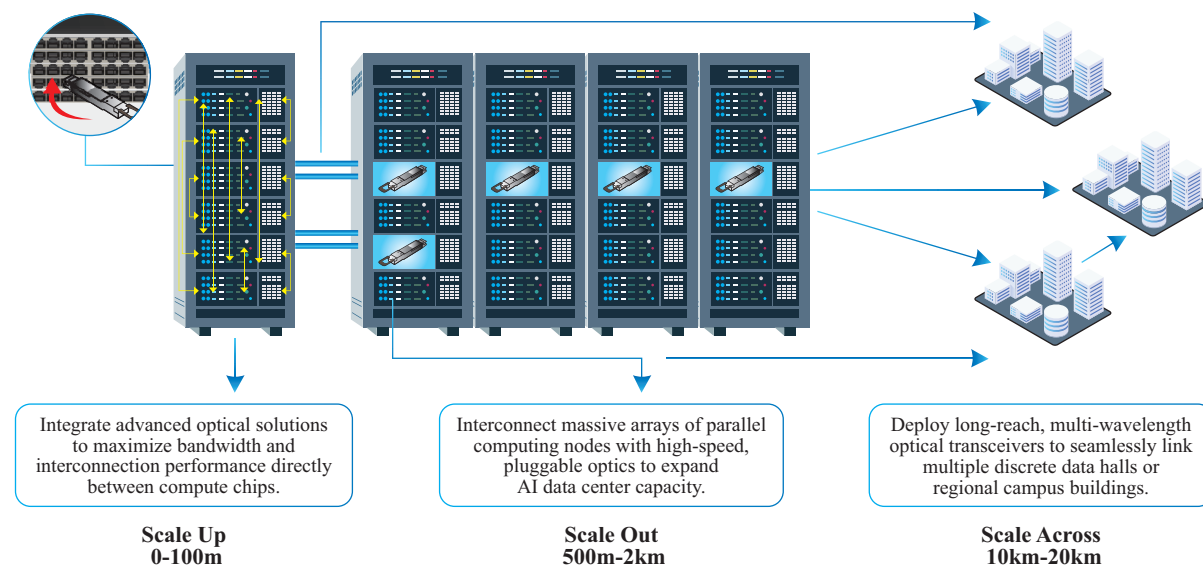
During the initial stage of our business development, our products were primarily used in telecom networks, mainly covering transmission speeds below 400G. Through our long-term cooperation with leading telecom and networking equipment vendors, we accumulated extensive customer resources, product development expertise and a strong track record in product reliability, delivery efficiency and quality control. These capabilities, developed under the stringent standards of the telecom industry, are well aligned with the demanding requirements of leading end customers in the datacom market, establishing a solid foundation for our subsequent expansion into the datacom industry.

Optical interconnects are a key component of AI infrastructure, enabling high-throughput and low-latency data transmission within modern data centers. The rapid advancement and commercialization of AI technologies have significantly accelerated the build-out of AI data centers and driven exponential growth in data traffic. Against this backdrop, high-performance optical transceivers have become indispensable in supporting efficient data exchange across large-scale computing clusters. In response to such market evolution, we have continued to expand our high-speed optical transceiver portfolio and broaden its range of applications in the datacom market. Our high speed optical transceivers, including 400G, 800G, and 1.6T products, have been successfully deployed by industry-leading customers.

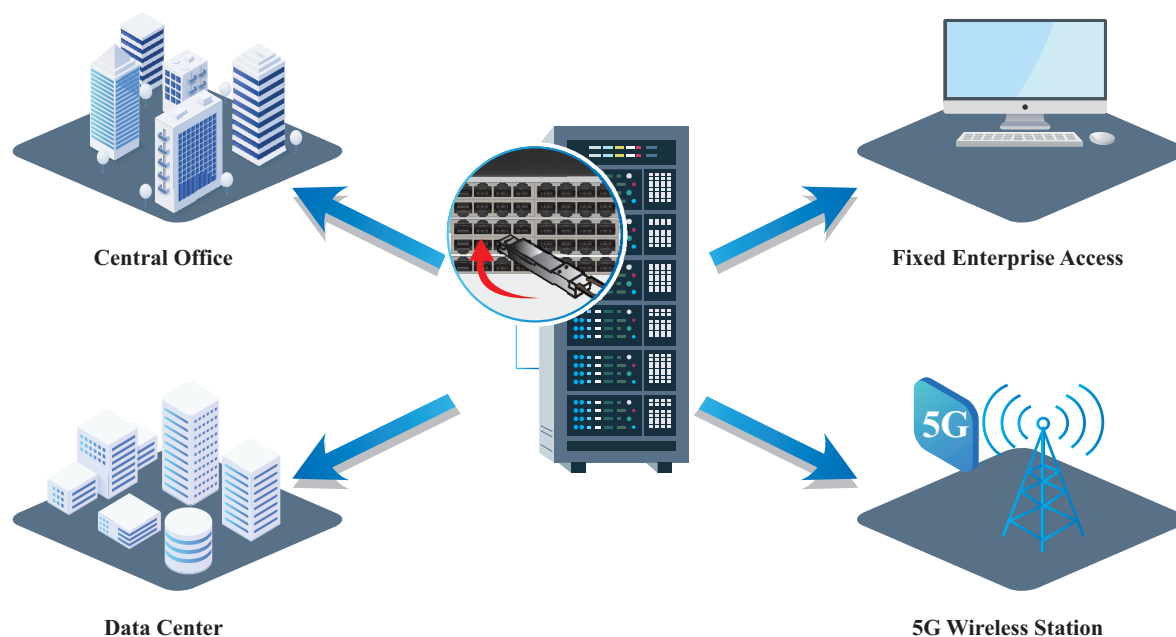
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The diagrams below illustrate our principal application scenarios:

Datacom application scenarios



Telecom application scenarios



Our Technologies

We have developed two principal product technology paths centered on electro-absorption modulated laser (EML) and silicon photonics (SiPh) technologies for high-speed optical transceivers and next-generation optical interconnect solutions. We have developed technical capabilities and experience in EML-based high-speed optical transceivers and have applied EML solutions mainly to our 400G, 800G, and 1.6T products. In parallel, our SiPh technologies have been applied to mainly our 400G, 800G, and 1.6T products, and are designed to enhance optoelectronic integration, reduce reliance on any single type of key raw material and provide a technology foundation for higher-density

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optical interconnect architectures such as NPO and CPO. Building on our EML and SiPh technology paths, we also develop linear pluggable optics (LPO), linear receiver optics (LRO) and full retimed optics (FRO) solutions to address different requirements in terms of power consumption, cost, performance and applications.

Our Product Delivery Capabilities

For an optical transceiver provider, the ability to deliver products rapidly and at scale directly affects its customers’ ability to capitalize on market opportunities and mitigate operational risks. Such capability reflects not only manufacturing capacity, but also the effectiveness of supply chain management, operational efficiency and cost competitiveness. As a result, it has become a key competitive differentiator and a critical criterion by which customers evaluate and select suppliers.

As one of the early movers to establish overseas production capacity, we strategically began our overseas manufacturing layout in 2021 and commenced operations at our self-owned production facility in Penang, Malaysia in 2022. Together with our production facilities in Wuhan, PRC, our dual-country manufacturing footprint has enabled us to continuously scale up our manufacturing capacity in response to the rapidly increasing demand for high-speed optical transceivers. In particular, since the commencement of its operations, our Malaysia production base has focused on the production of 400G-and-above optical transceivers, and has strategically and progressively shifted toward 800G and 1.6T optical transceivers. Our total production capacity reached approximately 2.8 million units, 4.3 million units and 4.2 million units in 2023, 2024 and 2025, respectively.

Alongside the expansion of our manufacturing scale, we have optimized our product mix to align with evolving market demand. In particular, we have been actively expanding our production capacity for 800G and 1.6T and above products. As of December 31, 2025, our designed production capacity for optical transceivers with transmission speeds of 800G-and-above reached approximately 0.6 million units, and further increased to approximately 1.6 million units as of April 30, 2026, representing a CAGR of approximately 438.5% from 2023 to 2025.

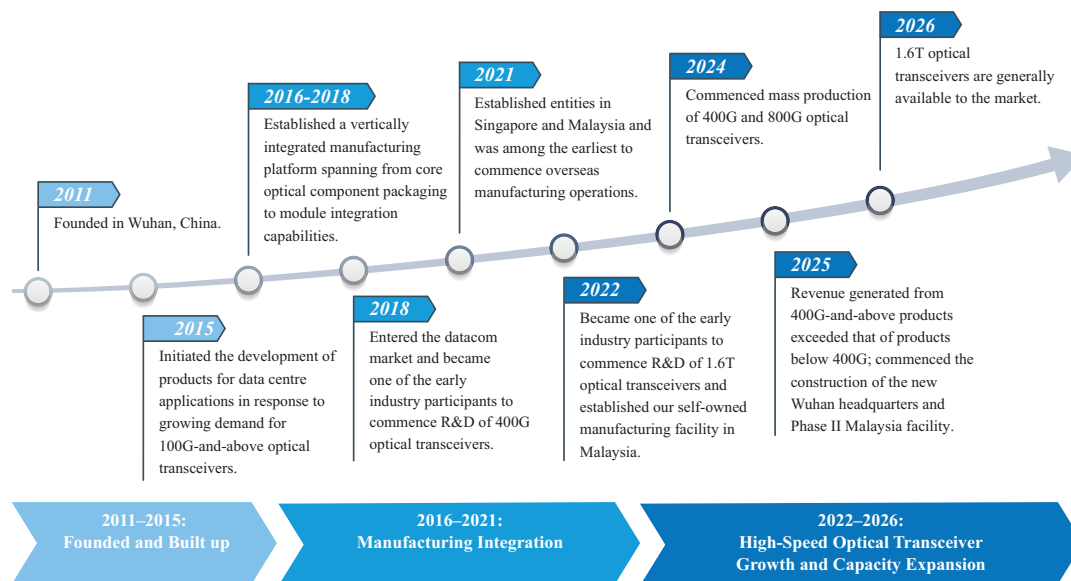
To safeguard our product delivery capabilities amid expanding production scale and evolving customer demand, we have established a robust global supply chain system. Through long-term partnerships with leading global suppliers of chips, optical components and other core raw materials, we have formed a sourcing network spanning PRC, North America and other major industrial regions. Together with our dual manufacturing hubs in the PRC and Malaysia, this network enhances our ability to coordinate production resources, optimize manufacturing allocation and enhance supply chain resilience.

Our Milestones

Since our establishment in 2011, our development has been characterized by ongoing product upgrades, strategic repositioning and the expansion of our manufacturing capabilities.

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The following highlights key milestones in our development:



Our Market Opportunities

The rapid development of AI, cloud computing, and big data has driven sustained growth in global datacom demand, particularly as AI adoption increases computing power requirements and accelerates the expansion of AI data centers. Against this backdrop, data transmission within and between data centers increasingly requires higher bandwidth, lower latency, and greater energy efficiency, making optical transceivers critical components for high-speed data interconnection and AI infrastructure performance. Continuous technological upgrades and product iterations of optical transceivers, together with efficient delivery capabilities, are therefore essential to meet evolving performance requirements and support the growth of modern datacom systems.

According to Frost & Sullivan, global sales of optical transceivers increased from RMB77.6 billion in 2021 to RMB161.8 billion in 2025, and are expected to further increase to RMB503.4 billion by 2030. In particular, driven by AI adoption, the global datacom optical transceiver market reached RMB114.9 billion in 2025 and is expected to increase to RMB429.4 billion by 2030. Within the datacom optical transceiver market, the global market size of 400G-and-above high-speed optical transceivers increased from RMB12.3 billion in 2021 to RMB112.9 billion in 2025, and is expected to further increase to RMB465.9 billion in 2030. In particular, the 800G-and-above optical transceiver market increased from RMB1.4 billion in 2021 to RMB65.3 billion in 2025, representing a CAGR of 161.5%, and is expected to reach RMB449.8 billion in 2030, representing a CAGR of 47.1%, reflecting the accelerated industry transition toward higher transmission speeds.

As datacom demand continues to increase, next-generation optical transceivers are required to achieve higher transmission speeds, greater integration, lower power consumption and stronger signal integrity. Emerging optical interconnection technologies, such as SiPh, NPO, CPO, LPO, LRO, and XPO, are therefore increasingly being adopted to support future product evolution.

Our Financial Performance

From 2023 to 2025, we have demonstrated strong and sustained revenue growth, accompanied by improving gross profitability. Our revenue increased from RMB605.7 million in 2023 to

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RMB890.1 million in 2024 and further increased to RMB1,253.5 million in 2025. Over the same period, our gross margin increased from 18.6% in 2023 to 23.2% in 2024 and further to 24.4% in 2025, driven by continuous product innovation and an increasing contribution from higher-speed optical transceivers.

OUR COMPETITIVE STRENGTHS

We believe that our achievements are driven by the following competitive advantages:

Early Mover in High-Speed Optical Transceivers with Deep Technological Heritage and a Forward-Looking Product Roadmap

We are among the early market participants to develop, mass produce and commercialize 400G and 800G optical transceivers globally, and are one of a limited number of industry participants capable of designing and producing 1.6T optical transceivers. Our ability to stay at the forefront of product evolution is underpinned by deep technological know-how accumulated through 15 years participation in the optical interconnect market, as well as our integrated capabilities across R&D, engineering and manufacturing.

Since our inception, we have accumulated core technologies, engineering expertise and long-standing customer relationships. Building on this foundation, we identified the growing demand for high-speed optical transceivers driven by AI, cloud computing and big data, and proactively expanded into the datacom market, achieving a forward-looking shift in business focus and securing an early-mover advantage.

To capture growth opportunities arising from industry upgrades, we have continuously advanced the research and development of our key enabling technologies. We have developed technical capabilities and experience in core optical transmission and modulation technology platforms, including electro-absorption modulated laser (EML), silicon photonics (SiPh), and thin-film lithium niobate (TFLN), which support the development of higher-speed, lower-power and more highly integrated optical transceivers. Building on these technology platforms, we continue to develop advanced optical transceiver architectures and solutions, including linear pluggable optics (LPO) and linear receiver optics (LRO), as well as next-generation optical interconnect architectures and related technology capabilities, including 6.4T and 7.2T near-packaged optics (NPO), 12.8T extra-dense pluggable optics (XPO) and co-packaged optics (CPO). According to Frost & Sullivan, we are one of the few industry participants that are capable of producing optical engines for our optical transceivers.

Our technological foundation, broad product portfolio and forward-looking product roadmap enable us to respond efficiently to evolving customer demand and technological upgrades. According to Frost & Sullivan, we are among the global players capable of production and delivery of optical transceivers covering a wide range of transmission speeds from 1G to 1.6T. We believe our early-mover positioning, proven commercialization track record and continued advancement toward next-generation products position us well to capture opportunities arising from ongoing industry upgrades and the continued expansion of AI-driven demand.

Organic Growth Fueled by Our Long-Term and Trusted Partnerships with Leading Customers Worldwide

We have established long-term relationships with leading industry participants through our focus on product quality, technological innovation and operational execution. Since our inception, we have earned

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broad market recognition in the telecom sector through the reliable performance of our products and our ability to meet evolving customer requirements. Leveraging the industry expertise, market reputation and commercial relationships developed in the telecom market, we gained early visibility into emerging demand in the datacom market and were able to rapidly develop and commercialize high-speed optical transceivers for datacom applications. As of December 31, 2025, our high-speed optical transceivers had been deployed by leading hyperscale cloud service providers, emerging cloud computing companies and AI infrastructure solution providers worldwide.

Many of our key customers are leading participants in their respective markets and are at the forefront of technological innovation. Through close engagement during their product development and upgrade cycles, we gain timely insights into evolving technical requirements and industry trends, enabling us to continuously enhance our products in terms of performance and reliability. To support such collaboration, we have established an integrated customer response mechanism involving our sales and marketing, R&D, quality control, manufacturing, procurement and finance functions, enabling effective cross-functional coordination from product development through commercial delivery. Feedback obtained through ongoing customer engagement further supports our technology development efforts and helps us align our product roadmap with evolving market demand.

To enhance our market responsiveness, we have established dedicated domestic and international sales teams serving different markets and customer groups. Supported by personnel with extensive industry experience and technical expertise, these teams closely monitor market developments and communicate customer feedback and market intelligence to our R&D, planning, manufacturing and other operational functions. This close integration between our commercial and operational teams enables us to align product development, production planning and customer support with changing market requirements and emerging growth opportunities.

We have maintained long-term and stable relationships with our major customers, with the majority of our top five customers during the Track Record Period having cooperated with us for more than five years, with some exceeding ten years. These long-standing relationships reflect continued recognition of our product quality, technological expertise and operational performance and have supported mutually beneficial business partnerships. The composition of our customer base allows us to benefit from economies of scale and maintain a stable revenue base while avoiding material reliance on any single customer, supporting the resilience and sustainability of our business.

Global Manufacturing Footprint Supports Stable, Scalable and Reliable Product Delivery Capabilities

Our recipe for a winning operation strategy: time to market, time to volume, and time to profitability. In the datacom industry, stable and scalable product delivery capabilities are critical for acquiring and maintaining key customers. With the rapid development of AI and cloud computing, the demand for optical transceivers continues to surge, placing increasingly stringent requirements on delivery capabilities in terms of scale, stability and responsiveness.

Built on years of industry experience, we have developed deep understanding of supply chain risks, product quality and reliability issues, and other practical challenges that may arise during mass production. Accordingly, in the development of our products, particularly high-speed optical transceivers, we evaluate multiple technology pathways and conduct comprehensive assessments on

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manufacturability and reliability before selecting the optimal path for volume production. This approach helps us mitigate commercialization risks and enhances our ability to achieve stable and efficient large-scale delivery.

Dual-country manufacturing footprint to serve global customers

Leveraging our deep insight into market demand, we proactively established a dual-country manufacturing footprint. We are one of the early movers to establish overseas production and delivery capacities. In 2022, we commenced operations at our manufacturing facility in Penang, Malaysia, and further expanded our production capacity with the commencement of operations at our new production campus in Wuhan, PRC in 2025. Together, these facilities provide manufacturing flexibility, support capacity expansion and enhance our ability to serve customers across different markets.

Our Malaysia manufacturing base is strategically focused on high-speed optical transceivers, including 800G and 1.6T and above products. Its production capacity for 400G optical transceivers can be seamlessly adapted to support the production and delivery of 800G products and can be further upgraded to accommodate 1.6T and higher-speed products catering to evolving customer demand. The facility produced approximately 0.3 million units, 0.3 million units and 0.6 million units in 2023, 2024 and 2025, respectively, representing 10.2%, 10.4% and 19.2% of our total production volume during the respective years. As of April 30, 2026, the designed production capacity for 800G-and-above optical transceivers at our Malaysia facilities reached approximately 1.6 million units.

A diversified and globalized supplier network to ensure stable delivery

We have established a diversified supplier network and maintain long-term relationships with key suppliers across the PRC, North America, Japan and Europe. This sourcing network supports supply continuity and enhances the resilience of our operations. We are also advancing local sourcing initiatives for selected key materials to further strengthen supply stability.

In procurement management, we leverage our growing purchasing scale and enter into framework agreements with key suppliers to improve supply visibility, secure access to critical raw materials, and optimize procurement costs. These measures support both cost efficiency and operational reliability.

Automation and Digitalization to upgrade the delivery capacities

The automation and digitalization of our production processes underpin our efficient and replicable manufacturing capabilities. We continuously translate the know-how accumulated through product development and manufacturing into standardized production procedures, which can be replicated across different production lines and facilities. Based on the characteristics of our products, we also continuously develop and customize automation equipment for our production lines, and incorporate such manufacturing expertise into the ongoing enhancement of our automated equipment and production processes.

Strong R&D Capabilities Catering to Evolving Customer Demand

Our R&D capabilities are a core driver of our competitiveness and underpin our ability to anticipate industry trends, develop differentiated products and bring new technologies to market efficiently. Through close collaboration with leading customers and active participation in their

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product planning, specification-setting and technology upgrade processes, we gain early visibility into evolving technical requirements and emerging market trends. This customer-oriented development model enables us to translate market demand into product development initiatives efficiently and develop solutions tailored to customers’ performance, reliability and deployment requirements, facilitating customer qualification and accelerating commercialization.

Our R&D capabilities span the full development cycle of optical transceivers, from underlying transmission technologies and optical component design to engineering development, manufacturing process optimization and next-generation technology research. In optical transmission and modulation technologies, we have developed expertise in areas including EML-based high-speed transmission, SiPh and TFLN, which support the performance, bandwidth and power-efficiency requirements of high-speed optical transceivers. We also closely monitor and explore emerging optical interconnect architectures, in particular extra-dense pluggable optics (XPO), which integrate our in-house liquid-cooling cold plate to address rising thermal and power demands in high-performance optical interconnects, supporting our long-term roadmap.

Our R&D activities are organized around an integrated development framework covering concept definition, design, simulation, production and quality control. At the concept formation stage, we identify product development directions based on customer requirements, applications and evolving industry trends, enabling us to align our technology roadmap with customer and market demand. At the design stage, we leverage our capabilities in optical component design, PCB and mixed-signal circuit design, packaging design and system-level engineering to translate product concepts into manufacturable solutions tailored to customer needs, while embedding key quality control requirements at the design stage. At the simulation stage, we conduct modeling, optical simulation and failure analysis to verify technical feasibility and optimize key performance parameters. At the production stage, we integrate R&D with manufacturing process development, including optical coupling, packaging, assembly and automated testing processes, to enhance manufacturability. At the quality control stage, we incorporate reliability validation, and testing procedures throughout the manufacturing process, which supports product consistency, and quality stability. This integrated R&D framework enables us to connect technological innovation with engineering execution and mass production requirements.

Supporting these capabilities is our global R&D organization. We operate R&D centers in Wuhan and Shanghai as our principal technology development hubs and maintain a laboratory in North America, enabling us to remain closely connected to the evolving technical requirements of customers in key overseas markets. As of December 31, 2025, we had 471 employees engaged in research and development activities, representing 32.8% of our total workforce. Our R&D team combines experienced engineers and technical experts with extensive industry experience and newly recruited talent, creating a balance between deep industry know-how and continuous innovation. Close collaboration among our R&D, engineering and key account teams further ensures alignment between technological development, customer demand and product commercialization.

Our technological capabilities are reflected in our intellectual property portfolio and industry recognition. As of the Latest Practicable Date, we held 219 patents worldwide, including 209 patents in the PRC, and ten patents in the United States. In addition, we are a founding member of the Extra-Dense Pluggable Optics Multi-Source Agreement (XPO MSA), a founding member of the External Laser Small Form-Factor Pluggable Multi-Source Agreement (ELSFP MSA), demonstrating our early participation in defining industry standards. We are also a member of the Linear Pluggable

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Optics Multi-Source Agreement (LPO MSA), the Optical Internetworking Forum (OIF) and the Ethernet Alliance. In recognition of our technological achievements, we have received various awards and certifications from governmental authorities, industry organizations and professional associations, including High-Tech Enterprise, Specialized and Sophisticated “Small Giant” Enterprise in Hubei Province, and inclusion in the 2023 New Generation Information Technology and Manufacturing Integration Development Demonstration List issued by the Ministry of Industry and Information Technology of the PRC.

An Experienced and Stable Founding Team that Fosters a Customer-Centric and Value-Driven Culture to Support Sustainable Growth

We are led by a stable founding team with deep industry expertise and extensive experience in the optical interconnect industry. Our founding team, comprising Mr. Zhang Jian, Mr. Yang Xianwen, Mr. Wu Tianshu and Mr. Li Linke, has extensive experience in optical interconnect technologies and optical transceiver development, covering the full value chain from optical component design, product R&D and manufacturing process engineering to commercialization. Since our inception, our founders have worked closely together and have consistently remained at the forefront of our management and business development efforts. Leveraging their practical understanding of technology evolution, product innovation and market dynamics, they have continuously guided our technology roadmap, product portfolio expansion and strategic development, enabling us to anticipate industry trends, capture emerging market opportunities and strengthen our competitive position in the rapidly evolving optical interconnect industry.

Our founders have cultivated a customer-centric and values-driven corporate culture that underpins our long-term growth and competitiveness. Guided by our mission to create value for customers, we are committed to continuous innovation, reliable execution and the delivery of high-quality products. Our core values of sincerity and passion, openness and sharing, embracing change and continuous self-improvement are deeply embedded in our daily operations and decision-making processes. These values encourage our employees to maintain a strong sense of ownership and entrepreneurial spirit, foster collaboration and knowledge sharing, proactively adapt to evolving technologies and customer needs, and continuously pursue excellence. We believe that this culture enhances our organizational agility and execution capabilities, strengthens our ability to attract, develop and retain talent, and enables us to respond effectively to changing market conditions and customer requirements, thereby supporting ongoing technological innovation, product evolution and the sustainable growth of our business.

OUR STRATEGIES

Deepen Our Presence in the Datacom Market and Enhance Our High-Speed Optical transceiver Capabilities

We intend to capitalize on the sustained growth opportunities in the datacom market, particularly those driven by the rapid advancement of AI and cloud computing technologies. We will continue to focus on high-speed optical transceivers as our core product direction, with the aim of strengthening our strategic positioning in the datacom market.

We will continue to build on our technological capabilities and R&D platform to improve the speed, power efficiency and reliability of our products. These capabilities will support the continued expansion of our product portfolio across different applications, particularly data center and AI-related

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use cases. At the production level, we will advance the development and commercialization of next-generation high-speed optical transceivers, while continuing our development of 12.8T XPO architectures, 6.4T and 7.2T NPO architectures, and CPO architectures in line with evolving industry standards and customer requirements. By continuing to launch and iterate higher-speed products, we aim to strengthen our technology differentiation and further build on our growth momentum in the high-speed optical transceiver market.

On the commercial front, we intend to leverage our established customer base and global manufacturing footprint to deepen our collaboration with leading global datacom customers. We will also continue to consolidate our position in the telecom market by maintaining close cooperation with our long-standing customers. Through coordinated development across both markets, we aim to further strengthen our customer base, enhance our ability to capture high-quality orders and increase our market share, particularly in the high-speed optical transceiver market.

Expand Our Manufacturing Capacity and Optimize Our Global Production Footprint

In response to the increasing demand for high-speed and high-performance optical transceivers, as well as the stringent delivery requirements of global customers, we believe that scalable manufacturing capabilities and reliable delivery are critical to our continued growth. We therefore will continue to expand and upgrade our manufacturing capacity, particularly for 800G, 1.6T and future higher-speed optical transceivers, and further optimize our global production footprint to better align with customer demand.

We plan to increase our investment in production facilities and upgrade our manufacturing lines in Malaysia and the PRC. These initiatives will include expanding factory premises, increasing investment in supporting infrastructure and introducing new production equipment to support the manufacturing of 800G, 1.6T and future XPO, NPO, and CPO products.

Alongside these facility and equipment upgrades, we will continue to strengthen our manufacturing systems by upgrading our information technology systems and introducing AI-enabled production tools and other digital solutions. These initiatives are expected to further integrate our manufacturing processes, improve production efficiency and reliability.

Expand Our Customer Base and Strengthen Customer Relationships

We intend to further deepen our relationships with leading global customers, particularly including AI data center operators, cloud service providers, switch and networking equipment manufacturers and integrators in North America and other key markets. We plan to enhance collaboration with key customers throughout the product lifecycle, including product planning, specification development, testing and validation. Through such early-stage engagement, we aim to improve our responsiveness to customer requirements and strengthen our ability to deliver customized solutions and reinforce our role as a reliable long-term supplier and technology partner to our key customers. At the same time, we will continue to strengthen our cooperation with our core customers in the traditional telecom market.

For new customer development, we will continue to strengthen our global sales and marketing network and enhance our customer service capabilities. This includes recruiting seasoned sales and marketing personnel, strengthening localized customer engagement and support, and conducting business development, product promotion, industry exhibition and customer engagement activities.

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While continuing to serve international customers, we also intend to enhance our coverage of selected domestic customers where suitable market opportunities arise. We will also continue to leverage our existing relationships with integrator customers to increase our access to end users and expand our customer base.

Through these initiatives, we seek to broaden our customer coverage, improve the stability and diversity of our customer base, enhance our ability to secure high-quality orders and support the sustainable growth of our business.

Strengthen Our R&D Capabilities and Advance Next-Generation Technologies

We believe that continuous technological innovation and sustained investment in research and development are critical to maintaining our competitive edge. We will continue to strengthen our R&D team and enhance our technology platforms, including by expanding our R&D personnel, procuring and upgrading R&D equipment and facilities, and continuing to explore forward-looking technologies that support the evolution of high-speed optical transceivers.

Building on our existing technological foundation, we will continue to strengthen our core technology platforms in EML, SiPh and TFLN, while further advancing our capabilities in LPO, LRO, NPO, XPO, CPO, and FRO in line with industry development trends. These efforts are intended to support the iteration, validation and eventual commercialization of high-speed optical transceivers, while broadening our technological capabilities across datacom applications.

In addition, we intend to selectively pursue technology-driven mergers and acquisitions and strategic investments that are complementary to our core business. By integrating external technological resources and industry expertise, we aim to expand our technological capabilities, enrich our product portfolio and further strengthen our overall competitiveness.

Attract and Retain Talent to Support Long-Term Growth

We regard talent as a fundamental driver of our technological innovation and business development. As our business continues to expand and our technological capabilities advance, we will further strengthen our talent acquisition and development system to build a high-quality team with global perspective and strong professional expertise, providing solid support for our long-term growth.

We will continue to recruit and retain high-caliber R&D professionals worldwide, particularly those with experience across optical transceiver design, and engineering. We will also place emphasis on attracting individuals with international experience and cross-disciplinary backgrounds to strengthen the overall capabilities and innovation capacity of our R&D team.

In addition to R&D personnel, we also plan to strengthen our talent base across manufacturing, quality control, sales, and customer support functions, so that our talent development can better support our product development, commercialization and global customer services. We will continue to improve our internal training, career development and incentive mechanisms to retain core technical and management personnel, enhance organizational stability and support our long-term competitiveness.

OUR PRODUCTS OFFERINGS

Optical transceivers are core components in optical communication systems that enable optoelectronic conversion. We offer a broad range of optical transceiver products with different

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technical specifications, covering a wide range of transmission rates, from 1G up to 1.6T together with varying transmission distances and operating wavelengths. Our product portfolio includes over thousands of series of optical transceivers designed to meet both standardized and customized customer requirements. Our products are widely applied across various application scenarios, including AI-related infrastructure, data centers, telecom transmission, wireless networks, fiber access and fiber channel systems.

Within our product portfolio, our datacom products have evolved from 40G and 100G products to 400G, 800G, and 1.6T high-speed optical transceivers. We are also advancing next-generation products, including 3.2T and 6.4T products, to address the growing demand for higher transmission speeds and bandwidth by AI data center applications.

Our telecom products cover a broad range of transmission rates and support long-distance transmission from 10 km to 120 km. Designed to meet industrial-grade deployment requirements, our telecom products enable stable and reliable transmission in outdoor and other challenging operating conditions.

In 2023, 2024 and 2025, our sales volume of 400G-and-above optical transceivers reached 21 thousand, 188 thousand and 329 thousand units, respectively, representing a CAGR of 306.2% for the same period, compared to a CAGR of 79.0% for the global 400G-and-above optical transceiver market size over the same period, according to Frost & Sullivan.

The following table sets forth a breakdown of our shipment volume by product category during the Track Record Period.

	For the Year Ended December 31					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(Unit in thousands, except for percentages)</i>						
400G-and-above optical transceivers	21	0.8	188	7.5	329	11.5
Below 400G optical transceivers	2,461	99.2	2,319	92.5	2,528	88.5
Total	2,483	100.0	2,507	100.0	2,856	100.0

Our average selling price (“ASP”) is calculated by dividing the revenue generated from each product type by the corresponding sales volume of such product type. The selling prices of our optical transceiver products vary by product model, transmission speed, transmission distance and other technical specifications. Certain products may also be adjusted or customized based on customers’ specific technical requirements and application scenarios. As a result, products within the same transmission speed category may have different selling prices depending on their specifications and customer requirements.

The following table sets forth the ASPs by product category during the Track Record Period.

	For the Year Ended December 31		
	2023	2024	2025
	RMB/Unit	RMB/Unit	RMB/Unit
400G-and-above optical transceivers	2,693	2,030	2,098
Below 400G optical transceivers	222	218	217
Overall	243	354	434

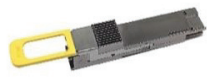
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In the context of the AI boom, we actively keep pace with technological frontiers and promptly anticipate customer expectations. Consequently, our design philosophy for optical transceivers is precisely aligned with these insights, typically encompassing the following considerations:

- *Transmission Performance:* Transmission speed, bandwidth, latency, signal integrity and transmission distance.
- *Optical-electrical Performance:* Eye diagram quality, output optical power, wavelength stability, extension ratio, and return loss.
- *Thermal Management:* Thermal dissipation capability, temperature control and operational stability under workloads.
- *Power Efficiency:* Power consumption optimization and energy efficiency under different operating conditions.
- *Reliability:* Long-term operational stability, product lifespan, failure rate control and performance consistency under continuous operation.
- *Scalability:* Manufacturability for large-scale production, stable production yield and adaptability to increasing order volume.
- *Interoperability:* Compatibility with customers’ switches and network systems, protocol compliance, system-level connectivity and stable performance in customers’ operating environments.

The following tables set forth certain details of our representative optical transceiver products for datacom and telecom applications.

For datacom applications:

Transmission Speed Category	Primary Product Series	Features	Pictures
Below 400G optical transceivers	100G QSFP28 DR1/FR1	It is available in QSFP28 form factor, supporting single channel of 100G PAM4 optical and four channels of 25G non-return-to-zero (NRZ) electrical, with a transmission distance between 500m and 2km, based on EML technology. It is designed for 400G breakout into 4x100G in AI data center application.	
400G-and-above optical transceivers	400G QSFPDD DR4/FR4	It is available in quad small form factor pluggable double density (QSFP-DD) form-factor, supporting four channels of 100G pulse amplitude modulation 4-level (PAM4) optical and eight channels of 56G PAM4 electrical, with a transmission distance between 500m and 2km, based on EML technology. It is designed for 400G Ethernet based switches in AI data center applications.	
	400G QSFP112 DR4/FR4	It is available in QSFP form factor, supporting four channels of 100G PAM4 optical and electrical, with a transmission distance between 500m and 2km, based on SiPh technology. It is designed for	

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Transmission Speed Category	Primary Product Series	Features	Pictures
		400G ethernet based switches, and 800G breaks out with 2x400G in AI data center applications.	
	800G OSFP 2DR4/2FR4	It is available in OSFP form factor, supporting eight channels of 100G PAM4 optical and electrical, with various transmission distances, 500m, 2km, 3km, 6km, 10km, 20km, based on both EML and SiPh technology. It is designed for 800G Ethernet and Infiniband based switches in AI data center applications.	
	800G LPO OSFP 2DR4/2FR4	It is available in OSFP form factor, supporting eight channels of 100G PAM4 optical and electrical, with linear Transmitter and Receiver, based on SiPh technology. It is designed for low latency and low power 800G LPO based Ethernet & InfiniBand based switches, 800G LPO based network interface cards (NICs) in AI data center applications.	
	1.6T OSFP 2DR4/2FR4	It is available in OSFP integrated heat sink (OSFP-IHS) and OSFP Riding Heat Sink (OSFP-RHS) form factor, supporting eight channels of 200G PAM4 optical and electrical, with various transmission distances, 500m, 2km, 3km, 6km, 10km, based on both differential EML and SiPh technology. It is designed for 1.6T Ethernet and Infiniband based switches, 1.6T NICs in AI data center applications.	
	1.6T LRO OSFP 2DR4/2FR4	It is available in OSFP-IHS and OSFP-RHS form factor, supporting eight channels of 200G PAM4 optical and electrical, with transmission distance up to 500m, based on SiPh technology. It is designed for low latency and low power 1.6T Ethernet based switches, 1.6T NICs in AI data center applications.	

For telecom applications:

Transmission Speed Category	Primary Product Type	Features	Pictures
Below 400G optical transceivers	100G LR4	It is available in QSFP28 form factor, supporting single channel of 100G PAM4 optical and four channels of 25G NRZ electrical, with a transmission distance up to 10km, based on narrow-band EML technology. It is designed for 100G Ethernet and optical transport network (OTN) dual rate telecom applications.	
	25G LR	It is available in small form-factor pluggable 28 (SFP28) form factor, supporting single channel of	

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Transmission Speed Category	Primary Product Type	Features	Pictures
		multirates 10G & 25G NRZ optical and electrical, with a transmission distance up to 10km. It is designed for 5G wireless telecom applications.	

OUR DELIVERY CAPACITIES

The organic growth of our business during the Track Record Period was supported by our dual-country production footprint and our ability to adjust production and delivery arrangements in response to evolving market demand. We operate our dual manufacturing centers, located in Wuhan, the PRC, and Penang, Malaysia. As of the Latest Practicable Date, our production facilities in Wuhan comprised an aggregate gross floor area (GFA) of 51,904 sq.m., while those in Penang comprised an aggregate GFA of 18,273 sq.m. Our Wuhan facilities are situated in Wuhan’s Optics Valley, a globally recognized hub for optoelectronics. Our Malaysia facilities are located in Penang, a well-established hub for high-end electronics manufacturing, supported by a mature supply chain and skilled workforce. Our Malaysia production base is well suited for the production of optical transceivers and enhances our ability to serve global customers. In addition to our in-house production, we involve third-party production facilities for the production of lower-speed products below 100G.

In-house Facilities

We have established in-house production capabilities covering optical transceivers with transmission speeds ranging from 1G to 1.6T, and expect to further extend our in-house manufacturing capabilities to support higher-speed optical transceivers in the future.

The following pictures illustrate our in-house facilities as of the Latest Practicable Date:



Wuhan: Our production base in Wuhan, the PRC



Malaysia No. 1: Our Phase I production base in Penang, Malaysia



Malaysia No. 2: Our Phase II production base in Penang, Malaysia

The following table sets forth certain information relating to our in-house production capacities during the Track Record Period:

	For the Year Ended December 31								
	2023			2024			2025		
	Capacity ⁽¹⁾	Production Volume ⁽²⁾	Utilization Rate ⁽³⁾	Capacity ⁽¹⁾	Production Volume ⁽²⁾	Utilization Rate ⁽³⁾	Capacity ⁽¹⁾	Production Volume ⁽²⁾	Utilization Rate ⁽³⁾
	Thousand Units	Thousand Units	%	Thousand Units	Thousand Units	%	Thousand Units	Thousand Units	%
Facilities									
PRC Facilities									
(Wuhan)	2,410	2,365	98.1	3,071	2,262	73.7	3,097	2,433	78.5
Malaysia Facilities									
(Penang)	390	274	70.3	1,199	251	21.0	1,083	583	53.9
Total	2,800	2,639	94.3	4,270	2,513	58.9	4,180	3,016	72.1

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Note:

- (1) Calculated as the theoretical maximum production volume for the relevant year, which is based on the number of production equipment in operation, the available production time of such equipment, standard machine operating parameters, including assumed operating hours for standardized products, and estimated yield rates based on our historical operating data. The production capacity of non-standardized products is adjusted by reference to the production time that would otherwise be required to produce comparable standardized products.
- (2) Calculated as the number of finished products that have completed production and been transferred into finished goods inventory during the relevant year.
- (3) Calculated as the actual production volume for the relevant period divided by the designed production capacity for the same year.

Third-party Production Facilities

As a supplement to our overall delivery capabilities, we maintain stable cooperation with a number of third-party production partners to enhance the flexibility of our capacity allocation and support efficient product delivery. Our third-party production arrangements are primarily focused on optical transceivers with speeds below 100G. These arrangements enable us to maintain in-house manufacturing capabilities for our core high-end products. As of the Latest Practicable Date, we had established cooperation with four third-party production partners located in the PRC, all of whom were Independent Third Parties. The outsourced processing fees we paid to third-party production partners amounted to RMB31.6 million, RMB31.3 million and RMB34.1 million in 2023, 2024 and 2025, respectively, representing 6.4%, 4.6%, and 3.6% of our total cost of sales for the respective years.

Production carried out by our third-party production partners is subject to our specifications and management requirements. Key materials, such as chips, PCBs and structural components, are generally supplied or designated by us. Third-party production partners are required to follow our prescribed manufacturing procedures, and our engineering personnel may provide on-site support and technical guidance where necessary. Their quality control systems are also required to comply with our standards. In addition, key production data, such as production status, yield rates and exceptions, may be monitored and incorporated into our internal management systems to ensure effective oversight of the production process. The following summarizes the key terms of our agreements with third-party production partners:

- *Duration.* Our agreements with third-party production partners generally have a fixed term.
- *Production Requirements.* The agreements generally set out the applicable product specifications, technical requirements, and production procedures.
- *Manufacturing Resources.* Third-party production partners are generally responsible for arranging the personnel, facilities, equipment and other manufacturing resources required for production.
- *Intellectual Property.* We retain ownership of the relevant product designs and intellectual property rights.
- *Payment Terms.* Payments are typically settled periodically, usually on a monthly basis, subject to the agreed credit terms.
- *Quality Control.* Third-party production partners are generally required to comply with our quality control requirements.
- *Technical Support.* The agreements generally allow us to provide production know-how, technical support or manufacturing process guidance where necessary.

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- *Termination.* The agreements may be terminated in accordance with their agreed terms, including by mutual agreement of the parties.

For risks related to third-party manufacturers, see “Risk Factors – Risks Relating to Our Business and Industry - Ineffective relationship management with our third-party service providers and business partners may adversely affect our brand, business, results of operations and financial performance.” During the Track Record Period, we did not encounter any losses associated with the manufacturing processes of our external manufacturers, nor did we experience any termination of our relationships with any third-party manufacturer.

Manufacturing Process

The following diagram illustrates the key production steps of our optical transceivers.



Through this structured production process, supported by multi-stage inspections and reliability testing, we are able to achieve high yields, ensure consistency, and deliver optical transceivers that meet the stringent performance and reliability requirements of global customers.

Automated and Digitalized Manufacturing

We continuously enhance our manufacturing capabilities through the integration of digitalized and automated production processes. Supported by an in-house specialist team and through collaborative development with engineers from upstream equipment suppliers, we are able to continuously advance the automation capabilities of our production lines in line with evolving product requirements. Based on the characteristics of our products, we develop customized automation equipment and transform the know-how accumulated from product development, quality control and manufacturing into standardized production processes and automated solutions, thereby improving production efficiency, product consistency and scalability.

Our automated manufacturing processes cover key steps from chip-on-carrier (COC) packaging to optical engine manufacturing and module assembly. For example, in the earlier packaging and optical engine manufacturing processes, we use automated eutectic die bonding, wire bonding, burn-in and automated optical inspection (AOI) for COC packaging, as well as automated coupling and testing for optical engine manufacturing, to enhance packaging precision, optical alignment accuracy and process consistency. In the subsequent module assembly and testing processes, automated or semi-automated assembly, end-face inspection and final testing support efficient production, product consistency and delivery quality.

Quality Control

Product quality underpins our ability to meet customer expectations and support our business development, and we are committed to delivering reliable products in compliance with applicable laws,

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regulations and industry standards. We implement quality assurance and after-sales services on an order-by-order basis to accommodate the specific requirements of our customers, with standard services comprising repairs, replacements and returns.

We maintain supplier management procedures for key raw materials, including supplier selection, on-site assessment and material qualification, and conduct ongoing performance evaluations to ensure consistent quality. To ensure the quality of products manufactured by our third-party partners, we conduct periodic factory audits and station our engineers at their production facilities to perform on-site supervision and maintain rigorous quality control throughout the manufacturing process.

We continue to enhance our quality control through production environment control, automated quality inspection, digitalized manufacturing systems and end-to-end traceability. We adopt measures such as advanced electrostatic discharge (ESD) control, online real-time monitoring and dynamic climate control to reduce the impact of production environment changes on product quality. We also apply automated control over critical processes, such as AOI, statistical process control (SPC), final quality control (FQC) inspection, and failure analysis, to monitor key process parameters, detect potential quality issues at an early stage, and enable rapid failure analysis and timely corrective actions. In addition, through the integration of systems such as system, applications and products in data processing (SAP), manufacturing execution system (MES), and quality information system (QIS), together with the use of reliability management system (RMS), we manage production data, quality information, equipment status and process parameters in a more coordinated manner. We have also established traceability from wafer, COC and optical engine (OE) to module assembly and final packaging.

We believe that these measures, benchmarked against industry practices, help ensure product quality while controlling costs and maintaining profitability. During the Track Record Period and up to the Latest Practicable Date, we did not experience any product defects or recalls that resulted in material adverse impacts on our results of operations or financial condition.

Equipment and Machinery

Advanced production equipment and machinery are critical to our production automation, operational reliability and cost competitiveness. As optical transceivers move toward higher performance, we have continued to upgrade key production equipment and automate critical manufacturing processes to improve process consistency and reduce reliance on manual operation.

During product development, we also assess the equipment requirements of new products and select, modify or integrate key equipment based on product specifications and manufacturing needs. Our core equipment includes high-precision die bonding machines, wire bonding machines, laser burn-in equipment, automated optical coupling equipment, automated transceiver assembly and testing equipment, high-speed transceiver testing equipment, and failure analysis equipment, such as scanning electron microscopes (SEM) and 3D X-ray inspection equipment.

We have also established equipment management and maintenance procedures. Based on the operating conditions and usage patterns of our equipment, we conduct regular inspections, maintenance and, where necessary, overhaul work. By monitoring equipment performance, maintenance records and production line requirements, we are able to plan equipment maintenance,

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replacement and upgrades in a more orderly manner, maintain the effective operation of our production equipment and manage the useful life and utilization efficiency of our equipment.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material or prolonged suspension of operations due to failures of our equipment, machinery or other production facilities.

Product Return

Pursuant to our policy, products sold to customers are not subject to return except in cases of product design defects or quality issues. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material product returns, product recalls, or any material complaints or product liability claims from customers that materially and adversely affected our results of operations or financial position.

OUR CUSTOMERS

Our products are ultimately deployed in a wide range of end-use scenarios, including AI-related infrastructure, data centers, telecom transmission, wireless networks, fiber access and fiber channel systems. During the Track Record Period, our direct customers primarily consisted of AI data center operators, cloud service providers, telecom operators, switch and networking equipment manufacturers and integrators.

During the Track Record Period, the aggregate revenue generated from our five largest customers in each year was RMB283.0 million, RMB564.5 million, and RMB822.7 million, representing 46.8%, 63.4%, and 65.7% of our revenue, respectively. Revenue generated from our largest customer in the same periods was RMB100.3 million, RMB194.4 million, and RMB284.3 million, representing 16.6%, 21.8%, and 22.7% of our revenue, respectively.

To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, our five largest customers were Independent Third Parties, and none of our Directors, their close associates or any of our shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our five largest customers.

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The following table sets forth the details of our five largest customers in each period during the Track Record Period.

For the year ended December 31, 2023

Ranking	Customer	Customer Background	Product sold	Amount of revenue	Percentage of total revenue of our Group	Year of commencement of business relationship with our Group	Credit term
				<i>RMB in thousand</i>	<i>%</i>		
1	Customer A	An enterprise principally engaged in the R&D, manufacturing and selling of compatible fiber optic transceivers in the U.S.	Below 400G optical transceivers and 400G-and-above optical transceivers	100,288	16.6	2014	30/90 days
2	Customer B	An enterprise principally engaged in the global manufacturing and sales of network and communications equipment in Germany.	Below 400G optical transceivers	60,217	9.9	2014	90 days
3	Customer C	An enterprise principally engaged in communications infrastructure, advanced technology R&D and licensing, and the production of mobile communications equipment and related services in Finland.	Below 400G optical transceivers and 400G-and-above optical transceivers	47,077	7.8	2019	90 days
4	Customer D	An enterprise principally engaged in the selling of network hardware and related services in the U.S.	Below 400G optical transceivers and 400G-and-above optical transceivers	44,057	7.3	2015	30 days
5	Customer E	An enterprise principally engaged in the provision of ICT infrastructure and solutions in China.	Below 400G optical transceivers	31,363	5.2	2021	60 days

For the year ended December 31, 2024

Ranking	Customer	Customer Background	Product sold	Amount of revenue	Percentage of total revenue of our Group	Year of commencement of business relationship with our Group	Credit term
				<i>RMB in thousand</i>	<i>%</i>		
1	Customer D	An enterprise principally engaged in the selling of network hardware and related services in the U.S.	Below 400G optical transceivers and 400G-and-above optical transceivers	194,400	21.8	2015	30 days
2	Customer F	An enterprise principally engaged in the provision of cloud solutions leveraging software innovation to serve large internet companies, cloud service providers and next-generation data center enterprises in the U.S.	Below 400G optical transceivers and 400G-and-above optical transceivers	128,255	14.4	2018	30 days

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Ranking	Customer	Customer Background	Product sold	Amount of revenue <i>RMB in thousand</i>	Percentage of total revenue of our Group %	Year of commencement of business relationship with our Group	Credit term
3	Customer A	An enterprise principally engaged in the R&D, manufacturing and selling of compatible fiber optic transceiver s in the U.S.	Below 400G optical transceivers and 400G-and-above optical transceivers	96,759	10.9	2014	30/90 days
4	Customer G	An enterprise principally engaged in the provision of customized interconnection infrastructure for data centers and AI clusters in the U.S.	Below 400G optical transceivers and 400G-and-above optical transceivers	90,807	10.2	2023	60 days
5	Customer C	An enterprise principally engaged in communications infrastructure, advanced technology R&D and licensing, and the production of mobile communications equipment and related services in Finland.	Below 400G optical transceivers and 400G-and-above optical transceivers	54,303	6.1	2019	90 days

For the year ended December 31, 2025

Ranking	Customer	Customer Background	Product sold	Amount of revenue <i>RMB in thousand</i>	Percentage of total revenue of our Group %	Year of commencement of business relationship with our Group	Credit term
1	Customer D	An enterprise principally engaged in the selling of network hardware and related services in the U.S.	Below 400G optical transceivers and 400G-and-above optical transceivers	284,265	22.7	2015	30 days
2	Customer F	An enterprise principally engaged in the provision of cloud solutions leveraging software innovation to serve large internet companies, cloud service providers and next-generation data center enterprises in the U.S.	Below 400G optical transceivers and 400G-and-above optical transceivers	240,145	19.2	2018	30 days
3	Customer A	An enterprise principally engaged in the R&D, manufacturing and selling of compatible fiber optic transceivers in the U.S.	Below 400G optical transceivers and 400G-and-above optical transceivers	155,873	12.4	2014	30/45/60 days
4	Customer H	An enterprise principally engaged in the provision of OEM/industrial-grade memory upgrade solutions based in the USA.	Below 400G optical transceivers and 400G-and-above optical transceivers	76,176	6.1	2015	30 days

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Ranking	Customer	Customer Background	Product sold	Amount of revenue <i>RMB in thousand</i>	Percentage of total revenue of our Group %	Year of commencement of business relationship with our Group	Credit term
5	Customer C	An enterprise principally engaged in communications infrastructure, advanced technology R&D and licensing, and the production of mobile communications equipment and related services in Finland.	Below 400G optical transceivers and 400G-and-above optical transceivers	66,219	5.3	2019	60/90 days

During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes with any of our five largest customers in each year and currently there is no indication or sign that any of them will alter the existing relationship with us in any aspect in the near future.

RESEARCH AND DEVELOPMENT

We place significant emphasis on research and development, which is a key driver of our technological advancement and product competitiveness. We have established R&D centers in Wuhan and Shanghai. Our Wuhan R&D center, located in close proximity to our headquarters and domestic principal production base, accelerates product development and enhances the efficiency of commercialization. Our Shanghai R&D center allows us to access a deep pool of high-caliber talent, and remain closely connected with frontier technologies and industry developments. In addition, we have established a laboratory in the U.S., which serves as an important extension of our R&D and customer support capabilities in overseas markets. By being closer to our key customers in North America, the laboratory enables us to better understand their real-time technical requirements, support product testing and validation, facilitate technical communications and provide timely feedback to our domestic R&D and engineering teams. In 2023, 2024 and 2025, our research and development expenses amounted to RMB57.3 million, RMB58.4 million, and RMB98.6 million, respectively, accounting for 9.5%, 6.6% and 7.9% of our total revenue, respectively.

We have also established a highly experienced R&D team. As of December 31, 2025, we had 471 employees primarily engaged in R&D-related functions, accounting for approximately 32.8% of our total workforce. Our R&D system combines forward-looking pre-research with product-oriented development. Pre-research focuses on exploring emerging technologies and building reusable core capabilities, while product-oriented development translates these capabilities into products that address customer requirements for performance, reliability and manufacturability.

Pre-research Activities

Our pre-research initiatives are aimed at addressing key technical challenges and establishing foundational technologies for future product development. Through close technical exchanges with major customers, we regularly align product roadmaps and technology directions, enabling us to identify emerging market demand, validate our R&D direction and better match our products with customer requirements. Consequently, our efforts are primarily focused on core underlying and forward-looking technologies for high-speed optical transceivers, including core technology platforms such as EML-based modulation technology, SiPh and TFLN, advanced module and system-level solutions such as next-generation of 400G per lane technologies, and next-generation optical interconnect architectures such as NPO, XPO and CPO.

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Product Design and Development Process

Our product design and development process combines market-driven planning, cross-functional collaboration and stage-based project management. We have dedicated divisions for telecom and datacom products, with the former focusing on product upgrades and customer-specific enhancements and the latter adopting a project-based structure for high-speed product development. Each development project is managed by designated project personnel with defined deliverables and timelines, and is subject to periodic progress reviews. In parallel, our engineering teams continue to improve automated and intelligent manufacturing processes to support mass production and commercialization of products under development.

The following chart sets forth key steps of our product design and development process:



Product Design and Feasibility Study

Our product development begins with analyzing customer and market requirements. Based on customer specifications, we assess technical and commercial feasibility, define preliminary product concepts, and engage in technical discussions with customers. Early integration of R&D, engineering, and manufacturing considerations allows newly developed products to transition efficiently into mass production and respond promptly to changing market conditions.

Simulation

This stage involves optical, mechanical, thermal, multi-physics and signal integrity simulations to verify our product designs and evaluate key performance factors. The simulation results also support technical communication with customers during product development and qualification. By conducting simulations at an early stage, we are able to identify potential design issues, assess manufacturability, and customer technology qualification.

Engineering Validation

During the engineering validation stage, we conduct functional validation of product prototypes to ensure that key design specifications and performance targets are achieved. This stage focuses on verifying the core functionalities of the product and identifying any design issues at an early stage of development.

Customer Technology Qualification

We proceed with customer technology qualification based on customers’ technical specifications and qualification requirements. This process typically includes optical and electrical performance testing, software functionality and compatibility testing, system-level interoperability and stability testing, and, where required, validation in customers’ actual or simulated application environments to verify product performance under relevant use scenarios.

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Mass Production and Commercialization

Upon completion of validation, products enter the manufacturing stage. We establish and optimize production processes and gradually transition to mass production. This stage involves the implementation of production systems, monitoring of key process parameters and quality control measures to ensure stable and efficient output and to support commercial delivery to customers.

INTELLECTUAL PROPERTY

Our leading technologies are protected by a comprehensive portfolio of intellectual property rights, including patents, trademarks and trade secrets, which safeguard our competitive position in the market. As of the Latest Practicable Date, we had 219 granted patents in the PRC and United States, including 99 invention patents, 119 utility model patents, and one design patent. As of the Latest Practicable Date, we had eight software copyrights in the PRC, 36 registered trademarks in the PRC and overseas, and five domain names in the PRC and overseas.

We mainly acquire patents through self-development. As of the Latest Practicable Date, we owned all of our patents as well as patent applications and had no co-own or co-share arrangements of our patents and patent applications with third parties. For further details of our portfolio of material intellectual property rights as of the Latest Practicable Date, please see “Appendix VI — Statutory and General Information— B. Further Information About Our Business.”

We have taken various measures to protect our intellectual property rights, including: (i) clearly stating all rights and obligations regarding the ownership and protection of intellectual property rights in all employment agreements we enter into; (ii) implementing a set of comprehensive internal policies to establish robust management over our intellectual property rights; (iii) continuously enhancing our patent portfolio through ongoing research and development activities and timely filing.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any threatened or pending disputes relating to infringement of intellectual property rights which would have a material adverse effect on our business. Additionally, despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy or otherwise obtain and use our technology. See “Risk Factors — Risks Relating to Our Business and Industry — We may not be able to prevent unauthorized use of our intellectual property, which could harm our business and competitive position.”

OUR TECHNOLOGIES

We have developed a core technology platform covering key aspects of optical transceiver development and commercialization. These technologies support the performance, reliability, manufacturability and iteration of our products across both datacom and telecom applications.

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

Technology	Features
Electro-absorption modulated laser based module design platform	With over 15 years of experience in developing discrete EML technologies for high-speed optical transceivers, our EML platform remains critical for 1.6T (200G/lane) and 3.2T (400G/lane) product architectures. This technology benefits from a mature ecosystem and provides the high modulation bandwidth required for next-generation transmission speeds.
Silicon photonics-based module design platform	We incorporate various SiPh photonic integrated circuits into our 400G, 800G, and 1.6T module designs, as well as future-generation 12.8T XPO and 6.4T NPO designs, with a higher level of optical and electrical integration compared to conventional EML-based discrete module designs.

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Technology	Features
Thin-film lithium niobate based module technology	We consider TFLN, which supports ultra-high modulation bandwidth of up to 110GHz, as one of the enabling technologies for 400G per lane series intensity modulation and direct detection (IMDD) optical pluggable transceivers, as well as 800G and 1.6T coherent and coherent-lite transceivers. We started TFLN-based 800G and 1.6T transceiver design in 2022 and conducted a live product demonstration at the Optical Fiber Communication Conference and Exhibition (OFC) 2025.
Near-packaged optics	6.4T/7.2T NPO is a high-density, next-generation optical interconnect architecture designed to meet the extreme bandwidth demands of AI data centers and 100T/200T network switches. We are co-developing these advanced NPO products with strategic customers, tailoring solutions for both switches and compute servers deployed in scale-up networking architectures.
eXtra-dense pluggable optics	12.8T XPO is an ultra-high-density optical transceiver technology designed specifically for AI data centers and next-generation networks. Our XPO transceiver integrates eight 1.6T SiPh optical engines with our advanced in-house designed liquid-cooled cold plate. Following a successful live demonstration of our first-generation XPO at the OFC 2026, we are accelerating its commercial deployment to support next-generation AI clusters.
Co-packaged optics	Since 2022, we have advanced our 2.5D/3D co-packaged heterogeneous integration technologies to contribute to the development of the CPO ecosystem. This platform is supported by robust in-house R&D capabilities, including optical, mechanical, multiphysics and signal integrity simulation, as well as advanced failure analysis tools such as 3D X-ray and scanning electron microscopes (SEM).
Dispersion Managed Optical transceivers	As transmission speeds scale to 100G and 200G PAM4, optical signal integrity is significantly affected by fiber chromatic dispersion. To overcome this physical barrier, we developed proprietary dispersion management technology that effectively restores signal quality. This breakthrough innovation was recognized with two prestigious 2026 Lightwave Innovation Reviews Awards.

SALES AND MARKETING

Our Sales Model

We sell our products primarily through our direct sales team, which engages directly with customers to gain a first-hand and comprehensive understanding of their needs and the latest market trends. Under this model, we provide optical transceivers directly to our customers, which mainly include AI data center operators, cloud service providers, telecom operators, switch and networking equipment manufacturers and integrators.

Integrators generally refer to customers that procure our optical transceiver products and, depending on the requirements of their end users, may further process or integrate such products into their own networking or system solutions before delivering such solutions to end users. According to Frost & Sullivan, engaging with end users through integrators is not uncommon in the industry. Integrators are not engaged by us to develop or expand our sales channels. The selection of our products is primarily driven by the end users’ technical specifications, performance requirements and project needs, and integrators procure our products for incorporation into their own solutions accordingly. Given that product demand is driven by their end users and the fact that integrators do not function as sales channel intermediaries for our products, we do not consider our integrators to be distributors.

The following summarizes key terms of our sales arrangements:

- *Purchase Orders.* Our customers place purchase orders which specify the detailed purchase amount or quantity, quality specifications, payment terms, unit prices and delivery schedules.
- *Pricing Policy.* Product prices are generally set out in the relevant purchase orders or otherwise agreed between the parties.

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- *Payment and Credit Term.* Customers are generally required to pay us upon acceptance of our products. We generally grant a credit period to our customers, which typically ranges from 30 to 180 days from the invoice date.
- *Purchase Amount.* The purchase amount is specified in each purchase order.
- *Product Return Arrangements.* We typically do not allow our customers to return products to us except for limited reasons, such as product design defects or quality issues.
- *Logistics.* Products are generally delivered to the destinations designated by customers in the relevant purchase orders. The relevant purchase orders may specify shipping methods, delivery destinations and applicable delivery terms.
- *Product Warranty.* During the warranty period, we are generally responsible for repairing or replacing defective products at our expense, including the transportation and labor costs associated with such repair or replacement.

In addition to our direct sales model, we also adopted commission agency arrangements and resale agency arrangements as supplementary sales channels during the Track Record Period.

Under the commission agency model, we enter into purchase orders directly with customers, issue invoices to and receive payments from such customers, and deliver products directly for their use. The commission agents under this model are primarily responsible for customer referral, business communication and local support services, and receive commissions for such services. We adopt this model primarily when we have identified specific target customers but are unable to approach or engage with them directly due to commercial considerations. The relevant commission agents are generally familiar with the local optical transceiver market, have access to such target customer resources, and possess localized service capabilities. By leveraging their market knowledge and customer networks, we are able to facilitate customer communications and reduce our market development costs. In 2023, 2024 and 2025, revenue generated under the commission agency model represented 9.3%, 4.5% and 5.8% of our total revenue, respectively.

Under the resale agency model, we enter into contracts and confirm purchase orders with resale agents, issue invoices to and receive payments from such resale agents, and deliver products to them. Such sales are conducted on a buy-out basis. After acquiring ownership of the products, the resale agents may further process the products, including coding and labeling, based on their own business arrangements, and then sell the products to end customers. We adopted this model primarily to leverage the customer resources and channel capabilities of resale agents in specific markets and to strengthen our commercial relationships with such business partners. In 2023, 2024 and 2025, revenue generated under the resale agency model represented 2.1%, 0.9% and 0.6% of our total revenue, respectively.

According to Frost & Sullivan, agency arrangements are not uncommon supplementary sales models in the optical transceiver industry. During the Track Record Period and up to the Latest Practicable Date, we had not received material product returns or indemnification claims from our agents, nor had we made any provisions on any product returns or potential indemnification.

Pricing

Our pricing strategy is primarily based on the prevailing market prices of comparable or similar products. At the same time, we have also established a flexible pricing mechanism that allows us to

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adjust pricing under specific circumstances. For major customers, we may negotiate pricing arrangements based on their expected procurement volume, anticipated demand and supply conditions of key raw materials, and formulate forward-looking price roadmaps. Such pricing arrangements may be further adjusted from time to time based on changes in market conditions, raw material supply and cost fluctuations. In determining prices for customized or project-specific products, we also consider factors such as the degree of customization and the expected impact on our gross margin.

Sales Network and Marketing

We acquire customers by leveraging our brand reputation and industry influence, established through long-term and in-depth collaboration with top-tier companies across the years. We actively participate in industry exhibitions and showcase our products through various channels, including industry referrals, business development activities by our sales personnel, in order to present our product solutions and roadmap, keep abreast of market trends and connect with potential customers. These initiatives enable us to foster long-term and stable cooperative relationships with our customers.

We have experienced and highly trained sales and marketing teams dedicated to both domestic and overseas markets. Taking into account differences in sales regions and customer profiles, we have established dedicated domestic and international sales teams and set up sales functions both within China and overseas. We have established a global business footprint, with revenue derived from overseas markets accounting for approximately 79.8%, 89.2% and 89.4% of our total revenue in 2023, 2024 and 2025, respectively.

Customer Service

To support our international expansion, we have established a global sales and marketing presence in key overseas markets. Our sales and marketing function is supported by an integrated customer service mechanism. Our customer service team generally consists of sales personnel, marketing personnel and fulfillment personnel, who work together throughout the customer engagement process. Our sales personnel are primarily responsible for customer communication, sales execution and maintaining customer relationships. Our marketing personnel collect, summarize and analyze customer needs, market feedback and product requirements, and relay relevant market information to our R&D, production and other relevant departments. Our fulfillment personnel are responsible for coordinating with our R&D and production teams on order execution, delivery arrangements and other implementation matters to ensure that customer requirements are properly addressed and fulfilled.

RAW MATERIALS AND PROCUREMENT

We primarily procure raw materials, including electrical and optical chips, optical components, printed circuit boards and mechanical piece parts from third-party suppliers for our production. We source raw materials from China and certain overseas countries. To support the stable supply of key raw materials and components, we have entered into strategic cooperation and capacity assurance arrangements with certain suppliers to ensure the quality of our products. To ensure the quality of our products, we have established strict supplier selection and procurement control protocols at the raw material sourcing stage. We formulate our procurement plans based on expected customer demand, confirmed and anticipated orders, production schedules, inventory levels, and our assessment of the availability and price trends of key raw materials. Our procurement for specific products is typically carried out through purchase orders under a master purchase agreement.

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Additionally, we implement a comprehensive supply chain risk management framework addressing material availability, supplier reliability and cost stability. Our procurement team continuously assesses market supply conditions and price trends of key raw materials and components, and coordinates with our production and inventory management teams to adjust procurement arrangements. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material shortage of, or quality issues with, our raw materials.

OUR SUPPLIERS

During the Track Record Period, our suppliers primarily consisted of global and domestic providers of raw materials, key equipment, and construction services.

During the Track Record Period, purchases from our five largest suppliers in each year amounted to RMB253.8 million, RMB456.4 million, and RMB532.2 million, respectively, representing 37.3%, 42.5%, and 35.6% of our total purchases, respectively. In addition, during the Track Record Period, purchases from our largest supplier in each year accounted for 11.9%, 16.8%, and 16.9% of our total purchases in the same years, respectively. All of our five largest suppliers in each year were Independent Third Parties during the Track Record Period. The following summarizes key terms of our purchase agreements:

- *Duration.* Our purchase agreements generally have a fixed term based on mutual agreement.
- *Product Specification.* Purchase orders usually set out the relevant product specifications, order quantities, delivery timetable, pricing and payment arrangements.
- *Payment and Credit Terms.* Payment terms vary, typically 15 to 120 days, depending on the specific supplier and transaction arrangements, and for construction services, payments are made progressively based on project milestones.
- *Delivery.* Our suppliers are typically responsible for delivering products in accordance with the delivery timetable, delivery locations and other requirements specified in the relevant purchase orders or delivery plans.
- *Capacity Assurance.* We may provide rolling demand forecasts to suppliers for production planning, and suppliers are generally required to maintain sufficient production resources to support timely supply.
- *Packaging.* Suppliers are generally responsible for providing appropriate packaging suitable for transportation and storage, and are liable for losses caused by defective or non-compliant packaging.
- *Quality Assurance and After-sales Services.* Suppliers are generally required to ensure that products comply with agreed technical specifications, quality standards and applicable laws and regulations, and provide repair, replacement, return or other after-sales support for quality issues attributable to them.
- *Inspection and Returns.* We typically conduct inspections prior to accepting products. We reserve the right to reject, replace, or return products for various reasons, including non-compliance with quality standards or product specifications.
- *Confidentiality, Intellectual Property and Compliance.* Suppliers are generally required to comply with confidentiality, intellectual property protection, environmental protection,

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RoHS, corporate social responsibility and business integrity requirements under the relevant ancillary agreements.

- *Termination.* The agreements may expire, be renewed or terminated in accordance with their agreed terms.

During the Track Record Period and up to the Latest Practicable Date, to the best of our knowledge, all of our five largest suppliers in each year were Independent Third Parties, and none of our Directors, their respective associates, or any shareholders of our Company (who or which to the knowledge of our Directors owned more than 5% of our Company’s issued share capital) had any interest in any of our five largest suppliers.

The following table sets forth the details of our five largest suppliers in each year during the Track Record Period:

For the year ended December 31, 2023:

Ranking	Supplier	Background	Product purchased	Purchase amount	Percentage of our total purchase amount	Year of commencement of business relationship with our Group	Credit term
				<i>RMB Thousand</i>	<i>%</i>		
1	Supplier A	An enterprise state owned and principally engaged in general contracting for building construction and municipal infrastructure projects in PRC.	Construction services	80,896	11.9	2022	Progress-based
2	Supplier B	An enterprise which is a Hong Kong subsidiary of a global electronic components distributor, principally engaged in the supply of international semiconductors and the provision of related technical and distribution support.	Digital signal processor	51,669	7.6	2018	15/30/60 days
3	Supplier C	An enterprise which is an Asian affiliate of a Japan-based electrical equipment group, principally engaged in the trading of semiconductors and electronic parts.	EML and CwL laser chip	50,462	7.4	2016	30/60 days
4	Supplier D	An enterprise which is a subsidiary of a state-owned electronics group, principally engaged in general contracting for clean workshops and electromechanical installation works.	Construction services	48,349	7.1	2023	Progress-based
5	Supplier E	An enterprise which is a principal U.S. subsidiary of a Japan-based electrical equipment group, principally engaged in the supply of power devices, high-frequency devices and optical semiconductor products.	EML chip	22,457	3.3	2021	30 days

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For the year ended December 31, 2024:

Ranking	Supplier	Background	Product purchased	Purchase amount	Percentage of purchase amount of our Group	Year of commencement of business relationship with our Group	Credit term
				<i>Thousand in RMB</i>	<i>%</i>		
1	Supplier B	An enterprise which is a Hong Kong subsidiary of a global electronic components distributor, principally engaged in the supply of international semiconductors and the provision of related technical and distribution support.	Digital signal processor	180,869	16.8	2018	15/60 days
2	Supplier A	An enterprise state owned and principally engaged in general contracting for building construction and municipal infrastructure projects in PRC.	Construction services	108,256	10.1	2022	Progress-based
3	Supplier E	An enterprise which is a principal U.S. subsidiary of a Japan-based electrical equipment group, principally engaged in the supply of power devices, high-frequency devices and optical semiconductor products.	EML chip	86,747	8.1	2021	30 days
4	Supplier F	An enterprise which is a Hong Kong-based distributor of electronic components, principally engaged in supplying international semiconductors and providing related technical and distribution support.	Micro-controller unit	40,669	3.8	2016	30 days
5	Supplier C	An enterprise which is an Asian affiliate of a Japan-based electrical equipment group, principally engaged in the trading of semiconductors and electronic parts.	EML and CwL laser chip	39,813	3.7	2016	60 days

For the year ended December 31, 2025:

Ranking	Supplier	Background	Product purchased	Purchase amount	Percentage of our total purchase amount	Year of commencement of business relationship with our Group	Credit term
				<i>Thousand in RMB</i>	<i>%</i>		
1	Supplier B	An enterprise which is a Hong Kong subsidiary of a global electronic components distributor, principally engaged in the supply of international semiconductors and the provision of related technical and distribution support.	Digital signal processor	253,202	16.9	2018	15/60 days
2	Supplier E	An enterprise which is a principal U.S. subsidiary of a Japan- based electrical equipment group, principally engaged in the supply of power devices, high-frequency devices and optical semiconductor products.	EML chip	103,197	6.9	2021	30 days

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Ranking	Supplier	Background	Product purchased	Purchase amount <i>Thousand in RMB</i>	Percentage of our total purchase amount %	Year of commencement of business relationship with our Group	Credit term
3	Supplier C	An enterprise which is an Asian affiliate of a Japan-based electrical equipment group, principally engaged in the trading of semiconductors and electronic parts.	EML and CWL laser chip	74,286	5.0	2016	60 days
4	Supplier G	An enterprise which is a Hong Kong-based global distributor of electronic components, principally engaged in supplying international semiconductors and providing related technical and distribution support.	Trans-impedance Amplifier	51,073	3.4	2013	60 days
5	Supplier H	An enterprise principally engaged in providing cleanroom construction and electromechanical installation services for electronic factories in Malaysia.	Construction services	50,406	3.4	2023	Progress-based

OVERLAPPING CUSTOMERS AND SUPPLIERS

During the Track Record Period, Customer B and Customer E, each of whom was one of our top five customers in 2023, were also our suppliers, while Supplier C, one of our top five suppliers in 2023, 2024 and 2025, and Supplier D, one of our top five suppliers in 2023, were also our customers.

Customer B, one of our top five customers in 2023, was also one of our suppliers during the Track Record Period. We mainly provided optical transceivers to Customer B, and Customer B mainly provided optical chips to us. In 2023, 2024 and 2025, revenue derived from Customer B amounted to RMB60.2 million, RMB21.1 million and RMB20.8 million, representing 9.9%, 2.4% and 1.7% of our total revenue for the respective years. During the same years, our purchases from Customer B in its capacity as our supplier amounted to RMB0.6 million, RMB0.5 million and RMB0.5 million, respectively, representing less than 1.0% of our total cost of sales for each year during the Track Record Period.

Customer E, one of our top five customers in 2023, was also one of our suppliers during the Track Record Period. We mainly provided optical transceivers to Customer E, while we primarily purchased switches from Customer E. In 2023, 2024 and 2025, revenue derived from Customer E amounted to RMB31.4 million, RMB9.8 million and RMB10.9 million, representing 5.2%, 1.1% and 0.9% of our total revenue for the respective years. During the Track Record Period, our purchases from Customer E were made only in 2023 and amounted to RMB0.1 million, representing less than 1.0% of our total cost of sales for 2023.

Supplier C, one of our top five suppliers in 2023, 2024 and 2025, was also one of our customers during the Track Record Period. We primarily purchased laser chips from Supplier C, and provided optical transceiver processing services to Supplier C. In 2023, 2024 and 2025, our purchases from Supplier C amounted to RMB50.5 million, RMB39.8 million and RMB74.3 million, respectively, representing 10.2%, 5.8% and 7.8% of our total cost of sales for the respective years. During the same years, revenue derived from Supplier C amounted to RMB4.4 million, RMB0.7 million and RMB29 thousand, respectively, representing less than 1.0% of our total revenue for each year during the Track Record Period.

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Supplier D, one of our top five suppliers in 2023, was also one of our customers during the Track Record Period. We primarily purchased construction services from Supplier D and also charged Supplier D tender document fee. During the Track Record Period, our purchases from Supplier D amounted to RMB48.3 million, RMB8.5 million and RMB8.0 million, respectively, representing 9.8%, 1.2% and 0.8% of our total cost of sales for the respective years. During the Track Record Period, revenue derived from Supplier D was also generated only in 2023 and amounted to RMB0.5 thousand, representing less than 1.0% of our total revenue in 2023.

Our Directors confirm that none of the transactions between us and our overlapping customers/suppliers were interconnected, inter-conditional, or otherwise considered as one transaction, and all of such overlapping customers/suppliers are Independent Third Parties. The prices of transactions with overlapping customers/suppliers are comparable to those of similar transactions conducted with other customers/suppliers of our Group. During the Track Record Period and up to the Latest Practicable Date, none of the products sold by us to our customers are subsequently purchased by our Group, nor were any raw materials sold to our Group by our suppliers subsequently purchased by such suppliers. We also confirm that all products provided to and products received from overlapping customers/suppliers during the Track Record Period were conducted at arm’s length, under normal commercial terms, and in the ordinary course of business.

INFORMATION TECHNOLOGY SYSTEM

We believe that high levels of automation, digitalization and technology are essential for maintaining our competitive position and supporting our strategic objectives. We have developed a comprehensive IT infrastructure aligned with our organizational structure, business scope, and technological capabilities, which continues to evolve alongside our business growth to meet our diverse and changing operational needs. Our integrated IT systems provide essential support across our entire value chain, underpinning key functional areas such as R&D, supply chain management, production, sales and after-sales services. To ensure reliability, security, and efficiency, we continuously refine IT management policies, standardize software and server management, and enforce strict access control measures. We conduct regular system updates, data backups, and cybersecurity checks to enhance system stability and prevent potential disruptions. Our main information technology systems include the following:

Our main information technology systems include customer relationship management (CRM), MES, SRM, SPC, WMS, and SAP-based enterprise resource planning (ERP) system, which support our sales, procurement, production, quality control and warehouse management. Our CRM system supports customer relationship management and sales process management by maintaining customer profiles, tracking sales opportunities, recording customer feedback and supporting after-sales follow-up. Our MES supports production execution, real-time monitoring, work order scheduling, work in process (WIP) management, equipment monitoring and production traceability, thereby enhancing production transparency and efficiency. Our SRM system supports supplier onboarding, sourcing management, order execution, settlement and supplier performance management, and helps improve the standardization, transparency and traceability of our procurement processes. Our SPC system monitors key process parameters and production quality performance, identifies abnormalities and provides timely alerts to enhance process stability and reduce quality risks. In addition, our WMS supports warehouse receiving and dispatch, inventory management, batch traceability and stocktaking. Through the integration of these systems with our SAP-based ERP system, office automation (OA) and

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other management systems, we are able to improve data flow, cross-functional coordination, production management, quality control and supply chain efficiency.

We plan to further bolster our information technology system and infrastructure to keep up with the growth of our business and support our future expansion. We believe such enhancements will optimize our operational efficiency and supply chain management, while augmenting our capability to develop innovative products that align with the shifting demands and preferences of our customers.

COMPETITION

The global optical transceiver industry in which we operate is highly competitive. According to Frost & Sullivan, global sales of optical transceivers increased from RMB77.6 billion in 2021 to RMB161.8 billion in 2025, representing a CAGR of 20.2%. In 2025, the top ten global optical transceiver providers collectively accounted for approximately 72.7% of the global market share. According to Frost & Sullivan, we ranked 11th among global optical transceiver providers and 8th among Chinese optical transceiver providers by optical transceiver revenue in 2025, with a global market share of 0.8%. In terms of revenue generated from 800G-and-above optical transceivers, we ranked 10th among global optical transceiver providers in 2025, with a global market share of 0.5% in such market.

We face competition from optical transceiver providers in China and globally. Competition in our industry is primarily driven by the ability to iterate high-speed products, maintain relationships with key customers, and achieve large-scale production and stable delivery. Leading industry players also continue to strengthen vertical integration and invest in frontier technologies to enhance product iteration efficiency, supply chain resilience, and overall competitiveness. For further details, please see “Industry Overview.”

LOGISTICS AND INVENTORY MANAGEMENT

Logistics

We engage qualified third-party logistics service providers for the delivery of finished products from our warehouse to locations specified by our customers. We have established stringent transportation standards with which such third-party logistics service providers are required to comply, and we assess their performance and adherence to these standards to ensure the smooth delivery of products to our customers. To the best of our knowledge, all of the aforementioned logistics service providers are Independent Third Parties.

The transportation costs are generally borne by our customers. Loss of or damage to goods in transit is generally borne by the relevant logistics service providers. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any significant delay or inappropriate handling of goods that materially and adversely affected our business operations.

Inventory Management

Our inventory primarily consists of raw materials, work-in-progress and finished goods. Effective inventory management is considered critical to our operational success. During the Track Record Period and up to the Latest Practicable Date, we did not encounter any material supply chain issues.

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We utilize SAP for warehouse and logistics management, under which we actively manage inventory levels to avoid understocking or overstocking and maintain appropriate safety stock for key materials. Given that procurement cycles vary for different materials, including certain components with longer lead times, we adjust our procurement plans accordingly to ensure stable production. We also coordinate procurement planning, production scheduling and warehouse management to improve inventory planning and control. In particular, we manage inventory through measures such as pre-order inventory control, process-based inventory classification and periodic review of inventory levels and slow-moving items. These measures are designed to help us maintain appropriate inventory levels, reduce excess or obsolete inventory.

TRANSFER PRICING TRANSACTIONS

We conduct our operations through subsidiaries established in multiple jurisdictions. During the Track Record Period, our intra-group transactions primarily consisted of the purchase and sale of tangible goods, and the provision of services among our entities in the PRC, Malaysia and the United States.

We have engaged an international professional advisory company as an independent transfer pricing consultant (Transfer Pricing Consultant) to review our transfer pricing arrangements from an arm’s length principle perspective. The Transfer Pricing Consultant reviewed the intra-group transactions to determine whether their price and profit level during the Track Record Period fell within the price and profit benchmark of comparable transactions and comparable companies. The analysis is based on the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations 2022 (OECD Transfer Pricing Guidelines) issued by the OECD, which are consistent with the transfer pricing regulations in the PRC and other relevant tax jurisdictions.

The Transfer Pricing Consultant selected the transactional net margin method (TNMM) as the most appropriate transfer pricing method to assess whether the transfer pricing arrangements related to the intra-group transactions were consistent with the arm’s length principle. The Transfer Pricing Consultant selected the operating margin and markup on total cost as the profit level indicators (PLIs) for different subsidiaries to provide a basis for analyzing the controlled intra-group transactions respectively. After conducting transfer pricing benchmarking analysis by screening and analyzing comparable companies, the Transfer Pricing Consultant is of the view that given the profit level of the related subsidiaries during the Track Record Period, the intra-group transactions were generally consistent with the arm’s length principle as stipulated by the OECD Transfer Pricing Guidelines and relevant transfer pricing regulations, and there was no further material financial impact on our Group’s financial statements. The potential transfer pricing adjustment risk is considered to be relatively low.

Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we were not aware of any outstanding enquiry, audit, investigation or challenge by any tax authority in the PRC, Malaysia or the United States in relation to our intra-group transactions or transfer pricing arrangements.

We will continue to monitor our transfer pricing arrangements and review the reasonableness of our intra-group pricing policies from time to time. However, transfer pricing matters may be subject to review or challenge by competent tax authorities in the future. See “Risk Factors — Risks relating to our business and industry — Our financial condition could be materially and adversely affected if we incur additional tax liabilities arising from our transfer pricing arrangements.”

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OUR ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) INITIATIVES

Environmental, Social and Governance (ESG)

ESG Governance

ESG Management and Objectives

We are committed to the philosophy of “technology-driven, efficient, and low-carbon development.” In line with the national “Dual Carbon” strategy, we integrate emission reduction requirements into the full lifecycle management of our products and implement carbon reduction initiatives across our operations. We also uphold the new development philosophy of innovation, coordination, green development, openness, and sharing, and actively apply these principles in workplace safety, technological innovation, governance and talent development, with a view to promoting high-quality industry development and achieving coordinated social and economic benefits.

To effectively balance our sustainable development objectives with the diverse expectations of our stakeholders, and to enhance the strategic position and execution of our ESG management, we have established a three-tier ESG governance framework comprising decision-making by the Board, management by the ESG Management Group, and execution by various functional departments. This framework clearly defines the responsibilities, authorities and reporting lines of each level, department and role, forming a comprehensive, well-structured and efficient ESG management system with clearly allocated responsibilities. It provides a solid organizational foundation for the standardized, orderly, and effective implementation of our ESG initiatives:

- Board of Directors: As the highest leadership and decision-making body for our ESG initiatives, the Board of Directors is primarily responsible for reviewing, approving, and updating our ESG policies, strategic objectives, and plans.
- ESG Management Group: The ESG Management Group comprises our general manager, finance director, certain Directors and other members of senior management. Under the leadership of the Board, the ESG Management Group refines and breaks down our ESG strategic objectives, coordinates the implementation of such objectives across departments, and reports relevant progress to the Board.
- ESG Executive Working Group: The ESG Executive Working Group comprises various operational and functional departments and is responsible for incorporating our ESG performance indicators into our daily business operations and management.

Compliance with Business Ethics

In compliance with applicable anti-corruption laws and regulations, we have established a Code of Business Ethics for our employees as well as whistleblowing and reporting mechanisms. We provide regular anti-corruption and integrity training for employees in key positions and require our business departments to conduct internal anti-corruption reviews. We have also established reporting channels through which customers, suppliers and other stakeholders may raise concerns or report suspected misconduct. Our Audit Department is responsible for handling such reports and overseeing matters relating to business ethics and anti-corruption, and we maintain a dedicated email address for whistleblowing reports. During the Track Record Period, we were not involved in any incidents relating to bribery, extortion, fraud, or money laundering, nor did we experience any employee misconduct or violations of business ethics. Going forward, we will continue to enhance our compliance management system, strengthen risk monitoring and process oversight, and ensure that our operations are conducted in a lawful, ethical and transparent manner.

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Green Development

Environmental Management System

We have established and maintained an environmental management system certified under ISO 14001 and have completed environmental impact assessments in accordance with applicable laws and regulations. Building on this foundation, we continuously set and advance our environmental objectives and implement internal environmental policies focusing on energy conservation, emissions reduction, regulatory compliance and continuous improvement. We have clearly defined environmental responsibilities across all stages of our operations to ensure that environmental management is integrated throughout our production and operational process. Through the implementation of these policies and the effective operation of our environmental management system, we are able to identify and manage environmental aspects effectively, ensure pollutant emissions comply with applicable standards, and achieve measurable environmental performance in areas such as energy efficiency improvement, resource conservation and pollution prevention.

Addressing Climate Change

Climate change is a global challenge that requires collective action. In support of national green and low-carbon development initiatives, we actively implement measures to reduce the carbon footprint of our products, improve energy efficiency, promote green technological innovation and foster a circular, low-carbon development model. We are committed to accelerating our green transition, fulfilling our corporate social responsibilities and contributing to the achievement of the national “carbon peak and carbon neutrality” goals, while enhancing our resilience to climate-related risks and challenges.

As part of our climate strategy, we conduct annual greenhouse gas emissions inventories in accordance with ISO 14064, covering Scope 1, Scope 2, and Scope 3 emissions. We aim to achieve peak absolute Scope 1 and Scope 2 emissions by 2030 and carbon neutrality for Scope 1 and Scope 2 emissions before 2060.

	2023	2024	2025
Scope 1 Greenhouse Gas Emissions (tons of CO ₂ equivalent)	40.2	88.0	135.1
Scope 2 greenhouse gas emissions (tons of CO ₂ equivalent)	6,164.3	7,796.7	12,430.6
Scope 3 greenhouse gas emissions (tons of CO ₂ equivalent)	6,628.5	6,234.0	12,065.6
Total greenhouse gas emissions (tons of CO ₂ equivalent)	12,833.0	14,118.8	24,631.3
Greenhouse gas emissions intensity (tons of CO ₂ equivalent per thousand units of optical transceivers)	4.9	5.6	8.2

Energy Management

We have established and continuously refined our internal energy management framework in accordance with applicable laws, regulations and standards, taking into account our operational needs. Through clearly defined responsibilities, enhanced process controls and targeted management measures, we seek to strengthen and standardize our energy management practices.

To improves energy efficiency and reduce energy waste, we continue to implement various energy-saving initiatives, including equipment upgrades and production process optimization. These efforts are designed to enhance energy utilization efficiency and support our transition toward greener

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and lower-carbon operations. Over the next five years, we aim to reduce our energy consumption intensity by approximately 2% annually.

	2023	2024	2025
Total Energy Consumption (tons of standard coal equivalent)	1,628.8	1,883.1	2,725.4
Energy consumption intensity (tons of standard coal equivalent per thousand units of optical transceivers)	0.6	0.7	0.9

Water Resource Management

We strictly comply with applicable laws and regulations relating to water resource management and implement standardized water management practices to protect water resources and promote water conservation. We adopt measures such as installing flow-control devices on faucets and displaying water-saving signage to enhance water use efficiency. Over the next five years, we aim to reduce our water consumption intensity by at least 1% annually.

	2023	2024	2025
Total Water Consumption (tons)	64,089.0	91,981.0	144,543.0
Water consumption intensity (tons per thousand units of optical transceivers)	24.3	36.6	47.9

Waste and Pollution Management

We have established a comprehensive emissions management system in accordance with applicable environmental laws and regulations, including our internal “Management Specifications for Air, Wastewater, and Noise Emissions.” Our principal management measures include the following:

- Wastewater management: Our wastewater primarily consists of domestic sewage. Domestic sewage is treated through septic tanks before being discharged into the municipal sewer network through underground pipes.
- Air emissions management: We have installed air pollution control facilities, including activated carbon filtration systems, to effectively control and purify exhaust gases.
- Noise management: For new construction, renovation and expansion projects, we prioritize the implementation of sound insulation and noise mitigation measures. We reduce noise emissions through measures such as equipment vibration dampening and the installation of soundproofing materials.
- Monitoring and management: We engage qualified third-party service providers on an annual basis to conduct testing of air emissions, wastewater discharge and noise levels, ensuring compliance with the applicable environmental standards during the Track Record Period.

In addition, we have established the “Waste Management Regulations” and submit annual hazardous waste management plans to the relevant regulatory authorities to ensure compliant waste disposal. Specifically, hazardous waste is centrally collected and stored in dedicated hazardous waste storage facilities equipped with anti-leakage, rainproof and containment measures, and qualified third-party service providers are regularly engaged for on-site collection and disposal. Non-hazardous waste is centrally collected in designated temporary storage areas and regularly collected on-site by qualified recycling service providers.

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Over the next five years, we aim to reduce waste generation and pollutant emission intensity by at least 1% annually.

	2023	2024	2025
Solid Waste Discharge (tons)	329.5	224.1	538.0
Exhaust Gas Emissions (tons)	0.3	0.4	0.8
Wastewater discharge (tons)	10,845.0	10,215.0	13,788.0

Shared Responsibility

Product Quality and Service

As a company engaged in the R&D and manufacturing of optical transceivers, we strictly comply with applicable national and industry laws and regulations. We have established a comprehensive risk management framework covering product health and safety, advertising compliance and customer privacy protection. Through supporting management policies and contingency measures, we continuously strengthen our compliance management, safeguard the legitimate rights and interests of our customers, uphold our corporate reputation and align with the core principles of ESG governance.

In respect of product health and safety, we integrate safety control requirements throughout the entire product lifecycle, beginning at the design stage. We place significant emphasis on upstream supply chain management by implementing stringent raw material compliance review procedures to ensure conformity with applicable national and industry safety requirements. We also strengthen compliance controls across our manufacturing process by establishing full-process traceability mechanism to ensure that each production stage is properly documented and traceable, thereby effectively managing product health and safety risks. With respect to advertising compliance, we strictly adhere to applicable laws, regulations and internal policies to ensure that all product promotional materials are truthful, compliant and accurate. We have established a dual-review mechanism prior to publication and a routine post-publication monitoring system. Any identified non-compliance issues are promptly rectified, while targeted compliance training is provided to relevant personnel to mitigate advertising compliance risks.

With the ISO 9001 international quality management system as the cornerstone of our quality management framework, we have established a quality management system covering the entire lifecycle of optical transceivers, from R&D and production to inspection and after-sales service. Through institutionalized controls, end-to-end process oversight and data-driven monitoring, we continuously enhance product reliability and service quality, strengthen our quality control capabilities and uphold our commitment to product quality.

Sustainable Supply Chain

We are committed to achieving mutual success with our stakeholders and integrating sustainability throughout our supply chain. In our production and operations, we use recyclable and reusable bags and pallets to reduce packaging material waste. We encourage suppliers to adopt environmentally friendly and recyclable packaging materials, such as recycled plastics and corrugated cardboard. In addition, we have established a restricted substances list that clearly sets out environmental requirements for raw materials, printing processes and other packaging-related aspects. Looking ahead, we will continue to strengthen our high-quality supply chain system, enhance our core supply chain capabilities and strictly manage inventory obsolescence. Through the implementation of agile manufacturing, we aim to achieve lower costs, faster response times, and superior products.

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Employee Development

We remain committed to a people-oriented approach and strive to provide our employees with a safe, healthy, equitable, and growth-oriented working environment. We continuously seek to enhance employee satisfaction and sense of belonging while fostering mutual growth between our employees and the company.

With respect to employee rights and interests protection, we have established a comprehensive system to safeguard employee rights, strictly comply with applicable labor laws and regulations, enter into employment contracts in accordance with the law and make contributions to social insurance and housing provident fund programs as required by applicable regulations. In terms of compensation and benefits, we have established a remuneration system that balances market competitiveness with internal equity, supported by diversified incentive mechanisms such as performance-based incentives and special awards. In terms of career development, we have established dual career pathways for management and technical personnel, supported by a competency framework and development evaluation mechanisms. With respect to employee leave, we guarantee statutory leave entitlements, including paid annual leave, marriage leave and maternity leave. We regularly organize employee welfare activities and continuously improve our employee protection measures through employee satisfaction surveys, thereby safeguarding employees’ legitimate rights and interests and fostering a stable and harmonious working environment.

In addition, we have established a formal and confidential employee grievance mechanism administered by the Audit Department. Employees who believe they have been treated unfairly or disagree with management decisions may submit written grievances to the Audit Department or through a dedicated reporting email address. Upon receipt of grievance, the Audit Department appoints an independent investigator with no conflict of interest to conduct the investigation while strictly limiting access to relevant information and maintaining confidentiality throughout the process. During the investigation, we prohibit any form of retaliation against the complainant. Upon completion of the investigation, the Audit Department issues a written conclusion and provides feedback to the complainant, ensuring that every grievance is properly documented and resolved through a closed-loop management process.

During the Track Record Period, we did not experience any incidents involving child labor, forced labor or discrimination, nor did we receive any complaints relating to workplace sexual harassment or workplace bullying. Going forward, we will continue to improve our prevention and resolution mechanisms to ensure that the dignity and rights of every employee are fully protected.

Occupational Health and Safety

We place the health and safety of our employees as a top priority and safeguard their occupational health and safety through the following measures:

- We have established the “Occupational Health and Safety Management Measures” and the “Work Safety Management Measures,” and strictly implement relevant occupational health and safety requirements to safeguard employees’ occupational health rights and workplace safety in accordance with applicable regulations. We also strictly comply with applicable laws and regulations, regularly conduct identification and assessment of occupational hazards and have obtained ISO 45001 Occupational Health and Safety Management System certification.

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- We have established a comprehensive organizational structure for work safety and occupational health management that oversees the entire process, including employee training, on-site hazard identification, issue rectification and closed-loop follow-up. We have entered into work safety responsibility agreements with management personnel at all levels, incorporated safety performance into management KPIs and reinforced primary responsibility for occupational health and safety management throughout the organization.
- We have developed dedicated emergency response plans for unexpected incidents and conducts regular drills to enhance each department’s ability to respond to and coordinate safety and health emergencies. We have established a volunteer fire brigade, maintained adequate emergency supplies and regularly organize specialized training. In designated areas within our factory premises, we have established first-aid stations managed by designated personnel and equipped with emergency medical equipment, including automated external defibrillators (AEDs). We have also designated multiple certified first-aid responders to comprehensively safeguard employees’ occupational health and personal safety.
- We have established an EHS (Environment, Health, and Safety) organizational structure. At our headquarters, two full-time staff members are responsible for coordinating the end-to-end management of employee safety training, on-site hazard identification, issue rectification, and closed-loop follow-up. We organize safety training for all employees, provide occupational health and safety training for employees exposed to occupational hazards, and arrange medical examinations for such employees in accordance with applicable regulatory requirements. In addition, one to two personnel in each department are designated to assist the full-time EHS personnel in implementing these measures.

During the Track Record Period, we have not experienced any major work-related injuries or occupational health and safety incidents in the course of our production and operations, and our performance has received positive recognition in external government inspections and audits.

EMPLOYEES

As of December 31, 2025, we had a total of 1,435 employees. The following table sets forth a breakdown of our employees by function as of December 31, 2025.

	<u>Number of Employees</u>	<u>Percentage of Total Number (%)</u>
Production	732	51.0
R&D	471	32.8
Administration	184	12.8
Sales and marketing	28	2.0
Finance	20	1.4
Total	<u>1,435</u>	<u>100.0</u>

The majority of our employees are based in the PRC and Malaysia. As of December 31, 2025, we had 1,146 employees in the PRC, 285 employees in Malaysia, and four employees in the United States.

We recruit employees based on a number of factors such as their educational background, relevant experience in similar positions and professional qualifications, as well as our expansion

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strategy and job vacancies. Our primary recruitment channel is direct hiring, which accounts for the majority of our new hires. We also recruit through internal referrals, executive search firms and online recruitment platforms to support our talent needs across different functions.

We enter into standard employment agreements with our employees that include confidentiality and intellectual property provisions, which provide that employees are required, during their employment, to maintain perpetual confidentiality with respect to our trade secrets, and that any intellectual property created by employees in the course of their employment shall vest in and belong to our Company. In addition, standard employment agreements also include non-competition provisions. We selectively apply post-employment non-competition restrictions to certain designated personnel and provide non-competition compensation in accordance with applicable laws and regulations.

We established our labor unions in the PRC in 2020 and our employees actively participate in union activities, fully enjoying the rights and responsibilities provided by the union. We believe that we maintain good working relationships with our employees, and we have not experienced any material labor disputes, strikes, protests or any difficulty in recruiting staff for our operations during the Track Record Period and up to the Latest Practicable Date.

Social Insurance and Housing Provident Fund

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) and other relevant regulations, we are required to provide our employees with welfare schemes covering social insurance. According to the Administrative Regulations on Housing Provident Funds (《住房公積金管理條例》), we are required to make housing provident fund contributions for our employees. During the Track Record Period, we failed to make contributions to the social insurance and housing provident funds in full amount required by the relevant PRC laws and regulations.

Our PRC Legal Advisor has advised us that, pursuant to relevant PRC laws and regulations, we may be ordered by the relevant PRC authorities to pay the outstanding social insurance contributions within a prescribed time limit and may be subject to an overdue charge of 0.05% of the delayed payment per day. If such payment is not made within the stipulated period, the competent authority may further impose a fine from one to three times the amount of any overdue payment.

Our PRC Legal Advisor has further advised us that, pursuant to relevant PRC laws and regulations, if we fail to pay the full amount of housing provident fund contributions as required, the housing provident fund management center may order us to make the outstanding payment within a prescribed time limit. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement.

During the Track Record Period, we have not received any notice requiring us to pay any outstanding social insurance and housing provident fund contributions, nor have we been subject to any administrative action or penalty by the relevant regulatory authorities with respect to our social insurance and housing provident fund contributions. If the relevant authorities order us to fully contribute the social insurance and/or housing provident funds, we would make full contributions and take rectification measures as soon as possible within the specified period.

Our Directors believe that such shortfall of social insurance and housing provident funds would not have a material and adverse effect on our business and results of operations, considering that:

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(i) pursuant to the relevant laws and regulations, in the event that we fail to pay the outstanding social insurance contributions within the prescribed time limit as ordered by the relevant government authority, the relevant government authority may further impose a fine ranging from one to three times the amount of the overdue payment. With respect to housing provident fund, if we fail to make the full payment of the outstanding contributions within the prescribed time limit ordered by the housing provident fund management authority, such competent authority may apply to the PRC courts for compulsory enforcement; (ii) during the Track Record Period and up to the Latest Practicable Date, we had not been subject to any administrative penalties regarding social insurance or housing provident funds; (iii) upon the consultation with competent authorities in June 2026, the competent authorities have confirmed that there are currently no outstanding orders or requirements for our Company to make up any shortfall in social insurance or housing provident fund contributions for the Track Record Period, and the competent authorities have not received any material employee complaints with respect to social insurance or housing provident funds against our Company; (iv) we will make full contributions or pay any shortfall within a prescribed time period if demanded by the relevant government authorities; (v) our Single Largest Group of Shareholders have undertaken to fully indemnify us for any fine as a result of failure to pay such social insurance or housing provident fund; (vi) as advised by our PRC Legal Advisor, considering the facts as mentioned above, the likelihood of us being subject to centralized collection of the outstanding historical social insurance and housing provident fund contributions or any material penalties due to the failure to provide such contributions in full amount for our employees during the track period is remote, according to the applicable regulatory policies, provided no significant changes in existing laws, regulations, policies, or implementation or supervision requirements of the relevant government authorities. See “Risk Factors — Risks Relating to Our Business and Industry — Increase in labor costs and other labor-related matters may adversely affect our business operations and financial condition.”

INSURANCE

In compliance with the applicable laws and regulations of the PRC, we participate in social insurance schemes, including pension insurance, unemployment insurance, work-related injury insurance, maternity insurance and medical insurance for our employees based in China. We regularly review our insurance policies to ensure compliance with statutory PRC laws and regulations. During the Track Record Period, we were not subject to any material claim of insurance. For further details, see “Risk Factors — Risks Relating to Our Business and Industry — Our insurance coverage may be insufficient to cover all of our potential losses and business risks.”

PROPERTIES

We occupy certain properties across China and other jurisdictions in connection with our business operations.

Owned Properties

As of the Latest Practicable Date, we owned 50 properties in the PRC with an aggregate GFA of approximately 10,127.5 sq.m., which were mainly used to support our manufacturing, research, and development operations. As of the Latest Practicable Date, certain of our construction-in-progress projects had passed completion acceptance but had not yet completed the relevant property ownership registration procedures.

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As of the Latest Practicable Date, we owned one properties in Malaysia with an aggregate GFA of approximately 6,103 sq.m., which were mainly used for production, office and warehousing purposes.

As of the Latest Practicable Date, no single property interest forming part of our Group’s property activities had a carrying amount of 1% or more of our total assets and no single property interest forming part of our Group’s non-property activities had a carrying amount of 15% or more of our total assets. According to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance.

Leased Properties

As of the Latest Practicable Date, we leased four properties in the PRC, with an GFA of approximately 1,808 sq.m., which were mainly used for production, office and warehousing purposes.

We are generally allowed to terminate lease agreements with a prior notice, which provides us with operational flexibility. We believe that there is sufficient supply of properties in the PRC, and we do not rely on the existing leases for our business operations. We believe that our current facilities are adequate to meet our current needs.

As of the Latest Practicable Date, we had not completed lease registration for one of our leased properties with a GFA of approximately 216 sq.m. Pursuant to the applicable PRC laws and regulations, property lease agreements shall be registered with the relevant local branches of the PRC Ministry of Housing and Urban-Rural Development. According to the relevant PRC laws and regulations, we may be ordered by the relevant government authorities to register the relevant lease agreements within a prescribed period, failing which we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease. As advised by our PRC Legal Advisor, the lack of registration of the lease agreements does not affect the validity of such lease agreements.

As of the Latest Practicable Date, we leased one properties in Malaysia with an aggregate GFA of approximately 12,105 sq.m., which were mainly used for production, office and warehousing purposes, and one property in the United States under a space license agreement, which were mainly used for office use.

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AWARDS AND RECOGNITION

The following table sets out the details of some of the notable awards and recognitions which we have received:

Award/Recognition	Award Year	Awarding Institution/Authority
Second Prize of Science and Technology Award, China Institute of Communications (6th Completing Entity) (中國通信學會科學技術獎二等獎(第六完成單位))	2025	China Institute of Communications
High-Tech Enterprise Certificate (高新技術企業證書)	2025	Department of Science and Technology of Hubei Province, Department of Finance of Hubei Province, Hubei Provincial Tax Service, State Taxation Administration
Specialized and Sophisticated “Small Giant” Enterprises in Hubei (湖北省專精特新“小巨人”企業)	2025	Department of Economy and Information Technology of Hubei Province
Second Prize of Industry-University-Research Collaboration Innovation Achievement Award under 2023 China Industry-University-Research Collaboration Innovation and Promotion Award (2023年中國產學研合作創新與促進獎下的產學研合作創新成果獎二等獎)	2024	China Industry-University-Research Institute Collaboration Association
2023 List of Excellent Scenarios for Intelligent Manufacturing by the Ministry of Industry and Information Technology of the PRC (中國工業和信息化部關於2023年度智能製造優秀場景名單)	2023	Department of Economy and Information Technology of Hubei Province, Hubei Provincial Development and Reform Commission
2023 New Generation Information Technology and Manufacturing Integration Development Demonstration List (2023年新一代資訊技術與製造業融合發展示範名單)	2023	Ministry of Industry and Information Technology of the PRC

LICENSES AND PERMITS

As of the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from relevant government authorities that are material to our business operations in China and overseas. We are required to renew such certificates, permits and licenses from time-to-time, and we are continually overseeing the compliance with the relevant laws and regulations. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material difficulties in renewing the licenses, approvals and permits, and currently we do not expect any material difficulties in such renewal.

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The following table sets forth details of our material licenses and permits:

No.	Holding Entity	Qualification/ License Name	Issuing Authority	Validity Period
1	Linktel Technologies Co., Ltd.	Registration Receipt for Fixed Pollution Sources (固定污染源排污登記回執)	MEE	From July 24, 2025 to July 23, 2030
2	Linktel Technologies Sdn. Bhd.	Licensed Manufacturing Warehouse License	Royal Malaysian Customs Department	From May 1, 2026 to April 30, 2028
3	Linktel Technologies Sdn. Bhd.	Manufacturing Licenses	Ministry of International Trade and Industry of Malaysia	Effective from January 3, 2023 / June 20, 2025

Notes:

The Manufacturing Licenses were issued for the operation of our two production bases in Penang, Malaysia.

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 aggregate, have a material adverse effect on our business, results of operations, and financial condition.

According to our PRC Legal Advisor, the business operations we engaged in the PRC had been carried out in compliance with applicable PRC laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date.

According to our Malaysia Legal Advisor, the business operations conducted by our Malaysia subsidiary had been carried out in compliance with applicable Malaysian laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date.

According to our U.S. Legal Advisor, the business operations conducted by our U.S. subsidiary had been carried out in compliance with applicable U.S. laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date. For further details, see “Risk Factors — Risks Relating to Our Business and Industry — We may from time to time be subject to claims, disputes, lawsuits, and other legal and administrative proceedings.”

INFORMATION SECURITY AND DATA PRIVACY

In the course of our business, we collect, store and process business data and transaction data. As we only make transactions with enterprises, we do not collect or process consumers’ personal data. We believe that the confidentiality, integrity, and availability of data are vital to our business operations. In the course of our business, we process data in compliance with applicable legal

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requirements and have implemented a comprehensive approach that includes equipping key areas of our local data center with dedicated security facilities and equipment, as well as deploying bastion hosts and hardware and software firewalls to ensure continuous system operation and data security, implementing access control measures through the deployment of enterprise-wide behavior management systems to prevent unauthorized access, enabling data encryption for storage and transmission through technical measures such as electronic document encryption management systems, regular data backup through separate back-up systems, configuring functions for log recording, querying, and management for management systems and data security systems, internal information security policies and procedures, periodic employee training, internal audits and emergency response mechanisms to further mitigate data security risks. On June 26, 2024, we obtained the Data Management Capability Maturity Assessment Model (DCMM) Level 3 (Defined) certification.

Our employees are required to sign confidential agreements as part of their employment, which strictly prohibit the unauthorized disclosure of any company-related confidential information. This policy ensures that our employees understand the critical nature of safeguarding company data and are held accountable for maintaining confidentiality.

During the Track Record Period, we did not experience any breach of confidential information of users or any other user information related incidents which could cause a material adverse effect on our business, financial condition or results of operations. We remain committed to enhancing data security, strengthening compliance with evolving regulations, and investing in cybersecurity technologies to mitigate potential risks and maintain the highest standards of data protection.

RISK MANAGEMENT AND INTERNAL CONTROL

We have established and continue to and maintain a comprehensive risk management and internal control framework incorporating policies and measures tailored to our business operations. Our risk management policies and measures cover various key aspects of our operations, including financial reporting, compliance, intellectual property and software usage. To ensure the ongoing optimization of our risk management and internal control system, we conduct periodic assessments and update our policies and measures to mitigate risks and ensure compliance with applicable laws and regulations as well as our business objectives.

Financial Reporting Risk Management

We maintain strict internal controls to ensure the accuracy and completeness of our financial reporting and compliance with applicable regulations and accounting standards. We have established a comprehensive financial internal control framework including financial management, budgeting and statement preparation. We place particular emphasis on fund security and capital management and have adopted standardized internal procedures and approval processes for banking and payment arrangements. As part of our ongoing commitment to financial management, we also conduct regular self-inspections and sample checks to ensure that our accounting information remains consistent and reliable.

Compliance Risk Management

We have established an extensive compliance framework to ensure our operations strictly adhere to relevant laws and regulations. Our policy coverage spans critical risk areas, including anti-money laundering, anti-bribery and antitrust measures.

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Intellectual Property Risk Management

We have adopted an intellectual property management system to protect our patents, trade secrets and other proprietary assets from unauthorized use. To safeguard our core technical assets, we have entered into confidentiality and non-compete agreements with our R&D personnel, which set their obligations and the liabilities associated with any breach. In addition, we provide monthly updates to all employees on our confidentiality requirements and the consequences for non-compliance. During the Track Record Period and up to the Latest Practicable Date, we have not experienced any incidents of malicious disclosure of trade secrets by current or former employees that resulted in a material adverse effect on us, our customers, or our suppliers.