



中際旭創股份有限公司

ZHONGJI INNOLIGHT CO., LTD.

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

Stock Code : 3308

GLOBAL OFFERING

Joint Sponsors, Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

Goldman Sachs

CICC

Morgan Stanley

GF Securities

Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

HTI

Citi

HSBC

CGI

Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager

ABCI

Joint Bookrunners and Joint Lead Managers

ZTSC

Zero2IPO

IMPORTANT

IMPORTANT: If you are in any doubt about any of the contents of this Prospectus, you should seek independent professional advice.



ZHONGJI INNOLIGHT CO., LTD.

中際旭創股份有限公司

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

GLOBAL OFFERING

Number of Offer Shares under the Global Offering	: 54,500,000 H Shares (subject to the Over-allotment Option)
Number of Hong Kong Offer Shares	: 5,450,000 H Shares (subject to reallocation)
Number of International Offer Shares	: 49,050,000 H Shares (subject to reallocation and the Over-allotment Option)
Maximum Offer Price	: HK\$1,010.00 per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars and subject to refund)
Nominal value	: RMB1.00 per H Share
Stock code	: 3308

Joint Sponsors, Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

Goldman Sachs CICC Morgan Stanley GF Securities

Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

HTI Citi HSBC CGI

Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager

ABCI

Joint Bookrunners and Joint Lead Managers

ZTSC Zero2IPO

Financial Adviser

DBS

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

A copy of this Prospectus, having attached thereto the documents specified in the section headed "Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display" in Appendix V to this Prospectus, has been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong. The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this Prospectus or any other documents referred to above.

The Offer Price is expected to be determined by agreement between the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company on the Price Determination Date. The Price Determination Date is expected to be on or before Tuesday, July 28, 2026 (Hong Kong time) and, in any event, not later than 12:00 noon on Tuesday, July 28, 2026 (Hong Kong time). The Offer Price will not be more than HK\$1,010.00 per Offer Share unless otherwise announced. If, for any reason, the Offer Price is not agreed on or before 12:00 noon on Tuesday, July 28, 2026 (Hong Kong time) between the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company, the Global Offering will not proceed and will lapse. The Sponsor-Overall Coordinators, on behalf of the Underwriters, may, where considered appropriate and with the Company's consent, reduce the number of Hong Kong Offer Shares and/or the maximum Offer Price stated in this Prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such case, an announcement will be published on the website of our Company at www.zj-innolight.com and on the website of the Hong Kong Stock Exchange at www.hkexnews.hk and the offer will be canceled and relaunched at the revised number of Offer Shares and/or the maximum Offer Price and the requirements under Rule 11.13 of the Listing Rules (which include the issue of a supplemental or a new prospectus (as appropriate)) as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering. Further details are set forth in the sections headed "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this Prospectus.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) if certain events occur prior to 8:00 a.m. on the Listing Date. Please refer to the section headed "Underwriting" in this Prospectus.

Prior to making an investment decision, prospective investors should carefully consider all of the information set out in this Prospectus, including the risk factors set out in the section headed "Risk Factors."

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered, sold, pledged or transferred within the United States or to, or for the account or benefit of U.S. persons (as defined in Regulation S), except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The Offer Shares are being offered and sold in the United States and to U.S. persons in reliance on Rule 144A, or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, only to QIBs. The Offer Shares may be offered, sold or delivered outside the United States to non-U.S. persons in offshore transactions in accordance with Regulation S.

ATTENTION

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this Prospectus to the public in relation to the Hong Kong Public Offering.

This Prospectus is available at the website of the Hong Kong Stock Exchange at www.hkexnews.hk and our website at www.zj-innolight.com. If you require a printed copy of this Prospectus, you may download and print from the website addresses above.

July 22, 2026

IMPORTANT

IMPORTANT NOTICE TO INVESTORS: FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this prospectus in relation to the Hong Kong Public Offering.

This prospectus is available on the website of the Stock Exchange at www.hkexnews.hk under the “*HKEXnews > New Listings > New Listing Information*” section and the website of our Company at www.zj-innolight.com. If you require a printed copy of this prospectus, you may download and print from the website addresses above.

To apply for the Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
White Form eIPO service .	www.eipo.com.hk	Investors who would like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 a.m. on Wednesday, July 22, 2026 to 11:30 a.m. on Monday, July 27, 2026. The latest time for completing full payment of application monies will be 12:00 noon on Monday, July 27, 2026.
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit an EIPO application on your behalf through HKSCC’s FINI system in accordance with your instruction.	Investors who would not like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant’s stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

IMPORTANT

We will not provide any physical channels to accept any application for the Hong Kong Offer Shares by the public. The contents of this prospectus are identical to the prospectus as registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

If you are an **intermediary, broker or agent**, please remind your customers, clients or principals, as applicable, that this prospectus is available online at the website addresses above.

See “How to Apply for Hong Kong Offer Shares” for further details of the procedures through which you can apply for the Hong Kong Offer Shares electronically.

Your application must be for a minimum of 50 Hong Kong Offer Shares and in one of the numbers set out in the table below. If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of Shares you have selected. You must pay the respective maximum amount payable on application in full upon application for the Hong Kong Offer Shares. If you are applying through the **HKSCC EIPO** channel, you are required to pre-fund your application based on the amount specified by your broker or custodian, as determined based on the applicable laws and regulations in Hong Kong.

No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application
	HK\$		HK\$		HK\$		HK\$
50	51,009.29	700	714,130.10	9,000	9,181,672.66	200,000	204,037,170.00
100	102,018.59	800	816,148.68	10,000	10,201,858.50	300,000	306,055,755.00
150	153,027.88	900	918,167.26	20,000	20,403,717.00	400,000	408,074,340.00
200	204,037.16	1,000	1,020,185.86	30,000	30,605,575.50	500,000	510,092,925.00
250	255,046.47	2,000	2,040,371.70	40,000	40,807,434.00	1,000,000	1,020,185,850.00
300	306,055.75	3,000	3,060,557.56	50,000	51,009,292.50	1,500,000	1,530,278,775.00
350	357,065.04	4,000	4,080,743.40	60,000	61,211,151.00	2,000,000	2,040,371,700.00
400	408,074.35	5,000	5,100,929.26	70,000	71,413,009.50	2,725,000 ⁽¹⁾	2,780,006,441.26
450	459,083.63	6,000	6,121,115.10	80,000	81,614,868.00		
500	510,092.93	7,000	7,141,300.96	90,000	91,816,726.50		
600	612,111.51	8,000	8,161,486.80	100,000	102,018,585.00		

(1) Maximum number of Hong Kong Offer Share you may apply for.

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) and the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

No application for any other number of the Hong Kong Offer Shares will be considered and such application is liable to be rejected.

EXPECTED TIMETABLE

The Company will publish an announcement on the website of the Stock Exchange at www.hkexnews.hk and our website at www.zj-innolight.com if there is any change in the following expected timetable of the Hong Kong Public Offering.

Hong Kong Public Offering commences 9:00 a.m. on
Wednesday, July 22, 2026

Latest time for completing electronic applications
under the **White Form eIPO** service through the
designated website at www.eipo.com.hk⁽²⁾ 11:30 a.m. on
Monday, July 27, 2026

Application lists open⁽³⁾ 11:45 a.m. on
Monday, July 27, 2026

Latest time for (a) completing payment of
White Form eIPO applications by effecting
internet banking transfer(s) or PPS payment
transfer(s) and (b) giving **electronic application**
instructions to HKSCC⁽⁴⁾ 12:00 noon on
Monday, July 27, 2026

If you are instructing your broker or custodian who is a HKSCC Participant to submit an **electronic application instruction** on your behalf through HKSCC's FINI system, you are advised to contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

Application lists close⁽³⁾ 12:00 noon on
Monday, July 27, 2026

Expected Price Determination Date by 12:00 noon on
Tuesday, July 28, 2026

Announcement of the final Offer Price, the level
of indications of interest in the International
Offering, the level of applications in the Hong Kong
Public Offering and the basis of allocation of the
Hong Kong Offer Shares to be published on
the website of the Stock Exchange at
www.hkexnews.hk and on the Company's
website at www.zj-innolight.com⁽⁵⁾
at or before 11:00 p.m. on
Wednesday, July 29, 2026

EXPECTED TIMETABLE

The results of allocations in the Hong Kong Public Offering (with successful applicants' identification document numbers, where appropriate) to be available through a variety of channels, including:

- in the announcement to be posted on our website and the website of the Stock Exchange at www.zj-innolight.com and www.hkexnews.hk, respectively no later than 11:00 p.m. on Wednesday, July 29, 2026
- from the designated results of allocations website at www.iporesults.com.hk (alternatively: www.eipo.com.hk/eIPOAllotment) with a “search by ID” function from 11:00 p.m. on Wednesday, July 29, 2026, to 12:00 midnight on Tuesday, August 4, 2026
- from the allocation results telephone enquiry line by calling +852 2862 8555 between 9:00 a.m. and 6:00 p.m. on Thursday, July 30, 2026 to Tuesday, August 4, 2026 (excluding Saturday, Sunday and public holiday in Hong Kong)

Share certificates in respect of wholly or partially successful applications to be dispatched or deposited into CCASS on or before⁽⁶⁾⁽⁸⁾ Wednesday, July 29, 2026

White Form e-Refund payment instructions/refund checks in respect of (i) wholly or partially successful applications if the final Offer Price is less than the price payable on application (if applicable) and (ii) wholly or partially unsuccessful application under the Hong Kong Public Offering to be dispatched/collected on or before⁽⁷⁾⁽⁸⁾ Thursday, July 30, 2026

Dealings in the Shares on the Stock Exchange expected to commence at 9:00 a.m. on Thursday, July 30, 2026

Notes:

- (1) Unless otherwise stated, all times and dates refer to Hong Kong local times and dates.
- (2) You will not be permitted to submit your application under the **White Form eIPO** service through the designated website at www.eipo.com.hk after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.
- (3) If there is/are a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above and/or Extreme Conditions in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Monday, July 27, 2026, the application lists will not open or close on that day. For details, please refer to the paragraph headed “How to Apply for Hong Kong Offer Shares — E. Severe Weather Arrangements” in this prospectus.

EXPECTED TIMETABLE

- (4) Applicants who apply for Hong Kong Offer Shares through **HKSCC EIPO** channel should refer to the paragraph headed “How to Apply for Hong Kong Offer Shares — A. Application for Hong Kong Offer Shares — 2. Application Channels” in this prospectus.
- (5) None of the websites or any of the information contained on the websites forms part of this prospectus.
- (6) Share certificates will only become valid evidence of title at 8:00 a.m. on the Listing Date provided that the Global Offering has become unconditional and the right of termination described in “Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for termination” has not been exercised. Investors who trade Shares on the basis of publicly available allocation details prior to the receipt of Share certificates or prior to the Share certificates becoming valid evidence of title do so entirely at their own risk.
- (7) White Form e-Refund payment instructions/refund cheques will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering and also in respect of wholly or partially successful applications in the event that the final Offer Price is less than the price payable per Offer Share on application. Part of the applicant’s identification document number provided by the applicant(s) may be printed on the refund check, if any. Such data would also be transferred to a third party for refund purposes. Banks may require verification of an applicant’s identification document number before encashment of the refund check. Inaccurate completion of an applicant’s identification document number may invalidate or delay encashment of the refund check.
- (8) Applicants being individuals who are eligible for personal collection may not authorize any other person to collect on their behalf. If you are a corporate applicant which is eligible for personal collection, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation’s chop. Both individuals and authorized representatives must produce evidence of identity acceptable to our H Share Registrar at the time of collection. Any uncollected Share certificates and/or refund checks will be dispatched by ordinary post, at the applicants’ risk, to the addresses specified in the relevant applications.

Applicants who have applied for Hong Kong Offer Shares through the **HKSCC EIPO** channel should refer to the paragraph headed “How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies” in this prospectus for details.

Applicants who have applied through the **White Form eIPO** service and paid their applications monies through single bank accounts may have refund monies (if any) dispatched to the bank account in the form of White Form e-Refund payment instructions. Applicants who have applied through the **White Form eIPO** service and paid their application monies through multiple bank accounts may have refund monies (if any) dispatched to the address as specified in their application instructions in the form of refund checks in favor of the applicant (or, in the case of joint applications, the first-named applicant) by ordinary post at their own risk.

Further information is set out in the paragraphs headed “How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies”.

The above expected timetable is a summary only. For further details of the structure of the Global Offering, including its conditions, and the procedures for applications for Hong Kong Offer Shares, please see “Structure of the Global Offering” and “How to Apply for Hong Kong Offer Shares” in this prospectus, respectively.

If the Global Offering does not become unconditional or is terminated in accordance with its terms, the Global Offering will not proceed. In such case, the Company will make an announcement as soon as practicable thereafter.

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IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

This Prospectus is issued by us solely in connection with the Hong Kong Public Offering and the Hong Kong Offer Shares and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Offer Shares offered by this Prospectus pursuant to the Hong Kong Public Offering. This Prospectus may not be used for the purpose of making, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Hong Kong Offer Shares in any jurisdiction other than Hong Kong and no action has been taken to permit the distribution of this Prospectus in any jurisdiction other than Hong Kong. The distribution of this Prospectus for purposes of a public offering and the offering and sale of the Hong Kong Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this Prospectus to make your investment decision. The Hong Kong Public Offering is made solely on the basis of the information contained and the representations made in this Prospectus. We have not authorized anyone to provide you with information that is different from what is contained in this Prospectus. Any information or representation not contained nor made in this Prospectus must not be relied on by you as having been authorized by us, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters, any of our or their respective directors, officers, employees, agents, or representatives of any of them or any other parties involved in the Global Offering.

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SUMMARY

This summary aims to give you an overview of the information contained in this Prospectus and should be read in conjunction with the full text of this Prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read the entire document before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the “Risk Factors” section in this Prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

We are a leading global provider of optical interconnect solutions. Our optical interconnect solutions transmit data through optical fibers and enable high-speed, energy-efficient and low-latency connectivity among servers, switches and other network equipment across increasingly complex and data-intensive cloud and AI infrastructure. Our principal products are optical transceivers, which convert electrical and optical signals into one another to transmit mass volumes of data.

We have been the world’s largest provider of optical interconnect solutions by revenue for five consecutive years since 2021, accounting for 21.2% of the overall optical interconnect solutions market in 2025 and further strengthening our leadership position in the high-speed datacom optical interconnect solutions market, where we held a market share of 28.1% in the same year, according to CIC. Our leadership extends across all high-speed segments, including 400G, 800G, and 1.6T. As an early mover of the industry, we have accumulated extensive industry expertise and developed a product suite from 10G to the advanced 1.6T catering to diversified needs, becoming the partner of choice of most of the world’s leading cloud service providers and AI computing solutions providers. As of March 31, 2026, we serve most of the world’s top cloud service providers and AI computing solution providers, according to CIC. During the Track Record Period, the majority of our revenue was derived from the United States.

We have contributed to the technological advancement and optical transceiver innovation over the past decade. In particular, we were the first to introduce each of the last three sub-generations of high-speed optical transceivers — launching 400G in 2018, 800G in 2020, and 1.6T in 2023. According to CIC, each of these products reached mass shipment around half a year ahead of our closest peer. We have been investing in technologies to enhance product performance, power efficiency and cost effectiveness. For instance, we were an early mover to integrate silicon photonics, or SiPh, technology in optical interconnects and achieved mass production. SiPh technology can enhance performance and improve production scalability and cost efficiency. According to CIC, we developed and introduced the world’s first 400G, 800G and 1.6T SiPh-based optical transceivers, and we have also been an early contributor in their commercial deployment. In the three months ended March 31, 2026, products utilizing SiPh technology constitute approximately 70% of our high-speed product portfolio by revenue. According to CIC, we were the largest global provider of SiPh-based optical transceivers by revenue in 2025.

SUMMARY

The optical interconnects market is highly dynamic, characterized by rapid evolution and accelerating product development cycles. Major optical transceiver upgrades occur approximately every three years and the iteration cycles continue to shorten. In this evolving environment, our strategy is built upon three core operational principles:

- ***Time-to-market — the efficient transition from product development to deployment:*** Leveraging long-term cooperation and partnerships with major cloud service providers and AI computing solution providers, we have continued to deliver next-generation products in a prompt and efficient manner. Our strong time-to-market capabilities are validated by our track record of launching the world's first 400G, 800G, and 1.6T optical transceivers, the three most recent and advanced sub-generations, each of which achieved rapid market acceptance.
- ***Time-to-volume — the rapid scaling to mass production following validation:*** Our capabilities in planning, execution, supply chain control, coordination between R&D and production, and manufacturing enable our timely volume ramp-up with high quality.
- ***Time-to-cost — the pursuit of efficient cost optimization:*** Our cost-efficiency is underpinned by multiple advantages: technology innovation, robust economies of scale, manufacturing process optimization, and stable supplier relationships. This multi-faceted approach results in improved yield, operational efficiency, and a cost-effectiveness position.

Our Opportunity in the AI Era

According to CIC, the global capital expenditure on AI amounted to US\$0.9 trillion between 2021 and 2025. Moving forward, investments in AI is projected to continue to grow substantially, reaching US\$6.1 trillion from 2026 to 2030, more than five times compared to the prior five-year period. Within the significant AI opportunities, global optical interconnects market is expected to represent approximately 5% of global AI capital expenditure in 2025, with its share forecast continues to increase over time and is expected to reach approximately 10% in the long term, according to CIC. The global optical interconnects market is expected to grow from US\$24.8 billion in 2025 to US\$111.0 billion in 2030 at a CAGR of 31.6% from 2026 to 2030, primarily driven by the surging demand from datacom, which comprises of data centers and cloud networks. By enabling high-bandwidth, low-latency, and energy-efficient data transmission, optical interconnects unlock the full performance potential of computing clusters.

The optical interconnects market is expected to benefit from expanding addressable opportunities driven by the continued penetration of AI models and applications, supported by (i) the growth in xPU shipments, with global xPU shipments deployed in AI computing clusters expected to increase from approximately 14 million units in 2025 to approximately 60 million units in 2030, representing a CAGR of approximately 34%; (ii) the increase in average optical interconnect attach rate (numbers of optical interconnect per xPU) in scale-out networks, driven by larger cluster sizes, higher bandwidth density and more intensive inter-chip communication; and (iii) the rising adoption of optical solutions in scale-up networks, which have historically been dominated by copper-based solutions. These structural tailwinds are expected to stimulate demand for optical interconnects across multiple layers of data center networks, setting the stage for new opportunities in this dynamic market. For details, see "Industry Overview."

SUMMARY

OUR PRODUCT AND SOLUTION OFFERINGS

Optical Transceivers

We offer a diverse range of optical transceivers, primarily from 100G to the advanced 1.6T. The primary function of optical transceivers is to enable the conversion between electrical and optical signals in fiber-optic communication, enabling high-speed data transmission over fiber-optic networks. In 2023, 2024, 2025 and the three months ended March 31, 2026, we delivered 7.5 million, 14.6 million, 21.1 million and 9.0 million optical transceivers, respectively. For details, see “Business — Our Product and Solution Offerings.”

Others

We offer a variety of optical components widely used in optical communication networks. Our product portfolio covers components in optical transceivers and related optical communication equipment, including Transistor Outline Can (TO-CAN) packaged components, which are small electronic or optical components sealed in metal can packages for reliable operation and connectivity with other equipment, optical sub-assembly (OSA) and other optical communication devices. In addition, by utilizing optical fiber as the transmission medium, we offer in-vehicle optical transmission solutions for fiber to the vehicle (FTTV) deployment.

RESEARCH AND DEVELOPMENT

We believe our strong research and development capabilities are core competitive strength and have led to our established position in the industry. As of March 31, 2026, we had 2,292 full-time R&D personnel, among which over 1,700 were R&D specialists who had an average of nine years of experience in the industry. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, we had R&D expenses of RMB739.4 million, RMB1,244.0 million, RMB1,615.3 million, RMB290.3 million and RMB644.7 million, respectively. Our R&D expenses as a proportion of operating expenses reached 54.9%, 58.5%, 61.8%, 59.3% and 56.8% in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. Looking ahead, our R&D strategy is centered on the following key initiatives. First, we will continue to enhance the performance of our 1.6T optical transceivers, focusing on reducing power consumption, minimizing signal attenuation, and elevating the level of integration. Second, we will continue to invest in the R&D of 3.2T optical transceivers and prepare for its mass production. Third, we intend to develop a suite of XPO, NPO, and CPO product offerings to serve AI network infrastructures and high-bandwidth applications. Finally, we are making strategic R&D investments in technologies such as OCS and MicroLED based solutions etc., laying the foundation for long-term competitiveness as the industry evolves toward more tightly integrated photonic and electronic solutions.

OUR TECHNOLOGIES

We have established a solid technology reserve encompassing silicon photonics (SiPh), coherent optical communication, eXtra-dense pluggable optics (XPO), linear-drive pluggable optics (LPO) and linear receive optics (LRO) solutions. We are also actively investing in the R&D of next-generation optical interconnect integration technologies, including Co-Packaged Optics (CPO) and Near-Packaged Optics (NPO). For details, see “Business — Our Technologies.”

SUMMARY

MANUFACTURING

Our manufacturing activities are largely order-oriented, and we are also able to customize products for customer orders with specific product designs or technological requirements. As of the Latest Practicable Date, we have established production facilities in Chinese Mainland, Taiwan region and Thailand.

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

	2023			2024			2025			Three Months Ended March 31, 2026		
	Capacity	Production Volume	Utilization Rate ⁽¹⁾	Capacity	Production Volume	Utilization Rate ⁽¹⁾	Capacity	Production Volume	Utilization Rate ⁽¹⁾	Capacity	Production Volume	Utilization Rate ⁽¹⁾
	(thousands units)	(thousands units)	(%)	(thousands units)	(thousands units)	(%)	(thousands units)	(thousands units)	(%)	(thousands units)	(thousands units)	(%)
Optical Transceivers	9,770	6,810	69.7	20,882	15,364	73.6	28,062	23,762	84.7	9,891	8,524	86.2
PRC	7,697	5,469	71.1	13,827	9,855	71.3	8,148	6,420	78.8	1,603	1,290	80.5
Overseas	2,073	1,341	64.7	7,055	5,509	78.1	19,914	17,342	87.1	8,288	7,234	87.3
Optical Components	27,813	19,241	69.2	28,479	20,252	71.1	13,453	9,754	72.5	2,338	1,523	65.1
PRC	27,813	19,241	69.2	28,479	20,252	71.1	13,453	9,754	72.5	2,338	1,523	65.1
Automotive												
Optoelectronics	17,593	14,541	82.7	53,825	38,446	71.4	35,381	23,912	67.6	6,035	3,935	65.2
PRC	17,593	14,541	82.7	53,825	38,446	71.4	35,381	23,912	67.6	6,035	3,935	65.2

Note:

(1) The utilization rate is equal to the production volume divided by the designed capacity during the same period.

For details, see “Business — Manufacturing.”

OUR CUSTOMERS AND SUPPLIERS

During the Track Record Period, our customers included cloud service providers and AI computing solution providers. In 2023, 2024, 2025 and the three months ended March 31, 2026, the aggregate revenue generated from our five largest customers in each year/period during the Track Record Period were RMB8,038.6 million, RMB18,409.9 million, RMB29,055.6 million and RMB15,956.7 million, representing 75.0%, 77.2%, 76.0% and 81.9% of our revenue, respectively. Revenues generated from our largest customer in each year/period during the Track Record Period were RMB3,890.6 million, RMB5,443.8 million, RMB9,201.5 million and RMB4,889.3 million, representing 36.3%, 22.8%, 24.1% and 25.1% of our revenue, respectively. For details, see “Business — Our Customers.”

Our suppliers during the Track Record Period primarily included suppliers of raw materials, such as electrical and optical chips, passive optical components, PCB and mechanical parts. In 2023, 2024, 2025 and the three months ended March 31, 2026 the aggregate purchase amounts from our five largest suppliers in each year/period during the Track Record Period were RMB3,439.8 million, RMB8,763.5 million, RMB12,796.8 million, and RMB6,638.6 million representing 52.0%, 53.6%, 51.5% and 52.4% of our total purchase amount, respectively. The purchase amounts from our largest supplier in each year/period during the Track Record Period were RMB2,139.7 million, RMB6,164.3 million, RMB8,885.9 million and RMB4,854.8 million representing 32.4%, 37.7%, 35.8% and 38.3% of our total purchase amount, respectively. For details, see “Business — Our Suppliers.”

SUMMARY

SALES, MARKETING AND DISTRIBUTION OF OUR PRODUCTS

Our Direct Sales

We directly acquire new direct sale customers primarily through our internal sales team to market and promote our products. All of our direct sales during the Track Record Period were derived from downstream customers directly without involving any distributor. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our sales generated from direct sale customers amounted to RMB10,418.8 million, RMB23,500.9 million, RMB37,739.0 million, RMB6,607.2 million and RMB19,207.9 million, accounting for 97.2%, 98.5%, 98.7%, 99.0% and 98.5% respectively, of our revenue for the corresponding periods.

Our Distribution Network

We engage distributors primarily for customers with non-recurring or small-volume orders. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our total sales to distributors amounted to RMB299.2 million, RMB361.3 million, RMB501.0 million, RMB66.9 million and RMB288.5 million, respectively, accounting for 2.8%, 1.5%, 1.3%, 1.0% and 1.5%, respectively, of our revenue for the corresponding periods. For details, see “Business — Sales, Marketing and Distribution of Our Products.”

COMPETITIVE STRENGTHS

Our competitive strengths include: (i) we have accumulated deep industry expertise and secured a strong market position; (ii) we deliver technology solutions underpinned by our R&D capabilities; (iii) we have established long-term, trusted partnerships with key customers worldwide, fostering innovation and mutual growth across the global market; (iv) our proven delivery capabilities are driven by scalable production and stable supply chain; (v) we are able to achieve cost effectiveness through technology innovation, economies of scale, and manufacturing process optimization; and (vi) we are led by a visionary management team with extensive industry expertise and differentiated corporate culture. For details, see “Business — Competitive Strengths.”

OUR GROWTH STRATEGIES

We plan to implement the following strategies to achieve our long-term goals: (i) strengthen R&D capabilities to maintain the market position in optical interconnects; (ii) continue to enhance our global presence; (iii) leverage our ecosystem advantages in data center to unlock more business opportunities; (iv) continuously attract and retain top talent to energize organizational vitality; and (v) selectively conduct strategic acquisitions and industry-related investments. For details, see “Business — Our Growth Strategies.”

RISK FACTORS

Our business and the Global Offering involve certain risks, including risks relating to (i) our business and industry; (ii) our intellectual property; (iii) our financial prospects; (iv) global operation in multiple jurisdictions; and (v) the Global Offering. Some of the major risks we face include, but are not limited to, the following: (1) our success depends on our ability to develop and launch products in a timely and cost-efficient manner that adapt to technological advancements and address evolving customer requirements, while anticipating and supporting significant industry transitions; (2) any slowdown in the growth of the end markets that adopt our products could adversely affect our business, financial condition and results of operations; (3) we operate in a competitive market. If we are unable to compete effectively, our results of

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operations and financial conditions may be materially and adversely affected; (4) maintaining long-term relationships with our major customers is essential to our continued success, and any disruption or loss of such relationships could adversely affect our results of operations and financial conditions; (5) we are subject to the risk of customer concentration, and our revenue could be adversely affected if we lose or are prevented from selling to any of our major customers; (6) we may be subject to risks associated with international trade policies, tariffs, geopolitical developments and trade protection measures, particularly those imposed by the United States, which may adversely affect our reputation, business, results of operations and financial condition; (7) we derive a material portion of our revenue from customers in the United States and are exposed to risks relating to our business operations and customer base in the United States; and (8) changes in economic, political and social conditions, as well as government policies, laws and regulations, and industry practice guidelines could have a material and adverse effect on our business, financial condition and results of operations.

COMPETITIVE LANDSCAPE

We operate in the highly competitive global optical interconnect industry, which is characterized by rapid technological advancements and increasing demand for high-speed data transmission. We have been the world's largest provider of optical interconnect solutions by revenue for five consecutive years since 2021, accounting for 21.2% of the overall optical interconnect solutions market in 2025 and further strengthening our leadership position in the high-speed datacom optical interconnect solutions market, where we held a market share of 28.1% in the same year, according to CIC. However, competition from established players in the value chain presents challenges as they continuously enhance their technological capabilities and expand their product offerings. While the fast-paced innovation in the optical interconnect sector creates opportunities for growth, it requires us to continuously align our technology development and product solutions with evolving industry standards and customer requirements. For a more detailed discussion of the markets in which we operate and the competition we face, see "Industry Overview."

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following table sets forth summary financial data from our consolidated financial information for the Track Record Period, extracted from the Accountant's Report set out in Appendix I to this Prospectus. The summary financial data set forth below should be read together with, and is qualified in its entirety by reference to, the consolidated financial statements in this Prospectus, including the related notes. Our consolidated financial information was prepared in accordance with IFRS Accounting Standards.

The following table sets forth our consolidated statements of profit or loss and other comprehensive income for the years/periods indicated. Our historical results presented below are not necessarily indicative of the results that may be expected for any future period.

	For the Year Ended December 31,			For the Three Months Ended March 31,	
	2023	2024	2025	2025	2026
	(RMB in thousands)			(unaudited)	
Revenue	10,717,984	23,862,160	38,239,936	6,674,176	19,496,398
Cost of revenue	(7,333,527)	(15,921,054)	(22,364,054)	(4,262,023)	(10,616,404)
Gross profit	3,384,457	7,941,106	15,875,882	2,412,153	8,879,994

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	For the Year Ended December 31,			For the Three Months Ended March 31,	
	2023	2024	2025	2025	2026
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>	
Sales and marketing expenses	(124,840)	(199,268)	(226,175)	(50,102)	(78,739)
General and administrative expenses	(483,257)	(683,759)	(771,818)	(149,102)	(412,306)
Research and development expenses	(739,368)	(1,244,027)	(1,615,282)	(290,341)	(644,689)
Net impairment (losses)/reversal on financial assets	(8,710)	(18,909)	(15,423)	7,699	(7,537)
Other income	72,334	85,652	183,991	23,388	29,118
Other gains/(losses), net	54,819	201,045	(302,204)	1,475	(310,743)
Operating profit	2,155,435	6,081,840	13,128,971	1,955,170	7,455,098
Finance income	104,627	108,030	244,310	41,678	82,576
Finance costs	(61,838)	(91,747)	(97,752)	(26,207)	(20,995)
Finance income, net . .	42,789	16,283	146,558	15,471	61,581
Share of profit/(losses) of associates, net . .	294,238	(45,685)	324,095	19,142	19,123
Profit before income tax	2,492,462	6,052,438	13,599,624	1,989,783	7,535,802
Income tax expense . .	(284,813)	(680,662)	(2,019,870)	(299,268)	(1,219,010)
Profit for the year/period	2,207,649	5,371,776	11,579,754	1,690,515	6,316,792

Non-IFRS Measures

To supplement our consolidated statements of comprehensive income which are presented in accordance with IFRS, we use adjusted net profit (Non-IFRS measure), and adjusted net profit margin (Non-IFRS measure), as non-IFRS measures, which are not required by, or presented in accordance with, IFRS. We define adjusted net profit (Non-IFRS measure) as profit for the years/periods adjusted by adding back share-based payment expenses, which are non-cash in nature. We define adjusted net profit margin (Non-IFRS measure) as adjusted net profit (Non-IFRS measure) to divide corresponding revenue of the year/period.

We believe that Non-IFRS measures facilitate the comparisons of operating performance and provide useful information to investors and others in understanding and evaluating our operating performance in the same manner as it helps our management. However, our presentation of Non-IFRS measures for the periods may not be comparable to similarly titled measures presented by other companies. The use of Non-IFRS measures has limitations as an analytical tool, and investors should not consider it in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards.

SUMMARY

The following tables reconcile Non-IFRS measures for the years/periods presented with the nearest measures prepared in accordance with IFRS Accounting Standards.

	For the Year Ended December 31,			For the Three Months Ended March 31,	
	2023	2024	2025	2025	2026
<i>(RMB in thousands, except for percentages)</i> <i>(unaudited)</i>					
Profit for the year/period	2,207,649	5,371,776	11,579,754	1,690,515	6,316,792
<i>adjusted for</i>					
Share-based payment expenses	157,138	222,617	268,589	45,217	299,075
Adjusted net profit (Non-IFRS measure)	2,364,787	5,594,393	11,848,343	1,735,732	6,615,867
Adjusted net profit margin (Non-IFRS measure)	22.1%	23.4%	31.0%	26.0%	33.9%

Revenue by Product

The following table sets forth a breakdown of our revenue by product during the years/periods indicated and as percentages of total revenue.

	For the Year Ended December 31,						For the Three Months Ended March 31,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
<i>(in thousands, except for percentages)</i> <i>(unaudited)</i>										
Optical transceivers										
High-speed	7,106,027	66.3	19,969,857	83.7	34,092,442	89.2	5,596,812	83.9	18,447,604	94.6
Mid-to-low-speed	3,075,946	28.7	2,915,900	12.2	3,364,077	8.8	902,928	13.5	890,647	4.6
Subtotal	10,181,973	95.0	22,885,757	95.9	37,456,519	98.0	6,499,740	97.4	19,338,251	99.2
Others	536,011	5.0	976,403	4.1	783,417	2.0	174,436	2.6	158,147	0.8
Total	10,717,984	100.0	23,862,160	100.0	38,239,936	100.0	6,674,176	100.0	19,496,398	100.0

Our optical transceivers consist of high-speed optical transceivers and mid-to-low-speed optical transceivers. High-speed optical transceivers include those with transmission rates of 400G, 800G and 1.6T, and mid-to-low-speed optical transceivers include those with transmission rates of 200G, 100G and below. As of the Latest Practicable Date, we generated revenue of RMB1.1 billion from LPO and LRO solutions, and revenue of RMB2.0 million from XPO, NPO and CPO solutions. Such revenue was recognized under the high-speed optical transceivers category. Our revenue from optical transceivers was RMB10,182.0 million, RMB22,885.8 million, RMB37,456.5 million, RMB6,499.7 million and RMB19,338.3 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively, mainly driven by the sales growth of our high-speed optical transceivers, which amounted to RMB7,106.0 million, RMB19,969.9 million, RMB34,092.4 million, RMB5,596.8 million and RMB18,447.6 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. The overall sales growth in optical transceivers was primarily due to the strong demands from our major customers in relation to their increased investments in AI infrastructure.

SUMMARY

Revenue by Region

The following table sets forth a breakdown of our revenue by region during the years/periods indicated, and as percentages of total revenue.

	For the Year Ended December 31,						For the Three Months Ended March 31,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
(in thousands, except for percentages)										
(unaudited)										
Chinese Mainland	1,644,712	15.3	3,146,445	13.2	3,603,412	9.4	772,768	11.6	730,842	3.7
United States	8,138,806	75.9	14,427,758	60.5	21,896,974	57.3	3,989,434	59.8	12,031,844	61.7
Other countries/ regions ⁽¹⁾	934,466	8.8	6,287,957	26.3	12,739,550	33.3	1,911,974	28.6	6,733,712	34.6
Total	10,717,984	100.0	23,862,160	100.0	38,239,936	100.0	6,674,176	100.0	19,496,398	100.0

(1) Other countries/regions primarily consist of Singapore, the Netherlands, the United Kingdom, and Hong Kong.

Our revenue from Chinese Mainland was RMB1,644.7 million, RMB3,146.4 million, RMB3,603.4 million, RMB772.8 million and RMB730.8 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. Our revenue from United States was RMB8,138.8 million, RMB14,427.8 million, RMB21,897.0 million, RMB3,989.4 million and RMB12,031.8 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. Our revenue from other countries/regions was RMB934.5 million, RMB6,288.0 million, RMB12,739.6 million, RMB1,912.0 million and RMB6,733.7 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. The growths of revenue in all regions were primarily attributable to increased demand from customers, driven by their continued investments in AI infrastructure.

Sales Volume and Average Selling Price

The following table sets forth details on the sales volume and average selling price (net of tax) of our optical transceivers during the Track Record Period.

	For the Year Ended December 31,						For the Three Months Ended March 31,			
	2023		2024		2025		2025		2026	
	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price
	KPCS ⁽¹⁾	RMB	KPCS	RMB	KPCS	RMB	KPCS	RMB	KPCS	RMB
High-speed	2,504	2,838	9,029	2,212	14,612	2,333	2,389	2,343	7,504	2,458
Mid-to-low-speed	4,950	621	5,562	524	6,474	520	1,746	517	1,454	613

Note:

(1) KPCS stands for thousand pieces.

For the movements of sales volumes and average selling price of our optical transceivers, please see “Financial Information.”

SUMMARY

CONSOLIDATED BALANCE SHEETS

The table below sets forth the selected information from our consolidated balance sheets as of the dates indicated, which have been extracted from the Accountant's Report included in Appendix I to this Prospectus.

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	<i>(RMB in thousands)</i>			
Non-current assets	8,687,353	10,670,531	14,204,946	17,531,902
Current assets	11,319,396	18,195,744	31,084,025	39,116,332
Total assets	20,006,749	28,866,275	45,288,971	56,648,234
Non-current liabilities	871,766	2,076,051	2,109,299	2,163,004
Current liabilities	4,360,485	6,497,383	11,558,473	16,370,329
Total liabilities	5,232,251	8,573,434	13,667,772	18,533,333
Total assets less current liabilities	15,646,264	22,368,892	33,730,498	40,277,905
Net current assets	6,958,911	11,698,361	19,525,552	22,746,003
Net assets	14,774,498	20,292,841	31,621,199	38,114,901
Share capital	802,826	1,121,167	1,111,118	1,111,118
Treasury shares	(620,480)	(569,364)	(46,876)	–
Reserves	8,209,108	7,957,834	8,452,683	8,493,241
Retained earnings	5,869,568	10,624,251	20,248,232	25,982,733
Non-controlling interests	513,476	1,158,953	1,856,042	2,527,809
Total equity	14,774,498	20,292,841	31,621,199	38,114,901
Total equity and liabilities	20,006,749	28,866,275	45,288,971	56,648,234

Our net assets increased from RMB31,621.2 million as of December 31, 2025 to RMB38,114.9 million as of March 31, 2026, primarily due to total comprehensive income of RMB6,052.5 million.

Our net assets increased from RMB20,292.8 million as of December 31, 2024 to RMB31,621.2 million as of December 31, 2025, primarily due to (i) total comprehensive income of RMB11,498.0 million, and (ii) share-based compensation of RMB707.9 million, partially offset by dividends of RMB1,000.0 million.

Our net assets increased from RMB14,774.5 million as of December 31, 2023 to RMB20,292.8 million as of December 31, 2024, primarily due to (i) total comprehensive income of RMB5,392.6 million, and (ii) capital injection of RMB498.5 million, partially offset by recognition of redemption liability of RMB838.2 million. For details of changes in equity during the Track Record Period, please see our consolidated statements of changes in equity included in Appendix I to this Prospectus.

SUMMARY

The following table sets forth our current assets and current liabilities as of the dates indicated.

	As of December 31,			As of March 31,	As of May 31,
	2023	2024	2025	2026	2026
	(RMB in thousands)				(unaudited)
Inventories	4,294,660	7,051,320	12,680,708	15,672,078	19,430,190
Trade and notes receivables at amortized cost	2,904,793	4,670,627	6,349,511	9,648,104	9,499,633
Trade and note receivables at fair value through other comprehensive income	44,065	50,478	59,766	105,221	99,448
Prepayments, other receivables and other assets	332,560	846,968	997,131	1,473,208	1,841,228
Financial assets at fair value through profit or loss	416,039	522,546	10,016	10,026	2,520,240
Other financial assets at amortized cost	10,000	—	—	—	—
Restricted cash	83,378	66,015	43,086	31,441	30,800
Cash and cash equivalents	3,233,901	4,987,790	10,943,807	12,176,254	6,853,357
Total current assets	11,319,396	18,195,744	31,084,025	39,116,332	40,274,896
Trade and note payables	2,163,483	3,507,823	7,800,410	10,920,027	11,799,724
Contract liabilities	2,607	9,997	26,327	45,593	20,470
Current tax liabilities	175,466	226,868	1,217,740	2,318,731	1,825,526
Borrowings	529,347	2,004,753	981,926	990,788	1,033,997
Lease liabilities	11,365	12,464	34,905	64,560	54,908
Redemption liabilities	25,667	22,000	—	—	—
Provisions	54,782	30,881	68,761	72,679	61,564
Other payables and accruals	1,397,768	682,597	1,428,404	1,957,951	2,540,434
Total current liabilities	4,360,485	6,497,383	11,558,473	16,370,329	17,336,623
Net current assets	6,958,911	11,698,361	19,525,552	22,746,003	22,938,273

For a detailed discussion of our current assets and current liabilities during the Track Record Period, see “Financial Information — Discussion of Selected Items from the Consolidated Balance Sheets.”

SUMMARY OF CONSOLIDATED STATEMENTS OF CASH FLOWS

The following table sets forth our cash flows for the years/periods indicated.

	For the Year Ended December 31,			For the three months ended March 31,	
	2023	2024	2025	2025	2026
	(RMB in thousands)			(unaudited)	
Net cash generated from operating activities	1,854,673	3,138,175	10,875,145	2,164,287	3,354,934
Net cash used in investing activities	(1,133,716)	(2,915,595)	(2,597,642)	(150,715)	(1,935,151)
Net cash generated from/(used in) financing activities	(315,890)	1,492,480	(2,143,560)	54,891	7,587

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	For the Year Ended December 31,			For the three months ended March 31,	
	2023	2024	2025	2025	2026
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>	
Net increase in cash and cash equivalents	405,067	1,715,060	6,133,943	2,068,463	1,427,370
Cash and cash equivalents at beginning of the year/period	2,808,535	3,233,901	4,987,790	4,987,790	10,943,807
Exchange gains/(losses) on cash and cash equivalents	20,299	38,829	(177,926)	(6,670)	(194,923)
Cash and cash equivalents at end of the year/period	<u>3,233,901</u>	<u>4,987,790</u>	<u>10,943,807</u>	<u>7,049,583</u>	<u>12,176,254</u>

Our net cash generated from operating activities increased steadily during the Track Record Period, primarily driven by the growth in our profitability, as reflected in the increase in profit before tax over the periods, adjusted for non-cash and non-operating items such as depreciation of property, plant and equipment, share-based payment expenses, amortization of intangible assets and inventory impairment. Our operating cash flows were further influenced by changes in working capital, with increases in trade and note payables contributing positively to cash generation, partially offset by the increase in trade and notes receivables and inventories, which were in line with the continued expansion of our business scale and operating activities. For details, see “Financial Information — Liquidity and Capital Resources.”

DIVIDENDS

During the Track Record Period, we have declared dividends of RMB157.3 million, RMB670.7 million, RMB1,000.0 million and nil in 2023, 2024, 2025 and the three months ended March 31, 2026 to Shareholders, respectively. On April 20, 2026, we declared a cash dividend of RMB1,111.1 million to Shareholders, which was reviewed and approved at the 2025 Annual General Meeting held on April 20, 2026. The dividend was declared at RMB10.00 (tax inclusive) per 10 Shares and was payable to all Shareholders, and the dividend distribution was completed on April 30, 2026.

According to the applicable PRC laws and our dividend policy, we may pay dividends out of our profit after tax only after we have made the (i) recovery of accumulated losses, if any; (ii) allocations to the statutory reserve equivalent to 10% of our Company’s profit after tax, and, when the statutory reserve reaches and is maintained at or above 50% of our Company’s total issued share capital, no further allocations to this statutory reserve will be required; and (iii) allocations, if any, to a discretionary common reserve as approved by our Shareholders in a Shareholders’ meeting.

We may distribute dividends in the form of cash, stocks or a combination of cash and stocks. Any proposed distribution of dividends is subject to the discretion of the Board and the approval of our Shareholders. Our Company currently does not have a formal standalone dividend policy or predetermined dividend payout ratio. As set forth in our Articles of Association, the accumulated profits distributed in cash for the most recent three years shall not be less than 30% of our Company’s average annual distributable profits realized for the same three-year period. For each year that we record profits and positive accumulated undistributed

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profit, we shall distribute dividends in cash and such cash dividends distributed shall not be less than 10% of our Company's distributable profits realized for the same period, except the (i) occurrence of significant investments (excluding fundraising activities) where the investment amount for the relevant year exceeds 10% of our Company's audited net assets as of the end of the most recent financial year; or (ii) occurrence of significant capital expenditures where we intend to invest, acquire assets or purchase equipment within the next 12 months and the accumulated expenditure of which is expected to reach or exceed 10% of our Company's audited net assets as of the end of the most recent financial period. For details, please see "Financial Information — Dividends."

FUTURE PLANS AND USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$54,512.9 million, after deducting underwriting commissions, fees and estimated expenses payable by us in connection with the Global Offering, assuming the Over-Allotment Option is not exercised and an Offer Price of HK\$1,010.00 per Offer Share (being the maximum Offer Price).

We intend to use the net proceeds as follows: (i) approximately 35.0%, or HK\$19,079.5 million, will be allocated for ongoing investment in R&D for optical interconnects; (ii) approximately 30.0%, or HK\$16,353.9 million, will be allocated to expand our global production capacity to support our product upgrade roadmap; (iii) approximately 10.0%, or HK\$5,451.3 million, will be allocated to enhance our supply chain resilience and commercialization capabilities; (iv) approximately 15.0%, or HK\$8,176.9 million, will be allocated for strategic acquisitions and investments; and (v) approximately 10.0%, or HK\$5,451.3 million, will be allocated for working capital and general corporate purposes. For details, see "Future Plans and Use of Proceeds."

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Our Single Largest Group of Shareholders under the Hong Kong Listing Rules and Chapter 1.1C of the Guide for New Listing Applicants comprises Zhongji Holding, Longkou Zhongji Zhiyuan, Mr. Wang Weixiu and Mr. Wang Xiaodong, son of Mr. Wang Weixiu. As of the Latest Practicable Date, the total issued share capital of our Company was held as to approximately 17.34% by our Single Largest Group of Shareholders, including (i) approximately 10.89% by Zhongji Holding, which is in turn held as to approximately 52.06% by Mr. Wang Weixiu, approximately 28.66% by Longkou Zhongji Zhiyuan, and approximately 19.28% by Mr. Wang Xiaodong, respectively, (ii) approximately 6.25% by Mr. Wang Weixiu, and (iii) approximately 0.19% by Mr. Wang Xiaodong, respectively. Mr. Wang Weixiu is the founder of Longkou Zhongji Electrical Engineering Machinery Co., Ltd. (龍口中際電工機械有限公司) and he served as the chairman of the Board from October 2010 to August 2023 until he resigned as a Director upon the expiry of his term of office. Longkou Zhongji Zhiyuan is controlled by Mr. Wang Weixiu as its general partner, holding approximately 31.08% partnership interests thereof, and none of the limited partners of Longkou Zhongji Zhiyuan holds 30% or more partnership interests thereof. Zhongji Holding is regarded as our controlling Shareholder and Mr. Wang Weixiu is regarded as our *de facto controller* (實際控制人) under the applicable PRC laws, regulations and rules. For details, see the section headed "History, Development and Corporate Structure – Our Single Largest Group of Shareholders."

Immediately following the completion of the Global Offering, assuming the Over-Allotment Option is not exercised, no new Shares are issued under the Restricted Share Incentive Schemes and there are no changes in the issued share capital of the Company between the Latest Practicable Date and the Listing Date, Zhongji Holding, Mr. Wang Weixiu

SUMMARY

and Mr. Wang Xiaodong will in aggregate hold approximately 16.53% of our issued share capital and no other group of Shareholders is expected to hold more than they do. Accordingly, Zhongji Holding, Longkou Zhongji Zhiyuan, Mr. Wang Weixiu and Mr. Wang Xiaodong will continue to be our Single Largest Group of Shareholders upon completion of the Global Offering.

LISTING ON THE SHENZHEN STOCK EXCHANGE

Our A Shares have been listed on the ChiNext Market of the Shenzhen Stock Exchange since 2012 with the stock code of 300308. Our Directors confirmed that, since our listing on the Shenzhen Stock Exchange and up to the Latest Practicable Date, we had no instances of material non-compliance with the rules of the Shenzhen Stock Exchange and other applicable securities laws and regulations of the PRC in any material respects, and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the investors' attention in relation to our compliance record on the Shenzhen Stock Exchange. Our PRC Legal Adviser has advised us that, for the two years ended December 31, 2024 and 2025, and up to the date of submission of the Company's H Share Listing application to the Hong Kong Stock Exchange, we have not been subject to any substantial administrative penalties or regulatory measures imposed by securities regulatory authorities in the PRC, and we have complied with the relevant laws and regulations on A share listings applicable to us in all material respects. Based on the independent due diligence conducted by the Joint Sponsors and our PRC Legal Adviser's view, nothing has come to the Joint Sponsors' attention that would cause them to cast doubt on our Directors' confirmation with regard to the compliance record of our Company on the Shenzhen Stock Exchange.

LISTING EXPENSES

Based on an Offer Price of HK\$1,010.00 per Offer Share (being the maximum Offer Price), the total listing expenses (including underwriting commissions) payable by our Company are estimated to be approximately HK\$532.1 million (equivalent to approximately RMB461.8 million), assuming the Over-Allotment Option is not exercised. These listing expenses mainly comprise professional fees paid and payable to the professional parties, and commissions payable to the Underwriters, for their services rendered in relation to the Listing and the Global Offering.

We recorded listing expenses of RMB4.8 million in our consolidated statements of comprehensive income during the Track Record Period. We estimate that the listing expenses of RMB457.0 million (including (i) underwriting-related expenses, including underwriting commissions of RMB399.7 million, assuming the Over-Allotment Option is not exercised and based on an Offer Price of HK\$1,010.00 per Offer Share (being the maximum Offer Price) and (ii) non-underwriting expenses of RMB57.3 million, including (a) the legal counsels and reporting accountant's expenses of RMB39.6 million, and (b) other fees and expenses of RMB17.7 million), accounting for 1.0% of our gross proceeds, will be further incurred by our Group, of which RMB5.9 million is expected to be charged to our consolidated statements of comprehensive income and RMB451.1 million is expected to be charged against equity upon the Listing.

SUMMARY

GLOBAL OFFERING STATISTICS

	Based on an Offer Price of HK\$1,010.00 per H Share
Market capitalization of our Shares ⁽¹⁾	HK\$1,577.30 billion
Unaudited pro forma adjusted net tangible assets per Share ⁽²⁾	HK\$79.78

Notes:

- (1) The calculation of the market capitalization is based on 1,115,234,641 A Shares as of the Latest Practicable Date and 54,500,000 H Shares expected to be in issue immediately after completion of the Global Offering (assuming the Over-allotment Option is not exercised, no new Shares are issued under the Restricted Share Incentive Schemes and there are no changes in the issued share capital of the Company between the Latest Practicable Date and the Listing Date). The market capitalization of our A Shares is calculated based on the closing price of the A Shares on the Latest Practicable Date, using an exchange rate of HK\$1.00 to RMB0.86746. For details, please refer to the paragraphs headed “Share Capital — Upon the Completion of the Global Offering” in this Prospectus.
- (2) The unaudited pro forma adjusted consolidated net tangible assets per Share is arrived at 1,111,118,334 A Shares in issue (excluding 4,116,307 A Shares issued under the share option scheme after March 31, 2026) and 54,500,000 H Shares expected to be in issue upon the completion of the Global Offering. It does not take account of any H Shares which may be issued upon the exercise of the Over-Allotment Option or any shares which may be issued under the share schemes.

No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at March 31, 2026 to reflect any trading results or other transactions of the Group entered into subsequent to March 31, 2026. In particular, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company has not taken into account (i) payment of dividend of RMB1,111,118,000 which was approved by the Shareholders on April 20, 2026 and (ii) the exercise of share options which increase the total number of A Shares by 4,116,307 shares with total proceeds of RMB 169.4 million. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share would have been HK\$78.57 per Share, assuming the indicative Offer Price of HK\$1,010.00 per H Share, if the dividend declaration and the exercise of share options had been accounted for as at March 31, 2026.

For the calculation of the unaudited pro forma adjusted consolidated net tangible assets per Share, please refer to in the section headed “Appendix II — Unaudited Pro Forma Financial Information” in this Prospectus.

LEGAL PROCEEDINGS AND COMPLIANCE

Our Directors, as advised by our PRC Legal Adviser, confirm that we had complied with the relevant PRC laws and regulation in all material respects during the Track Record Period and up to the Latest Practicable Date. During the Track Record Period and up to the Latest Practicable Date, we were not subject to any claims, damages, or losses that would have a material adverse effect on our financial position or results of operations as a whole.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Recent Developments

U.S. Regulatory Development

We noted that the U.S. Department of War (DoW) included our Company on the CMC List on June 8, 2026. Our products are designed for, and integrated into, commercial technologies used in civil industry applications, and are not developed as bespoke military

SUMMARY

products. We have not engaged in any military-related businesses or activities and, as of the Latest Practicable Date, had no direct sales to, direct procurement contracts with, or other direct business relationship with the DoW, the primary U.S. government department whose procurement activities are affected by the CMC List. Further, to the best of our knowledge and as of the Latest Practicable Date, we are not aware of any indirect sales to or indirect procurement arrangements with the DoW. Since June 8, 2026, the date on which the DoW included our Company on the CMC List, and up to the Latest Practicable Date, we had not experienced any material cancellation, suspension, reduction or delay of customer orders, nor any termination of customer relationships. As advised by our export control and sanctions counsel, the CMC List is not an economic sanctions list and does not, in itself, restrict us from conducting business with U.S. customers absent other applicable restrictions, nor does it, in itself, restrict transacting in our securities. Based on our current business operations, customer base and historical revenue streams and as advised by our export control and sanctions counsel, we do not expect that our inclusion on the CMC List, or the applicable DoW procurement limitations tied to the CMC List, will affect our Group's business operations or have a material adverse impact on our business, financial condition, results of operations or prospects. We may, where appropriate, engage with relevant authorities, initiate procedures or proceedings to seek removal from the CMC List. Please refer to "Risk Factors — Risks Relating to Our Business and Industry" for further details.

No Material Adverse Change

Our Directors have confirmed that, up to the date of this Prospectus, there has been no material adverse change in our financial or trading position or prospects since March 31, 2026, being the end date of our latest audited financial statements, and there has been no event since March 31, 2026 that would materially affect the information shown in the Accountants' Report set out in Appendix I to this Prospectus.

DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following terms shall have the meanings set out below. Certain other terms are explained in the section headed “Glossary of Technical Terms” in this Prospectus.

“2023 Restricted Shares Incentive Scheme”	the restricted shares incentive scheme of our Company approved and adopted on November 8, 2023, a summary of the principal terms of which is set forth in the section headed “Statutory and General Information — 2023 Restricted Shares Incentive Scheme and 2025 Restricted Shares Incentive Scheme” in Appendix IV
“2025 Restricted Shares Incentive Scheme”	the restricted shares incentive scheme of our Company approved and adopted on April 25, 2025, a summary of the principal terms of which is set forth in the section headed “Statutory and General Information — 2023 Restricted Shares Incentive Scheme and 2025 Restricted Shares Incentive Scheme” in Appendix IV
“A Share(s)”	ordinary share(s) issued by our Company, with a nominal value of RMB1.00 each, which is/are subscribed for or credited as paid in Renminbi and is/are listed for trading on the Shenzhen Stock Exchange with the stock code of 300308
“A Shareholder(s)”	holder(s) of the A Share(s)
“Accountant’s Report”	the accountant’s report of our Group for the Track Record Period as set out in Appendix I to this Prospectus
“affiliate(s)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	the Accounting and Financial Reporting Council of Hong Kong
“Articles of Association” or “Articles”	the articles of association of our Company, as amended, which shall become effective on the Listing Date, a summary of which is set out in Appendix III
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Board” or “our Board”	the board of Directors

DEFINITIONS

“Business Day”	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
“Capital Market Intermediaries” or “capital market intermediary(ies)” or “CMI(s)”	the capital market intermediaries participating in the Global Offering and has the meaning ascribed thereto under the Listing Rules
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“China”, “Chinese Mainland” or “PRC”	the People’s Republic of China which, for the purpose of this Prospectus and for geographical reference only, excluding the regions of Hong Kong, Macau and Taiwan of the People’s Republic of China
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Company”, “our Company”, or “the Company”	Zhongji InnoLight Co., Ltd. (中際旭創股份有限公司), formerly known as Shandong Zhongji Electrical Equipment Co., Ltd. (山東中際電工裝備股份有限公司) and Longkou Zhongji Electrical Engineering Machinery Co., Ltd. (龍口中際電工機械有限公司), a limited liability company established in the PRC on June 27, 2005 and converted into a joint stock company with limited liability on October 16, 2010, with its A Shares listed on the ChiNext Market of the Shenzhen Stock Exchange with the stock code of 300308 since 2012
“Compliance Adviser”	Haitong International Capital Limited
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“connected transaction(s)”	has the meaning ascribed thereto under the Listing Rules
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)

DEFINITIONS

“Director(s)” or “our Director(s)”	the director(s) of our Company
“EIT”	the PRC enterprise income tax
“EIT Law”	the Enterprise Income Tax Law of the People’s Republic of China (《中華人民共和國企業所得稅法》), as amended, supplemented or otherwise modified from time to time
“Exchange Participant”	a person (a) who, in accordance with the Rules of the Hong Kong Stock Exchange, may trade on or through the Hong Kong Stock Exchange; and (b) whose name is entered in a list, register or roll kept by the Hong Kong Stock Exchange as a person who may trade on or through the Hong Kong Stock Exchange
“Extreme Conditions”	extreme conditions as announced by the government of Hong Kong in the case where a super typhoon or other natural disaster of a substantial scale seriously affects the working public’s ability to resume work or brings safety concern for a prolonged period
“Favor Bright”	Favor Bright Industrial (Hongkong) Limited (澤輝實業(香港)有限公司), a limited liability company established in Hong Kong on April 7, 2005, one of the five Shareholders prior to A Share Listing and wholly owned by Xin Hong (辛紅), an Independent Third Party
“FINI”	“Fast Interface for New Issuance”, the online platform operated by HKSCC that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for the Listing
“General Rules of HKSCC”	the General Rules of HKSCC as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
“Global Offering”	the Hong Kong Public Offering and the International Offering
“Group”, “our Group”, “our”, “we” or “us”	our Company and our subsidiaries, or any one of them as the context may require, and where the context requires, the businesses operated by our Company and/or its subsidiaries and their predecessors (if any)
“Guide for New Listing Applicants”	the Guide for New Listing Applicants issued by the Hong Kong Stock Exchange effective from January 1, 2024, as amended from time to time

DEFINITIONS

“H Share(s)”	listed ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which is/are to be subscribed for and traded in Hong Kong Dollars and to be listed on the Hong Kong Stock Exchange
“H Share Registrar”	Computershare Hong Kong Investor Services Limited
“HK\$” or “Hong Kong Dollars” or “HK Dollars” and “HK cents”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“HKSCC EIPO”	the application for Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your designated HKSCC Participant’s stock account through causing HKSCC Nominees to apply on your behalf, including by instructing your broker or custodian who is a HKSCC Participant to give electronic application instructions via HKSCC’s FINI system to apply for Hong Kong Offer Shares on your behalf
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“HKSCC Participant”	a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Offer Shares”	the 5,450,000 H Shares initially offered by us for subscription at the Offer Price pursuant to the Hong Kong Public Offering (subject to reallocation as described in the section headed “Structure of the Global Offering”)
“Hong Kong Public Offering”	the offering of the Hong Kong Offer Shares for subscription by the public in Hong Kong (subject to adjustments as described in the section headed “Structure of the Global Offering”) at the Offer Price (plus brokerage, SFC transaction levy, Hong Kong Stock Exchange trading fee and AFRC transaction levy), on and subject to the terms and conditions described in the section headed “Structure of the Global Offering”

DEFINITIONS

“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Hong Kong Takeovers Code” or “Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Hong Kong Underwriters”	the underwriters listed in the paragraph headed “Underwriting — Hong Kong Underwriters”, being the underwriters of the Hong Kong Public Offering
“Hong Kong Underwriting Agreement”	the underwriting agreement dated Tuesday, July 21, 2026, relating to the Hong Kong Public Offering entered into by our Company, the Joint Sponsors, the Sponsor-Overall Coordinators and the Hong Kong Underwriters, as further described in “Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Hong Kong Underwriting Agreement”
“IFRS”	International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board and interpretation issued by the International Accounting Standards Committee
“Independent Third Party(ies)”	any entity(ies) or person(s) who is not a connected person of our Company within the meaning of the Hong Kong Listing Rules
“International Offer Shares”	the 49,050,000 H Shares initially offered by our Company pursuant to the International Offering (subject to reallocation as described in the section headed “Structure of the Global Offering”) together with any additional H Shares which may be allotted and issued by our Company pursuant to the exercise of the Over-allotment Option
“International Offering”	the conditional placing of the International Offer Shares by the International Underwriters at the Offer Price outside the United States in offshore transactions in reliance on Regulation S and in the United States to QIBs only in reliance on Rule 144A or any other available exemption from the registration requirements under the U.S. Securities Act, in each case on and subject to the terms and conditions of the International Underwriting Agreement, as further described in the section headed “Structure of the Global Offering”

DEFINITIONS

“International Underwriters”	the group of international underwriters who are expected to enter into the International Underwriting Agreement to underwrite the International Offering
“International Underwriting Agreement”	the underwriting agreement relating to the International Offering expected to be entered into on or about Tuesday, July 28, 2026 by our Company and the International Underwriters, as further described in the section headed “Underwriting — Underwriting Arrangements and Expenses — International Offering”
“Joint Bookrunners”	the joint bookrunners as named in the section headed “Directors and Parties Involved in the Global Offering” in this Prospectus
“Joint Global Coordinators”	the joint global coordinators as named in the section headed “Directors and Parties Involved in the Global Offering” in this Prospectus
“Joint Lead Managers”	the joint lead managers as named in the section headed “Directors and Parties Involved in the Global Offering” in this Prospectus
“Joint Sponsors”	the joint sponsors of the Listing as named in the section headed “Directors and Parties Involved in the Global Offering” in this Prospectus
“Latest Practicable Date”	July 14, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this Prospectus prior to its publication
“Listing”	the listing of our H Shares on the Main Board
“Listing Committee”	the listing committee of the Hong Kong Stock Exchange
“Listing Date”	the date, expected to be on or about Thursday, July 30, 2026, on which the H Shares are to be listed and on which dealings in the H Shares are to be first permitted to take place on the Hong Kong Stock Exchange
“Listing Rules” or “Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Longkou Zhongji Zhiyuan”	Longkou Zhongji Zhiyuan Investment Management Center (Limited Partnership) (龍口中際致遠投資管理中心(有限合夥)), a limited partnership established under the laws of the PRC on August 22, 2022, being a member of our Single Largest Group of Shareholders and the general partner of which is Mr. Wang Weixiu (王偉修)

DEFINITIONS

“Main Board”	the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the GEM of the Hong Kong Stock Exchange
“MOFCOM” or “Ministry of Commerce”	the Ministry of Commerce of the PRC (中華人民共和國商務部) (formerly known as the Ministry of Foreign Trade and Economic Cooperation of the PRC (中華人民共和國對外經濟貿易部))
“Nomination Committee”	the nomination committee of the Board
“NPC”	the National People’s Congress of the PRC (中華人民共和國全國人民代表大會)
“Offer Price”	the final offer price per Offer Share (exclusive of brokerage fee of 1.0%, SFC transaction levy of 0.0027%, Hong Kong Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) at which the Offer Shares are to be subscribed for and issued pursuant to the Global Offering as described in the section headed “Structure of the Global Offering”
“Offer Share(s)”	the Hong Kong Offer Shares and the International Offer Shares, with any additional H Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option
“Over-allotment Option”	the option expected to be granted by us to the International Underwriters, exercisable by the Sponsor-Overall Coordinators (on behalf of the International Underwriters) pursuant to the International Underwriting Agreement, to require our Company to allot and issue up to an aggregate of 8,175,000 additional H Shares at the Offer Price, representing approximately 15.0% of the Offer Shares initially available under the Global Offering, to cover, among other things, over-allocations in the International Offering, if any, further details of which are described in the section headed “Structure of the Global Offering” in this Prospectus
“Overall Coordinators” and “Sponsor-Overall Coordinators”	the overall coordinators and sponsor-overall coordinators as named in the section headed “Directors and Parties Involved in the Global Offering” in this Prospectus
“Overseas Listing Trial Measures”	The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies and five supporting guidelines (《境內企業境外發行證券和上市管理試行辦法》及五項配套指引) promulgated by the CSRC on February 17, 2023 and became effective on March 31, 2023

DEFINITIONS

“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“Pioseed Chengdu”	Pioseed Technology (Chengdu) Co., Ltd. (成都智禾光通科技有限公司), a limited liability company established in the PRC on January 22, 2021, a wholly-owned subsidiary of the Company
“PRC Company Law”	Company Law of the PRC (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
“PRC GAAP”	generally accepted accounting principles in the PRC
“PRC Government” or “State”	the central government of the PRC, including all governmental subdivisions (including provincial, municipal and other regional or local government entities) and instrumentalities
“PRC Legal Adviser”	Zhong Lun Law Firm, our legal adviser on PRC laws in connection with the Global Offering
“Price Determination Agreement”	the agreement to be entered into by Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and our Company on the Price Determination Date to record and fix the Offer Price
“Price Determination Date”	the date, expected to be on or before Tuesday, July 28, 2026 (Hong Kong time) on which the Offer Price is determined, or such later time as our Company and the Sponsor-Overall Coordinators (on behalf of the Hong Kong Underwriters) may agree, but in any event not later than 12:00 noon on Tuesday, July 28, 2026
“Prospectus”	this prospectus being issued in connection with the Hong Kong Public Offering
“Regulation S”	Regulation S under the U.S. Securities Act
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Board
“Renminbi” or “RMB”	the lawful currency of the PRC
“Restricted Share Incentive Scheme(s)”	the 2023 Restricted Shares Incentive Scheme and the 2025 Restricted Shares Incentive Scheme
“Rule 144A”	Rule 144A under the U.S. Securities Act

DEFINITIONS

“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SAMR”	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
“SAT”	the State Taxation Administration of the PRC (中華人民共和國國家稅務總局)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO” or “Securities and Futures Ordinance”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each
“Shareholder(s)”	holder(s) of our Share(s)
“Shenzhen Stock Exchange”	the Shenzhen Stock Exchange (深圳證券交易所)
“Shenzhen Stock Exchange ChiNext Listing Rules”	the Rules Governing the Listing of Shares on the ChiNext Market of the Shenzhen Stock Exchange (《深圳證券交易所創業板股票上市規則》), as amended from time to time
“Single Largest Group of Shareholders”	refers to Zhongji Holding, Longkou Zhongji Zhiyuan, Mr. Wang Weixiu (王偉修) and Mr. Wang Xiaodong (王曉東)
“Stabilizing Manager”	Goldman Sachs (Asia) L.L.C.
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“Strategy Committee”	the strategy committee of the Board
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Suzhou InnoLight”	InnoLight Technology (Suzhou) Co., Ltd. (蘇州旭創科技有限公司), a limited liability company established in the PRC on April 14, 2008, a wholly-owned subsidiary of the Company
“Suzhou Yixingfu”	Suzhou Yixingfu Enterprise Management Center (Limited Partnership) (蘇州益興福企業管理中心(有限合伙)), a limited partnership established under the laws of the PRC on July 29, 2016, being one of our Shareholders

DEFINITIONS

“Suzhou Yunchangjin”	Suzhou Yunchangjin Enterprise Management Center (Limited Partnership) (蘇州雲昌錦企業管理中心(有限合夥)), a limited partnership established under the laws of the PRC on August 26, 2016, being one of our Shareholders
“TeraHop Suzhou”	TeraHop Technology (Suzhou) Co., Ltd. (蘇州智達泰躍科技有限公司), a limited liability company established in the PRC on September 12, 2024, a wholly-owned subsidiary of the Company
“Track Record Period”	the period comprising the financial years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2026
“Transfer Pricing Consultant”	PricewaterhouseCoopers Consultants (Shenzhen) Limited Suzhou Branch
“treasury share(s)”	has the meaning ascribed thereto under the Listing Rules
“U.S. Government”	the federal government of the United States, including its executive, legislative and judicial branches
“U.S. persons”	U.S. persons as defined in Regulation S
“U.S. Securities Act”	United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time
“Underwriters”	the Hong Kong Underwriters and the International Underwriters
“Underwriting Agreements”	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
“United States”, “USA” or “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US\$” or “U.S. dollars”	United States dollars, the lawful currency of the U.S.
“VAT”	value-added tax
“Vincrest Holdings”	Vincrest Holdings Pte. Ltd, a private company limited by shares incorporated in Singapore on November 14, 2025, an indirectly wholly-owned subsidiary of the Company
“White Form eIPO”	the application for Hong Kong Offer Shares to be issued in the applicant’s own name, submitted online through the designated website of the White Form eIPO Service Provider, at www.eipo.com.hk

DEFINITIONS

“White Form eIPO Service Provider”	Computershare Hong Kong Investor Services Limited
“Zhongji Holding”	Shandong Zhongji Investment Holding Co., Ltd. (山東中際投資控股有限公司) (formerly known as Shandong Zhongji Electrical Engineering Machinery Co., Ltd. (山東中際電工機械有限公司)), a limited liability company established in the PRC on January 18, 1999, being a member of our Single Largest Group of Shareholders and owned as to approximately 52.06% by Mr. Wang Weixiu (王偉修), approximately 28.66% by Longkou Zhongji Zhiyuan and approximately 19.28% by Mr. Wang Xiaodong (王曉東), respectively, as of the Latest Practicable Date
“%”	per cent

Certain amounts and percentage figures included in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including our subsidiaries) have been included in this Prospectus in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail. English translations of company names and other terms from the Chinese language are provided for identification purposes only.

GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains explanations of certain technical terms used in this Prospectus. As such, these terms and their meanings may not correspond to standard industry meanings or usage of these terms.

“AI”	artificial intelligence
“APD”	avalanche photodetector, photodiode providing internal gain through avalanche multiplication for high-sensitivity detection
“ASIC”	application-specific integrated circuit, custom-designed integrated circuit optimized for a specific application or workload
“back-end network”	network infrastructure supporting data aggregation, processing and interconnection behind front-end access systems
“backhaul”	network segment connecting centralized or distributed baseband units to the core network
“Blackwell platform”	a NVIDIA GPU architecture designed for next-generation AI and accelerated computing workloads
“CAGR”	compound annual growth rate
“CDR”	clock and data recovery, circuit that recovers the embedded clock and retimes incoming data to enable reliable high-speed signal reception
“CMOS”	complementary metal-oxide-semiconductor, semiconductor fabrication process technology widely used for high-volume integrated circuit manufacturing
“CPO”	an integration approach where optical components are co-packaged with switching or computing chips to improve bandwidth and energy efficiency
“CSP”	cloud service provider, providing cloud computing services, including compute, storage and networking resources
“CWDM”	coarse wavelength division multiplexing, wavelength division multiplexing using widely spaced wavelengths to transmit multiple signals on a single fiber
“datacom”	data communications, including high-speed optical interconnects for data centers and cloud networks

GLOSSARY OF TECHNICAL TERMS

“DCI”	data center interconnect, high-speed optical connectivity between data centers for large-scale data transport and workload distribution
“DSP”	digital signal processor, dedicated processor for digital signal processing, including equalization, modulation and error correction in high-speed communication systems
“DWDM”	dense wavelength division multiplexing, wavelength division multiplexing using closely spaced wavelengths for high-capacity optical transmission
“ESG”	environment, social and governance
“EML”	electro-absorption modulated laser, laser integrating an electro-absorption modulator for high-speed optical signal transmission
“FA”	fiber array component enabling multi-fiber alignment and coupling
“front-end network”	network infrastructure providing end-user access and initial data transmission to core or back-end systems
“fronthaul”	network segment connecting radio units to centralized or distributed baseband units
“FTTV”	fiber to the vehicle, in-vehicle fiber network architecture enabling high-bandwidth data transmission
“FTTx”	fiber-to-the-x, fiber access network architecture extending optical fibre to end users
“G”	Gbps, gigabit per second
“GPU”	a parallel computing processor optimized for rendering graphics and accelerating machine learning and scientific workloads
“GW”	gigawatt
“High-speed optical transceivers”	as of the Latest Practicable Date, high-speed optical transceivers refer to optical transceivers with transmission rates of 400G and above, based on prevailing industry standards
“Hopper platform”	a NVIDIA GPU architecture designed for AI and accelerated computing workloads

GLOSSARY OF TECHNICAL TERMS

“Leaf switch”	the access-layer switch that aggregates traffic from multiple ToR switches and connects them to the spine layer
“LPO”	optical transceiver architecture designed for linear direct-drive applications, enabling cost-effective optical connectivity
“LRO”	optical transceiver architecture using linear receiver to improve power efficiency for high-speed datacom links
“MES”	manufacturing execution system, system for monitoring and controlling shop-floor production operations
“Mid-to-low-speed optical transceivers”	as of the Latest Practicable Date, mid-to-low-speed optical transceivers refer to optical transceivers with transmission rates of below 400G, based on prevailing industry standards
“MOI”	inspection method and acceptance criteria
“Nasdaq”	Nasdaq Stock Market
“NPI”	new product introduction, process of transitioning a new product from development to mass production, including qualification and ramp-up
“NPO”	an optical integration approach where optical components are placed close to but not within the same package as electronic chips
“OB testing”	optical bench testing, test procedure verifying optical and electrical performance of an optical bench
“OCS”	network switches that establish optical-level circuit connections to provide high-bandwidth and low-latency data transmission
“optical transceiver”	pluggable module converting electrical signals to optical signals and converting optical signals back to electrical signals
“OSA”	optical sub-assembly, integrated optical component module combining key optical devices for transceiver assembly
“OSFP”	octal small form factor pluggable, a pluggable transceiver form factor for high-speed optical modules, supporting high-bandwidth data-center interconnects

GLOSSARY OF TECHNICAL TERMS

“OSNR”	optical signal-to-noise ratio, ratio of optical signal power to noise power within a specified bandwidth, used to evaluate coherent and long-haul optical transmission performance
“passive optical components”	optical parts that transmit optical signals without actively generating, amplifying, or detecting light, such as lenses, filters, isolators, etc.
“PCB”	printed circuit board, for electrical interconnection and signal routing
“PCBA”	printed circuit board assembly, assembled PCB with electronic components mounted and soldered
“PMP”	product manufacturing plan
“QSFP”	quad small form factor pluggable, a pluggable transceiver form factor supporting four high-speed electrical lanes for datacom applications
“QSFP-DD”	quad small form factor pluggable double density, a pluggable transceiver form factor with double-density electrical interface for high-speed datacom applications
“R&D”	research and development
“scale-across”	refers to the long-haul connection between switches across different data centers, supporting scenarios from building-to-building and campus-to-campus, with distances typically ranging from a few kilometers within a large data center campus, to several hundred kilometers across a major data center region, and even to thousands of kilometers across data centers spanning multiple continents
“scale-out”	refers to the high-bandwidth connections between switches within a data center, such as between ToR, leaf and spine switches, typically over distance of up to 2 kilometers
“scale-up”	refers to high-bandwidth, low-latency and high-density interconnects within servers and across rack-scale computing architectures, including next-generation GPU-to-GPU interconnects, as well as connectivity among GPUs, CPUs and storage systems
“SerDes”	serializer/deserializer, high-speed interface circuit converting parallel data to serial data and converting serial data back to parallel data

GLOSSARY OF TECHNICAL TERMS

“SiPh”	silicon photonics, photonic integration technology using silicon-based processes to integrate optical components on a chip
“Spine switch”	the core-layer switch that interconnects all leaf switches, enabling communication across the data center network
“switch”	a network device that connects multiple devices within a network and directs data packets to their intended destinations based on addressing information
“T”	Tbps, terabit per second
“TCT/Burn-in testing”	reliability test under elevated stress conditions to screen early failures
“telecom”	telecommunications, communication networks and systems for carrier-grade communications
“TO-CAN package”	metal can package for laser diodes and photodetectors
“TPU”	tensor processing unit, an AI accelerator designed for tensor computations and neural network workloads
“ToR (Top-of-Rack) switch”	the switch deployed at the top of a server rack, providing network connectivity among servers within the rack
“Wireless xHaul”	transport network for wireless fronthaul and backhaul connections

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements and information relating to us and our subsidiary that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this Prospectus, the words “aim,” “anticipate,” “believe,” “could,” “expect,” “going forward,” “intend,” “may,” “ought to,” “plan,” “project,” “seek,” “should,” “will,” “would,” “vision,” “aspire,” “target,” “schedules,” and the negative of these words and other similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the risk factors as described in this Prospectus, some of which are beyond our control and may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing us which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our operations and business prospects;
- our ability to maintain relationship with, and the actions and developments affecting, our major customers and suppliers;
- future developments, trends and conditions in the industries and markets in which we operate or plan to operate;
- general economic, political and business conditions in the markets in which we operate;
- changes to the regulatory environment in the industries and markets in which we operate;
- our ability to maintain the market positions;
- the actions and developments of our competitors;
- our ability to effectively contain costs and optimize pricing;
- the ability of third parties to perform in accordance with contractual terms and specifications;
- our ability to retain senior management and key personnel and recruit qualified staff;
- our business strategies and plans to achieve these strategies, including our service and geographic expansion plans;
- our ability to defend our intellectual rights and protect confidentiality;
- the effectiveness of our quality control systems;
- change or volatility in interest rates, foreign exchange rates, equity prices, trading volumes, commodity prices and overall market trends, including those pertaining to the PRC and the industry and markets in which we operate;

FORWARD-LOOKING STATEMENTS

- capital market developments; and
- all other risks and uncertainties described in the section headed “Risk Factors” in this Prospectus.

By their nature, certain disclosures relating to these and other risks are only estimates and should one or more of these uncertainties or risks, among others, materialize, actual results may vary materially from those estimated, anticipated or projected, as well as from historical results. Specifically but without limitation, sales could decrease, costs could increase, capital costs could increase, capital investment could be delayed and anticipated improvements in performance might not be fully realized.

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this Prospectus, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Prospectus might not occur in the way we expect or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this Prospectus are qualified by reference to the cautionary statements in this section as well as the risks and uncertainties discussed in the section headed “Risk Factors” in this Prospectus.

In this Prospectus, statements of or references to our intentions or those of our Directors are made as of the date of this Prospectus. Any such information may change in light of future developments.

RISK FACTORS

An investment in our H Shares involves significant risks. You should carefully consider all of the information in this Prospectus, including the risks and uncertainties described below, as well as our financial statements and the related notes, and the “Financial Information” section, before deciding to invest in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition, results of operations and growth prospects. In any such an event, the market price of our H Shares could decline, and you may lose all or part of your investment. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations.

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section headed “Forward-looking Statements” in this Prospectus.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our success depends on our ability to develop and launch products in a timely and cost-efficient manner that adapt to technological advancements and address evolving customer requirements, while anticipating and supporting significant industry transitions.

The success of our business largely depends on our ability to continuously innovate and introduce optical transceivers that respond to technological advancements and evolving customer requirements. The optical interconnect industry is characterized by rapid product iterations, increasing integration of multidisciplinary technologies, and continuous transitions in standards and architectures. Our products involve complex technologies across optics, optoelectronics, electronic engineering and materials science, which together constitute a highly advanced and interdisciplinary field. As the market continues to evolve, technological upgrades occur at an accelerated pace, requiring companies to constantly enhance their research and development capabilities and upgrade their core technologies to maintain competitiveness. If we fail to accurately identify emerging technology trends, make timely upgrades to our core technologies, or if our research and development direction proves to be inaccurate, we may face difficulties in commercializing our new products or risk having our existing products substituted by more advanced alternatives.

Given the high technical content of our products, we also face the risk of misjudging our own research and development capacity or underestimating the complexity and resources required for product development, which may result in delays in achieving product commercialization or failure to meet customer qualification standards. We have consistently placed strong emphasis on technological innovation and increased our investment in research and development to promote continuous product iteration and maintain our leadership in technology. However, there can be no assurance that our research and development and product roadmap will consistently result in commercially successful or technologically competitive products. If we fail to develop and launch new products or technologies that provide value to customers and align with evolving industry trends, or if our products fail to gain timely market acceptance, our business, results of operations and financial conditions could be materially and adversely affected.

RISK FACTORS

Any slowdown in the growth of the end markets that adopt our products could adversely affect our business, financial condition and results of operations.

Our products are widely used across various end markets. The demand for our products is largely driven by the development and expansion of the end markets that adopt them, particularly the datacom and telecom industries. Accordingly, any slowdown in the growth of these downstream markets could materially and adversely affect our business performance. Our financial results in any given period may fluctuate due to variations in the timing, volume and product mix of customer orders, which may be further affected by broader macroeconomic uncertainty and market volatility. The growth and demand in our customers' downstream markets, which directly influence the demand for our products, are subject to factors beyond our control, including global economic conditions, rapid technological advancements and their commercial adoption, evolving industry standards, regulatory developments, market preferences, production cycles and supply chain constraints. Any slowdown in technological innovation, delay in industry upgrades or disruption in the global supply chain may reduce end-market growth and thereby dampen demand for our products.

In the datacom industry, demand is increasingly driven by the expansion of AI infrastructure and hyperscale data centers, which require exponentially greater bandwidth and interconnect capacity. The accelerated adoption of AI training and inference workloads has fueled surging demand for high-speed optical interconnect solutions, including 800G and 1.6T optical transceivers. However, the pace of AI infrastructure investment is subject to factors such as global capital expenditure cycles, availability of advanced computing chips and fluctuations in customer spending. Any delay in the rollout of AI data centers, moderation in capital expenditure by hyperscale cloud service providers, or slower-than-expected progress in AI application deployment could reduce the demand for our high-speed optical products.

In the telecom industry, the growth of demand for our products depends on network operators' investment cycles, the pace of network infrastructure upgrades and the timing of transitions toward next-generation mobile and optical backbone networks. Although continued network capacity expansion in major markets has supported demand for optical transceivers and components, future upgrade cycles may progress more slowly than expected due to macroeconomic uncertainties, shifts in policy priorities or delays in spectrum-related or infrastructure planning. Any postponement or reduction in network infrastructure investment by telecom operators could therefore negatively impact the demand for our products.

We cannot guarantee that technological innovation or industry development trends will consistently translate into sustained downstream demand or that the growth rates of the datacom and telecom markets will remain at the levels observed during the Track Record Period. Any prolonged stagnation or decline in the growth of these or other end markets that adopt our products could materially and adversely affect our business, financial condition and results of operations.

We operate in a competitive market. If we are unable to compete effectively, our results of operations and financial conditions may be materially and adversely affected.

We operate in the highly competitive global optical interconnect industry, where rapid technological evolution, frequent product upgrades and cyclical market dynamics create intense competition among market participants. According to CIC, the global optical interconnects market is expected to grow from US\$24.8 billion in 2025 to US\$111.0 billion in 2030 at a CAGR of 31.6% from 2026 to 2030, primarily driven by the surging demand from datacom, which comprises of data centers and cloud networks. We were the largest optical interconnects solution provider globally in terms of relevant revenue in 2025, with a market

RISK FACTORS

share of 21.2%. See “Industry Overview — Competitive Landscape of the Optical Interconnects Industry” for more details. Our products are deployed across datacom, telecom and emerging AI infrastructure markets. These sectors are characterized by fast-changing technology standards, short product life cycles, continuous price pressure and growing participation from both established multinational companies and new market entrants. The average selling price of lower-speed products may decline over time. Competition in our industry primarily revolves around technological capability, product performance, time-to-market, reliability, customer relationships, and cost efficiency. To remain competitive, we must continue to deliver innovative products that meet customers’ evolving performance, bandwidth and energy-efficiency requirements while maintaining cost competitiveness. If we fail to keep pace with technological advances or to develop next-generation optical transceivers in a timely and cost-efficient manner, our market position could be weakened.

We face competition from major optical transceiver providers. In addition, emerging players specializing in silicon photonics and co-packaged optics are intensifying competition in next-generation product categories. We also risk competition from new market entrants, some of whom may not come from the traditional optical interconnect industries but may leverage advancements in adjacent fields such as integrated photonics or AI hardware interconnect. Such competitors, which may be larger or better funded, could have greater access to financial, technical and human resources, and may therefore be able to develop and commercialize competitive products more effectively than we can. The industry has also experienced consolidation among global customers, particularly hyperscale cloud service providers and telecom operators, which may further increase their bargaining power and reduce overall supplier margins. Price competition and shifting procurement preferences could lead to revenue fluctuations, margin compression or loss of major customer projects.

There is no assurance that we will continue to compete effectively. Any inability to maintain our technological leadership, expand our customer base or respond to pricing and product challenges could materially and adversely affect our business, results of operations and financial conditions.

Maintaining long-term relationships with our major customers is essential to our continued success, and any disruption or loss of such relationships could adversely affect our results of operations and financial conditions.

Our success depends significantly on our ability to maintain long-term, stable relationships with our major customers, many of whom are leading global technology companies, including cloud service providers, AI computing solution providers and others. These customers typically have substantial purchasing power, stringent technical requirements and long product qualification cycles. We have established long-term partnerships with a number of such customers and these relationships are built upon years of collaboration and proven delivery performance.

However, there is no assurance that we will be able to maintain these relationships at the current level or on similar commercial terms. Our major customers generally do not enter into long-term purchase commitments and may adjust their order volumes, modify product specifications, or delay project schedules at any time due to changes in their internal procurement strategies, business cycles or market conditions. Customers continually adjust production plans in response to evolving technological standards and demand for end applications such as AI infrastructure and high-speed data centers.

RISK FACTORS

The ability to acquire new customers and preserve long-standing relationships with existing ones is crucial to maintaining our market position and driving future expansion. Customers' procurement decisions are influenced by multiple factors, including product performance, quality consistency, pricing competitiveness, delivery reliability, technical compatibility and post-sale support. Failure to meet their evolving technical or cost expectations, or to respond swiftly to customized requirements, could result in the loss of existing business opportunities or new design-in projects.

Any significant reduction in demand, adjustment in purchasing behavior, or termination of business by a major customer could adversely affect our order flow, production planning and business prospects. Furthermore, failure to sustain close collaboration with our major customers or to meet their expectations in terms of technological innovation, delivery capability and product reliability could weaken customer confidence and adversely affect our business, financial conditions and results of operations.

We are subject to the risk of customer concentration, and our revenue could be adversely affected if we lose or are prevented from selling to any of our major customers.

We derive a substantial portion of our revenue from a limited number of major customers. In 2023, 2024, 2025 and the three months ended March 31, 2026, the aggregated revenue generated from our five largest customers in each year/period of the Track Record Period were RMB8,038.6 million, RMB18,409.9 million, RMB29,055.6 million and RMB15,956.7 million, representing 75.0%, 77.2%, 76.0% and 81.9% of our revenue, respectively. See “Business — Our Customers” for more details. We expect to continue to experience significant revenue concentration going forward.

Our customers' demand for our products may fluctuate due to factors beyond our control, including changes in their business strategies, capital expenditure budgets and end-market conditions. As markets and customer strategies evolve, we could experience fluctuations in our customer base or the mix of revenue contributed by each customer. In addition, any consolidation among major cloud service providers and AI computing solution providers could reduce the number of potential customers to whom our products may be sold or diminish overall demand in our target markets. Moreover, our procurement arrangements with customers typically do not obligate them to purchase our products in any specific quantity or over a defined term. Accordingly, there remains a risk that any loss of sales from our current major customers could adversely affect our revenue. In the future, these customers may decide to purchase fewer products than they did in the past, delay or cancel orders, adjust product specifications, or alter their procurement patterns in other ways, depending on their internal planning and market developments. Such changes could adversely affect our business, results of operations, financial performance and prospects.

Any slowdown in data-center expansion or AI infrastructure investment could directly impact demand for our optical transceivers. See “— Any slowdown in the growth of the end markets that adopt our products could adversely affect our business, financial condition and results of operations” for more details. The loss of, or restrictions on our ability to sell to, one or more of our major customers, or any significant reduction in orders from them, could have a material adverse effect on our operating results and financial condition.

RISK FACTORS

Any product defects or quality inconsistencies may materially and adversely impact our business and reputation.

Our products are technologically complex and must meet stringent performance, reliability and safety standards required by our customers. Due to the precision and complexity involved in product design, manufacturing, assembly and testing, our products may in the future experience defects, failures, or unsatisfactory performance resulting from issues in design, fabrication, materials, assembling, or application in end-use environments. Such defects or quality inconsistencies in our products could lead to malfunctions or failures that may cause system downtime for our customers. These issues may be particularly critical for high-speed optical transceivers used in data centers and telecom networks, where performance stability and low latency are essential. Product defects or deviations from specifications could also result in delayed customer acceptance, loss of qualification for next-generation projects, or damage to our customer relationships and brand reputation. These risks may increase as we expand into new product generations, adopt new technologies, and engage with customers for customized products, where technological complexity is higher.

Certain quality issues or defects may not be detected until after our products have been delivered or deployed in the field, sometimes even after extended use. In such cases, we may be required to provide product replacements, reimburse customers for repair or reinstallation costs, or assume indemnification obligations. We could also incur significant expenses to investigate and remedy the underlying issues, implement design corrections, or strengthen quality assurance processes. Furthermore, if any defects or failures were to result in customer complaints, product recalls, we could suffer harm to our market reputation, customer trust and competitive standing.

We maintain a comprehensive quality management and reliability control system across our global production facilities. See “Business — Quality Control” for more details. However, we cannot fully eliminate the risk of product defects or quality deviations. Any material defects, failures, or recurring inconsistencies in product quality could lead to loss of design wins, customer claims, regulatory penalties or damage to our brand reputation, which could materially and adversely affect our business, results of operations and financial conditions.

Disruptions or cost fluctuations in the supply of raw materials may adversely affect our production, product delivery and financial performance.

We are dependent on the stable and timely supply of raw materials for the manufacturing of our products. Our cost of raw materials accounted for 81.8%, 85.7%, 86.8%, 83.2% and 87.5% of our total cost of revenue in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. Given the relatively high percentage of cost of raw materials in our total cost of revenue, price fluctuations may affect our gross margin. Any disruption or volatility in the supply or pricing of these materials could adversely affect our production schedules, delivery performance and financial results. Our operations and those of our suppliers may be affected by a wide range of external factors beyond our control, including geopolitical uncertainties, trade restrictions, export control measures, natural disasters such as earthquakes, floods and fires, labor strikes, pandemics, power shortages, logistics disruptions, or fluctuations in global demand. A significant disruption in the supply chain, whether affecting manufacturing, transportation or procurement, could delay our production, interrupt customer deliveries or hinder the implementation of our research and development and commercialization plans. If such disruptions are not remedied in a timely manner, they could lead to loss of customer orders, breach of delivery obligations, or reputational harm, any of which could materially and adversely affect our business and financial performance.

RISK FACTORS

The optical interconnect supply chains are highly interdependent and have in the past experienced capacity constraints and shortages in raw materials. If our suppliers are unable to meet our demand or allocate sufficient production capacity to us, we may not be able to secure alternative sources within the required timeframe or at commercially reasonable prices. Large swings in customer demand, particularly for high-speed optical transceivers used in data centers, could further strain upstream manufacturing capacity and result in delays or cost increases. Furthermore, fluctuations in the prices of raw materials, driven by factors such as supply-demand imbalance, energy costs, or speculative trading, may increase our production costs and compress our profit margins. In particular, volatility in the prices and availability of certain critical raw materials can have a significant impact on our gross profit. We may not always be able to pass increased costs to customers through price adjustments in a timely or full manner, especially under long-term supply agreements or in periods of market competition.

In addition, certain critical raw materials used in our products are supplied by a limited number of vendors, and qualifying new suppliers typically requires extensive testing and validation procedures to ensure product reliability and compliance with customer requirements. Consequently, it may not be feasible to find alternative suppliers quickly, cost-effectively, or at all, in the event of supply interruptions. Any prolonged shortage of, or delay in sourcing, raw materials could disrupt our production and delivery schedules, result in delayed fulfillment of customer orders, or adversely affect customer confidence.

We rely on a number of major suppliers, and any disruption in supply or deterioration in supplier relationships could adversely affect our business and results of operations.

We source certain raw materials from a limited number of major suppliers. In 2023, 2024, 2025 and the three months ended March 31, 2026, purchases from our five largest suppliers in each year/period of the Track Record Period accounted for approximately 52.0%, 53.6%, 51.5% and 52.4% of our total purchase amount, respectively, while purchases from our single largest supplier represented 32.4%, 37.7%, 35.8% and 38.3% of our total purchase amount for the same respective periods, respectively. Accordingly, any disruption in our cooperation with major suppliers or any deterioration in supplier relationships could have a material adverse impact on our operations and financial performance.

Our relationships with major suppliers are built on long-term cooperation, mutual trust and established qualification processes. However, there can be no assurance that these suppliers will continue to provide raw materials on terms and conditions acceptable to us. Suppliers may adjust their commercial priorities, tighten payment terms, or allocate limited capacity to other customers based on their own business considerations. They may also increase prices or alter supply terms in response to market changes or shifts in their cost structures. In addition, as our procurement scale expands, the bargaining dynamics between us and certain major suppliers may evolve, and we may face greater pricing pressure or less favorable contractual terms. If any of our major suppliers experiences financial distress, operational disruptions, changes in ownership, or management restructuring, our supply arrangements could be suspended or terminated. Replacing or qualifying new suppliers often requires lengthy evaluation and testing procedures, as well as additional investment in time and resources to ensure product quality and compliance with customer specifications. In certain cases, the transition to alternative suppliers may also involve modifications to our product design or production process, which could delay project timelines and increase costs. Furthermore, a deterioration of supplier relationships, disputes regarding pricing, quality, or delivery terms, or failure to reach timely renewals of supply agreements could adversely affect our ability to procure materials at competitive terms. Any material interruption in supply or termination of cooperation with one or more major suppliers could therefore adversely affect our production continuity, delivery commitments and profitability.

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As we continue to grow, we may not be able to effectively manage our growth and expand our operations, which could negatively impact our operation performance, results of operations and financial conditions.

We have experienced rapid growth in recent years in terms of business scale, product portfolio and global operations. As we continue to expand our manufacturing capacity, strengthen our R&D capabilities and grow our customer base across multiple geographic markets, we are subject to increasing demands on our management, operational and financial resources. Managing this growth effectively will require continuous improvement in our organizational structure, internal processes and control systems. If we fail to coordinate and manage our expanding operations, our operating efficiency and profitability could be adversely affected.

We may face challenges in scaling our production capacity and operational systems to support sustained growth in demand for our products. As we establish and expand new manufacturing bases overseas, we may encounter difficulties in recruiting and retaining qualified management, engineering and production personnel. Competition for skilled employees in our industry is intense, and we may need to continue offering competitive compensation packages to attract and retain top talent, which could increase our operating costs. On the other hand, excessive hiring or compensation commitments could lead to overcapacity, inefficiency, or cost pressure. Rapid expansion may also strain our operational and financial infrastructure. As we scale up production and R&D activities, we expect to incur significant capital expenditures in new equipment, manufacturing facilities and laboratories. Our operating costs, including labor, utilities, logistics and raw material procurement, have grown alongside our expansion, and are expected to continue increasing in the foreseeable future. If our expenses grow faster than our revenue, or if we fail to achieve the necessary economies of scale, our margins and profitability could be negatively affected.

Sustaining growth also requires maintaining product quality, reliability and delivery performance while simultaneously introducing new technologies and products. As production volume and customer diversity increase, we may face higher complexity in quality management, supply chain coordination and project execution. Any failure to maintain consistent quality standards, respond promptly to customer demands, or manage production schedules efficiently could harm our customer relationships and brand reputation.

Moreover, managing a larger and more complex organization requires continuous enhancement of our internal management, financial, legal and compliance systems. We must effectively integrate new functions, subsidiaries and overseas teams into a unified operational framework. Failure to implement effective controls, reporting mechanisms or management oversight across different geographies could expose us to operational inefficiencies, delays in decision-making or compliance risks. If we fail to effectively manage our growth, maintain operational efficiency or control our costs as our business expands, we may not be able to achieve our strategic objectives or sustain our profitability. Any such failure could negatively impact our operational performance, results of operations and financial conditions.

We are exposed to regulatory, operational and other risks associated with our global operations.

We operate our business globally, with manufacturing facilities, sales, service and R&D centers across the world. During the Track Record Period, revenues from countries and regions outside the Chinese Mainland accounted for a majority of our total revenue. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, revenues from other countries and regions were RMB9,073.3 million, RMB20,715.7 million, RMB34,636.5 million, RMB5,901.4

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million and RMB18,765.6 million, respectively, representing approximately 84.7%, 86.8%, 90.6%, 88.4% and 96.3% of our total revenue in the corresponding periods. With our expanding international footprint, we are exposed to a broad range of risks associated with operating across multiple jurisdictions, including but not limited to:

- We may face difficulties in coordinating production across our global manufacturing bases, managing logistics and supply chains, or maintaining consistent quality standards across different facilities. Expanding and managing international operations also require us to attract, train and retain qualified management, technical and operational personnel in each region.
- Our revenue and profitability may fluctuate due to changes in global macroeconomic conditions, exchange rate volatility, intensified competition, and variations in customer procurement strategies in major markets such as North America and Asia-Pacific regions. These factors could result in lower sales volume or reduced margins in certain periods.
- As we expand into new international markets, we may encounter challenges in commercializing our products in regions where we have limited experience with local market dynamics, customer preferences, or sales and marketing infrastructure. Failure to effectively localize our operations could slow our international expansion.
- We are subject to a wide range of local laws and regulations in each jurisdiction where we operate, including export control and customs regulations, data protection and cybersecurity requirements, labor laws, and environmental standards. Regulatory changes, divergent legal interpretations or delays in obtaining permits and licenses may disrupt our operations or increase our compliance costs.
- The interpretation and application of existing and new local laws, regulations and policies in each jurisdiction where we operate related to our business and manufacturing activities involve certain uncertainties that could impact our business. We cannot assure you that relevant regulatory authorities will not interpret or implement the laws or regulations in ways that negatively affect us. Such negative effect could, in extreme circumstances, include the revocation of licenses and permits necessary for our continued operations, leading to suspension or termination of our local operations.
- The optical interconnect industries are affected by ongoing trade and geopolitical tensions among major economies. Stricter export controls, sanctions, tariffs or restrictions on advanced technology products may directly or indirectly impact our ability to sell our products or procure raw materials.
- We may face limited protection for our intellectual property rights or encounter difficulties enforcing contractual and legal rights in certain jurisdictions. We may also be subject to claims of intellectual property infringement from third parties in regions with different legal frameworks, resulting in additional costs or potential restrictions on product sales.
- We are exposed to foreign exchange rate fluctuations, differences in tax regimes, and varying accounting and financial reporting standards across jurisdictions. Any significant currency volatility, adverse tax policy developments or changes in accounting treatment could negatively affect our profitability and financial position.

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- Our operations may be affected by changes in political environments, civil unrest, energy shortages, natural disasters, or pandemics in the regions where we operate. Any material adverse event in these areas could disrupt our production, sales, service, logistics or global supply chain.

If we are unable to effectively avoid or mitigate these risks, our ability to expand and sustain business activities and profitability in international markets could be impaired. Furthermore, our operating results are affected by the broader global economic conditions of the industries in which our customers operate. Some of our business segments may be affected by regional economic conditions or market cycles. Global economic conditions vary across regions and may involve substantial volatility. For instance, ongoing geopolitical uncertainties and international trade tensions could result in new or expanded export controls, tariffs, sanctions or other trade restrictions that directly impact the optical transceiver and semiconductor industries. The scope and duration of such measures, and their effects on global trade flows, remain uncertain. Any escalation of trade barriers or restrictions could adversely affect our ability to serve customers in certain markets, delay shipments, or increase operating costs.

In addition, global economic slowdowns, fluctuations in capital expenditure by major customers, or other unfavorable market conditions in regions where we operate could reduce demand for our products and lead to lower revenue and profitability. With our international presence, we are also subject to constantly changing global economic, political and regulatory conditions. Any deterioration in trade relations, introduction of new restrictions on cross-border transactions, or unfavorable shifts in diplomatic and policy environments could materially and adversely affect our business, results of operations and prospects.

We may be subject to risks associated with international trade policies, tariffs, geopolitical developments and trade protection measures, particularly those imposed by the United States, which may adversely affect our reputation, business, results of operations and financial condition.

Our operations have been and may continue to be negatively affected by deterioration in the political and economic relations among countries, sanctions and export controls administered by the government authorities in countries with which our operations are connected, and other geopolitical challenges, including increased tariffs, taxes, and other costs and political instability. Jurisdictions such as the United States have adopted and may further adopt restrictive measures, policies, laws and regulations that directly or indirectly affect China-based technology companies.

In recent years, the United States government has imposed tighter export control restrictions and taken various actions that directly or indirectly affect China-based technology companies. In October 2022, the BIS issued an interim final rule (the “**BIS October 2022 IFR**”) to limit China’s access to advanced computing integrated circuits, supercomputers, and advanced semiconductor manufacturing. In October 2023, the BIS released another interim final rule (the “**BIS October 2023 IFR**”) that updated and expanded the restrictions from the BIS October 2022 IFR (together with the BIS’s April 2024 interim final rule, the “**BIS 2022/23 IFRs**”). Among other measures, the BIS 2022/23 IFRs, imposed new or expanded license requirements for items subject to the U.S. Export Administration Regulations (“**EAR**”) intended for use in developing or producing supercomputers, advanced node integrated circuits, and advanced semiconductor manufacturing equipment in certain jurisdictions, including China. Most recently, in December 2024, the BIS issued an interim final rule (the “**BIS December 2024 IFR**”) to further limit China’s access to advanced computing integrated circuits and advanced semiconductor manufacturing equipment.

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In addition to the restrictions introduced above, the BIS also maintains lists of individuals and entities subject to enhanced export control restrictions. One such list, the Entity List, includes foreign persons on whom specific trade restrictions are imposed, such as businesses, research institutions, government and private organizations, individuals, and other legal entities. Under the EAR, the export, re-export and/or transfer (in-country) of items subject to the EAR to a listed person generally requires a U.S. export license unless otherwise authorized. In recent years, the U.S. has added an increasing number of entities, including several hundreds in China, to the Entity List and other restricted or prohibited parties' lists. Due to the unpredictable nature of these decisions, it is challenging to foresee developments in this area. The U.S. has recently strengthened export control and economic sanctions on China, including adding certain PRC entities or individuals onto Entity List and other sanctions lists that limit their access to certain U.S.-origin goods, software, and technologies, items that contain certain portions of U.S.-origin goods, software or technologies, and foreign direct products of certain U.S.-origin software, technologies or equipment.

Further, the U.S.-China trade tensions have led to the introduction of high tariffs on a host of goods trading between the two countries, including high-technology goods, semiconductors, and electronics. The trade tensions between the two countries have been rising, and there is a possibility that the extent and scale of trade restrictions between the two countries could escalate if the U.S. and China fail to reach any comprehensive agreement to resolve the issues. We cannot predict the implications of the ongoing U.S.-China trade tensions and the resulting impact on our industry and the global economy.

With respect to the U.S. tariffs applicable to the Group, as confirmed by our legal adviser on U.S. tariffs, as of the Latest Practicable Date, the Group's shipments of products originated from the Chinese Mainland to the United States are subject to (1) an additional 7.5% Section 301 tariff and 10% "Fentanyl Tariff" as of February 24, 2026; and (2) only an additional 7.5% Section 301 tariff from February 25, 2026 and onwards, in addition to other tariffs, as applicable such as the most favored nation (MFN) rate. For typical optical transceiver products, the applicable MFN rate is generally 0%. Accordingly, during the Track Record Period and as of the Latest Practicable Date, the total applicable U.S. tariff rate on such products would generally be 17.5% as of February 24, 2026, comprising the additional 7.5% Section 301 tariff and 10% "Fentanyl Tariff," and 7.5% Section 301 tariff only from February 25, 2026 and onwards, subject to confirmation of the applicable HTSUS classification and any other applicable duties, fees, exclusions, adjustments or trade remedy measures. The Group's shipments of same products originated from the Company's other non-Chinese Mainland facilities to the United States are not subject to any additional Section 301 Tariffs or "Fentanyl Tariffs."

Nevertheless, there remains uncertainty as to how U.S.-China trade and technology tensions, as well as global export control and sanctions policies, may evolve. Future restrictions or broader sanctions imposed by the United States or other jurisdictions could affect our ability to obtain certain foreign technologies, systems, devices, or raw materials relevant to our business, or restrict our customers' or suppliers' ability to source from or sell to us. In addition, although U.S. customs authorities have not, as of the Latest Practicable Date, challenged the applicability of the existing tariff treatment for products exported from jurisdictions outside the Chinese Mainland and classified by us as originating in Thailand or the Taiwan region, we cannot predict whether such treatment may be scrutinized or challenged in the future. Any such future regulatory developments could adversely affect our business operations, supply chain arrangements, and investor sentiment. We cannot assure you that future legislative, regulatory, or policy changes in the United States or other jurisdictions will not impose new or expanded restrictions. Nor can we predict the evolution of trade tensions or the potential impact of such measures on our industry and markets.

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U.S. outbound investment regulations could have a negative impact on our ability to access capital in the future.

On October 28, 2024, the U.S. Department of the Treasury (“**Treasury**”) issued a final rule (the “**Final Rule**”) setting forth the regulations (the “**OIP regulations**”) that implement an Outbound Investment Program outlined in U.S. President Biden’s Executive Order 14105 of August 9, 2023, “Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern” (such program as in effect on the date hereof pursuant to the Final Rule, the “**OIP**”). The Final Rule took effect on January 2, 2025. See “Regulatory Overview — Regulations relating to U.S. Tariffs, Export Controls and the Final Rule — U.S. Regulations on Outbound Investments” for a further discussion of the Final Rule.

Following discussions with our legal adviser on OIP matters, the Company and each of the other members of the Group are “Persons of a Country of Concern” for purposes of the OIP regulations because (i) the Company’s headquarters is in China, which is a “Country of Concern” designated in Executive Order 14105 and (ii) the Company directly or indirectly holds at least 50 percent of the equity interests of the other members of the Group. Under the OIP regulations, a “Person of a Country of Concern” (as defined in 31 C.F.R. § 850.221) is a “Covered Foreign Person” if it engages in “Covered Activities” (as defined in 31 C.F.R. § 850.208) or directly or indirectly holds a board seat on, a voting or equity interest in, or any contractual power to direct or cause the direction of the management or policies of, and derives or incurs, individually or as aggregated across all such entities, more than 50% of its revenue, net income, capital expenditure, or operating expenses (the “**Financial Metrics**”) from, entities that are “Persons of a Country of Concern” engaged in “Covered Activities.”

As of the Latest Practicable Date and as advised by our legal advisor on OIP matters based on the information that we have provided to our legal advisor on OIP matters, because the Company is a leading global provider of optical interconnect solutions, with optical transceivers as its principal products, the Company does not engage in the activities relating to semiconductors and microelectronics, quantum information technologies, and artificial intelligence that are defined as “Covered Activities” in the OIP regulations. Moreover, the Company does not derive or incur more than 50% of any of its Financial Metrics, whether individually or in the aggregate, from entities engaged in “Covered Activities” under the OIP regulations. Therefore, the Company itself should not be considered a “Covered Foreign Person” under the OIP regulations.

Under the OIP, the determination of whether a U.S. person’s purchase of any company’s securities would be notifiable or prohibited under the OIP is based on the “knowledge” (as defined in the OIP) of the U.S. person at the time of the investment. Under the OIP, Treasury has defined “knowledge” for purposes of determining a U.S. person’s compliance with the OIP to include the facts and circumstances that the U.S. person, at the time of the transaction, actually knew, had an awareness of a high probability of their existence, or had reason to know because they comprise information that the U.S. person could have had through a reasonable and diligent inquiry. The relevant factors are not limited to information about the activities of the Company. See 31 C.F.R. §§ 850.104 and 850.216.

Nonetheless, even if the Company were considered a “Covered Foreign Person” under the OIP regulations, the OIP regulations include an exception applicable to certain U.S. person investments in a “publicly traded security” that is traded on a national stock exchange or the over-the-counter markets (with “security” as defined in section 3(a)(10) of the Securities Exchange Act of 1934, as amended, at 15 U.S.C. 78c(a)(10)), provided such U.S. persons are not afforded rights beyond standard minority shareholder protections with respect to the issuer.

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Treasury also issued a related Frequently Asked Question response, dated December 23, 2025 that states: “Absent additional facts, when a U.S. person acquires an equity interest in a covered foreign person, and at the time of such acquisition the equity interest is publicly traded, such security falls under the description of a ‘publicly traded security’ in section 850.501(a)(1)(i) [of the OIP], regardless of when an agreement is entered into.” Accordingly, even if the Company were considered a “Covered Foreign Person” under the OIP regulations, as advised by our legal advisor on OIP matters, purchases of the Company’s shares in the Global Offering by U.S. persons who are able to confirm the applicability of the OIP publicly traded security exception to such purchases generally should not be prohibited, or require the submission of a notification to Treasury, under the OIP.

Investors, including those that are U.S. persons or are subsidiaries of U.S. persons, should consult their legal counsel regarding the applicability of the OIP’s publicly traded security exception, notification obligations, and prohibitions to them, if any, and the procedures for filing any such notifications. No publicly available precedent exists for the application of the OIP regulations by Treasury or any court or other regulatory, judicial, or other legal authority to specific transactions. In addition, the OIP may be changed by executive or legislative actions of the U.S. government, including changes to the scope of activities and technologies applicable to notifiable or prohibited transactions or the scope and availability of exceptions to the OIP’s prohibitions or notification requirements. For example, during the course of 2025:

- i. U.S. President Trump directed U.S. government agencies to review the OIP to determine if it includes “sufficient controls to address national security threats” and whether the executive order pursuant to which the OIP was established “should be modified or rescinded and replaced.”
- ii. U.S. President Trump directed U.S. government agencies to consider possible application of the OIP to a wider range of technology sectors, including biotechnology, hypersonics, aerospace, advanced manufacturing, directed energy, and other areas “implicated by the PRC’s national Military-Civil Fusion strategy” and to a wider range of investments, including “publicly traded securities.”
- iii. U.S. government agencies reported to U.S. President Trump that they plan to evaluate whether the scope of outbound investment restrictions should be expanded “to be responsive to developments in technology and the strategies of countries of concern.”
- iv. U.S. President Trump signed into law the Comprehensive Outbound Investment National Security Act of 2025, which requires Treasury to propose certain revisions to the OIP by March 13, 2027.

Executive or legislative actions of the U.S. government that are related to U.S. outbound investments could potentially limit or even eliminate our ability to raise capital or contingent equity capital (such as convertible bonds) from U.S. investors in the future, which could be detrimental to our capital-raising capacity and our business, financial condition, and prospects. Therefore, no assurance can be given as to the applicability of the OIP regulations to the Company, the other members of the Group, or to U.S. persons who acquire the Company’s shares.

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Our inclusion on the CMC List may subject us to increased scrutiny and potential further government actions, which could adversely affect our business, financial condition and results of operations.

Pursuant to Section 1260H of the National Defense Authorization Act for Fiscal Year 2021, the U.S. Department of Defense, which may be referred to as “the Department of War” pursuant to Executive Order 14347 effective upon its execution on September 5, 2025 (the “DoW”), has published a list identifying certain Chinese companies as “Chinese military companies” (“CMCs”) that are “engaged in providing commercial services, manufacturing, producing, or exporting, and operate directly or indirectly in the United States” (the “CMC List”). According to the applicable laws, DoW may not procure goods or services produced or developed by entities on the list directly from June 30, 2026 or indirectly through third parties from June 30, 2027, with certain exceptions. Since the CMC List was first published, a growing number of prominent Chinese companies have been added to such list.

We noted that the DoW included our Company on the CMC List on June 8, 2026. We believe that there is no factual or legal basis for our inclusion on the CMC List. Our products are designed for, and integrated into, commercial technologies used in civil industry applications, and are not developed as bespoke military products. We have not engaged in any military-related businesses or activities and, as of the Latest Practicable Date, had no direct sales to or direct procurement contracts with the DoW, the primary U.S. government department whose procurement activities are affected by the CMC List. Further, to the best of our knowledge and as of the Latest Practicable Date, we are not aware of any indirect sales to or indirect procurement arrangements with the DoW. As advised by our export control and sanctions counsel, the CMC List is not a sanctions list and does not, in itself, restrict us from conducting business with U.S. customers absent other applicable restrictions, nor does it, in itself, restrict transacting in our securities. However, the inclusion of the Company on the CMC List may cause certain customers to take a more cautious approach in their future dealings with us, including in their assessment of potential regulatory and compliance risks.

The scope, interpretation and implementation of the applicable DoW procurement limitations may remain subject to further guidance, clarification or changes. We may, where appropriate, engage with relevant authorities, initiate procedures or proceedings to seek removal from the CMC List. We cannot assure you that such efforts will be successful or that relevant government authorities will not take further actions. If further actions are taken, or if there are material changes in applicable laws, regulations, enforcement practices or procurement policies, our business, financial condition, results of operations and prospects may be adversely affected.

Restrictions on the recognition of testing laboratories in China and Hong Kong by U.S. regulatory authorities may adversely affect our product certification process, market access and commercial relationships

In April 2026, the U.S. Federal Communications Commission advanced a proposal to restrict or phase out the recognition of testing laboratories in China and Hong Kong for the purposes of certifying certain electronic devices for the U.S. market, which, if implemented, may lead to longer certification cycles, higher compliance costs and potential bottlenecks in product approvals. Given that a significant portion of global electronics testing capacity has historically been concentrated in China, such measures may have practical implications for product launch timelines and supply chain efficiency. In practice, regulatory developments of this kind may also trigger heightened customer diligence, delayed market access, and broader over-compliance behavior among commercial counterparties.

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We derive a material portion of our revenue from customers in the United States and are exposed to risks relating to our business operations and customer base in the United States.

During the Track Record Period, we derived a material portion of our revenue from customers located in the United States, representing approximately 75.9%, 60.5%, 57.3%, 59.8% and 61.7% of our total revenue in 2023, 2024, 2025, and the three months ended March 31, 2025 and 2026, respectively. Accordingly, our business, financial condition and results of operations are susceptible to changes in economic, political, legal, regulatory and market conditions in the United States, as well as changes in the purchasing patterns, demand, financial condition and business strategies of our customers in the United States.

Any deterioration in the U.S. macroeconomic environment, decline in end-customer demand, loss of or reduction in orders from U.S. customers, changes in U.S. trade policies, tariffs, sanctions, export controls, import/customs requirements, data privacy, product liability, consumer protection or other applicable U.S. laws and regulations, or heightened tensions between China and the United States, may increase our compliance costs, reduce our competitiveness, affect our pricing and margins, restrict our ability to sell products or provide services in the U.S. market, or cause our U.S. customers to reduce, defer or cancel orders or seek alternative suppliers. We may not be able to pass any additional costs to our customers, identify replacement customers or diversify our revenue base in a timely manner or at all. If any of the foregoing occurs, our business, financial condition and results of operations could be materially and adversely affected.

Our ability to maintain and expand production capacity to meet customer demand is essential to sustaining our market competitiveness and supporting our future growth.

We operate multiple manufacturing facilities globally, and any delay, disruption or quality control issue in these facilities could adversely affect our sales, competitive position, reputation and customer relationships. We may experience challenges in maintaining stable manufacturing yields due to factors such as process complexity, introduction of new product lines, capacity expansion, changes in customer specifications, and the ramp-up of next-generation optical transceivers and optical components. In particular, our manufacturing yields and efficiency depend on the stability and manufacturability of product designs, the consistency and quality of raw materials, and the degree of customization requested by our customers. Capacity constraints, shortages of raw materials, fluctuations in supplier performance, or disruptions in global logistics may also adversely affect our ability to meet customers' shipment schedules and delivery expectations.

Any significant delay in production or deviation from customer shipment timelines could lead to lower gross margins, reduced profitability and potential loss of customer confidence. In addition, an increase in the rate of product rework or rejection during quality inspection, either before or after delivery, would result in higher manufacturing costs and lower production efficiency. As our products become increasingly sophisticated, we may encounter new technical and manufacturing challenges that require complex processes and specialized equipment. There can be no assurance that such challenges can be resolved in a timely or cost-efficient manner, or without adverse impact on yields and delivery schedules.

Furthermore, our manufacturing operations could be affected by external factors beyond our control, including power or equipment failures, labor shortages, natural disasters, public health emergencies, or geopolitical disruptions. Damage to, or loss of, any of our key production facilities could severely disrupt our manufacturing operations and customer delivery capability. Although we have implemented a global manufacturing network and business continuity plans, any prolonged disruption or inefficiency in our production system could materially and adversely affect our business, results of operations and financial conditions.

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If we fail to recruit, retain and motivate key management members and highly skilled personnel, or maintain our corporate culture as we grow, we could lose the innovation, collaboration and focus that contribute to our business.

Our sustained growth and technological leadership depend heavily on our ability to attract, develop, retain and motivate key management members and highly skilled engineers, particularly those with deep expertise in optical transceiver design, optical component integration and high-speed signal processing. The optical interconnect industries are characterized by high technical complexity, rapid innovation cycles and intense competition for engineering talent. Experienced engineers and managers with specialized domain knowledge are in short supply globally, and the loss of any of our key personnel could disrupt our operations, delay product development or weaken our customer relationships.

Competition for qualified professionals has intensified, especially as technology companies and emerging AI and semiconductor enterprises continue to expand their R&D capabilities worldwide. To attract and retain top talent, we must offer competitive compensation and career development opportunities. Rising labor costs and talent mobility in Chinese Mainland and other markets where we operate may increase our operating expenses and affect profitability. Moreover, volatility in capital markets could reduce the perceived value of our equity-based incentives, diminishing their effectiveness as retention tools.

Our business also depends on the continued leadership and strategic vision of our senior management team, whose experience and industry relationships are critical to our success. If we fail to ensure effective succession planning, smooth transitions in key roles our decision-making efficiency and long-term development may be adversely affected. As we continue to grow, we must maintain an organizational culture that promotes innovation, collaboration and accountability. Rapid expansion, globalization and workforce diversification may make it more challenging to preserve the entrepreneurial mindset and execution discipline that have been integral to our success. Any failure to attract, retain or motivate key personnel, or to maintain our corporate culture, could weaken our competitiveness and adversely affect our business, results of operations and financial conditions.

Any disruption to our manufacturing facilities could materially and adversely affect our business and results of operations.

As of the Latest Practicable Date, we operated manufacturing facilities across the world, which are essential to maintaining our production efficiency, product quality and timely delivery to customers. Our manufacturing operations may be affected by a range of factors, including natural disasters such as fires, floods, earthquakes or typhoons, as well as power outages, water shortages, pandemics, labor disputes, supply interruptions or changes in governmental policies relating to land use or industrial zoning. Given that our production process requires stable power supply and the use of precision equipment, any interruption in electricity or utilities could result in material production losses, delays in customer shipments and potential damage to our manufacturing assets. Moreover, our production involves the use of certain hazardous materials, special gases and chemicals, which pose inherent operational safety and environmental risks. We cannot guarantee that accidents such as equipment malfunctions, gas leaks, fires or explosions will not occur. Any such incident could result in personal injury, property damage, suspension of operations, regulatory penalties or reputational harm.

We are also in the process of expanding our manufacturing capacity and optimizing global production layout to meet the growing demand from AI infrastructure and optical interconnect markets. During this expansion, we may encounter delays in facility construction, qualification and ramp-up, or disruptions due to technical or regulatory challenges. Furthermore, our

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overseas production bases are exposed to additional uncertainties, such as geopolitical tensions, cross-border logistics constraints and changes in local industrial or tax policies. Any material damage to, or prolonged suspension of, our manufacturing facilities could disrupt our supply to customers, increase costs, and adversely affect our reputation and relationships with major customers. Consequently, any major disruption to our production facilities could materially and adversely affect our business, results of operations and financial conditions.

Negative publicity and allegations involving us, our affiliates, Directors, officers, employees or business partners may adversely affect our reputation and, as a result, our business, financial condition and results of operations.

As an optical interconnect company, our reputation and brand image are crucial to maintaining the confidence of our customers, suppliers, business partners, investors and regulators. Negative publicity, whether true or not, regarding us, our subsidiaries or affiliates, our Directors, officers, employees, major shareholders, customers or business partners could materially and adversely affect our corporate image, undermine stakeholder trust and disrupt our business relationships. We are subject to close public and media attention, especially given our collaborations with global cloud service providers, telecom operators and other high-profile industry participants. Allegations relating to product quality, workplace safety, data security, compliance, business practices, management conduct or corporate governance could quickly spread through traditional and social media, regardless of their veracity. The prevalence of online information and the speed of dissemination make it difficult to prevent or effectively manage negative reports once they emerge.

We cannot assure you that future incidents will not occur or that we will be able to mitigate their impact in a timely or effective manner. Any adverse publicity or rumor, even if baseless, could lead to increased scrutiny from customers, suppliers, regulators or investors, cause the loss of existing or potential business opportunities, or harm our ability to attract and retain key employees. In addition, responding to and managing such allegations or rumors may require significant management attention and financial resources, including public relations efforts and legal expenses, which could divert management focus from day-to-day operations.

Higher labor costs and inflation may adversely affect our results of operations, financial conditions and business prospects.

Our operations depend on a large and skilled workforce across multiple production bases with global presence. We rely heavily on engineers, technicians and production workers with experience in optical interconnect and precision manufacturing. As competition for qualified personnel intensifies, we may need to offer more competitive compensation and benefits to attract and retain employees. Our employee benefit expenses were RMB1,118.9 million, RMB1,666.0 million, RMB2,163.5 million, RMB466.5 million and RMB1,004.4 million, and accounted for 10.4%, 7.0%, 5.7%, 7.0% and 5.2% of our total revenue in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. Assuming an annual salary increase of 5%, the resulting change in staff costs as a proportion of revenue is expected to be less than 1.0%. In addition, rising labor costs driven by wage inflation, regulatory changes or tightening labor supply in the manufacturing sector could increase our overall operating expenses and adversely affect our profit margins. In recent years, labor costs in China and other Asian markets have continued to rise due to economic growth, demographic changes and regulatory initiatives such as adjustments to minimum wage standards and enhanced employee welfare programs. Similar trends are also observed in other jurisdictions where we operate, particularly as local governments implement stricter labor protection measures and social insurance requirements. As we expand our global footprint, differences in employment laws and compliance obligations across regions may further increase administrative and labor-related costs.

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In addition, inflationary pressures affecting wages, utilities, and other production-related costs may reduce our cost competitiveness, particularly in a market environment where customers remain price-sensitive. If we are unable to offset these increases through productivity improvements, automation, or higher pricing of our products, our gross margins could decline. Sustained cost inflation may also limit our ability to invest in R&D and capacity expansion, which could constrain our long-term growth and weaken our market position. We are also subject to risks of labor unrest, workforce shortages, or employee turnover, particularly during production ramp-ups or major project delivery periods. Any large-scale strike, labor dispute, or disruption in manufacturing operations could delay shipments and adversely impact customer satisfaction. Addressing such disruptions may require hiring temporary workers or implementing contingency measures, which could further increase costs.

If it is time-consuming or costly to obtain or maintain licenses, permits, certificates and approvals, our business, results of operations and financial conditions may be materially and adversely affected.

Our business operations are subject to extensive regulatory requirements in the jurisdictions where we operate. We are required to obtain, maintain, and renew various licenses, permits, certificates and approvals relating to land use, environmental protection, occupational health and safety, production, product quality and fire safety. These approvals are essential for the legal operation of our manufacturing facilities and the sale of our products in domestic and overseas markets. The process of applying for, renewing, or updating relevant approvals and certifications can be time-consuming and involve substantial administrative and compliance costs. As new regulations are promulgated or existing ones become more stringent, we may be required to obtain additional licenses, permits, or product certifications for our current or new business lines. There is no assurance that we will be able to fulfill all the requirements in a timely or cost-efficient manner, or that the competent authorities will not impose more restrictive conditions. Any delays or failures in securing these approvals could disrupt our production schedules, delay product shipments, or prevent us from launching new products into the market.

Our manufacturing facilities are subject to stringent oversight under local factory operation laws and industrial zoning regulations. These include compliance with fire and environmental safety standards, hazardous materials management, wastewater discharge, and occupational health requirements. Failure to maintain these certifications could lead to disqualification by customers, loss of orders, or reputational damage.

Moreover, as global regulatory frameworks evolve, particularly in relation to environmental protection and workplace safety, we may face increasing compliance costs and operational challenges. Any changes in laws, regulations or their enforcement could require us to modify or relocate production lines, upgrade equipment, or invest in additional environmental and safety facilities. Such developments could increase our capital expenditure and operating expenses. Any loss, suspension or revocation of existing licenses or permits, or the failure to obtain new ones required for business expansion, could materially and adversely affect our production continuity, revenue generation, and overall financial condition.

We may not have sufficient insurance coverage to cover our business risks.

We maintain limited liability insurance coverage for our products and business operations, and such coverage may not fully protect us against all risks associated with the manufacturing, testing, storage and global distribution of our products. See “Business — Insurance.” Certain types of losses, including those arising from product defects, business interruption, equipment malfunction, supply chain disruptions, environmental incidents or

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operational accidents, may be uninsurable, only partially insurable, or not economically feasible to insure. Given the high-value precision equipment deployed at our manufacturing facilities, any unexpected equipment failure, production line incident, natural disaster or hazardous-materials event could result in substantial losses. We cannot assure you that our coverage will be sufficient to compensate for all potential losses or liabilities. Claims that exceed our policy limits, fall outside the scope of coverage, or are subject to significant deductibles may have to be borne directly by us.

As we expand our global footprint, we may also be exposed to risks in overseas jurisdictions where insurance markets vary considerably in terms of coverage availability, exclusions, pricing and claims handling practices. In addition, insurance premiums may increase due to inflation, geopolitical uncertainties, adverse industry-wide claims experience or changes in underwriting standards, which could further increase our operating costs. A significant claim, if not adequately covered, could materially and adversely affect our financial conditions, reputation and results of operations. Even where coverage applies, responding to claims, including conducting internal investigations, dealing with regulators, or defending against legal proceedings, may require substantial management attention and financial resources.

We are subject to evolving and changing regulations of privacy and data protection, which may impact our legal, financial and operational behavior.

We collect, process and store business, operational and transaction-related data in our operations, including information generated from interactions with customers, suppliers and business partners. The secure management of such data is critical to our business, and we have implemented internal policies, technical safeguards and compliance procedures to protect data security and ensure adherence to applicable legal and regulatory requirements. See “Business — Data Privacy and Information Technology Systems” for more details. However, the regulatory landscape governing privacy, cybersecurity and data protection continues to evolve rapidly across the jurisdictions in which we operate. Relevant laws and regulations are becoming increasingly stringent and complex, and their interpretation and enforcement remain uncertain. As these regulatory frameworks develop, we may be required to adjust our internal systems, revise our data management practices, enhance technical safeguards, or modify certain business processes to ensure ongoing compliance. We cannot assure you that our existing measures will always be deemed sufficient or that we will be able to respond to regulatory changes in a timely and cost-effective manner.

Any actual or alleged failure to comply with applicable privacy, cybersecurity or data-protection requirements could expose us to regulatory investigations or other legal liabilities. It may also lead to reputational harm, reduced customer trust or reluctance from existing and potential customers to engage with our products. In addition, evolving legal and regulatory requirements may increase the compliance burden on us and our business partners. We may incur significant costs to upgrade our information systems, implement additional monitoring or control processes, or meet customers’ demands relating to their own compliance obligations. Uncertainties in the regulatory environment may also affect how we design our products and IT architecture, how we handle cross-border data flows, and how we collaborate with suppliers and customers, which in turn may affect demand for our solutions. Should we fail to effectively manage these regulatory changes, or if compliance obligations become overly burdensome or costly, our operations, financial condition and business prospects could be materially and adversely impacted.

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Disruptions and unauthorized access such as cyberattacks to our IT systems or those of third-party service providers could have a material adverse effect on our business operations, results of operations, reputation and financial condition.

We operate complex information technology systems to support our research and development, manufacturing, supply chain management and customer service activities. As our operations expand and the level of digitalization increases, the risk of cyberattacks or other unauthorized access attempts also rises. Malicious actors may seek to compromise our systems for commercial gain, to steal sensitive information or to disrupt our business. We also rely on third-party vendors for certain IT infrastructure, cloud services, data storage and software solutions.

A cybersecurity incident affecting our systems or those of our service providers could result in damage to IT infrastructure, prolonged operational downtime, or loss, alteration or unauthorized disclosure of confidential information. The information at risk includes but not limits to our proprietary designs, technological know-how, production data, customer information and other commercially sensitive materials. Even where backup systems remain functional, the disruption to our operations could still be significant. Such events may expose us to financial and legal consequences. These may include regulatory inquiries, administrative penalties, contractual disputes, customer claims, or litigation alleging inadequate protection of data or failure to safeguard confidential information. Addressing a cybersecurity breach may require substantial internal resources as well as external technical and legal support. We may also incur additional costs to enhance system security, upgrade equipment, or strengthen monitoring mechanisms. Any perceived weakness in our information security may damage our reputation, reduce customer confidence, or hinder our ability to attract new business. If we are required to bear significant costs associated with a cyberattack, or if any such incident disrupts our operations or damages our relationships with customers or business partners, our business operations, financial conditions and results of operations could be materially and adversely affected.

Changes to industry standards and technical requirements relevant to our products and markets could adversely affect our business, results of operations and prospects.

Our products are integral components of larger optical and electronic communication systems. Products incorporated into these systems must comply with various industry standards, technical protocols and interface specifications established by international standard-setting organizations or key industry participants to ensure interoperability, reliability and performance consistency. The optical interconnect industry, particularly the high-speed optical interconnect market, is characterized by continuously evolving standards and technical specifications, such as those set by the Institute of Electrical and Electronics Engineers (“IEEE”), Optical Internetworking Forum (“OIF”) and other global industry consortia. As an active participant in the formulation of such standards, we closely follow developments in next-generation interfaces and transmission protocols, including those relating to 800G, 1.6T and beyond. However, these standards are subject to ongoing evolution and frequent revisions, driven by rapid technological advancements, emerging data center architectures and increasing requirements for higher transmission bandwidth, lower latency and energy efficiency. In addition, large technology companies and hyperscale cloud service providers play a significant role in defining proprietary specifications for their data center ecosystems. Our customers may also establish customized technical requirements specific to their products or infrastructure, which can change as they introduce new or upgraded systems.

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Our future competitiveness depends on our ability to identify, anticipate and comply with evolving industry standards and customer-specific technical requirements in a timely and cost-efficient manner. The emergence of new interface standards or design architectures may render some of our existing products less competitive or incompatible with customers' next-generation systems. As a result, we may be required to invest significant time, engineering resources and capital expenditure to redesign or requalify our products to meet new standards and performance benchmarks. If our products fail to conform to prevailing or emerging industry standards for a prolonged period, we may lose critical design-win opportunities with major customers, experience reduced market share or incur additional research and development costs to modify our product portfolio. Any inability to adapt to such changes in industry standards and technical requirements could materially and adversely affect our business, results of operations and prospects.

Legal defects regarding some of our leased properties may affect our interests in such properties.

As of the Latest Practicable Date, we had not filed our lease agreements for 37 properties leased by our major subsidiaries in the PRC with the local housing administration authorities. According to applicable PRC laws and regulations, the lessor and the lessee to a lease agreement are required to file the lease agreement with relevant government authorities within 30 days after the execution of the lease agreement. While the lack of registration will not affect the validity of the lease agreements, we may be ordered by the relevant government authorities to register the relevant leases within a prescribed period, failing which we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each unregistered lease. As a result, if we fail to complete or timely complete such lease registration upon the housing authorities' request, we may face a total maximum fine up to RMB370,000 assuming a maximum fine of RMB10,000 is imposed on each unregistered lease agreement. As advised by our PRC Legal Advisors, our Directors are of the view that the absence of registrations will not affect the validity of the lease agreements, nor will it materially and adversely affect our business and results of operations.

As of the Latest Practicable Date, we had not obtained real estate ownership certificates or proof of authorizations from the lessors or property owners for certain properties we leased in the PRC. According to applicable PRC laws and regulations, without valid real estate ownership certificates or proof of authorizations from the relevant lessor or property owner, we may not be entitled to use the leased property or may be affected by third parties' claims or challenges against the relevant lease. As advised by our PRC Legal Advisors, our Directors are of the view that such lack of real estate ownership certificates or proof of authorizations in our leased properties will not have a material adverse effect on our major business operations, on the grounds that: (i) such leased properties are mainly used for employee dormitories, are highly replaceable, and we do not have material reliance on them; and (ii) as of the Latest Practicable Date, we have never been forced by any third party to cease using any such properties.

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Failure to fully comply with labor-related laws and regulations may subject us to penalties.

Companies operating in the PRC are required to participate in various employee benefit plans, including social insurance fund and housing provident fund and contribute to the amounts equal to certain percentage of salaries, including bonuses and allowances, of their employees up to a maximum amount specified by the local government from time to time at locations where they operate their business. In addition, the Interpretation (II) of the Supreme People's Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), promulgated on July 31, 2025 and effective from September 1, 2025, provides that any arrangement between an employer and an employee, or any undertaking by an employee, to waive the employer's obligation to pay social insurance contributions will be void.

During the Track Record Period, we had not made social insurance and housing provident fund contributions for some of our employees in full in accordance with the relevant PRC laws and regulations, and a few of our PRC entities engaged third-party human resources agencies to handle social insurance and housing provident fund payments for their employees. The shortfall in social insurance and housing provident fund contributions was primarily attributable to a combination of employee-related and administrative factors. During the Track Record Period and up to the Latest Practicable Date, we had not received any material administrative penalty imposed by the relevant regulatory authorities regarding PRC social insurance and housing provident funds. However, we cannot assure you that any new PRC laws and regulations or any changes in the implementation of the existing PRC laws and regulations will not require us to pay any contribution shortfall or impose late payment penalties and fines on us, thereby adversely affecting our results of operations and financial condition.

We may not be able to effectively manage our relationships with third-party service providers and business partners, which could adversely affect our brand, business, results of operations and financial performance.

We rely on third-party service providers and business partners, including logistics providers and distributors, to support our operations. These third parties are subject to risks similar to ours relating to business interruption, systems and employee failures, and cybersecurity and data protection, and are also subject to their own legal, regulatory and market risks. Our third-party service providers and business partners may not fulfill their respective commitments and responsibilities in a timely manner and in accordance with the terms agreed upon or applicable laws. In addition, we do not have control over third-party service providers' and business partners' business operations or governance and compliance systems, practices and procedures, which may increase our financial, legal, operational and reputational risk. If we are unable to effectively manage our relationships with third-party service providers and business partners, or for any reason our third-party service providers or business partners fail to satisfactorily fulfill their commitments and responsibilities, our business, results of operations and financial condition could suffer. Upon expiry of existing contracts with third parties, we may not be able to renew such contracts at terms commercially favorable to us, if at all, or find an appropriate substitute in a timely manner, in which case our business may be adversely affected.

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We have granted, and may continue to grant, restricted share or other types of awards under our share incentive plans, which may result in increased share-based payment compensation and adversely impact our results of operations, as well as shareholding dilution to our Shareholders.

We adopted employee incentive plans to enhance our ability to attract and retain qualified individuals and to encourage them to acquire a proprietary interest in the growth and performance of us. We incurred share-based payment expenses of RMB157.1 million, RMB222.6 million, RMB268.6 million and RMB299.1 million in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively. See "History, Development and Corporate Structure — Equity Incentive Plans of the Company" and "Appendix IV — Statutory and General Information — 2023 Restricted Shares Incentive Scheme and 2025 Restricted Shares Incentive Scheme" for more details. We believe share-based awards as part of an overall compensation package are important to attracting and retaining key personnel and employees, and we plan to continue to grant share-based payment compensation to employees in the future. As a result, our share-based payment expenses may increase, which may have an adverse effect on our results of operations and financial condition. Issuance of additional shares with respect to such share-based payments may also dilute the shareholding of our Shareholders and could result in a decline in the value of our H Shares. As of the Latest Practicable Date, if our granted but unexercised restricted shares under the Employee Incentive Plans were exercised in full, new shares issued as a result of such exercise will dilute our total share capital by approximately 1.3%.

Any investments or future acquisitions may have a material adverse effect on our business, reputation, financial condition and results of operations.

We plan to continue evaluating and pursuing a broad range of investment and acquisition opportunities that we believe will strengthen and expand our market position as part of our overall business strategy. We may enter into discussions or negotiations concerning one or more of these transactions, which present significant challenges and risks, including but not limited to:

- loss of skilled professionals and established customer relationships from the businesses we invest in or acquire;
- potential issues with technology, internal controls and financial reporting of the companies we acquire or invest in;
- challenges in integrating the acquired personnel, operations and solutions into our own operations;
- lack of influence over the controlling partner or shareholder in investments where we do not obtain management and operational control, which may hinder the achievement of our strategic goals;
- disruptions of our ongoing business, distractions of the attention of our management and employees and increase of our expenses;
- actual or alleged misconduct or noncompliance by any company we acquire or invest in (or by its affiliates) that occurred prior to our acquisition or investment, which may lead to negative publicity, government inquiry or investigations against such company or against us;
- new regulatory requirements and compliance risks that we become subject to as a result of investments or acquisitions in new industries or otherwise;

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- the risk that one or more of our pending or future investments or acquisitions may not close as planned;
- unforeseen or hidden liabilities or costs that could arise post-acquisition and negatively impact our financial position;
- significant costs associated with identifying and consummating investments and acquisitions;
- the use of substantial amounts of cash and potentially dilutive issuances of equity securities;
- uncertainties in achieving the expected benefits of synergies and growth opportunities in connection with these acquisitions and investments; and
- the occurrence of significant amortization expenses for other intangible assets.

Any of the negative developments outlined above could disrupt our existing business and have a material adverse effect on our business, reputation, financial conditions and results of operations.

We, our Directors and our management may from time to time be subject to claims, disputes, lawsuits and other legal and administrative proceedings.

During the Track Record Period and up to the Latest Practicable Date, we did not have any pending material legal or administrative proceedings. However, we may, in the future, be subject to or involved in lawsuits, contract disputes, employment-related controversies, and other legal and administrative proceedings or fines related to our business operations. Lawsuits and other legal or administrative proceedings that may arise during our operations can involve substantial costs, including the costs associated with investigation, litigation, and possible settlement, judgment, penalty or fine. These proceedings may be costly and time-consuming, requiring a significant commitment of management and personnel resources that could be diverted from our normal business operations. Additionally, there may be negative publicity associated with litigation that could decrease consumer acceptance of our solutions, regardless of whether the allegations are valid or whether we are ultimately found liable. If any of these situations occur, our business, financial conditions, results of operations or liquidity could be materially and adversely affected. Furthermore, our Directors, management, shareholders, employees, and their affiliates may from time to time be subject to litigation, regulatory investigations, proceedings, and/or negative publicity or may face potential liability and expenses related to commercial, labor, employment, securities, or other matters. Such events could adversely affect our reputation and results of operations.

We, or certain of our Directors or officers, may become targets for lawsuits, including putative class action lawsuits brought by shareholders, and lawsuits against our Directors and officers as a result of their position in other public companies. We cannot assure you that we or our Directors or officers will be able to prevail in our defense or reverse any unfavorable judgment on appeal. Moreover, we or our Directors or officers may decide to settle lawsuits on unfavorable terms. Any adverse outcome of these cases, including plaintiffs' appeals of the judgment, could result in substantial monetary damages, fines, or changes to our business practices, which would materially and adversely affect our business, financial conditions, results of operations, cash flows, and reputation. Additionally, even if we or our Directors or officers ultimately prevail in these matters, we could incur significant legal fees or suffer significant reputational harm. We may also be subject to claims for indemnification related to these matters, and we cannot predict the impact that indemnification claims may have on our business or financial performance.

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We are subject to anti-corruption, anti-money laundering, anti-bribery, and other relevant laws and regulations in the jurisdictions where we operate. We may be subject to investigations and proceedings by governmental authorities for alleged infringements of these laws. Such proceedings may result in fines or other liabilities, and could materially and adversely affect our reputation, business, financial conditions and results of operations. This may result in penalties, fines, sanctions, and negatively impact our reputation, business, financial conditions and results of operations. Given the uncertainty, complexity and scope of many of these litigation matters, the outcome generally cannot be predicted with a reasonable degree of certainty. As a result, our provisions for such matters may be inadequate. Moreover, even if we eventually prevail in these matters, we could incur significant legal fees or suffer significant reputational harm, which could have a material and adverse effect on our prospects and future growth. This may include our ability to attract new business partners and customers, expand our relationships with governmental regulators and industry groups, and recruit and retain employees and agents.

Our business could be adversely affected by natural disasters, public health crises, political relationships and crises, economic downturns or other unexpected events.

Natural disasters, health epidemics, acts of war or terrorism, or other factors beyond our control may adversely affect the economy, infrastructure and livelihood of the people in the regions where we conduct our business. Our operations may be under threat from natural disasters such as floods, earthquakes, sandstorms, snowstorms, fires or droughts, as well as the outbreak of widespread health epidemics, such as swine flu, avian influenza, severe acute respiratory syndrome or other similar events. Additionally, our operations may be impacted by other factors beyond our control, such as power, water or fuel shortages, system failures, malfunction and breakdown of information management systems, unexpected maintenance or technical problems, or potential risks from wars or terrorist attacks. Acts of war or terrorism could injure our employees, cause loss of lives, disrupt our business network, and destroy our markets. Any of these events, as well as other unforeseen events beyond our control, could have an adverse effect on the overall business sentiment and environment. These events may create uncertainties in the regions where we operate, disrupt our business operations in ways we cannot predict, and materially and adversely impact our business, financial conditions and results of operations.

We may not be able to renew certain lease agreements on the same terms or at favorable terms, or at all, which could materially and adversely affect our business, financial condition, results of operations, and prospects.

We lease properties in the PRC and overseas for offices, R&D facilities and manufacturing operations. A number of these properties are subject to short-term leases or lease arrangements that require periodic renewal. There is no assurance that we will be able to renew these leases upon expiry on the same terms or on terms that are commercially reasonable. If landlords refuse to renew, seek to increase rental rates significantly or impose more restrictive conditions, we may be required to relocate relevant operations. Relocation of manufacturing or R&D facilities could lead to operational downtime, delays in production ramp-up, increased transportation and equipment-migration costs, and potential disruption to customer deliveries. In addition, if a landlord terminates a lease early pursuant to applicable law or contractual provisions, or declines to renew a lease at expiry, we may lose access to key properties and face operational disruption. Future leases entered into as replacements may not contain terms as favorable as those under our existing arrangements, and we may incur higher rental expenses or face more stringent usage restrictions.

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Cross-border regulatory requirements may also affect our lease arrangements. Leases in certain jurisdictions may be subject to statutory registration, maximum lease terms or other procedural constraints. Changes in local real estate regulations, zoning requirements, industrial-use restrictions or government planning may further increase our compliance burden or limit our ability to renew or modify lease arrangements.

Environmental, social, and governance matters may impact our business and reputation.

To identify, manage and mitigate ESG risks, we may incur additional costs and expenses which could impact our financial performance. Given the nature of our business, we do not produce any material generation of emissions and wastes, nor do we cause heavy pollution. Nonetheless, we monitor environmental and climate-related risks that may impact our business, strategy and financial performance, and evaluate the magnitude of the resulting impact over the short-, medium-, and long-term horizons. We monitor a wide range of indicators to manage our environmental and climate-related risks arising from our operations and are committed to providing adequate support to our employees to nurture a friendly and inspirational corporate culture. This commitment may entail incurring substantial additional costs and could potentially impact our profitability. See “Business — Environmental, Social and Governance” for more details. In addition, the increasing ESG-related regulatory requirements, including various ESG disclosure mandates in the jurisdictions where we operate, may lead to rising compliance costs and an increase in the cost of revenue. Failure to adapt to new regulations or meet evolving industry expectations and standards could result in consumers choosing products from other companies, which may materially and adversely affect our results of operations and financial conditions.

We may be subject to additional tax liabilities in connection with our transfer pricing arrangements, which could have adverse impacts on our financial condition.

We carried out certain intra-group transactions during the Track Record Period, mainly trading, contract manufacturing and provision of services. See “Business — Transfer Pricing Arrangements” for more details. Our profit allocation and income tax positions in the jurisdictions in connection with such transfer pricing arrangements are subject to the interpretations by relevant tax authorities of applicable tax law as well as applicable rules and regulations with respect to transfer pricing in these jurisdictions. Significant judgment and the use of estimates are required in determining our profit allocation and income tax positions in terms of our transfer pricing arrangements. If a competent tax authority of a relevant jurisdiction determines that the transfer prices and the transaction terms that we have adopted as well as our historical income tax provisions and accruals are not appropriate, such authority may require the relevant subsidiaries to re-assess the transfer prices and reallocate the income or adjust the taxable income.

RISKS RELATING TO OUR INTELLECTUAL PROPERTY

We may not be able to adequately protect or enforce our intellectual property rights throughout the world, and our efforts to do so may be costly.

We aim to safeguard the technologies we consider commercially valuable by filing patent applications in the PRC and other jurisdictions, utilizing patents, trade secrets or a combination of both methods. As of March 31, 2026, we had 506 granted patents, 20 copyrights, as well as 148 trademarks both in China and overseas. See “Business — Intellectual Property” for more details.

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The scope of patent and trademark protection in various jurisdictions is uncertain. The laws of some countries or regions may not offer the same level of intellectual property protection as in others, which could affect our ability to protect our intellectual property rights across different regions. Changes in patent and trademark laws or their interpretation may impair our ability to protect and enforce our intellectual property rights, and may reduce their value or scope. We cannot predict whether the patent and trademark applications we are currently pursuing and may pursue in the future will issue as patents and trademark in any particular jurisdiction or whether the claims of any future granted patents and trademark will provide sufficient protection from competitors. As a result, we might be unable to prevent competitors or other third parties from developing and commercializing competitive products and technologies in certain fields or jurisdictions. Even if our intellectual property applications are approved, the form of approval may not fully shield us from competitive pressures.

The duration of patent protection and the scope of coverage are limited. For example, in China, the validity periods for invention patents and utility model patents are 20 years and 10 years from the filing date, respectively. If we are unable to extend a patent's term, we may face competition for approved products or solutions once the patent expires, even after securing initial patent protection. Furthermore, any litigation related to the infringement of our intellectual property rights by third parties is likely to be expensive and time-consuming, and could result in the invalidation or unenforceability of our intellectual property rights, or have other negative consequences. We may become involved in claims and litigation due to alleged infringements of our intellectual property rights by third parties. Even when we take legal action to defend our rights, such cases can divert management's time and resources and may result in adverse outcomes. In addition, such litigation could lead to courts or governmental agencies invalidating, narrowing the scope of, or rendering unenforceable the patents or intellectual property rights on which the case is based, which could seriously harm our business. Monitoring unauthorized use or disclosure of our proprietary technology, intellectual property and confidential information is also challenging and costly. We cannot guarantee that our steps to protect our intellectual property will prevent misappropriation, infringement, or violations. If we fail to adequately protect, establish, maintain, or enforce our intellectual property or proprietary rights, it could adversely affect our business, financial condition, and results of operations.

Our patent applications may not be issued as patents, which may have a material adverse effect on our ability to prevent others from commercially exploiting products similar to ours.

We cannot guarantee that we are the first inventor of the subject matter for which we have filed a patent application, nor can we be certain that we are the first to file such an application. If another party has filed a patent application covering the same subject matter as we have developed, and such application has priority against our patent application, we may not be entitled to the protection sought by our patent application, including preventing third parties from commercializing the same or similar technologies. Furthermore, the scope of protection of patent claims may be limited or narrowed if the examining authority determines there is cause to do so, such as if claims included in the patent application cover subject matter that is ineligible for patent protection or is obvious, or are deemed to lack sufficient detail to enable practicing the invention or in the event of the existence of prior art. As a result, we cannot be certain that the patent applications that we file will result in issued patents, or that our issued patents will be broad enough to protect our technology or otherwise afford protection against competitors with similar technology.

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In addition, the issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability. Our competitors may challenge or seek to invalidate our issued patents or design around our issued patents, which may adversely affect our business, prospects, financial conditions or operating results. Moreover, the costs associated with enforcing patents, confidentiality and invention agreements, or other intellectual property rights may make aggressive enforcement impracticable.

Claims by third parties for alleged infringement of their intellectual property rights and other litigations could adversely affect our business.

The industry in which our business operates is characterized by a large number of patents, trademarks and other intellectual properties, some of which may be of questionable scope, validity or enforceability. As a result, there is uncertainty in the industry regarding patent protection and infringement. In recent years, there has been significant litigation globally involving patents and other intellectual property rights. We could become subject to claims and litigation alleging infringement by us of third-party patents, copyrights or trade secrets. These claims and any resulting lawsuits, if resolved adversely to us, could subject us to significant liability for damages, impose temporary or permanent injunctions against our solutions or business operations, or invalidate or render unenforceable our intellectual property rights. An adverse judgment could also result in loss of reputation or may force us to take costly remediation actions, such as redesigning our solutions.

In addition, because patent applications can take many years until the patents issue, there may be applications now pending of which we are unaware, which may later result in issued patents that our solutions may infringe. If any of our solutions infringes a valid and enforceable patent, or if we wish to avoid potential intellectual property litigation on any alleged infringement of our products, we could be prevented from selling, or elect not to sell, our products unless we obtain a license, which may be unavailable or be available only at commercially unreasonable, unfavorable or otherwise unacceptable terms. Alternatively, we could be forced to pay substantial royalties or to redesign one or more of our products to avoid any infringement or allegations thereof.

We may also face liability to our customers, business partners or third parties for indemnification or other remedies in the event that they are sued for infringement in connection with their use of our products. We also may not be successful in any attempt to redesign our products to avoid any alleged infringement. A successful claim of infringement against us, or our failure or inability to develop and implement non-infringing technology, or license the infringed technology on acceptable terms and on a timely basis, could materially adversely affect our business and results of operations. Furthermore, such lawsuits, regardless of their success, could likely be time consuming and expensive to resolve and may divert management's time and attention from our business, which could seriously harm our business.

If we are unable to protect our unpatented proprietary technology, trade secrets, processes, copyrights, proprietary information and know-how, the value of our technology and products could be harmed significantly.

We depend on proprietary, unpatented technologies, trade secrets, processes and know-how. Though we take steps to protect these assets through confidentiality agreements with employees, consultants and other business partners, we cannot guarantee that these measures will fully safeguard our proprietary information. If we are unable to protect our unpatented intellectual property adequately, it could significantly affect our business performance and financial results. We also rely on trade secrets, know-how and other proprietary information in operating our business. If this information is not adequately

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protected, it may be disclosed or used in an unauthorized manner. To the extent that consultants, key employees, or other third parties apply technological information independently developed by them or by others to our products, disputes may arise regarding the proprietary rights to such information, which may not be resolved in our favor. In addition, while it is our policy to require certain employees, suppliers, consultants, advisors and independent contractors who may be involved in the conception or development of intellectual property rights for us to execute agreements assigning such intellectual property rights to us, we cannot guarantee that we have entered into such agreements with every party who may have developed or co-developed intellectual property rights for us. Individuals involved in the development of intellectual property rights for us may make adverse ownership claims to our current and future intellectual property rights, potentially compromising our ability to pursue commercial objectives that utilize our intellectual property assets.

The assignment of intellectual property rights in agreements entered into by individuals involved in the development of intellectual property rights for us may not be self-executing, or the assignment agreements may otherwise be insufficient or breached, and we may not be able to obtain adequate remedies for such breaches. We may be forced to bring claims against third parties or defend claims they may bring against us to determine the ownership of what we regard as our intellectual property rights. Additionally, to the extent that our employees, independent contractors or other third parties with whom we do business use intellectual property rights owned by others in their work for us, disputes may arise regarding the rights in related or resulting know-how and inventions. Any of the foregoing could have a material adverse effect on our competitive position, business, financial conditions and results of operations.

We have also devoted substantial resources to the development of our technology and know-how. Although we enter into employment agreements with confidentiality, non-compete covenants and intellectual property ownership clauses with our employees, we cannot assure you that these agreements will not be breached, that we will have adequate remedies for any breach in time or at all, or that our proprietary technology, know-how, or other intellectual property will not otherwise become known to third parties. Similarly, if we recruit employees who breached confidentiality, non-compete covenants with their prior employers, we may become subject to claims that such employees have improperly used or disclosed trade secrets or other proprietary information in violation of their confidentiality, non-compete covenants in a way that benefits us. In addition, others may independently discover trade secrets and proprietary information, limiting our ability to assert any proprietary rights against such parties. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive position.

The risk that other parties may breach confidentiality agreements or that our trade secrets become known or independently discovered by competitors could harm us by enabling our competitors, who may have greater experience and financial resources, to copy or use our trade secrets and other proprietary information in the advancement of their products, methods or technologies. The unauthorized use or disclosure of our trade secrets would impair our competitive position, thereby weakening demand for our products and harming our ability to maintain or increase our customer base.

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RISKS RELATING TO OUR FINANCIAL PROSPECTS

We face exposure to foreign currency risks.

We recorded net foreign exchange gains of RMB42.3 million, RMB132.4 million and RMB2.5 million in 2023, 2024 and the three months ended March 31, 2025, respectively, while we recorded net foreign exchange losses of RMB323.4 million and RMB309.3 million in 2025 and the three months ended March 31, 2026, respectively. We are exposed to currency risk primarily arising from foreign currency-denominated receivables, payables, cash balances and borrowings in currencies other than the functional currency of the relevant operations. We have implemented foreign exchange risk management measures to mitigate our exposure to the U.S. dollar, including: (i) adopting natural hedging strategies by settling certain payments in U.S. dollars to reduce currency risk; and (ii) managing foreign currency exposure by closely monitoring our monthly net foreign currency positions and undertaking hedging activities through spot transactions, forward contracts, options and other instruments to mitigate the impact of exchange rate fluctuations. In addition, as the net proceeds from the Global Offering will be in Hong Kong dollars, fluctuations in the exchange rate between the Renminbi and the Hong Kong dollar will affect the relative purchasing power in Renminbi in terms of the proceeds from the Global Offering. Moreover, appreciation or depreciation in the value of the Renminbi relative to the Hong Kong dollar or U.S. dollar would affect our financial results in Hong Kong dollar or U.S. dollar terms without giving effect to any underlying change in our business or results of operations.

Movements in Renminbi exchange rates are affected by, among other things, changes in political and economic conditions and China's foreign exchange regime and policy. With the development of the foreign exchange market and progress towards interest rate liberalization and Renminbi internationalization, the PRC government may in the future announce further changes to the exchange rate system, and we cannot assure you that the Renminbi will not appreciate or depreciate significantly in value against other currencies in the future. It is difficult to predict how market forces or relevant government policies may impact the exchange rate between the Renminbi and other currencies in the future.

We are investing heavily in our research and development, and such investment may not generate the results we expect to achieve.

Our technological capabilities and infrastructure are fundamental to maintaining our competitiveness in the optical interconnect industry. We have been making substantial investments in research and development to enhance our technological leadership, expand our product portfolio and support the commercialization of next-generation optical transceivers. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our research and development expenses amounted to RMB739.4 million, RMB1,244.0 million, RMB1,615.3 million, RMB290.3 million and RMB644.7 million, accounting for 6.9%, 5.2%, 4.2%, 4.4% and 3.3% of our total revenue for the respective periods. We expect that our research and development expenditure will remain high in the foreseeable future as we continue to pursue technological leadership and product innovation.

The optical interconnect-related industries are characterized by rapid technological advancement, limited product life cycles, and frequent transitions in industry standards. To remain competitive, we must continuously invest significant financial and human resources in research and development to strengthen our technological edge and develop innovative solutions that meet evolving customer needs. In particular, we are devoting considerable efforts to the research and commercialization of advanced technologies. These emerging technologies involve high technical complexity, long development cycles and substantial uncertainty. There can be no assurance that our research and development activities will always result in successful outcomes or commercially viable products.

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Our research and development projects may fail to achieve the intended technical performance, cost efficiency or scalability due to technical bottlenecks, yield challenges or competitive cost disadvantages. Even if we successfully complete the development of new technologies, our customers may decide not to adopt, or may subsequently discontinue, products incorporating such technologies due to compatibility issues, competitive alternatives, pricing considerations or weaker-than-expected market demand. In addition, technologies under development may encounter difficulties in scaling from laboratory research to stable, cost-efficient mass production because of process complexity, equipment constraints or supply chain dependencies. Consequently, there can be no assurance that our continued research and development investments will generate the anticipated returns. If new products fail to achieve technological breakthroughs or sufficient market acceptance, our competitiveness, revenue growth, profitability and market share could be materially and adversely affected.

Given the inherent uncertainty of research and development activities, we may also face challenges in commercializing developed technologies and achieving stable yields in mass production. During the product planning and design stages, any misjudgment of market demand, timing, or technological direction may result in incorrect product positioning, underutilization of developed technologies or delays in commercialization. The long development cycles and significant upfront investment required for high-speed optical transceivers and integrated optical interconnect technologies increase the risk of not recovering research and development costs if market demand falls short of expectations.

Furthermore, we may not consistently identify and capitalize on new technological opportunities, upgrade existing technologies or introduce enhanced products in a timely and cost-effective manner. We may also fail to obtain adequate intellectual property protection for our research and development results, or our innovations may be rendered obsolete by competing technologies or shifts in industry architecture. As data centers and telecom networks evolve toward higher bandwidth and new interconnect paradigms, our existing technologies or products may become less competitive or unattractive. Any such failure to adapt or innovate could materially and adversely affect our long-term competitiveness and growth prospects.

If we fail to manage our inventories effectively, our results of operations and financial conditions may be materially and adversely affected.

To effectively manage our operations and meet the demands and expectations of both our customers and end users, it is crucial for us to maintain an optimal inventory level that supports production and ensures the timely delivery of our products. During the Track Record Period, our inventories primarily consisted of raw materials, work-in-progress, semi-finished goods, finished goods and spare parts and consumables. As of December 31, 2023, 2024 and 2025 and March 31, 2026, we held inventories of RMB4,294.7 million, RMB7,051.3 million, RMB12,680.7 million and RMB15,672.1 million, respectively. We recorded inventory turnover days of 218 days in 2023, 137 days in 2024, 166 days in 2025 and 123 days in the three months ended March 31, 2026. We adopt a flexible inventory management strategy, adjusting inventory levels based on fluctuations in market demand. When demand increases, we raise our inventory levels to ensure consistent supply. However, this approach involves inherent uncertainty, as demand for our products may change significantly between the order date and the expected delivery date. We cannot guarantee that we will always be able to maintain optimal inventory levels. Excessive inventory or a significant decline in market prices may result in inventory write-downs or write-offs, and we may have to sell surplus inventory at discounted prices, which would materially and adversely affect our profitability.

RISK FACTORS

Potential impairment losses for intangible assets could materially and adversely impact our financial performance.

Our intangible assets mainly consist of goodwill, royalty patents, non-patent technologies, development cost, software and customer relationship. As of December 31, 2023, 2024, 2025 and March 31, 2026, our intangible assets were RMB2,208.3 million, RMB2,216.6 million, RMB2,243.8 million and RMB2,240.2 million, respectively. As of December 31, 2023, 2024, 2025 and March 31, 2026, we recognized accumulated impairment losses of RMB79.5 million, RMB79.5 million, RMB79.5 million and RMB79.5 million, respectively. Intangible assets with indefinite useful lives are not amortized and must be tested for impairment on at least an annual basis, or more frequently when there are indicators of potential impairment. Should the carrying amount of any intangible asset exceed its recoverable amount in the future, we would be required to record a corresponding impairment charge in our financial statements for the relevant period. For further information, please refer to Note 18 to the Accountant's Report in Appendix I to this Prospectus. Any future impairment losses on intangible assets could materially and adversely affect our business, results of operations and overall financial position.

We are subject to certain risks relating to our associates.

We have invested in associated companies and may continue to do so in the future. The performance of such associates has affected, and will continue to affect, our results of operations and financial position. Our investments in associates are not as liquid as other investment products. Furthermore, our ability to promptly sell one or more of our interests in our associates in response to changing economic, financial and investment conditions is limited. The market is affected by various factors, such as general economic conditions, availability of financing, interest rates, and supply and demand, many of which are beyond our control. We cannot predict whether we will be able to sell any of our interests in the associates for the price or on the terms set by us, or whether any price or other terms offered by a prospective purchaser would be acceptable to us. We also cannot predict the length of time needed to find a purchaser and to complete the relevant transaction.

Therefore, the illiquid nature of our investments in associates may significantly limit our ability to respond to adverse changes in the performance of our associates. The success of an associate depends on a number of factors, some of which are beyond our control. As a result, we may not be able to realize the anticipated economic and other benefits from such associates, such as receiving dividends from them.

Change in tax treatments or preferential policies may adversely affect our results of operations and financial performance.

We received preferential tax treatment and government grants during the Track Record Period. The PRC EIT Law and its implementation rules have adopted a statutory enterprise income tax rate of 25%. However, the income tax of an enterprise that has been determined to be a High and New Technology Enterprise can be reduced to a preferential rate of 15%. Some of our subsidiaries, such as Suzhou InnoLight and Tongling InnoLight, were qualified as a High and New Technology Enterprise in 2024 and were entitled to a preferential tax rate of 15% during the Track Record Period. This qualification is subject to review by the relevant tax authority in the PRC every three years. Preferential tax treatments and other incentives granted to us by PRC governmental authorities are subject to review and renewal and may be adjusted or revoked in the future. If we cease to be entitled to preferential tax treatment or if the relevant PRC laws and regulations change, our income tax expenses may increase, which would adversely affect our financial condition and results of operations.

RISK FACTORS

Fluctuations in changes in fair value of financial assets measured at fair value through profit or loss may adversely affect our financial results.

Our results of operations are affected by changes in the fair value of our financial assets measured at fair value through profit or loss. We recorded other financial assets at fair value through profit or loss, including current and non-current portions, of RMB784.3 million, RMB1,033.0 million, RMB805.4 million and RMB843.4 million as of December 31, 2023, 2024, 2025 and March 31, 2026, respectively. These financial assets primarily consist of structured deposits, investment in private equity funds, and investment in unlisted securities. See “Financial Information — Discussion of Selected Items from the Consolidated Balance Sheets — Assets — Financial Assets at Fair Value through Profit or Loss” for more details. Fair values are determined using net assets value, most recent financing price, expected rate of return approach and other techniques, with key assumptions based on management’s estimates and other unobservable inputs. Factors beyond our control, such as general economic conditions, changes in market interest rates, and the stability of capital markets, can significantly influence and thereby affecting the fair value of such financial assets. Any of these factors could cause our estimates to vary from actual results, materially and adversely affecting our results of operations and financial conditions.

We are exposed to credit risks related to our trade receivables, as well as other receivables and other assets.

We face credit risks attributable to our trade receivables, due from our customers for goods sold or other services performed in the ordinary course of our business. Our trade receivables as of December 31, 2023, 2024, 2025 and March 31, 2026 amounted to RMB2,636.5 million, RMB4,676.8 million, RMB6,332.7 million and RMB9,598.7 million, respectively. In 2023, 2024, 2025 and the three months ended March 31, 2026, our trade receivable turnover days were 71 days, 56 days, 53 days and 37 days, respectively. The fluctuation and extension of trade receivable turnover may have a material and adverse effect on our cash flow and liquidity position. See “Financial Information — Discussion of Selected Items from the Consolidated Balance Sheets — Trade and Notes Receivables at Amortized Cost” for more details. As there is limited financial or public information on many of our counterparties, we cannot assure you that all of our counterparties are creditworthy and reputable and will not default on us in the future, despite our efforts to conduct credit assessments on them. As a result, we are exposed to risks that our counterparties may fail to fulfill their obligations to us under our contracts.

We are exposed to cash flow management risks due to the mismatch in our cash flows.

During the Track Record Period, the aggregate of our inventory turnover days and trade receivable turnover days was longer than our trade payable turnover days, which may indicate a mismatch in cash flows. If our inventory turnover were to slow or the collection period for trade receivables were to lengthen, without a corresponding extension of payment terms granted by our suppliers, we may experience temporary liquidity pressure, which could adversely affect our working capital management.

Fluctuations in our cash conversion cycle may affect the net cash flows generated from operating activities. Any short-term volatility may alter the timing of operating cash inflows, affect our funding arrangements and working capital management, and adversely affect our results of operations and financial condition.

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RISKS RELATING TO GLOBAL OPERATION IN MULTIPLE JURISDICTIONS

Changes in economic, political and social conditions, as well as government policies, laws and regulations, and industry practice guidelines could have a material and adverse effect on our business, financial condition and results of operations.

We are a company incorporated under the laws of the PRC and our manufacturing operations are conducted in China and overseas, while our sales and other business operations are conducted in a number of geographic markets worldwide. Accordingly, our business, financial conditions and results of operations may be influenced to a significant degree by political, economic and social conditions in these markets. The economies in emerging markets generally differ from developed markets in many respects, including the level of government involvement, level of development, growth rate, control of foreign exchange, government policy on public order and allocation of resources. In some of these markets, governments continue to play a significant role in regulating industry development by imposing industrial policies. Some local governments also exercise significant control over the economic growth and public order in their respective jurisdictions through allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policies, and providing preferential treatment to particular industries or companies.

Governmental actions to control inflation and other policies and regulations have often involved, among other measures, price controls, currency devaluations, capital controls and limits on imports. Growth of the economy in each of our geographic markets has been uneven, both geographically and among various sectors of the economy. An economic downturn, whether actual or perceived, a further decrease in economic growth rates or an otherwise uncertain economic outlook in our geographic markets or any other market in which we may operate could have a material adverse effect on our business, financial conditions and results of operations. Some of these markets have experienced, and may in the future experience, political instability, including strikes, demonstrations, protests, marches or other types of civil disorder. These instabilities and any adverse changes in the political environment could increase our costs, increase our exposure to legal and business risks, disrupt our operations or affect our ability to expand our user base.

Different jurisdictions where we operate may present different legal risks.

We are subject to the different applicable laws and regulations of the countries and regions where we operate. Our business and operations in China are subject to primarily written statutes, and prior court decisions offer limited precedential value. Furthermore, we cannot assure you that we can predict the effect of future legal developments in countries and regions where we operate, including the promulgation of new laws and changes in existing laws. Additionally, legal proceedings may incur significant costs, divert our resources, and negatively affect our management's focus on strategic planning and execution, which may materially and adversely impact our operational efficiency and overall business performance.

Our Company is a PRC enterprise and is subject to PRC tax on our global income, and any gains on the sales of our H Shares by investors and dividends paid to investors on our H Shares may be subject to PRC tax.

Under the current PRC tax laws and regulations, non-PRC resident individuals and non-PRC resident enterprises are subject to different tax obligations with respect to the dividends paid to them by us and the gains realized upon the sale or other disposition of our H Shares. Non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate for the income derived in China under the IIT Law and its implementation guidelines.

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Accordingly, we are required to withhold such tax from dividend payments, unless applicable tax treaties between China and the jurisdiction in which the foreign individual resides reduce or provide an exemption for the relevant tax obligations. However, pursuant to the Circular on Certain Policy Questions Concerning Individual Income Tax (《財政部、國家稅務總局關於個人所得稅若干政策問題的通知》) (Cai Shui Zi [1994] No. 020) issued by the MOF and SAT on May 13, 1994, the income gained by individual foreigners from dividends and bonuses of enterprises with foreign investment are exempted from individual income tax for the time being. In addition, under the IIT Law and its implementation regulations, non-PRC resident individual holders of H Shares are subject to individual income tax at a rate of 20% on gains realized upon the sale or other disposition of H Shares. However, pursuant to the Circular of Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) (Cai Shui Zi [1998] No. 61) issued by the MOF and the SAT on March 30, 1998, from January 1, 1997, the income of individuals from the transfer of the shares of listed enterprises continues to be exempted from individual income tax.

As of the Latest Practicable Date, no aforesaid provisions have expressly provided that individual income tax shall be levied on non-PRC resident individual holders on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges, and to our knowledge, no such individual income tax was levied by PRC tax authorities in practice. However, there is no assurance that the PRC tax authorities will not change these practices which could result in levying income tax on non-PRC resident individual holders on gains from the sale of our H Shares.

For non-PRC resident enterprises that do not have establishments or premises in China, and for those that have establishments or premises in China but whose income is not related to such establishments or premises, under the EIT Law and its implementation regulations, dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of our H Shares are subject to PRC EIT at a 10% rate. In accordance with the Circular on Issues Relating to Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) (Guo Shui Han [2008] No. 897) issued by SAT on November 6, 2008, the withholding tax rate for dividends payable to non-PRC resident enterprise holders of H Shares will be 10% and we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including HKSCC Nominees). Non-PRC resident taxpayers that are entitled to be taxed at a reduced rate under an applicable income tax treaty or arrangement will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities' approval.

Despite the arrangements mentioned above, the interpretation and application of existing applicable PRC tax laws and regulations by the competent tax authorities will be in accordance with the then effective laws and regulations and may change, and new taxes may be imposed, which in either case may adversely affect the value of your investment in our H Shares.

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It may be difficult to effect service of process upon us or our Directors or executive officers who reside in the PRC or to enforce against them in the PRC any judgments obtained from non-Chinese courts.

We are a company incorporated under the laws of the PRC, and the majority of our assets and subsidiaries are located in the PRC. Most of our Directors and senior management reside within the PRC. The assets of these Directors and senior management are also mostly located within the PRC. As a result, it may be difficult and time-consuming to effect service of process upon most of our Directors and senior management outside the PRC. In addition, investors may also experience difficulties in enforcing judgments due to the lack of reciprocal recognition and enforcement of judicial rulings and awards of other jurisdictions. The holders of H Shares will not be able to bring actions on the basis of violations of the Listing Rules and must rely on the Stock Exchange to enforce its rules. The Listing Rules and the Hong Kong Takeovers Code do not have the force of law in Hong Kong.

RISKS RELATING TO THE GLOBAL OFFERING

As a company listed on the Shenzhen Stock Exchange, we, our Directors, senior management, employees and shareholders are subject to securities regulations and exchange listing rules in the PRC.

As our A Shares are listed on the ChiNext Board of the Shenzhen Stock Exchange and our H Shares will be listed on the Main Board of the Hong Kong Stock Exchange, we will be required to comply with the applicable listing rules and other regulatory requirements of both jurisdictions, unless exemptions are available or waivers have been granted. As a result, we may incur additional costs and devote significant management and administrative resources to ensure ongoing compliance with the regulatory regimes of both exchanges.

We are exposed to risks associated with the potential spin-off.

We periodically evaluate strategic opportunities to enhance shareholder value, including, among others, spinning off subsidiaries, in light of our operations across multiple jurisdictions and markets, as well as our development of new business initiatives. These evaluations are contingent upon factors such as market conditions, financing requirements, subsidiary development and regulatory approvals. While no concrete plans have been formulated, we cannot preclude the possibility of spin-offs within three years of the Listing should such action align with our strategic objectives. Also, given our long-standing listing on the A-share market since 2012, we need to maintain flexibility for potential spin-offs within three years of the Listing, which may require further waiver to be applied to and granted by the Stock Exchange.

A spin-off may enable our subsidiaries to directly access capital markets, thereby potentially securing incremental funding to accelerate their growth. While such transactions are designed to unlock intrinsic value, enhance competitive positioning and optimize operational efficiency, there is no assurance that these objectives will be achieved in full. Material risks associated with spin-offs may still include unanticipated costs (such as separation-related expenditures or restructuring costs, if any), operational complexities arising from organizational decoupling, potential disruption to the Group's integrated business model and synergies and uncertain performance trajectories of spin-off entities, including their ability to sustain competitive positions. Should spin-off entities encounter operational challenges or financial difficulties, it may have adverse impact on our Group's strategic objectives and corporate reputation. In the event of any proposed spin-off, we will ensure to provide full disclosure to the Shareholders and obtain all necessary regulatory and Shareholder approvals under applicable rules and regulation. We will also implement appropriate strategies and measures to mitigate risks so as to maintain operational cohesion and preserve strategic continuity across the organization.

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Our A Shares are listed on the Shenzhen Stock Exchange, and the characteristics of the A Share and H Share markets may differ.

Our A Shares are listed and traded on the ChiNext Board of the Shenzhen Stock Exchange. Following the Global Offering, our A Shares will continue to be traded on the ChiNext Board of the Shenzhen Stock Exchange and our H Shares will be traded on the Main Board of the Hong Kong Stock Exchange. Under current PRC laws and regulations, without approval from the relevant regulatory authorities, our H Shares and A Shares are neither interchangeable nor fungible, and there is no direct trading or settlement between the H Share and A Share markets. Given their different trading characteristics, the H Share and A Share markets differ in trading volumes, liquidity, and investor bases, as well as levels of retail and institutional investor participation. As a result, the trading performance of our H Shares and A Shares may not be directly comparable. Fluctuations in the price of our A Shares may adversely affect the price of our H Shares, and vice versa. Due to the differences between the two markets, the historical trading prices of our A Shares may not be indicative of the future performance of our H Shares. Accordingly, you should not place undue reliance on the trading history of our A Shares when making an investment decision in our H Shares.

You should not place any reliance on any information released by us in connection with the listing of our A Shares on the Shenzhen Stock Exchange.

As our A Shares are listed on the ChiNext Board of the Shenzhen Stock Exchange, we have been subject to periodic reporting and other information disclosure requirements in Chinese Mainland. From time to time, we publicly release information on the Shenzhen Stock Exchange or other media outlets designated by the CSRC. However, the information announced by us in connection with our A-share listing is prepared in accordance with PRC regulatory requirements, industry standards, and market practices, which differ from those applicable to the Global Offering. The presentation of financial and operational information for the Track Record Period disclosed on the Shenzhen Stock Exchange or other PRC-designated media may not be directly comparable to the financial and operational information contained in this Prospectus. Accordingly, prospective investors in our H Shares should, when making their investment decisions, rely only on the financial, operating, and other information included in this Prospectus. By applying to purchase our H Shares in the Global Offering, you will be deemed to have agreed that you will not rely on any information other than that contained in this Prospectus and any formal announcements made by us in Hong Kong with respect to the Global Offering.

There has been no prior public market for our H Shares and an active trading market for our H Shares may not develop or be sustained.

Prior to the Global Offering, there was no public market for our H Shares. We cannot assure you that an active public market with adequate liquidity and trading volume for our H Shares will develop or be sustained following the completion of the Global Offering. The Offer Price of our H Shares has been determined through negotiations between the Overall Coordinators (for itself and on behalf of the Underwriters) and us, and may not necessarily represent the market price at which our H Shares will be traded after the Global Offering. If an active and liquid public market for our H Shares does not develop or is not maintained, the market price and trading volume of our H Shares may be materially and adversely affected, which could in turn impact the value of your investment.

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The trading volume and market price of our H Shares following the Global Offering may be volatile, which could result in substantial losses to you.

The trading volume and market price of our H Shares may be volatile and could fluctuate widely in response to factors beyond our control, including general market conditions of the securities markets in Hong Kong, Chinese Mainland, the United States, and elsewhere in the world. In particular, the performance and fluctuation of the trading volume and market price of other companies with business operations located mainly in Chinese Mainland that have listed their securities in Hong Kong may affect the volatility in the price of and trading volumes for our H Shares. A number of Chinese Mainland-based companies have listed their securities, and some are in the process of preparing for listing their securities, in Hong Kong. Some of these companies have experienced significant volatility, including significant price declines and trading volume fluctuation after their initial public offerings. The trading performances of the securities of these companies at the time of or after their offerings may affect the overall investor sentiment towards Chinese Mainland-based companies listed in Hong Kong and consequently may impact the trading performance of our H Shares. These factors may significantly affect the market price and volatility of our H Shares, regardless of our actual operating performance.

A future or perceived significant increase in the supply of our H Shares in public markets could cause the market price of our H Shares to decrease significantly, and dilute shareholdings of holders of H Shares.

The market price of our H Shares could decline as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the public market, or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or anticipated sales, of substantial amounts of our securities, including any future offerings, could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. New shares or shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares.

Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance whether and when we will pay dividends in the future.

We have declared dividends in the past. We protect our Shareholders' interest by ensuring a consistent dividend policy. However, there is no assurance that dividends of any amount will be declared or distributed by us in any year in the future. Under the applicable laws and regulations of China and the Articles of Association, the payment of dividends may be subject to certain limitations, and the calculation of our profit under the Accounting Standards for Business Enterprises may differ in certain respects from the calculation under IFRS. Any declaration and payment, as well as the amount of dividends, will be subject to our constitutional documents and the applicable laws and regulations of China. See "Financial Information — Dividend" for more details. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our historical dividends should not be taken as indicative of our dividend policy in the future.

Under the existing foreign exchange regulations of Chinese Mainland, payments of current account items, including profit distributions, interest payments, and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain statutory procedural requirements. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our

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foreign currency demands, we may not be able to pay dividends in foreign currencies to our Shareholders. Furthermore, we cannot assure you that new regulations will not be promulgated in the future that would have the effect of further restricting the remittance of RMB into or out of Chinese Mainland.

You will incur immediate and significant dilution and may face further dilution if we issue additional Shares in the future.

The Offer Price of the Offer Shares is higher than the net tangible asset value per Share immediately prior to the Global Offering. Therefore, purchasers of the Offer Shares in the Global Offering will experience an immediate dilution in pro forma consolidated net tangible asset value. To expand our business, we may consider offering and issuing additional shares in the future. Purchasers of the Offer Shares may experience dilution in the net tangible asset value per Share of their Shares if we issue additional shares in the future at a price that is lower than the net tangible asset value per Share at that time.

Certain facts, forecasts and statistics derived from official government sources contained in this Prospectus have not been independently verified and the market opportunity estimates may not be accurate.

We have derived certain facts and other statistics in this Prospectus, particularly those relating to the general economy and the industry, from information provided by official government sources. We have not independently verified information and statistics from official government sources, and there can be no assurance as to the accuracy and reliability of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other data problems, the statistics herein may be inaccurate. You should consider carefully how much weight or importance you should attach to or place on such facts or statistics.

Market opportunity estimates included in this Prospectus, including our ability to capture a meaningful share of the relevant markets, are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. The variables that go into the calculation of our market opportunity are subject to change over time, and there can be no assurance that our market opportunity estimates will materialize as anticipated. Any expansion in our market depends on a number of factors, including the cost, performance, and perceived value associated with our business and those of our competitors. Even if the market in which we compete meets the size estimates and growth forecasted in this Prospectus, our business could fail to grow at similar rates, if at all. Our growth is subject to many factors, including our success in implementing our business strategy, which is inherently subject to certain risks and uncertainties.

Investors should read the entire Prospectus carefully and should not consider any particular statements in this Prospectus or in published media reports without carefully considering the risks and other information contained in this Prospectus.

The Global Offering is being made solely on the basis of the information and representations contained in this Prospectus, which are true and accurate to the best of our knowledge and belief. Any information not contained in this Prospectus should not be relied upon in making an investment decision with respect to the securities being offered. Prior to the publication of this Prospectus, there has been coverage in the media regarding us and the Global Offering, which may have contained, among other things, certain financial information, projections, valuations, and other forward-looking information about us and the Global Offering. Investors should be aware that information and opinions published by third-party

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sources may have been based on outdated, incomplete, or inaccurate information. These sources may also have conflicts of interest, and their opinions may not be independent or objective. The media's coverage of our Company and the Global Offering may be influenced by a wide range of factors, including the bias of individual journalists, the preferences of media outlets, and the demand of advertisers.

Forward-looking statements relating to our plans, expectations and intentions contained in this Prospectus are subject to risks and uncertainties.

This Prospectus contains certain statements and information that are forward-looking and uses forward-looking terminology such as “anticipate,” “believe,” “could,” “going forward,” “intend,” “plan,” “project,” “seek,” “expect,” “may,” “ought to,” “should,” “would,” or “will” and similar expressions. You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and, as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this Prospectus should not be regarded as representations or warranties by us that our plans and objectives will be achieved, and these forward-looking statements should be considered in light of various important factors, including those set forth in this section.

Subject to the requirements of the Listing Rules, we do not intend publicly to update or otherwise revise the forward-looking statements in this Prospectus, whether as a result of new information, future events, or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this Prospectus are qualified by reference to this cautionary statement.

WAIVERS

In preparation for the Listing, our Company has sought the following waivers from strict compliance with relevant provisions of the Listing Rules.

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

According to Rule 8.12 of the Listing Rules, a new applicant for a primary listing on the Hong Kong Stock Exchange must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 of the Listing Rules may be waived by having regard to, among other considerations, our arrangements for maintaining regular communication with the Hong Kong Stock Exchange.

Our management headquarters, senior management, business operations and assets are primarily based outside Hong Kong. The Directors consider that either by means of relocation of our existing executive Directors or appointment of additional executive Directors who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, our Group and therefore would not be in the best interests of our Company or the Shareholders as a whole. Therefore, we do not have, and do not contemplate to have, in the foreseeable future, sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rules 8.12 and 19A.15 of the Listing Rules. As such, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted us, a waiver from strict compliance with Rules 8.12 and 19A.15 of the Listing Rules. We will ensure that there is regular and effective communication between us and the Hong Kong Stock Exchange by way of, among others, the following conditions:

- (a) pursuant to Rule 3.05 of the Listing Rules, we have appointed and will continue to maintain two authorized representatives, who will act as our principal channel of communication with the Hong Kong Stock Exchange and ensure that our Company complies with the Listing Rules at all times. The two authorized representatives appointed are Ms. Wang Xiaoli (王曉麗) and Mr. Wang Jun (王軍) (the “**Authorized Representatives**”). We have also appointed Ms. Wong Mei Fung Carrie (黃美鳳) (“**Ms. Wong**”), the other joint company secretary of our Company, as an alternate to the Authorized Representatives (the “**Alternate Authorized Representative**”). Ms. Wong resides in Hong Kong and both of the Authorized Representatives will be readily contactable by telephone and email to deal promptly with enquiries from the Hong Kong Stock Exchange. Our Company has provided contact details of the two Authorized Representatives and the Alternate Authorized Representative to the Hong Kong Stock Exchange and will inform the Hong Kong Stock Exchange promptly in respect of any change in the Authorized Representatives and the Alternate Authorized Representative;
- (b) when the Hong Kong Stock Exchange wishes to contact our Directors on any matters, each of the Authorized Representatives and the Alternate Authorized Representative will have all necessary means to contact all of our Directors (including our independent non-executive Directors) promptly at all times. We have provided the Hong Kong Stock Exchange with the contact details (i.e., mobile phone number, office phone number, email address and fax number, if applicable) of all Directors to facilitate communication with the Hong Kong Stock Exchange. Our Directors will also provide the phone number of the place of his/her accommodation to the Authorized Representatives and the Alternate Authorized Representative in the event that any Director expects to travel or otherwise be out of office;

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- (c) all our Directors who are not ordinarily resident in Hong Kong have confirmed that they possess or can apply for valid travel documents to visit Hong Kong and will be able to meet with relevant members of the Hong Kong Stock Exchange in Hong Kong upon reasonable notice, when required;
- (d) pursuant to Rule 3A.19 of the Listing Rules, we have retained the services of Haitong International Capital Limited as our compliance adviser (the “**Compliance Adviser**”) upon Listing for a period commencing on the Listing Date and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing Date. The Compliance Adviser will act as an additional channel of communication with the Hong Kong Stock Exchange and will be available to respond to enquiries from the Hong Kong Stock Exchange. The contact details of the Compliance Adviser have been provided to the Hong Kong Stock Exchange;
- (e) the Compliance Adviser will have access at all times to our Authorized Representatives and Alternate Authorized Representative, our Directors and our senior management members, who will act as the additional channel of communication with the Hong Kong Stock Exchange when the Authorized Representatives and Alternate Authorized Representative are not available, as prescribed by Rule 3A.23 of the Listing Rules. Our Company shall ensure that our Authorized Representatives and Alternate Authorized Representative, our Directors and our senior management members will timely provide such information and assistance as the Compliance Adviser may need or may reasonably request in connection with the performance of the Compliance Adviser’s duties as set forth in the Listing Rules. To the extent reasonably practicable and legally permissible, we will keep the Compliance Adviser informed of all communications and dealings between the Hong Kong Stock Exchange and us. Meetings between the Hong Kong Stock Exchange and our Directors may be arranged through our Authorized Representatives and Alternate Authorized Representative or the Compliance Adviser, or directly with our Directors within a reasonable time frame. We will inform the Hong Kong Stock Exchange as soon as practicable in respect of any change of Authorized Representatives and Alternate Authorized Representative and/or the Compliance Adviser;
- (f) we will appoint other professional advisers (including Hong Kong legal advisers) after the Listing to assist us in dealing with any questions which may be raised by the Hong Kong Stock Exchange and to ensure that there will be prompt and effective communication with the Hong Kong Stock Exchange; and
- (g) our Company has designated one of our staff members as the communication officer at our headquarters after the Listing who will be responsible for maintaining day-to-day communication with the Authorized Representatives and Alternate Authorized Representative and our Company’s professional advisers in Hong Kong, including our legal advisers in Hong Kong and the Compliance Adviser, to keep abreast of any correspondence with and/or enquiries from the Hong Kong Stock Exchange and report to our executive Directors to further facilitate communication between the Hong Kong Stock Exchange and our Company.

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WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules and Chapter 3.10 of the Guide for New Listing Applicants, a new applicant for listing on the Hong Kong Stock Exchange must appoint a company secretary who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Hong Kong Stock Exchange, capable of discharging the functions of the company secretary.

Note 1 to Rule 3.28 of the Listing Rules provides that the Hong Kong Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (a) a Member of The Hong Kong Chartered Governance Institute;
- (b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and
- (c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Note 2 to Rule 3.28 of the Listing Rules further provides that the Hong Kong Stock Exchange considers the following factors in assessing the “relevant experience” of the individual:

- (a) length of employment with the issuer and other issuers and the roles he/she played;
- (b) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;
- (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (d) professional qualifications in other jurisdictions.

Our Company has appointed Mr. Wang Jun (王軍) (“**Mr. Wang**”), our vice president and Board secretary, as one of our joint company secretaries. The Company believes that it would be in the best interests of the Company and the corporate governance of the Group to have Mr. Wang as its joint company secretary, who is responsible for overseeing securities and investment related matters of the Group and has day-to-day knowledge of the Company’s affairs. Mr. Wang has the nexus to the Board and close working relationship with the management of the Company necessary to perform the function of a joint company secretary and to take required actions in the most effective and efficient manner. However, Mr. Wang presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, we have appointed Ms. Wong, who is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom and fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules, to act as the other joint company secretary and to provide assistance to Mr. Wang for an initial period of three years from the Listing Date, to enable Mr. Wang to acquire the “relevant experience” under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules.

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Accordingly, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Mr. Wang may be appointed as a joint company secretary of our Company.

The waiver is valid for an initial period of three years from the Listing Date, and is granted on the condition that Ms. Wong, as a joint company secretary of our Company, will work closely with Mr. Wang to jointly discharge the duties and responsibilities as company secretaries and assist Mr. Wang in acquiring the relevant experience as required under Rules 3.28 and 8.17 of the Listing Rules. Ms. Wong will also assist Mr. Wang in organizing Board meetings and Shareholders' meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Ms. Wong is expected to work closely with Mr. Wang and will maintain regular contact with Mr. Wang, the Directors and the senior management of our Company. In addition, Mr. Wang will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance his knowledge of the Listing Rules during the three-year period from the Listing. Mr. Wang will also be assisted by (a) the Compliance Adviser, particularly in relation to compliance with the Listing Rules; and (b) the Hong Kong legal advisers of our Company, on matters concerning our Company's ongoing compliance with the Listing Rules and applicable laws and regulations.

Pursuant to Chapter 3.10 of the Guide for New Listing Applicants, the waiver will be revoked immediately if Ms. Wong ceases to provide assistance to Mr. Wang as a joint company secretary for the three-year period after the Listing Date or where there are material breaches of the Listing Rules by our Company.

Prior to the expiration of the initial three-year period, the qualifications and experience of Mr. Wang will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied and whether the need for ongoing assistance will continue. We will demonstrate that Mr. Wang, having benefited from the assistance of Ms. Wong for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

WAIVER IN RELATION TO THE 2023 RESTRICTED SHARES INCENTIVE SCHEME AND 2025 RESTRICTED SHARES INCENTIVE SCHEME

Rule 17.02(1)(b) of the Listing Rules requires a listing applicant to, *inter alia*, disclose in the prospectus full details of all outstanding options and awards and their potential dilution effect on the shareholdings upon listing as well as the impact on the earnings per share arising from the issue of shares in respect of such outstanding options or awards.

Pursuant to paragraphs 6 to 7 of Chapter 3.6 of the Guide for New Listing Applicants, the Hong Kong Stock Exchange would normally grant waivers from disclosing the names and addresses of certain grantees if the applicant could demonstrate that such disclosures would be irrelevant or unduly burdensome, subject to certain conditions specified therein.

As of the Latest Practicable Date, our Company had granted outstanding share awards (the "**Share Awards**") under the 2023 Restricted Shares Incentive Scheme to 168 grantees for an aggregate of 6,220,690 A Shares, representing approximately 0.53% of the total number of Shares in issue immediately after completion of the Global Offering (assuming the Over-Allotment Option is not exercised, no new Shares are issued under the Restricted Share Incentive Schemes and there are no changes in the issued share capital of the Company

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between the Latest Practicable Date and the Listing Date). Among the outstanding Share Awards under the 2023 Restricted Shares Incentive Scheme, two Directors (Dr. Liu Sheng and Ms. Wang Xiaoli), one member of senior management (Mr. Wang Jun), four other connected persons of the Company, and 161 grantees who are employees of our Group and are not Directors, members of senior management, consultants or connected persons of the Company were granted Share Awards for 438,900 A Shares, 169,400 A Shares, 639,100 A Shares, and 4,973,290 A Shares, respectively.

As of the Latest Practicable Date, our Company had granted outstanding Share Awards under the 2025 Restricted Shares Incentive Scheme to 796 grantees for an aggregate of 8,526,280 A Shares, representing approximately 0.73% of the total number of Shares in issue immediately after completion of the Global Offering (assuming the Over-Allotment Option is not exercised, no new Shares are issued under the Restricted Share Incentive Schemes and there are no changes in the issued share capital of the Company between the Latest Practicable Date and the Listing Date). None of the grantees of outstanding Share Awards under the 2025 Restricted Shares Incentive Scheme are Directors or members of the senior management of the Company. Among the outstanding Share Awards under the 2025 Restricted Shares Incentive Scheme, four connected persons of the Company and 792 grantees who are employees of our Group and are not Directors, members of senior management, consultants or connected persons of the Company were granted Share Awards for 169,150 A Shares and 8,357,130 A Shares, respectively.

No Share Awards under the 2023 Restricted Shares Incentive Scheme and 2025 Restricted Shares Incentive Scheme will be further granted after Listing, and as of the Latest Practicable Date, all Share Awards have been granted to specific individuals under the 2023 Restricted Shares Incentive Scheme and 2025 Restricted Shares Incentive Scheme.

We have applied to the Hong Kong Stock Exchange for a waiver from strict compliance with the requirements under Rule 17.02(1)(b) of and paragraph 27 of Appendix D1A to the Listing Rules in connection with the disclosure of certain details relating to the 2023 Restricted Shares Incentive Scheme and 2025 Restricted Shares Incentive Scheme and the grantees in this Prospectus on the ground that the waiver will not prejudice the interest of the investing public and full compliance with such disclosure requirements would be unduly burdensome for our Company for the following reasons:

- (a) given that 168 and 796 grantees (the “**Grantee(s)**”) are involved for the grant of outstanding Share Awards under the 2023 Restricted Shares Incentive Scheme and 2025 Restricted Shares Incentive Scheme, respectively, our Directors consider that it would be unduly burdensome to disclose in this Prospectus full details of all the Share Awards granted by us to each of the Grantees, which would significantly increase the cost and time for information compilation and prospectus preparation required for strict compliance with such disclosure requirements, as the Company would need to collect and verify the personal information of a large number of the grantees to meet the disclosure requirements;
- (b) the disclosure of the personal details of each Grantee, including their names, addresses for the grantees and the number of Share Awards granted, may require obtaining consent from all the Grantees in order to comply with personal data privacy laws and principles and it would be unduly burdensome for our Company to obtain such consents given the number of the Grantees;

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- (c) the grant and vesting in full of the Share Awards under the 2023 Restricted Shares Incentive Scheme and 2025 Restricted Shares Incentive Scheme will not cause any material adverse impact to the financial position of our Group;
- (d) there will not be any new H Shares issued under the 2023 Restricted Shares Incentive Scheme and 2025 Restricted Shares Incentive Scheme as both of them are A Share incentive schemes;
- (e) our Directors consider that a lack of full compliance with the above disclosure requirements would not prevent our Company from providing potential investors with sufficient information for an informed assessment of the activities, assets, liabilities, financial position, management and prospects of our Group;
- (f) full disclosure of details of the Grantees (which include their names and positions), as well as the Share Awards granted to each of them, would provide the Group's competitors with the Group's employees' compensation details and facilitate their soliciting activities, which may impact the Group's ability to recruit and retain valuable personnel;
- (g) material information on the 2023 Restricted Shares Incentive Scheme and 2025 Restricted Shares Incentive Scheme has been disclosed in "Statutory and General Information — 2023 Restricted Shares Incentive Scheme and 2025 Restricted Shares Incentive Scheme" in Appendix IV to this Prospectus to provide prospective investors with sufficient information to make an informed assessment of the potential dilutive effect and impact on earnings per share in making their investment decision, and such information includes but is not limited to:
 - (i) a summary of the terms of the 2023 Restricted Shares Incentive Scheme and 2025 Restricted Shares Incentive Scheme;
 - (ii) the aggregate number of A Shares subject to the outstanding Share Awards and the percentage in our total issued Shares of which such number represents upon completion of the Global Offering; and
 - (iii) the details of the outstanding Share Awards granted under the 2023 Restricted Shares Incentive Scheme and 2025 Restricted Shares Incentive Scheme by the range of underlying A Shares, including date of grant, purchase price and the percentage of our Company's total issued share capital upon completion of the Global Offering.

In light of the above, our Directors believe that the grant of the waiver sought and the non-disclosure of the required information will not hinder potential investors from making an informed assessment of the activities, assets and liabilities, financial position, management and prospects of our Group and will not prejudice the interests of the public investors.

The Hong Kong Stock Exchange has granted to us a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of the Listing Rules with respect to the Share Awards granted under the 2023 Restricted Shares Incentive Scheme and 2025 Restricted Shares Incentive Scheme, subject to the conditions that:

- (a) on an individual basis, full details of the outstanding Share Awards granted by the Company under the 2023 Restricted Shares Incentive Scheme and 2025 Restricted Shares Incentive Scheme to each of the Directors, members of the senior management and other connected persons of the Company, including all the particulars required under Rule 17.02(1)(b) of the Listing Rules, be disclosed in this Prospectus;

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- (b) in respect of the Share Awards granted by our Company under the 2023 Restricted Shares Incentive Scheme and 2025 Restricted Shares Incentive Scheme to the remaining grantees other than those referred to in sub-paragraph (a) above (the “**Other Grantee(s)**”), the following details will be disclosed in this Prospectus on an aggregate basis and categorized into lots based on the number of A Shares underlying each individual Grantee, being (i) 20,000 A Shares or less; (ii) 20,001 to 50,000 A Shares; and (iii) 50,001 A Shares or more, and the details of each lot of A Shares will be disclosed in this Prospectus, including (i) the aggregate number of the grantees and the number of A Shares subject to the Share Awards granted to them under the 2023 Restricted Shares Incentive Scheme and 2025 Restricted Shares Incentive Scheme, (ii) the consideration paid for the grant of the Share Awards granted under the 2023 Restricted Shares Incentive Scheme and 2025 Restricted Shares Incentive Scheme, and (iii) the vesting period and the purchase price for the Share Awards granted under the 2023 Restricted Shares Incentive Scheme and 2025 Restricted Shares Incentive Scheme;
- (c) the aggregate number of A Shares underlying the outstanding Share Awards and the percentage of our Company’s total issued share capital upon completion of the Global Offering (without taking into account the A Shares to be issued under the Restricted Share Incentive Schemes) will be disclosed in this Prospectus;
- (d) a summary of the principal terms of the 2023 Restricted Shares Incentive Scheme and 2025 Restricted Shares Incentive Scheme will be disclosed in “Statutory and General Information — 2023 Restricted Shares Incentive Scheme and 2025 Restricted Shares Incentive Scheme” in Appendix IV to this Prospectus;
- (e) the particulars of this waiver are set out in this Prospectus; and
- (f) a full list of all the grantees with outstanding Share Awards for A Shares under the 2023 Restricted Shares Incentive Scheme and 2025 Restricted Shares Incentive Scheme containing all details as required under Rule 17.02(1)(b) of the Listing Rules will be made available for public inspection in accordance with “Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display — Document Available for Inspection” in Appendix V to this Prospectus.

WAIVER IN RESPECT OF ACQUISITIONS AFTER THE TRACK RECORD PERIOD

Rules 4.04(2) and 4.04(4) of the Listing Rules require that the new applicant include in its accountants’ report the results and balance sheet of any business or subsidiary acquired, agreed or proposed to be acquired, since the date to which its latest audited accounts have been made up, in respect of each of the three financial years immediately preceding the issue of the listing document. Pursuant to Note (4) to Rule 4.04(4) of the Listing Rules, the Stock Exchange may consider granting a waiver of the requirements under Rules 4.04(2) and 4.04(4) on a case-by-case basis, and having regard to all relevant facts and circumstances and subject to certain conditions set out thereunder.

Investment in Company A

We entered into a subscription agreement in July 2026 with Company A, an exempted company incorporated in the Cayman Islands with limited liability, pursuant to which we agreed to subscribe for the equity interest of Company A at a consideration of US\$20 million, representing approximately 1.56% equity interest in Company A immediately after the subscription (the “**Company A Investment**”). The consideration for the Company A Investment was determined through arm’s length negotiations with reference to, amongst others, the market valuation and business prospects of Company A. The consideration of the Company A Investment is expected to be fully settled by the end of July 2026 using our internal resources. For the avoidance of doubt, the proceeds of the Global Offering will not be used to fund the Company A Investment.

Company A specializes in optical chips. Our Directors believe that the Company A Investment will complement and strengthen our supply channels and deepen business and technological cooperation between us and Company A. According to the unaudited management accounts of Company A, as of December 31, 2025, (i) its total assets were approximately US\$53.4 million, (ii) its revenues were approximately US\$35.4 million, and (iii) its profits before tax were approximately US\$4.9 million. Our Directors consider that the terms of the Company A Investment are on normal commercial terms, fair and reasonable and in the interests of our Company and the Shareholders as a whole. To the best of our knowledge, information and belief, having made all reasonable enquiries, the counterparties of the Company A Investment and their respective ultimate beneficial owners are Independent Third Party.

Investment in Company B

We proposed to enter into a partnership agreement in July 2026 for subscription of 90% limited partnership interests in Suzhou Qianrong Shengrun Venture Capital Partnership (蘇州乾融晟潤創業投資合夥企業(有限合夥)), a limited partnership established in the PRC with aggregate capital contribution of RMB30,500,000, at a consideration of RMB27,450,000 which is expected to be fully settled by the end of July 2026 using our internal resources. Suzhou Qianrong Shengrun Venture Capital Partnership is a special purpose fund investing solely in a target company (“**Company B**”) to acquire 7.3% equity interests in Company B (the “**Company B Investment**”). The consideration for the Company B Investment was determined through arm’s length negotiations with reference to, amongst others, the business prospects of Company B.

Company B is a fabless chip design company specialized in the optical interconnect industry. Our Directors believe that the Company B Investment will enhance our value chain investment strategy. Our Directors consider that the terms of the Company B Investment are on normal commercial terms, fair and reasonable and in the interests of our Company and the Shareholders as a whole. To the best of our knowledge, information and belief, having made all reasonable enquiries, the counterparties of the Company B Investment and their respective ultimate beneficial owners are Independent Third Party.

Investment in Company C

On May 21, 2026, we conducted off-market block trade with an Independent Third Party (the “**Transferor**”), pursuant to which the Transferor transferred to us the 24,000,000 A shares held by it in Company C, representing approximately 1% of the total issued share capital of Company C, at a total consideration of approximately RMB2,000 million which was determined through arm’s length negotiations with reference to, amongst others, the prevailing

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trading price of Company C, and such consideration was fully settled on the same date using our internal resources (the “**Company C Investment**”, together with Company A Investment and Company B Investment, the “**Post-TRP Acquisitions**”, Company A, Company B and Company C, collectively, the “**Target Companies**”).

Company C is a company listed on the Shenzhen Stock Exchange and is principally engaged in electronic component manufacturing business. Our Directors believe that the Company C Investment will strengthen the business relationship between us and Company C. According to the public available information, as of December 31, 2025, (i) the total assets of Company C were approximately RMB50,000 million, (ii) its revenues were approximately RMB40,000 million, and (iii) its profits before tax were approximately RMB4,300 million. Our Directors consider that the Company C Investment was conducted on normal commercial terms and is fair and reasonable and in the interests of our Company and the Shareholders as a whole. To the best of our knowledge, information and belief, having made all reasonable enquiries, the counterparties of the Company C Investment and their respective ultimate beneficial owners are Independent Third Party.

Conditions to the waivers granted by the Stock Exchange

We have applied to the Stock Exchange for, and the Stock Exchange has granted a waiver from strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules in respect of the Post-TRP Acquisitions on the following grounds:

(a) Immateriality of the Post-TRP Acquisitions

Based on the financial information of the Target Companies available to our Company, all the applicable size test percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in relation to the Post-TRP Acquisitions by reference to the financials of our Group in the most recent audited financial year of the Track Record Period are significantly less than 5%. Furthermore, given the minority investment nature of the Post-TRP Acquisitions, we are not and will not be able to exercise control over the Target Companies at board or shareholders’ level. The minority interest subscribed and to be subscribed by us pursuant to the respective subscription agreement will only be accounted for as financial assets, and their financials will not be consolidated into the financials of our Company.

In light of the foregoing, our Directors believe that each of the Post-TRP Acquisitions (i) is immaterial when compared to the scale of our Group’s operations as a whole, (ii) have not resulted in any significant change to the financial position of our Group since March 31, 2026, and (iii) all applicable information that is reasonably necessary for the potential investors to make an informed assessment of the activities or financial position of our Group has been included in this Prospectus. As such, a waiver from strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules will not affect potential investors’ assessment of our business and future prospects when considering an investment in our Company.

(b) Impracticality and undue burden

As is typical for minority investments, we will not be able to control a majority of the board of directors and/or the shareholders’ meeting of the Target Companies, and will not be involved in the day-to-day management of the Target Companies. It is not reasonably practicable to fully familiarize ourselves with the accounting policies of the Target Companies, and to gather and compile the necessary financial information and supporting documents to prepare the financial information of the Target Companies in strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules. Given the immateriality of the Post-TRP Acquisitions

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to the business, financial condition or operations of our Group on an individual and aggregate basis, it would also be unduly burdensome and would require considerable time and resources for our Company and the Reporting Accountants to prepare the necessary information and supporting documents for the purpose of disclosure of the audited financial information of the Target Companies in this Prospectus.

(c) Alternative disclosure of necessary information in this Prospectus

With a view of allowing potential investors to understand the Post-TRP Acquisitions in greater detail, we have set out in this section alternative information in relation to the Post-TRP Acquisitions which is comparable to the information that is required for a discloseable transaction under Chapter 14 of the Listing Rules, including, among other things, (i) descriptions of the principal business activities of the Target Companies, (ii) the consideration of the Post-TRP Acquisitions, how the consideration was satisfied and the basis upon which the consideration was determined, (iii) a confirmation that counterparties of each of the Post-TRP Acquisitions and their respective ultimate beneficial owners are Independent Third Party, (iv) the total assets, revenues and profits before tax of the Target Companies (as applicable) for the latest financial year immediately preceding the transaction, and (v) the reasons for the Post-TRP Acquisitions and the benefits expected to accrue to our Group as a result of such minority investments.

For the avoidance of doubt, the identity of certain Target Companies are not disclosed in this Prospectus because (i) given the competitive nature of the industry in which we operate, it is commercially sensitive to disclose the identity of the Target Companies to avoid premature disclosure of our strategic investment landscape prior to mutual business collaboration takes off, (ii) as of the Latest Practicable Date, there has been no public disclosures of any other information pertaining to the Post-TRP Acquisitions and the identities of relevant Target Companies, and (iii) given the immateriality of such minority investments, non-disclosure of identities of relevant Target Companies will not affect potential investors' assessment of our business and future prospects when considering an investment in our Company. In addition, as Company B was newly incorporated in February 2026 following its restructuring and the financial information for the latest financial year immediately preceding the transaction is not available.

ALLOCATION OF H SHARES TO EXISTING MINORITY SHAREHOLDERS AND/OR THEIR CLOSE ASSOCIATES

Rule 10.04 of the Listing Rules requires that a person who is an existing shareholder of the issuer may only subscribe for or purchase any securities for which listing is sought which are being marketed by or on behalf of the issuer either in his or its own name or through nominees if the conditions in Rules 10.03(1) and (2) of the Listing Rules are fulfilled. It is provided in Rule 10.03(1) of the Listing Rules that no securities may be offered to existing shareholders on a preferential basis and no preferential treatment may be given to them in the allocation of the securities; and in Rule 10.03(2) that the minimum prescribed percentage of public shareholders required by Rule 8.08(1) must be achieved.

Paragraph 1C(2) of Appendix F1 to the Listing Rules provides that no allocations will be permitted to the existing shareholders of the applicant or their close associates, whether in their own names or through nominees, in the Global Offering unless the conditions set out in Rules 10.03 and 10.04 of the Listing Rules are fulfilled.

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Chapter 4.15 of the Guide for New Listing Applicants provides that the Hong Kong Stock Exchange will consider giving consent and granting waiver from Rule 10.04 of the Listing Rules to an applicant's existing shareholders or their close associates to participate in an initial public offering if any actual or perceived preferential treatment arising from their ability to influence the applicant during the allocation process can be addressed.

Prior to the Listing, our Company's share capital comprises entirely A Shares listed on the Shenzhen Stock Exchange. We have a large and widely dispersed public A Share shareholder base.

We have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements under Rule 10.04 and consent under Paragraph 1C(2) of Appendix F1 to the Listing Rules to permit H Shares in the International Offering to be placed to certain existing minority Shareholders who (i) hold less than 5% of the total voting rights in our Company prior to the completion of the Global Offering and (ii) are not and will not become (upon the completion of the Global Offering) core connected persons of our Company or the close associates of any such core connected person (together, the **"Existing Minority Shareholders"**) and/or their close associates, subject to the conditions as follows:

- (i) the Joint Sponsors confirm that each Existing Minority Shareholder to whom our Company may allocate the H Shares in the International Offering holds less than 5% of the total voting rights in our Company before Listing;
- (ii) the Joint Sponsors confirm that each Existing Minority Shareholder is not, and will not be, a core connected person of our Company or any close associate of any such core connected person immediately prior to or following the Global Offering;
- (iii) the Joint Sponsors confirm that none of the Existing Minority Shareholders has the right to appoint a Director and/or have any other special rights;
- (iv) the Joint Sponsors confirm that allocation to the Existing Minority Shareholders or their close associates will not affect our ability to satisfy the public float requirement as prescribed by the Hong Kong Stock Exchange under Rule 19A.13A of the Listing Rules;
- (v) the Joint Sponsors confirm to the Hong Kong Stock Exchange in writing that based on (i) their discussions with our Company and the Overall Coordinators; and (ii) the confirmations provided to the Hong Kong Stock Exchange by our Company and the Overall Coordinators (confirmations (vi) and (vii) mentioned below), and to the best of their knowledge and belief, they have no reason to believe that any of the Existing Minority Shareholders or their close associates received any preferential treatment, or is in a position to exert influence on the Company to obtain actual or perceived preferential treatment in the allocation either as a cornerstone investor or as a placee by virtue of their relationship with our Company other than the preferential treatment of assured entitlement under a cornerstone investment following the principles set out in Chapter 4.15 of the Guide for New Listing Applicants, and details of the allocation to the Existing Minority Shareholders holding more than 1% of the issued share capital of the Company immediately prior to the completion of the Global Offering will be disclosed in this Prospectus and/or the allotment results announcement, as the case may be;

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- (vi) our Company will confirm to the Hong Kong Stock Exchange in writing that:
- a. in the case of participation as cornerstone investors, no preferential treatment has been, nor will be, given to the Existing Minority Shareholders or their close associates by virtue of their relationship with our Company, other than the preferential treatment of assured entitlement under a cornerstone investment following the principles set out in Chapter 4.15 of the Guide for New Listing Applicants, nor is the Existing Minority Shareholder in a position to exert influence on the Company to obtain actual or perceived preferential treatment, and the Existing Minority Shareholders or their close associates' cornerstone investment agreements do not contain any material terms which are more favorable to the Existing Minority Shareholders or their close associates than those in other cornerstone investment agreements; or
 - b. in the case of participation as placees, no preferential treatment has been, nor will be, given to the Existing Minority Shareholders or their close associates, nor is the Existing Minority Shareholder in a position to exert influence on the Company to obtain actual or perceived preferential treatment, by virtue of their relationship with our Company in any allocation in the placing tranche; and
- (vii) in the case of participation as placees, the Overall Coordinators will confirm to the Hong Kong Stock Exchange that, to the best of their knowledge and belief, no preferential treatment has been, nor will be, given to the Existing Minority Shareholders or their close associates by virtue of their relationship with our Company in any allocation in the placing tranche.

DISCLOSURE OF OFFER PRICE

Paragraph 15(2)(c) of Appendix D1A to the Listing Rules provides that the issue price or offer price of each security must be disclosed in the prospectus. Pursuant to Paragraph 12 of Chapter 4.14 of the Guide for New Listing Applicants, the Hong Kong Stock Exchange also allows an indicative offer price range to be included in the prospectus, as an alternative to the disclosure of a fixed offer price.

We have applied to the Hong Kong Stock Exchange a waiver from strict compliance with paragraph 15(2)(c) of Appendix D1A to the Listing Rules so that the Company will only disclose the maximum Offer Price in this Prospectus on the below basis:

- (a) The Offer Price will be determined with reference to, among other factors, the closing price of the Company's A Shares on the Shenzhen Stock Exchange on the last trading day on or before the Price Determination Date. Our Company is unable to control the trading price of our A Shares on the Shenzhen Stock Exchange;
- (b) Setting a fixed offer price or an offer price range with a low-end may adversely affect our ability to price our H Shares in the best interests of our Shareholders and the market price of the A Shares and the Hong Kong Offer Shares;
- (c) Pursuant to paragraphs 9 and 10(b) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the amount payable on application and allotment on each share, and the price to be paid for shares subscribed for, shall be specified in this Prospectus, respectively. Disclosure of a maximum offer price complies with the requirements prescribed under paragraphs 9

WAIVERS

and 10(b) of Part A the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance by providing a clear indication of the maximum subscription consideration a potential investor shall pay for the Offer Shares; and

- (d) A maximum Offer Price will be disclosed in this Prospectus. This alternative disclosure approach would not prejudice the interests of the investing public in Hong Kong.

The Hong Kong Stock Exchange has granted to us a waiver from strict compliance with paragraph 15(2)(c) of Appendix D1A to the Listing Rules on the conditions that this Prospectus will disclose:

- (a) the maximum Offer Price;
- (b) the time for the determination of the Offer Price and the form of its publication;
- (c) the historical prices of the Company's A Shares and trading volume on the Shenzhen Stock Exchange during the Track Record Period and up to the Latest Practicable Date;
- (d) the determinants of the final Offer Price; and
- (e) the source for investor to access the latest market price of the Company's A Shares.

See "Structure of the Global Offering — Pricing — Determining the Pricing of the Offer Shares" in this Prospectus for the historical prices of our A Shares and trading volume on the Shenzhen Stock Exchange.

DIRECTORS' RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information with regard to us. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

CSRC FILING

The CSRC has issued a notification on our Company's completion of the PRC filing procedures for the listing of our H Shares on the Hong Kong Stock Exchange and the Global Offering.

INFORMATION ON THE GLOBAL OFFERING

This Prospectus is published solely in connection with the Hong Kong Public Offering. For applications under the Hong Kong Public Offering, this Prospectus contains the terms and conditions of the Hong Kong Public Offering. The Global Offering comprises the Hong Kong Public Offering of 5,450,000 H Shares initially offered and the International Offering of 49,050,000 H Shares initially offered (subject, in each case, to re-allocation on the basis under the section headed "Structure of the Global Offering" in this Prospectus and, in case of the International Offering, to any exercise of the Over-allotment Option). Details of the arrangements relating to the Over-allotment Option and stabilization are set forth in the section headed "Structure of the Global Offering" in this Prospectus.

The listing of our H Shares on the Hong Kong Stock Exchange is sponsored by the Joint Sponsors and the Global Offering is managed by the Overall Coordinators. Pursuant to the Hong Kong Underwriting Agreement, the Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. The International Offering is expected to be fully underwritten by the International Underwriters and subject to the terms and conditions of the International Underwriting Agreement. For details of the Underwriters and the underwriting arrangements, see "Underwriting" in this Prospectus.

The Hong Kong Offer Shares are offered solely on the basis of the information contained and representations made in this Prospectus and on the terms and subject to the conditions set out herein and therein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this Prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by our Company, the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, agents, employees or advisers or any other party involved in the Global Offering.

Neither the publication of this Prospectus nor any offering, sale, delivery, subscription or acquisition made under it shall, under any circumstances, constitute a representation or create any implication that there has been no change in our affairs since the date of this Prospectus or that the information in this Prospectus is correct as at any subsequent time.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

For details of the structure of the Global Offering, including its conditions, see “Structure of the Global Offering” in this Prospectus. For the procedures for applying for our H Shares, see “How to Apply for Hong Kong Offer Shares” in this Prospectus. For details of the arrangements relating to the Over-allotment Option and stabilization, see “Structure of the Global Offering” in this Prospectus.

DETERMINATION OF THE OFFER PRICE

The H Shares are being offered at the Offer Price which will be determined by the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and us on or before Tuesday, July 28, 2026 or such later date as may be agreed upon between the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and us, and in any event no later than 12:00 noon on Tuesday, July 28, 2026. If the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company are unable to reach an agreement on the Offer Price on such date, the Global Offering will not proceed.

INFORMATION ABOUT THIS PROSPECTUS

You should rely only on the information contained in this Prospectus to make your investment decision. We have not authorized anyone to provide you with information that is different from what is contained in this Prospectus. Any information or representation not made in this Prospectus must not be relied on by you as having been authorized by us, the Overall Coordinators, the Joint Sponsors, any of the Underwriters, any of our or their respective directors, officers or representatives or any other person involved in the Global Offering. Neither the delivery of this Prospectus nor any offering, sale or delivery made in connection with the H Shares should, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date of this Prospectus or imply that the information contained in this Prospectus is correct as of any date subsequent to the date of this Prospectus.

This Prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. For applicants under the Hong Kong Public Offering, this Prospectus sets out the terms and conditions of the Hong Kong Public Offering.

RESTRICTIONS ON OFFER AND SALE OF THE H SHARES

Each person acquiring the H Shares under the Hong Kong Public Offering will be required to, or be deemed by his acquisition of the H Shares to, confirm that he is aware of the restrictions on offers of the H Shares described in this Prospectus.

No action has been taken to permit a public offering of the H Shares or the general distribution of this Prospectus in any jurisdiction other than in Hong Kong. Accordingly, this Prospectus may not be used for the purposes of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this Prospectus and the offering of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions and pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

COMMENCEMENT OF DEALING IN THE H SHARES

Dealings in the H Shares on the Hong Kong Stock Exchange are expected to commence at 9:00 a.m. on Thursday, July 30, 2026. The H Shares will be traded in board lots of 50 Shares each. The stock code of the H Shares will be 3308.

APPLICATION FOR LISTING ON THE HONG KONG STOCK EXCHANGE

We have applied to the Listing Committee for the listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Over-allotment Option).

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, if the permission for the H Shares to be listed on the Hong Kong Stock Exchange pursuant to this Prospectus has been refused before the expiration of three weeks from the date of the closing of the Global Offering or such longer period not exceeding six weeks as may, within the said three weeks, be notified to us by or on behalf of the Hong Kong Stock Exchange, then any allotment made on an application in pursuance of this Prospectus shall, whenever made, be void.

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the H Shares (including any H Shares which may be issued pursuant to the exercise of the Over-allotment Option) on the Hong Kong Stock Exchange and compliance with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or on any other date as determined by HKSCC. Settlement of transactions between participants of the Hong Kong Stock Exchange is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and the HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made for the H Shares to be admitted into CCASS. Investors should seek the advice of their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

PROCEDURES FOR APPLICATION FOR HONG KONG OFFER SHARES

The procedures for applying for Hong Kong Offer Shares are set out in the section headed “How to Apply for Hong Kong Offer Shares.”

H SHARE REGISTER OF MEMBERS AND STAMP DUTY

All of the Offer Shares will be registered on the H Share register of members of the Company maintained by our H Share Registrar, Computershare Hong Kong Investor Services Limited in Hong Kong. Our register of members will also be maintained by us at our legal address in China.

Dealings in the H Shares registered on the H Share register of members of the Company in Hong Kong will be subject to Hong Kong stamp duty.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

Unless determined otherwise by the Company, dividends payable in respect of our H Shares will be paid to the Shareholders listed on the H Share register of members of our Company in Hong Kong, by ordinary post, at the Shareholders' risk, to the registered address of each Shareholder of the Company.

PROFESSIONAL TAX ADVICE RECOMMENDED

You should consult your professional advisors if you are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of, or dealing in, the H Shares or exercising any rights attaching to the H Shares. We emphasize that none of our Company, the Underwriters, the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, any of our or their respective directors, officers or representatives or any other person involved in the Global Offering accepts responsibility for any tax effects or liabilities resulting from your subscription, purchase, holding or disposing of, or dealing in, the H Shares or your exercise of any rights attaching to the H Shares.

EXCHANGE RATE CONVERSION

Unless otherwise specified, this Prospectus contains certain translations for the convenience purposes at the following rates as of the Latest Practicable Date:

US\$1.00: HK\$7.83783

RMB0.86746: HK\$1.00

US\$1.00: RMB6.79900

No estimation is made that any amounts in HK\$, RMB and US\$ can be or could have been converted at the relevant dates at the above rates or any other rates at all.

LANGUAGE

If there is any inconsistency between this Prospectus and the Chinese translation of this Prospectus, this Prospectus shall prevail unless otherwise stated. However, the translated English names of the PRC and foreign national, entities, departments, facilities, certificates, titles, laws, regulations (including certain of our subsidiaries) and the like included in this Prospectus and for which no official English translation exists are unofficial translations for your reference only. If there is any inconsistency, the names in their original languages shall prevail.

ROUNDING

Certain amounts and percentage figures included in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

DIRECTORS

Name	Address	Nationality

Executive Directors

Dr. Liu Sheng (劉聖)	Room 7716, Building 1 International Finance Center No. 409, Suzhou Avenue East Suzhou Industrial Park Jiangsu Province PRC	Chinese

Mr. Wang Xiaodong (王曉東)	Room 1001, Unit 17-1 Haitang Yuefu Longjiang Road Haitang District Sanya Hainan Province PRC	Chinese

Ms. Wang Xiaoli (王曉麗)	Room 304, Building 7 Panjingyuan Gusu District Suzhou Jiangsu Province PRC	Chinese

Non-executive Director

Ms. Chen Caiyun (陳彩雲)	Room 308, Building 6 Lanan Garden Suzhou Industrial Park Jiangsu Province PRC	Chinese

Independent non-executive Directors

Ms. Zhan Shuping (戰淑萍)	Room 102, No. 65 Lane 200, Songtao Road Pudong New Area Shanghai PRC	Chinese

Dr. Cheng Bo (成波)	Room 1602, Unit 1, Building 5 Xueqingyuan Haidian District Beijing PRC	Chinese

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Name	Address	Nationality
Dr. Qu Wenzhou (屈文洲)	Room 201, No. 113 Yueyang Xili Siming District Xiamen Fujian Province PRC	Chinese
Mr. Huang Guobin (黃國濱)	16/F Park Rise 17 MacDonnell Road Central Hong Kong	Chinese

See “Directors and Senior Management” for further details of our Directors.

PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Sponsors

Goldman Sachs (Asia) L.L.C.

68/F, Cheung Kong Center
2 Queen’s Road Central
Central
Hong Kong

China International Capital Corporation Hong Kong Securities Limited

29/F, One International Finance Centre
1 Harbour View Street
Central
Hong Kong

Morgan Stanley Asia Limited

46/F, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

GF Capital (Hong Kong) Limited

27/F, GF Tower
81 Lockhart Road
Wan Chai
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

**Sponsor-Overall Coordinators, Overall
Coordinators, Joint Global
Coordinators, Joint Bookrunners, Joint
Lead Managers and Capital Market
Intermediaries**

Goldman Sachs (Asia) L.L.C.
68/F, Cheung Kong Center
2 Queen's Road Central
Central
Hong Kong

**China International Capital Corporation
Hong Kong Securities Limited**
29/F, One International Finance Centre
1 Harbour View Street
Central
Hong Kong

Morgan Stanley Asia Limited
46/F, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

**GF Securities (Hong Kong) Brokerage
Limited**
27/F, GF Tower
81 Lockhart Road
Wan Chai
Hong Kong

**Overall Coordinators and
Joint Global Coordinators**

**Haitong International Securities Company
Limited**
28/F, 30/F Suites 3001-10 and 3015-16
One International Finance Centre
No. 1 Harbour View Street
Central
Hong Kong

Citigroup Global Markets Asia Limited
50/F, Champion Tower
Three Garden Road
Central
Hong Kong

**The Hongkong and Shanghai Banking
Corporation Limited**
1 Queen's Road Central
Hong Kong

**China Galaxy International Securities
(Hong Kong) Co., Limited**
20/F Wing On Centre
111 Connaught Road Central
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

**Joint Bookrunners, Joint Lead Managers
and Capital Market Intermediaries**

**Haitong International Securities Company
Limited**

28/F, 30/F Suites 3001-10 and 3015-16
One International Finance Centre
No. 1 Harbour View Street
Central
Hong Kong

Citigroup Global Markets Asia Limited

*(in relation to the Hong Kong Public
Offering)*

50/F, Champion Tower
Three Garden Road
Central
Hong Kong

Citigroup Global Markets Limited

(in relation to the International Offering)

33 Canada Square
Canary Wharf
London E14 5LB
United Kingdom

**The Hongkong and Shanghai Banking
Corporation Limited**

1 Queen's Road Central
Hong Kong

**China Galaxy International Securities
(Hong Kong) Co., Limited**

20/F Wing On Centre
111 Connaught Road Central
Hong Kong

**Joint Global Coordinator, Joint
Bookrunner and Capital Market
Intermediary**

ABCI Capital Limited

11/F, Agricultural Bank of China Tower
50 Connaught Road
Central
Hong Kong

**Joint Lead Manager and Capital Market
Intermediary**

ABCI Securities Company Limited

10/F, Agricultural Bank of China Tower
50 Connaught Road
Central
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

**Joint Bookrunners, Joint Lead Managers
and Capital Market Intermediaries**

Zhongtai International Securities Limited
19 Floor, Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

Zero2IPO Securities Limited
Unit No. 1506B, Level 15
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

Financial Adviser

DBS Asia Capital Limited
73/F, The Center
99 Queen's Road Central
Central
Hong Kong

Legal advisers to our Company

As to Hong Kong and United States laws:
Davis Polk & Wardwell
10/F, The Hong Kong Club Building
3A Chater Road
Central
Hong Kong

As to PRC laws and PRC data compliance matters:
Zhong Lun Law Firm
10/11/16/17F, Two IFC
8 Century Avenue
Pudong New Area
Shanghai, 200120
China

As to U.S. Export Controls and Sanctions:
Katten Muchin Rosenman LLP
Unit 4906 Wheelock Square
1717 W. Nanjing Rd.
Shanghai, 200040
PRC

As to U.S. Tariffs and Outbound Investment Program:
**Hogan Lovells Cadwalader
International LLP**
11th Floor, One Pacific Place
88 Queensway
Hong Kong
China

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Legal advisers to the Joint Sponsors and the Underwriters

As to Hong Kong and United States laws:

Clifford Chance

27/F, Jardine House
1 Connaught Place, Central
Hong Kong

As to PRC laws:

Jingtian & Gongcheng

34/F, Tower 3
China Central Place
77 Jianguo Road
Chaoyang District
Beijing
China

Auditor and Reporting Accountant

PricewaterhouseCoopers

Certified Public Accountants
Registered Public Interest Entity Auditor
22/F Prince's Building
Central
Hong Kong

Industry Consultant

China Insights Industry Consultancy Limited

10F, Block B
Jing'an International Center
88 Puji Road, Jing'an District
Shanghai 200070
China

Compliance Adviser

Haitong International Capital Limited

Suites 3001-3006 and 3015-3016
One International Finance Centre
No. 1 Harbour View Street
Central
Hong Kong

Transfer Pricing Consultant

PricewaterhouseCoopers Consultants (Shenzhen) Limited Suzhou Branch

Unit 02, 42/F West Tower
China Overseas Fortune Center
9 Suzhou Avenue West
Suzhou Industrial Park
Suzhou 215021
China

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Receiving Banks

Bank of China (Hong Kong) Limited

1 Garden Road
Central
Hong Kong

Industrial and Commercial Bank of China (Asia) Limited

39/F., ICBC Tower
3 Garden Road, Central
Hong Kong

CMB Wing Lung Bank Limited

14/F, CMB Wing Lung Bank Building
45 Des Voeux Road Central
Hong Kong

China CITIC Bank International Limited

79/F, International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong

CORPORATE INFORMATION

Registered Office and Headquarters	Zhuyouguan Town Residential Area Longkou City Shandong Province PRC
Principal Place of Business in the PRC	168 Shengpu Road, Suzhou Industrial Park Suzhou City Jiangsu Province PRC
Principal Place of Business in Hong Kong	46/F, Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
Company's Website	<u>www.zj-innolight.com</u> (the information contained on this website does not form part of this Prospectus)
Joint Company Secretaries	Mr. Wang Jun (王軍) 168 Shengpu Road, Suzhou Industrial Park Suzhou City Jiangsu Province PRC Ms. Wong Mei Fung Carrie (黃美鳳) <i>(Associate Member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)</i> 46/F, Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
Authorized Representatives	Ms. Wang Xiaoli (王曉麗) 168 Shengpu Road, Suzhou Industrial Park Suzhou City Jiangsu Province PRC Mr. Wang Jun (王軍) 168 Shengpu Road, Suzhou Industrial Park Suzhou City Jiangsu Province PRC
Alternate Authorized Representative	Ms. Wong Mei Fung Carrie (黃美鳳) 46/F, Hopewell Centre 183 Queen's Road East Wanchai Hong Kong

CORPORATE INFORMATION

Strategy Committee

Dr. Liu Sheng (劉聖) (*Chairperson*)
Mr. Wang Xiaodong (王曉東)
Dr. Cheng Bo (成波)

Audit Committee

Dr. Qu Wenzhou (屈文洲) (*Chairperson*)
Ms. Chen Caiyun (陳彩雲)
Ms. Zhan Shuping (戰淑萍)

Remuneration and Appraisal Committee

Mr. Huang Guobin (黃國濱) (*Chairperson*)
Mr. Wang Xiaodong (王曉東)
Dr. Qu Wenzhou (屈文洲)

Nomination Committee

Dr. Cheng Bo (成波) (*Chairperson*)
Ms. Wang Xiaoli (王曉麗)
Mr. Huang Guobin (黃國濱)

H Share Registrar

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

Principal Banks

Industrial and Commercial Bank of China (Suzhou Branch)
1# West Suzhou Avenue
Suzhou Industrial Park
Suzhou City
Jiangsu Province
PRC

Bank of China (Suzhou Industrial Park Branch)
No. 8 West Suzhou Avenue
Suzhou Industrial Park
Suzhou City
Jiangsu Province
PRC

The Hongkong and Shanghai Banking Corporation Limited (Singapore Branch)
10 Marina Boulevard
#48-01 Marina Bay Financial Centre
Tower 2
Singapore

INDUSTRY OVERVIEW

The information and statistics set out in this section and other sections of this Prospectus were extracted from different official government publications, available sources from public market research and other sources from independent suppliers, and from the independent industry report prepared by China Insights Industry Consultancy Limited (“CIC”). We engaged CIC to prepare an independent industry report in connection with the Global Offering (the “CIC Report”). The information from official government sources has not been independently verified by us, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, any of the Underwriters, any of their respective directors, supervisors, and advisors, or any other persons or parties involved in the Global Offering, and no representation is given as to its accuracy. Accordingly, the information from official government sources contained herein may not be accurate.

OVERVIEW OF THE OPTICAL INTERCONNECTS INDUSTRY

Industry Development Background

The global computing landscape has undergone a fundamental transformation over the past two decades. Since the emergence of cloud computing, the scale of global data center infrastructure has been expanding to support the growth of the internet and mobile applications. Subsequently, commencing in late 2022, the rapid development and adoption of large language models have triggered a new phase of computing demand, characterized by the deployment of high-performance, large-scale computing clusters to support AI training and inference workloads. With the emergence of trends such as multimodal large language models, agentic AI, and physical AI, the daily token consumption of large language models has increased thirtyfold from 3 trillion at the end of 2023 to 100 trillion in 2025, and is expected to grow another eightyfold to 8,000 trillion by 2030. Such computing demand requires massive AI infrastructure support, with global cumulative AI capital expenditure expected to reach US\$6.1 trillion from 2026 to 2030, representing an increase of more than five times compared to the prior five-year period. The scale of data centers has expanded dramatically, with power capacity of each newly built data center growing from tens of megawatts in 2020 to hundreds of megawatts, and even several gigawatts in 2026. Large-scale computing relies on densely interconnected clusters. As the density of clusters increases, the unit deployment cost of data centers continues to rise, with AI capital expenditure per GW expected to increase from approximately US\$30 billion in 2025 to over US\$50 billion in 2030.

To maximize the performance of computing clusters, massive computing nodes must be equipped with high-speed, low-latency data transmission capabilities. Traditional copper-based connectivity is increasingly constrained by bandwidth, power consumption, and transmission distance, making it difficult to meet the next-generation data center requirements for large-scale, scalable, high-speed interconnection. In contrast, optical interconnects solutions, primarily including optical transceivers, NPO, and CPO, leverage the physical properties of photons to offer higher bandwidth potential, lower transmission loss, and effective immunity to electromagnetic interference, becoming a key technological pathway for AI cluster interconnection. Global optical interconnects market is expected to represent approximately 5% of global AI capital expenditure in 2025, with its share forecast continues to increase over time and is expected to reach approximately 10% in the long term.

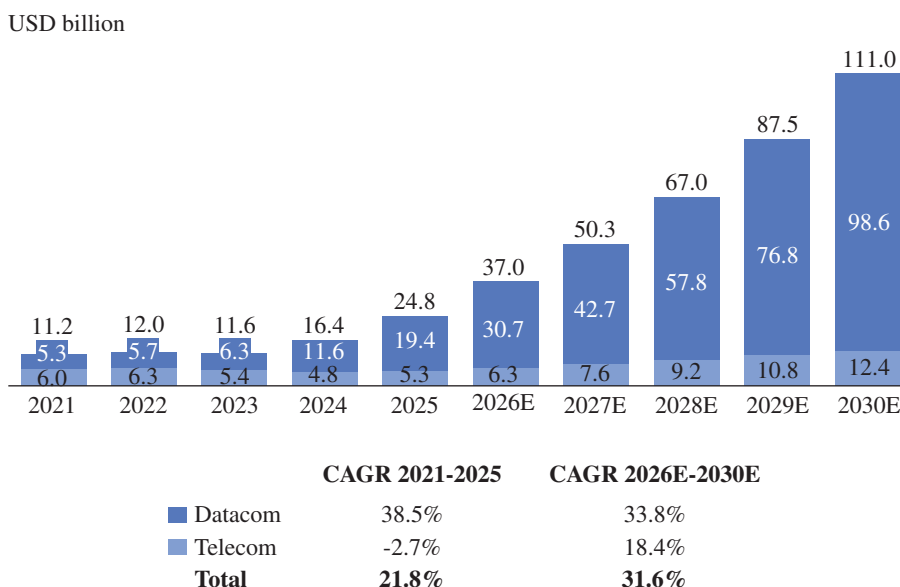
INDUSTRY OVERVIEW

Optical Interconnects End Markets

Optical interconnects span two major markets: datacom (data communications) and telecom (telecommunications). In datacom, optical interconnects serve not only general-purpose scenarios but, more importantly, AI workloads, enabling high-bandwidth, low-latency data transmission and unleashing the full performance potential of computing clusters. In telecom, optical interconnects ensure high-speed interconnection across core, access, and metropolitan area networks, supporting the development of communication infrastructure.

According to LightCounting, the global optical interconnects market reached US\$24.8 billion in 2025, with optical transceivers accounting for the vast majority of the market, and is expected to reach US\$111.0 billion in 2030, with a CAGR of 31.6% from 2026 to 2030. The expansion is led by datacom, where the market is expected to scale from US\$19.4 billion in 2025 to US\$98.6 billion in 2030, delivering a CAGR of 33.8% from 2026 to 2030.

Global optical interconnects industry, in terms of revenue, by end markets, 2021-2030E



Source: LightCounting, CIC

Note: Historical and forecast figures are broadly based on data from LightCounting.

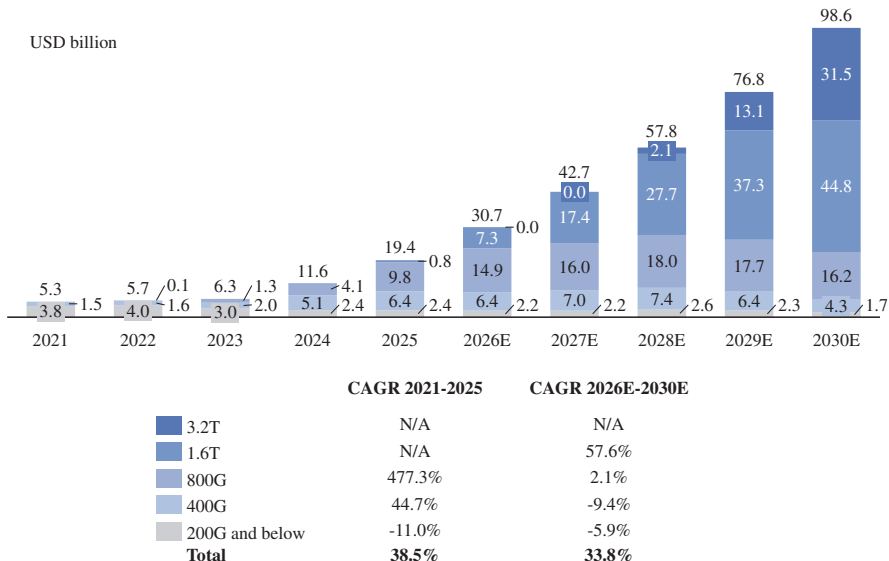
GLOBAL DATACOM OPTICAL INTERCONNECTS MARKET

Product Iteration Accelerates as Transmission Speed Continues to Increase

Recent surging AI data center build-out demand drove accelerational upgrade for optical interconnects technologies. By 2025, 800G optical transceiver products have been fully ramped up into high volume deployment, and 1.6T products have transitioned into mass production, while the development for 3.2T products is also accelerating. Over the next five years, 1.6T products are expected to become the mainstream optical interconnect deployment, and 3.2T products will gradually enter commercial validation, driving a new cycle of higher speed upgrades. The chart below illustrates the evolving mix of products by transmission speed in the global optical interconnects market.

INDUSTRY OVERVIEW

Global datacom optical interconnects industry, in terms of revenue, by transmission speed, 2021-2030E



Source: LightCounting, CIC

Note: Historical and forecast figures are broadly based on data from LightCounting, while the forecast breakdown is based on CIC estimates.

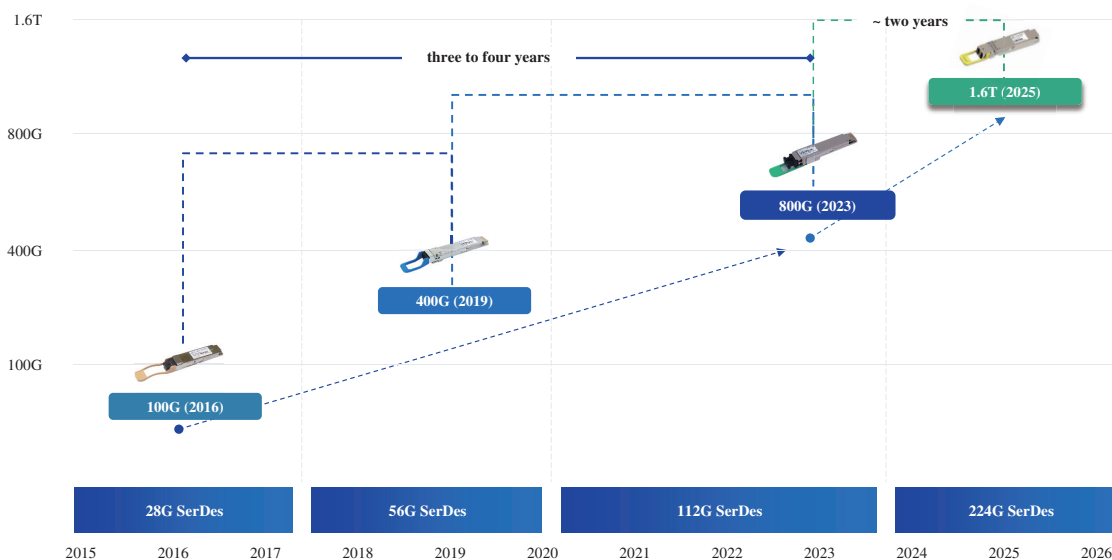
According to CIC, while the datacom optical interconnect market size for 2026 to 2030 has been forecast, the actual market size may exceed the current forecast if the market develops faster than currently expected and key growth drivers continue to materialize. In particular, the following drivers could further enlarge the addressable market for optical interconnect solutions and support upside potential beyond the current forecast:

- (i) **Growth in xPU shipments.** Global xPU shipments deployed in AI computing clusters are expected to increase from approximately 14 million units in 2025 to approximately 60 million units in 2030, representing a CAGR of approximately 34% according to CIC. Such shipment growth may further accelerate if wafer fabrication and advanced packaging capacity constraints are gradually alleviated.
- (ii) **Growing attach rate in scale-out networks.** As AI clusters continue to expand, higher bandwidth density and more intensive inter-chip communication will require more optical links between nodes, thereby increasing the average optical interconnect attach rate (numbers of optical interconnects per xPU) in scale-out networks.
- (iii) **Rising optical penetration in scale-up networks.** Scale-up interconnects have historically been functioned by copper-based solutions, while optical solutions remain at an initial development stage of adoption. As bandwidth, distance, power consumption and density requirements continue to increase, the penetration rate of optical interconnects in scale-up networks is expected to reach 20% to 30% in the upcoming years according to CIC, further creating incremental market opportunities.

INDUSTRY OVERVIEW

The development cycle of optical interconnects is also accelerating, largely due to the faster iteration of computing chip platforms and data-center switch chips. For instance, NVIDIA's major platform iterations are accelerating from a two-year cycle (e.g. Hopper to Blackwell) to a roughly one-year cycle for the future platforms. Each new generation of computing chip platform typically necessitates upgrades to network interface cards, switch chips, and the optical interconnects linking to support higher bandwidth data exchange. The chart below shows when each generation of optical transceivers enters the mass production stage; as indicated by the chart, the time between the mass production of 100G and 400G, and 400G and 800G transceivers is three to four years, respectively, while the time from 800G to 1.6T is approximately two years.

Mass production timelines for optical transceivers (100G – 1.6T)



Source: LightCounting, CIC

Changes in Data Center Network Architecture Increase Interconnect Density and Drive Higher Demand

The network topology of data centers is evolving from traditional bandwidth-converged architectures to high-bandwidth, non-blocking structures exemplified by the fat-tree design, improving communication efficiency and bandwidth utilization between any two nodes. Concurrently, surging demand for high-speed, energy efficient transmission coupled with substantial increases in both connection counts and interconnect density, is driving exponential growth in the need for optical interconnects.

As AI workloads continue to scale rapidly, the number of xPUs deployed in AI computing clusters is expected to increase significantly. Meanwhile, each chip requires high-speed data exchange with an increasing number of chips across nodes to fully unlock its computational potential. The increase in the number of xPUs per node, combined with the expansion of overall cluster scale, necessitates a greater number of optical interconnects per xPU to support higher bandwidth and lower latency.

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Driven by the increasing adoption of internally developed AI accelerators by major cloud service providers, ASIC shipments are expected to grow rapidly. This reflects the increasing diversification of the xPU ecosystem, as AI infrastructure evolves from GPU-centric deployments toward a broader mix of GPUs, ASICs and other specialized accelerators. Such diversification is expected to create incremental demand for optical interconnects by requiring broader and more customized interconnect solutions across different computing architectures and deployment scenarios.

In addition, scale-up networks are expected to create significant incremental opportunities for optical interconnects. As inference workloads become more widely commercialized and token generation economics continue to improve, AI compute clusters are expected to expand beyond single-rack architectures toward larger scale-up domains, requiring substantially higher intra-cluster bandwidth. Under such architecture, the required optical bandwidth may increase by approximately ten times, and even partial migration of scale-up interconnects from copper-based solutions to optical solutions could translate into significant incremental demand for optical interconnects.

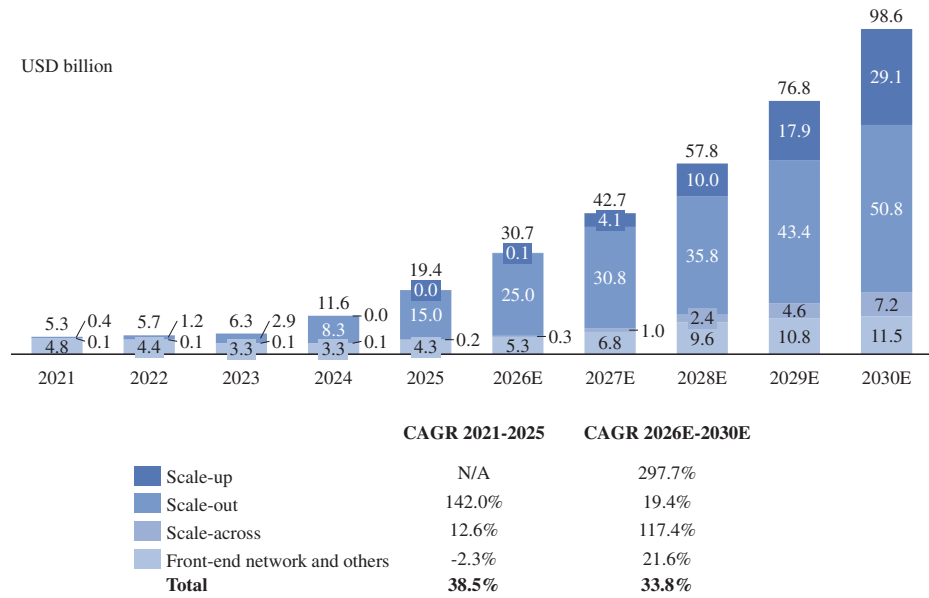
In addition to compute-to-compute connectivity, AI inference is creating growing demand for compute-to-memory connectivity. As AI applications become more interactive, agentic and context-heavy, lower token-level latency increasingly depends on how quickly models can access and reuse memory during generation. Large language models need to store and repeatedly read key-value caches, whose memory footprint expands with context length, batch size and model scale. This may drive the adoption of memory pooling, where computing nodes access shared or disaggregated memory resources beyond a single server or rack, thereby requiring additional high-bandwidth, low-latency links among computing nodes, switches and memory resources and creating incremental demand for optical interconnects.

Significant Growth in Optical Interconnects Penetration in AI-Era Data Center Networks

The rapid proliferation of AI workloads is fundamentally transforming data center architecture, driving a significant increase in demand for optical interconnects across every tier of the network. In modern data centers, optical interconnects are essential not only for the front-end network, which manages data transfer between end users and data centers, but also for the back-end network, which supports high-performance computing workloads through scale-out (connections between computing nodes) and scale-up (short-distance, high-density links among servers within a single node) architectures. Additionally, as AI workloads grow, there is a rising need for scale-across solutions, which enable high-bandwidth, long-distance interconnection between multiple data centers.

INDUSTRY OVERVIEW

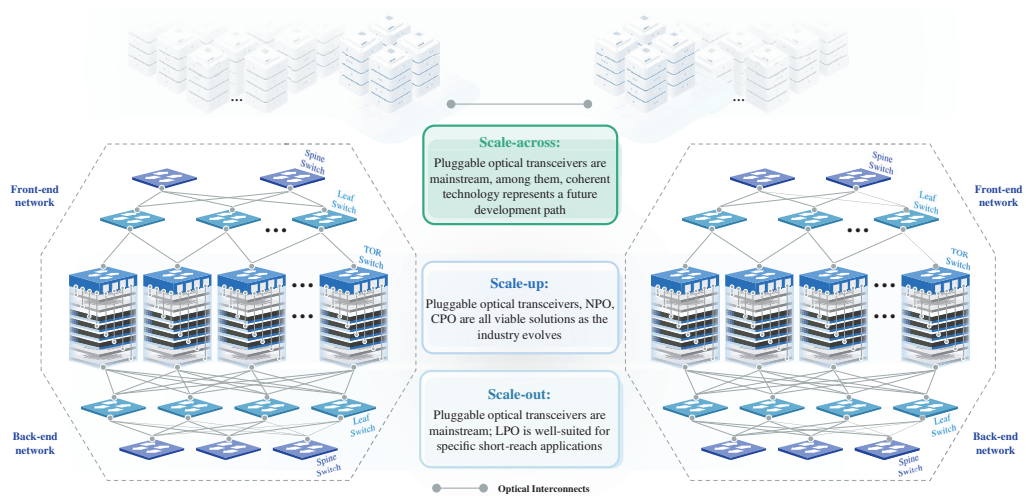
Global datacom optical interconnects industry, in terms of revenue, by scenarios, 2021-2030E



Source: LightCounting, CIC

Note: Historical and forecast figures are broadly based on data from LightCounting, while the forecast breakdown is based on CIC estimates.

The diagram below illustrates the three AI deployment scenarios within data center architectures.



Source: CIC

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- **Scale-across** describes connecting multiple data centers so that compute resources distributed across buildings can be treated as a unified compute resource for AI processing. It refers to the long-haul connection between switches across different data centers, supporting building-to-building and campus-to-campus scenarios, with distances typically ranging from a few kilometers within a large data center campus, to several hundred kilometers across a major data center region, and even to thousands of kilometers across data centers spanning multiple continents. As AI training workloads outgrow single data centers and require resource pooling across multiple facilities, the need for long-distance, high-bandwidth, high-stability optical links is accelerating rapidly.
- **Scale-out** describes adding more nodes within the same data center to share and process a large AI workload in parallel. It refers to the high-bandwidth connections between switches within a data center, such as between Top-of-Rack (ToR), leaf and spine switches, typically over distance of up to two kilometers. As AI clusters grow in size and node count, the exponential increase in switch ports and server links directly fuels demand for dense, high-speed optical interconnect in this layer.
- **Scale-up** describes connecting computing resources so that chips, servers and racks can operate as a unified AI system. It refers to high-bandwidth, low-latency and high-density interconnects within servers and across rack-scale computing architectures, including next-generation GPU-to-GPU interconnects, as well as connectivity among GPUs, CPUs and storage systems. As AI workloads continue to grow in scale and complexity, scale-up networking is becoming increasingly critical to AI system performance and efficiency.

The technical routes of optical interconnects are diverse, with different characteristics in terms of distance, performance, maintainability, and cost. Each layer of data center network typically requires different optical interconnects, as shown in the table below:

Scenario	Mainstream Optical Interconnects Solutions	
Scale-across	✓	Pluggable optical transceivers are mainstream, among them, coherent based solutions can achieve long-distance, high-capacity data transmission through coherent technology and represent a future development path
Scale-out	✓	Pluggable optical transceivers are widely deployed for many generations
	✓	While fully retimed optical transceivers are mainstream technology, half-linear and linear optical transceivers are being adopted for power efficiency
Scale-up	✓	High-density pluggable optical transceivers, NPO, and CPO are all viable solutions to address the critical power efficiency and bandwidth density requirements in different reaches under scale-up scenario

INDUSTRY OVERVIEW

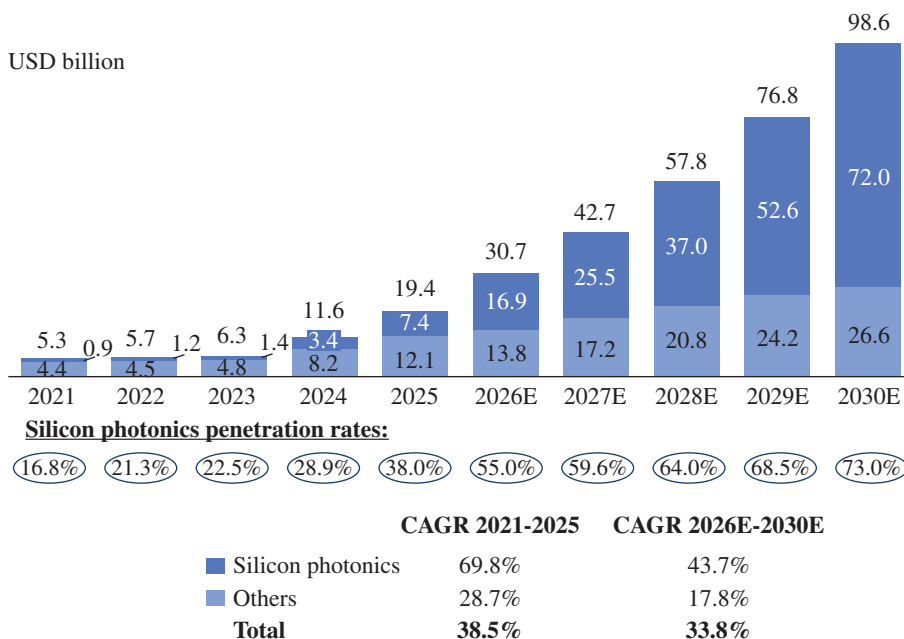
TECHNOLOGY DEVELOPMENT TRENDS IN DATACOM OPTICAL INTERCONNECTS

As data center scale and computing interconnect requirements continue to rise, challenges in optical interconnects deployment — such as high power consumption, space constraints, and stringent requirements for transmission density and reliability — have become increasingly prominent. This drives sustained demand for low-power, high-efficiency, high-density, and easily integrated optical interconnect technologies, fueling the development of silicon photonics, coherent optical communication, and liner optics.

Silicon Photonics (SiPh) Technology

Silicon photonics optical transceivers utilize CMOS-compatible processes to integrate a large number of photonic functions, such as waveguides, modulators, monitoring photodiodes, and photodetectors, onto photonic integrated circuits (PICs). After two decades of industry development and investment, silicon photonics has become a mainstream technology, enabling outstanding performance, lower cost, higher yield, high reliability, and scalable manufacturing. The penetration rate of silicon photonics in the global datacom optical interconnects market is expected to increase from approximately 38% in 2025 to approximately 73% in 2030.

Global datacom optical interconnects industry, in terms of revenue, silicon photonics vs. others, 2021-2030E



Source: LightCounting, CIC

Note: Others mainly include Inp and GaAs. Historical and forecast figures are broadly based on data from LightCounting, while the forecast breakdown is based on CIC estimates.

Beyond optimizing the performance and cost of optical transceivers, the design capabilities accumulated on silicon photonics platforms can be extended to NPO, CPO, OCS, and other fields, giving optical interconnects companies long-term potential for value chain expansion.

Coherent Optical Communication Technology

Coherent optical communication technology improves transmission capacity and signal-to-noise ratio by precisely measuring the phase and amplitude of light waves, enabling a single optical fiber to carry more data. Traditionally, coherent optical communication technology has been used in long-haul backbone networks to meet the demand for high-capacity, long-distance transmission. As data center internal interconnect speeds and network scale rapidly increase, coherent optical communication technology is gradually being adopted for scale-out and scale-across scenarios. In the future, transmission enabled by coherent optical communication technology will play an increasingly important role in high-performance, scalable network architectures.

eXtra-dense Pluggable Optics (XPO)

XPO represents a significant upgrade to pluggable optical transceivers by increasing capacity and front-panel port density compared to OSFP. It enables higher bandwidth density without fundamentally changing the system architecture, thereby preserving the advantages of modularity, interoperability, serviceability, and supply diversity. It is also the first pluggable optics solution with integrated liquid cooling, which lowers power consumption and improves reliability. Leveraging the mature pluggable ecosystem, XPO represents a practical optical solution to meet various AI network application scenarios.

Linear Optic Technologies

LPO eliminates traditional digital signal processing (DSP) and clock and data recovery (CDR) chips, significantly reducing power consumption and latency. However, the elimination of DSP requires stronger signal equalization from the host ASIC SerDes and tighter control over electrical channel loss.

LRO represents an advanced, asymmetric architecture designed for scenarios requiring a balance between performance and power efficiency. In an LRO transceiver, a DSP is retained only on the transmitter side for essential signal retiming and equalization. The receiver side, however, adopts a linear design. This approach extends the reach and improves signal integrity compared to pure LPO, while still maintaining a lower power profile than full-DSP solutions. It is particularly well-suited for systems with medium level of signal loss between ASIC and pluggable optics.

Near-Packaged Optics (NPO)

NPO is an optical module placed close to, but physically separate from, the host ASIC. Its close proximity to the ASIC significantly reduces signal loss between the ASIC and the optical module, making a fully linear optical implementation feasible with much lower power dissipation. Because NPO remains physically separate from the ASIC and can typically be mounted in a socket on the PCB, it provides greater flexibility in system configuration and is easier to service and repair. This architecture is also conducive to multi-source agreements, such as the recently announced Open-CPX MSA. As such, NPO is expected to serve as a durable architecture that balances performance, openness and maintainability for high-density scale-up interconnects.

Future Optical Interconnect Technologies

Emerging optical interconnect technologies, including CPO and OCS, among others, are under development to address growing requirements for bandwidth density, power efficiency and scalability in data center networks.

CPO is now perceived as one of the most integrated optics packaging solutions, where the switch ASIC and optical engine are co-assembled onto the same substrate. This achieves the shortest possible electrical path, minimizing signal loss and power consumption for maximum performance and efficiency. CPO remains under development and faces challenges such as technology and ecosystem readiness, manufacturing consistency, cost, and maintainability. CPO is expected to coexist with pluggable optics and other interconnect solutions over the long term.

OCS is an emerging type of switch within all-optical interconnect architectures. It completes signal switching and forwarding directly in the optical domain, avoiding frequent optoelectronic conversion processes, significantly reducing communication latency and energy consumption, and offering higher bandwidth density, greater scalability, and longer device lifespan. Its introduction not only drives changes in data center network interconnection but also lays the foundation for future all-optical network architectures. Currently, OCS is still in development, with few mature applications.

GLOBAL TELECOM OPTICAL INTERCONNECTS MARKET OVERVIEW

The global telecom optical interconnects market reached US\$5.3 billion in 2025 and is expected to increase to US\$12.4 billion in 2030, with a CAGR of 18.4% from 2026 to 2030.

The market growth is driven by the following factors:

- **Network Speed and Bandwidth Upgrades:** With the popularization and continued evolution of 5G/6G networks, network speed and bandwidth have greatly improved, and the data transmission volume between base stations and core networks has grown exponentially. This places higher demands on high-speed, low-latency, and highly reliable optical interconnect products, driving the continuous expansion of the telecom optical interconnects market.
- **Edge Computing Proliferation:** The proliferation of edge computing brings massive real-time data processing needs, significantly increasing the use of optical interconnects in telecom access and aggregation networks. Diverse business scenarios require varied transmission speed and distances, driving comprehensive expansion of high-speed short-distance and long-distance telecom optical interconnects in performance and application.
- **Technology Evolution:** The application scenarios of telecom optical interconnects products are rich and diverse, such as large-capacity transmission in backbone and metropolitan networks (CWDM/DWDM), fiber to the x (FTTx), wireless network fronthaul/backhaul (Wireless xHaul), among others. Different scenarios have unique requirements for optical interconnects products in terms of speed, transmission distance, and ease of deployment, with multiple technology paths evolving in parallel to drive market expansion.

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COMPETITIVE LANDSCAPE OF THE OPTICAL INTERCONNECTS INDUSTRY

The Company was the largest optical interconnects solution provider globally in terms of relevant revenue in 2025, accounting for 21.2% of the overall optical interconnect solutions market in 2025 and further strengthening its leadership position in the high-speed (400G and above) datacom optical interconnect solutions market, where the Company held a market share of 28.1% in the same year.

Global Ranking of Top 5 Optical Interconnects Solution Providers, 2025

Ranking	Company Name	Market Share (%)
1	The Company	21.2%
2	Company A	14.0%
3	Company B	12.1%
4	Company C	5.0%
5	Company D	4.7%

Source: LightCounting, CIC

Notes:

- (1) Company A, founded in 2008, is a China-based provider of optical transceivers solutions and services. Its main business includes the research, development, production, and sales of various optical transceivers and optical components. Company A is listed on the Shenzhen Stock Exchange.
- (2) Company B, founded in 1971, is a U.S.-based manufacturer in the optoelectronics field. Its main business includes the research, development, production, and sales of lasers, network components, engineering materials, and optoelectronic devices. Company B is listed on the New York Stock Exchange.
- (3) Company C, founded in 2004, is a China-based semiconductor design company. Its main business includes the design and development of semiconductor devices for telecommunications, data centers, and consumer electronics. Company C is an unlisted company.
- (4) Company D, founded in 1984, is a US-based networking equipment and technology company. Its main business includes the development of networking hardware, software, and related services. Company D is a listed company on the NASDAQ Stock Exchange.

Key competitive barriers include the following:

- **R&D Capabilities:** The optical interconnects industry is characterized by rapid technological iteration, demanding forward-looking planning and systematic R&D capabilities. Leading companies typically invest early in core technology R&D, enabling large-scale shipments and continuous optimization of yield and reliability. Companies with such forward-looking R&D capabilities will stay ahead in technology iteration, create formidable technical barriers, and continue to lead in product performance, energy efficiency, reliability, and speed.
- **Customer Trust and Collaboration:** Optical interconnects suppliers primarily serve large cloud computing and telecom service providers. Deep trust and close collaboration with customers are cultivated through the course of a long-term engagement. The customer certification process is rigorous and lengthy, involving

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multiple rounds of testing and validation from product sampling to mass production. Trusted suppliers also build strong partnerships with customers to meet evolving needs, making it difficult for new entrants to break through this trust barrier in the short term.

- Production and Supply Chain Capabilities:** The product iteration cycle for optical interconnects is extremely fast, which imposes exceptionally high requirements on manufacturing capabilities and supply chain management. Companies are required to rapidly ramp up mass production, flexibly expand production capacity, optimize resource utilization efficiency, and maintain high yield rates. Meanwhile, they must reduce costs and shorten delivery cycles through end-to-end supply chain collaboration. A mature supply chain system can ensure production capacity stability and sustain cost advantages amid rapid market iterations and order fluctuations.
- Cost and Scale Advantages:** Optical interconnects manufacturing involves high-precision packaging and testing processes, where mass production scale and automation levels directly impact unit costs. If companies can achieve intelligent manufacturing and large-scale operations, they can significantly improve capacity utilization and reduce the cost of producing qualified units. Additionally, they can build bargaining power in raw material procurement and key component supply, thereby maintaining cost competitiveness in the fast-iterating market environment.

COST ANALYSIS OF THE GLOBAL OPTICAL INTERCONNECTS INDUSTRY

The primary raw materials used in optical interconnects include optoelectronic and electric chips, passive optical components, PCBs and mechanical parts.

The following table sets forth the four major raw materials of optical interconnects:

Raw Materials	Functions	Cost Contribution	Price Trends
Optoelectronic and electric chips . . .	Key components for optical signal generation, modulation, detection and signal processing, including optical chips, DSP and other related components	Typically account for over 50% of total material costs in mainstream high-speed optical transceivers	Prices vary significantly by data rate, product type, technical architecture and procurement arrangement. Driven by strong AIDC demand and tightening supply, costs of certain high-speed optoelectronic chips may experience near-term fluctuations, though the impact on overall material costs and optical interconnect margins should be limited.
Passive optical components	Used for optical coupling, filtering and signal routing, including lenses, isolators, filters and couplers	Typically account for approximately 10% to 20% of total material costs	Prices have generally remained stable or declined gradually with standardization and scale production with moderate impact on overall margins of optical interconnects.

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Raw Materials	Functions	Cost Contribution	Price Trends
Printed circuit boards (PCBs)	Provide electrical interconnection and structural support within optical transceivers	Typically account for approximately 5% to 10% of total material costs	Prices are affected by product complexity and general electronic material costs, but fluctuations in PCB prices have a limited impact on the margins of optical interconnects.
Mechanical parts	Include housings, heat sinks and other structural parts for packaging, protection and thermal management	Typically account for approximately 5% to 10% of total material costs	Prices have generally remained stable, with changes mainly driven by material and thermal design requirements. Their impact on margins is limited.

PRICE ANALYSIS OF THE GLOBAL OPTICAL INTERCONNECTS INDUSTRY

The selling prices of optical interconnects generally decline over time on a like-for-like basis for products with the same transmission speed, driven by technology maturation, yield improvement and scale production. However, the industry average selling price may fluctuate due to product mix changes, particularly during transition cycles toward higher-speed products, as higher-speed products typically carry significantly higher unit prices at the early stage of adoption. For example, the average selling price of high-speed optical interconnects decreased by approximately 20% from approximately US\$350 per unit in 2023 to approximately US\$280 per unit in 2024, primarily due to the maturation of existing product generations, and such price remained broadly stable at approximately US\$280 per unit in 2025, as the impact of price declines for existing product generations was offset by the introduction of 1.6T products and the transition toward higher-speed products. In the near term, the industry average selling price is expected to increase as 1.6T products gradually ramp up and account for a larger share of the product mix.

SOURCE OF THE INDUSTRY INFORMATION

We commissioned CIC, an independent market research and consulting firm, to provide an analysis of, and to produce a report (the “CIC Report”) on global optical interconnects market. CIC, founded in Hong Kong, provides professional services including, among others, industry consulting, commercial due diligence and strategic consulting. We have agreed to pay a fee of US\$140,000 to CIC in connection with the preparation of the CIC Report. The report was prepared independent of the influence of us and other interested parties. We have extracted certain information from the CIC Report in this section, as well as elsewhere in this Prospectus, to provide our potential investors with a more comprehensive presentation of the industry in which we operate.

During the preparation of the CIC Report, CIC performed both primary and secondary research, and obtained knowledge, statistics, information on and industry insights into global optical interconnects market. Primary research involved interviewing key industry experts and industry participants. Secondary research involved analyzing data from various publicly available data sources.

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The market projections in the commissioned report are based on the following key assumptions: (i) the overall global social, economic, and political environment is expected to maintain a stable trend during the forecast period; (ii) certain key industry drivers are likely to continue to drive market growth during the forecast period; and (iii) there is no extreme force majeure or unforeseen industry regulations in which the market may be affected either dramatically or fundamentally during the forecast period. All forecasts in relation to market size are based on the general economic conditions as of the Latest Practicable Date. The exchange rate adopted is US\$1=RMB7.00140, which is the average exchange rate of 2025 according to the official announcement by the National Bureau of Statistics.

The Directors and the Joint Sponsors have exercised reasonable care in selecting and identifying the named information sources, compiling, extracting and reproducing the information, confirm that to the best of their knowledge and belief, there are no material omissions of the information. After making reasonable inquiries, our Directors confirm that, to the best of their knowledge, there has been no detrimental change in the market information demonstrated in the CIC Report since the date of the report that may qualify, contradict or have an impact on the information in this Prospectus.

REGULATORY OVERVIEW

This section sets forth a summary of the principal laws, rules and regulations in the PRC, Singapore, Thailand and the United States that are relevant to our business.

OVERVIEW OF THE LAWS AND REGULATIONS RELATING TO OUR BUSINESS AND OPERATIONS IN THE PRC

Regulations Relating to Our Business

On October 22, 2019, the Ministry of Industry and Information Technology issued the *Guiding Opinions of the Ministry of Industry and Information Technology on Accelerating the Cultivation of New Modes and New Forms of Shared Manufacturing to Promote the High-quality Development of the Manufacturing Industry* (《工業和信息化部關於加快培育共享製造新模式新業態促進製造業高質量發展的指導意見》). It is stipulated therein that efforts shall be made to promote the construction of new infrastructure. Specifically, the construction of new-type infrastructure, including 5G, artificial intelligence, the industrial Internet, and the Internet of Things, shall be strengthened, and the coverage scope of high-speed, large-capacity, and low-latency networks shall be expanded. Manufacturing enterprises are encouraged to achieve the interconnection of people, machines, and things by means of the transformation and upgrading of their internal networks, thereby providing information network support for shared manufacturing.

On March 12, 2021, the National People's Congress of the PRC approved the *Outline of the 14th Five-Year Plan (2021-2025) for National Economic and Social Development and Long-Range Objectives for 2035* (《中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要》), which clarifies that the PRC should foster advanced manufacturing clusters and promote the innovation and development of industries.

On December 25, 2023, the National Development and Reform Commission, National Data Administration, Office of the Central Cyberspace Affairs Commission, Ministry of Industry and Information Technology and National Energy Administration jointly issued the *Implementation Opinions on Further Promoting the 'East Data, West Computing' Project and Accelerating the Development of a Nationwide Integrated Computing Network* (《關於深入實施“東數西算”工程加快構建全國一體化算力網的實施意見》). It outlines that by the end of 2025, an inclusive, user-friendly, green, and secure comprehensive computing infrastructure system will take shape. A two-way coordination mechanism between computing and power systems will be preliminarily established, with green power accounting for more than 80% of the electricity consumed by newly built data centers in national hub nodes. Core technologies for the computing network will be largely secure and reliable, progressively forming a high-quality development landscape characterized by cyberization, inclusivity, and sustainability.

On December 28, 2024, the National Development and Reform Commission, National Data Administration, Ministry of Education, Ministry of Finance, National Financial Regulatory Administration, and China Securities Regulatory Commission jointly issued the *Guiding Opinions on Promoting the High-Quality Development of the Data Industry* (《關於促進數據產業高質量發展的指導意見》). It proposes establishing a nationally integrated computing power system, developing diversified computing resources and supporting enterprises in participating in the ecosystem across the entire computing industry chain. Technological innovation capabilities in data-related fields are projected to reach world-leading levels, and the supply capacity of data products and services will be substantially enhanced. The overall competitiveness of the data industry will be markedly strengthened, and a regional clustering and coordinated development framework will be essentially established.

REGULATORY OVERVIEW

Regulations Relating to Product Liability

Pursuant to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) promulgated on February 22, 1993 and amended on July 8, 2000, August 27, 2009 and December 29, 2018 respectively by SCNPC, sellers shall be responsible for the repair, replacement or return of the product sold if (i) the product sold does not possess the properties for use that it should possess, and no prior and clear indication is given of such a situation; (ii) the product sold does not conform to the applied product standard as carried on the product or its packaging; or (iii) the product sold does not conform to the quality indicated by such means as a product description or physical sample. If a consumer incurs losses as a result of purchased product, the seller shall compensate for such losses.

The Law of the PRC on the Protection of the Rights and Interests of Consumers (《中華人民共和國消費者權益保護法》) was promulgated on October 31, 1993 and was amended on August 27, 2009 and October 25, 2013 to protect consumers' rights when they purchase or use goods and accept services, according to which all business operators must comply with this law when they manufacture or sell goods and/or provide services to customers. Under the amendments made on October 25, 2013, all business operators must pay high attention to protecting customers' personal information and must strictly keep confidential any consumer information they obtain during their business operations.

Regulations Relating to Import and Export Trade

According to the Customs Law of the PRC (《中華人民共和國海關法》), which was promulgated by the SCNPC on January 22, 1987 and last revised on April 29, 2021, unless otherwise stipulated, the declaration of import and export goods and the payment of customs duties may be handled by the consignees or consignors of imported or exported goods or entrusted customs declaration enterprises. The consignee or the consignor of imported or exported goods and the customs declaration enterprise shall go through customs declaration and filing procedures at the relevant customs in accordance with the law.

Pursuant to the Administrative Provisions of the PRC on the Filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》) promulgated by the General Administration of Customs on November 19, 2021 and became effective on January 1, 2022, consignees, consignors or customs declaration enterprises of imported or exported goods only need to file with the Customs, and no longer need to register with the General Administration of Customs. The filing information will be publicized through the credit publicity platform of import and export business of Customs of the PRC.

According to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) promulgated by the SCNPC on May 12, 1994 and last revised on December 30, 2022, and the Regulation of the People's Republic of China on the Administration of the Import and Export of Goods (《中華人民共和國貨物進出口管理條例》) promulgated by the State Council on December 10, 2001, last revised on March 10, 2024 and became effective on May 1, 2024, unless it is clearly provided in laws or administrative regulations to forbid or restrict the import or export of goods, no entity or individual may establish or maintain prohibitive or restrictive measures over the import or export of goods. According to the Foreign Trade Law of the PRC, the requirement that foreign trade operators engaging in the import and export of goods or technology must register with the competent department for foreign trade of the State Council or its authorized agencies is cancelled.

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In accordance with the Export Control Law of the People's Republic of China (《中華人民共和國出口管制法》), promulgated by the SCNPC on October 17, 2020, and which came into effect on December 1, 2020, China controls the export of dual-use items, military goods, nuclear and other goods, technologies, services and other items that are relevant to safeguarding the security and interests of China and fulfilling its international obligations in the area of non-proliferation. In accordance with the provisions of the Export Control Law and relevant laws and administrative regulations, and in accordance with export control policies, export control authorities, in conjunction with the relevant departments and in accordance with prescribed procedures, formulate and adjust the export control lists of controlled items, and make them public in a timely manner. In accordance with the need to safeguard national security and interests and to fulfil international obligations such as non-proliferation, and with the approval of the State Council, or with the approval of the State Council or the Central Military Commission, the export control authorities may impose temporary controls on goods, technologies and services not included in the export control lists, and make public announcements thereof.

Pursuant to the Provisions of the State Council on Outbound Investment (《國務院關於對外投資的規定》) promulgated by the State Council on May 5, 2026 and effective on July 1, 2026, investors shall not export or use export-prohibited goods, technologies, services and relevant data, nor export or use export-restricted items without official approval. Disguised overseas transfer of controlled export items through cross-border personnel arrangement, technical guidance and training is prohibited.

Regulations on Intellectual Property Rights

Trademarks

Trademarks are protected by the Trademark Law of the PRC (《中華人民共和國商標法》) which was promulgated on August 23, 1982 and subsequently amended on February 22, 1993, October 27, 2001, August 30, 2013, April 23, 2019 and took effect on November 1, 2019 as well as the Implementation Regulation of the PRC Trademark Law (《中華人民共和國商標法實施條例》) adopted by the State Council on August 3, 2002 and revised on April 29, 2014. In the PRC, registered trademarks include commodity trademarks, service trademarks, collective marks and certification marks. The Trademark Office of National Intellectual Property Administration handles trademark registrations and grants a term of 10 years to registered trademarks, renewable every 10 years where a registered trademark needs to be used after the expiration of its validity term.

Patents

According to the Patent Law of the PRC (《中華人民共和國專利法》) (the “**Patent Law**”), promulgated by the SCNPC on March 12, 1984 and further amended on September 4, 1992, August 25, 2000, December 27, 2008, October 17, 2020 and came into effect on June 1, 2021 and the Implementing Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》), promulgated by the China Patent Office on January 19, 1985, and latest amended on December 11, 2023 and came into effect on January 20, 2024, the term “invention-creations” refers to inventions, utility models and designs. The duration of patent right for inventions shall be twenty years, the duration of patent right for utility models shall be ten years and the duration of patent right for designs shall be fifteen years, counted from the date of announcement. In the event that a dispute arises due to a patent being exploited without the prior authorization of the patentee, that is to say an infringement upon the patent right of the patentee.

Copyright

On September 7, 1990, the SCNPC promulgated the Copyright Law of the PRC (《中華人民共和國著作權法》), or the Copyright Law, effective on June 1, 1991 and amended on October 27, 2001, February 26, 2010 and November 11, 2020, and the latest amendment took effect on June 1, 2021. On August 2, 2002, the State Council promulgated the Implementation Regulations of the PRC Copyright Law (《中華人民共和國著作權法實施條例》), which was most recently amended on January 30, 2013 and came into effect on March 1, 2013. The amended Copyright Law and its implementation rules extend copyright protection to internet activities, products disseminated over the internet and software products. In addition, there is a voluntary registration system administered by the Copyright Protection Center of China. According to the Copyright Law, Chinese citizens, legal persons, or other organizations shall, whether published or not, own copyright in their copyrightable works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software. Copyright owners enjoy certain legal rights, including right of publication, right of authorship and right of reproduction. An infringer of the copyrights shall be subject to various civil liabilities, which include ceasing infringement activities, apologizing to the copyright owners and compensating the loss of copyright owner. Infringers of copyright may also be subject to fines and/or administrative or criminal liabilities in severe situations.

In order to further implement the Regulations on Computer Software Protection (《計算機軟件保護條例》), promulgated by the State Council on June 4, 1991 and amended on December 20, 2001 and January 30, 2013, respectively, the National Copyright Administration issued the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) on February 20, 2002, which specifies detailed procedures and requirements with respect to the registration of software copyrights.

Internet Domain Names

The Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》), which was promulgated by the Ministry of Industry and Information Technology of the PRC (the “MIIT”) on August 24, 2017 and became effective on November 1, 2017, regulates the “.CN” and the “.zhongguo (in Chinese character)” shall be China’s national top-level domains. Any party that engages in internet information services shall use its domain name in compliance with laws and regulations and in line with relevant provisions of the telecommunications authority but shall not use its domain name to commit any violation.

Regulations on Employment and Social Security

Labor Laws

The Labor Law of the PRC (《中華人民共和國勞動法》), which was promulgated by the SCNPC on July 5, 1994, came into effect on January 1, 1995, and was amended on August 27, 2009 and December 29, 2018, provides that an employer shall develop and improve its rules and regulations to safeguard the rights of its workers. Labor safety and health facilities must comply with relevant national standards. Workers engaged in special operations shall have received specialized training and obtained the pertinent qualifications.

The Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), which was promulgated by the SCNPC on June 29, 2007, came into effect on January 1, 2008, and was amended on December 28, 2012, and came into effect on July 1, 2013, and the Implementation Regulations on Labor Contract Law (《中華人民共和國勞動合同法實施條例》) which was promulgated and came into effect on September 18, 2008 by the State Council, regulate the relations of employer and the employee, and contain specific provisions involving the terms of the labor contract.

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Social Security and Housing Funds

According to the Provisional Regulations on the Collection and Payment of Social Insurance Premium (《社會保險費徵繳暫行條例》), the Regulations on Work Injury Insurance (《工傷保險條例》), the Regulations on Unemployment Insurance (《失業保險條例》) and the Trial Measures on Employee Maternity Insurance of Enterprises (《企業職工生育保險試行辦法》), enterprises in China must provide benefit plans for their employees, which include basic pension insurance, unemployment insurance, maternity insurance, work injury insurance and medical insurance. An enterprise must provide social insurance by processing social insurance registration with local social insurance agencies and must pay or withhold relevant social insurance premiums for or on behalf of employees.

The PRC Law on Social Insurance (《中華人民共和國社會保險法》), which was promulgated by the SCNPC on October 28, 2010 and came into effect on July 1, 2011, and was amended on December 29, 2018 regulates basic pension insurance, unemployment insurance, maternity insurance, work injury insurance and medical insurance, and has elaborated in detail the legal obligations and liabilities of employers who do not comply with relevant laws and regulations on social insurance.

The Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》), which was promulgated on April 3, 1999 and came into effective on the same date, and was amended on March 24, 2002 and March 24, 2019, stipulates that housing provident fund contributions paid by an individual employee and housing provident fund contributions paid by his or her employer shall all belong to the individual employee.

The Interpretation (II) of the Supreme People's Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), promulgated by the Supreme People's Court on July 31, 2025 and taking effect on September 1, 2025, regulates issues related to the responsibility of the employer, confirmation of labor relations, service period and non-competition period, termination of labor contract performance, social insurance payment, etc. It explicitly regulates disputes in the field of social insurance, stipulating that if the employer and the employee agree or the employee promises to the employer that they do not need to pay social insurance premiums, the people's court shall determine that the relevant agreement or commitment is invalid. The employee has the right to terminate the labor contract based on this and request the employer to pay economic compensation, and the people's court should support this in accordance with the relevant laws and regulations.

Regulations on Taxation

Enterprise Income Tax

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the “EIT Law”), which was promulgated by the National People's Congress (the “NPC”) on March 16, 2007, came into effect on January 1, 2008 and amended by the SCNPC on February 24, 2017 and December 29, 2018, and the Implementation Regulations on the EIT Law (《中華人民共和國企業所得稅法實施條例》), which was promulgated by the State Council on December 6, 2007 and came into effect on January 1, 2008, and latest amended by the State Council on December 6, 2024 and came into effect on January 20, 2025, a uniform income tax rate of 25% will be applied to domestic enterprises, foreign-invested enterprises and foreign enterprises that have established production and operation facilities in China. These enterprises are classified as either resident enterprises or non-resident enterprises. Resident enterprises refer to enterprises that are established in accordance with PRC laws, or

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that are established in accordance with the laws of foreign countries but whose actual or de facto control is administered from within the PRC. Non-resident enterprises refer to enterprises that are set up in accordance with the laws of foreign countries and whose actual administration is conducted outside the PRC, but who (whether or not through the establishment of institutions in the PRC) derive income from the PRC. Under the EIT Law and relevant implementing regulations, a uniform corporate income tax rate of 25% is applicable. However, if non-resident enterprises have not established institutions or places in the PRC, or if they have established institutions or places in the PRC but there is no actual relationship between the relevant income derived in the PRC and the institutions or places set up by them, enterprise income tax is set at the rate of 10%.

Value-added Tax (“VAT”)

The Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》), which was promulgated by the State Council on December 13, 1993, came into effect on January 1, 1994, and amended on November 10, 2008, February 6, 2016 and November 19, 2017, and the Detailed Implementing Rules of the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例實施細則》), which was promulgated by the Ministry of Finance (the “MOF”) on December 25, 1993 and came into effect on the same date, and was amended on December 15, 2008 and October 28, 2011, came into effect on November 1, 2011 set out that all taxpayers selling goods or providing processing, repairing or replacement services, sales of services, intangible assets and immovable assets and importing goods in China shall pay a value-added tax. A tax rate of 17% shall be levied on general taxpayers selling goods and services, leasing of tangible movable assets or importing goods whereas the applicable rate for the export of goods by taxpayers shall be nil, unless otherwise stipulated.

On November 16, 2011, the MOF and the State Administration of Taxation (the “SAT”) promulgated the Trial Scheme for the Conversion of Business Tax to Value-added Tax (《營業稅改徵增值稅試點方案》), pursuant to which, the government launched gradual taxation reforms from January 1, 2012, where a value-added tax is imposed in lieu of business tax on a trial basis in regions and industries showing strong economic performance, such as transportation and certain modern service industries.

According to the Notice of the Ministry of Finance and the State Administration of Taxation on Overall Implementation of the Pilot Program of Replacing Business Tax with Value-added Tax (《財政部、國家稅務總局關於全面推開營業稅改徵增值稅試點的通知》), which was promulgated by the MOF and the SAT on March 23, 2016 and came into effective on May 1, 2016, amended on July 11, 2017 and March 20, 2019 and partially abolished on November 12, 2024, all business taxpayers in the consumer service industry shall pay value-added tax instead of business tax from May 1, 2016. If the taxpayer of the pilot project has already enjoyed tax incentives of business tax according to relevant policies and regulations before the application of the pilot collection of value-added tax in lieu of business tax, he/she may, in the remaining period of tax incentives, enjoy tax incentives of value-added tax in accordance with the relevant provisions.

According to the Notice of the Ministry of Finance and the State Administration of Taxation on Adjusting Value-added Tax Rates (《財政部、國家稅務總局關於調整增值稅稅率的通知》) issued on April 4, 2018 and became effective on May 1, 2018, the value-added tax rates of 17% and 11% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 16% and 10%, respectively.

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According to the Notice on Relevant Policies for Deepening Value-Added Tax Reform (《關於深化增值稅改革有關政策的公告》) issued on March 20, 2019 and became effective on April 1, 2019, the value-added tax rate was reduced to 13% and 9%, respectively.

Regulations on Foreign Exchange

Foreign Exchange Regulation

On January 29, 1996, the State Council promulgated the Administrative Regulations on Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》) which became effective on April 1, 1996 and was amended on January 14, 1997 and August 5, 2008. Foreign exchange payments under current account items shall, pursuant to the administrative provisions of the foreign exchange control department of the State Council on payments of foreign currencies and purchase of foreign currencies, be made using self-owned foreign currency or foreign currency purchased from financial institutions engaging in conversion and sale of foreign currencies by presenting the valid document. Domestic entities and domestic individuals making overseas direct investments or engaging in issuance and trading of overseas securities and derivatives shall process registration formalities pursuant to the provisions of the foreign exchange control department of the State Council.

On November 19, 2012, the State Administration of Foreign Exchange of the PRC (the “SAFE”) issued the Circular of Further Improving and Adjusting Foreign Exchange Administration Policies on Foreign Direct Investment (《關於進一步改進和調整直接投資外匯管理政策的通知》), or the **SAFE Circular 59**, which came into effect on December 17, 2012 and was revised on May 4, 2015, October 10, 2018 and partially abolished on December 30, 2019. The SAFE Circular 59 aims to simplify the foreign exchange procedure and promote the facilitation of investment and trade. According to the SAFE Circular 59, the opening of various special purpose foreign exchange accounts, such as pre-establishment expenses accounts, foreign exchange capital accounts and guarantee accounts, the reinvestment of RMB proceeds derived by foreign investors in the PRC, and remittance of foreign exchange profits and dividends by a foreign-invested enterprise to its foreign shareholders no longer require the approval or verification of SAFE, multiple capital accounts for the same entity may be opened in different provinces as well. Later, the SAFE promulgated the Circular on Further Simplifying and Improving Foreign Exchange Administration Policies in Respect of Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) in February 2015, which was partially abolished in December 2019, prescribed that the bank instead of SAFE can directly handle the foreign exchange registration and approval under foreign direct investment while SAFE and its branches indirectly supervise the foreign exchange registration and approval under foreign direct investment through the bank.

On May 10, 2013, the SAFE issued the Administrative Provisions on Foreign Exchange in Domestic Direct Investment by Foreign Investors (《外國投資者境內直接投資外匯管理規定》), or the “**SAFE Circular 21**”, which became effective on May 13, 2013, amended on October 10, 2018 and partially abolished on December 30, 2019. The SAFE Circular 21 specifies that the administration by SAFE or its local branches over direct investment by foreign investors in the PRC must be conducted by way of registration and banks must process foreign exchange business relating to the direct investment in the PRC based on the registration information provided by SAFE and its branches.

According to the Notice on Relevant Issues Concerning the Administration of Foreign Exchange for Overseas Listing (《關於境外上市外匯管理有關問題的通知》) issued by the SAFE on December 26, 2014, the domestic companies shall register the overseas listed with the foreign exchange control bureau located at its registered address in 15 working days after

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completion of the overseas listing and issuance. The funds raised by the domestic companies through overseas listing may be repatriated to China or deposited overseas, provided that the intended use of the fund shall be consistent with the contents of the prospectus and other public disclosure documents.

According to the Notice of the State Administration of Foreign Exchange on Reforming the Management Mode of Foreign Exchange Capital Settlement of Foreign Investment Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》), or the “**SAFE Circular 19**” promulgated on March 30, 2015, coming effective on June 1, 2015 and partially abolished on December 30, 2019 and March 23, 2023, foreign-invested enterprises could settle their foreign exchange capital on a discretionary basis according to the actual needs of their business operations.

On June 9, 2016, SAFE issued the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》), or the “**SAFE Circular 16**”, which came into effect on the same day and partially amended on December 4, 2023 and effective since then. The SAFE Circular 16 provides that discretionary foreign exchange settlement applies to foreign exchange capital, foreign debt offering proceeds and remitted foreign listing proceeds. However, there remain substantial uncertainties with respect to SAFE Circular 16’s interpretation and implementation in practice.

On October 23, 2019, SAFE promulgated the Notice on Further Facilitating Cross-Board Trade and Investment (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》), which became effective on the same date (except for Article 8.2, which became effective on January 1, 2020), and partially amended on December 4, 2023 and effective since then. The notice canceled restrictions on domestic equity investments made with capital funds by non-investing foreign-funded enterprises. In addition, restrictions on the use of funds for foreign exchange settlement of domestic accounts for the realization of assets have been removed and restrictions on the use and foreign exchange settlement of foreign investors’ security deposits have been relaxed. Eligible enterprises in the pilot area are also allowed to use revenues under capital accounts, such as capital funds, foreign debts and overseas listing revenues for domestic payments without providing materials to the bank in advance for authenticity verification on an item-by-item basis, while the use of funds should be true, in compliance with applicable rules and conforming to the current capital revenue management regulations.

According to the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business (《關於優化外匯管理支持涉外業務發展的通知》) issued by the SAFE on April 10, 2020, eligible enterprises are allowed to make domestic payments by using their capital funds, foreign credits and the income under capital accounts of overseas listing, without submitting the evidentiary materials concerning authenticity of such capital for banks in advance, provided that their capital use is authentic and in compliance with administrative regulations on the use of income under capital accounts. The bank in charge shall conduct post spot checking in accordance with the relevant requirements.

Regulations on the Companies and Foreign Investment in the PRC

The Company Law and Regulations

The Company Law of the PRC (《中華人民共和國公司法》) (the “**Company Law**”), which was amended by the SCNPC on 26 October 2018 and became effective on the same day, provides for the establishment, corporate structure and corporate management of companies, which also applies to foreign-invested enterprises in PRC. Furthermore, the Company Law of the PRC was amended by the SCNPC on December 29, 2023 with respect to the registration, the capital contribution period and so on and came into force on July 1, 2024, which aimed to improve the system for company registration and facilitate the establishment and exit channels of companies, to offer greater autonomy for companies in terms of corporate structure, improve the capital system for companies, boost the responsibility system of company shareholders and management personnel, and highlight social responsibility efforts of enterprises.

Regulations relating to Foreign Investment

On March 15, 2019, the NPC promulgated the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the “**Foreign Investment Law**”), which took effect on January 1, 2020 and repealed the Sino-foreign Equity Joint Ventures Law of the PRC (《中華人民共和國中外合資經營企業法》), the Wholly Foreign-owned Enterprise Law of the PRC (《中華人民共和國外資企業法》) and the Sino-foreign Cooperative Joint Ventures Law of the PRC (《中華人民共和國中外合作經營企業法》). Since then, the Foreign Investment Law has become the fundamental law regulating foreign-invested enterprises wholly or partially invested by foreign investors. According to the Foreign Investment Law and the Implementation Regulations for the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) issued by the State Council on December 26, 2019 and effective from January 1, 2020, foreign investment refers to any investment activity directly or indirectly carried out by foreign natural persons, enterprises or other organizations (the “**foreign investors**”) within the territory of the PRC, including the following circumstances: (i) a foreign investor establishes a foreign-funded enterprise within the territory of the PRC, either alone or together with any other investor; (ii) a foreign investor acquires shares, equities, property shares or any other similar rights and interests of a PRC enterprise; (iii) a foreign investor invests in any new project within the territory of the PRC, either alone or together with any other investor; or (iv) a foreign investor invests in any other way as stipulated under the laws or administrative regulations or provided by the State Council. The organization form and structure, and the operating rules of foreign-funded enterprises are subject to the provisions of the Company Law, the Partnership Enterprise Law of the PRC and other applicable laws.

Foreign investment in the PRC shall adhere to the “Catalogue of Encouraged Industries for Foreign Investment (2025 Edition) (《鼓勵外商投資產業目錄(2025年版)》) (the “**Catalogue**”) issued by the National Development and Reform Commission of the PRC (the “**NDRC**”) and the Ministry of Commerce of the PRC (the “**MOFCOM**”), which was promulgated on December 15, 2025 and became effective on February 1, 2026, as well as the Special Administrative Measures (Negative List) for Foreign Investment Access (2024 Edition) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the “**Negative List**”), which was promulgated on September 6, 2024 and became effective on November 1, 2024. The Catalogue and the Negative List delineate the basic framework for foreign investment in China, classifying industries with foreign investment into three categories: “Encouraged,” “Restricted,” and “Prohibited”. Industries not listed in either the Catalogue or the Negative List are generally considered to be in the “Permitted” category unless otherwise expressly restricted by other PRC laws and regulations. We specialize in the manufacturing of high-speed optical transceivers and such business qualifies as an “Encouraged” business under the Catalogue.

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Pursuant to the Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》) promulgated by the MOFCOM and the SAMR on December 30, 2019 and effective on January 1, 2020, a listed foreign-funded company may, when the change of foreign investors' shareholding ratio accumulatively exceeds 5% or the foreign party's controlling or relatively controlling status changes, report the information on the modification of investors and the shares held by them.

On December 19, 2020, the NDRC and the MOFCOM jointly promulgated the Measures on the Security Review of Foreign Investment (《外商投資安全審查辦法》), effective on January 18, 2021, setting forth provisions concerning the security review mechanism on foreign investment, including the types of investments subject to review, the scopes of review and procedures to review, among others.

Regulations on Overseas Listing

The CSRC promulgated the Overseas Listing Trial Measures and five relevant guidelines on February 17, 2023, which took effect on March 31, 2023. The Overseas Listing Trial Measures comprehensively reform the regulatory regime for overseas offering and listing of PRC domestic companies' securities, either directly or indirectly, into a filing-based system.

According to the Overseas Listing Trial Measures, the PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to fulfill the filing procedure with the CSRC and report relevant information. The Overseas Listing Trial Measures provide that an overseas listing or offering is explicitly prohibited, if any of the following applies: (i) such securities offering or listing is explicitly prohibited by provisions in PRC laws, administrative regulations or relevant state rules; (ii) the proposed securities offering or listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with laws; (iii) the domestic company intending to be listed or offer securities in overseas markets, or its controlling shareholder(s) and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the domestic company intending to be listed or offer securities in overseas markets is currently under investigations for suspicion of criminal offenses or major violations of laws and regulations, and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the domestic company's controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller. According to the Overseas Listing Trial Measures, initial public offerings or listings in overseas markets shall be filed with the CSRC within three working days after the relevant application is submitted overseas.

On February 24, 2023, the CSRC and other relevant government authorities promulgated the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Issuance and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the **"Provision on Confidentiality"**), which took effect on March 31, 2023. Pursuant to the Provision on Confidentiality, where a domestic enterprise provides or publicly discloses to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, or provides or publicly discloses through its overseas listing subjects, documents and materials involving state secrets and working secrets of state organs, it shall report the same to the competent department with the examination and approval authority for approval in accordance with the law, and submit the same to the secrecy administration department of the same level for filing. Domestic enterprises providing accounting archives or copies thereof to entities and individuals concerned such as securities companies, securities service institutions and overseas

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regulatory authorities shall perform the corresponding procedures pursuant to the relevant provisions of the State. The working papers formed within the territory of the PRC by the securities companies and securities service institutions that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of the PRC, and those that need to leave the PRC shall go through the examination and approval formalities in accordance with the relevant provisions of the State.

Pursuant to the Notice by the People's Bank of China and the State Administration of Foreign Exchange on Issues Concerning the Management of Funds for Domestic Enterprises Listing Abroad (《中國人民銀行、國家外匯管理局關於境內企業境外上市資金管理有關問題的通知》), promulgated by the PBOC and the SAFE on December 24, 2025 and effective from April 1, 2026, domestic enterprises conducting overseas listings shall, within 30 working days from the first trading day of the overseas listing or after completion of the over-allotment, apply for overseas listing registration at a bank within the province/municipality with independent planning status where they are registered. Funds raised by domestic enterprises through overseas listings shall, in principle, be repatriated to China in a timely manner. If such funds are retained overseas for purposes such as overseas direct investment, overseas securities investment, or overseas lending, approval or filing documents from the competent business authorities must be obtained before the completion of the listing or the over-allotment, and relevant cross-border fund management regulations must be complied with.

Regulations on Cybersecurity and Data Exportation Security

On December 28, 2021, the Cyberspace Administration of China (the “CAC”), jointly with 12 other governmental authorities, promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》) (the “**Measures for Cybersecurity Review**”), which became effective on February 15, 2022, provides that critical information infrastructure operators that purchase network products and services and online platform operators engaging in data processing activities that affect or may affect national security must be subject to the cybersecurity review. In addition, the Cybersecurity Review Measures grant the governmental authorities the discretion to initiate a cybersecurity review on any data processing activity if they deem such activity affects or may affect national security.

On September 30, 2024, the Administration Regulations on Cyber Data Security (《網絡數據安全管理條例》) (the “**Data Security Regulations**”) was published by the State Council, which took effect on January 1, 2025. The Data Security Regulations reiterate and refine the general regulations for cyber data processing activities and rules of personal information protection, important data security protection, cyber data cross-border transfer security management, and the responsibilities of online platform service providers. In particular, the Data Security Regulations provide that cyber data processors whose cyber data processing activities affect or may affect national security shall be subject to national security review in accordance with the relevant regulations. However, the Data Security Regulations provide no further explanation or interpretation for the criteria on determining the risks that “affect or may affect national security.” Also, since the Data Security Regulations are still relatively new, the interpretation and implementation of these regulations may further evolve and develop. On July 7, 2022, the CAC issued the Measures on the Security Assessment of Cross-border Data Transfer (《數據出境安全評估辦法》) (the “**Security Assessment Measures**”), which took effect on September 1, 2022. The Security Assessment Measures generally apply to data processors that provide abroad important data or personal information that was collected or produced through operations within the PRC. Companies that are subject to the Security Assessment Measures need to conduct data mapping on cross-border data transfers, prepare the self-assessment and submission, as well as implement data classification and apply controls on cross-border data transfers.

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In March 2024, the CAC issued the Provisions on Promoting and Regulating Cross-border Data Flows (《促進和規範數據跨境流動規定》), which required security assessment for the following types of cross-border data transfers, (i) for critical information infrastructure operators, the outbound transfer of personal information or important data, and (ii) for data processors that are not critical information infrastructure operators, the outbound transfer of important data or the cumulative outbound transfer within one calendar year of the personal information of over one million people or the sensitive personal information of over 10,000 people. These provisions also stipulated that, when data processors that are not critical information infrastructure operators engage in the cumulative outbound transfer within one calendar year of the personal information of over 10,000 people but less than one million people or the sensitive personal information of less than 10,000 people, the data processors must enter into a standard contract for cross-border transfer of personal information with the data recipient and file to CAC or obtain a certification for the protection of personal information. Furthermore, these provisions clarified that data processors do not need to treat any data as “important data” the outbound transfer of which requires security assessments, if government authorities have not declared or notified them that the data are “important data”.

Regulations on Stock Incentive Plans

On February 15, 2012, SAFE promulgated the Notice on Foreign Exchange Administration of PRC Residents Participating in Share Incentive Plans of Offshore Listed Companies (《國家外匯管理局關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》), the “**Stock Option Rules**”). According to the Stock Option Rules, individuals participating in any stock incentive plan of any overseas publicly listed company who are Chinese citizens or foreign citizens who reside in Chinese Mainland for a continuous period of not less than one year, subject to a few exceptions, are required to register with SAFE or its local branches and complete certain other procedures through a domestic qualified agent, which could be a Chinese subsidiary of such overseas listed company, and complete certain other procedures. The participants must also retain an overseas entrusted institution to handle matters in connection with their exercise of stock options, the purchase, and sale of corresponding stocks or interests, and fund transfers. In addition, the agent in Chinese Mainland is required to further amend the SAFE registration concerning the stock incentive plan if there is any material change to the stock incentive plan, the Chinese Mainland agent or the overseas entrusted institution, or other material changes. The Chinese Mainland agents must, on behalf of the Chinese Mainland residents who have the right to exercise the employee share options, apply to SAFE or its local branches for an annual quota for the payment of foreign currencies in connection with the Chinese Mainland residents’ exercise of the employee share options. The foreign exchange proceeds received by the Chinese Mainland residents from the sale of shares under the stock incentive plans granted and dividends distributed by the overseas-listed companies must be remitted into the bank accounts in Chinese Mainland opened by the Chinese Mainland agents before distribution to such Chinese Mainland residents. Under the Circular of the State Administration of Taxation on Issues Concerning Individual Income Tax concerning Equity Incentives (《國家稅務總局關於股權激勵有關個人所得稅問題的通知》) promulgated by the SAT and effective on August 24, 2009, listed companies and their domestic organizations shall, according to the individual income tax calculation methods for “wage and salary income” and stock option income, lawfully withhold and pay individual income tax on such income.

REGULATORY OVERVIEW

Regulations On Anti-Unfair Competition

According to the Anti-unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) (the “**Anti-unfair Competition Law**”), lastly amended by the SCNPC on June 27, 2025 and effective on October 15, 2025, operators shall comply with the principle of voluntariness, equality, impartiality, integrity and abide by laws and business ethics in production and business activities. Under the Anti-unfair Competition Law, unfair competition refers to the circumstance that an operator disrupts the market competition order and damages the legitimate rights and interests of other operators or consumers in violation of the provisions of the Anti-unfair Competition Law in the production and operating activities. Operators who violate the provisions of Anti-unfair Competition Law shall bear corresponding civil, administrative or criminal responsibilities depending on the specific circumstances.

According to the Anti-Monopoly Law of the PRC (《中華人民共和國反壟斷法》) (the “**Anti-Monopoly Law**”), lastly amended by SCNPC on June 24, 2022, the Anti-Monopoly Law applies to the monopolistic practices in domestic economic activities in the PRC as well as the monopolistic practices outside the PRC which have exclusion or restriction effects on domestic market competitions. The monopolistic practices under the Anti-Monopoly Law include any monopoly agreement reached by any operators, abuse of market-dominating position by any operators and any concentration of operators which has eliminated or limited or may eliminate or limit the market competition. The anti-monopoly law enforcement agencies designated by the State Council are responsible for enforcement of the Anti-Monopoly Law in accordance with the provisions of the Anti-Monopoly Law. The anti-monopoly law enforcement agencies of the State Council may, according to the needs of their work, authorize the corresponding agencies of the people’s governments of provinces, autonomous regions, and municipalities to be responsible for enforcement of the Anti-Monopoly Law. Operators who violate the provisions of the Anti-Monopoly Law may be subject to fines, confiscation of illegal gains, or order to cease illegal activities by the anti-monopoly law enforcement agencies.

OECD PILLAR TWO MODEL RULES

The Organization for Economic Co-operation and Development (“OECD”) published Pillar Two model rules in December 2021, with the effect that a jurisdiction may enact domestic tax laws (“Pillar Two legislation”) to implement the Pillar Two model rules on a globally agreed common approach. Pillar Two legislation applies to a member of a multinational group within the scope of the Pillar Two model rules, which the Group is reasonably expected to fall into. It imposes a top-up tax on profits arising in a jurisdiction whenever the effective tax rate determined by the Pillar Two model rules on a jurisdictional basis is below a minimum rate of 15%.

The Group has reviewed its corporate structure in light of the introduction of Pillar Two model rules in various jurisdictions and engaged external tax specialists to assist them with applying the legislation and determining the related impact.

As of the Latest Practicable Date, the Group has operations in eight jurisdictions. Among the eight jurisdictions, Thailand, Singapore, and Hong Kong SAR China have enacted and effected QDMTT and IIR since January 1, 2025. Besides, Thailand has also enacted and effected UTPR since then. Please refer to Note 13 to the Accountant’s Report in Appendix I to this Prospectus for details of the top-up tax exposure.

REGULATORY OVERVIEW

OVERVIEW OF THE LAWS AND REGULATIONS RELATING TO OUR BUSINESS AND OPERATIONS IN SINGAPORE

As of the Latest Practicable Date, TeraHop Pte. Ltd. is the major subsidiary of the Company incorporated in Singapore, and is subject to the regulatory requirements in Singapore.

Regulations Relating to Incorporation of Company

The Companies Act 1967 of Singapore (“**Companies Act**”) is the main legislation governing all companies incorporated in Singapore. As the Singapore Entity is a private company limited by shares, it is governed under the provisions of the Companies Act and its subordinate regulations. Further, shareholders of the Singapore Entity are also subject to and bound by the provisions in the constitution of the Singapore Entity.

To incorporate a private company limited by shares, the Companies Act requires the private company to, amongst others:

- (a) reserve a name with the Accounting and Corporate Regulatory Authority of Singapore;
- (b) appoint at least one (1) director ordinarily resident in Singapore;
- (c) have a minimum of one (1) shareholder but not more than 50 shareholders;
- (d) appoint an accounting entity as auditor within three (3) months from incorporation, unless otherwise exempted;
- (e) appoint a qualified company secretary within six (6) months from incorporation;
- (f) have a minimum share capital of S\$1;
- (g) provide a local address as the registered address of the private company; and
- (h) put in place a constitution for the private company.

Regulations Relating to Employment of Personnel

Employment Act 1968 of Singapore (“Employment Act”)

The Employment Act is Singapore’s main labour law which is administered by the Ministry of Manpower (“**MOM**”) and sets out the basic terms and conditions of employment and the rights and responsibilities of employers as well as employees who are covered under the Employment Act, comprising local and foreign employees under a contract of service with an employer on a full-time, part-time, temporary or contract basis, which, however, excludes persons employed as:

- (a) a seafarer;
- (b) a domestic worker; and
- (c) a statutory board employee or civil servant.

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All employers are required to issue to their employees who (a) enter into a contract of service on or after 1 April 2016 with the employer, (b) are covered by the Employment Act and (c) are employed for 14 days or more, a written record of the key employment terms (“**KETs**”) of the employee not later than 14 days after the day that the employee starts employment with the employer, or within such other period as may be prescribed in substitution. The KETs required to be provided (unless inapplicable to such employee) include, amongst others, full name of employer and employee, job title and main duties and responsibilities, start date of employment, working arrangements (such as daily working hours, number of working days per week and rest day(s)), salary period, basic salary, fixed allowances and deductions, overtime rate of pay, other salary-related components, types of leave, other medical benefits and notice period.

Central Provident Fund Act 1953 of Singapore (“CPF Act”)

The Central Provident Fund (“**CPF**”) is a mandatory social security savings scheme funded by contributions from employers and employees. The CPF Act governs the contributions made by employers and employees into the CPF, and the CPF Act is administered by the Central Provident Fund Board.

Section 7(1) of the CPF Act provides that subject to Section 69 of the CPF Act and any regulations made under Section 77(1) of the CPF Act, every employer of an employee must pay to the CPF monthly in respect of each employee contributions at the appropriate rates set out in the First Schedule of the CPF Act. Pursuant to Section 7(2) of the CPF Act, notwithstanding the provisions of any written law or any contract to the contrary, an employer is entitled to recover from the monthly wages of an employee the amount shown in the First Schedule of the CPF Act as so recoverable from the employee. Section 7(3) of the CPF Act further provides that where any employer who has recovered any amount from the monthly wages of an employee in accordance with the CPF Act fails to pay the contributions to the CPF within such time as may be prescribed, the employer shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$10,000 or to imprisonment for a term not exceeding seven (7) years or to both.

Employment of Foreign Manpower Act 1990 of Singapore (“EFMA”)

The employment of foreign workers in Singapore is governed by the EFMA and administered by the MOM.

Under Section 5(1) of the EFMA, no person shall employ a foreign employee unless the foreign employee has obtained a valid work pass. Any person who contravenes Section 5(1) of the EFMA shall be guilty of an offence and shall:

- (a) be liable on conviction to a fine at least S\$5,000 and not more than S\$30,000 or to imprisonment for a term not exceeding 12 months or to both; and
- (b) on a second or subsequent conviction:
 - (i) in the case of an individual, be punished with a fine of at least S\$10,000 and not more than S\$30,000 and with imprisonment for a term of not less than one (1) month and not more than 12 months; or
 - (ii) in any other case, be punished with a fine of at least S\$20,000 and not more than S\$60,000.

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A work pass includes, amongst others:

- (a) Employment Pass, for foreign professionals, managers, executives and technicians who meet the relevant eligibility criteria and:
 - (i) in the financial services sector, earn at least S\$6,200 per month (increasing progressively with age from age 23); or
 - (ii) in other sectors, earn at least S\$5,600 per month (increasing progressively with age from age 23);
- (b) S Pass, for skilled workers who meet the relevant eligibility criteria and:
 - (i) in the financial services sector, earn at least S\$3,650 per month (increasing progressively with age from age 23); or
 - (ii) in other sectors, earn at least S\$3,150 per month (increasing progressively with age from age 23);
- (c) Work Permit for skilled or semi-skilled workers in the construction, manufacturing, marine shipyard, process or services sectors.

Work Injury Compensation Act 2019 of Singapore (“WICA”)

Work injury compensation is governed by the WICA and is regulated by the MOM. The WICA applies to any person who has entered into or works under a contract of service with an employer, except:

- (a) any member of the Singapore Armed Forces;
- (b) any officer of the Singapore Police Force, the Singapore Civil Defence Force, the Central Narcotics Bureau or the Singapore Prisons Service; and
- (c) a domestic worker, being an individual employed in or in connection with the domestic services of any private premises.

In respect of injury suffered by such persons arising out of and in the course of their employment and sets out, among other things, the amount of compensation that they are entitled to and the method(s) of calculating such compensation.

Section 7(1) of the WICA provides that where personal injury is caused to an employee by an accident arising out of and in the course of the employee’s employment with an employer, the employer is liable to pay compensation under the WICA. The amount of such compensation shall be computed in accordance with the provisions of the First Schedule to the WICA, subject to a maximum and minimum limit, taking into account factors such as the severity and permanence of the personal injury suffered.

Additionally, under Section 24(1) of the WICA (read with the Second Schedule to the Work Injury Compensation (Insurance) Regulations 2020), every employer must insure and maintain insurance under one or more approved policies with one or more designated insurers against all liabilities that the employer may incur under the WICA in respect of every employee of the employer who is either engaged in manual labour, or is earning a salary of S\$2,600 or less a month (excluding any overtime payment, bonus payment, annual wage supplement, productivity incentive payment and any allowance however described).

REGULATORY OVERVIEW

An employer who contravenes Section 24(1) of the WICA shall be guilty of an offence and shall be liable on conviction:

- (a) to a fine not exceeding S\$10,000 or to imprisonment for a term not exceeding 12 months or to both; or
- (b) if the person is a repeat offender, to a fine not exceeding S\$20,000 or to imprisonment for a term not exceeding 12 months or to both.

Workplace Safety and Health Act 2006 of Singapore (“WSHA”)

The WSHA is a legislation relating to the safety, health and welfare of persons at work in a workplace and is administered by the MOM. Under Section 12 of the WSHA, every employer has the duty to take, so far as is reasonably practicable, such measures as are necessary to ensure the safety and health of (a) the employer’s employees at work and (b) persons (not being the employer’s employees) who may be affected by any undertaking carried on by the employer in the workplace.

The general penalties for non-compliance with the WSHA include, amongst others:

- (a) in the case of a natural person, to a fine not exceeding \$200,000 or to imprisonment for a term not exceeding 2 years or to both; and
- (b) in the case of a body corporate, to a fine not exceeding \$500,000.

Laws and Regulations Relating to Patents and Trademarks

Patents Act 1994 of Singapore (“PA”)

The Intellectual Property Office of Singapore (“IPOS”) is the national authority responsible for the registration and administration of intellectual property rights in Singapore. The PA, together with the Patents Rules, governs the registration, enforcement, and other matters relating to patents in Singapore, and is administered by IPOS.

Under the PA, patent infringement arises where, amongst others, without the consent of the patent proprietor, any of the following acts are carried out in Singapore in relation to the patented invention while the patent is in force:

- (a) where the invention is a product, a person makes, disposes of, offers to dispose of, uses or imports the product or keeps it whether for disposal or otherwise;
- (b) where the invention is a process, a person uses or offers the process for use in Singapore when the person knows, or it is obvious to a reasonable person in the circumstances, that its use without the consent of the proprietor would be an infringement of the patent; or
- (c) where the invention is a process, a person disposes of, offers to dispose of, uses or imports any product obtained directly by means of that process or keeps any such product whether for disposal or otherwise.

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Civil proceedings may be brought in the court by the proprietor of a patent in respect of any act alleged to infringe the patent and, without prejudice to any other jurisdiction of the court, in those proceedings a claim may be made:

- (a) for an injunction restraining the defendant from any apprehended act of infringement;
- (b) for an order for the defendant to deliver up or destroy any patented product in relation to which the patent is infringed or any article in which that product is inextricably comprised or any material and implement the predominant use of which has been in the creation of the infringing product;
- (c) for damages in respect of the infringement;
- (d) for an account of the profits derived by the defendant from the infringement; and
- (e) for a declaration that the patent is valid and has been infringed by the defendant.

Despite the foregoing, the court must not, in respect of the same infringement, both award the proprietor of a patent damages and order that the proprietor be given an account of the profits.

Trade Marks Act 1998 of Singapore (“TMA”)

The registration and protection of trade marks in Singapore are governed by the TMA and are administered by the IPOS. The TMA provides the framework for, amongst others, the registration, validity, renewal, and enforcement of trade mark rights in Singapore.

Sections 27(1) and 27(2) of the TMA provide that a person infringes a registered trade mark if, without the consent of the proprietor of the trade mark, the person uses in the course of trade a sign:

- (a) which is identical with the trade mark in relation to goods or services which are identical with those for which it is registered; or
- (b) where because
 - (i) the sign is identical with the trade mark and is used in relation to goods or services similar to those for which the trade mark is registered; or
 - (ii) the sign is similar to the trade mark and is used in relation to goods or services identical with or similar to those for which the trade mark is registered,

there exists a likelihood of confusion on the part of the public.

Section 27(3) of the TMA also provides that a person infringes a registered trade mark which is well known in Singapore if

- (a) without the consent of the proprietor of the trade mark, the person uses in the course of trade a sign which is identical with or similar to the trade mark in relation to goods or services which are not similar to those for which the trade mark is registered;

REGULATORY OVERVIEW

- (b) the use of the trade mark in relation to those goods or services would indicate a connection between those goods or services and the proprietor;
- (c) there exists a likelihood of confusion on the part of the public because of such use; and
- (d) the interests of the proprietor are likely to be damaged by such use.

Under the TMA, an infringement of a registered trade mark is actionable by the proprietor of the trade mark, and in an action for an infringement, the types of relief that the court may grant include, amongst others, an injunction, damages or an account of profits.

Laws and Regulations Relating to Personal Data Protection

The Personal Data Protection Act 2012 of Singapore (“**PDPA**”) governs the collection, use and disclosure of personal data by organisations. For the purposes of the PDPA, “personal data” refers to data, whether true or not, about an individual who can be identified using that data, or from that data and other information to which the organisation has or is likely to have access to.

The PDPA imposes the following obligations on organisations collecting, using or disclosing personal data of individuals (“**relevant persons**”) are summarised as follows: obligations of obtaining consent from and giving notification and access and correction rights to the relevant persons, purpose limitation in respect of the collection, use and disclosure of, and retention limitation and transfer limitation in respect of personal data, ensuring accuracy and protection of personal data and openness in making information available on its privacy policies and procedures relating to protection of personal data.

Further to the above, in compliance with the PDPA, an organisation shall designate one or more individuals as data protection officers (“**DPOs**”), to be responsible for ensuring that the organisation complies with the PDPA and the business contact information (e.g., a mailing address or an e-mail address) of such DPOs shall be made available to the public.

Laws and Regulations Relating to Taxation

Corporate Income Tax

Corporate taxpayers (both resident and non-resident) are subject to Singapore income tax on income accrued in or derived from Singapore (i.e. Singapore-sourced) and, subject to certain exceptions, on income received in Singapore from outside Singapore (i.e. foreign-sourced income received or deemed received in Singapore) unless specifically exempt from income tax.

Foreign-sourced income in the form of branch profits, dividends and service fee income received or deemed received in Singapore by a Singapore tax resident company on or after 1 June 2003 are exempted from Singapore tax provided that the following qualifying conditions are met:

- (a) such income is subject to tax of a similar character to income tax under the law of the territory from which such income is received;

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- (b) at the time the income is received in Singapore, the highest rate of tax of a similar character to income tax (by whatever name called) levied under the law of the territory from which the income is received is at least 15.0%; and
- (c) the Comptroller of Income Tax is satisfied that the tax exemption would be beneficial to the recipient of the specified foreign income.

The prevailing corporate income tax rate in Singapore is 17.0%, which applies to both local and foreign companies. With effect from the year of assessment 2020, 75% of the first S\$10,000, and 50% of the next S\$190,000 of a company's chargeable income (otherwise subject to normal taxation) is exempt from corporate tax. The remaining chargeable income that exceeds S\$200,000 will be fully taxable at the prevailing corporate tax rate.

For the year of assessment 2024, corporate taxpayers were entitled to corporate income tax rebates of 50% of the corporate tax payable (which were capped at S\$40,000 less the corporate income tax rebate cash grant of S\$2,000 where applicable). To be applicable for the rebate cash grant, a company must be active and have at least one local employee. The corporate income tax rebate will apply to income taxed at a concessionary tax rate but will not apply to income that is subject to a final withholding tax. Similarly, for the year of assessment 2025 and 2026, a corporate income tax rebate of 50% of the corporate tax payable will be granted to all taxpaying companies, whether tax resident or not, with a rebate cash grant of S\$2,000 where applicable. As such, the total maximum benefits of corporate income tax rebate and rebate cash grant that a company may receive is S\$40,000.

A company is regarded as a tax resident in Singapore if the control and management of its business is exercised in Singapore. Control and management is defined as the making of decisions on strategic matters, such as those concerning the company's policy and strategy. Generally, the location of the company's board of directors meetings where strategic decisions are made determines where the control and management is exercised. However, under certain scenarios, holding board meetings in Singapore may not be sufficient and other factors will be considered to determine if the control and management of the business is indeed exercised in Singapore. The place of incorporation of a company is not necessarily indicative of the tax residency of a company.

Goods and Services Tax

The Goods and Services Tax in Singapore is a consumption tax that is levied on import of goods into Singapore, as well as nearly all supplies of goods and services in Singapore at a prevailing rate of 9%.

Stamp Duty

There is no stamp duty payable on the subscription and issuance of shares.

Stamp duty is payable on a transfer of shares if there is an instrument of transfer executed in Singapore or if there is an instrument of transfer executed outside Singapore which is received in Singapore. In such situations, stamp duty is payable on the instrument of transfer of shares at the rate of 0.2% of the consideration for, or net asset value of, the shares, whichever is higher.

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Other Taxes

Singapore does not currently impose withholding tax on dividends paid to resident or non-resident shareholders. Dividends payable by the Singapore Entity to its shareholders are exempt from Singapore income tax in the hands of the shareholders.

Further, there is also no tax on capital gains in Singapore. Thus, any gains derived from the disposal of our shares acquired for long-term investment will not be taxable in Singapore.

Foreign shareholders are advised to consult their own tax advisers to take into account the tax laws of their respective home countries/countries of residence and the applicability of any double taxation agreement which their country of residence may have with Singapore.

Regulations Relating to Anti-Money Laundering and Prevention of Terrorism Financing

The primary anti-money laundering legislation in Singapore is the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992 of Singapore (“CDSA”). The CDSA provides for the confiscation of benefits derived from, and combats, corruption, drug dealing and other serious crimes. Generally, the CDSA criminalizes the concealment or transfer of the benefits of criminal conduct as well as the knowing assistance of the concealment, transfer or retention of such benefits.

The Terrorism (Suppression of Financing) Act 2002 of Singapore (“TSOFA”), is the primary legislation for the combating of terrorism financing. It was enacted to give effect to the International Convention for the Suppression of the Financing of Terrorism. In addition to criminalizing the laundering of proceeds derived from drug dealing and other serious crimes and terrorism financing, the CDSA and the TSOFA also require suspicious transaction reports to be lodged with the Suspicious Transaction Reporting Office. If any person fails to lodge the requisite reports under the CDSA and the TSOFA, it may be subject to criminal liability.

OVERVIEW OF THE LAWS AND REGULATIONS RELATING TO OUR BUSINESS AND OPERATIONS IN THAILAND

Civil and Commercial Code

The Civil and Commercial Code of Thailand, as amended (the “CCC”), serves as a cornerstone legal framework governing a broad spectrum of legal matters, including, but not limited to: property law, corporate law, family law, inheritance law, contract law, and commercial law. Corporate law, and particularly shareholding regulations, is one of the key areas addressed by the CCC.

Foreign Business Act

Foreign Business Act B.E. 2542 (1999), as amended (the “FBA”), is the most important law governing foreigners’ participation in businesses in Thailand. Although there is no limit to the percentage of shares that foreign investors may own in a limited company, if half or more than half of the company’s shares are held by non-Thai individuals and/or juristic persons, it will be considered a foreign-majority-owned company and subject to the FBA. Under the FBA, many business activities are restricted for foreign investors. Such business activities are divided into 3 (three) lists, i.e., List 1, List 2, and List 3.

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List 3 includes, among others, all service businesses, wholesale, retail, etc. For the restricted business activities indicated in List 3, a foreign-majority-owned company may apply for a Foreign Business License (“**FBL**”) with the approval of the Foreign Business Committee, the Ministry of Commerce (“**MoC**”).

Alternatively, a foreign-majority-owned company can opt to pursue a Foreign Business Certificate (“**FBC**”), which is a notification process and not an approval process, instead of applying for an FBL, if it meets the following qualifications: (1) it qualifies for protection under an international treaty that Thailand has entered into, such as the Treaty of Amity and Economic Relations between the United States and Thailand (“**Thai-US Treaty of Amity**”) in respect of the US majority shareholders and directorship requirements; or (2) it obtains an investment promotion from the Board of Investment (“**BOI**”) under the Investment Promotion Act. B.E. 2520 (A.D. 1977), as amended; or (3) it is located in an industrial estate, and it obtains an operational license from the Industrial Estate Authority of Thailand (“**IEAT**”).

Generally, a manufacturing business (including the sale of the manufactured products) is not a restricted business under List 1, 2, or 3 of the FBA, and therefore, a foreign-majority-owned company can operate a manufacturing business, including the manufacturing of optical fiber systems and wireless systems, without obtaining an FBL or an FBC. However, if the business structure involves acting purely as an Original Equipment Manufacturer (OEM) or providing services classified as service business to other manufacturers (rather than direct manufacturing and sale of own products), and/or charging service fees, it may fall under the restricted List 3 and require a Foreign Business Certificate (FBC) or Foreign Business License (FBL).

Regulations in Relation to Investment Promotion

Investment Promotion Act B.E. 2520 (1977) (“**IPA**”) aims to promote certain businesses or projects in Thailand that contribute to the country’s economic growth, provided that these businesses are deemed important and beneficial to economic and social development. Under the IPA, the BOI has the authority to assess and grant BOI promotion to businesses that meet the criteria specified under the IPA.

The IPA offers investment promotion in various aspects, including tax incentives, permitting to hire skilled workers, land ownership rights and tax benefits related to import of raw materials and machinery.

Factory Act

The Factory Act B.E. 2535 (1992) (the “**FA**”), as amended by the Factory Act (No.2) B.E. 2562 (2019) and Factory Act (No.3) B.E. 2562 (2019), is the primary legislation that regulates the establishment, operation, expansion, safety, and environmental impact of industrial facilities in Thailand. The Act is administered by the Department of Industrial Works (“**DIW**”) of the Ministry of Industry.

Under the FA, the definition of a factory generally encompasses any premises utilizing machinery above a specified power threshold (currently 50 horsepower) or employing a minimum number of workers (currently 50 employees) for the purpose of manufacturing or processing activities, as further detailed in relevant Ministerial Regulations.

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Factories are categorized into different types based on their size and potential impact. The most stringent regulations apply to Type 3 factories (typically those employing 75 or more workers or using machinery with a combined power of 75 horsepower or greater), which pose a greater potential for environmental impact or public hazard.

Therefore, depending on the specific scale of operations (e.g., once the Company employs 75 or more employees or possesses machinery with a combined power of 75 horsepower or greater), the Company may be required to apply for and obtain a Factory Business License (Ror.Ngor.4) from the DIW before commencing operations. However, if the Company is situated in an Industrial Zone, the FA requires the Company to apply for and obtain the Kor.2 from the DIW before commencing operations.

Labor Laws

The principal laws that govern labor matters in Thailand are the CCC Sections 575-586 — Hire of Services, the Labor Protection Act B.E. 2541 (“**LPA**”), and certain other relevant laws which primarily include: (i) The Labor Relations Act B.E. 2518 (1975), (ii) The Act on Establishment of Labor Courts and Labor Court Procedures B.E. 2522 (1979), (iii) The Provident Fund Act B.E. 2530 (1987), (iv) The Social Security Act B.E. 2533 (1990), (v) The Workmen’s Compensation Act B.E. 2537 (1994), (vi) The Labor’s Skills Development Act B.E. 2545 (2002), (vii) The Persons with Disabilities Empowerment Act B.E. 2550 (2007), and (viii) The Emergency Decree on Foreigners’ Working Management B.E. 2560 (2017).

The CCC sets out the principles of the contractual relationship between the employer and the employee. The Labor Relations Act provides for the supervision of the establishment of labor unions and other similar employer and employee associations, including their administration. The Act on Establishment of Labor Courts and Labor Court Procedures was enacted to establish the Labor Courts and their procedures, as well as to protect employees in circumstances of unfair termination. The Emergency Decree on Foreigners’ Working Management requires foreign nationals to obtain work permits prior to working in Thailand. This Act and the accompanying Royal Decree designate certain occupations that foreign nationals are excluded from undertaking. The present list contains 40 occupations that are prohibited for foreigners.

REGULATIONS RELATING TO U.S. TARIFFS, EXPORT CONTROLS AND THE FINAL RULE

Regulations on U.S. Export Control

The U.S. government imposes export controls for national security, foreign policy, and other policy reasons. One of the primary U.S. export control regimes is the Export Administration Regulations, 15 C.F.R. Parts 730-774 (“**EAR**”), which are administered and enforced by the U.S. Department of Commerce’s Bureau of Industry and Security (“**BIS**”). BIS is responsible for regulating the export, reexport, and transfer (in-country) of a diverse range of goods, software, and technology (collectively, “items”) including most commercial items, “dual-use” items (i.e., those items having both commercial and military or proliferation applications), and less-sensitive military items. The export or transfer of other military items and services are governed by the International Traffic in Arms Regulations, 22 C.F.R. Parts 120-130, administered and enforced by the U.S. State Department’s Directorate of Defense Trade Controls.

REGULATORY OVERVIEW

BIS regulates the export, reexport, and in-country transfer of items that are “subject to the EAR.” Currently, “items subject to the EAR” generally include all U.S.-origin commodities, software and technology. More specifically, items “subject to the EAR” include (i) all items in the U.S. (except publicly available technology and software); (ii) all U.S.-origin items located outside the U.S.; (iii) certain foreign-made items that include more than de minimis amounts of controlled U.S. content; and (iv) foreign-made national security items that are the direct product of U.S.-origin national security technology or software.

BIS has issued a number of new export control restrictions on advanced computing and semiconductor equipment, including by expanding its jurisdiction over a broader set of foreign-produced items in this category when intended for certain end uses and end users in China (among other destinations). In particular, certain foreign-produced computing and semiconductor equipment items are now considered subject to the EAR if there is knowledge that: (i) the foreign-produced item will be incorporated into any part, component, or equipment produced, purchased, or ordered by an entity located at a facility in certain specified countries (including China) where the production of certain advanced-node integrated circuits occurs; or (ii) an entity located at a facility in certain specified countries (including China) where the production of certain advanced-node integrated circuits occurs is otherwise a party to any transaction involving the foreign-produced item. For example, BIS has clarified that certain foreign-produced items containing integrated circuits that are produced by a complete plant or major component of a plant that itself is a direct product of U.S.-origin technology or software would be subject to the EAR.

Items that are subject to the EAR may require a license from BIS prior to the export, reexport, or transfer (in-country) of the item. Whether an export license is required depends on the export control classification number (“ECCN”) of the item at issue, the destination to which the item is being exported, reexported, or transferred, and the intended end-use or end-user of the item.

A party that exports, reexports, or transfers an item that is subject to the EAR is strictly liable for violations related to such activity. The EAR also provides a basis for liability for other parties to a transaction (i.e., in addition to the exporter). Specifically, parties are prohibited from (i) causing, aiding, or abetting a violation of the EAR; (ii) soliciting or attempting a violation of the EAR; (iii) conspiring to bring about or engage in a violation of the EAR; (iv) misrepresenting or concealing facts to the U.S. government in connection with activities subject to the EAR; (v) acting with the intent to evade the EAR; (vi) failing to comply with recordkeeping requirements of the EAR; and (vii) acting with “knowledge” that a violation of the EAR has occurred or is about to occur. The EAR defines “knowledge” as including “positive knowledge that the circumstance exists or is substantially certain to occur,” as well as “an awareness of a high probability of its existence or future occurrence,” which is “inferred from evidence of the conscious disregard of facts known to a person and is also inferred from a person’s willful avoidance of facts.”

Violations of the EAR can result in civil monetary penalties, denial of export privileges, and in cases of willful violations, criminal penalties. However, BIS primarily enforces penalties against the parties engaged in the impermissible export, re-export and transfer of items subject to EAR, as opposed to the parties receiving the items that were impermissibly exported.

BIS through the EAR maintains, amongst others, a list of names of certain foreign persons, including businesses, research institutions, government and private organizations, individuals and other types of legal persons (the “**Entity List**”). The Entity List initially arose as a list setting forth foreign persons known to be involved in proliferation activities and the

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development of weapons of mass destruction or missiles. Since its initial publication, grounds for inclusion on the Entity List have expanded to activities sanctioned by the U.S. State Department and activities contrary to U.S. national security or other foreign policy interests. Most transaction undertaken or effected of an item subject to the EAR to an entity on the Entity List requires a license. This restriction also includes engaging in transactions where the seller knows or has reason to know that the products to be transferred (or re-transferred or re-exported) are destined for a prohibited end-use.

Recently, BIS has introduced the Affiliates rule on September 30, 2025. Under the Affiliates rule, the Entity List license requirements and other applicable restrictions also apply to any foreign entity that is owned 50 percent or more by one or more listed entities or entities that are subject to restrictions based upon their ownership. The Affiliates rule is also applicable to entities listed on the Military End User List, and entities designated to the Specially Designated Nationals and Blocked Persons List for certain reasons. The Affiliates rule is currently suspended for one year starting Nov. 10, 2025.

Further, BIS has a license review policy establishing a presumption that any license application for a transfer, export or re-export to an entity on the Entity List be denied, as such, the BIS will only approve a license in exceptional circumstances where it can be established that the granting of the license will not harm or impair U.S. national security.

U.S. Regulations on Outbound Investments

The Final Rule took effect on January 2, 2025. The Final Rule targets investments by U.S. persons that involve persons and entities associated with “countries of concern,” currently China, including the Special Administrative Regions of Hong Kong and Macau. The OIP imposes investment prohibitions and notification requirements on certain activities in which a U.S. person engages, including the extent to which such U.S. persons (including, among others, U.S.-incorporated entities, U.S. citizens and permanent residents wherever located, branches of U.S. entities outside the United States, and any person located in the United States) or their non-U.S. person subsidiaries engage in a range of transactions currently relating to three technology sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems (“**Covered Activities**”). Covered Activities are those activities described in the definitions of “Notifiable Transactions” and “Prohibited Transactions” under the OIP, and the activities described in the definition of “Notifiable Transaction” are those activities that (x) are not described in the definition of “Prohibited Transactions” and (y) involve, among other activities defined under the OIP, the design, fabrication, or packaging of integrated circuits.

Under the OIP, a “Covered Foreign Person” is defined as (i) a “Person of a Country of Concern” that engages in a “Covered Activity,” or (ii) a person that directly or indirectly, holds a board seat on, a voting or equity interest in, or any contractual power to direct or cause the direction of the management or policies of any “Person of a Country of Concern” that engages in a “Covered Activity” and from or through which the person, on an annual basis (i) derives more than 50 percent of its revenue individually, or as aggregated across all such persons; (ii) derives more than 50 percent of its net income individually, or as aggregated across all such persons; (iii) incurs more than 50 percent of its capital expenditure individually, or as aggregated across all such persons; or (iv) incurs more than 50 percent of its operating expenses individually, or as aggregated across all such persons (the preceding clauses (i)-(iv) are referred to herein collectively as the “**Financial Metrics**”).

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Under the OIP, transactions by U.S. persons that are subject to the OIP are referred to as “Covered Transactions,” such as transactions that involve “Covered Foreign Persons,” and include certain purchases of equity interests and contingent equity interests, debt financing, joint ventures, and investments as a limited partner in a pooled investment fund. The OIP requires U.S. person-entities that are the “parents” (as defined in 31 C.F.R. § 850.219) of non-U.S. entities to “take all reasonable steps to prohibit and prevent any transaction by” their non-U.S. entities that would be a prohibited transaction if engaged in by a U.S. person. The OIP’s notification requirements apply to U.S. person-entities that are the parents of non-U.S. entities that enter into transactions that would be notifiable transactions if entered into by a U.S. person.

The OIP also prohibits U.S. persons from knowingly directing a non-U.S. person to enter into a transaction that would be prohibited if entered into by a U.S. person. The OIP includes some exceptions, which, if applicable, exclude from the OIP’s investment prohibitions and notification requirements transactions that would otherwise be either prohibited transactions or notifiable transactions if engaged in by a U.S. person. These exceptions include one applicable to certain U.S. person investments in publicly traded securities that are traded on a national stock exchange or the over-the-counter markets, provided such U.S. persons are not afforded rights beyond standard minority shareholder protections with respect to the issuer.

Pursuant to the Final Rule, Treasury may contact a U.S. person that has filed a notification with questions or document requests related to the transaction or compliance with the OIP, and the U.S. person would be required to respond to any such questions or requests within the time frame and in the manner specified by Treasury. Treasury also issued a Frequently Asked Question response, dated December 13, 2024, and later updated January 17, 2025, and May 23, 2025, stating that, apart from receiving an acknowledgment of receipt of a notification from Treasury, a submitter should not expect to receive any confirmation from Treasury with respect to the notification or its status.

Failing to comply with the OIP notification requirements or failing to provide accurate and complete information in the filing under the OIP may subject the relevant U.S. persons to civil penalties including fines of up to the greater of two times the transaction value or US\$377,700 in 2025 (as such amount has been, and may be further, adjusted for inflation), and, for willful violations, criminal penalties of fines of up to US\$1 million and imprisonment of up to 20 years.

On December 18, 2025, U.S. President Trump signed into law the National Defense Authorization Act for Fiscal Year 2026, which includes the Comprehensive Outbound Investment National Security Act of 2025 (the “**COINS Act**”). The Final Rule remains in effect as of the Latest Practicable Date, but the COINS Act requires Treasury to propose certain revisions to the Final Rule within 450 days of December 18, 2025. Those revisions ultimately will include, among other changes to the Final Rule, an expansion of the countries of concern, an expansion of the technologies covered to include hypersonic systems, revisions to key defined terms, and the establishment of a formal advisory opinion process.

Regulations on U.S. Tariffs

The U.S. government, under various legal authorities, maintains different tariff programs. These measures include, but are not limited to: (i) Section 301 of the Trade Act of 1974 (the “**Section 301 Tariffs**”); (ii) Section 232 of the Trade Expansion Act of 1962 (the “**Section 232 Tariffs**”); and (iii) measures under the International Economic Emergency Powers Act (“**IEEPA**”) addressing the synthetic opioid supply chain (“**Fentanyl Tariffs**”) and persistent U.S. trade deficits (“**Reciprocal Tariffs**”) (collectively, the “**Executive Branch Tariffs**”). The

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President's ability to levy tariffs pursuant to IEEPA was recently struck down by the Supreme Court and the issue of refunds is still being reviewed by the trial court. President Trump, in the interim, has issued a new tariff pursuant to Section 122 of the Trade Act of 1974 and the U.S. Trade Representative is planning new Section 301 investigations.

Current U.S. Section 301 Tariffs

On August 24, 2017, the Office of the United States Trade Representative (“**USTR**”) initiated an investigation under Section 301 of the Trade Act of 1974 into China's acts, policies, and practices related to technology transfer, intellectual property, and innovation. In April 2018, the USTR determined these practices were unreasonable or discriminatory and burdened U.S. commerce. As a result, the USTR imposed tariffs through a series of actions: the July 6, 2018, action (List 1) and the August 23, 2018, action (List 2), which applied 25% tariffs on certain Chinese products valued at approximately US\$34 billion and US\$16 billion annually, respectively. These actions were later modified through additional lists and product exclusions. Subsequent modifications introduced List 3, initially subject to a 10% tariff effective September 24, 2018, later increased to 25% in May 2019. Lists 4A and 4B followed, imposing a 15% tariff on additional products, effective September 1, 2019, which was later reduced to 7.5% in February 2020.

In 2022, the USTR announced a review of Section 301 actions as they approached their four-year anniversary. Following industry requests, the tariffs remained in effect, and the USTR recommended maintaining and enhancing Section 301 tariffs to encourage China to eliminate the investigated practices. On May 14, 2024, President Biden directed the USTR to maintain existing tariffs and increase rates on certain strategic products. On May 28, 2024, the USTR proposed modifications, including higher tariffs on 382 U.S. HTS subheadings and five statistical reporting numbers, covering an estimated US\$18 billion in annual trade. On September 18, 2024, the USTR issued a notice imposing additional duties or increasing existing rates on products in strategic sectors, with guidance provided by the U.S. International Trade Commission on applicable U.S. HTS codes. On December 23, 2025, the “USTR determined that China's acts, policies, and practices are actionable under Section 301 of the Trade Act of 1974 and that appropriate responsive action includes taking tariff action now on semiconductors from China, with an initial tariff level of 0 percent, increasing in 18 months on June 23, 2027, to a rate to be announced not fewer than 30 days prior to that date.” That said, the Company's optical transceivers did not fall within the scope of the USTR's notice of the action.

U.S. Section 232 Tariffs on Steel and Aluminum Products

Section 232 of the Trade Expansion Act of 1962 authorizes the U.S. President to impose tariffs or other trade restrictions on imports that threaten national security. Before such measures can be implemented, the Department of Commerce must investigate and determine whether imports pose a risk to national security. If Commerce makes an affirmative finding, the President has 90 days to decide on appropriate actions, which may include tariffs, quotas, or exclusions, and must implement them within 15 days.

Under Section 232, significant actions have been taken in recent years. On March 8, 2018, President Trump imposed tariffs of 25% on steel and 10% on aluminum imports, effective March 23, 2018, applicable to most countries, including China and Thailand. Subsequent proclamations expanded the scope: in February 2025, tariffs were extended to derivative steel and aluminum products, including certain telecommunications equipment classified under the

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U.S. HTS Code 8517.79.00.00, at 25%, later increased to 50% in June 2025. Commerce also established a process to include additional derivative products, adding 407 new items in August 2025. The inclusion process remains ongoing, allowing further expansion of product scope subject to Section 232 Tariffs.

U.S. Fentanyl Tariffs

In early 2025, the U.S. government introduced a new tariff regime targeting China under the International Emergency Economic Powers Act (“**IEEPA**”) as part of efforts to combat the fentanyl crisis. On February 1, 2025, President Trump issued an executive order declaring a national emergency and imposing an additional 10% ad valorem tariff on all Chinese-origin goods (i.e., the “**Fentanyl Tariffs**”). This measure was intended to disrupt supply chains for fentanyl precursors and signal a strong policy response to synthetic opioid trafficking. The Fentanyl Tariffs became effective on February 4, 2025, and applied broadly under U.S. HTS heading 9903.01.24.

On March 3, 2025, the U.S. government increased the Fentanyl Tariffs to 20%. At various points in the months thereafter, the U.S. government threatened to raise the Fentanyl Tariff to higher rates. However, following the ongoing negotiations and commitments from China to strengthen controls on fentanyl-related chemicals, on October 30, 2025, the U.S. government announced that the Fentanyl Tariffs would be reduced from 20% to 10%, effective November 10, 2025. From November 10, 2025 to February 24, 2026, the level of the Fentanyl Tariffs for shipments from Suzhou, China, stands at 10% ad valorem. There are no Fentanyl Tariffs applicable for shipments from the Taiwan region or Thailand. According to the announcement issued by U.S. Customs and Border Protection on February 22, 2026, the Fentanyl Tariffs were terminated, and the collection of those tariffs ceased as of February 24, 2026.

U.S. Reciprocal Tariffs

On April 2, 2025, the U.S. government launched its “Reciprocal Tariffs” initiative through Executive Order 14257, “Regulating Imports with a Reciprocal Tariff to Rectify Trade Practices That Contribute to Large and Persistent Annual United States Goods Trade Deficits”, finding that persistent trade deficits posed an extraordinary threat to U.S. national security and economic stability. This order established a baseline reciprocal tariff of 10% on imports from most countries, including China, the Taiwan region, and Thailand, effective April 5, 2025. In addition, Annex I of Executive Order 14257 set forth an additional ad valorem tariff for certain countries, making the adjusted Reciprocal Tariffs regime as follows: China at 34%, Taiwan region at 32%, Thailand at 36%.

On April 11, 2025, the President issued “Clarification of Exceptions Under Executive Order 14257 of April 2, 2025, as amended” (The “**Memorandum**”). The Memorandum stated, inter alia, that one of the products excepted from Executive Order 14257’s ad valorem rates of duty is “semiconductors” and that the term’s meaning encompassed products that are classifiable under various headings and subheadings, including U.S. HTS Code 8517.62.00. Importers were instructed to declare the exemption using secondary classification under heading 9903.01.32 when filing entries.

Since the U.S. government announced the Reciprocal Tariffs policy in April 2025, the tariff rates applied to different countries have undergone multiple frequent adjustments. At the same time, many countries, including China, have been engaged in ongoing trade negotiations with the U.S. to address these measures and seek a resolution. On October 26, 2025, the U.S. government posted a Joint Statement on a Framework for a United States-Thailand Agreement on Reciprocal Trade. Per the Joint Statement, the “United States will maintain at 19 percent the

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reciprocal tariffs, as set forth in Executive Order 14257 of April 2, 2025, as amended, on originating goods of Thailand, and will identify products from the list set out in Annex III to Executive Order 14346 of September 5, 2025, Potential Tariff Adjustments for Aligned Partners, to receive a zero percent reciprocal tariff rate.” Negotiations with China and the Taiwan region appear to be ongoing. As of December 3, 2025, the Reciprocal Tariffs regime stood as follows: China at 10%, the Taiwan region at 20%, and Thailand at 19%. These tariffs are on a going-forward basis and would not be charged to previously-imported goods. That being said, because our products fall within the scope of the exemptions available under the Reciprocal Tariffs, shipments of such products from Suzhou, Taiwan region, and Thailand are not subject to the aforementioned Reciprocal Tariffs.

Litigation Regarding IEEPA

On February 20, 2026, the U.S. Supreme Court held in *Learning Resources, Inc. v. Trump and Trump v. V.O.S. Selections* that the International Emergency Economic Powers Act does not authorize the President to impose tariffs. Following that decision, the relevant tariffs previously imposed under IEEPA, including the reciprocal tariff measures, were terminated pursuant to executive action. The decision was based on statutory interpretation and did not affect tariffs imposed under other legal authorities, including Section 232 of the Trade Expansion Act of 1962.

President Trump subsequently issued an executive order dated February 20, 2026, terminating the IEEPA tariffs (including the “fentanyl tariff” and reciprocal tariffs) and stating that the duties issued pursuant to the various IEEPA executive orders shall “no longer be in effect and, as soon as practicable, shall no longer be collected.” In a bulletin published on February 22, 2026, U.S. Customs and Border Protection announced it would cease collecting IEEPA tariffs as of February 24, 2026.

Section 122 Tariffs

Following the U.S. Supreme Court’s decision regarding the IEEPA tariffs, President Trump imposed a 10% tariff under Section 122 of the Trade Act of 1974, and has indicated on social media that such tariff could be increased to 15%, although no such increase has been implemented to date. Section 122 authorizes the President to impose a temporary import duty of up to 15% ad valorem for a period of up to 150 days to address “fundamental international payments problems,” including “large and serious United States balance-of-payments deficits.” The Section 122 tariff is scheduled to expire on July 23, 2026, unless extended by the U.S. Congress. In addition, various U.S. states have initiated litigation challenging such duties.

New Section 301 Tariffs

The U.S. Trade Representative has initiated two sets of Section 301 investigations that could lead to additional tariffs. The first, initiated on March 11, 2026, concerns structural excess capacity and production in manufacturing sectors in certain trading partners, including China, the European Union, Singapore, Switzerland, Norway, Indonesia, Malaysia, Cambodia, Thailand, Korea, Vietnam, Taiwan region, Bangladesh, Mexico, Japan and India. The second, initiated on March 12, 2026, concerns forced labor and targets 60 trading partners, including Cambodia, China, the European Union, Japan, South Korea, Switzerland, Taiwan region, Thailand and the United Kingdom.

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For both investigations, interested parties had to submit written comments and any requests to appear at the hearing by April 15, 2026. USTR held the excess capacity hearing on May 5 to May 8, 2026 and the forced labor hearing on April 28 and April 29, 2026. These investigations being conducted on expedited timelines. On June 5, 2026, USTR's determination and proposed action in the Section 301 forced labor investigation were published in the Federal Register. USTR is proposing that all of the countries subject to the investigation receive either a 10 percent or 12.5 percent tariff. However, USTR is proposing to exclude various goods from the scope of the proposed tariffs, as set forth in Annex A of the June 5 Federal Register notice. Annex A includes HTS 8517.62.00, indicating that USTR is proposing to exclude this tariff line from any final tariff action. USTR will accept comments on the proposed tariff action until July 6, 2026, and hold a hearing on July 7, 2026. The final action will be announced sometime thereafter. As of June 18, 2026, USTR has not announced its findings in the Section 301 structural excess capacity investigations. It is expected, though, that USTR, as with the Section 301 forced labor investigations, will announce a proposed remedy and allow stakeholders the opportunity to comment on the remedy before the final measure is imposed.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

The Group's history traces back to 2005, when the Company was established as a limited liability company in the PRC with the name of Longkou Zhongji Electrical Engineering Machinery Co., Ltd. (龍口中際電工機械有限公司), then controlled by Mr. Wang Weixiu through Zhongji Holding, engaged in the business of motor winding manufacturing equipment. It was converted into a joint stock company and renamed as Shandong Zhongji Electrical Equipment Co., Ltd. (山東中際電工裝備股份有限公司) in October 2010.

In April 2008, Dr. Liu Sheng, our current Chairman of the Board, executive Director and President, founded Suzhou InnoLight, specializing in the research, development, and production of optical transceivers. In 2017, our Company was renamed as Zhongji InnoLight Co., Ltd. (中際旭創股份有限公司) following completion of the major asset restructuring of Suzhou InnoLight. Please refer to “Corporate Development and Major Changes in Share Capital and Shareholdings — Major Asset Restructuring in 2017” in this section for details.

We have become a global-leading optical interconnect solutions provider and have been the world's largest optical interconnect solutions provider by revenue for five consecutive years since 2021, accounting for 21.2% of the overall optical interconnect solutions market in 2025 and further strengthening our leadership position in the high-speed datacom optical interconnect solutions market, where we held a market share of 28.1% in the same year, according to CIC.

KEY MILESTONES

The following is a summary of our Group's key corporate and business development milestones.

Year	Event
2011	Suzhou InnoLight began cooperation with its first tier-one cloud service provider customer and had become the customer's major optical transceiver supplier since then.
2012	The A Shares of Shandong Zhongji Electrical Equipment Co., Ltd. were listed on the ChiNext Market of the Shenzhen Stock Exchange (stock code: 300308).
2013	Suzhou InnoLight's accumulative shipment volume of optical transceivers reached one million.
2014	Google Capital invested in Suzhou InnoLight, marking its first investment in China.
2017	Our Company was renamed as Zhongji InnoLight Co., Ltd. (中際旭創股份有限公司) following completion of the major asset restructuring of Suzhou InnoLight.
2018	We launched the first 400G optical transceivers in the industry. We expanded our global footprint by establishing our Singapore subsidiary.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Year	Event
	Our accumulative shipment volume of optical transceivers reached 10 million.
2020	We launched the first 800G optical transceivers in the industry.
2021	We became the world's largest optical interconnect solutions provider by revenue, according to CIC.
2022	We enhanced our global presence with our Thailand factory commencing operation.
2023	We launched the first 1.6T optical transceivers in the industry.
2025	Our annualized production capacity exceeded 28 million units.
	We had been the world's largest optical interconnect solutions provider by revenue for five consecutive years.

OUR MAJOR SUBSIDIARIES

As of the Latest Practicable Date, we conducted our business operations through 42 subsidiaries. A summary of the corporate information and the particulars of all our subsidiaries is set out in the Accountant's Report in Appendix I to this Prospectus. Details of each of our major subsidiaries which made a material contribution to our results of operations during the Track Record Period are set out below.

Name of subsidiary	Place of incorporation	Date of incorporation and commencement of business	Equity interest held by the Group as of the Latest Practicable Date	Principal business activities
Suzhou InnoLight	PRC	April 14, 2008	100%	Design, research and development, and production
TeraHop Pte. Ltd. ("TeraHop Pte") . . .	Singapore	September 21, 2018	66.31% ⁽¹⁾	Investment, trade and services
TeraHop (Thailand) Co., Ltd. ("TeraHop Thailand")	Thailand	August 26, 2019	66.31% ⁽¹⁾	Design, research and development, and production
InnoLight Technology (Tongling) Co., Ltd. (銅陵旭創科技有限公司) ("Tongling InnoLight")	PRC	October 25, 2017	100%	Design, research and development, and production

Note:

- (1) See "Shareholding and Corporate Structure immediately prior to the Global Offering" in this section below for details of the holders of the minority equity interests in our major subsidiaries.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE DEVELOPMENT AND MAJOR CHANGES IN SHARE CAPITAL AND SHAREHOLDINGS

Early Development

On June 27, 2005, Longkou Zhongji Electrical Engineering Machinery Co., Ltd. (龍口中際電工機械有限公司) (“**Longkou Zhongji**”) was established in the PRC with a registered capital of US\$1.26 million and was owned as to (i) 75% by Zhongji Holding, which in turn was owned by Mr. Wang Weixiu as to 49.15% and other 65 then employees of Zhongji Holding as to 50.85%, none of whom holding more than 10% equity interests therein, at that time; and (ii) 25% by an individual investor, who was an Independent Third Party, respectively. In April 2008, the aforementioned individual investor transferred all his equity interests in Longkou Zhongji to Favor Bright, which was controlled by an Independent Third Party, at a consideration of US\$385,000, which was determined upon arm’s length negotiations among the parties with reference to Longkou Zhongji’s net assets value at the relevant time.

On April 14, 2008, Suzhou InnoLight was established in the PRC with a registered capital of US\$1.4 million and Dr. Liu Sheng, as the founder of Suzhou InnoLight, had led its rapid development and expansion in the optical interconnects industry since then. From November 2009 to September 2016, Suzhou InnoLight conducted rounds of financings, including investment made by Google Capital (Hong Kong) Limited in September 2014.

In July 2010, the registered capital of Longkou Zhongji increased to RMB13,932,800 with the capital increase of RMB2 million and RMB1.5 million subscribed by Zhongji Holding and Favor Bright, respectively, and Longkou Zhongji was owned as to 70.514% by Zhongji Holding and 29.486% by Favor Bright, respectively. In August 2010, the registered capital of Longkou Zhongji further increased to RMB15,395,400 subscribed by the other three then Shareholders prior to A Share Listing, which were Independent Third Parties.

On October 16, 2010, Longkou Zhongji was converted into a joint stock company and renamed as Shandong Zhongji Electrical Equipment Co., Ltd. (山東中際電工裝備股份有限公司) (“**Zhongji Equipment**”) with an initial registered share capital of RMB50,000,000.

Upon completion of the aforementioned capital injection in August 2010 and the joint stock conversion in October 2010, Zhongji Equipment was owned as to 63.815% by Zhongji Holding, 26.685% by Favor Bright, 9.50% by the other three then Shareholders prior to A Share Listing, respectively.

A Share Listing in 2012

On April 10, 2012, Zhongji Equipment completed the initial public offering and listing of A Shares on the ChiNext Market of the Shenzhen Stock Exchange (stock code: 300308) and issued 16,670,000 A Shares. Immediately following this offering, registered share capital of Zhongji Equipment increased to RMB66,670,000, and the shareholding structure of Zhongji Equipment was as follows:

Name of the Shareholder	Number of A Shares held	Approximate percentage of shareholding
Zhongji Holding	31,907,500	47.86%
Favor Bright	13,342,500	20.01%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of the Shareholder	Number of A Shares held	Approximate percentage of shareholding
The other three then Shareholders prior to A Share Listing	4,750,000	7.13%
Other Public Shareholders	16,670,000	25.00%
Total	66,670,000	100.00%

Capital Reserve Capitalization in 2013 and 2014

In May 2013, Zhongji Equipment completed the issuance of 53,336,000 A Shares to its then Shareholders by capitalizing the capital reserve of Zhongji Equipment for the purpose of dividend distribution on the basis of eight additional A Shares for every ten existing A Shares. Upon completion of the aforementioned capital reserve capitalization, the registered share capital of Zhongji Equipment increased to RMB120,006,000.

In October 2014, Zhongji Equipment completed the issuance of 96,004,800 A Shares to its then Shareholders by capitalizing the capital reserve of Zhongji Equipment for the purpose of dividend distribution on the basis of eight additional A Shares for every ten existing A Shares. Upon completion of the aforementioned capital reserve capitalization, the registered share capital of Zhongji Equipment increased to RMB216,010,800.

Major Asset Restructuring in 2017

On September 9, 2016, the Company entered into an agreement to acquire 100% of the equity interests of Suzhou InnoLight (the “**Major Asset Restructuring**”) from its 27 then shareholders, including (i) Dr. Liu Sheng, our executive Director; (ii) seven acting-in-concert entities of Dr. Liu Sheng as identified under the applicable PRC laws, regulations and rules, including Suzhou Yixingfu, Suzhou Yunchangjin, Suzhou Youhuiran Enterprise Management Center (Limited Partnership) (蘇州悠暉然企業管理中心(有限合夥)) (“**Suzhou Youhuiran**”), ITC Innovation Limited (“**ITC**”), Suzhou Zhouyuran Enterprise Management Center (Limited Partnership) (蘇州舟語然企業管理中心(有限合夥)) (“**Suzhou Zhouyuran**”), Suzhou Furuihui Enterprise Management Center (Limited Partnership) (蘇州福睿暉企業管理中心(有限合夥)) (“**Suzhou Furuihui**”), and Suzhou Ruilinlan Enterprise Management Center (Limited Partnership) (蘇州睿臨蘭企業管理中心(有限合夥)) (“**Suzhou Ruilinlan**”); and (iii) the other 19 then shareholders of Suzhou InnoLight, including Google Capital (Hong Kong) Limited, all of whom were Independent Third Parties of the Company before the Major Asset Restructuring.

The aggregate consideration of the Major Asset Restructuring was RMB2,800,000,000, which was satisfied through issuance of 206,794,668 A Shares by the Company (the “**Consideration Shares**”) at the price of RMB13.54 per A Share. The consideration of the Major Asset Restructuring was determined on the basis of arm’s length negotiations among the parties thereof with reference to the equity valuation of Suzhou InnoLight as of August 31, 2016 appraised by an independent valuer.

The following table sets out the sellers in the Major Asset Restructuring, their respective shareholding in Suzhou InnoLight before the Major Asset Restructuring, consideration and Consideration Shares received, and shareholding in the Company upon completion of transactions under the Major Asset Restructuring in July 2017.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Sellers in the Major Asset Restructuring	Shareholding in Suzhou InnoLight	Consideration	Number of Consideration Shares	Shareholding in the Company
		(RMB)		
Suzhou Yixingfu ⁽¹⁾⁽²⁾	15.75%	552,232,700	40,785,279	8.89%
Suzhou Yunchangjin ⁽¹⁾⁽²⁾	9.09%	200,000,000	14,771,048	3.22%
Suzhou Youhuiran ⁽²⁾	1.37%	47,839,500	3,533,194	0.77%
ITC ⁽²⁾	3.38%	118,420,700	8,745,990	1.91%
Suzhou Zhouyuran ⁽³⁾	1.37%	47,857,000	3,534,489	0.77%
Suzhou Furuihui ⁽³⁾	3.02%	105,817,500	7,815,180	1.70%
Suzhou Ruilinlan ⁽³⁾	0.45%	15,835,500	1,169,532	0.25%
Liu Sheng (劉聖) ⁽¹⁾⁽²⁾⁽³⁾	0.43%	14,976,600	1,106,097	0.24%
Other 19 then shareholders of Suzhou InnoLight before the Major Asset Restructuring	65.14%	1,697,020,500	125,333,859	27.30%
Total	100.00%	2,800,000,000	206,794,668	45.05%

Notes:

- (1) Each of Suzhou Yixingfu and Suzhou Yunchangjin was indirectly controlled by Dr. Liu Sheng who held 100% equity interests of Suzhou Industrial Park Tiantingque Enterprise Management Co., Ltd. (蘇州工業園區天庭闕企業管理有限公司) (“**Suzhou Tiantingque**”), the general partner of Suzhou Yixingfu and Suzhou Yunchuangjin.
- (2) In 2016, Dr. Liu Sheng, Suzhou Yixingfu, Suzhou Yunchangjin, Suzhou Youhuiran and ITC entered into the acting-in-concert confirmation and undertaking, pursuant to which the aforementioned parties shall act in concert in respect of their respective shareholder’s rights, including the proposal right, voting right, and nomination right of director and supervisor, which were conferred on and exercisable by all shareholders of Suzhou InnoLight.
- (3) Each of Suzhou Zhouyuran, Suzhou Furuihui and Suzhou Ruilinlan was an employee stock ownership platform of Suzhou InnoLight and was considered an acting-in-concert entity of Dr. Liu Sheng under the applicable PRC laws, regulations and rules.

To raise supporting funds for construction and updates of production lines upon the Major Asset Restructuring, the Company also conducted concurrent placing and issued an aggregate of 36,189,068 A Shares at the price of RMB13.54 per A Share in August 2017 to Mr. Wang Weixiu, Suzhou Yunchangjin, and three investors who were Independent Third Parties.

Upon completion of the Major Asset Restructuring and aforementioned issuance of A Shares for raising supporting funds, the registered share capital of our Company increased to RMB458,994,536 and the shareholding structure of our Company was as follows.

Name of the Shareholder	Number of A Shares held	Shareholding in the Company
Zhongji Holding	99,380,300	21.65%
Wang Weixiu (王偉修)	20,989,660	4.57%
Wang Xiaodong (王曉東) ⁽¹⁾	1,953,168	0.43%
Liu Sheng (劉聖) and the seven acting-in-concert entities ⁽²⁾	85,803,497	18.69%
Other A Shareholders	250,867,911	54.66%
Total	458,994,536	100.00%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Notes:

- (1) Mr. Wang Xiaodong, a member of our Single Largest Group of Shareholders, cumulatively purchased 1,953,168 A Shares through centralized bidding, accounting for 0.90% of our then total issued share capital, thereby becoming a Shareholder since July 2015.
- (2) Such acting-in-concert entities identified under the applicable PRC laws, regulations and rules include Suzhou Yixingfu, Suzhou Yunchangjin, Suzhou Youhuiran, ITC, Suzhou Zhouyuran, Suzhou Furuihui and Suzhou Ruilinlan as detailed above.

In connection with the abovementioned transactions, on September 6, 2017, our then Shareholders resolved to amend our Articles and rename our Company from Shandong Zhongji Electrical Equipment Co., Ltd. (山東中際電工裝備股份有限公司) to our current name, Zhongji InnoLight Co., Ltd. (中際旭創股份有限公司), and the relevant business registration procedure was completed on September 27, 2017.

Private Placement of A Shares in 2019 and 2021

In April 2019 and November 2021, to raise funds for construction and upgrade of manufacturing and R&D facilities, our Company conducted private placements of 34,378,038 A Shares at RMB45.26 per A Share and 87,080,000 A Shares at RMB31.00 per A Share, raising net proceeds of approximately RMB1,522.6 million and RMB2,665.1 million, respectively. The A Shares were placed to five and 15 investors, respectively, each of whom is an Independent Third Party. As of the Latest Practicable Date, we have utilized all of the net proceeds raised in the private placements of A Shares in 2019 and 2021.

Capital Reserve Capitalization in 2019

In June 2019, our Company completed the issuance of 203,933,537 A Shares to our then Shareholders by capitalizing the capital reserve of our Company for the purpose of dividend distribution on the basis of four additional A Shares for every ten existing A Shares. Upon completion of the aforementioned capital reserve capitalization, the registered share capital of our Company increased to RMB713,767,381.

Capital Reserve Capitalization in 2024

In June 2024, our Company completed the issuance of 315,628,721 A Shares to our then Shareholders by capitalizing the capital reserve of our Company for the purpose of dividend distribution on the basis of four additional A Shares for every ten existing A Shares. Upon completion of the aforementioned capital reserve capitalization, the registered share capital of our Company increased to RMB1,121,166,509.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

We had not carried out any major acquisitions, disposals or mergers which would fall within the scope of Rules 4.05A or 4.28 of the Listing Rules during the Track Record Period and up to the Latest Practicable Date.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

EQUITY INCENTIVE PLANS OF THE COMPANY

In order to enhance our Company's competitiveness in the talent market, comprehensively address our growing needs for talent and build a high-quality workforce, we have adopted four restricted share incentive schemes and three employee stock ownership plans, among which, as of the date of this Prospectus, two restricted share incentive schemes and three employee stock ownership plans have been completed, and Share Awards granted thereunder have all been vested, exercised, and/or released from the restriction period and have become A Shares with unlimited conditions of sale.

The rest two restricted share incentive schemes among the aforementioned plans are the 2023 Restricted Shares Incentive Scheme and 2025 Restricted Shares Incentive Scheme which were adopted on November 8, 2023 and April 25, 2025, respectively, which were outstanding as of the Latest Practicable Date. See "Statutory and General Information — 2023 Restricted Shares Incentive Scheme and 2025 Restricted Shares Incentive Scheme" in Appendix IV for details.

PUBLIC FLOAT AND FREE FLOAT

To the best knowledge and belief of our Directors and on the basis of the current shareholding structure, it is expected that, immediately following the completion of the Global Offering (assuming the Over-Allotment Option is not exercised, no new Shares are issued under the Restricted Share Incentive Schemes and there are no changes in the issued share capital of the Company between the Latest Practicable Date and the Listing Date), a total of 54,500,000 H Shares will be held by the public and counted towards the public float, representing approximately 4.66% of our total issued share capital with an expected market value at the time of listing of over HK\$55.0 billion based on the maximum Offer Price of HK\$1,010.00 per Offer Share, which is higher than the prescribed market value of the H Shares required to be held by the public of HK\$3.0 billion under Rule 19A.13A(2)(b) of the Hong Kong Listing Rules, thereby satisfying the public float requirements as required under Rule 19A.13A of the Hong Kong Listing Rules.

In addition, to the best knowledge and belief of our Directors and on the basis of the current shareholding structure, it is expected that, immediately following the completion of the Global Offering (assuming the Over-Allotment Option is not exercised, no new Shares are issued under the Restricted Share Incentive Schemes and there are no changes in the issued share capital of the Company between the Latest Practicable Date and the Listing Date), the market value of the H Shares listed on the Hong Kong Stock Exchange that will be held by the public and not subject to any disposal restrictions (whether under contract, the Hong Kong Listing Rules, applicable laws or otherwise) at the time of the Listing is not less than HK\$600,000,000 (based on the maximum Offer Price of HK\$1,010.00 per Offer Share). Accordingly, our Company will satisfy the free float requirement under Rule 19A.13C of the Hong Kong Listing Rules.

OUR LISTING ON THE SHENZHEN STOCK EXCHANGE AND REASONS FOR THE LISTING ON THE HONG KONG STOCK EXCHANGE

Our A Shares have been listed on the ChiNext Market of the Shenzhen Stock Exchange since 2012 with the stock code of 300308. Our Directors confirmed that, since our listing on the Shenzhen Stock Exchange and up to the Latest Practicable Date, we had no instances of material non-compliance with the rules of the Shenzhen Stock Exchange and other applicable securities laws and regulations of the PRC in any material respects, and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the investors' attention in relation to our compliance record on the Shenzhen Stock Exchange.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Our PRC Legal Adviser has advised us that, for the two years ended December 31, 2024 and 2025, and up to the date of submission of the Company's H Share Listing application to the Hong Kong Stock Exchange, we have not been subject to any substantial administrative penalties or regulatory measures imposed by securities regulatory authorities in the PRC, and we have complied with the relevant laws and regulations on A share listings applicable to us in all material respects. Based on the independent due diligence conducted by the Joint Sponsors and our PRC Legal Adviser's view, nothing has come to the Joint Sponsors' attention that would cause them to cast doubt on our Directors' confirmation with regard to the compliance record of our Company on the Shenzhen Stock Exchange.

Our Company is seeking a listing of its H Shares on the Hong Kong Stock Exchange in order to further strengthen our business profile and global presence, to provide further capital for the development and expansion of our Company's business and to strengthen our Company's working capital. For more details, see "Business" and "Future Plans and Use of Proceeds" in this Prospectus.

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Our Single Largest Group of Shareholders under the Hong Kong Listing Rules and Chapter 1.1C of the Guide for New Listing Applicants comprises Zhongji Holding, Longkou Zhongji Zhiyuan, Mr. Wang Weixiu and Mr. Wang Xiaodong.

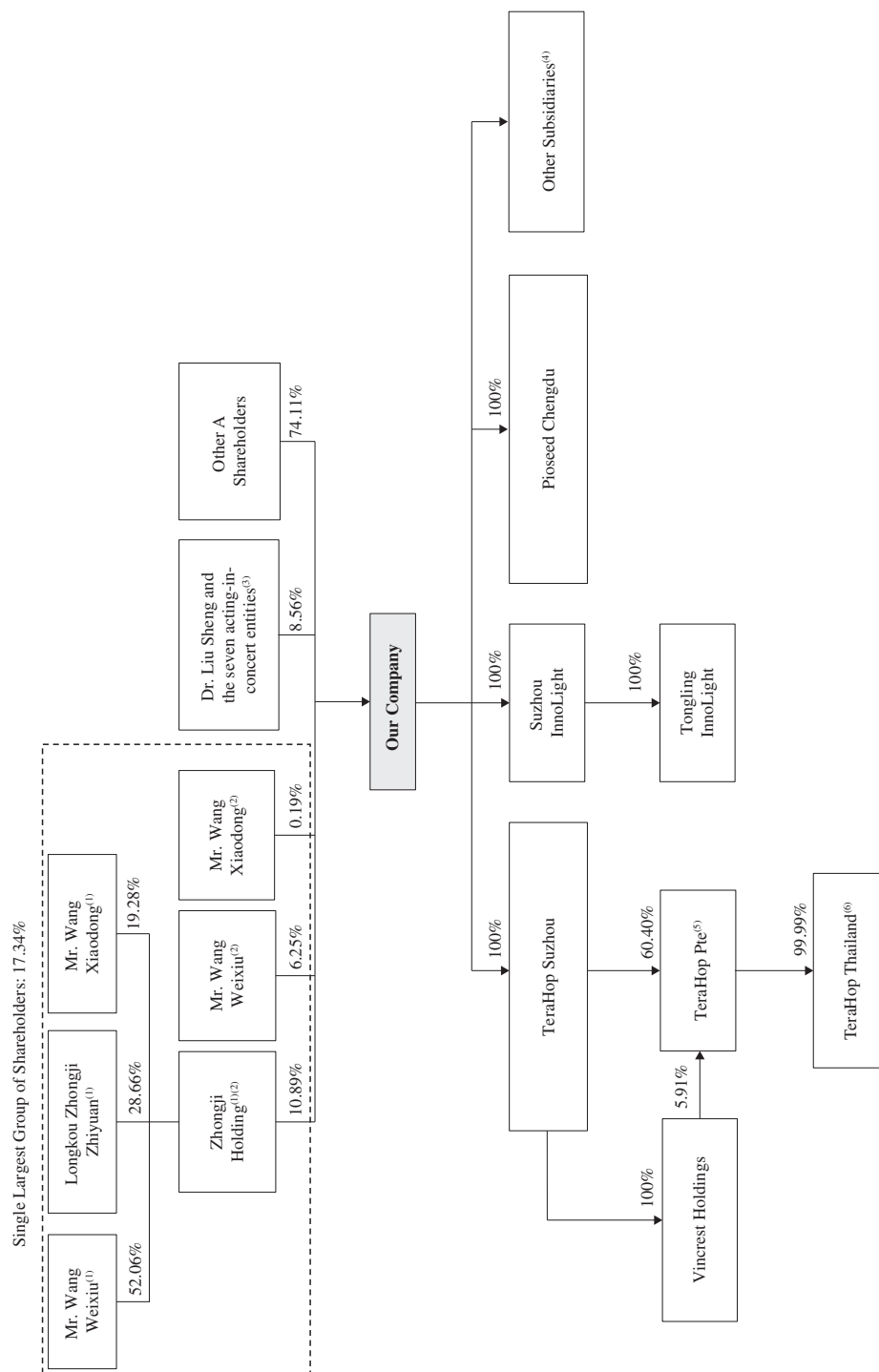
As of the Latest Practicable Date, (i) Zhongji Holding was a company held as to approximately 52.06% by Mr. Wang Weixiu, approximately 28.66% by Longkou Zhongji Zhiyuan, and approximately 19.28% by Mr. Wang Xiaodong, our executive Director and son of Mr. Wang Weixiu, and (ii) Longkou Zhongji Zhiyuan was controlled by Mr. Wang Weixiu as its general partner, holding approximately 31.08% partnership interests thereof. Longkou Zhongji Zhiyuan has 21 limited partners, among which Mr. Wang Xiaodong holding approximately 0.12% partnership interests thereof and none of the remaining 20 limited partners, who are all Independent Third Parties and passive financial investors, holding 30% or more partnership interests thereof.

As of the Latest Practicable Date, the total issued share capital of our Company was held as to approximately 17.34% by our Single Largest Group of Shareholders, including (i) approximately 10.89% by Zhongji Holding, (ii) approximately 6.25% by Mr. Wang Weixiu, and (iii) approximately 0.19% by Mr. Wang Xiaodong, respectively. Mr. Wang Weixiu is the founder of Longkou Zhongji Electrical Engineering Machinery Co., Ltd. (龍口中際電工機械有限公司) and he served as the chairman of the Board from October 2010 to August 2023 until he resigned as a Director upon the expiry of his term of office. Mr. Wang Weixiu is considered as having control over Zhongji Holding. Zhongji Holding is regarded as our controlling Shareholder and Mr. Wang Weixiu is regarded as our *de facto controller* (實際控制人) under the applicable PRC laws, regulations and rules.

Immediately following the completion of the Global Offering, assuming the Over-Allotment Option is not exercised, no new Shares are issued under the Restricted Share Incentive Schemes and there are no changes in the issued share capital of the Company between the Latest Practicable Date and the Listing Date, Zhongji Holding, Mr. Wang Weixiu and Mr. Wang Xiaodong will in aggregate hold approximately 16.53% of our issued share capital and no other group of Shareholders is expected to hold more than they do. Accordingly, Zhongji Holding, Longkou Zhongji Zhiyuan, Mr. Wang Weixiu and Mr. Wang Xiaodong will continue to be our Single Largest Group of Shareholders upon completion of the Global Offering.

SHAREHOLDING AND CORPORATE STRUCTURE IMMEDIATELY PRIOR TO THE GLOBAL OFFERING

The following chart sets forth our simplified shareholding and corporate structure immediately prior to the Global Offering (assuming that no new Shares are issued under the Restricted Share Incentive Schemes and no changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date):



Notes:

- (1)(2) For details, please refer to the “Our Single Largest Group of Shareholders” in this section.
- (3) Such acting-in-concert entities identified under the applicable PRC laws, regulations and rules include Suzhou Yixingfu, Suzhou Yunchangjin, Suzhou Youhuiuran, ITC, Suzhou Zhouyuran, Suzhou Furuohui and Suzhou Ruilinlan. For details, please refer to the “Major Asset Restructuring in 2017” in this section.
- (4) Other subsidiaries include, in aggregate, over 30 subsidiaries established in various jurisdictions. As at the Latest Practicable Date, other direct non-wholly owned subsidiaries of our Company include (i) TeraCule Technology (Guangdong) Co., Ltd. (廣東深度智冷科技有限公司), of which the minority interests were held as to 49% by Guangdong Hec Liquid Cooling Technology (廣東陽光液冷科技有限公司); (ii) Chengdu Tsuhan Technology Co., Ltd. (成都儲翰科技股份有限公司), of which the minority interests were held as to 0.16% by nine individuals, who are Independent Third Parties; (iii) Ningbo Chuangzeyun Investment Partnership (Limited Partnership) (寧波創擇雲投資合夥企業(有限合伙)), a limited partnership, of which the minority interests were held as to 0.15% by the general partner, Suzhou Fengling Venture Capital Partnership (General Partnership) (蘇州風鈴創業投資合夥企業(普通合夥)); (iv) Picmore Technology (Suzhou) Co., Ltd. (蘇州湃矽科技有限公司), of which the minority interests were held as to 33.33% by Suzhou Industrial Park Shuxin Juhui Enterprise Management Partnership (Limited Partnership) (蘇州工業園區曙芯聚輝企業管理合夥企業(有限合伙)); (v) Chongqing Jingle Electronic Co., Ltd. (重慶君歌電子科技有限公司) (“Chongqing Jingle”), of which the minority interests were held as to 5.53% by two directors of Chongqing Jingle and 21.88% by five Independent Third Parties; and (vi) ReinOCS AutoPhotonics (Suzhou) Co., Ltd. (蘇州智馳領駁科技有限公司) (“ReinOCS Suzhou”), of which the minority interests were held as to 19.64% by two equity incentive platforms of ReinOCS Suzhou, 11.17% by two limited partnerships in which our Company acts as a limited partner holding no more than 10% of the partnership interests, and the remaining 9.43% by four Independent Third Parties.
- (5) TeraHop Pte is a major subsidiary of the Company incorporated in Singapore and operating as the overseas hub of the Company’s international business. TeraHop Pte and its subsidiaries are mainly undertaking manufacturing functions for products delivered to international customers, and also covering certain sales and marketing, R&D functions. By leveraging the Company’s overall technological, operational and supply chain capabilities, TeraHop Pte plays an integral role in supporting the Group’s global business operations, overseas customer engagement and international expansion strategy. TeraHop Pte’s revenue grew rapidly during the Track Record Period, primarily driven by the exponential surge in global AI capital expenditures and the continued expansion of AI clusters by major CSP customers, which in turn drove increasing demand for optical interconnect products.
- As of the Latest Practicable Date, the remaining shareholders of TeraHop Pte other than our Group included (i) INFIEVO Holding Pte. Ltd. (“INFIEVO”), a management equity platform of TeraHop Pte holding approximately 15.77% equity interests therein, whose ultimate beneficial owners include, among others, Dr. Liu Sheng, Mr. Wang Xiaodong, Ms. Wang Xiaoli, Ms. Chen Caiyun and Mr. Wang Jun, (ii) financial and institutional investors which are all Independent Third Parties (“TeraHop Investors”) holding approximately 17.92% equity interests therein, including (a) 2.56% by the Class 2024 Investors, namely Dawnton Capital Limited, Dazzling Dream Holdings Limited, and Charming Time Holdings Limited, (b) 13.62% by the Class 2025 Investors, including Platinum Orchid B 2018 RSC Limited, Daxue Investments Pte. Ltd., Platte Springs Holdings, LLC, and BC Lumina Holdco LLC, and (c) 1.75% by Azure Peak L.P. and Aldis Limited.
- TeraHop financings and background of TeraHop Investors*
- In November 2025 and March 2026, TeraHop Pte conducted its 2025 financing (“TeraHop 2025 Financing”) and 2026 financing (“TeraHop 2026 Financing”), respectively. On March 30, 2026, the Company has resolved to adjust the closing of the TeraHop 2025 Financing to a two-tranche subscription and settlement in light of the fact that the outbound direct investment (ODI) approvals for Vincrest Holdings and INFIEVO have not yet been fully obtained. As of the Latest Practicable Date, the closing of the first tranche of the TeraHop 2025 Financing and the closing of the TeraHop 2026 Financing have completed, while the second tranche of the TeraHop 2025 Financing has not completed subject to the aforementioned ODI approvals. Upon completion of the second tranche of the TeraHop 2025 Financing, TeraHop Pte will be held as to approximately (i) 66.35% by our Group, (ii) 15.50% by INFIEVO, and (iii) 18.15% by the TeraHop Investors, including (a) 2.47% by the Class 2024 Investors, namely Dawnton Capital Limited, Dazzling Dream Holdings Limited, and Charming Time Holdings Limited, (b) 13.98% by the Class 2025 Investors, including Platinum Orchid B 2018 RSC Limited, Daxue Investments Pte. Ltd., Platte Springs Holdings, LLC, and BC Lumina Holdco LLC, and (c) 1.70% by Azure Peak L.P. and Aldis Limited. In addition, INFIEVO was granted a warrant, upon exercise of which it shall have the right to purchase 6,712,155 shares of TeraHop Pte, representing approximately 4.90% of the issued share capital of TeraHop Pte upon full completion of the TeraHop 2025 Financing and the TeraHop 2026 Financing, subject to the terms of the warrant.

Shareholders' agreement of TeraHop Pte and Shareholder's rights of TeraHop Investors

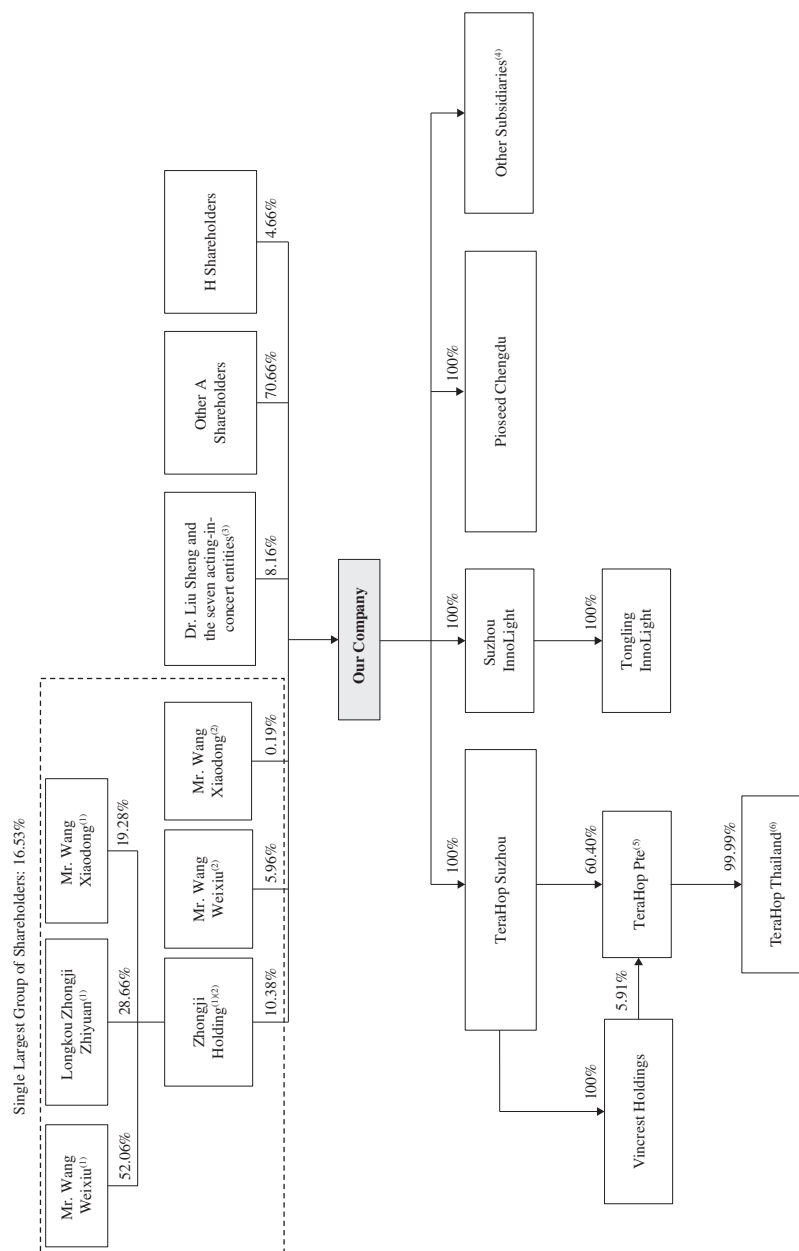
Upon completion of the TeraHop 2026 Financing on June 24, 2026, we have entered into a shareholders' agreement with, amongst others, the TeraHop Investors, which includes customary protection rights to such investors as agreed upon arm's length negotiation among the parties, such as information and inspection right, anti-dilution rights, as well as restrictions on transfer, preemptive right, co-sale rights and liquidation preference relating to TeraHop Pte. The shareholders' agreement of TeraHop Pte also includes agreement on, amongst others, the composition of board of directors and the nomination rights of relevant shareholders and dividend distribution arrangement of TeraHop Pte.

TeraHop Investor Exit Right

- (a) Each of the Class 2025 Investors has been granted an exit right ("**TeraHop Investor Exit Right**") to deliver a written notice (the "**Dual Listing Exit Notice**") to TeraHop Pte and the Company (any Class 2025 Investor who delivers a Dual Listing Exit Notice, an "**Exercising Class 2025 Investor**"). After receiving a Dual Listing Exit Notice, the Company shall either (a) issue new H Shares to such Exercising Class 2025 Investor at market price as consideration for acquiring its shares in TeraHop Pte at the Exit Price (as defined below), or (b) if elected by TeraHop Pte upon consultation with the relevant Class 2025 Investor, acquire all of the Exercising Class 2025 Investor(s)' shares in TeraHop Pte at the Exit Price (as defined below) in cash and require that the Exercising Class 2025 Investor use, in which case the Exercising Class 2025 Investor shall use, such cash proceeds (on after-tax basis) to subscribe for new H Shares issued by the Company at market price (such transaction described in (a) or (b) above, a "**Dual Listing Exit Transaction**").
 - (b) Each of the remaining TeraHop Investors other than the Exercising Class 2025 Investor(s) will be provided with a copy of the Dual Listing Exit Notice, and such investors shall have the right to participate in the Dual Listing Exit Transaction alongside the Exercising Class 2025 Investor at the same Exit Price and on substantially equal non-price terms (other than terms expressly given otherwise) by delivering to TeraHop Pte, within ten (10) days after the date of receipt of that copy of the Dual Listing Exit Notice, a written notice stating its decision to participate; provided that the Dual Listing Exit Notice shall automatically lapse and be disregarded if and when the Exit Notice Condition (as defined below) ceases to remain satisfied at any time prior to the closing of the Dual Listing Exit Transaction.
 - (c) The exit price in the Dual Listing Exit Transaction ("**Exit Price**") would be based on the fair market value of the shares of TeraHop Pte determined by a reputable appraiser jointly appointed by the Company (on the one hand) and the Exercising Class 2025 Investor(s) (on the other hand) and not at a pre-agreed fixed price. TeraHop Pte shall use its commercially reasonable efforts to cause the Exit Price to be no lower than the minimum qualified initial public offering price of TeraHop Pte as agreed among its shareholders, subject to the constitutional documents of, and applicable laws and listing rules applicable to, TeraHop Pte and the Company. For the avoidance of doubt, in the event the Exit Price is lower than the minimum qualified initial public offering price of TeraHop Pte despite such commercially reasonable efforts of TeraHop Pte, TeraHop Pte shall not be held liable thereunder.
 - (d) The TeraHop Investor Exit Right will only be exercisable between the third (3rd) anniversary and the fifth (5th) anniversary of the initial closing of TeraHop 2025 Financing (subject to other agreements on such end date) on the condition that during the same period (x) TeraHop Pte has not completed an initial public offering of its shares, (y) there is no registration statement (or other applicable listing application or documents) submitted by TeraHop Pte in relation to the initial public offering of its shares, and (z) the Company has completed an H-share listing on the Hong Kong Stock Exchange and remains listed on the Hong Kong Stock Exchange (items (x), (y) and (z) together, the "**Exit Notice Condition**").
- The actual number of H Shares that may be issued by the Company in the Dual Listing Exit Transaction will be based on the market price of the Company's H Shares at the time of the TeraHop Investor Exit Right being exercised. The Company will comply with the relevant requirements of the applicable Listing Rules, in particular those under Chapters 14 and 14A of the Listing Rules and obtain the necessary shareholders' approval (if required), listing approval and mandate to issue new H Shares of the Company for the purpose of effecting the TeraHop Investor Exit Right if any Class 2025 Investors choose to exercise the TeraHop Investor Exit Right after completion of the Listing.
- (6) As of the Latest Practicable Date, the remaining negligible equity interests of TeraHop Thailand were held by an individual, who is an Independent Third Party.

SHAREHOLDING AND CORPORATE STRUCTURE IMMEDIATELY FOLLOWING THE COMPLETION OF THE GLOBAL OFFERING

The following chart sets forth our simplified shareholding and corporate structure immediately following the completion of the Global Offering (assuming the Over-Allotment Option is not exercised, no new Shares are issued under the Restricted Share Incentive Schemes and there are no changes in the issued share capital of the Company between the Latest Practicable Date and the Listing Date):



Notes (1) to (6): Please refer to the details contained in the preceding page.

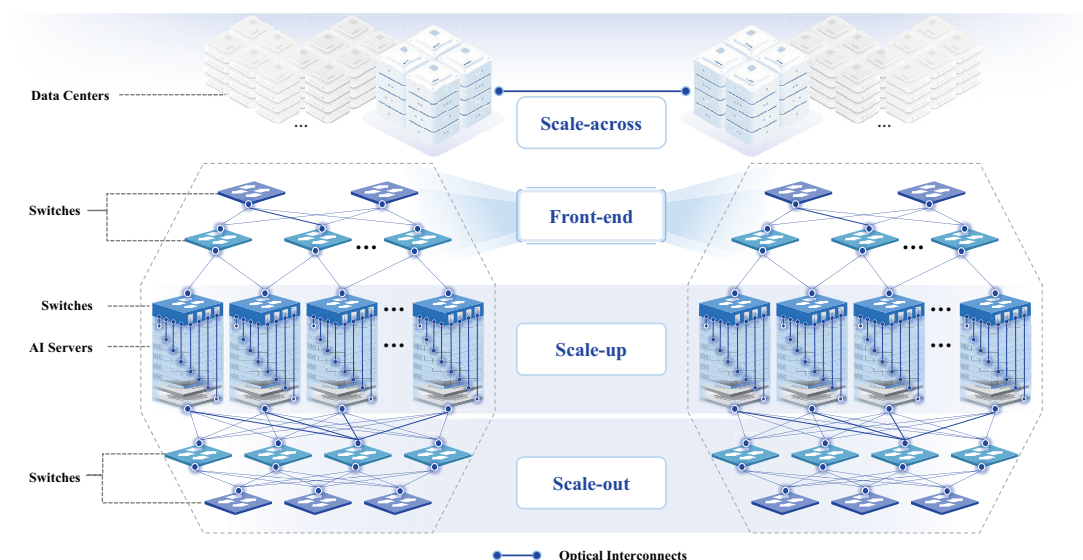
OVERVIEW

We are a leading global provider of optical interconnect solutions. Our optical interconnect solutions transmit data through optical fibers and enable high-speed, energy-efficient and low-latency connectivity among servers, switches and other network equipment across increasingly complex and data-intensive cloud and AI infrastructure. Our principal products are optical transceivers, which convert electrical and optical signals into one another to transmit mass volumes of data.

Our Opportunity in the AI Era

The transformative era of AI has arrived and is reshaping the global economic landscape. As computing power emerges as the primary driver of innovation and a critical source of competitive advantage, the demand for advanced AI infrastructure is accelerating at an unprecedented pace. In response to this pivotal shift, forward-looking industry leaders are making substantial investments to capitalize on this historic opportunity and secure their positions at the forefront of a rapidly evolving market. According to CIC, the global capital expenditure on AI amounted to US\$0.9 trillion between 2021 and 2025. Moving forward, investments in AI is projected to continue to grow substantially, reaching US\$6.1 trillion from 2026 to 2030, representing an increase of more than five times compared to the prior five-year period.

Within the significant AI opportunities, global optical interconnects market is expected to represent approximately 5% of global AI capital expenditure in 2025, with its share forecast continues to increase over time and is expected to reach approximately 10% in the long term, according to CIC. The global optical interconnects market is expected to grow from US\$24.8 billion in 2025 to US\$111.0 billion in 2030 at a CAGR of 31.6% from 2026 to 2030, primarily driven by the surging demand from datacom, which comprises of data centers and cloud networks. By enabling high-bandwidth, low-latency, and energy-efficient data transmission, optical interconnects unlock the full performance potential of computing clusters. The transformative changes in data center network architecture are boosting both the scale of computing clusters and interconnect density. These structural tailwinds stimulate optical interconnects demand across all tiers of the network, including scale-across, scale-out, and scale-up scenarios, as well as the front-end network, which has historically experienced strong demand. These trends set the stage for new opportunities in this dynamic market.



We are well positioned to capture the market opportunities ahead in the industry. Through our longstanding partnerships with advanced cloud service providers and AI computing solution providers, we develop next-generation solutions to fulfill their rigorous and evolving product requirements. We are dedicated to ensuring timely and scalable delivery while driving continuous improvements in cost efficiency. Our commitment to technological innovation empowers us to deliver unparalleled optical interconnect solutions critical for supporting and advancing the next generation of AI infrastructure.

Our Business Model

We have been the world's largest provider of optical interconnect solutions by revenue for five consecutive years since 2021, accounting for 21.2% of the overall optical interconnect solutions market in 2025 and further strengthening our leadership position in the high-speed datacom optical interconnect solutions market, where we held a market share of 28.1% in the same year, according to CIC. Our principal products, optical transceivers, are compact devices that convert electrical signals into optical signals, and vice versa, to enable high-speed, energy-efficient and low-latency data transmission. Our leadership extends across all high-speed optical transceiver segments, including 400G, 800G, and 1.6T. As an early mover of the industry, we have accumulated deep industry expertise and developed a product suite from 10G to the advanced 1.6T catering to diversified needs, becoming the partner of choice of most of the world's advanced cloud service providers and AI computing solutions providers. As of March 31, 2026, we serve most of the world's top cloud service providers and AI computing solution providers, according to CIC.

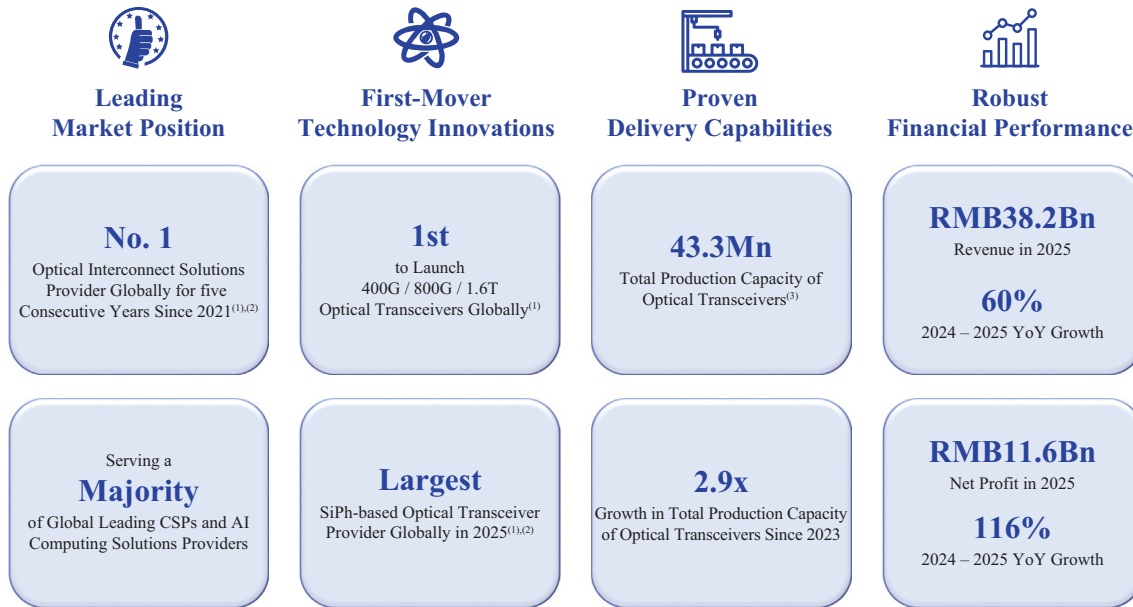
We have contributed to the technological advancement and optical transceiver innovation over the past decade. In particular, we were the first to introduce each of the last three sub-generations of high-speed optical transceivers — launching 400G in 2018, 800G in 2020, and 1.6T in 2023. According to CIC, each of these products reached mass shipment around half a year ahead of our closest peer. We have been investing in technologies to enhance product performance, power efficiency and cost effectiveness. For instance, we were an early mover to integrate silicon photonics, or SiPh, technology in optical interconnects and achieved mass production. According to CIC, we developed and introduced the world's first 400G, 800G and 1.6T optical transceivers with SiPh technology, and we have been a key provider in their commercial deployment. In the three months ended March 31, 2026, products utilizing SiPh technology constitute approximately 70% of our high-speed product portfolio by revenue. According to CIC, we were the largest global provider of SiPh-based optical transceivers by revenue in 2025.

The optical interconnects market is highly dynamic, characterized by rapid evolution and accelerating product development cycles. Major optical transceiver upgrades occur approximately every three years and the iteration cycles continue to shorten. In this evolving environment, our strategy is built upon three core operational principles:

- ***Time-to-market — efficient transition from product development to deployment:*** Leveraging long-term cooperation and partnerships with major cloud service providers and AI computing solution providers, we have continued to deliver next-generation products in a prompt and efficient manner. Our strong time-to-market capabilities are validated by our track record of launching the world's first 400G, 800G, and 1.6T optical transceivers, the three most recent and advanced sub-generations, each of which achieved rapid market acceptance.
- ***Time-to-volume — the rapid scaling to mass production following validation:*** Our capabilities in planning, execution, supply chain control, coordination between R&D and production, and manufacturing enable our timely volume ramp-up with high quality.
- ***Time-to-cost — the pursuit of efficient cost optimization:*** Our cost-efficiency is underpinned by multiple advantages: technology innovation, robust economies of scale, manufacturing process optimization, and stable supplier relationships. This multi-faceted approach results in improved yield, operational efficiency, and a cost-effectiveness position.

With customer-centric approach, technology solutions, continuous product innovation, and proven delivery capabilities, we have earned the trust of our customers through longstanding relationships. Since the emergence of cloud computing, we have partnered with industry leaders, supplying optical transceivers to traditional data centers. As the industry has evolved, these customers have become the primary beneficiaries of AI computing, and we have grown alongside them, empowering the development of next-generation AI infrastructure.

We have established a global footprint, supported by a network of five production bases, four R&D centers, and multiple branch offices strategically located around the world. For our overseas operation, we have offices in Singapore and the U.S., primarily for R&D and sales and services, and production facilities in Thailand. Furthermore, our stable global supply chain enables us to maintain a stable and adaptable supply to meet the demands of a rapidly changing market. As a testament to the ongoing strength and effectiveness of our global expansion strategy, our revenue from overseas markets contributed over 90% of our total revenue in the three months ended March 31, 2026.



Notes:

- (1) Accordingly to CIC.
- (2) By revenue.
- (3) As of March 31, 2026.

Our Competitive Position

Since our inception, we have been deeply integrated into the global market, from the emergence of cloud computing to the rise of AI, building a powerful growth flywheel that continues to fuel our sustained success. Our customers provide critical perspectives on emerging trends and technological progress. Through long-term cooperation with them, we continue to make technological breakthroughs and refine our next-generation product portfolio to meet evolving market needs. Our delivery capabilities, enabled by a stable global supply chain, proprietary manufacturing expertise, and intelligent manufacturing processes, ensure timely and cost-efficient mass production, which in turn further strengthens the bond and trust we share with our customers. This virtuous cycle is the cornerstone of our competitive moats, creating formidable barriers to entry for potential rivals.

Established Customer Base

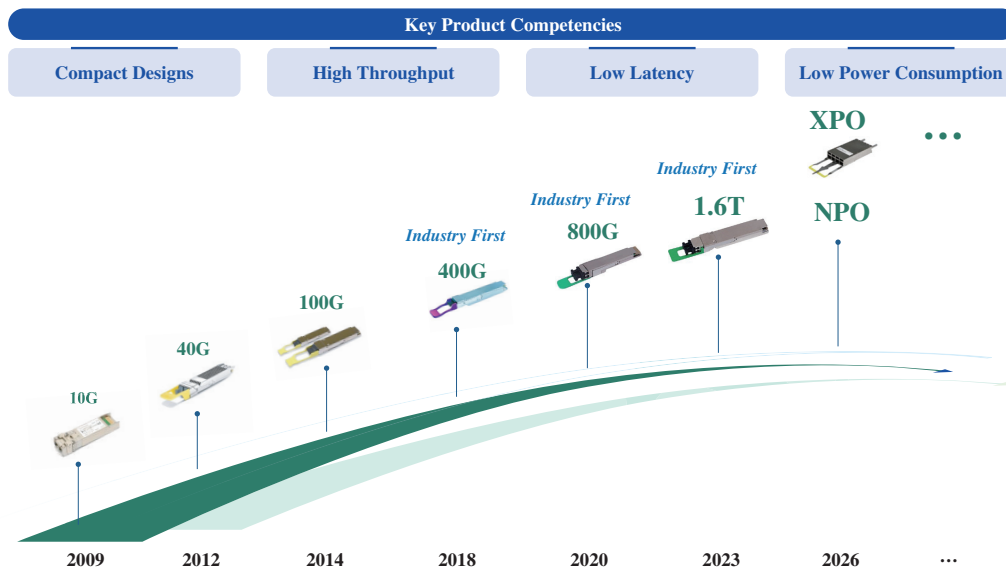
As of March 31, 2026, we serve most of the world's top cloud service providers and AI computing solution providers. Our partnerships and reputation have enabled us to attract an increasing number of global major customers across the AI ecosystem. We began our cooperation with our first top-tier cloud service provider customer in 2011, becoming its major optical transceiver supplier ever since. With a customer-centric mindset, we maintain longstanding relationships with our customers. As a trusted and reliable partner, we not only deliver quality products and solutions to our customers but also engage in close dialogue with them on product upgrade roadmaps and associated technology advancement, contributing to industry innovation.

Technology Solutions

We have been dedicated to advancing optical interconnect technologies since our inception. Drawing on our deep understanding of customer needs and emerging industry trends, and unwavering commitment to in-house R&D, we have been able to identify and invest early in the most promising technological innovations. This forward-thinking strategy has established a solid foundation for both our current achievements and future growth. For example, we have secured an early mover advantage in SiPh technology, which enhances product performance, reduces assembly complexity, and improves sourcing flexibility. We have also proactively invested in key strategic areas of optical interconnects that align with critical industry trajectories spanning coherent solutions, co-packaged technologies, energy-efficient technologies, among others. We are also active members of key industry alliances which play a role in setting industry standards, promoting technological advancement across the sector.

Continuous Product Development

Building on our technological capabilities and insights into customer requirements, we have continuously enhanced and expanded our product portfolio over the years. This evolution spans from the introduction of 10G optical transceivers in 2009 to the launch of 1.6T optical transceivers in 2023. Distinguished by their compact designs, high bandwidth, low latency and low power consumption, our products exemplify ongoing innovation and industry leadership.



Note:

(1) Product timeline refers to the year of product demonstration.

Stable Supply Chain

We have established a reliable and stable supply chain. Through long-term collaboration, we have forged partnerships with top-tier suppliers worldwide. We are committed to nurturing our supplier ecosystem, empowering our partners to achieve technological advancements and grow alongside us as we drive industry innovation. This commitment extends to supporting their ongoing development and global expansion, fostering shared success across the entire value chain. These valuable partnerships ensure the stability and cost competitiveness of our supply, and form the foundation of our stable product delivery capabilities.

Scalable Manufacturing

As product iteration cycles accelerate in the AI era, timely delivery has become an increasingly vital measure of operational performance. We are able to provide consistent delivery by maintaining ample production capacity and maximizing manufacturing efficiency. Our strategically located production bases provide us with geographic diversity to serve global markets effectively, optimize lead times, and enhance operational flexibility. Our manufacturing process incorporates advanced automation, which we believe supports high yields, operational efficiency, and cost management. We consider this consistent execution in production and delivery to be a key component of maintaining stable customer relationships.

Our Proven Financial Track Record

We have demonstrated continuous top-line growth, with revenue increasing from RMB10.7 billion in 2023 to RMB23.9 billion in 2024, reflecting a year-over-year growth of 122.6%, and it further increased to RMB38.2 billion in 2025, representing a year-over-year growth of 60.3%. Our revenue increased from RMB6.7 billion in the three months ended March 31, 2025 to RMB19.5 billion in the same period in 2026, representing a period-to-period growth of 192.1%. Meanwhile, we have maintained a strong margin profile, supported by continuous product innovation and premiumization. Our gross profit margin rose from 31.6% in 2023 to 33.3% in 2024, and further to 41.5% in 2025, while improved operating efficiency drove our net profit margin up from 20.6% to 22.5% and further to 30.3% over the same periods. Our gross profit margin rose from 36.1% in the three months ended March 31, 2025 to 45.5% in the same period in 2026.

Our dedication to innovation, long-standing partnerships with advanced customers, and unparalleled delivery capabilities have been instrumental in driving this sustained growth and profitability. These strengths continue to reinforce our position as a trusted global provider in the industry.

COMPETITIVE STRENGTHS

We have accumulated deep industry expertise and secured a strong market position

We have been driving the continuous technological advancement and product innovation over the past decade. Since our inception, we have not only adapted to industry trends but have actively driven progress, from the rapid expansion of cloud computing in the 2010s to the emergence of the AI era in the 2020s. Our dedication to innovation is reflected in our track record, having been the first in the industry to launch high-speed optical transceivers at 400G in 2018, 800G in 2020, and 1.6T in 2023. According to CIC, each of these products reached large-scale commercial shipment around half a year ahead of our closest peer.

We are also an early mover in SiPh-based solutions, successfully integrating SiPh technology into optical transceivers and realize mass production. According to CIC, we were the world's first company to introduce 400G, 800G, and 1.6T optical transceivers with SiPh technology, underscoring our position as the industry's innovation manufacturer. In the three months ended March 31, 2026, SiPh technology powered approximately 70% of our high-speed product portfolio.

We offer a product portfolio designed to meet the rapidly growing demands of the industry. Our solutions serve a broad spectrum of use cases, covering both datacom and telecom applications. With products engineered to support various transmission distances, we address short-range needs within data centers, long-range applications in metropolitan area

networks, and ultra long-range requirements for metro and backbone telecommunication infrastructure, among others. Our range of optical transceivers have multiple bandwidths, including 10G, 25G, 40G, 100G, 200G, 400G, 800G, and 1.6T, allowing us to cater to diverse requirements for bandwidth, scalability, and cost efficiency. We offer products in a variety of form factors, such as octal small form factor pluggable (OSFP), and quad small form factor pluggable double density (QSFP-DD).

We are members of the OSFP and QSFP-DD multi-source agreements. Our active participation in these associations underscores our dedication to advancing technology and driving innovation across the optical interconnect industry. Through these efforts, we remain committed to shaping the future of the industry and delivering value to our customers worldwide.

We deliver technology solutions underpinned by our R&D capabilities

Our ability to achieve technological breakthroughs and drive product innovation forms the cornerstone of our success. Our core technologies are developed in-house, further demonstrating our R&D capabilities. As an early mover in the industry, we have accumulated extensive expertise and technical know-how over the years. By harnessing our deep insights into market dynamics and emerging technological trends, we are able to strategically identify and invest in R&D areas with significant long-term potential.

This forward-looking approach has been instrumental in paving the way for our sustained growth and leadership. For example, in 2012, we became the first in the industry to adopt a non-hermetic packaging solution to have significantly enhanced power-efficiency and cost effectiveness in 40G optical transceivers. Since 2017, we have been investing in the R&D of SiPh-based optical transceivers. We were the first to introduce transformative SiPh optical transceivers, including 400G, 800G, and 1.6T, and were the first company to commercialize SiPh technology in high-speed optical transceivers at scale. According to CIC, we were the largest global provider of SiPh-based optical transceivers by revenue in 2025. In addition, our long-standing partnerships with customers enable us to closely track the R&D roadmaps and technical specifications of our customers, further reinforcing our position as a technology innovator and ensuring that we remain at the forefront of the industry. In addition, coherent technology has been a key focus for us since the early stages of our development. Starting R&D in 2018 with a dedicated team, we are now capable of mass-producing proprietary coherent devices, lasers and coherent optical sub-assemblies (COSA). According to CIC, we were the first to develop and apply coherent lite technology, which is critical for 1.6T and 3.2T coherent lite optical transceivers, further enhancing our competitiveness in high-speed segments.

Looking ahead, we continue to pursue multiple technological pathways and application scenarios to address next-generation interconnect needs and capture emerging market opportunities, for instance, upgrades to 3.2T and beyond in various application scenarios, developing new technology pathways, and advancing technologies associated with additional demand from long-distance and high-bandwidth data exchange between data centers. We continue to invest in emerging technologies to strengthen our technological leadership position, and we have secured numerous collaborations and designed targeted products for diverse applications. We have also built our expertise in NPO technology, particularly in low-power optical transceivers and are actively increasing investments in CPO. Our expertise in SiPh technology further strengthened our leading position in NPO and CPO development. The optical engine originally used in 1.6T and 3.2T pluggable transceivers can be re-packaged into more advanced, integrated NPO and CPO solutions. In addition, we also invest in developing XPO technology, a next-generation liquid-cooled pluggable optical technology designed for hyperscale AI data centers that upgrade to pluggable optical modules by

increasing capacity and front-panel port density compared to OSFP, without fundamentally change the system architecture. Meanwhile, we have also accumulated expertise on LPO and LRO technologies, which valued for low power consumption and cost efficiency, have gained momentum in recent years.

Our R&D capabilities provide a solid foundation for our ongoing technological advancement. As of March 31, 2026, we had 2,292 full-time R&D personnel, among which over 1,700 are R&D specialists who had an average of nine years of experience in the industry. As of March 31, 2026, we had 506 granted patents covering all key areas of our technologies, underscoring our leadership in innovation and intellectual property.

We have established long-term, trusted partnerships with key customers worldwide, fostering innovation and mutual growth across the global market

“Time-to-market” is a critical factor in today’s rapidly evolving landscape, requiring not only technical expertise but also advanced product planning and development capabilities that evolve in tandem with technological progress and ongoing customer system upgrades. As product cycles become increasingly compressed, customers increasingly depend on partners who can quickly adapt and deliver refined solutions tailored to their changing needs. We align our technology and product development roadmap with our customers’ evolving needs, enabling us to anticipate and address their key challenges as they arise.

With a customer-first philosophy, we have become a trusted partner of our customers with industry recognition. We serve most of the world’s top cloud service providers and AI computing solution providers as of March 31, 2026, according to CIC. We began our cooperation with our first top-tier cloud service provider customer in 2011, becoming its major optical transceiver supplier over a decade ever since. Our longstanding relationship with our customers is a testament to our ability to deliver value and continuous innovation.

Over the years, we have established with our customers a comprehensive communication mechanism that enables seamless alignment on product upgrade roadmaps and associated technology development. As our customers continue to expand computing power and upgrade AI infrastructure, they provide us with valuable insights on emerging industry trends and the technological advancements necessary to capture new market opportunities. By staying attuned to shifting customer requirements and broader industry developments, we continually refine our technologies and solutions to meet the rigorous quality standards of our customers. This proactive and collaborative approach enables us to drive industry innovation, strengthen our market position, and deliver sustained value to our partners worldwide.

With the validation and endorsement from these global industry leaders, our products achieve rapid market acceptance and recognition. We have consistently been at the forefront of innovation, being the first to launch and maintained our leadership across a full spectrum of high-speed optical transceivers.

Our proven delivery capabilities are driven by scalable production and stable supply chain

“Time-to-volume” is a critical success factor in our industry, as shipments often surge to the order of millions of units rapidly following initial product validation. Through long-term partnerships with industry leaders, we have developed a deep and nuanced understanding of evolving market trajectories, shifting dynamics, and emerging trends. Leveraging these insights, we proactively initiate and sustain forward-looking investments in our production infrastructure, ensuring rapid “time-to-volume” and positioning ourselves to seize pivotal market opportunities as they arise.

Seamless coordination and integration between R&D and manufacturing, combined with replicable production processes, are fundamental to ensuring consistent and quality delivery at scale. We have established dedicated new product introduction (NPI) teams that integrate product R&D, and early-stage production functions, significantly shortening the cycle from initial development to mass production and enabling us to rapidly bring next-generation products to market. Our highly standardized and easily reproducible production processes form the backbone of our efficient mass production system. Drawing on years of operational expertise, we have developed validated methodologies for transferring best practices and successful strategies across all of our production facilities, accelerating time-to-market for our customers and maintain a competitive edge in a fast-evolving industry.

Our strategically located production bases provide us with geographic diversity to serve global markets effectively, optimize lead times, and enhance operational flexibility. As of March 31, 2026, our annualized production capacity reached 43.3 million units. Our dynamic and agile manufacturing capabilities allow us to swiftly adapt to fluctuations in customer order volumes, ensuring timely fulfillment and optimal resource utilization. We have a proven track record of executing rapid capacity expansions, which has consistently enabled us to meet customer demand during peak periods and secure sizeable orders. Our production equipment is highly compatible, with a substantial majority of processes capable of being used for the production of different types of optical transceivers, allowing us to achieve mass delivery swiftly leveraging existing capacities.

We have built a stable global supply chain through close collaboration with top-tier suppliers. For each category of raw materials, we engage premier suppliers, creating a best-in-class ecosystem that enhances our product competitiveness. Furthermore, we secure a stable and reliable supply of critical raw materials through multi-year framework agreements with industry partners, ensuring resilience even during periods of peak industry demand. We are committed to establishing strategic, long-term partnerships with suppliers focused on shared success: we actively support our suppliers' technological roadmaps and international expansion, aligning their growth with our innovation and global strategy. This collaborative approach deepens our partnerships, which in turn enhances both the stability and cost-competitiveness of our supply chain. This foundation reinforces our ability to deliver uninterrupted value to our customers worldwide.

We are able to achieve cost effectiveness through technology innovation, economies of scale, and manufacturing process optimization

“Time-to-cost” is a critical consideration in optical transceiver manufacturing, given the relatively fast product iteration. Our structural cost advantages are rooted in three pillars: continuous technology innovation, economies of scale and manufacturing process optimization.

Product innovation, in particular, serves a dual role — it strengthens our pricing power while driving improvements in unit economics. For example, the adoption of SiPh technology delivers enhanced product performance while significantly increasing component integration and reducing assembly complexity, thereby lowering costs. By offering both innovative SiPh-based optical transceivers and traditional electro-absorption modulated laser (EML)-based solutions, we effectively diversify our raw material sourcing and mitigate the risk of supply shortages, thereby reinforcing our competitive advantage in both pricing and operational resilience.

Our scale advantage grants us strong bargaining power, enabling us to significantly reduce procurement costs across our supply chain. By purchasing in larger quantities, we are able to secure a stable and ample supply of critical raw materials at more favorable prices. We sign framework procurement agreements for certain major suppliers. This strategic approach strengthens our cost management capabilities while securing a reliable supply of essential raw materials, reinforcing our leadership position in the industry.

Our production system is thoughtfully structured to deliver maximum flexibility and responsiveness, enabling us to adapt swiftly to evolving customer requirements. Our NPI team, which integrates R&D and early-stage manufacturing, ensures that production feedback is seamlessly incorporated into ongoing R&D efforts during the initial commercialization of new products, driving improvement in product performance, yield and cost before launch of mass production. The majority of our equipment is adaptable for manufacturing a wide range of products, enabling us to control fixed costs as we expand our product portfolio. Over time, we continue to streamline our production processes by optimizing product design, leading to greater cost savings. In addition, the deployment of automation and AI applications allows for seamless transitions between automated and manual workflows to meet specific production requirements, driving operational efficiency and cost effectiveness.

We are led by a visionary management team with extensive industry expertise and differentiated corporate culture

The strength of our management team, led by our Chairman, and President, Dr. Liu Sheng, lies in its deep and balanced expertise across both R&D and business operations. Dr. Liu Sheng is a veteran of the optical communications sector. He founded InnoLight U.S. and Suzhou InnoLight sequentially in 2008, building our company into a global market provider. Our management team is further strengthened by Mr. Osa Mok (Chou-Shung), our chief marketing officer and co-founder of Suzhou InnoLight, who is an industry veteran with deep market insights and capability to maintain long-standing customer relationships. Our R&D function is led by a team with deep technical expertise and extensive industry experience, including Chief Technology Officer (CTO) Mr. Yuzhou Sun, Vice President of R&D Mr. Xiangzhong Wang and director of InnoLight Technology Research Institute Mr. Xuezhe Zheng, who collectively bring strategic vision and engineering expertise to transform breakthrough technologies into innovative products. This powerful combination of leadership and technical acumen is the critical engine for our sustained growth and market position.

In addition, talent acquisition and retention are central to our long-term strategy. We are dedicated to attracting top-tier professionals in engineering, R&D and other critical functions by offering competitive compensation packages, ongoing professional development opportunities, and a dynamic, inclusive work environment.

Our company is built upon a corporate culture that is centered around globalization, innovation, engineering expertise, and a start-up mindset — values that permeate every aspect of our operations. We combine the foundational strengths of a Chinese enterprise with the global perspective gained from our broad international presence. This distinctive blend enables us to achieve operational efficiency and disciplined execution, while also fostering innovation and effective cross-cultural collaboration. Even as we have grown and expanded as an organization, we have remained true to our start-up roots, maintaining a flat organizational structure, rapid decision-making, and streamlined execution. This start-up spirit continues to serve as the backbone of our enduring success.

OUR GROWTH STRATEGIES**Strengthen R&D capabilities to maintain the market position in optical interconnects**

Strong R&D investment and product innovation remain the core strategic priorities for our long-term growth. We will stay focused on our core business and continue to ramp up R&D efforts, so as to consolidate the leadership of our proprietary core technologies and to transform such core technologies into a product portfolio that caters to diversified market demand.

We are committed to continuously enhancing the competitiveness of our core business and achieving comprehensive coverage of optical interconnect solutions for the data center scenario. Against the backdrop of the exponential surge in transmission rates and bandwidth demands, there is an urgent need for optical interconnect solutions with low latency, low power consumption, and high bandwidth. To address these evolving requirements, we will further increase R&D investments in core products such as 800G, 1.6T, 3.2T, and higher-speed optical transceivers. This will enable us to solidify the technological foundation of our product portfolio and sustain our leadership at the forefront of industry innovation.

Building on our deep and long-standing technological expertise in optical interconnects, our R&D footprints are expanding beyond scale-out and front-end scenarios to also cover scale-up and scale-across scenarios.

Our first-mover advantages in SiPh technology and innovative product solutions ensure position us at the forefront of the industry technological trends. Leveraging these SiPh technology advantages, we are actively advancing the development of scale-up optical interconnect solutions for in-rack applications.

Dedicated to the pursuit in long-haul data transfer across data center campuses, we are proactive laying out the development of coherent technology, with its deployment into the R&D of scale-across scenarios designed to connect multiple computing clusters. This initiative facilitates long-distance interconnection between data centers, creating a new paradigm for high-speed optical interconnect and further expanding the possibilities for next-generation network architectures.

Continue to enhance our global presence

As we continue to serve global markets, we strive to expand our global presence by building out end-to-end delivery capabilities underpinned by globalized manufacturing, supply chain resilience and localized R&D support.

We attach great importance to the optimization of manufacturing and will continue to expand our manufacturing and production capacity reserves on a global scale. This expansion will provide robust support for our global business growth and solidify the foundation of our international industrial footprint. At the same time, we are committed to the continuous and dynamic optimization of our global supply chain and production sites layout. This involves establishing a diversified sourcing system for raw materials and strengthening the resilience of our supply chain to support our global business operations.

As our global customer base expands, we will build up our global on-the-ground R&D teams worldwide to boost customer responsiveness. We plan to strengthen localized R&D in key regions to accurately and timely address overseas customers's core demands for product customization and iteration. These efforts will enable us to deliver in-depth localized support and technical backing, laying a robust foundation for the sustained growth of our global business.

Leverage our ecosystem advantages in data center to unlock more business opportunities

Leveraging our leadership within the data center ecosystem, we actively monitor industry trends. This allows us to gain precise insights into the evolving demands and key challenges of our customers, including cloud service providers and AI computing solution providers. We deploy more comprehensive solutions to address their diverse needs, thereby unlocking broader opportunities for multi-faceted growth.

Amid the rapid evolution of data centers, our optical interconnect capabilities have enabled us to achieve deep penetration among top cloud service providers and AI computing solution providers. As these customers' needs have expanded beyond basic interconnect requirements, we are continually adapting our solutions to stay aligned with this transformative shift, and to capture business opportunities in emerging use cases. We proactively expand our footprint in key fields such as thermal management and server power supplies, advance comprehensive and forward-looking technology reserves to steadily build a technological moat. By providing customers with comprehensive solutions, we foster more robust partnerships with customers. This not only further solidifies our market position across multiple business dimensions but also enables us to unlock future revenue growth opportunities.

Continuously attract and retain top talent to energize organizational vitality

We seek to attract industry elites globally and build a global talent system for R&D and operations. We regard the identification and recruitment of potential talents as one of our core strategic priorities, and will build a comprehensive talent attraction matrix with a market-oriented salary incentive system as the core. We will establish an incentive mechanism deeply linked to talent value, market standards, and enterprise performance.

Our organizational strategy is built on a synergistic system of empowerment designed to secure a lasting competitive advantage. This system places the improvement of employee well-being as its cornerstone, using solid guarantees to foster a deep sense of belonging and loyalty. On this foundation, we cultivate an open, inclusive, and cohesive culture that strengthens shared values and strategic consensus, which in turn lays a solid groundwork for seamless team collaboration. We then unlock talent value through structured career paths and personalized growth systems, ensuring the alignment of personal development with enterprise goals. Concurrently, we drive management efficiency through process optimization and refined operations, constructing an efficient and collaborative organization. These interconnected dimensions, a supportive culture, empowered talent, and excellent operations, work in concert to form a self-reinforcing cycle of organizational strength.

Selectively conduct strategic acquisitions and industry-related investments

We intend to leverage our listed company status and industry position to pursue targeted capital operations, including strategic mergers and acquisitions, investment initiatives, and the development of our industrial ecosystem, all undertaken with a disciplined focus on synergy with our core business.

BUSINESS

We will drive synergies by efficiently integrating core technologies, global industrial resources, and customer networks, ensuring a tight alignment between our business operations and capital strategy. Furthermore, we seek to proactively lay out the next-generation technology roadmap and we plan to deepen collaboration with industry partners, thereby enhancing our influence across the entire data center ecosystem value chain. We are confident this integrated approach will continuously strengthen our core competitiveness in the global market.

Concurrently, we will accurately identify and incubate ventures in high-potential industrial segments. By anchoring our strategy to the industry's technological evolution and shifts in the competitive landscape, we aim to build a solid, long-term foundation for our diversified growth.

OUR PRODUCT AND SOLUTION OFFERINGS

We are a provider of optical interconnect solutions. We specialize in the research and development, design, manufacturing, and sales of high-speed optical transceivers, serving a diverse range of customers globally in both datacom and telecom applications. Through sustained innovation commitment and market-oriented operation, we have maintained a market position in both shipment volume and revenue within the industry. We have been the world's largest provider of optical interconnect solutions by revenue for five consecutive years since 2021, accounting for 21.2% of the overall optical interconnect solutions market in 2025 and further strengthening our leadership position in the high-speed datacom optical interconnect solutions market, where we held a market share of 28.1% in the same year, according to CIC. Our leadership extends across all high-speed optical transceiver segments, including 400G, 800G, and 1.6T.

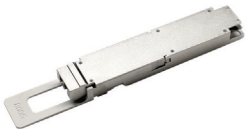
Optical Transceivers

We offer a diverse range of optical transceivers, primarily from 100G to the advanced 1.6T. The primary function of optical transceivers is to enable the conversion between electrical and optical signals in fiber-optic communication, enabling high-speed data transmission over fiber-optic networks. Key technical specifications for optical transceivers include data rate, which refers to the maximum error-free electrical signal transmission rate that the optical transceiver could support; and transmission distance, which defines how far the optical signal can travel without degradation. Additional key metrics for optical transceivers primarily include form factor, fiber mode, and center wavelength. In 2023, 2024, 2025 and the three months ended March 31, 2026, we delivered 7.5 million, 14.6 million, 21.1 million and 9.0 million optical transceivers, respectively.

The following table sets forth certain details of our major optical transceiver products.

Products Series	Pictures	Features	Application Scenarios
1.6T OSFP		We offer a comprehensive portfolio of 1.6T OSFP 224 optical transceivers, and have taken the industry lead by shipping 1.6T DR8 OSFP224. This series features an 8x200G optical interface design.	Primarily used for 1.6T Ethernet, data centers, and cloud networks.

BUSINESS

Products Series	Pictures	Features	Application Scenarios
800G OSFP . . .		We offer a comprehensive portfolio of 800G OSFP 112 optical transceivers, supporting link distance from 100m, 500m, 2km to 10km with VCSEL, EML and SiPh technologies. We also provide LRO and LPO products under this product series.	Primarily used for 800G Ethernet, data centers, and cloud networks.
800G QSFP-DD		We offer a comprehensive portfolio of 800G QSFP112-DD optical transceivers, supporting link distance from 100m, 500m, 2km to 10km with VCSEL, EML and SiPh technologies.	Primarily used for 800G Ethernet, data centers, and cloud networks.
Coherent 800G ZR OSFP . . .		We offer 800G ZR OSFP optical transceivers, based on standardized coherent technologies, enabling ultra-high-speed, long-distance data transmission while delivering a strong balance of capacity, performance and interconnectivity, and well-suited for high-bandwidth data center interconnects.	Primarily used for data center interconnects.
400G OSFP . . .		We offer a comprehensive portfolio of 400G OSFP optical transceivers, supporting link distance from 100m, 500m, 2km to 10km with VCSEL, EML and SiPh technologies.	Primarily used for 400G Ethernet, data centers, and cloud networks.
400G QSFP . . .		We offer a comprehensive portfolio of 400G QSFP-based optical transceivers, supporting link distance from 100m, 500m, 2km to 10km with VCSEL, EML and SiPh technologies.	Primarily used for 400G Ethernet, data centers, and cloud networks.
Coherent 400G ZR+ QSFP-DD . . .		We offer 400G ZR+ QSFP-DD optical transceivers, based on standardized coherent technologies, enabling high-capacity, long-distance transmission while balancing power consumption, size and interoperability, and well-suited for data center interconnects.	Primarily used for data center interconnects.

BUSINESS

Products Series	Pictures	Features	Application Scenarios
100G QSFP28 Single Lambda		This product series is characterized by a compact form factor, low power consumption, and high data transmission rates.	Primarily used for 100G Ethernet.
100G QSFP28 . .		With low power consumption, compact size, and high data transmission rates, this series enables data centers to increase capacity, improve port density, and reduce overall power consumption.	Primarily used for 100G data center internal networks, data center interconnects, and metropolitan area networks, and can also be applied in 5G wireless networks.

Others

We offer a variety of optical components widely used in optical communication networks. Our product portfolio covers components in optical transceivers and related optical communication equipment, including Transistor Outline Can (TO-CAN) packaged components, which are small electronic or optical components sealed in metal can packages for reliable operation and connectivity with other equipment, optical sub-assembly (OSA) and other optical communication devices. TO-CAN packaged components provide environmental protection and reliable thermal management, making them suitable for applications that require durability and long-term stability. OSA is responsible for generating, transmitting, receiving, and providing basic optical path coupling of optical signals. In addition, by utilizing optical fiber as the transmission medium, we offer in-vehicle optical transmission solutions for fiber to the vehicle (FTTV) deployment.

RESEARCH AND DEVELOPMENT

Since inception, we have been committed to R&D and product innovation. We have built a proprietary technology ecosystem encompassing module-level system design, silicon photonics, and advanced automation, core competencies that underpin our broad coverage across all mainstream technology roadmaps. We are keeping pace with industry developments while actively shaping the future as a key contributor to next-generation technology roadmaps and industry standards, as exemplified by the recently released XPO and NPO specification. Our close partnerships with leading customers further strengthen this position. Having passed their rigorous qualification processes, we gain early insight into where demand and requirements are heading, which feeds directly back into how we develop and refine our products and technologies, creating a powerful cycle of continuous improvement.

Furthermore, our manufacturing capabilities, spanning automated production, automated optical coupling, intelligent automated testing, and digitalized manufacturing operations, effectively translate our technological strengths into product-level advantages. This ensures that our optical transceivers are not only highly competitive in performance but also delivered with consistently high quality and reliability at scale. Taken together, these mutually reinforcing factors have established our industry-leading position and enable us to continuously drive product evolution and technological breakthroughs. As of the Latest

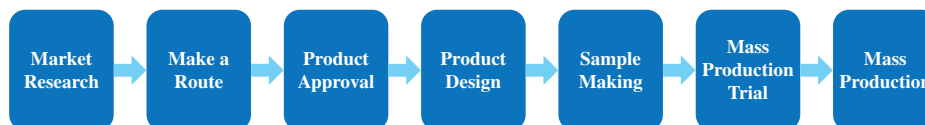
Practicable Date, all of our core technologies are self-developed. We possess expertise in single-mode parallel optical design and precise manufacturing, multi-mode parallel optical design and coupling technology, as well as electronic device design, simulation, and testing. In addition, we have independently developed highly automated and efficient assembly and testing platforms.

We believe our research and development capabilities are core competitive strengths and have led to our market position in the industry. As of March 31, 2026, we had 2,292 full-time R&D personnel, among which over 1,700 were R&D specialists who had an average of nine years of experience in the industry. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, we had R&D expenses of RMB739.4 million, RMB1,244.0 million, RMB1,615.3 million, RMB290.3 million and RMB644.7 million, respectively. Our R&D expenses as a major proportion of our operating expenses reached 54.9%, 58.5%, 61.8%, 59.3% and 56.8% in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively.

Our R&D function is led by a team of seasoned professionals with technical expertise and extensive industry experience, supporting our ability to advance innovation and execute our development strategy. We also cultivate an environment where innovation is encouraged and new ideas are actively pursued to drive technological advancement. By empowering our teams to experiment and collaborate across disciplines, we continuously develop solutions that anticipate market needs and set industry benchmarks. Furthermore, our engineering culture is defined by a strong emphasis on technical rigor and cooperative problem-solving. Engineers are encouraged to challenge conventional thinking, share knowledge openly, and continually enhance both processes and products.

R&D Process

We have established a comprehensive innovation and R&D system. Our R&D function is organized into several departments, including the optoelectronics technology department, product development department, project operations department, and comprehensive management department. Each department is further divided into multiple research groups and studios, collectively building an effective technology R&D platform. Our R&D process features the following steps:



Our R&D process is designed to drive innovation and ensure the successful development and launch of new products. It begins with comprehensive market research to identify customer needs and industry trends. Based on these insights, we establish strategic development routes to determine the direction of product innovation. Next, proposed products undergo a rigorous approval process. Once approved, the product design phase commences, followed by the creation of prototypes and samples for initial evaluation. After refining the design, we conduct mass production trials to validate manufacturing processes and product performance. Upon successful completion of these trials, products proceed to full-scale mass production.

OUR TECHNOLOGIES

Transceiver Module Packaging Technologies

With over 15 years of expertise in developing innovative optical interconnect solutions, we have established a comprehensive suite of module packaging technologies that enable ultra-high-density optoelectronic integration within increasingly compact form factors.

Optical packaging focuses on integrating multiple optical components, such as lasers and other components, into a compact form factor, with an emphasis on high-volume, automated manufacturing to ensure consistency, scalability, and cost efficiency. Our module packaging is engineered to support high-frequency signal integrity and efficient electro-optical conversion, while ensuring seamless interoperability with DSPs to maximize bandwidth utilization and minimize end-to-end latency. Thermal management leverages continuous optimization of material selection, package architecture, and heat-spreading solutions to improve junction-to-ambient performance and ensure long-term reliability under increasingly demanding operating conditions and power densities.

Silicon Photonics (SiPh) Technology

Silicon photonics (SiPh) is rapidly emerging as a pivotal technology in the evolution of optical transceivers, offering high integration density alongside outstanding performance in peak data rates, power efficiency, and cost effectiveness. Via the integration of optical components, the need for multiple stages of manual alignment and inspection is reduced. As a next-generation approach, SiPh leverages silicon and silicon-based substrates, utilizing mature CMOS fabrication processes to develop and integrate optical devices at scale. This not only enables the production of compact, high-performance optical components but also facilitates large-scale manufacturing with lower costs and enhanced reliability. Furthermore, our module packaging technologies enable the tight integration of silicon waveguides and electronic chips, delivering improved performance in high-frequency electrical signal processing. This approach effectively overcomes traditional performance bottlenecks and ensures superior signal integrity at elevated data rates. Our 400G, 800G and 1.6T optical transceivers have been broadly employed with SiPh-based solutions to meet increasing transmission requirements.

Beyond optimizing the performance and cost of optical transceivers, the design capabilities accumulated on SiPh platforms can be extended to NPO, CPO and other fields, giving us long-term potential for value chain expansion.

Coherent

Coherent optical communication technology significantly enhances system capacity and optical signal-to-noise ratio (OSNR) through key techniques such as polarization multiplexing, while also enabling lower receiver sensitivity requirements. It has become a critical technology pathway for high-performance optical transmission and is primarily deployed in mid- to long-haul transmission scenarios, including metro networks. As demand for per-channel data rates and data-center bandwidth continue to increase, coherent technology is rapidly extending into scale-across and scale-out scenarios, demonstrating strong performance advantages and solid scalability. We have mass produced 400G coherent optical transceivers. As data centers evolve to accommodate escalating bandwidth demands, coherent lite technology is emerging as a promising solution for intra-facility communication links. By reducing dispersion compensation, simplifying laser configurations, and supporting longer-reach transmissions, coherent lite technology could address the limitations of conventional direct detect solutions. These advancements enable enhanced performance and scalability within data center environments. At OFC 2025, we showcased the industry's first 800G coherent lite optical transceivers. As data center internal interconnect speeds and network scale rapidly increase, we expect to gradually adopt coherent optical communication technology for scale-out and scale-across scenarios.

Emerging Technology Solutions

eXtra-dense Pluggable Optics (XPO)

XPO represents a significant upgrade to pluggable optical transceivers by increasing capacity and front-panel port density compared to OSFP. It enables higher bandwidth density without fundamentally changing the system architecture, thereby preserving the advantages of modularity, interoperability, serviceability, and supply diversity. It is also the first pluggable optics solution with integrated liquid cooling, which lowers power consumption and improves reliability. Leveraging the mature pluggable ecosystem, XPO represents a practical optical solution to meet various AI network application scenarios and is expected to coexist with other integrated solutions such as NPO and CPO. At OFC 2026, we showcased the industry's first 12.8T 8xDR8 XPO optical transceiver module, which increases capacity by eight times and increase front-panel density by four times compare to 1.6Tbps OSFP and it is expected to be firstly adopted in scale-out scenario in near term. Our XPO solution is currently in the R&D and sample delivery stages.

Co-packaged Technologies — NPO and CPO

Co-packaged solutions are a new type of optical connectivity solution that places optical engines much closer to, or directly next to, the main networking chip, instead of using separate pluggable modules. This shorter connection path helps reduce power consumption and latency, while enabling faster and higher-capacity data transmission.

We are actively investing in R&D of next-generation optical interconnect integration technologies, including Near-Packaged Optics (NPO) and Co-Packaged Optics (CPO). Our NPO and CPO solutions are currently in the R&D and sample delivery stages.

Revenue from NPO and CPO solutions is recorded under the high-speed optical transceivers category because NPO and CPO refer to underlying optical interconnect technologies and packaging architectures used in the design and manufacture of high-speed optical transceivers, rather than existing pluggable products sold separately to customers. As such, any revenue generated from products adopting NPO and CPO technologies is classified under high-speed optical transceivers.

- NPO offers a more pragmatic and modular approach for the near to mid-term. It co-assembles the optical engine alongside the switch ASIC on the same high-performance PCB, enabling a direct, ultrashort electrical connection. This architecture improves signal integrity and minimizes power consumption, while crucially maintaining superior modularity and serviceability. In addition, NPO offers high bandwidth and low loss by minimizing signal attenuation and crosstalk, supporting transmission speeds of 800G and above without the need for complex DSP compensation. NPO's independently packaged optical engine and xPU allow for superior thermal design, as the optical components are isolated from the high-heat environment of the GPU core, preventing wavelength drift and performance fluctuations while enabling flexible thermal management. It bridges the gap between mainstream pluggable transceivers and the long-term vision of CPO. The NPO solution is expected to address the scale-up market in the near term, and we are working closely with customers on further development to support early adoption. At OFC 2026, we demonstrated the industry 1st 6.4T-4xDR8 Pluggable NPO module with high density and low power for AI scale-up.

- CPO is now perceived as one of the most integrated optics packaging solutions, where the switch ASIC and optical engine are co-assembled onto an organic substrate. This achieves the shortest possible electrical path, minimizing signal loss and power consumption while maximizing performance and efficiency. Currently, CPO products are still in the early stages of development and face challenges such as technology and ecosystem readiness, manufacturing consistency, cost, and maintainability. We are actively investing in CPO R&D and cooperating with customers and potential ecosystem partners to accelerate its commercialization.

As of the Latest Practicable Date, we had generated revenue of RMB2.0 million from our XPO, NPO and CPO solutions, which was recognized under the high-speed optical transceivers category.

Linear Optics — LPO and LRO

Linear optics solution is an advanced optical transceiver architecture that eliminates the conventional digital signal processing (DSP) chip within the module in favour of a streamlined analogue signal path, thereby reducing power consumption, latency, and overall system cost. Our comprehensive product lineup encompasses linear-drive pluggable optics (LPO) and linear receive optics (LRO) solutions. Specifically:

- LPO eliminates traditional digital signal processing (DSP) and clock and data recovery (CDR) chips, with advantages including improved energy efficiency and reduced latency, well-suited for specific short-reach applications, such as server-to-switch and intra-rack connections within data centers. We have been at the forefront of developing and commercializing LPO solutions for next-generation data center networks.
- LRO represents an advanced, asymmetric architecture designed for scenarios requiring a balance between performance and power efficiency. In an LRO transceiver, a lite DSP is retained only on the transmitter side for essential signal retiming and pre-equalization. The receiver side, however, adopts a DSP-less linear design. This approach extends the reach and improves signal integrity compared to pure LPO, while still maintaining a lower power profile than full-DSP solutions. It is particularly well-suited for connections where the link budget is more challenging than intra-rack links, such as switch-to-switch across racks or within a row.

As of the Latest Practicable Date, our LPO and LRO solutions had entered the mass production stage, and we offered a series of LPO and LRO optical transceivers. As of the same date, we had generated revenue of RMB1.1 billion from our LPO and LRO solutions, which was recorded under the high-speed optical transceivers category.

INTELLECTUAL PROPERTY

Since our inception, we have developed a variety of proprietary intellectual property rights. As of March 31, 2026, we had 506 granted patents, 20 copyrights, as well as 148 trademarks both in China and overseas. See “Appendix IV — Statutory and General Information — Further Information About Our Business — Intellectual Property Rights” for details of our material intellectual property rights.

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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 Intellectual Property — We may not be able to adequately protect or enforce our intellectual property rights throughout the world, and our efforts to do so may be costly.”

During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes or any other pending legal proceedings regarding intellectual property rights with third parties.

PROCUREMENT

During the Track Record Period, the primary raw materials required for the production of our optical transceivers include electrical and optical chips, passive optical components, PCB and mechanical parts. To ensure the quality of our optical transceivers, we have established strict supplier selection and procurement control protocols at the raw material sourcing stage. Specifically, supplier selection covers both the screening of new suppliers and the management of qualified suppliers, while our procurement control procedures encompass key processes such as procurement planning, order tracking, and inspection upon receipt and warehousing. We have established the *Supplier Quality Management Operation Specification* to implement effective quality management, and we evaluate our suppliers monthly, quarterly and annually across multiple dimensions, including the pass rate of incoming batches, defective rate of incoming materials, timeliness and effectiveness of responses to quality issues, etc.

MANUFACTURING

Our manufacturing activities are largely order-oriented, and we are also able to customize products for customer orders with specific product designs or technological requirements. As of the Latest Practicable Date, we have established five production bases globally for the manufacture of optical transceivers, with three in Chinese Mainland, one in Thailand and one in Taiwan region. Among these five production bases, measured by gross floor area, our production facilities in the Chinese Mainland had an aggregate gross floor area of 172,719 sq.m., of which 116,469 sq.m., or approximately 67.4%, were self-owned and 56,250 sq.m., or approximately 32.6%, were leased. We also had one substantially self-owned production facility in Thailand, with an aggregate gross floor area of 98,283 sq.m., of which 91,659 sq.m. were self-owned and 6,624 sq.m. were leased, and one leased production facility in the Taiwan region, with an aggregate gross floor area of 14,192 sq.m. Our production department consists of process, industrial, electronics, software, mechanical, and testing engineers, and has established a comprehensive product manufacturing plan (PMP) and manufacturing operation instructions (MOI). We operate in a Class 10,000 cleanroom environment with automated production lines, and have implemented an effective manufacturing execution system (MES) to ensure process control, traceability, quality control, and automated processing of test data. This comprehensive approach not only guarantees product quality, but also enhances production efficiency.

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

By Regions

	2023			2024			2025			Three Months Ended March 31, 2026		
	Capacity	Production Volume	Utilization Rate ⁽¹⁾	Capacity	Production Volume	Utilization Rate ⁽¹⁾	Capacity	Production Volume	Utilization Rate ⁽¹⁾	Capacity	Production Volume	Utilization Rate ⁽¹⁾
	(thousand units)	(thousand units)	(%)	(thousand units)	(thousand units)	(%)	(thousand units)	(thousand units)	(%)	(thousand units)	(thousand units)	(%)
Optical Transceivers	9,770	6,810	69.7	20,882	15,364	73.6	28,062	23,762	84.7	9,891	8,524	86.2
PRC	7,697	5,469	71.1	13,827	9,855	71.3	8,148	6,420	78.8	1,603	1,290	80.5
Overseas	2,073	1,341	64.7	7,055	5,509	78.1	19,914	17,342	87.1	8,288	7,234	87.3

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	2023			2024			2025			Three Months Ended March 31, 2026		
	Capacity	Production Volume	Utilization Rate ⁽¹⁾	Capacity	Production Volume	Utilization Rate ⁽¹⁾	Capacity	Production Volume	Utilization Rate ⁽¹⁾	Capacity	Production Volume	Utilization Rate ⁽¹⁾
	(thousand units)	(thousand units)	(%)	(thousand units)	(thousand units)	(%)	(thousand units)	(thousand units)	(%)	(thousand units)	(thousand units)	(%)
Optical Components . . .	27,813	19,241	69.2	28,479	20,252	71.1	13,453	9,754	72.5	2,338	1,523	65.1
PRC	27,813	19,241	69.2	28,479	20,252	71.1	13,453	9,754	72.5	2,338	1,523	65.1
Automotive												
Optoelectronics . . .	17,593	14,541	82.7	53,825	38,446	71.4	35,381	23,912	67.6	6,035	3,935	65.2
PRC	17,593	14,541	82.7	53,825	38,446	71.4	35,381	23,912	67.6	6,035	3,935	65.2

Note:

(1) The utilization rate is equal to the production volume divided by the designed capacity during the same period.

During the Track Record Period, our utilization rates remained stable, reflecting our ongoing efforts to maintain a prudent capacity buffer to accommodate demand fluctuations and preserve operational flexibility. The decrease in the utilization rate for automotive optoelectronics in 2025 was primarily attributable to adjustments made to our product development plan in response to our customers' ongoing upgrades of their product offerings.

By Applications

	2023			2024			2025			Three Months Ended March 31, 2026		
	Capacity	Production Volume	Utilization Rate ⁽¹⁾	Capacity	Production Volume	Utilization Rate ⁽¹⁾	Capacity	Production Volume	Utilization Rate ⁽¹⁾	Capacity	Production Volume	Utilization Rate ⁽¹⁾
	(thousand units)	(thousand units)	(%)	(thousand units)	(thousand units)	(%)	(thousand units)	(thousand units)	(%)	(thousand units)	(thousand units)	(%)
Optical Transceivers . .	9,770	6,810	69.7	20,882	15,364	73.6	28,062	23,762	84.7	9,891	8,524	86.2
Datacom	7,534	5,659	75.1	17,433	14,087	80.8	26,866	22,930	85.4	9,667	8,376	86.6
Others ⁽²⁾	2,236	1,151	51.5	3,449	1,276	37.0	1,196	832	69.6	223	148	66.2

Note:

(1) The utilization rate is equal to the production volume divided by the designed capacity during the same period.

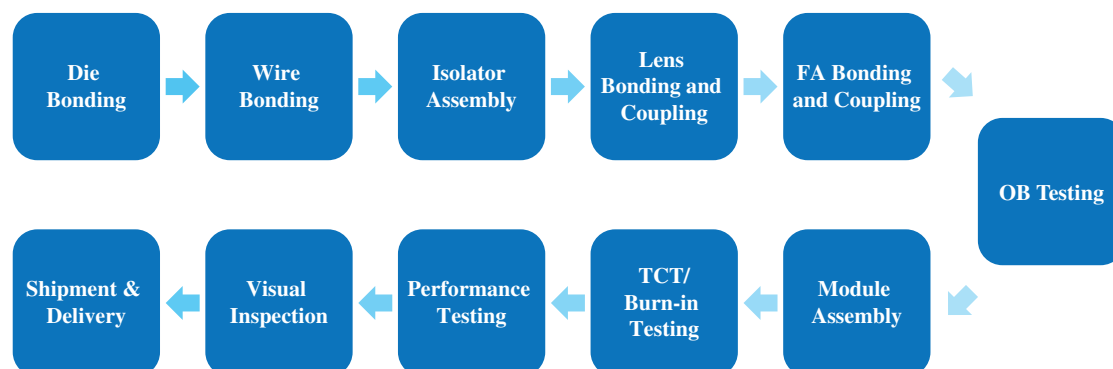
(2) Others mainly comprise telecom products used in fibre-to-the-home (FTTH) access-network applications.

In 2024, demand for other products was relatively moderate, primarily due to the completion of the previous peak cycle of FTTH and 5G network deployment, slower capital expenditure by telecommunications operators, and industry-wide inventory adjustments. In 2025, as industry inventory levels gradually normalized and telecom operators' procurement activities became more stable, together with the our continued efforts to optimize our product mix and production capacity allocation, the utilization rate for others has significantly improved compared to 2024.

Manufacturing Process

Our manufacturing system includes production planning, execution and adjustment of production schedules, as well as materials tracking and management. The manufacturing process for optical transceivers primarily consists of several key stages. It begins with attaching optical and electrical dies to the printed circuit board assembly (PCBA), followed by wire bonding to establish electrical links between the dies and the PCBA. This is followed by

optical coupling and bonding processes, during which alignment angles and positions are established in connection with optoelectronic conversion, and the fiber array (FA) and lens assemblies are automatically aligned and bonded. Finally, the modules undergo final assembly and performance testing of key parameters to ensure compliance with customer specifications. In addition, during production, the products are subject to TCT/Burn-in testing at the chip level and the module level.



OUR SUPPLIERS

Our suppliers during the Track Record Period primarily included suppliers of raw materials, such as electrical and optical chips, passive optical components, PCB and mechanical parts. The quality of raw materials is critical to our products and, consequently, to our reputation and business prospects. As such, we place great importance on selecting suppliers and maintaining stable relationships with them. Our supplier selection is primarily based on the quality of their products and services, pricing, and the reliability of timely delivery. Our procurement for specific products is typically carried out through purchase orders under a master purchase agreement. The following summarizes key terms of our purchase agreements:

- *Duration.* Typically one to three years.
- *Product Specification.* Our purchase orders typically specify the products requirement, quantity, delivery schedules and payment terms, and prices, as applicable.
- *Credit Terms.* Credit terms differ, typically 60 to 90 days.
- *Delivery.* Our suppliers are typically responsible for delivering products to the locations designated by us.
- *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.
- *Termination.* Either party may terminate the agreement in accordance with its terms by providing written notice within the period specified in the agreement.

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Top Five Suppliers

In 2023, 2024, 2025 and the three months ended March 31, 2026, the aggregate purchase amounts from our five largest suppliers in each year/period during the Track Record Period were RMB3,439.8 million, RMB8,763.5 million, RMB12,796.8 million and RMB6,638.6 million, representing 52.0%, 53.6%, 51.5% and 52.4% of our total purchase amount, respectively. The purchase amounts from our largest supplier in each year/period during the Track Record Period were RMB2,139.7 million, RMB6,164.3 million, RMB8,885.9 million and RMB4,854.8 million, representing 32.4%, 37.7%, 35.8% and 38.3% of our total purchase amount, respectively. We maintain a diversified supply base comprising no fewer than three qualified suppliers for each category of key raw materials, with comparable commercial terms available to mitigate concentration risk. During the Track Record Period, we procured certain raw materials, such as electrical and optical chips, from U.S.-based suppliers, representing approximately 5.4%, 3.8%, 5.5% and 9.8% of our total purchase amounts for the years ended 31 December 2023, 2024, 2025 and the three months ended March 31, 2026, respectively. We believe that alternative suppliers from other locations are available to us on comparable commercial terms.

During the Track Record Period, we did not experience any significant fluctuation in prices set by our suppliers or material breach of contract on the part of our suppliers. To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, our five largest suppliers 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 suppliers. To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, each of our top five suppliers are independent from each other.

Rank	Supplier	Type of Purchase	Supplier Background	Credit Terms	Year of Commencing Business Relationship	Purchase Amount (RMB in millions)	% of Total Purchase Amount %
<i>For the year ended December 31, 2023</i>							
1	Supplier A	Electrical and optical chips	A company listed on Taiwan Stock Exchange, providing electronic components, headquartered in Taiwan region.	30 to 90 days	2008	2,139.7	32.4
2	Supplier B	Electrical and optical chips	A dual-listed company, providing electronic components, headquartered in Japan.	30 to 45 days	2011	620.9	9.4
3	Supplier C (Customer F)	Electrical and optical chips	A private company providing memory products, headquartered in the U.S.	15 days	2021	347.0	5.2
4	Supplier D	Electrical and optical chips	A private company engaging in the application of laser and optical technologies, headquartered in Hong Kong.	By irrevocable letter of credit at 60 days	2008	170.7	2.6
5	Supplier E	Passive optical components	A private company engaging in R&D and manufacturing of optical products for optical transmission, headquartered in PRC.	90 days	2012	161.5	2.4
Total						3,439.8	52.0

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Rank	Supplier	Type of Purchase	Supplier Background	Credit Terms	Year of Commencing Business Relationship	Purchase Amount (RMB in millions)	% of Total Purchase Amount %
<i>For the year ended December 31, 2024</i>							
1	Supplier A	Electrical and optical chips	A company listed on Taiwan Stock Exchange, providing electronic components, headquartered in Taiwan region.	30 to 90 days	2008	6,164.3	37.7
2	Supplier B	Electrical and optical chips	A dual-listed company, providing electronic components, headquartered in Japan.	30 to 45 days	2011	940.6	5.7
3	Supplier D	Electrical and optical chips	A private company engaging in the application of laser and optical technologies, headquartered in Hong Kong.	By irrevocable letter of credit at 60 days	2008	753.0	4.6
4	Supplier F	Electrical and optical chips	A private company engaging in providing components and integrated solutions in optical communications, microwave, and industrial modules, headquartered in PRC.	60 days	2016	501.5	3.1
5	Supplier G	PCB	A public company listed on Taiwan Stock Exchange, engaging in PCB manufacturing, headquartered in Taiwan region.	60 days	2019	404.1	2.5
					Total	8,763.5	53.6
<i>For the year ended December 31, 2025</i>							
1	Supplier A	Electrical and optical chips	A company listed on Taiwan Stock Exchange, providing electronic components, headquartered in Taiwan region.	30 to 90 days	2008	8,885.9	35.8
2	Supplier F	Electrical and optical chips	A private company engaging in providing components and integrated solutions in optical communications, microwave, and industrial modules, headquartered in PRC.	60 days	2016	1,230.0	5.0
3	Supplier D	Electrical and optical chips	A private company engaging in the application of laser and optical technologies, headquartered in Hong Kong.	By irrevocable letter of credit at 60 days	2008	1,119.0	4.5
4	Supplier B	Electrical and optical chips	A dual-listed company, providing electronic components, headquartered in Japan.	30 to 45 days	2011	789.7	3.2
5	Supplier E	Passive optical components	A private company engaging in R&D and manufacturing of optical products for optical transmission, headquartered in PRC.	90 days	2012	772.3	3.1
					Total	12,796.8	51.5

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Rank	Supplier	Type of Purchase	Supplier Background	Credit Terms	Year of Commencing Business Relationship	Purchase Amount (RMB in millions)	% of Total Purchase Amount %
<i>For the three months ended March 31, 2026</i>							
1. . .	Supplier A	Electrical and optical chips	A company listed on Taiwan Stock Exchange, providing electronic components, headquartered in Taiwan region.	30 to 90 days	2008	4,854.8	38.3
2. . .	Supplier D	Electrical and optical chips	A private company engaging in the application of laser and optical technologies, headquartered in Hong Kong.	By irrevocable letter of credit at 60 days	2008	494.4	3.9
3. . .	Supplier H	Electrical and optical chips	A public company listed on Nasdaq engaging in the semiconductor manufacturing, headquartered in Israel.	30 days	2019	479.1	3.8
4. . .	Supplier I	Passive optical components	A private company engaging in R&D and manufacturing of optical products for optical transmission, headquartered in PRC.	90 days	2013	447.9	3.5
5. . .	Supplier E	Passive optical components	A private company engaging in R&D and manufacturing of optical products for optical transmission, headquartered in PRC.	90 days	2012	362.5	2.9
Total						6,638.6	52.4

Inventory Management

Our inventory primarily consists of raw materials, work-in-progress, semi-finished goods, finished goods and spare parts and consumables. We believe that we have effectively managed our supply chain during the Track Record Period and up to the Latest Practicable Date. During the Track Record Period and up to the Latest Practicable Date, we did not encounter any material supply chain issues. During the Track Record Period and up to the Latest Practicable Date, we primarily procured raw materials and components from Chinese Mainland, Taiwan region, Japan and the U.S.

To maintain our competitive edge and ensure our products remain aligned with evolving market demands, we have implemented a range of measures to optimize our inventory levels. These initiatives focus on minimizing inventory backlogs and enhancing our inventory management processes. We have a comprehensive procurement planning process. Sales forecasts are conducted in advance based on the overall market outlook. Specifically, the sales department collects and reports market information to the product management department, which then formulates the demand plan. The procurement department negotiates with suppliers according to the demand plan and market forecasts to finalize the procurement plan.

We believe that our operation is not dependent on any particular supplier. During the Track Record Period, we maintained multiple suppliers to avoid overreliance on any of suppliers and we believe there is no significant difficulty in finding suitable substitutes for our suppliers.

SALES, MARKETING AND DISTRIBUTION OF OUR PRODUCTS

We have experienced and trained sales and marketing teams dedicated to both domestic and overseas markets, who proactively identify market opportunities and tailor sales strategies. We sell our optical transceivers primarily through direct sales, with a small proportion allocated to distribution channels.

Our Direct Sales

We directly acquire new direct sale customers primarily through our internal sales team to market and promote our products. All of our direct sales during the Track Record Period were derived from downstream customers directly without involving any distributor. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our sales generated from direct sale customers amounted to RMB10,418.8 million, RMB23,500.9 million, RMB37,739.0 million, RMB6,607.2 million and RMB19,207.9 million, accounting for 97.2%, 98.5%, 98.7%, 99.0% and 98.5%, respectively, of our revenue for the corresponding periods.

The following summarizes key terms of our sales agreements:

- *Purchase Orders.* Our customers place purchase orders which specify the detailed purchase amount or quantity, quality specifications, warranty, payment terms, unit prices and delivery schedules. No order cancellation shall be effective unless submitted in writing and expressly approved by us, and any such cancellation may be subject to penalties at our discretion or as specified in the agreements.
- *Payment and Credit Terms.* Typically by telegraphic transfer; we typically grant our customers a credit term of 30 to 75 days from the invoice date.
- *Warranty.* We provide warranties that our products comply with applicable specifications and performance requirements, and are free from material defects and do not infringe any third-party intellectual property rights. The warranty period generally ranges from one to two years. If products are found to be non-conforming within the warranty period, we are generally required to repair, replace or refund the relevant products.
- *Termination.* Either party may terminate the agreement in accordance with its terms by providing written notice within the period specified in the agreement.

Our Distribution Network

We engage distributors primarily for customers with non-recurring or small-volume orders. According to CIC, it is common for companies in our industry to engage distributors for its sales. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our total sales to distributors amounted to RMB299.2 million, RMB361.3 million, RMB501.0 million, RMB66.9 million and RMB288.5 million, respectively, accounting for 2.8%, 1.5%, 1.3%, 1.0% and 1.5%, respectively, of our revenue for the corresponding periods. Our relationship with our distributors is a buyer and seller relationship. They are our customers and they do not act on our behalf when dealing with their own customers. During the Track Record Period and up to the Latest Practicable Date, to our best knowledge, all of our distributors were Independent Third Parties, and there was no employment, financing or family relationship between our distributors and us.

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The following table sets forth the total number and movement of our distributors during the Track Record Period.

	For the Year Ended December 31,			For the Three Months Ended March 31,
	2023	2024	2025	2026
Distributors				
Beginning of the period	35	40	39	38
Additions	8	4	—	—
Terminations	3	5	1	—
Number of distributors at the end of the period	<u>40</u>	<u>39</u>	<u>38</u>	<u>38</u>

Our distributors typically submit purchase orders to us. A summary of the key terms commonly found in these purchase orders is set forth as below.

- *Products.* Typically specify the product name, model specifications, quantity, and prices.
- *Payment and Credit Terms.* Typically by wire transfer; 30 to 100 days following the receipt of invoice.
- *Product Return and Warranty.* The warranty period generally ranges from one to two years. Products returned during the warranty period and confirmed upon our inspection are typically available for repairing or replacement free of charge. Returns of non-defective products are accepted if the distributor provides written notice within the specified advance notice period, as agreed upon in the contract.
- *Intellectual Property.* We retain ownership of all intellectual property rights related to our products pursuant to the terms therein.
- *Termination.* Either party may terminate the agreement in accordance with its terms.

We have in place internal control policies (including our “Distributor Management Policy” (《經銷商管理制度》)) to manage risks relating to distributor inventory. Certain distributors were terminated during the Track Record Period primarily due to a shift in their business focus that rendered the partnership no longer commercially viable, or their failure to meet our established standards and requirements for distributors. Notwithstanding such terminations, our overall distributor network remained relatively stable throughout the Track Record Period, reflecting the strength and sustainability of our distribution network. If the distributor intends to engage any sub-distributors, they must provide written notice and obtain our prior consent. However, we do not typically monitor sale practices of our distributor or sub-distributors. In addition, we typically do not require minimum purchase amount or set minimum sales target for our distributors.

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We have adopted various measures to avoid channel stuffing. We regularly sample for different products and review information including sales and/or inventory data from our distributors, and may request further information if we identify any irregularities. We also consider purchase volumes, historical data, and other market factors to monitor our product sales. During the Track Record Period and up to the Latest Practicable Date, we did not notice any unusually large procurements that were inconsistent with distributors' past practices.

During the Track Record Period and up to the Latest Practicable Date, we had not received any material product returns or indemnification claims from our distributors, nor had we made any provisions on any product returns or potential indemnification.

OUR CUSTOMERS

Top Five Customers

During the Track Record Period, our customers included cloud service providers and AI computing solution providers. In 2023, 2024, 2025 and the three months ended March 31, 2026, the aggregate revenue generated from our five largest customers in each year/period during the Track Record Period were RMB8,038.6 million, RMB18,409.9 million, RMB29,055.6 million and RMB15,956.7 million, representing 75.0%, 77.2%, 76.0% and 81.9% of our revenue, respectively. Revenues generated from our largest customer in each year/period during the Track Record Period were RMB3,890.6 million, RMB5,443.8 million, RMB9,201.5 million and RMB4,889.3 million, representing 36.3%, 22.8%, 24.1% and 25.1% of our revenue, respectively.

Our product pricing policy is designed to reflect a combination of the complexity of product designs, production costs, market demand, and prevailing industry conditions. This approach ensures that our pricing remains competitive, sustainable, and aligned with market realities. While some of our customers may possess strong bargaining power, we continue to maintain a competitive position in commercial negotiations by leveraging a combination of factors, including our product performance, quality consistency, delivery capability, and established long-term relationships, to negotiate terms that appropriately reflect the value we bring to our customers. We did not face any product liability claims during the Track Record Period and up to the Latest Practicable Date.

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. During the Track Record Period and up to the Latest Practicable Date, each of our top five customers are independent from each other.

Rank	Customer	Type of Sales	Year of Commencing Business Relationship	Payment Methods	Revenue (RMB in millions)	% of Total Revenue %
<i>For the year ended December 31, 2023</i>						
1 . .	Customer A	Optical Transceivers	2011	Bank transfer	3,890.6	36.3
2 . .	Customer B	Optical Transceivers	2019	Bank transfer	1,290.0	12.0
3 . .	Customer C	Optical Transceivers	2016	Bank transfer	1,252.0	11.7
4 . .	Customer D	Optical Transceivers	2014	Bank transfer	966.7	9.0
5 . .	Customer E	Optical Transceivers	2015	Bank transfer	639.3	6.0
Total					8,038.6	75.0

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Rank	Customer	Type of Sales	Year of Commencing Business Relationship	Payment Methods	Revenue (RMB in millions)	% of Total Revenue %
<i>For the year ended December 31, 2024</i>						
1 . .	Customer A	Optical Transceivers	2011	Bank transfer	5,443.8	22.8
2 . .	Customer D	Optical Transceivers	2014	Bank transfer	4,869.7	20.4
3 . .	Customer B	Optical Transceivers	2019	Bank transfer	4,479.8	18.8
4 . .	Customer C	Optical Transceivers	2016	Bank transfer	2,215.8	9.3
5 . .	Customer F (Supplier C)	Optical Transceivers	2021	Bank transfer	1,400.8	5.9
Total					18,409.9	77.2
<i>For the year ended December 31, 2025</i>						
1 . .	Customer A	Optical Transceivers	2011	Bank transfer	9,201.5	24.1
2 . .	Customer C	Optical Transceivers	2016	Bank transfer	6,981.2	18.3
3 . .	Customer B	Optical Transceivers	2019	Bank transfer	5,438.2	14.2
4 . .	Customer D	Optical Transceivers	2014	Bank transfer	4,337.9	11.3
5 . .	Customer G	Optical Transceivers	2024	Bank transfer	3,096.8	8.1
Total					29,055.6	76.0
<i>For the three months ended March 31, 2026</i>						
1 . .	Customer B	Optical Transceivers	2019	Bank transfer	4,889.3	25.1
2 . .	Customer C	Optical Transceivers	2016	Bank transfer	4,250.7	21.8
3 . .	Customer A	Optical Transceivers	2011	Bank transfer	4,158.1	21.3
4 . .	Customer D	Optical Transceivers	2014	Bank transfer	1,401.0	7.2
5 . .	Customer F (Supplier C)	Optical Transceivers	2021	Bank transfer	1,257.6	6.5
Total					15,956.7	81.9

Notes:

- (1) Customer A is a technology company listed on Nasdaq, headquartered in the U.S. and primarily engaged in online platform operation and cloud computing.
- (2) Customer B is a technology company listed on Nasdaq headquartered in the U.S. and primarily engaged in computing and AI-related solutions.
- (3) Customer C is a technology company listed on Nasdaq, headquartered in the U.S. and primarily engaged in online platform operation and digital advertising services.
- (4) Customer D is a company listed on New York Stock Exchange, headquartered in the U.S. and primarily engaged in IT distribution and solutions.

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- (5) Customer E is a company listed on New York Stock Exchange, providing electronic components, headquartered in the U.S.
- (6) Customer F is a private company providing memory products, headquartered in the U.S.
- (7) Customer G is a private company providing optical products, headquartered in Singapore.

Overlapping of Customers and Suppliers

During the Track Record Period, we had one overlapping customer and supplier within our top five customers and suppliers. The total revenue we generated from the overlapping customer and supplier amounted to nil, RMB1,400.8 million, RMB1,190.3 million and RMB1,257.6 million in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, and the purchases from the overlapping customer and supplier amounted to RMB347.0 million, RMB47.6 million, RMB61.9 million and RMB132.6 million in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively. During the Track Record Period, gross profit attributable to the overlapping customer and supplier accounted for less than 7% of our total gross profit in each of the respective years. This overlapping customer and supplier possesses established sourcing channels and ready access to the supply of the relevant raw materials. Our Directors have confirmed that none of our sales to and purchases from our overlapping customer and supplier during the Track Record Period was inter-conditional, inter-related or otherwise considered as one transaction. We negotiate the transactions with our overlapping customer and supplier on an arm's-length basis with reasonable and fair pricing terms which were generally in line with the terms and conditions with other comparable customers and suppliers.

TRANSFER PRICING ARRANGEMENTS

During the Track Record Period and up to the Latest Practicable Date, there were certain intercompany transactions among our Company and our subsidiaries to facilitate the respective function of our subsidiaries during the course of business of our Group. Our intercompany transactions mainly are trading, contract manufacturing and provision of services. Our Company and our subsidiaries conduct intercompany transactions in accordance with our transfer pricing policy. The types of intercompany transactions primarily comprise of (i) sales of semi-finished products and components, (ii) sales of manufacturing and testing equipment, (iii) sales of finished optical transceiver products, (iv) sales, administrative and R&D support services, and (v) licensing of intellectual property.

As confirmed by the Transfer Pricing Consultant, during the Track Record Period and up to the Latest Practicable Date, in respect of the intercompany transactions of (i) sales of semi-finished products and components, sales of finished optical transceiver products, and sales, administrative and R&D support services, based on the functions performed and risks assumed by the relevant entities participating in such intercompany transactions, the transactional net margin method was selected as the most appropriate transfer pricing method to assess the Group's transactions; and (ii) licensing of intellectual property, the comparable uncontrolled price method was selected as the most appropriate transfer pricing method to assess the Group's transactions.

Both the transactional net margin method and the comparable uncontrolled price method are commonly recognized methods under the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations and are also stipulated in the relevant transfer pricing regulations in the jurisdictions mentioned above. The detailed analysis is set out below:

During the Track Record Period, in respect of the intercompany transactions involving (i) sales of semi-finished products and components and sales of finished optical transceiver products by the relevant entities primarily engaged in manufacturing activities, (ii) sales, administrative and R&D support services, and (iii) licensing of intellectual property, the Group conducted benchmarking studies by selecting independent companies comparable to the relevant entities of the Group or, for intellectual property licensing, external comparable transaction agreements similar to such intercompany transaction. For the manufacturing and service transactions, a mark-up on total costs was adopted as the most appropriate profit level indicator to test whether the pricing complied with the arm's length principle, while for the licensing of intellectual property, a specified royalty rate applied to the relevant sales amount of finished products generated by the licensee was adopted as the most appropriate profit level indicator. Based on the assessment by the Transfer Pricing Consultant, the profitability or pricing of these intercompany transactions fell within the interquartile range derived from the respective comparable companies or comparable transaction agreements, and accordingly, the transfer pricing policies for such intercompany transactions were considered to be in compliance with the arm's length principle.

In respect of the intercompany transaction of sales of used manufacturing and testing equipment, such transaction was occasional. The relevant equipment was non-customized and similar types of equipment are readily available in the market. The pricing of the Group's intercompany transaction was determined by reference to the net book value of the equipment sold. The Transfer Pricing Consultant considered that, by using the net book value of the equipment as the transfer pricing benchmark, the transfer pricing risk is remote.

During the Track Record Period and up to the Latest Practicable Date, we were not subject to any penalties, investigations, inquiries or transfer pricing audits carried out by local tax authorities in relation to these intercompany transactions. Our Directors confirm that in ensuring ongoing compliance with the applicable transfer pricing laws and regulations, we adhere to the arm's length principle when entering into intercompany transactions, taking into account factors such as costs, market prices, and the functions and risks of each entity, and adopt reasonable pricing methods accordingly. On a regular basis, we monitor the financial and profit status of each entity to manage the implementation of transfer pricing policies, and maintain compliance documentation to address the risk of tax disputes. On a composite basis, our Transfer Pricing Consultant reviewed the intercompany transactions and was of the view that the transaction arrangements aligned with the arm's length principle during the Track Record Period. According to our Transfer Pricing Consultant, no material transfer pricing risk has been identified for the intercompany transactions mentioned above.

QUALITY CONTROL

We have established a comprehensive set of quality control and assurance procedures to monitor our operations to ensure compliance with the regulatory requirements and quality requirements during the entire development, manufacturing, delivery and services processes. We leverage multiple information management systems to control the entire production process. In addition, our manufacturing department has an internal audit team that conducts random inspections of all employees and various production elements. We also have a quality control department responsible for incoming material inspection and outgoing shipment inspection, ensuring comprehensive process control through the establishment of multiple checkpoints. Furthermore, we have an early warning system for low yield rates to ensure product quality and deliver the best products to our customers.

During the Track Record Period and up to the Latest Practicable Date, we have not experienced significant product returns, replacements, or customer complaints.

DATA PRIVACY AND INFORMATION TECHNOLOGY SYSTEMS

As our customers include cloud service providers and AI computing solution providers rather than individual consumers, we do not collect personal information from third parties for our research and development purposes. In the course of our research and development, data processed primarily includes production and R&D data, supplier and customer management data, and human resources management data which are stored in corresponding systems. We process data in compliance with the applicable legal requirements. The production and R&D data, supplier management data, human resources management data and customer management data that we collect or generate in the PRC are stored within the PRC. As we operate subsidiaries and production facilities overseas, data is transferred across borders for the purposes of unified group management. The cross-border data transfers are limited to a small amount of business contact information being transmitted outside of China and does not involve any data subject to heightened regulatory protection or sensitive personal information. As advised by our PRC data compliance adviser, we do not engage in the cross-border transfer of sensitive data, nor do we engage in any data transfer activities that require approval from the Cyberspace Administration of China (CAC). Principal provisions of data protection contracts with partners typically encompass: the defined purpose and methodology of processing; the counterparty's technical and organizational security obligations; our reserved rights to audit and supervise compliance; protocols for data restitution or destruction; and indemnity clauses for data breaches.

We have also established an information security working group, appointed an Information Security Supervisor to lead related work, and institutionalized a dedicated structure with defined mandates and authority. We have implemented a redundant IT architecture which is constructed to ensure continuous system operation and data security, effectively preventing data loss and damage. We operate and maintain our information security management system in accordance with the ISO/IEC 27001:2022 standard, tailored to our overall business activities and risk characteristics. We have developed internal procedures such as the *Information Security Risk Identification and Assessment Management Procedures*, the *Information Security Management Manual* and the *Information Security Internal Audit Management Procedures*. We also actively conduct regular information security training to enhance employees' awareness and skills in safeguarding information security. Through annual information security risk assessments, internal audits, and emergency response procedures, we continuously improve our information security system to minimize potential risks. We have successfully acquired ISO 27001 Information Security Management System Certification.

We have in place internal control policies (including our “Employee Handbook” (《員工手冊》)) to manage risks relating to data leakage, which stipulate that (i) when entering into a labor contract with us, employees shall sign a Confidentiality Agreement in accordance with our requirements. Except with our prior written permission, employees shall not disclose or use any confidential information learned during their employment; (ii) at any time after the rescission or termination of the labor contract, employees shall still bear an absolute obligation of confidentiality for all confidential information; and (iii) when an employee discovers that any confidential information has been illegally disclosed or used, they are obligated to timely notify us and take all reasonable measures to reduce losses and mitigate the extent of the disclosure.

As advised by our legal advisors of relevant jurisdictions, including the PRC, Singapore, Thailand and Taiwan region, we complied with all applicable cross-border data transfers, data privacy and security laws and regulations in the relevant jurisdictions during the Track Record Period and up to the Latest Practicable Date. Based on the independent due diligence conducted by the Joint Sponsors and having considered the views and basis of our legal advisors as to the laws of the PRC, Singapore, Thailand and Taiwan region, nothing has come to the attention of the Joint Sponsors that would cause them to cast doubt on the reasonableness of the views of these legal advisors as to the Group’s compliance with all applicable cross-border data transfers, data privacy and security laws and regulations in these jurisdictions in any material aspect.

During the Track Record Period and up to the Latest Practicable Date, we have not received any claim from any third party against us on the ground of infringement of such party’s right to data and privacy protection as provided by any applicable laws and regulations in the PRC. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material incidents of data leakage, data breaches, data loss or data damage. See “Risk Factors — Risks Relating to Our Business and Industry — We are subject to evolving and changing regulations of privacy and data protection, which may impact our legal, financial and operational behavior.”

During the Track Record Period and up to the Latest Practicable Date, we did not experience significant IT system failures or outages that adversely affected our business operations.

Our cross-border data transfers arise solely from routine operational needs relating to human resources management and internal administrative functions. Such transfers are exempt from the review by CAC. Our PRC Legal Advisors are of the view that we complied in all material aspects with relevant PRC data privacy and security laws and regulations during the Track Record Period and up to the Latest Practicable Date.

COMPETITION

We operate in a competitive industry, where we face competition from both global and regional players. Key competitors include global optical interconnects supplier. These competitors often have strong R&D capabilities, extensive product portfolios, and established customer bases. See “Industry Overview.” See “Risk Factors — Risks Relating to Our Business and Industry — We operate in a competitive market. If we are unable to compete effectively, our results of operations and financial conditions may be materially and adversely affected.”

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We believe that we have established our competitive moat. We have been the world's largest provider of optical interconnect solutions by revenue for five consecutive years since 2021, accounting for 21.2% of the overall optical interconnect solutions market in 2025 and further strengthening our leadership position in the high-speed datacom optical interconnect solutions market, where we held a market share of 28.1% in the same year, according to CIC. Our leadership extends across all high-speed optical transceiver segments, including 400G, 800G, and 1.6T. We offer a product portfolio designed to meet the rapidly growing demands of the industry. Additionally, we have established long-term collaboration and partnerships with key customers worldwide, fostering innovation and mutual growth across the global market. Our seamless coordination and integration between R&D and manufacturing, combined with replicable production processes, have enabled us to ensure consistent and quality delivery at scale.

EMPLOYEES

As of December 31, 2023, 2024, 2025 and March 31, 2026, we employed an aggregate of 6,166, 8,542, 11,625 and 13,726 full-time employees, respectively. The following table sets forth a breakdown of the number of our employees as of March 31, 2026 by work function.

Production	9,951
Sales and Marketing	135
Technical*	2,485
Finance	87
Administration	1,068
Total	<u>13,726</u>

*Note: including 2,292 full-time R&D personnel and 193 full-time engineers of other technical departments.

The majority of our employees are based in the PRC and Thailand. Our success depends on our ability to attract, retain and motivate qualified personnel, and we have adopted high standards and strict procedures in our recruitment, including campus recruitment, online recruitment and internal referral. We recruit employees based on their educational background, relevant experience in similar positions and professional qualifications, as well as our expansion strategy and job vacancies. We offer competitive compensation for our employees, including cash and stock compensations. Our compensation philosophy is that greater contribution and stronger performance merit higher rewards. In terms of cash compensation, in addition to basic salary package, we provide incentive bonus regularly to employees who make contributions to the business. Also, for those with outstanding work performance and of great role importance, we reward them with stock compensation and/or promotion. We also enhance the development of corporate culture and employee engagement by organizing various activities and trainings to enrich employee's professional skills, boost morale, and improve the work environment.

We have entered into confidentiality and non-compete agreements with all employees, except for those who engaged in production-line roles. These agreements 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. When necessary, we also have the authority to enforce non-compete clause with employees in core functions or with access to our core technologies and trade secrets. Under this clause, employees are prohibited from joining competing companies operating in the relevant industry for a period of up to two years after their departure. During this non-compete period, we provide compensations in line with industry standards.

As required by PRC laws and regulations, we participate in various employee social security schemes organized by municipal and provincial government, including pension, maternity insurance, unemployment insurance, work-related injury insurance, health insurance and housing provident fund.

We believe that we maintain a good working relationship with our employees, and we have not experienced any significant labor disputes or any difficulty in recruiting staff for our operations during the Track Record Period and up to the Latest Practicable Date.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Overview

We are committed to incorporating environmental, social, and governance (ESG) principles into every aspect of our operations, as we believe these considerations are vital to achieving sustainable growth and corporate longevity. We acknowledge our responsibility to address global challenges, align with sustainability goals, and create lasting value for stakeholders. Our ESG strategy is grounded in strong governance, proactive environmental stewardship, and meaningful social contributions. To ensure alignment with the highest standards of ESG performance, we have integrated clear objectives into our operational framework, including, among others, targets for energy efficiency, resource conservation, and emissions reduction. These measures underline our commitment to sustainability in the renewable energy sector and our role as a responsible corporate citizen.

ESG governance

In order to establish a robust ESG management system and fulfill the requirements for sustainable development, we continually enhance our ESG management by incorporating ESG practices into our corporate governance structure. A top-down governance framework has been established to promote ESG management, with an ESG task force operating under the Sustainability Committee. This framework forms a three-tiered sustainable development management structure, consisting of strategic decision-making by the Board of Directors, integrated management by the Sustainability Committee, and coordinated execution by the ESG task force and relevant departments. It provides strong support for our sustainable development and establishes an effective ESG working mechanism with seamless top-down coordination.

Identification and Assessment of ESG-related Risks

We place significant emphasis on the identification, assessment and management of ESG-related risks. These risks have been integrated into our overall risk management framework, ensuring that ESG factors are comprehensively considered in our risk assessment processes. Through regular risk assessments, internal reporting mechanisms and continuous monitoring, we are able to promptly identify emerging ESG-related risks and opportunities. In response, we take proactive measures to mitigate risks and capitalize on opportunities, ensuring alignment with our sustainability objectives. This systematic approach enables us to continuously enhance our ESG risk management and integrate it into our broader corporate strategy, thereby supporting the long-term sustainability and resilience of our Company.

Identification and Response to Climate-related Risks

We attach great importance to climate-related risks and conduct thorough identification and assessment of both climate-related risks and opportunities, proactively implementing appropriate response measures. In terms of physical risks, we strengthen our climate risk monitoring and early warning systems to address acute physical risks, such as equipment damage and production interruptions caused by natural disasters and extreme weather events. We ensure timely access to meteorological information and prepare responsive measures accordingly. For chronic physical risks, such as sea-level rise and global warming, we strictly adhere to emission reduction targets and encourage both suppliers and customers to work collaboratively to promote sustainable development.

With regard to transition risks, including changes in policies and regulations, technology, markets, and reputation, we increase our ESG and climate-related investments to enhance management capacities and awareness. We continuously monitor developments in clean technologies, increase the use of renewable energy, promote energy-saving and environmentally friendly technologies, and prioritize the research and development of clean technologies. In response to market demand for green and low-carbon products, we regularly collect customer feedback and make continuous improvements to our offerings.

Environment Protection

We are committed to environmental protection by setting clear environmental targets and implementing targeted measures across key areas, including resource management, emissions control and circular utilization. Specifically, we focus on optimizing energy efficiency, reducing waste generation and increasing the recycling of materials. Our emissions management strategy includes strict monitoring and reduction plans to meet established carbon reduction goals. Additionally, we integrate sustainable practices across our supply chain, encouraging partners to adopt green initiatives. Through these efforts, we aim to minimize our environmental impact and drive continuous progress toward green, sustainable development.

In respect of carbon emissions reduction, most of the our production sites have established clear carbon reduction roadmaps, with a target of achieving 100% green energy usage by 2040, thereby contributing to the broader goals of carbon peaking and carbon neutrality.

Year	Target
2026	15% green energy usage
2027	25% green energy usage
2028	30% green energy usage
2029	40% green energy usage
2030	60% green energy usage
2040	100% green energy usage

To achieve our carbon reduction targets, we and subsidiaries actively implement energy-saving and emission reduction initiatives. For example, we are accelerating our transition to green energy, integrating low-carbon principles into our operations, promoting energy efficiency and carbon reduction across our supply chain, and advancing low-carbon practices throughout the product life cycle, with carbon offset projects planned for the future.

In respect of waste reduction, by 2026, we aim to reduce non-hazardous waste generated per unit of revenue by 5% as compared to 2023 levels. To achieve this target, we have established an internal waste recycling system to promote the circular use of non-hazardous and recyclable materials across our production sites. Certain production sites have also obtained QC 080000 certification, which helps ensure that no hazardous substances are used in the production process and that operations comply with relevant RoHS standards.

In respect of water resource management, by 2026, we target a 5% reduction in water consumption per unit of revenue as compared to 2023 levels. To support this target, we reuse reclaimed water, including redirecting circulating water for non-production purposes such as flushing and irrigation, thereby reducing general water consumption. In addition, we conduct daily leak inspections, promotes water-saving awareness and provides employees with water conservation guidance to minimize water consumption and wastage.

Resource Management

In line with the energy management system certification (ISO 50001), we have established energy management procedures and developed comprehensive energy-saving and emission reduction policies, including the Energy Management Manual and Energy Management Procedure. Our factories implement green practices through various energy-saving initiatives, promoting efficient resource utilization and minimizing energy consumption to the greatest extent possible.

We summarize the achievement of energy-saving targets to maximize both economic and social benefits.

Moreover, we continuously explore the use of renewable energy to replace traditional energy sources. This includes increasing the proportion of renewable energy through self-built photovoltaic systems and other initiatives, contributing to our green and sustainable development. Recognizing the impact of water-related risks on business continuity, we have integrated water risk assessments into our established risk management framework. We conduct annual evaluations to monitor the potential impacts of water usage on employee health, as well as on community ecosystems and habitats. We have also set a long-term goal of providing 100% functional, safely managed, and high-quality water, sanitation and hygiene facilities for all employees.

To reduce office and domestic water consumption, we implement measures such as reclaimed water reuse, using circulating water from cooling towers for toilet flushing and irrigation systems for greenery. We also conduct daily inspections for leakage and spillage, promote water-saving advocacy, and provide education on water-saving methods to minimize water usage and waste.

Emissions Management

We manage emissions, including exhaust gas, wastewater, waste and noise, through systematic control measures and operational management practices, with the objective of minimizing potential environmental impacts on local communities and ecosystems and safeguarding the ecological environment.

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Waste Management

We have established the Waste Management Procedure to standardize the classification, collection and treatment of waste. Each category of waste is entrusted to qualified service providers for recycling, treatment and reuse. The EHS department conducts annual qualification reviews and ad hoc audits of these service providers to ensure that waste is handled in a safe, compliant and orderly manner.

Waste classification	Counter measures
Recyclable waste	Recovered and treated by qualified service providers
Non-recyclable waste	Regularly collected and transported by qualified service providers to power plants for incineration to generate electricity
Hazardous waste	Collected and stored at designated locations before being transported and treated by qualified service providers through incineration or recycling
Household waste	Regularly collected and treated by government-designated qualified service providers
Food waste	Treated in a non-hazardous manner by government-designated qualified service providers
Construction and demolition waste	Handled uniformly by the construction contractor in accordance with government regulations

In terms of hazardous chemical management, we implement systematic controls over chemical safety. In accordance with relevant laws and regulations, international standards and customer requirements, we have established a Chemical Management Procedure to regulate the entire life cycle of chemicals, including introduction, procurement, storage, transportation, use and disposal. We also adopt green management practices to ensure that our chemical management processes minimize potential environmental impacts.

With respect to electronic waste, we strictly comply with applicable global e-waste management laws and regulations, including the Waste Electrical and Electronic Equipment Directive. We continuously enhance our management systems, channels and procedures to ensure the proper handling and disposal of electronic waste. Through collaboration with external stakeholders, we promote recycling and reuse, reduce waste generation and support the development of a circular economy.

Greenhouse Gas Management

We implement green production practices by integrating energy-efficient solutions into our manufacturing operations. To meet the production requirement for maintaining stable temperature and humidity in dust-free workshops, which traditionally relies on continuous external heating, we replaced gas-fired hot water units with a waste heat recovery system that utilizes exhaust heat generated by compressors. This optimization reduces natural gas consumption and contributes to lower carbon emissions.

In addition, we promote green office practices by encouraging employee participation in environmental initiatives. Through measures such as the display of eco-efficiency reminders and the organization of environmental emergency drills, we seek to enhance employees' environmental awareness and promote sustainable workplace behaviors. Each June, we

organize an annual environmental protection month campaign, during which environmental awareness initiatives and public welfare activities are carried out to encourage broader employee engagement in environmental sustainability efforts.

Scope 3 greenhouse gas emissions from employee business travel were 431.0, 1,025.8, and 1,910.9 tons of CO₂ equivalent in 2023, 2024, and 2025, respectively.

Air Emissions

We comply with applicable laws and regulations and have established the Air Pollution Management Specification to govern the generation, collection and treatment of exhaust gas, as well as to regulate and control air pollutant emissions. In accordance with relevant regulatory requirements, we engage qualified third-party testing agencies to conduct regular monitoring of exhaust gas emissions to ensure that emission indicators comply with applicable national and local standards, thereby mitigating the risk of environmental pollution arising from non-compliant emissions.

Wastewater

We established the Waste Water Discharge Management Specification to regulate and manage wastewater discharges across all factories and to minimize potential environmental pollution. Our wastewater primarily originates from domestic sources. Qualified third-party agencies are engaged at each factory to conduct annual testing of domestic wastewater. The testing covers key parameters, including pH value, chemical oxygen demand (“COD”), biochemical oxygen demand (“BOD”), ammonia nitrogen, total phosphorus and total nitrogen, to ensure that wastewater discharges meet applicable local water pollution prevention and control requirements.

Noise Management

We established noise management and monitoring arrangements to address potential impacts arising from production noise on the surrounding environment and employee health. Noise levels at our factories are monitored on a regular basis by qualified third-party agencies. Where monitoring results indicate areas for improvement, corresponding mitigation measures are implemented in a timely manner to ensure that noise emissions are effectively controlled.

Recycling and Reuse

We promote green product design and the recycling of packaging materials by incorporating recyclability considerations into product development and packaging solutions. The main structural components of our products are designed to facilitate recycling, while packaging adopts standardized and integrated designs to enhance material light-weighting. We also improve the reuse rate of wood through the recycling of pallets used for material packaging, finished product handling and equipment transportation, as well as wooden packaging used for equipment.

In addition, we promote the recycling of non-hazardous and recyclable materials across our factories. We have passed the QC08000 audit, ensuring that no hazardous substances are used in our production processes and that our operations are aligned with relevant RoHS standards. Waste materials with recycling value, including PCB board edges, chips, lead-free solder paste and optical fibers, are handled by qualified service providers for recycling and reuse. Through these measures, we enhance resource utilization efficiency and reduce overall resource consumption and environmental impact.

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Key Environmental Performance Indicators

Key topics	Indicators/Unit	As of December 31,		
		2023	2024	2025
Greenhouse gas emissions	Scope 1 greenhouse gas emissions (tCO ₂ e)	1,088.12	1,476.64	2,055.48
	Scope 2 greenhouse gas emissions (tCO ₂ e) (Market-based)	86,632.18	125,075.50	129,715.59
	Total greenhouse gas emissions (Scope 1 + 2) (tCO ₂ e)	87,720.30	126,552.14	131,771.07
	Greenhouse gas emission intensity (Scope 1 + 2) (tCO ₂ e per RMB million of revenue)	8.18	5.30	3.45
Water resource consumption . .	Total water consumption (tonnes)	440,783.80	840,122.90	865,058.80
	Water consumption intensity (tonnes per RMB million of revenue)	41.13	35.21	22.62
Emissions	Wastewater reuse (tonnes)	12,576.70	16,228.40	26,880.00
	Total non-hazardous waste generated (tonnes)	2,339.65	3,566.28	6,116.27
	Non-hazardous waste intensity (tonnes per RMB million of revenue)	0.2183	0.1495	0.1599
	Total hazardous waste generated (tonnes)	60.50	124.26	241.51
	Hazardous waste intensity (tonnes per RMB million of revenue)	0.0056	0.0052	0.0063
	Total air emissions (kg)	2,175.53	3,341.51	1,579.31
	Air emission intensity (kg per RMB million of revenue)	0.2030	0.1400	0.0413

In 2024, we compared our ESG-related indicators with those of industry peers, including Yangtze Optical Fibre and Cable Joint Stock Limited Company (YOFC), Accelink Technologies Co., Ltd. (Accelink), and Suzhou TFC Optical Communication Co., Ltd. (TFC) is as follows:

Indicators	2024			
	Zhongji Innolight	YOFC	Accelink	TFC
Greenhouse Gas Emission Intensity (Scope 1 + Scope 2) . . .	5.30 tCO ₂ e per RMB million revenue	0.18 Tonne (CO ₂ e)/ RMB10,000 output value	Not disclosed	0.10 tCO ₂ e per RMB10,000 revenue

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Indicators	2024			
	Zhongji Innolight	YOFC	Accelink	TFC
Water Consumption Intensity	35.21 tonnes per RMB million revenue	1.01 m ³ /RMB10,000 output value	0.6369 tonnes per RMB10,000	1.1 tonnes per RMB10,000 revenue
Hazardous Waste Intensity	0.0052 tonnes per RMB million revenue	0.037 Tonne/RMB1 million output value	Not disclosed	Not disclosed
Non-hazardous Waste Intensity	0.1495 tonnes per RMB million revenue	0.862 Tonne/RMB1 million output value	Not disclosed	Not disclosed
Air Emission Intensity	0.14 kg per RMB million revenue	Not disclosed	Not disclosed	Not disclosed

Note:

- (1) Peer data sources: *Yangtze Optical Fibre and Cable Joint Stock Limited Company 2024 Environmental, Social and Governance Report and Sustainability Report*, *Accelink Technologies Co., Ltd. 2024 Environmental, Social Responsibility and Corporate Governance (ESG) Report*, and *Suzhou TFC Optical Communication Co., Ltd. 2024 Sustainability Report*.

Social Responsibility

Employment and Labor Standards

We have established internal policies, including the Employee Handbook, to govern recruitment and employment practices and to promote fair, transparent and standardized employment management. These policies set out clear requirements on lawful employment practices and human rights protection, providing an institutional framework to safeguard employees' legitimate rights and interests. We uphold the principles of equality and inclusiveness, prohibit child labor and forced labor, and do not tolerate discrimination or harassment in any form. All employees are treated equally regardless of gender, age, ethnicity, race, education background, nationality or religious belief. To support diversity and inclusiveness in the workplace, dedicated religious activity rooms are provided to facilitate diverse interactions and accommodate employees' religious needs, fostering an equitable, inclusive and diverse working environment.

As of December 31, 2025, we had a total of 11,625 employees. The following table sets forth a breakdown of its employees by function.

Employee-related Quantitative Indicators				
Indicator		Unit	2025	Proportion
By gender . . .	Male	Person	6,023	51.81%
	Female	Person	5,602	48.19%
By age	Age 41 and above	Person	1,448	12.46%
	Age 31-40	Person	5,130	44.13%
	Age 30 and below	Person	5,047	43.42%

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Employee-related Quantitative Indicators				
	Indicator	Unit	2025	Proportion
By function . .	Sales staff	Person	135	1.19%
	Production and construction staff	Person	8,090	69.59%
	Administrative staff	Person	977	8.38%
	Finance staff	Person	82	0.71%
	Technical staff	Person	2,341	20.14%

Gender composition of the Board of Directors:

	Indicator	Unit	2025	Proportion
By Gender . .	Male directors	Person	5	62.5%
	Female directors	Person	3	37.5%

We continue to promote gender equality and is committed to maintaining over 30% female representation in management by 2030. We place significant emphasis on gender equality in the workplace and is committed to fostering an inclusive and equitable working environment. We provide female employees with fully paid maternity leave and offer parental leave to both parents, while also maintaining facilities such as nursing rooms to support working mothers. In addition, we organize activities in connection with International Women's Day and similar initiatives to provide female employees with opportunities for professional development and social engagement.

To support our long-term development strategy and address talent demands arising from industry growth, we have established the Human Resource Management Procedure to strengthen workforce planning and enhance alignment between talent supply and operational needs. These procedures provide a structured framework for talent recruitment, deployment and development across our Group. We continuously refine our recruitment and talent-matching mechanisms by providing recruitment training to interviewers, implementing campus recruitment and employment promotion programmes, and enhancing internal referral arrangements. Through these measures, we aim to improve recruitment efficiency, strengthen talent attraction and support employee retention in a systematic manner.

Compensation and Benefits

To support talent attraction, motivation, development and retention, we have established the Compensation Management Policy, which sets out a structured salary framework and incentive mechanisms. Our compensation arrangements are designed based on the principles of fairness and performance-based motivation, with differentiated salary components tailored to various employee categories and roles. In addition, we have implemented an employee equity incentive scheme with the objective of aligning employees' interests with the long-term development of our Company. Through this mechanism, we seek to enhance employees' sense of ownership and encourage their continued contribution to our sustainable growth.

We provide employees with statutory benefits in accordance with applicable regulatory requirements, including paid statutory leave, social insurance, housing provident fund contributions and employer-provided health insurance. To further support employee well-being, we also offer commercial medical and accident insurance coverage, as well as annual health check-ups. Female employees are entitled to fully paid maternity and parental leave, and nursing rooms are provided to support employees with childcare needs. In addition, we organize regular employee engagement activities to address employees' diverse needs and promote work-life balance, contributing to a healthy and supportive working environment.

Health and Safety

We adopt an occupational health and safety philosophy centred on prevention, regulatory compliance, people-oriented management and continuous improvement. With the objectives of reducing occupational injuries, preventing fire incidents and mitigating occupational disease risks, we integrate production safety into our corporate culture and have established a comprehensive safety production management system. Through information-based and systematic management approaches, we enhance management effectiveness to safeguard the health and safety of employees and other relevant stakeholders.

An occupational health and safety management system has been established, comprising management policies, emergency response plans and corresponding implementation procedures, with reference to applicable laws and regulations as well as relevant international standards and conventions. We have also established a Safety Committee responsible for the implementation, supervision and continuous improvement of EHS policies. The Safety Committee reports regularly to senior management and convenes meetings on a periodic basis to review environmental, health and safety matters and to provide guidance on the implementation of relevant management measures.

To ensure that safety responsibilities are effectively implemented, we carry out regular safety and environmental protection initiatives to enhance employee engagement and foster a strong safety culture. Such initiatives include safety awareness campaigns, themed activities and competitions. All employees receive occupational health and safety training and sign safety responsibility agreements. In addition, periodic risk assessments, health check-ups and safety inspections are conducted to identify and mitigate occupational health risks, including occupational disease hazards.

We further strengthen emergency management by establishing the Emergency Response and Preparedness Management Procedure and setting up an emergency rescue command centre. In response to different risk scenarios, we have developed comprehensive emergency response plans, including general, specialized and site-specific plans, to enhance employees' capabilities in risk prevention, self-rescue and mutual assistance, strengthen inter-departmental coordination, and ensure effective response and safety management during emergencies.

As of December 31, 2025, we had not experienced any material work-related fatalities, injuries, or safety incidents. Over the past three years, we recorded no work-related fatalities.

Development and Training

We have established and continuously refined a talent training system guided by the core philosophy of "building cultural alignment, addressing business challenges and inspiring management thinking," with the objective of supporting employees in realizing their professional potential. By integrating internal and external training resources, we formulate annual training plans that cover employees across different roles and levels. Our training programmes encompass professional skills, corporate culture and management capabilities, with a focus on cultivating professional, technical and managerial talent, thereby strengthening our core competencies and supporting the achievement of our objectives of employee empowerment and sustainable business development.

We deliver training through a combination of online and offline channels and have established a learning and development framework that prioritizes internal training supplemented by external programmes. This approach enhances employees' professional capabilities and competencies in a systematic manner. We also collaborate with universities and other educational institutions to provide structured talent development programmes and broaden learning opportunities.

We have established a structured talent promotion and career development system supported by defined evaluation processes, providing employees with fair, transparent and accessible promotion opportunities. This framework enables employees to pursue personalized career development pathways and supports long-term professional growth. Through regular performance evaluations, promotion criteria are clearly defined and consistently applied, which helps motivate employees in their roles and supports the mutual development of both employees and us.

Supply Chain Management

We have established the Supplier Quality Management Operation Specification and entered into the Supplier Quality Assurance Agreement with our suppliers to strengthen quality management across the supply chain. Supplier performance is assessed based on key criteria, including incoming material pass rates, responsiveness in handling quality issues and customer complaints. Based on the evaluation results, suppliers are classified into different categories, and both scheduled and unscheduled on-site audits and technical guidance are conducted to ensure stable production processes and consistent product quality. In accordance with applicable global restricted substances regulations, we have established multiple hazardous substance management policies to strictly control the use of restricted substances during the production process, thereby reducing the environmental impact of our products. During supplier onboarding, suppliers are required to sign the Restricted Use of Hazardous Substances Agreement, and the SRM-GP system is adopted to facilitate full disclosure of material information and ensure compliance with hazardous substance management requirements.

Moreover, we have established the Supplier Social Responsibility Management Procedure and entered into the Supplier Corporate Social Responsibility Agreement with our suppliers. With reference to Responsible Business Alliance ("RBA") standards, we identify and assess suppliers' social responsibility risks. Suppliers are required to conduct self-assessments through questionnaires and are subject to audits covering labor practices, occupational health and safety, environmental management and business ethics. Identified risks are categorized according to their severity and managed accordingly, with appropriate corrective actions implemented where necessary.

We adhere to the United Nations Guiding Principles on Business and Human Rights and are committed to fulfilling our social responsibilities and respecting human rights throughout our supply chain. We continuously monitor conflict minerals risks and conduct due diligence within our supply chain to ensure that tin (Sn), tantalum (Ta), tungsten (W) and gold (Au) ("3TG") are not sourced from conflict-affected or high-risk areas.

All suppliers are required to sign the Declaration of Conflict-Free Minerals to ensure compliance with RBA standards and the Organization for Economic Co-operation and Development ("OECD") guidelines. Suppliers are also required to provide smelter and refiner information using the RMI Conflict Minerals Reporting Template ("CMRT") and the Extended Minerals Reporting Template ("EMRT"), enabling traceability of 3TG and other minerals such as cobalt and mica across the supply chain and covering key direct material suppliers. Where

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any use of conflict minerals is identified, cooperation with the relevant supplier will be terminated. We have established a Conflict Minerals Supply Chain Management System through the SRM platform to enhance traceability and ensure that mineral sourcing remains compliant and controllable.

Anti-corruption and Anti-bribery

We have established a comprehensive anti-corruption framework, including Integrity and Self-discipline Guidelines, the Employee Complaint and Reporting Handling Procedures, and the Anti-Corruption (& Conflict of Interest) Self-Inspection Form. These policies standardize ethical conduct and compliance requirements at both the corporate and operational levels and require employees, suppliers and their business partners to uphold high standards of business ethics. To reinforce integrity awareness, reminders on integrity and self-discipline requirements are communicated to employees and suppliers during major holidays, such as the Spring Festival and the Mid-Autumn Festival. In addition, all partners are required to enter into the Supplier Honesty and Integrity Agreement. Business ethics audits are conducted as appropriate to promote a clean, compliant and transparent business environment.

We are committed to protecting employees and third parties who refuse to participate in bribery or corrupt practices, as well as those who, in good faith, report actual or suspected misconduct. We ensure that such individuals will not be subject to retaliation or any form of adverse treatment. Where employees or third-party representatives believe that they have been treated unfairly or inappropriately, they may report the matter through designated internal channels. The relevant departments will take timely and appropriate protective measures to safeguard the legitimate rights and interests of the reporting individuals.

INSURANCE

In compliance with the applicable PRC laws and regulations, 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 also purchase supplemental employer's liability insurance to cover generic risks that may arise from our ordinary course of business and property insurance to safeguard our property and mitigate risks of various accidental losses. For our overseas operations, we maintain product liability insurance as required by local laws and regulations and in the ordinary course of business.

See the section headed "Risk Factors — Risks Relating to Our Business and Industry — We may not have sufficient insurance coverage to cover our business risks."

PROPERTIES

Our principal place of business is located in Suzhou, Jiangsu Province, PRC. We lease and own certain land parcels and buildings in the PRC for our business operations. According to our PRC Legal Advisors, we have obtained all material licenses, permits and certificates with respect to properties and land located in PRC which are critical to our production and operation required by relevant PRC laws and regulations.

According to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this Prospectus is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies

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(Winding Up and Miscellaneous Provisions) Ordinance, which requires a valuation report with respect to all our interests in land or buildings, for the reason that, as of March 31, 2026, none of the properties owned by us had a carrying amount of 15% or more of our consolidated total assets.

LICENSES, APPROVALS AND PERMITS

During the Track Record Period and up to the Latest Practicable Date, we had obtained all material licenses, permits, approvals and certificates necessary to conduct our actual business operations from the relevant government authorities in the PRC, and such licenses, permits, approvals and certificates remained in full effect.

The following tables set forth the details of the material licenses and permits maintained by us as at the Latest Practicable Date.

No.	Company Name	Qualification Type	Issuing Authority/ Customs	Validity Period
1 . . .	Suzhou InnoLight	Fixed Pollution Source Emission Registration Receipt (固定污染源排污 登記回執)	—	2023.09.27- 2028.09.26
2 . . .	Suzhou InnoLight	Fixed Pollution Source Emission Registration Receipt (固定污染源排污 登記回執)	—	2025.03.17- 2030.03.16
3 . . .	Suzhou InnoLight	Food Business License (食品 經營許可證)	Suzhou Industrial Park Market Supervision and Management Bureau	2021.10.13- 2026.10.12
4 . . .	Suzhou InnoLight	Registration Certificate of Customs Declaration Unit (報關單位備案證明)	Suzhou Industrial Park Customs	—
5 . . .	Suzhou InnoLight, Suxiang Branch	Registration Certificate of Customs Declaration Unit (報關單位備案證明)	Suzhou Customs, Xiangcheng Office	—
6 . . .	Tongling InnoLight	Fixed Pollution Source Emission Registration Receipt (固定污染源排污 登記回執)	—	2025.11.21- 2030.11.20
7 . . .	Tongling InnoLight	Fixed Pollution Source Emission Registration Receipt (固定污染源排污 登記回執)	—	2025.06.30- 2030.06.29
8 . . .	Tongling InnoLight	Registration Certificate of Customs Declaration Unit (報關單位備案證明)	Tongling Customs	—

LEGAL PROCEEDINGS AND COMPLIANCE**General Legal 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, according to our PRC Legal Adviser, the business operations we engaged in 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, we have also complied, in all material respects, with the relevant laws and regulations in the overseas jurisdictions in which we operate, and have obtained all material licences, permits and approvals required for the conduct of our business operations in such jurisdictions.

U.S. Export Controls and Sanctions

During the Track Record Period and up to the Latest Practicable Date, the Group procured certain raw materials and components from the U.S. or of U.S. origin. As U.S.-origin items, such raw materials and components may be subject to U.S. export control measures, including the U.S. Export Administration Regulations (the “**EAR**”). As advised by the Company’s export control and sanctions counsel, to the best knowledge of the Directors and based on the Group’s review of the relevant products and transactions, during the Track Record Period and up to the Latest Practicable Date: (i) none of the raw materials or components procured by the Group from the U.S. or of U.S. origin required an export license in connection with the Group’s procurement thereof, (ii) the Group’s procurement of certain raw materials and components from the U.S. or of U.S. origin did not have a material adverse effect on the Group’s business operations, and (iii) the Group had complied with applicable U.S. export control restrictions in all material respects.

The Group is committed to complying with all applicable trade compliance laws and regulations and has adopted internal compliance measures to screen counterparties and assess transaction-specific compliance risks. During the Track Record Period and up to the Latest Practicable Date: (i) neither the Group nor any of its subsidiaries was listed on the Entity List maintained by the U.S. Department of Commerce, Bureau of Industry and Security, and (ii) the Group’s transactions with customers and suppliers had remained in compliance in all material respects with applicable U.S. export control and trade compliance laws and regulations.

With respect to U.S. sanctions, based on the screening conducted and the information reviewed by the Company’s export control and sanctions counsel, (i) no customer of the Group during the Track Record Period and up to the Latest Practicable Date was identified as being listed on the sanctions lists, or as being subject to sanctions by virtue of ownership by sanctioned persons, and (ii) no dealings of the Group during the Track Record Period and up to the Latest Practicable Date were in violation of economic sanctions with any entities or individuals. The Company’s export control and sanctions counsel is of the view that the Group did not engage in any primary sanctioned activity or secondary sanctionable activity during the Track Record Period and up to the Latest Practicable Date. The Company’s export control and sanctions counsel is also of the view that the sales and procurement activities of the Group did not constitute a direct violation of U.S. primary sanctions laws and regulations, and did not constitute sanctionable conduct giving rise to U.S. secondary sanctions exposure. The Company’s export control and sanctions counsel further noted that the Group has not been

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designated as a sanctioned target, and is not located, incorporated, organized or resident in a sanctioned country. The Group is also not considered a sanctioned trader, as no revenue derived from business activities with sanctioned country entities or persons or with sanctioned targets was identified. Having taken into account, among other things, (i) the relevant documents and information provided by the Company in relation to the foregoing, (ii) the discussions with the Company and the Company's export control and sanctions counsel, and (iii) the view of the Company's export control and sanctions counsel disclosed above, nothing has come to the attention of the Joint Sponsors which would reasonably cause them to disagree with such view.

On the basis of the above, the Company confirmed that U.S. export controls and sanctions have not had a material impact on the Company's business operations or financial performance. In addition, the Group adopted a global trade control compliance manual and related internal policies and established internal control measures to identify and mitigate risks relating to export controls and economic sanctions. These measures include, among others, conducting restricted-party screening of customers, suppliers and third-party partners through an internal trade compliance system linked to an external compliance database, carrying out ongoing export control and sanctions-related due diligence on its products, technologies, software, equipment and supply chain, incorporating export control and sanctions clauses into standard contract templates, providing periodic compliance training to employees, and maintaining recordkeeping, audit, reporting and corrective action mechanisms. The Group will continue to monitor applicable regulatory developments and update its internal policies and procedures where necessary. Having taken into account, among other things, (i) the relevant documents and information provided by the Company in relation to the foregoing, (ii) the participation in due diligence and discussions with the Company and the Company's export control and sanctions counsel; and (iii) the view of the Company and the Company's export control and sanctions counsel disclosed above, nothing has come to the attention of the Joint Sponsors which would reasonably cause them to disagree with the view of the Company that the U.S. export controls and sanctions have not had a material impact on the Company's business operations or financial performance.

We noted that the DoW included our Company on the CMC List on June 8, 2026. We believe that there is no factual or legal basis for our inclusion on the CMC List. Our products are designed for, and integrated into, commercial technologies used in civil industry applications, and are not developed as bespoke military products. We have not engaged in any military-related businesses or activities and, as of the Latest Practicable Date, had no direct sales to, direct procurement contracts with, or other direct business relationship with the DoW, the primary U.S. government department whose procurement activities are affected by the CMC List. Further, to the best of our knowledge and as of the Latest Practicable Date, we are not aware of any indirect sales to or indirect procurement arrangements with the DoW. As advised by our export control and sanctions counsel, the CMC List is not an economic sanctions list and does not, in itself, restrict us from conducting business with U.S. customers absent other applicable restrictions, nor does it, in itself, restrict transacting in our securities.

Based on our current business operations, customer base and historical revenue streams and as advised by our export control and sanctions counsel, we do not expect that our inclusion on the CMC List, or the applicable DoW procurement limitations tied to the CMC List, will affect our Group's business operations or have a material adverse impact on our business, financial condition, results of operations or prospects. Since June 8, 2026, the date on which the DoW included our Company on the CMC List, and up to the Latest Practicable Date, we had not experienced any material cancellation, suspension, reduction or delay of customer orders, nor any termination of customer relationships. We may, where appropriate, engage with relevant authorities, initiate procedures or proceedings to seek removal from the CMC List. Please refer to "Risk Factors — Risks Relating to Our Business and Industry — We may be

subject to risks associated with international trade policies, tariffs, geopolitical developments and trade protection measures, particularly those imposed by the United States, which may adversely affect our reputation, business, results of operations and financial condition” for further details.

U.S. Tariffs

The United States has imposed certain additional tariffs on products originated from China through various trade and national emergency measures. In particular, certain products of Chinese origin are subject to additional tariffs under Section 301 of the Trade Act of 1974 (“**Section 301 Tariff**”). In addition, pursuant to executive actions issued under the International Emergency Economic Powers Act (“**IEEPA**”), the United States had imposed an additional tariff commonly referred to as the “Fentanyl Tariff” on certain products imported from the Chinese Mainland. Please refer to “Regulatory Overview — Regulations Relating to U.S. Tariffs, Export Controls and The Final Rule — Regulations on U.S. Tariffs” for further details.

As confirmed by our legal adviser on U.S. tariffs, as of the Latest Practicable Date, shipments of our products originated from our manufacturing facility in Chinese Mainland, to the United States are subject to (i) an additional 7.5% Section 301 Tariff. In addition, such products were subject to (ii) a 10% tariff commonly referred to as the “Fentanyl Tariff” until February 24, 2026. As a result, for our typical optical transceiver products, which are generally subject to (iii) a 0% MFN tariff rate, the aggregate applicable U.S. tariff rate was generally 17.5% as of February 24, 2026 and 7.5% from February 25, 2026 onward, subject to the applicable tariff classification and any other applicable duties, fees, exclusions, adjustments or trade remedy measures. Products shipped to the United States from our manufacturing facilities in Thailand and the Taiwan region are not subject to such additional Section 301 Tariff or “Fentanyl Tariff.” As the applicable MFN tariff rate for our typical optical transceiver products is generally 0%, such products are generally not subject to U.S. import tariffs as of the Latest Practicable Date, subject to the applicable tariff classification and any other applicable duties, fees, exclusions, adjustments or trade remedy measures.

We have also analyzed, for each year during the Track Record Period, the aggregate sales revenue generated from the Group’s products originating from the Chinese Mainland and shipped to the United States, together with the total amount of U.S. tariffs imposed on such shipments. Based on such analysis, and taking into account the view of our legal adviser on U.S. tariffs, as concurred by the Joint Sponsors, we believe that the additional U.S. tariffs imposed on products of Chinese origin had a limited impact on the Group’s overall business operations. Products originating from the Chinese Mainland and subsequently sold to customers in the United States only accounted for approximately 0.3%, 0.9%, 0.2% and 0.0% of our total revenue during the Track Record Period, respectively.

U.S. Outbound Investment Program

The U.S. Department of the Treasury (“**Treasury**”) has implemented an Outbound Investment Program under a rule that took effect on January 2, 2025 (the “**Final Rule**”; and such program as in effect on the date hereof pursuant to the Final Rule, the “**OIP**”). As advised by our legal advisor on OIP matters, based on the information we have provided to such advisor, the Company itself should not be considered a “Covered Foreign Person” within the meaning of the OIP because (i) the Company does not engage in activities that are described in the definitions of “Prohibited Transactions” or “Notifiable Transactions,” and therefore the Company itself does not engage in activities that constitute “Covered Activities” under the OIP, and (ii) among the entities in which the Company directly or indirectly holds a board seat, a

voting or equity interest, or any contractual power to direct or cause the direction of the management or policies of such entities, the Company does not derive or incur more than 50% of its revenue, net income, capital expenditure or operating expenses, individually or as aggregated across all such entities that are “Persons of a Country of Concern” engaged in “Covered Activities” under the OIP. The Company believes that a U.S. person’s acquisition of its shares in connection with the Global Offering, where that person’s “knowledge” (as defined in the OIP) is limited to the information in (i) and (ii) of this paragraph, should not be considered subject to a notification requirement or prohibition under the OIP. Under the OIP, however, whether a U.S. person’s purchase of any company’s securities would be notifiable or prohibited depends on such U.S. person’s knowledge at the time of the investment, which is not limited to the information in this Prospectus.

Nonetheless, even if the Company were considered a “Covered Foreign Person”, the OIP regulations include an exception applicable to certain U.S. person investments in a “publicly traded security” that is traded on a national stock exchange, provided such U.S. persons are not afforded rights beyond standard minority shareholder protections with respect to the issuer. Treasury also issued a related Frequently Asked Question response that states: “Absent additional facts, when a U.S. person acquires an equity interest in a covered foreign person, and at the time of such acquisition the equity interest is publicly traded, such security falls under the description of a ‘publicly traded security’ in section 850.501(a)(1)(i) [of the OIP], regardless of when an agreement is entered into.” Accordingly, even if the Company were considered a “Covered Foreign Person” under the OIP, purchases of the Company’s shares by U.S. persons following the Listing would generally fall within the “excepted transaction” for publicly traded securities and, therefore, would not be subject to notification requirements or prohibitions under the OIP regulations.

Based on the foregoing, our Directors are of the view that the Final Rule does not have a material adverse effect on our business operations or financial performance. The foregoing assessment, however, reflects the Company’s current business operations and financial profile. If the Company were in the future derive or incur more than 50% of its revenue, net income, capital expenditure or operating expenses, individually or in the aggregate, across all such entities, from “Persons of a Country of Concern” engaged in “Covered Activities” under the OIP, then the Company would be a “Covered Foreign Person” under the OIP. Please refer to “Risk Factors — Risks Relating to Our Business and Industry — We may be subject to risks associated with international trade policies, tariffs, geopolitical developments and trade protection measures, particularly those imposed by the United States, which may adversely affect our reputation, business, results of operations and financial condition” for more detailed analysis. Based on the independent due diligence conducted by the Joint Sponsors and having considered (i) the legal memorandum prepared by our legal advisor on OIP matters, (ii) the discussions with our legal advisor on OIP matters and us to understand the impact of the Final Rule on the Company’s operations and financial performance, and (iii) the background searches against the Group, nothing has come to the attention of the Joint Sponsors that would cause them to cast doubt on the view of the Directors that the Final Rule will not have a material adverse effect on the Company’s business operations or financial performance.

RISK MANAGEMENT AND INTERNAL CONTROL

We have established and currently maintain risk management and internal control systems consisting of policies and procedures that we consider to be appropriate for our business operations. We place a high emphasis on the development of our internal control system and continuously refines the internal control management manual and other related systems. We established a risk management framework composed of the board of Directors, the audit committee and the internal audit department.

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The board of Directors, as the highest responsible institution for internal control and risk management, comprehensively promotes the construction of the risk management and internal control systems and supervises the implementation of these systems.

The audit committee of the board guides the internal audit by:

- Reviewing our annual internal audit work plan;
- Supervising the implementation of our internal audit plan;
- Reviewing internal audit work reports, evaluating the results of internal audit work, and supervising the rectification of major issues; and
- Guiding the effective operation of the internal audit department.

The internal audit department fulfills its responsibilities for internal control and risk management, effectively implements various internal control systems within our Company, supervises internal control and risk management, and assists the board of Directors and the audit committee in fulfilling their responsibilities by:

- Reviewing and assessing the reliability, effectiveness, and completeness of our internal monitoring mechanisms;
- Reviewing and assessing the appropriateness of our organizational framework, systems, and procedures;
- Reviewing and assessing the security and integrity of our assets; and
- Understanding and evaluating the likelihood of significant risks arising in our operation and assisting in improving risk management and other related work.

The board of Directors has formulated certain business conduct policies, which defines behaviors that violate business ethics, such as bribery and corruption, discrimination, disclosure of confidential information, conflict of interest, monopoly, unfair competition, money laundering, and insider trading, and guides our employees and managers to carry out legal and compliant business activities in line with the corporate values of our Company.

In addition, to safeguard operational stability, financial integrity, and strategic resilience, we have cultivated a comprehensive framework of standardized processes and policies that span core business functions. These processes are designed to embed structure, consistency, and proactive risk awareness across the organization, ensuring alignment with regulatory requirements, internal governance standards, and long-term business objectives.

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AWARDS AND RECOGNITIONS

Award/Recognition	Award Authority	Award Year
Top 10 Globally Competitive Optical Component Companies .	Asia-Pacific Optical Communications Committee; Network Telecommunications Information Research Institute	2025
Top 10 Most Competitive Chinese Optical Communication and Supporting Equipment Enterprises	Asia-Pacific Optical Communications Committee; Network Telecommunications Information Research Institute	2025
Top 500 Chinese Private Enterprises in 2025	All-China Federation of Industry and Commerce (ACFIC)	2025
Top 50 Most Valuable ChiNext-Listed Companies (18th Edition)	Securities Times	2024
Outstanding Investor Relations Management of Listed Companies	Listed Companies Association	2024
Lightwave 2023 Innovation Award	Lightwave	2023
China Communications Standards Association Science and Technology Progress Award . . .	China Communications Standards Association	2023
2023 Infostone Awards — Most Competitive Optical Communication Product	2023 ICC Infostone Awards Organizing Committee	2023

DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Upon Listing, our Board of Directors comprises eight Directors, including three executive Directors, one non-executive Director and four independent non-executive Directors. Our Directors serve a term of three years and may be re-elected for successive reappointments. The independent non-executive Directors shall not hold office for more than six consecutive years pursuant to the relevant PRC laws and regulations.

The following table sets out information about our Directors.

Name	Age	Position	Time of joining our Group	Date of appointment as a Director	Roles and responsibilities
Executive Directors					
Dr. Liu Sheng (劉聖)	54	Chairman of the Board, executive Director and president	July 3, 2017	September 6, 2017	Responsible for the overall strategic planning, business development and operational management of our Group
Mr. Wang Xiaodong (王曉東)	49	Executive Director and executive vice president	January 1, 2015	September 6, 2017	Assisting the president on management and business development of our Group
Ms. Wang Xiaoli (王曉麗)	46	Executive Director, vice president and chief financial officer	July 3, 2017	August 8, 2023	Responsible for the overall financial strategy and management of our Group
Non-executive Director					
Ms. Chen Caiyun (陳彩雲)	44	Non-executive Director (employee Director)	July 3, 2017	September 17, 2025	Providing advice on the operation and management of our Group
Independent Non-executive Directors					
Ms. Zhan Shuping (戰淑萍)	69	Independent non-executive Director	September 27, 2021	September 27, 2021	Supervising and providing independent opinions and judgment to the Board
Dr. Cheng Bo (成波)	64	Independent non-executive Director	January 13, 2023	January 13, 2023	Supervising and providing independent opinions and judgment to the Board
Dr. Qu Wenzhou (屈文洲)	53	Independent non-executive Director	August 8, 2023	August 8, 2023	Supervising and providing independent opinions and judgment to the Board
Mr. Huang Guobin (黃國濱)	56	Independent non-executive Director	June 12, 2026	June 12, 2026	Supervising and providing independent opinions and judgment to the Board

Executive Directors

Dr. Liu Sheng (劉聖), aged 54, is the chairman of the Board, an executive Director and the president of the Company and is primarily responsible for the overall strategic planning, business development and operational management of our Group.

DIRECTORS AND SENIOR MANAGEMENT

Dr. Liu Sheng has substantial experience in the optical communication and advanced manufacturing industry, with a focus on R&D and technical expertise in this area. In April 2008, Dr. Liu Sheng founded Suzhou InnoLight and served as the executive director and general manager of Suzhou InnoLight until July 2024. He joined our Group as the general manager of the Company in July 2017 and was appointed as a Director in September 2017 and elected as the chairman of the Board in August 2023 and was re-designated as an executive Director in January 2026 with effect from Listing Date. He currently also holds positions as the director in certain subsidiaries of our Group, including TeraHop Pte.

Dr. Liu Sheng obtained his bachelor's degree in mechanical engineering from Tsinghua University (清華大學) in the PRC in July 1994, his master's degree in industrial automation from the Institute of Automation, Chinese Academy of Sciences (中國科學院自動化研究所) in the PRC in July 1997, and his doctorate degree in mechanical engineering from the Georgia Institute of Technology in the United States in May 2001.

Mr. Wang Xiaodong (王曉東), aged 49, is an executive Director and the executive vice president of our Company and is primarily responsible for assisting the president on management and business development of our Group.

Mr. Wang joined our Group in January 2015 as the assistant to the chairman of the Board and later served as the chief financial officer of the Company from May 2017 to March 2018. He was appointed as a Director in September 2017 and was re-designated as an executive Director in January 2026 with effect from Listing Date.

Mr. Wang has been a director of Zhongji Holding, a member of our Single Largest Group of Shareholders, since March 2016. In addition, he has been the chairman of board of directors of Shandong Fangshuo Electronic Technology Co., Ltd. (山東方碩電子科技股份有限公司), a company listed on The National Equities Exchange and Quotations (stock code: 831606) which primarily engages in the research, development, design, manufacturing, sales, and service of motor stator winding products, since September 2023, and the executive director of its wholly-owned subsidiary Shandong Zhongji Intelligent Equipment Co., Ltd. (山東中際智能裝備有限公司) since November 2017.

Mr. Wang obtained his associate degree in financial accounting from Shandong Radio and TV University (山東廣播電視大學) (currently known as Shandong Open University (山東開放大學)) in the PRC in July 1994.

Ms. Wang Xiaoli (王曉麗), aged 46, is an executive Director, vice president and chief financial officer of the Company and is primarily responsible for the overall financial strategy and management of our Group.

Ms. Wang joined our Group in July 2017 as the deputy chief financial officer of the Company and has served as a vice president and the chief financial officer of the Company since March 2018. She was appointed as a Director in August 2023 and was re-designated as an executive Director in January 2026 with effect from Listing Date. Ms. Wang currently also holds positions as the director in certain subsidiaries of our Group, including TeraHop Pte.

Ms. Wang worked at PricewaterhouseCoopers Zhong Tian LLP from August 2005 to April 2014 where her last position was senior audit manager. From April 2014 to November 2014, she served as a senior investment manager at Jade Capital Management Co., Ltd. (古玉資本管理有限公司). Since November 2014, Ms. Wang has successively served as the finance controller and vice president of finance of Suzhou InnoLight.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Wang has been a registered member of The Chinese Institute of Certified Public Accountants (中國註冊會計師協會), and a fellow of the Chartered Institute of Management Accountants in the UK.

Ms. Wang obtained her bachelor's degree in thermal and power engineering from Shanghai University of Electric Power (上海電力大學) in the PRC in July 2002, her master's degree in systems theory from Shanghai Jiao Tong University (上海交通大學) in the PRC in March 2005, and a master of business administration degree from China Europe International Business School (中歐國際工商學院) in the PRC in August 2021.

Non-executive Director

Ms. Chen Caiyun (陳彩雲), aged 44, is a non-executive Director (employee Director) and is primarily responsible for providing advice on the operation and management of our Group.

Ms. Chen was appointed as an employee representative Director in September 2025 and was re-designated as our non-executive Director in January 2026 with effect from Listing Date. From August 2017 to September 2025, Ms. Chen was an employee representative supervisor of our Company. She currently serves as the head of chairman's office of our Company and also holds positions as the supervisor in certain subsidiaries of our Group, including Suzhou InnoLight and Tongling InnoLight.

Ms. Chen served as a manager at the marketing department of Xi'an Xinli Software Technology Co., Ltd. (西安信利軟件科技有限公司) from July 2003 to January 2011. She served as the assistant to general manager of Suzhou InnoLight from April 2013 to September 2015 and has successively worked as the human resources director and human resources vice president from September 2015 to April 2026 and supervisor of Suzhou InnoLight since September 2015.

Ms. Chen obtained her bachelor's degree in information management and information systems from Northwestern University (西北大學) in the PRC in July 2003, and her master's degree in business administration from Tsinghua University (清華大學) in the PRC in January 2024.

Independent non-executive Directors

Ms. Zhan Shuping (戰淑萍), aged 69, is an independent non-executive Director and is primarily responsible for supervising and providing independent opinions and judgment to the Board. Ms. Zhan was appointed as an independent Director in September 2021 and was re-designated as an independent non-executive Director in January 2026 with effect from Listing Date.

Ms. Zhan served as a director and deputy general manager of Shandong Oriental Ocean Sci-Tech Co., Ltd. (山東東方海洋科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002086) from August 2004 to April 2019. Ms. Zhan also served as (i) an independent director of Shanghai Thermal Imaging Technology Co., Ltd. (上海熱像科技股份有限公司) from January 2021 to July 2025, a company listed on The National Equities Exchange and Quotations (stock code: 831598), and (ii) an independent director of Shandong Yisheng Livestock & Poultry Breeding Co., Ltd. (山東益生種畜禽股份有限公司) from February 2020 to January 2026, a company listed on the Shenzhen Stock Exchange (stock code: 002458).

DIRECTORS AND SENIOR MANAGEMENT

Ms. Zhan has been a registered member of The Chinese Institute of Certified Public Accountants (中國註冊會計師協會), accredited by the Institute of Certified Public Accountants of Shandong Province since April 2003.

Ms. Zhan obtained her bachelor's degree in agricultural economic management from Shandong Agricultural University (山東農業大學) in the PRC in July 1982.

Dr. Cheng Bo (成波), aged 64, is an independent non-executive Director and is primarily responsible for supervising and providing independent opinions and judgment to the Board. Dr. Cheng was appointed as an independent Director in January 2023 and was re-designated as an independent non-executive Director in January 2026 with effect from Listing Date.

Dr. Cheng was a professor at Tsinghua University (清華大學) and the deputy director of State Key Laboratory of Automotive Safety and Energy (汽車安全與節能國家重點實驗室) from 2006 to March 2023 and has been the dean of Suzhou Automotive Research Institute (蘇州汽車研究院) of Tsinghua University since 2011. Dr. Cheng has also served as (i) an independent director of BAIC BluePark New Energy Technology Co., Ltd. (北汽藍谷新能源科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600733) since November 2021, and (ii) an independent director of Suzhou Mingzhi Technology Co., Ltd. (蘇州明志科技股份有限公司), a company listed on the STAR Market of Shanghai Stock Exchange (stock code: 688355) since October 2025.

Dr. Cheng obtained both his bachelor's degree in automotive engineering and master's degree in engineering from Tsinghua University in the PRC in July 1985 and June 1988, respectively, and his doctorate degree in engineering synthesis from Tokyo University in Japan in September 1998.

Dr. Qu Wenzhou (屈文洲), aged 53, is an independent non-executive Director and is primarily responsible for supervising and providing independent opinions and judgment to the Board. Dr. Qu was appointed as an independent Director in August 2023 and was re-designated as an independent non-executive Director in January 2026 with effect from Listing Date.

Dr. Qu conducted postdoctoral research at Tsinghua University (清華大學) from 2003 to 2005. He served as an associate professor from 2005 to 2007 and has been a professor since 2007 at the School of Management at Xiamen University (廈門大學管理學院). Dr. Qu has been the director of the China Capital Market Research Centre (廈門大學中國資本市場研究中心) and a doctoral supervisor at the School of Management at Xiamen University since 2008. He served as the deputy director of the Institute for Financial & Accounting Studies at Xiamen University (廈門大學財務管理與會計研究院) from 2010 to 2016. He has been the director of the MBA Centre of the School of Management at Xiamen University since 2018.

Dr. Qu previously served as (i) an independent non-executive director of Fuyao Glass Industry Group Co., Ltd. (福耀玻璃工業集團股份有限公司) from 2019 to 2024, a company listed on the Hong Kong Stock Exchange (stock code: 3606) and Shanghai Stock Exchange (stock code: 600660), (ii) an independent director of Suwen Electric Energy Technology Co., Ltd. (蘇文電能科技股份有限公司) from 2023 to 2024, a company listed on the Shenzhen Stock Exchange (stock code: 300982), and (iii) an independent director of China Merchants Shekou Industrial Zone Holdings Co., Ltd. (招商局蛇口工業區控股股份有限公司) from 2018 to 2024, a company listed on the Shenzhen Stock Exchange (stock code: 001979). He currently serves as (i) an independent non-executive director of Anhui Conch Cement Company Limited (安徽海螺水泥股份有限公司) since May 2022, a company listed on the Hong Kong Stock Exchange (stock code: 914) and Shanghai Stock Exchange (stock code: 600585), and (ii) an independent non-executive director of Foshan Haitian Flavouring and Food Co., Ltd. (佛山市海天調味食品股份有限公司) since September 2024, a company listed on the Hong Kong Stock Exchange (stock code: 3288) and the Shanghai Stock Exchange (stock code: 603288).

DIRECTORS AND SENIOR MANAGEMENT

Dr. Qu has been a registered member of The Chinese Institute of Certified Public Accountants (中國註冊會計師協會) since June 2002 and obtained a certificate of Chartered Financial Analyst in November 2004.

Dr. Qu obtained his bachelor's degree in applied mathematics in July 1995, master's degree in finance in June 1999, master's degree in business administration in July 2001, doctorate degree in finance in December 2003 from Xiamen University (廈門大學) in the PRC.

Mr. Huang Guobin (黃國濱), aged 56, was appointed as an independent Director in June 2026 and re-designated as an independent non-executive Director with effect from Listing Date. He is primarily responsible for supervising and providing independent opinions and judgment to the Board.

Mr. Huang has been the chairman of the board of directors of PEC International Group Limited (智贏國際(集團)有限公司) since February 2024. Since December 2023, he founded NEXX Global, a company focusing on logistics technology, and has been its chairman of the board. Previously, he was a senior advisor at J.P. Morgan (Asia Pacific) Limited (摩根大通證券(亞太)有限公司) from January 2023 to December 2023. From February 2021 to December 2022, Mr. Huang was the legal representative, chief executive officer and head of investment banking at J.P. Morgan Securities (China) Co., Ltd. (摩根大通證券(中國)有限公司). Mr. Huang was chief executive officer of global investment banking for China at J.P. Morgan from December 2015 to January 2021. From September 2011 to December 2015, he was head of the China Industrials Group for Goldman Sachs. Prior to that, he was managing director of China International Capital Corporation from October 1999 to June 2011.

Mr. Huang has been (i) an independent non-executive director of MiniMax Group Inc. (a company listed on the Hong Kong Stock Exchange (stock code: 0100)) since January 2026, (ii) an independent non-executive director of Zoomlion Heavy Industry Science and Technology Co., Ltd. (中聯重科股份有限公司) (a company listed on the Hong Kong Stock Exchange (stock code: 1157) and the Shenzhen Stock Exchange (stock code: 000157)) since June 2023, (iii) a director of UCloud Technology Co., Ltd. (優刻得科技股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 688158)) since September 2024, and (iv) an independent non-executive director of RemeGen Co., Ltd. (榮昌生物製藥(煙台)股份有限公司) (a company listed on the Hong Kong Stock Exchange (stock code: 9995) and the Shanghai Stock Exchange (stock code: 688331)) since January 2025.

Mr. Huang obtained a bachelor's degree in inorganic non-metallic materials science from Tongji University (同濟大學) in the PRC in September 1991 and a master's degree in business administration from Lancaster University Management School in the United Kingdom in December 1997. Mr. Huang was awarded the Overseas Financial Top Talent by the Shanghai Municipal Government in November 2021. Mr. Huang has also obtained a Hong Kong corporate finance qualification from the SFC in 1999, securities qualification certificate from the Securities Association of China in August 2012, securities industry executive qualifications from the CSRC in 2021 and independent director qualification from the Shenzhen Stock Exchange in May 2023. Mr. Huang is the board member of Tongji University.

DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

The following table sets out information about the members of senior management of our Company.

Name	Age	Position	Time of joining our Group	Date of appointment as senior management	Roles and responsibilities
Dr. Liu Sheng (劉聖)	54	Chairman of the Board, executive Director and president	July 3, 2017	August 21, 2017	Responsible for the overall strategic planning, business development and operational management of our Group
Mr. Wang Xiaodong (王曉東)	49	Executive Director and executive vice president	January 1, 2015	January 30, 2016	Assisting the president on management and business development of our Group
Ms. Wang Xiaoli (王曉麗)	46	Executive Director, vice president and chief financial officer	July 3, 2017	March 26, 2018	Responsible for the overall financial strategy and management of our Group
Mr. Wang Jun (王軍)	54	Vice president and Board secretary	January 22, 2018	January 22, 2018	Overseeing Board related matters, securities and investment matters of our Group

Dr. Liu Sheng (劉聖), aged 54, is the chairman of the Board, an executive Director and the president of the Company. Please refer to “— Board of Directors — Executive Directors” in this section for the biographical details of Dr. Liu.

Mr. Wang Xiaodong (王曉東), aged 49, is an executive Director and executive vice president of the Company. Please refer to “— Board of Directors — Executive Directors” in this section for the biographical details of Mr. Wang.

Ms. Wang Xiaoli (王曉麗), aged 46, is an executive Director, vice president and chief financial officer of the Company. Please refer to “— Board of Directors — Executive Directors” in this section for the biographical details of Ms. Wang.

Mr. Wang Jun (王軍), aged 54, is a vice president and Board secretary of the Company and is primarily responsible for overseeing Board related matters, securities and investment matters of our Group. Mr. Wang joined the Group in January 2018 as the deputy general manager and Board secretary of the Company.

From May 2004 to December 2017, Mr. Wang successively served as the board secretary at the following listed companies, including (i) Chengdu People’s Department Store (Group) Co., Ltd. (成都人民商場(集團)股份有限公司), currently known as Maoye Commercial Co., Ltd. (茂業商業股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600828); (ii) Sichuan Western Resources Holding Co., Ltd. (四川西部資源控股股份有限公司), a company previously listed on the Shanghai Stock Exchange (stock code: 600139); (iii) Gangtai Holdings Co., Ltd. (剛泰控股股份有限公司), a company previously listed on the Shanghai Stock Exchange (stock code: 600687); (iv) Jiangsu Hengtong Optic-Electric Co., Ltd. (江蘇亨通光電股份有限公司), a company listed on the Shanghai Stock Exchange (stock code:

DIRECTORS AND SENIOR MANAGEMENT

600487); (v) GCL Integration Technology Co., Ltd. (協鑫集成科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002506); and (vi) Oriental Pearl New Media Co., Ltd. (東方明珠新媒體股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600637).

Mr. Wang obtained his bachelor's degree in English from Sichuan Normal University (四川師範大學) in the PRC in July 1993, his master's degree in business administration from Xi'an Jiaotong University (西安交通大學) in the PRC in April 2000, and his doctorate degree in industrial economics from Southwestern University of Finance and Economics (西南財經大學) in the PRC in June 2009.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interests in a business which competes or is likely to compete, either directly or indirectly, with our Company's business which would require disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in January 2026, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of our independent non-executive Directors has confirmed (i) his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he or she has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his independence at the time of his or her appointment.

GENERAL

Save as disclosed under his or her biography in this section, none of the Directors or members of senior management of our Company has been a director of any public company the securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this Prospectus.

Mr. Wang Xiaodong is son of Mr. Wang Weixiu, both of whom are members of our Single Largest Group of Shareholders. Save as above, none of the Directors or members of the senior management of our Company is related to any other Directors and members of the senior management of our Company.

Prior to the Track Record Period, on December 6, 2021, the Shandong Regulatory Bureau of the CSRC ("CSRC Shandong Bureau") took the regulatory measure of issuance of caution letter on Zhongji Holding, Mr. Wang Weixiu and Mr. Wang Xiaodong, as our *de facto controller* and the controlling Shareholders as defined under the applicable PRC laws, regulations and rules (as the case may be), for a breach of voluntary undertaking, where the aforementioned parties had undertaken that, at all times during the 60-month period subsequent

DIRECTORS AND SENIOR MANAGEMENT

to the completion of the Major Asset Restructuring of Suzhou InnoLight, the aggregate proportion of unpledged Shares held by them in the Company (the “Undertaking Parties’ Shareholding”) would be at least 5% higher than the proportion of Shares held by Dr. Liu Sheng and his acting-in-concert entities (the “5% Gap Undertaking”). Pursuant to the findings of the CSRC Shandong Bureau, during the periods from September 2017 to November 2017 and from February 2018 to July 2020, the Undertaking Parties’ Shareholding was less than 5% higher than the proportion of all Shares held by Dr. Liu Sheng and his acting-in-concert entities at the relevant times, which was in violation of the 5% Gap Undertaking. The incident was due to inadvertent oversight and misunderstanding of the relevant Shareholders that the 5% Gap Undertaking applied to the unpledged Shares held by Dr. Liu Sheng and his acting-in-concert entities, which was the same calculation basis of the Undertaking Parties’ Shareholding, instead of all Shares (including the pledged Shares) held by the aforementioned parties.

As advised by our PRC Legal Adviser, the issuance of caution letter taken by the CSRC Shandong Bureau does not constitute an administrative penalty under PRC securities regulatory laws, regulations, or rules. As at the Latest Practicable Date and to the best knowledge of our Directors, (i) such incident has been concluded, (ii) there has not been any further regulatory request to, action against or correspondence with our Company or Mr. Wang Xiaodong from or by the CSRC Shandong Bureau, and (iii) other than disclosed above, none of our Directors has been imposed any penalties or involved in any other investigation, hearing or proceeding brought or instituted by any securities regulatory authority or stock exchange. Since July 2020 and until expiration of the 60-month period of the 5% Gap Undertaking, the relevant Shareholders have strictly complied with the 5% Gap Undertaking and no further breaches have occurred. The Company has also strengthened compliance training on the PRC Securities Law and applicable regulatory requirements for its Directors, senior management and Shareholders holding more than 5% of the issued share capital, including those involved in the incident, to enhance regulatory awareness and prevent recurrence of similar incidents.

The Group’s internal controls and remedial measures are adequate and effective in preventing the recurrence of similar incidents. In preparation for the Listing, the Group has engaged an independent third-party consultant (the “Internal Control Consultant”) to perform a review over selected areas of our internal controls over financial reporting in December 2025 (the “Internal Control Review”). The scope of the Internal Control Review performed by the Internal Control Consultant was agreed between us, the Joint Sponsors and the Internal Control Consultant. The selected areas of our internal controls over financial reporting that were reviewed by the Internal Control Consultant included the Group’s entity-level controls on directors’ and senior management’s dealings in the Company’s securities. The Internal Control Consultant performed the follow-up reviews in January 2026 to review the status of the management actions taken by the Group to address the findings of the Internal Control Review (the “Follow-up Review”). The Internal Control Consultant did not have any further recommendation in the Follow-up Review. The Internal Control Review and the Follow-up Review were conducted based on information provided by the Group and no assurance or opinion on internal controls was expressed by the Internal Control Consultant. Having taken into account, among other things, the view of the PRC Legal Adviser, the work and procedures performed by the Internal Control Consultant, as well as the independent due diligence conducted by the Joint Sponsors, nothing has come to the attention of the Joint Sponsors which would reasonably cause them to disagree with the view of Internal Control Consultant above.

Save as disclosed in this section, to the best knowledge, information and belief of our Directors, having made all reasonable inquiries, there is no other matter with respect to the appointment of our Directors that needs to be brought to the attention of the Shareholders and there is no information relating to our Directors that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules as of the Latest Practicable Date.

DIRECTORS AND SENIOR MANAGEMENT

JOINT COMPANY SECRETARIES

Mr. Wang Jun (王軍) has been appointed as our joint company secretary in January 2026. For his biographical details, see “— Senior Management” in this section.

Ms. Wong Mei Fung Carrie (黃美鳳) (“Ms. Wong”) has been appointed as our joint company secretary in January 2026 and serves as Manager of Entity Solutions of Computershare Hong Kong Investor Services Limited. Ms. Wong has over 20 years of work experience in the field of corporate secretarial and regulatory compliance services. Before joining Computershare Hong Kong Investor Services Limited, Ms. Wong was Senior Manager of Corporate Services at a leading global professional services firm, providing company secretarial services to clients globally inclusive of companies with shares listed in Hong Kong.

Ms. Wong obtained a bachelor of arts degree in accounting and finance from Edinburgh Napier University. She is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant PRC laws and regulations and the Corporate Governance Code set out in Appendix C1 to the Listing Rules, our Company has formed four Board committees, namely the Strategy Committee, the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee.

Strategy Committee

We have established a Strategy Committee with written terms of reference. The Strategy Committee consists of three Directors, namely Dr. Liu Sheng (劉聖), Mr. Wang Xiaodong (王曉東) and Dr. Cheng Bo (成波). Dr. Liu Sheng serves as the chairperson of the Strategy Committee. The primary duties of the Strategy Committee include, but are not limited to, the following:

- researching and making recommendations on the Company’s long-term development strategic planning;
- researching and making recommendations on major investment and financing proposals requiring Board approval under the Articles of Association;
- researching and making recommendations on major capital operations and asset management projects requiring Board approval under the Articles of Association;
- researching and making recommendations on other major matters concerning the development of the Company;
- examining the implementation of the above matters; and
- dealing with other matters relating to relevant laws, regulations, rules, normative documents, the Articles of Associations, terms of reference and the listing rules of the place where the Company’s shares are listed or that are authorized by the Board.

DIRECTORS AND SENIOR MANAGEMENT

Audit Committee

We have established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of Part 2 of the Corporate Governance Code. Upon Listing, the Audit Committee consists of three Directors, namely Dr. Qu Wenzhou (屈文洲), Ms. Chen Caiyun (陳彩雲) and Ms. Zhan Shuping (戰淑萍). Dr. Qu Wenzhou and Ms. Zhan Shuping hold the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules, and Dr. Qu Wenzhou serves as the chairperson of the Audit Committee. The primary duties of the Audit Committee include, but are not limited to, the following:

- overseeing and evaluating the work of the external auditor, and reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process;
- making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;
- supervising the financial reporting system of the Company, reviewing the risk management and internal control systems, as well as the guiding and assessing the effectiveness of the Company's internal audit function;
- reviewing the financial information of our Company, including periodic financial reports and statements and significant financial reporting judgments, and giving comments on relevant matters;
- coordinating communications among the management, internal audit department, related departments of the Company and the external auditor; and
- dealing with other matters relating to relevant laws, regulations, rules, normative documents, the Articles of Associations, terms of reference and the listing rules of the place where the Company's shares are listed or that are authorized by the Board.

Remuneration and Appraisal Committee

We have established a Remuneration and Appraisal Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of Part 2 of the Corporate Governance Code. Upon Listing, the Remuneration and Appraisal Committee consists of three Directors, namely Mr. Wang Xiaodong (王曉東), Mr. Huang Guobin (黃國濱) and Dr. Qu Wenzhou (屈文洲). Mr. Huang Guobin serves as the chairperson of the Remuneration and Appraisal Committee. The primary duties of the Remuneration and Appraisal Committee include, but are not limited to, the following:

- determining with delegated responsibility or making recommendations to the Board regarding the remuneration packages for individual executive Directors and senior management of the Company with reference to their time commitment and job responsibilities, the importance of their positions, employment conditions elsewhere in the Group (where applicable), as well as the remuneration benchmarks for relevant positions in other comparable companies;

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- making recommendations to the Board on the remuneration policy and structure for all Directors and senior management of the Company, and establishing a formal and transparent procedure for developing remuneration policy;
- monitoring and appraising the performance of responsibilities by the Directors and senior management of the Company;
- supervising the implementation of the remuneration plan of the Company;
- reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules; and
- dealing with other matters relating to relevant laws, regulations, rules, normative documents, the Articles of Associations, terms of reference and the listing rules of the place where the Company's shares are listed or that are authorized by the Board.

Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and paragraph B.3 of Part 2 of the Corporate Governance Code. The Nomination Committee consists of three Directors, namely Dr. Cheng Bo (成波), Ms. Wang Xiaoli (王曉麗) and Mr. Huang Guobin (黃國濱). Dr. Cheng Bo serves as the chairperson of the Nomination Committee. The primary duties of the Nomination Committee include, but are not limited to, the following:

- assessing on an annual basis the time commitment and contribution to the Board of each Director, as well as his or her ability to discharge his or her responsibilities effectively, taking into account his or her professional qualifications and work experience, any existing directorships of listed companies, and other significant external time commitments or other factors or circumstances relevant to the Director's character, integrity, independence and experience;
- reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually, assisting the Board in maintaining a Board skills matrix, and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- researching and developing standards and procedures for the election of our Directors and members of senior management, and making recommendations to our Board;
- conducting extensive search and providing to our Board suitable candidates for Directors and other members of senior management;
- examining our Board candidates and members of senior management and making recommendations to our Board;
- assessing the independence of independent non-executive Directors;
- making recommendations to the Board on the appointment or reappointment of Directors and succession planning for Directors, in particular the chairperson of the Board and the president of the Company;

DIRECTORS AND SENIOR MANAGEMENT

- supporting the Company's regular evaluation of the Board's performance; and
- dealing with other matters relating to relevant laws, regulations, rules, normative documents, the Articles of Associations, terms of reference and the listing rules of the place where the Company's shares are listed or that are authorized by the Board.

REMUNERATION

Our Directors receive their remuneration in the form of fees, wages and salaries, discretionary bonuses, share-based compensation, pension scheme contributions and other benefits in kind. Please refer to Note 10 to the Accountant's Report in Appendix I to this Prospectus for details of the total remuneration accrued to our Directors and the five highest paid individuals for the years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2026.

Under the arrangement currently in force, we estimate the total compensation before taxation (excluding share-based compensation) to be accrued to our Directors for the year ending December 31, 2026, to be approximately RMB10.3 million. The actual remuneration to Directors for the year ending December 31, 2026 may be different from the estimated remuneration.

During the Track Record Period, no remuneration was paid by our Company to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining our Company or as compensation for loss of office in connection with the management positions of any subsidiary of our Company.

Save as disclosed in Note 10 to the Accountant's Report in Appendix I to this Prospectus, during the Track Record Period, none of our Directors waived any remuneration. Save as disclosed above, no other payments have been paid, or are payable, by our Company or any of our subsidiaries to our Directors or the five highest paid individuals during the Track Record Period.

The remuneration of our Directors and senior management is determined with reference to factors including the operating results of our Company, personal duties and contributions to our Company, comparable market figures and the achievement of major operating indicators of our Company.

For additional information on Directors' remuneration including share-based compensation during the Track Record Period as well as information on the five highest paid individuals, please see Note 10 to the Accountant's Report in Appendix I to this Prospectus. For the details of the outstanding Share Awards that were granted to our Directors, and senior management, see "Statutory and General Information – 2023 Restricted Shares Incentive Scheme and 2025 Restricted Shares Incentive Scheme" in Appendix IV.

CORPORATE GOVERNANCE CODE

Our Directors recognise the importance of incorporating elements of good corporate governance in the management structures and internal procedures of our Group so as to achieve effective accountability and are committed to ensure the lawful, ethical and responsible operation of our Group's businesses. Our Company has adopted the code provisions stated in the Corporate Governance Code of Appendix C1 to the Listing Rules (the "**Corporate Governance Code**"), with internal compliance policies in place which set out our compliance requirements so as to ensure consistency with the code provisions stated in the Corporate Governance Code.

DIRECTORS AND SENIOR MANAGEMENT

Pursuant to Code Provision C.2.1 of part 2 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive should be separate and should not be performed by the same individual. We do not have a separate chairman and chief executive and Dr. Liu Sheng currently performs these two roles.

Dr. Liu Sheng has assumed the role of Chairman of our Board since August 2023. He has extensive experience in the business operations and management of our Group, given his role as the President of the Company since August 2017 and a Director since September 2017. Our Board believes that, in view of his experience, personal profile and his roles in our Company as mentioned above, Dr. Liu Sheng is the Director best suited to identify strategic opportunities and the focus of the Board due to his extensive understanding of our business. The Board also believes that vesting the roles of both chairman of the Board and president of the Company in the same person has the benefit of (i) ensuring consistent leadership within the Group, (ii) enabling more effective and efficient overall strategic planning and streamlining the execution of strategic initiatives of the Board, (iii) facilitating the flow of information between the management and the Board for the Group, and (iv) ensuring a leading and expert level of R&D of optical interconnect solutions and maintaining our leading position as the largest optical interconnect solutions provider, given Dr. Liu Sheng's academic and industrial background. The Board considers that the balance of power and authority in the present arrangement is not compromised, given the size of the Board, contributions from the senior management team, and believes that this arrangement will enable the Company to make and implement decisions promptly and effectively. The Board will continue to consider splitting the roles of chairman of the Board and president of the Company at an appropriate time, taking into account the circumstances of the Group as a whole.

Save as disclosed in this section, our Directors consider that we will comply with all applicable code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules upon Listing.

BOARD AND WORKPLACE DIVERSITY

We are committed to promoting a culture of diversity in the Company. In order to maintain a robust corporate governance structure and to achieve sustainable and balanced corporate development, we have adopted a Board and workplace diversity policy (the “**Diversity Policy**”) which sets out the objectives for and approaches to achieving and maintaining diversity at the Company.

Pursuant to the Diversity Policy, we seek to achieve board diversity through the consideration of a number of factors when selecting the candidates to our Board, including but not limited to gender, age, cultural and educational background, and professional experience. The ultimate decision of each appointment will be based on merit and the contribution which the selected candidates are expected to bring to our Board.

Our Directors have a balanced mix of knowledge and skills, including but not limited to depth of experience in the areas of optical communications technology, business administration, finance and accounting. We have four independent non-executive Directors with different industry backgrounds, with solid professional experiences in the fields of automotive engineering, finance, applied statistics, economic management, and representing more than one-third of the members of our Board.

DIRECTORS AND SENIOR MANAGEMENT

Our Company has evaluated the structure, size and composition of our Board, taking into account the skills matrix of Board, and is of the opinion that the structure of our Board is reasonable, and the experience and skills of the Directors will enable our Company to maintain a high standard of operations. This is evidenced by the fact that our Directors range in age from 44 to 69 years old, and our Board comprises three female Directors and five male Directors. Taking into account our existing business model and specific needs, as well as the different backgrounds of our Directors, the composition of our Board satisfies our Diversity Policy. Our Nomination Committee is responsible for ensuring the diversity of our Board, and will continue to be responsible for the same after the Listing.

Apart from diversity within our Board, we recognize the importance of gender diversity, which we have taken, and will continue to take, steps to promote at all levels of our Company, including at the Board, senior management and workforce (excluding senior management) level. Going forward, in accordance with the Diversity Policy, we will not have any single gender Board, we will ensure that a female Director serves on the Nomination Committee at all times, and we will continue to work to enhance gender diversity when selecting and recommending suitable candidates across the Board, senior management and workforce (excluding senior management) levels. We will strive to enhance female representation within the Company and achieve an appropriately balanced gender ratio with reference to stakeholders' expectations and international standards and best practices. In particular, we aim to develop a pipeline of female employees from the workforce to reach senior management level and become potential successors to the Board by implementing comprehensive programs aimed at identifying and training our female employees who display leadership and potential.

After the Listing, our Nomination Committee will, among its other duties, review the Diversity Policy and its implementation from time to time to ensure its continued effectiveness, and we will disclose the Diversity Policy or a summary thereof in the corporate governance report of the Company on an annual basis.

COMPLIANCE ADVISER

We have appointed Haitong International Capital Limited as our compliance adviser (the “**Compliance Adviser**”) pursuant to Rules 3A.19 and 3A.23 of the Listing Rules. The Compliance Adviser will provide us with guidance and advice as to compliance with the Listing Rules and other applicable laws, rules, codes and guidelines. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Adviser will advise our Company in certain circumstances including:

- before the publication of any regulatory announcement, circular or financial report;
- where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues, sales or transfers of treasury shares and share repurchases;
- where we propose to use the proceeds of the Global Offering in a manner different from that detailed in this Prospectus or where our business activities, developments or results deviate from any forecast, estimate or other information in this Prospectus; and
- where the Hong Kong Stock Exchange makes an inquiry to our Company regarding unusual movements in the price or trading volume of its listed securities or any other matters in accordance with Rule 13.10 of the Listing Rules.

DIRECTORS AND SENIOR MANAGEMENT

Pursuant to Rule 3A.24 of the Listing Rules, the Compliance Adviser will, on a timely basis, inform our Company of any amendment or supplement to the Listing Rules that are announced by the Hong Kong Stock Exchange. The Compliance Adviser will also inform our Company of any new or amended law, regulation or code in Hong Kong applicable to us, and advise us on the continuing requirements under the Listing Rules and applicable laws and regulations.

The term of the Compliance Adviser's appointment will commence on the Listing Date and is expected to end on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing.

SUBSTANTIAL SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the Global Offering (assuming the Over-Allotment Option is not exercised, no new Shares are issued under the Restricted Share Incentive Schemes and there are no changes in the issued share capital of the Company between the Latest Practicable Date and the Listing Date), the following persons will have an interest and/or short position in our Shares or underlying Shares which would fall to be disclosed to us and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be directly or indirectly interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of Shareholder	Nature of interest	Description of Shares	As of the Latest Practicable Date		Immediately following the Global Offering (assuming the Over-Allotment Option is not exercised)		
			Number of Shares ⁽¹⁾	Approximate percentage of shareholding in our Company ⁽²⁾	Number of Shares ⁽¹⁾	Approximate percentage of shareholding in our A Shares ⁽³⁾	Approximate percentage of shareholding in our Company ⁽³⁾
Mr. Wang Weixiu ⁽⁴⁾	Beneficial interest	A Shares	69,731,451	6.25%	69,731,451	6.25%	5.96%
	Interest in controlled corporations	A Shares	121,440,135	10.89%	121,440,135	10.89%	10.38%
Zhongji Holding ⁽⁴⁾	Beneficial interest	A Shares	121,440,135	10.89%	121,440,135	10.89%	10.38%
Mr. Wang Xiaodong ⁽⁴⁾	Beneficial interest	A Shares	2,167,657	0.19%	2,167,657	0.19%	0.19%
Dr. Liu Sheng ⁽⁵⁾	Beneficial interest	A Shares	3,651,954	0.33%	3,651,954	0.33%	0.31%
	Beneficial interest	A Shares	246,400	0.02%	246,400	0.02%	0.02%
	Interest in controlled corporations	A Shares	70,485,432	6.32%	70,485,432	6.32%	6.03%

Notes:

- (1) All interests stated are long positions in the Shares.
- (2) The calculation is based on the total number of 1,115,234,641 A Shares in issue as of the Latest Practicable Date.
- (3) The calculation is based on the total number of 1,115,234,641 A Shares and 54,500,000 H Shares in issue immediately after completion of the Global Offering, assuming the Over-Allotment Option is not exercised, no new Shares are issued under the Restricted Share Incentive Schemes and there are no changes in the issued share capital of the Company between the Latest Practicable Date and the Listing Date.
- (4) As of the Latest Practicable Date, Zhongji Holding was a company held as to approximately 52.06% by Mr. Wang Weixiu, approximately 28.66% by Longkou Zhongji Zhiyuan, and approximately 19.28% by Mr. Wang Xiaodong, our executive Director and son of Mr. Wang Weixiu, respectively. Mr. Wang Weixiu is considered as having control over Zhongji Holding. Accordingly, Mr. Wang Weixiu is deemed to be interested in the 121,440,135 A Shares held by Zhongji Holding under the SFO. In addition, Mr. Wang Weixiu, Zhongji Holding and Mr. Wang Xiaodong are deemed as parties acting in concert under the applicable PRC laws, regulations and rules.
- (5) Dr. Liu Sheng has been granted outstanding Share Awards for 246,400 A Shares under the 2023 Restricted Shares Incentive Scheme. In addition, the general partner of Suzhou Yixingfu and Suzhou Yunchangjin is Suzhou Tiantingque, which is wholly owned by Dr. Liu Sheng. As such, pursuant to the SFO, Dr. Liu Sheng is deemed to be interested in the 46,627,154 A Shares held by Suzhou Yixingfu and 23,858,278 A Shares held by Suzhou Yunchangjin as of the Latest Practicable Date. In addition, Suzhou Yixingfu, Suzhou Yunchangjin, Suzhou Youhuiran, ITC, Suzhou Zhouyuran, Suzhou Furuihui and Suzhou Ruilinlan were identified as acting-in-concert entities of Dr. Liu Sheng under the applicable PRC laws, regulations and rules, details of which are set out in “History, Development and Corporate Structure — Major Asset Restructuring in 2017”.

SUBSTANTIAL SHAREHOLDERS

Save as disclosed above and in the section headed “Statutory and General Information — Further Information about our Directors and Substantial Shareholders” in Appendix IV to this Prospectus, our Directors are not aware of any other person who will, immediately following the completion of the Global Offering (assuming the Over-Allotment Option is not exercised, no new Shares are issued under the Restricted Share Incentive Schemes and there are no changes in the issued share capital of the Company between the Latest Practicable Date and the Listing Date), have any interest and/or short position in our Shares or underlying Shares which would fall to be disclosed to us and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company or any other member of our Group.

SHARE CAPITAL

This section presents certain information regarding our share capital before and upon completion of the Global Offering.

BEFORE THE COMPLETION OF THE GLOBAL OFFERING

As of the Latest Practicable Date, the issued share capital of our Company was RMB1,115,234,641, comprising 1,115,234,641 A Shares of nominal value RMB1.00 each.

UPON THE COMPLETION OF THE GLOBAL OFFERING

Immediately following the completion of the Global Offering, assuming the Over-Allotment Option is not exercised, no new Shares are issued under the Restricted Share Incentive Schemes and there are no changes in the issued share capital of the Company between the Latest Practicable Date and the Listing Date, the issued share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate Percentage of the Total Share Capital of our Company
A Shares in issue	1,115,234,641	95.34%
H Shares to be issued under the Global Offering . .	54,500,000	4.66%
Total	1,169,734,641	100.00%

Immediately following completion of the Global Offering, assuming the Over-allotment Option is fully exercised, no new Shares are issued under the Restricted Share Incentive Schemes and there are no changes in the issued share capital of the Company between the Latest Practicable Date and the Listing Date, the issued share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate Percentage of the Total Share Capital of our Company
A Shares in issue	1,115,234,641	94.68%
H Shares to be issued under the Global Offering . .	62,675,000	5.32%
Total	1,177,909,641	100.00%

OUR SHARES

Upon completion of the Global Offering, the Shares will consist of A Shares and H Shares. A Shares and H Shares are all ordinary Shares in the share capital of our Company. However, apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai — Hong Kong Stock Connect or the Shenzhen — Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed for by or traded between investors of the PRC.

SHARE CAPITAL

Shenzhen-Hong Kong Stock Connect has established a stock connect mechanism between the PRC and Hong Kong. Our A Shares can be subscribed for and traded by investors in the PRC, qualified foreign institutional investors or qualified foreign strategic investors and must be traded in Renminbi. As our A Shares are eligible securities under the Northbound Trading Link, they can also be subscribed for and traded by Hong Kong and other overseas investors pursuant to the rules and limits of Shenzhen-Hong Kong Stock Connect. If our H Shares are eligible securities under the Southbound Trading Link, they can also be subscribed for and traded by investors in the PRC in accordance with the rules and limits of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

RANKING

Our H Shares and our A Shares are regarded as one class of Shares under our Articles of Association and will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this Prospectus. All dividends in respect of our H Shares are to be paid by us in Hong Kong dollars whereas all dividends in respect of our A Shares are to be paid by us in Renminbi. In addition to cash, dividends may also be distributed in the form of Shares. Holders of our H Shares will receive share dividends in the form of H Shares, and holders of our A Shares will receive share dividends in the form of A Shares.

NO CONVERSION OF OUR A SHARES INTO H SHARES FOR LISTING AND TRADING ON THE HONG KONG STOCK EXCHANGE

A Shares and H Shares are generally neither interchangeable nor fungible, and the market prices of our A Shares and H Shares may be different after the Global Offering. The Guidelines on Application for “Full Circulation” of Domestic Unlisted Shares of H-share Companies (《H股公司境内未上市股份申请“全流通”业务指引》) announced by the CSRC are not applicable to companies dual listed in the PRC and on the Hong Kong Stock Exchange. As of the Latest Practicable Date, there were no relevant rules or guidelines from the CSRC providing that A Shareholders may convert A Shares held by them into H Shares for listing and trading on the Hong Kong Stock Exchange.

APPROVAL FROM HOLDERS OF A SHARES REGARDING THE GLOBAL OFFERING

We have obtained approval from our A Shareholders to issue H Shares and seek the listing of the H Shares on the Hong Kong Stock Exchange. Such approval was obtained at the general meeting of our Company held on January 28, 2026 and is subject to the following conditions:

(i) Offer Size

The proposed number of H Shares to be offered shall not exceed 8% of the total issued number of Shares as enlarged by the H Shares to be issued pursuant to the Global Offering (before the exercise of the Over-allotment Option). The number of H Shares to be issued pursuant to the exercise of the Over-allotment Option shall not exceed 15% of the total number of H Shares to be offered pursuant to the Global Offering.

(ii) Method of Offering

The method of offering shall be by way of a public offer for subscription in Hong Kong and an international offering to institutional and professional investors.

SHARE CAPITAL

(iii) Target Investors

The H Shares shall be issued to Hong Kong public investors, other overseas investors who meet the relevant requirements, qualified domestic investors eligible to invest in overseas securities according to the laws and regulations of the PRC and other investors who comply with the relevant regulatory requirements.

(iv) Price Determination Basis

The issue price of the H Shares will be determined after due consideration of the interests of existing Shareholders, the acceptance of investors and issuance risks and in accordance with international practices through the demands for orders and book building process, subject to the domestic and overseas capital market conditions and by reference to the valuation level of comparable companies in domestic and overseas markets.

(v) Valid Period

The issue of H Shares and listing of H Shares on the Hong Kong Stock Exchange shall be completed within 24 months from the date when the Shareholders' meeting was held on January 28, 2026.

If the Company obtains approval from the relevant regulatory authorities for the Listing and listing within the 24 months, the authorization period shall automatically be extended to the later of the completion date of the Global Offering and the Listing or the date of exercise of the Over-allotment Option (if applicable). There is no other approved offering plan for any other Shares except for the Global Offering.

SHAREHOLDERS' GENERAL MEETING

See "Appendix III — Summary of Articles of Association" for details of circumstances under which our general Shareholders' meeting is required.

FINANCIAL INFORMATION

You should read the following discussion and analysis in conjunction with our consolidated financial information including the notes thereto, included in the Accountant's Report set out in Appendix I to this Prospectus, together with the respective accompanying notes. Our consolidated financial information has been prepared in accordance with IFRSs, which may differ in material aspects from generally accepted accounting principles in other jurisdictions.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical events, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties, many of which we cannot control or foresee. In evaluating our business, you should carefully consider all of the information provided in this Prospectus, including the sections headed "Risk Factors" and "Business."

For the purpose of this section, unless the context otherwise requires, references to 2023, 2024 and 2025 refer to our financial years ended December 31 of such years. Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

BASIS OF PRESENTATION AND PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards ("IFRS"). The Historical Financial Information have been prepared on a historical cost basis, except for certain financial assets at fair value through other comprehensive income ("FVOCI"), and financial assets and financial liabilities at fair value through profit or loss ("FVTPL") which are carried at fair value.

The preparation of Historical Financial Information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying our accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4 to the Accountant's Report included in Appendix I to this Prospectus.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

General Factors

Our business and operating results are affected by general factors affecting the macroeconomics and the industries that we operate in, which include:

Global Demand for High-Speed Connectivity

We focus on high-speed optical transceivers serving a diverse range of customers globally in both datacom and telecom applications. Our revenues and business growth hence depend, in large part, on the demand for high-speed connectivity. As computing power emerges as the primary driver of innovation and a critical source of competitive advantage, the demand for

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advanced AI infrastructure is accelerating at an unprecedented pace. As a result, the demand for data center capacity and optical interconnect has been strong and is expected to continue to grow. According to CIC, the global capital expenditure on AI amounted to US\$0.9 trillion between 2021 and 2025. Moving forward, investments in AI is projected to continue to grow substantially, reaching US\$6.1 trillion from 2026 to 2030, more than five times compared to the prior five-year period.

Industry Dynamics Amid Macroeconomic and Ecosystem Shifts

Our revenues are primarily derived from optical transceivers, which are deployed across end-applications globally. Demand for our products, and, in turn, our revenue, varies with changes in the broader macroeconomic and industry environment. These factors include global economic growth, shifts in national macroeconomic policies, and adjustments to capital expenditures by our customers.

In addition, demand is closely shaped by developments in data center industry. The sector's growth trajectory, technology iteration cycles, evolving deployment timelines, and the interactions and integration among participants across the value chain all influence market demand, pricing, and our revenue profile. Moreover, fluctuations in inputs such as raw material prices, supply chain stability, labor costs, and the ongoing pace of technological advancement can affect overall product iteration and procurement behavior of downstream customers, thereby impacting overall market demand and supply and our financial performance.

Company Specific Factors

We believe there are several important factors that have affected and are expected to continue to affect our results of operations:

Continue to Expand Relations with Our Existing Customers and Broaden New Customers Base

Our future growth is largely driven by our ability to expand business with our existing customers and broaden our customer base for new business opportunities. We have established long-term cooperation with key customers by continuously providing high quality and reliable products, and creating a differentiated value proposition to our customers on a timely basis. Growth with our current customer base will depend on securing additional orders for existing qualified products and successfully qualifying new products for their next-generation applications. In parallel, expanding our customer base requires investment to complete the qualification process with new customers, from initial engagement to being approved for their procurement. Our success in these ongoing technical and commercial engagements affected and will likely to continue to affect our revenue growth and market position.

Ability to Launch and Upgrade Product Solutions and Technologies

Technology cycles in our industry advance rapidly, and customer requirements evolve accordingly. New product generations typically supersede prior ones within a few years, and development of the next generation often begins as the current generation enters volume production. We also customize products to meet specific customer needs, resulting in a broad portfolio across performance tiers and price points. The timing of volume production is influenced by customers' evaluation and qualification cycles and by their decisions to accelerate or defer new product rollouts. These factors, largely outside our direct control, can drive meaningful period to period shifts in product mix and, in turn, our results.

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Our ability to meet existing and potential customer requirements and to anticipate industry trends is a key determinant of our results. We invest R&D resources in developing new products and enhancing existing ones, and we collaborate with world's top cloud service providers and AI computing solution providers to build next generation optical transceivers. Converting technology investments into revenue depends on successful product qualification within customers' development cycles and on efficient production scaling. As a result, our future revenue and growth will be affected by advancing our product development and commercialization strategy, including timely customer qualification and ramp up to volume production.

Supply Chain Management and Production Capacity Expansion

Effective management of our global supply chain is important to our success. We have built a robust and diversified supply chain with long-term partnership with key suppliers worldwide. Our cost of raw materials accounted for 81.8%, 85.7%, 86.8%, 83.2% and 87.5% of our total cost of revenue in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. Our procurement costs for raw materials may fluctuate due to a number of factors beyond our control, such as supply chain disruptions and inflation. To strengthen our supply chain management, we have adopted measures such as dual sourcing for our key components and retaining multiple suppliers for principal raw materials and enhancing our bargaining power in raw material purchases by leveraging our growing scale and centralized procurement. Meanwhile, we closely monitor market conditions for raw materials that are more likely subject to supply chain volatility or long procurement lead time, so as to decide on the appropriate timing for purchasing.

We have established a global supply network to serve our clients globally based on our global manufacturing facilities. This structure is designed to facilitate high quality, delivery stability, and the capability for large-volume shipments to global customers on a timely and efficient matter. We plan to further expand our production facilities and increase our automation and intelligent manufacturing levels, aiming at further enhancing our competitive advantages and capturing greater market shares in the global optical interconnect industry.

Continued R&D Investment

R&D is critical to maintaining our market position and to the sustained growth of our business by ensuring that we can continue to meet the evolving downstream needs of our products. As a result of consistent and increasing investment in R&D activities, our R&D expenses increased from RMB739.4 million in 2023 to RMB1,244.0 million in 2024 and further to RMB1,615.3 million in 2025, and increased from RMB290.3 million in the three months ended March 31, 2025 to RMB644.7 million for the same period in 2026. Our R&D investment have resulted in various technological achievements. See "Business — Our Technologies." As data center industry is subject to constant and rapid changes in technology, constant product and technology upgrade, frequent new product introductions and evolving technical standards, we expect to continue investing in R&D activities to maintain and enhance our competitive strength. However, there is no guarantee that our investment in R&D will eventually result in desirable outcome, or we are able to successfully commercialize our R&D results. If that happens, our results of operations would be adversely affected.

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Cost Control and Operational Efficiency

Our strong profitability is supported by a disciplined focus on cost control and operational efficiency, which enables continued investment in innovation. As we expand, we proactively manage these costs through strategic initiatives, including deepening collaborations with major suppliers to enhance supply chain stability and optimize our cost structure. We continuously improve production efficiency and reduce costs through technological innovation and supply chain management. In addition, we maintain rigorous oversight of operating expenses, which include research and development expenses, general and administrative expenses, and sales and marketing expenses. Our total operating expenses, accounted for 12.6%, 8.9%, 6.8%, 7.3% and 5.8% of our total revenue in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026. Our ability to improve operational efficiency and maintain cost control will also affect our results of operations. Our direct sales model allows us to bring our products to a broad customer base, which has significantly enhanced our brand reputation and market penetration. We believe that as we continue to ramp up the production and sales of products, we will achieve better economies of scale.

CRITICAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

The preparation of the historical financial information requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying our accounting policies. Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on us and that are believed to be reasonable under the circumstances. For details on such estimates and judgments, see Note 4 to the Accountants' Report included in Appendix I to this Prospectus.

SUMMARY OF OUR CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

The table below sets forth our consolidated statements of comprehensive income for the years/periods indicated derived from the Accountant's Report included in Appendix I to this Prospectus:

	For the Year Ended December 31,			For the Three Months Ended March 31,	
	2023	2024	2025	2025	2026
	<i>(in thousands)</i>			<i>(unaudited)</i>	
Revenue	10,717,984	23,862,160	38,239,936	6,674,176	19,496,398
Cost of revenue	(7,333,527)	(15,921,054)	(22,364,054)	(4,262,023)	(10,616,404)
Gross profit	3,384,457	7,941,106	15,875,882	2,412,153	8,879,994
Sales and marketing expenses	(124,840)	(199,268)	(226,175)	(50,102)	(78,739)
General and administrative expenses	(483,257)	(683,759)	(771,818)	(149,102)	(412,306)
Research and development expenses	(739,368)	(1,244,027)	(1,615,282)	(290,341)	(644,689)
Net impairment (losses)/reversal on financial assets	(8,710)	(18,909)	(15,423)	7,699	(7,537)
Other income	72,334	85,652	183,991	23,388	29,118
Other gains/(losses), net	54,819	201,045	(302,204)	1,475	(310,743)

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	For the Year Ended December 31,			For the Three Months Ended March 31,	
	2023	2024	2025	2025	2026
	<i>(in thousands)</i>			<i>(unaudited)</i>	
Operating profit	2,155,435	6,081,840	13,128,971	1,955,170	7,455,098
Finance income	104,627	108,030	244,310	41,678	82,576
Finance costs	(61,838)	(91,747)	(97,752)	(26,207)	(20,995)
Finance income, net . .	42,789	16,283	146,558	15,471	61,581
Share of profit/(losses) of associates, net . .	294,238	(45,685)	324,095	19,142	19,123
Profit before income tax	2,492,462	6,052,438	13,599,624	1,989,783	7,535,802
Income tax expense . .	(284,813)	(680,662)	(2,019,870)	(299,268)	(1,219,010)
Profit for the year/period	2,207,649	5,371,776	11,579,754	1,690,515	6,316,792

Non-IFRS Measures

To supplement our consolidated statements of comprehensive income which are presented in accordance with IFRS, we use adjusted net profit (Non-IFRS measure), and adjusted net profit margin (Non-IFRS measure), as non-IFRS measures, which are not required by, or presented in accordance with, IFRS. We define adjusted net profit (Non-IFRS measure) as profit for the years/periods adjusted by adding back share-based payment expenses, which are non-cash in nature. We define adjusted net profit margin (Non-IFRS measure) as adjusted net profit (Non-IFRS measure) to divide corresponding revenue of the year/period.

We believe that Non-IFRS measures facilitate the comparisons of operating performance and provide useful information to investors and others in understanding and evaluating our operating performance in the same manner as it helps our management. However, our presentation of Non-IFRS measures for the periods may not be comparable to similarly titled measures presented by other companies. The use of Non-IFRS measures has limitations as an analytical tool, and investors should not consider it in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards.

The following tables reconcile Non-IFRS measures for the years/periods presented with the nearest measures prepared in accordance with IFRS Accounting Standards.

	For the Year Ended December 31,			For the Three Months Ended March 31,	
	2023	2024	2025	2025	2026
	<i>(in thousands, except for percentages)</i>			<i>(unaudited)</i>	
Profit for the year/period .	2,207,649	5,371,776	11,579,754	1,690,515	6,316,792
<i>adjusted for</i>					
Share-based payment expenses	157,138	222,617	268,589	45,217	299,075
Adjusted net profit (Non- IFRS measure).	2,364,787	5,594,393	11,848,343	1,735,732	6,615,867
Adjusted net profit margin (Non-IFRS measure) . . .	22.1%	23.4%	31.0%	26.0%	33.9%

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DESCRIPTION OF KEY COMPONENTS OF CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Revenue

During the Track Record Period, we primarily derived our revenue from sales of (i) optical transceivers and (ii) others which comprise optical components and automotive optoelectronics. Our revenue primarily derives from the sales of our optical transceivers, which reflect our strategic focus.

Revenue by Product

The following table sets forth a breakdown of our revenue by product during the years/periods indicated, and as percentages of total revenue.

	For the Year Ended December 31,						For the Three Months Ended March 31,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
<i>(in thousands, except for percentages)</i>										
<i>(unaudited)</i>										
Optical transceivers										
High-speed	7,106,027	66.3	19,969,857	83.7	34,092,442	89.2	5,596,812	83.9	18,447,604	94.6
Mid-to-low-speed . . .	3,075,946	28.7	2,915,900	12.2	3,364,077	8.8	902,928	13.5	890,647	4.6
Subtotal	10,181,973	95.0	22,885,757	95.9	37,456,519	98.0	6,499,740	97.4	19,338,251	99.2
Others	536,011	5.0	976,403	4.1	783,417	2.0	174,436	2.6	158,147	0.8
Total	10,717,984	100.0	23,862,160	100.0	38,239,936	100.0	6,674,176	100.0	19,496,398	100.0

Our optical transceivers consist of high-speed optical transceivers and mid-to-low-speed optical transceivers. High-speed optical transceivers include those with transmission rates of 400G, 800G and 1.6T, and mid-to-low-speed optical transceivers include those with transmission rates of 200G, 100G and below. Our revenue from optical transceivers was RMB10,182.0 million, RMB22,885.8 million, RMB37,456.5 million, RMB6,499.7 million and RMB19,338.3 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively, mainly driven by the sales growth of our high-speed optical transceivers, which amounted to RMB7,106.0 million, RMB19,969.9 million, RMB34,092.4 million, RMB5,596.8 million and RMB18,447.6 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. The overall sales growth in optical transceivers was primarily due to the strong demands from our major customers in relation to their increased investments in AI infrastructure.

Our revenue from others was RMB536.0 million, RMB976.4 million, RMB783.4 million, RMB174.4 million and RMB158.1 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. Increases in revenue from others from 2023 to 2024 was primarily due to the acquisition of Jingle Electronic in relation to our automotive optoelectronics business in July 2023 and the increased sales of our optical component products.

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Revenue by Region

The following table sets forth a breakdown of our revenue by region during the years/periods indicated, and as percentages of total revenue.

	For the Year Ended December 31,						For the Three Months Ended March 31,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
(in thousands, except for percentages)										
(unaudited)										
Chinese Mainland	1,644,712	15.3	3,146,445	13.2	3,603,412	9.4	772,768	11.6	730,842	3.7
United States	8,138,806	75.9	14,427,758	60.5	21,896,974	57.3	3,989,434	59.8	12,031,844	61.7
Other countries/ regions ⁽¹⁾	934,466	8.8	6,287,957	26.3	12,739,550	33.3	1,911,974	28.6	6,733,712	34.6
Total	10,717,984	100.0	23,862,160	100.0	38,239,936	100.0	6,674,176	100.0	19,496,398	100.0

(1) Other countries/regions primarily consist of Singapore, the Netherlands, the United Kingdom, and Hong Kong.

Our revenue from Chinese Mainland was RMB1,644.7 million, RMB3,146.4 million, RMB3,603.4 million, RMB772.8 million and RMB730.8 million in 2023, 2024, 2025, and the three months ended March 31, 2025 and 2026, respectively. Our revenue from United States was RMB8,138.8 million, RMB14,427.8 million, RMB21,897.0 million, RMB3,989.4 million and RMB12,031.8 million in 2023, 2024, 2025, and the three months ended March 31, 2025 and 2026, respectively. Our revenue from other countries/regions was RMB934.5 million, RMB6,288.0 million, RMB12,739.6 million, RMB1,912.0 million and RMB6,733.7 million in 2023, 2024, 2025, and the three months ended March 31, 2025 and 2026, respectively. The growths of revenue in all regions were primarily attributable to increased demand from customers, driven by their continued investments in AI infrastructure.

The following table sets forth details on the sales volume and average selling price (net of tax) of our optical transceivers during the Track Record Period.

	For the Year Ended December 31,						For the Three Months Ended March 31,			
	2023		2024		2025		2025		2026	
	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price
	KPCS ⁽¹⁾	RMB	KPCS	RMB	KPCS	RMB	KPCS	RMB	KPCS	RMB
High-speed	2,504	2,838	9,029	2,212	14,612	2,333	2,389	2,343	7,504	2,458
Mid-to-low-speed	4,950	621	5,562	524	6,474	520	1,746	517	1,454	613

Note:

(1) KPCS stands for thousand pieces.

During the Track Record Period, the sales volumes of both high-speed and mid-to-low-speed optical transceivers increased, reflecting the continued expansion of our business. Average selling prices tend to decline overtime following a product's initial launch, consistent with the natural trajectory of the product lifecycle. The average selling price of high-speed optical transceivers decreased from RMB2,838 in 2023 to RMB2,212 in 2024, and increased

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to RMB2,333 in 2025, such increase was primarily attributable to changes in our product mix, and it increased from RMB2,343 in the three months ended March 31, 2025 to RMB2,458 in the same period in 2026. The average selling price of mid-to-low-speed optical transceivers decreased from RMB621 in 2023 to RMB524 in 2024, and further to RMB520 in 2025, and it increased from RMB517 in the three months ended March 31, 2025 to RMB613 in the same period in 2026.

Cost of Revenue

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

	For the Year Ended December 31,						For the Three Months Ended March 31,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
<i>(in thousands, except for percentages)</i>										
<i>(unaudited)</i>										
Raw materials	5,996,905	81.8	13,646,117	85.7	19,411,109	86.8	3,545,612	83.2	9,293,106	87.5
Others	1,336,622	18.2	2,274,937	14.3	2,952,945	13.2	716,411	16.8	1,323,298	12.5
Total	7,333,527	100.0	15,921,054	100.0	22,364,054	100.0	4,262,023	100.0	10,616,404	100.0

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

	For the Year Ended December 31,						For the Three Months Ended March 31,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
<i>(in thousands, except for percentages)</i>										
<i>(unaudited)</i>										
Optical transceivers										
High-speed	4,444,591	60.6	12,810,787	80.5	19,317,327	86.4	3,452,711	81.0	9,827,149	92.6
Mid-to-low-speed . . .	2,400,877	32.7	2,259,487	14.2	2,352,889	10.5	656,550	15.4	651,862	6.1
Subtotal	6,845,468	93.3	15,070,274	94.7	21,670,216	96.9	4,109,261	96.4	10,479,011	98.7
Others	488,059	6.7	850,780	5.3	693,838	3.1	152,762	3.6	137,393	1.3
Total	7,333,527	100.0	15,921,054	100.0	22,364,054	100.0	4,262,023	100.0	10,616,404	100.0

Gross Profit and Gross Profit Margin

As a result of the foregoing, in 2023, 2024 and 2025, our gross profit was RMB3,384.5 million, RMB7,941.1 million and RMB15,875.9 million, and in the three months ended March 31, 2025 and 2026, our gross profits was RMB2,412.2 million and RMB8,880.0 million respectively. Our overall gross profit margin was 31.6%, 33.3% and 41.5% in 2023, 2024 and 2025, and 36.1% and 45.5% in the three months ended March 31, 2025 and 2026, respectively.

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The following table sets forth a breakdown of our gross profit and gross profit margin by products during the years/periods indicated.

	For the Year Ended December 31,						For the Three Months Ended March 31,			
	2023		2024		2025		2025		2026	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
<i>(in thousands, except for percentages)</i>										
<i>(unaudited)</i>										
Optical transceivers										
High-speed	2,661,436	37.5	7,159,070	35.8	14,775,115	43.3	2,144,101	38.3	8,620,455	46.7
Mid-to-low-speed . . .	675,069	21.9	656,413	22.5	1,011,188	30.1	246,378	27.3	238,785	26.8
Subtotal	3,336,505	32.8	7,815,483	34.1	15,786,303	42.1	2,390,479	36.8	8,859,240	45.8
Others	47,952	8.9	125,623	12.9	89,579	11.4	21,674	12.4	20,754	13.1
Total	3,384,457	31.6	7,941,106	33.3	15,875,882	41.5	2,412,153	36.1	8,879,994	45.5

For optical transceivers, we recorded gross profit of RMB3,336.5 million, RMB7,815.5 million, RMB15,786.3 million, RMB2,390.5 million and RMB8,859.2 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. The growth in gross profit of optical transceivers was driven by the continued expansion of our business. We recorded gross profit margin for optical transceivers of 32.8%, 34.1%, 42.1%, 36.8% and 45.8% in 2023, 2024, 2025, and the three months ended March 31, 2025 and 2026, respectively, mainly attributable to the increased revenue contribution from high-speed optical transceivers, which carried a relatively higher gross profit margin compared with mid-to-low-speed optical transceivers.

For others, we recorded gross profit of RMB48.0 million, RMB125.6 million, RMB89.6 million, RMB21.7 million and RMB20.8 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. Our gross profit margin for others was 8.9%, 12.9%, 11.4%, 12.4% and 13.1% in 2023, 2024, 2025, and the three months ended March 31, 2025 and 2026, respectively.

Sales and Marketing Expenses

In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our sales and marketing expenses were RMB124.8 million, RMB199.3 million, RMB226.2 million, RMB50.1 million and RMB78.7 million, respectively, representing 1.2%, 0.8%, 0.6%, 0.8% and 0.4% of our total revenue, respectively. The following table sets forth a breakdown of our sales and marketing expenses by nature, in absolute amounts and as percentages of total sales and marketing expenses, for the years/periods indicated.

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	For the Year Ended December 31,						For the Three Months Ended March 31,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	<i>(in thousands, except for percentages)</i>						<i>(unaudited)</i>			
Staff costs	69,277	55.5	109,365	54.9	135,433	59.9	27,496	54.9	50,829	64.6
Office, travelling and business development expenses	20,474	16.4	37,153	18.6	33,919	15.0	7,240	14.5	8,703	11.1
Professional service expenses	10,225	8.2	20,142	10.1	23,087	10.2	2,548	5.1	7,217	9.2
Depreciation and amortization expenses	9,906	7.9	20,153	10.1	17,331	7.7	4,555	9.1	4,337	5.5
Sample and consumable expenses	5,202	4.2	7,541	3.8	10,758	4.8	5,941	11.9	6,272	8.0
Others	9,756	7.8	4,914	2.5	5,647	2.4	2,322	4.5	1,381	1.6
Total	124,840	100.0	199,268	100.0	226,175	100.0	50,102	100.0	78,739	100.0

General and Administrative Expenses

In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our general and administrative expenses were RMB483.3 million, RMB683.8 million, RMB771.8 million, RMB149.1 million and RMB412.3 million, respectively, representing 4.5%, 2.9%, 2.0%, 2.2% and 2.1% of our total revenue, respectively. The following table sets forth a breakdown of general and administrative expenses by nature, in absolute amounts and as percentages of total general and administrative expenses, for the years/periods indicated.

	For the Year Ended December 31,						For the Three Months Ended March 31,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	<i>(in thousands, except for percentages)</i>						<i>(unaudited)</i>			
Staff costs	165,098	34.2	288,643	42.2	345,880	44.8	64,553	43.3	252,760	61.3
Office, travelling and business development expenses	135,959	28.1	146,206	21.4	204,144	26.5	39,477	26.5	80,264	19.5
Professional service expenses	45,698	9.5	131,448	19.2	122,096	15.8	16,680	11.2	43,510	10.6
Depreciation and amortization expenses	110,784	22.9	75,695	11.1	58,715	7.6	18,409	12.3	24,255	5.9
Others	25,718	5.3	41,767	6.1	40,983	5.3	9,983	6.7	11,517	2.7
Total	483,257	100.0	683,759	100.0	771,818	100.0	149,102	100.0	412,306	100.0

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Research and Development Expenses

In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our research and development expenses were RMB739.4 million, RMB1,244.0 million, RMB1,615.3 million, RMB290.3 million and RMB644.7 million, respectively, representing 6.9%, 5.2%, 4.2%, 4.4% and 3.3% of our total revenue, respectively. The following table sets forth a breakdown of research and development expenses by nature, in absolute amounts and as percentages of total research and development expenses, for the years/periods indicated.

	For the Year Ended December 31,						For the Three Months Ended March 31,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)									
	(unaudited)									
Staff costs	399,083	54.0	625,964	50.3	793,153	49.1	158,261	54.5	388,496	60.3
Raw material and consumable expenses	122,739	16.6	299,861	24.1	452,467	28.0	58,918	20.3	164,425	25.5
Depreciation and amortization expenses	126,571	17.1	179,245	14.4	171,186	10.6	40,153	13.8	45,660	7.1
Professional service expenses	61,723	8.3	89,499	7.2	126,462	7.8	16,798	5.8	32,515	5.0
Others	29,252	4.0	49,458	4.0	72,014	4.5	16,211	5.6	13,593	2.1
Total	739,368	100.0	1,244,027	100.0	1,615,282	100.0	290,341	100.0	644,689	100.0

Other Income

Our other income was RMB72.3 million, RMB85.7 million, RMB184.0 million, RMB23.4 million and RMB29.1 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively.

Other Gains/(Losses), net

The following table sets forth a breakdown of our net other gains/(losses) for the years/periods indicated.

	For the Year Ended December 31,			For the Three Months Ended March 31,	
	2023	2024	2025	2025	2026
	(RMB in thousands)				
	(unaudited)				
Net foreign exchange gains/(losses)	42,331	132,370	(323,412)	2,537	(309,277)
Net losses on disposal of property, plant and equipment and other assets	(7,103)	(9,224)	(12,004)	(3,127)	(373)
Net fair value gains on financial assets at FVTPL	19,866	75,063	14,921	23	—

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	For the Year Ended December 31,			For the Three Months Ended March 31,	
	2023	2024	2025	2025	2026
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>	
Gains on disposal of investments in associates	–	–	15,440	–	–
Others	(275)	2,836	2,851	2,042	(1,093)
Total	54,819	201,045	(302,204)	1,475	(310,743)

Our net foreign exchange gains increased from RMB42.3 million in 2023 to RMB132.4 million, primarily due to the appreciation of the U.S. dollars in 2024, which resulted in foreign exchange gains on our U.S. dollar-denominated trade receivables. Our net foreign exchange gains/(losses) decreased from the gains of RMB132.4 million in 2024 to the losses of RMB323.4 million in 2025 and to the losses of RMB309.3 million in the three months ended March 31, 2026, primarily due to the depreciation of the U.S. dollars in 2025, which resulted in foreign exchange losses on our U.S. dollar-denominated trade receivables, which are translated into Renminbi at the prevailing exchange rate between the U.S. dollar and Renminbi at the end of each financial reporting period.

Finance Income

Finance income represents interest income from bank deposits. Our finance income was RMB104.6 million, RMB108.0 million, RMB244.3 million, RMB41.7 million and RMB82.6 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively.

Finance Costs

The following table sets forth a breakdown of our finance costs for the years/periods indicated.

	For the Year Ended December 31,			For the Three Months Ended March 31,	
	2023	2024	2025	2025	2026
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>	
Interest expense on bank borrowings . . .	(40,991)	(49,779)	(58,776)	(16,618)	(10,120)
Change in carrying amount of redemption liabilities	(4,459)	(29,139)	(40,604)	(10,032)	(10,181)
Interest expense on lease liabilities	(909)	(3,774)	(3,817)	(377)	(810)

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	For the Year Ended December 31,			For the Three Months Ended March 31,	
	2023	2024	2025	2025	2026
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>	
Interest expense on amounts due from third party	(8,325)	–	–	–	–
Net exchange gains/(losses) on foreign currency borrowings	(7,154)	(9,055)	5,445	820	116
Total	<u>(61,838)</u>	<u>(91,747)</u>	<u>(97,752)</u>	<u>(26,207)</u>	<u>(20,995)</u>

Share of Profit/(Losses) of Associates, net

We recorded net share of profit of associates of RMB294.2 million, RMB324.1 million, RMB19.1 million and RMB19.1 million in 2023, 2025 and the three months ended March 31, 2025 and 2026, respectively. We recorded net share of losses of associates of RMB45.7 million in 2024.

Income Tax Expenses

In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, we had income tax expenses of RMB284.8 million, RMB680.7 million, RMB2,019.9 million, RMB299.3 million and RMB1,219.0 million, respectively.

Profit for the Year/Period

We recorded profit for the year/period of RMB2,207.6 million, RMB5,371.8 million, RMB11,579.8 million, RMB1,690.5 million and RMB6,316.8 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively.

TAXATION

PRC

Our subsidiaries established in the PRC are generally subject to statutory income tax at a rate of 25% in accordance with the relevant PRC income tax laws, subject to preferential tax treatments available to certain qualified enterprises. Some of our subsidiaries, such as Suzhou Innolight and Tongling Innolight, were approved as “High and New Technology Enterprise” in 2024 and, accordingly, enjoys a preferential income tax rate of 15% during the Track Record Period. This qualification is subject to review by relevant PRC governmental authorities every three years. Certain of our subsidiaries in the PRC have been granted certain tax concessions to small scale entities by tax authorities in the PRC whereby the subsidiaries operating in the respective region are entitled to tax concessions. Preferential tax treatments and incentives granted to us by PRC governmental authorities are subject to review and may be adjusted or revoked at any time in the future.

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According to the relevant laws and regulations promulgated by the State Council of the People's Republic of China that was effective from 2008 onwards, enterprises engaging in research and development activities were entitled to claim 150% of their research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year ("Additional Deduction"). The State Taxation Administration of The People's Republic of China ("STA") further announced in March 2021 that manufacturing enterprises engaging in research and development activities would entitle to claim 200% of their research and development expenses as Additional Deduction since 1 January 2021. The STA further announced in March 2023 that eligible enterprises would entitle to claim 200% of their research and development expenses as Additional Deduction since 1 January 2023. We have made our best estimate for the Additional Deduction to be claimed for our entities in ascertaining their assessable profits during the Track Record Period.

Under the PRC Enterprise Income Tax Law and its implementation rules, an enterprise established outside of the PRC with a "de facto management body" within the PRC is considered a resident enterprise and will be subject to the enterprise income tax on its global income at the rate of 25%. In April 2009, the SAT, issued a circular, known as Circular 82, which provides certain specific criteria for determining whether the "de facto management body" of a PRC-controlled enterprise that is incorporated offshore is located in China. Although this circular only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by PRC individuals or foreigners like us, the criteria set forth in the circular may reflect the SAT's general position on how the "de facto management body" test should be applied in determining the tax resident status of all offshore enterprises. According to Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its "de facto management body" in China and will be subject to PRC enterprise income tax on its global income only if all of the following conditions are met: (i) the primary location of the day-to-day operational management is in the PRC; (ii) decisions relating to the enterprise's financial and human resource matters are made or are subject to approval by organizations or personnel in the PRC; (iii) the enterprise's primary assets, accounting books and records, company seals, and board and shareholder resolutions, are located or maintained in the PRC; and (iv) at least 50% of voting board members or senior executives habitually reside in the PRC.

We believe none of our entities outside of China is a PRC resident enterprise for PRC tax purposes. However, if the PRC tax authorities determine that we or any of our subsidiaries outside of China is a PRC resident enterprise for PRC enterprise income tax purposes, then we or such subsidiary could be subject to PRC tax at a rate of 25% on our or the subsidiary's worldwide income. In addition, we will also be subject to PRC enterprise income tax reporting obligations. See "Risk Factors — Risks Relating to Global Operation in Multiple Jurisdictions — Our Company is a PRC enterprise and is subject to PRC tax on our global income, and any gains on the sales of our H Shares by investors and dividends paid to investors on our H Shares may be subject to PRC tax."

Singapore

Our subsidiaries in Singapore are subject to Singapore CIT which is calculated based on the applicable tax rate of 17% on the chargeable income of the subsidiaries in accordance with Singapore tax laws and regulations for the Track Record Period.

Thailand

Our subsidiaries in Thailand are subject to Thailand CIT which is calculated based on the applicable tax rate of 20% on the assessable profits of the subsidiaries in accordance with Thailand tax laws and regulations for the Track Record Period.

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DISCUSSION OF RESULTS OF OPERATIONS

Three Months Ended March 31, 2026 Compared with Three Months Ended March 31, 2025

Revenue

Our revenue increased by RMB12,822.2 million, or 192.1%, from RMB6,674.2 million for the three months ended March 31, 2025 to RMB19,496.4 million for the same period in 2026, primarily due to the increase in revenue from optical transceivers, which rose from RMB6,499.7 million to RMB19,338.3 million during the same period. Such increase was primarily attributable to a significant increase in sales volume of high-speed optical transceivers from 2,389 thousand pieces in the three months ended March 31, 2025 to 7,504 thousand pieces in the three months ended March 31, 2026, reflecting the strong demands from our major customers in relation to their increased investments in AI infrastructure.

Cost of Revenue

Our cost of revenue increased by RMB6,354.4 million, or 149.1% from RMB4,262.0 million for the three months ended March 31, 2025 to RMB10,616.4 million for the same period in 2026, which in line with our business growth, and the rate of increase was lower than that of our revenue growth.

Gross Profit and Gross Profit Margin

As a result of foregoing, our gross profit increased by RMB6,467.8 million, or 268.1% from RMB2,412.2 million for the three months ended March 31, 2025 to RMB8,880.0 million for the same period in 2026. Our gross profit margin increased from 36.1% for the three months ended March 31, 2025 to 45.5% for the same period in 2026, primarily attributable to a more favorable product mix driven by the increased sales volume and revenue contribution of higher-speed optical transceiver products, as well as the continued penetration of other new products. The improvement in gross profit margin was further supported by ongoing operational efficiency initiatives, including yield enhancement, manufacturing process optimization and improved production efficiency, which collectively reduced unit costs and strengthened overall profitability.

Sales and Marketing Expenses

Our sales and marketing expenses increased by RMB28.6 million, or 57.2%, from RMB50.1 million for the three months ended March 31, 2025 to RMB78.7 million for the same period in 2026, primarily due to an increase in staff costs of RMB23.3 million, which reflected our business growth.

General and Administrative Expenses

Our general and administrative expenses increased by RMB263.2 million, or 176.5%, from RMB149.1 million for the three months ended March 31, 2025 to RMB412.3 million for the same period in 2026, primarily due to an increase in staff costs of RMB188.2 million, of which RMB143.3 million represented the one-off recognition of share-based compensation expenses of the subsidiary, and an increase in office, traveling and business development expenses of RMB40.8 million.

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Research and Development Expenses

Our research and development expenses increased by RMB354.3 million, or 122.0%, from RMB290.3 million for the three months ended March 31, 2025 to RMB644.7 million for the same period in 2026, primarily due to increase in staff costs of RMB230.2 million, of which RMB77.2 million represented the one-off recognition of share-based compensation expenses of the subsidiary, and an increase in raw material and consumable expenses of RMB105.5 million.

Net Impairment (Losses)/Reversal on Financial Assets

Our net impairment (losses)/reversal decreased by RMB15.2 million, or 197.9%, from a net impairment reversal of RMB7.7 million for the three months ended March 31, 2025 to a net impairment loss of RMB7.5 million for the same period in 2026, primarily due to the reversal of impairment loss of trade receivable from external customers.

Other Income

Our other income increased by RMB5.7 million, or 24.5%, from RMB23.4 million for the three months ended March 31, 2025 to RMB29.1 million for the same period in 2026.

Other Gains/(Losses), Net

Our net gains/(losses) decreased by RMB312.2 million from a gain of RMB1.5 million for the three months ended March 31, 2025 to a loss of RMB310.7 million for the same period in 2026, primarily to the depreciation of the U.S. dollars in 2025, which resulted in foreign exchange losses on our U.S. dollar-denominated trade receivables, which are translated into Renminbi at the prevailing exchange rate between the U.S. dollar and Renminbi at the end of each financial reporting period.

Finance Income

Our finance income increased by RMB40.9 million from RMB41.7 million for the three months ended March 31, 2025 to RMB82.6 million for the same period in 2026, primarily due to an increase in interest income from bank deposits of RMB40.9 million.

Finance Costs

Our finance costs remained relatively stable at RMB26.2 million for the three months ended March 31, 2025 and RMB21.0 million for the same period in 2026.

Share of Profit of Associates, Net

Our net share of profit of associates remained relatively stable at RMB19.1 million for the three months ended March 31, 2025 and 2026.

Income Tax Expense

Our income tax expenses increased by RMB919.7 million from RMB299.3 million for the three months ended March 31, 2025 to RMB1,219.0 million for the same period in 2026.

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Profit for the Period

As a result of foregoing, the recorded profit of the period increased by RMB4,626.3 million from RMB1,690.5 million for the three months ended March 31, 2025 to RMB6,316.8 million for the same period in 2026.

Year Ended December 31, 2025 Compared with Year Ended December 31, 2024

Revenue

Our revenue increased by RMB14,377.8 million, or 60.3%, from RMB23,862.2 million in 2024 to RMB38,239.9 million in 2025, primarily due to the increase in revenue from optical transceivers, which rose from RMB22,885.8 million to RMB37,456.5 million during the same period. Such increase was primarily attributable to a significant increase in sales volume of high-speed optical transceivers from 9,029 thousand pieces in 2024 to 14,612 thousand pieces in 2025, reflecting the strong demands from our major customers in relation to their increased investments in AI infrastructure.

Cost of Revenue

Our cost of revenue increased by RMB6,443.0 million, or 40.5%, from RMB15,921.1 million in 2024 to RMB22,364.1 million in 2025, which reflected our business growth, and the rate of increase was lower than that of our revenue growth.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by RMB7,934.8 million, or 99.9%, from RMB7,941.1 million in 2024 to RMB15,875.9 million in 2025. Our gross profit margin increased from 33.3% in 2024 to 41.5% in 2025, primarily attributable to a more favorable product mix driven by the increased sales volume and revenue contribution of higher-speed optical transceiver products, as well as the continued penetration of other new products. The improvement in gross profit margin was further supported by ongoing operational efficiency initiatives, including yield enhancement, manufacturing process optimization and improved production efficiency, which collectively reduced unit costs and strengthened overall profitability.

Sales and Marketing Expenses

Our sales and marketing expenses increased by RMB26.9 million, or 13.5%, from RMB199.3 million in 2024 to RMB226.2 million in 2025, primarily due to an increase in staff costs of RMB26.1 million, which reflected our business growth.

General and Administrative Expenses

Our general and administrative expenses increased by RMB88.0 million, or 12.9%, from RMB683.8 million in 2024 to RMB771.8 million in 2025, primarily due to an increase in office, traveling and business development expenses of RMB57.9 million and an increase in staff costs of RMB57.2 million.

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Research and Development Expenses

Our research and development expenses increased by RMB371.3 million, or 29.8%, from RMB1,244.0 million in 2024 to RMB1,615.3 million in 2025, primarily due to an increase in staff costs of RMB167.2 million and an increase in raw material and consumable expenses of RMB152.6 million.

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets decreased by RMB3.5 million, or 18.4%, from RMB18.9 million in 2024 to RMB15.4 million in 2025, primarily due to the reversal of impairment loss of trade receivable from external customers.

Other Income

Our other income increased by RMB98.3 million, or 114.8%, from RMB85.7 million in 2024 to RMB184.0 million in 2025, primarily due to an increase in additional deduction for VAT of RMB70.6 million, pursuant to the Notice on the Additional Value-added Tax Credit Policy for Advanced Manufacturing Enterprises.

Other Gains/(Losses), Net

Our net other gains/(losses) decreased by RMB503.2 million from a gain of RMB201.0 million in 2024 to a loss of RMB302.2 million in 2025, primarily due our net foreign exchange gains/(losses) decreased from a gain of RMB132.4 million in 2024 to a loss of RMB323.4 million.

Finance Income

Our finance income increased by RMB136.3 million from RMB108.0 million in 2024 to RMB244.3 million in 2025, primarily due to an increase in interest income from bank deposits of RMB136.3 million.

Finance Costs

Our finance costs remained relatively stable at RMB91.7 million in 2024 and RMB97.8 million in 2025.

Share of Profit/(Losses) of Associates, Net

We recorded net share of losses of associates of RMB45.7 million in 2024 and net share of profit of associates of RMB324.1 million in 2025, reflecting the fluctuations in the carrying amount of our investment portfolio.

Income Tax Expense

Our income tax expenses increased by RMB1,339.2 million from RMB680.7 million in 2024 to RMB2,019.9 million in 2025.

Profit for the Year

As a result of the foregoing, the recorded profit of the year increased by RMB6,208.0 million from RMB5,371.8 million in 2024 to RMB11,579.8 million in 2025.

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Year Ended December 31, 2024 Compared with Year Ended December 31, 2023

Revenue

Our revenue increased by RMB13,144.2 million, or 122.6%, from RMB10,718.0 million in 2023 to RMB23,862.2 million in 2024, primarily due to revenue from optical transceiver increased from RMB10,182.0 million to RMB22,885.8 million. This increase was primarily attributable to a significant increase in sales volume of high-speed optical transceivers from 2,504 thousand pieces in 2023 to 9,029 thousand pieces in 2024, reflecting the strong demands from our major customers in connection to their increased investments in AI infrastructure. The increase was also attributable to an increase in revenue from others sources from RMB536.0 million to RMB976.4 million, primarily due to the acquisition of Jingle Electronic in relation to our automotive optoelectronics business in July 2023.

Cost of Revenue

Our cost of revenue increased by RMB8,587.5 million, or 117.1%, from RMB7,333.5 million in 2023 to RMB15,921.1 million in 2024, which reflected our business growth, and the rate of increase was lower than that of our revenue growth.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by RMB4,556.6 million, or 134.6%, from RMB3,384.5 million in 2023 to RMB7,941.1 million in 2024. Our gross profit margin increased from 31.6% in 2023 to 33.3% in 2024, primarily due to our optimized product mix driven by the introduction of innovative technology and continuous product upgrade, as well as cost-control initiatives.

Sales and Marketing Expenses

Our sales and marketing expenses increased by RMB74.4 million, or 59.6%, from RMB124.8 million in 2023 to RMB199.3 million in 2024, primarily due to an increase in staff costs of RMB40.1 million, which reflected our business growth.

General and Administrative Expenses

Our general and administrative expenses increased by RMB200.5 million, or 41.5%, from RMB483.3 million in 2023 to RMB683.8 million in 2024, primarily due to (i) an increase in staff costs of RMB123.5 million and (ii) an increase in professional service fee of RMB85.8 million, which reflected our business growth.

Research and Development Expenses

Our research and development expenses increased by RMB504.7 million, or 68.3%, from RMB739.4 million in 2023 to RMB1,244.0 million in 2024, primarily due to (i) an increase in staff costs of RMB226.9 million and (ii) an increase in raw material and consumable expenses of RMB177.1 million, which in line with our research and development activities.

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets increased by RMB10.2 million, or 117.1%, from RMB8.7 million in 2023 to RMB18.9 million in 2024, primarily due to an increase in impairment losses of trade receivables.

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Other Income

Our other income increased by RMB13.3 million, or 18.4%, from RMB72.3 million in 2023 to RMB85.7 million in 2024, primarily due to an increase in additional deduction for VAT of RMB7.8 million, pursuant to the Notice on the Additional Value-added Tax Credit Policy for Advanced Manufacturing Enterprises.

Other Gains, Net

Our net other gains increased by RMB146.2 million from RMB54.8 million in 2023 to RMB201.0 million in 2024, primarily due to an increase in net foreign exchange gains of RMB90.0 million.

Finance Income

Our finance income increased by RMB3.4 million from RMB104.6 million in 2023 to RMB108.0 million in 2024, primarily due to an increase in interest income from bank deposits of RMB3.4 million.

Finance Costs

Our finance costs increased by RMB29.9 million from RMB61.8 million in 2023 to RMB91.7 million in 2024, primarily due to (i) an increase in change in carrying amount of redemption liabilities of RMB24.7 million and (ii) an increase in interest expense on bank borrowings of RMB8.8 million.

Share of Profit/(Losses) of Associates, Net

Our net share of profit/(losses) of associates decreased by RMB339.9 million from a profit of RMB294.2 million in 2023 to a loss of RMB45.7 million in 2024, reflecting the fluctuations in the carrying amount of our investment portfolio.

Income Tax Expense

Our income tax expenses increased by RMB395.8 million from RMB284.8 million in 2023 to RMB680.7 million in 2024.

Profit for the Year

As a result of the foregoing, the recorded profit of the year increased by RMB3,164.1 million from RMB2,207.6 million in 2023 to RMB5,371.8 million in 2024.

FINANCIAL INFORMATION

DISCUSSION OF SELECTED ITEMS FROM THE CONSOLIDATED BALANCE SHEETS

The table below sets forth selected information from our consolidated balance sheets as of the dates indicated, which has been extracted from the Accountant's Report included in Appendix I to this Prospectus:

	As of December 31,			As of
	2023	2024	2025	March 31,
				2026
	<i>(RMB in thousands)</i>			
Non-current assets	8,687,353	10,670,531	14,204,946	17,531,902
Current assets	11,319,396	18,195,744	31,084,025	39,116,332
Total assets	20,006,749	28,866,275	45,288,971	56,648,234
Non-current liabilities	871,766	2,076,051	2,109,299	2,163,004
Current liabilities	4,360,485	6,497,383	11,558,473	16,370,329
Total liabilities	5,232,251	8,573,434	13,667,772	18,533,333
Total assets less current liabilities	15,646,264	22,368,892	33,730,498	40,277,905
Net current assets	6,958,911	11,698,361	19,525,552	22,746,003
Net assets	14,774,498	20,292,841	31,621,199	38,114,901
Share capital	802,826	1,121,167	1,111,118	1,111,118
Treasury shares	(620,480)	(569,364)	(46,876)	—
Reserves	8,209,108	7,957,834	8,452,683	8,493,241
Retained earnings	5,869,568	10,624,251	20,248,232	25,982,733
Non-controlling interests	513,476	1,158,953	1,856,042	2,527,809
Total equity	14,774,498	20,292,841	31,621,199	38,114,901
Total equity and liabilities	20,006,749	28,866,275	45,288,971	56,648,234

Our net assets increased from RMB31,621.2 million as of December 31, 2025 to RMB38,114.9 million as of March 31, 2026, primarily due to total comprehensive income of RMB6,052.5 million.

Our net assets increased from RMB20,292.8 million as of December 31, 2024 to RMB31,621.2 million as of December 31, 2025, primarily due to (i) total comprehensive income of RMB11,498.0 million, and (ii) share-based compensation of RMB707.9 million, partially offset by dividends of RMB1,000.0 million.

Our net assets increased from RMB14,774.5 million as of December 31, 2023 to RMB20,292.8 million as of December 31, 2024, primarily due to (i) total comprehensive income of RMB5,392.6 million, and (ii) capital injection of RMB498.5 million, partially offset by recognition of redemption liability of RMB838.2 million. For details of changes in equity during the Track Record Period, please see our consolidated statements of changes in equity included in Appendix I to this Prospectus.

FINANCIAL INFORMATION

Current Assets and Current Liabilities

The following table sets forth our current assets and current liabilities as of the dates indicated:

	As of December 31,			As of March 31,	As of May 31,
	2023	2024	2025	2026	2026
	<i>(RMB in thousands)</i>				<i>(unaudited)</i>
Inventories	4,294,660	7,051,320	12,680,708	15,672,078	19,430,190
Trade and notes receivables at amortized cost	2,904,793	4,670,627	6,349,511	9,648,104	9,499,633
Trade and note receivables at fair value through other comprehensive income	44,065	50,478	59,766	105,221	99,448
Prepayments, other receivables and other assets	332,560	846,968	997,131	1,473,208	1,841,228
Financial assets at fair value through profit or loss	416,039	522,546	10,016	10,026	2,520,240
Other financial assets at amortized cost	10,000	—	—	—	—
Restricted cash	83,378	66,015	43,086	31,441	30,800
Cash and cash equivalents . . .	3,233,901	4,987,790	10,943,807	12,176,254	6,853,357
Total current assets	11,319,396	18,195,744	31,084,025	39,116,332	40,274,896
Trade and note payables	2,163,483	3,507,823	7,800,410	10,920,027	11,799,724
Contract liabilities	2,607	9,997	26,327	45,593	20,470
Current tax liabilities	175,466	226,868	1,217,740	2,318,731	1,825,526
Borrowings	529,347	2,004,753	981,926	990,788	1,033,997
Lease liabilities	11,365	12,464	34,905	64,560	54,908
Redemption liabilities	25,667	22,000	—	—	—
Provisions	54,782	30,881	68,761	72,679	61,564
Other payables and accruals . .	1,397,768	682,597	1,428,404	1,957,951	2,540,434
Total current liabilities	4,360,485	6,497,383	11,558,473	16,370,329	17,336,623
Net current assets	6,958,911	11,698,361	19,525,552	22,746,003	22,938,273

Our net current assets remained relatively stable at RMB22,746.0 million as of March 31, 2026 and RMB22,938.3 million as of May 31, 2026.

Our net current assets increased from RMB19,525.6 million as of December 31, 2025 to RMB22,746.0 million as of March 31, 2026, primarily due to the increase of our total current assets, which outweighed the increase of our total current liabilities. Our total current assets increased from RMB31,084.0 million as of December 31, 2025 to RMB39,116.3 million as of March 31, 2026, primarily due to (i) an increase in trade and notes receivables at amortised cost of RMB3,298.6 million and (ii) an increase in inventories of RMB2,991.4 million.

Our net current assets increased from RMB11,698.4 million as of December 31, 2024 to RMB19,525.6 million as of December 31, 2025, primarily due to the increase of our total current assets, which outweighed the increase of our total current liabilities. Our total current assets increased from RMB18,195.7 million as of December 31, 2024 to RMB31,084.0 million as of December 31, 2025, primarily due to (i) an increase in cash and cash equivalents of RMB5,956.0 million, (ii) an increase in inventories of RMB5,629.4 million, and (iii) an increase in trade and notes receivables at amortized cost of RMB1,678.9 million.

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Our net current assets increased from RMB6,958.9 million as of December 31, 2023 to RMB11,698.4 million as of December 31, 2024, primarily due to the increase of our total current assets, which outweighed the increase of our total current liabilities. Our total current assets increased from RMB11,319.4 million as of December 31, 2023 to RMB18,195.7 million as of December 31, 2024, primarily due to (i) an increase in inventories of RMB2,756.7 million, (ii) an increase in trade and notes receivables at amortized cost of RMB1,765.8 million, and (iii) an increase in cash and cash equivalents of RMB1,753.9 million.

Assets

Property, Plant and Equipment

The following table sets forth the breakdown of our property, plant and equipment as of the dates indicated.

	As of December 31,			As of
	2023	2024	2025	March 31,
				2026
	<i>(RMB in thousands)</i>			
Property, plant and equipment				
Machinery	2,874,338	4,168,845	5,376,258	6,229,670
Buildings	1,019,318	1,592,727	1,539,266	1,508,993
Assets under construction . . .	328,571	52,537	1,421,937	2,259,044
Leasehold improvements	192,389	404,822	554,480	656,935
Freehold land	42,305	42,937	96,162	195,396
Electronic equipment	31,919	37,275	33,074	39,500
Other equipment	18,037	15,598	29,608	28,049
Motor vehicles	4,015	5,436	6,245	6,446
Total	4,510,892	6,320,177	9,057,030	10,924,033

Our property, plant and equipment increased from RMB4,510.9 million as of December 31, 2023 to RMB6,320.2 million as of December 31, 2024, primarily attributable to (i) an increase in machinery of RMB1,294.5 million and (ii) an increase in buildings of RMB573.4 million, further to RMB9,057.0 million as of December 31, 2025, primarily attributable to (i) an increase in assets under construction of RMB1,369.4 million, and (ii) an increase in machinery of RMB1,207.4 million, primarily due to the new factories construction and purchase of machinery driven by business growth and the enhancement of our production capabilities, and subsequently increased to RMB10,924.0 million as of March 31, 2026, primarily attributable to (i) an increase in machinery of RMB853.4 million and (ii) an increase in assets under construction of RMB837.1 million.

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Right-of-use Assets

The following tables sets forth the breakdown of our right-of-use assets as of the dates indicated.

	As of December 31,			As of
	2023	2024	2025	March 31,
				2026
	(RMB in thousands)			
Right-of-use assets				
Land use rights	136,777	132,775	126,757	156,770
Buildings	27,090	33,722	104,583	117,768
Total	163,867	166,497	231,340	274,538

Our right-of-use assets increased from RMB163.9 million as of December 31, 2023 to RMB166.5 million as of December 31, 2024, further increased to RMB231.3 million as of December 31, 2025 and subsequently increased to RMB274.5 million as of March 31, 2026, primarily attributable to an increase in our buildings which was in line with our business growth.

Intangible Assets

The following table sets forth the breakdown of our intangible assets as of the dates indicated.

	As of December 31,			As of
	2023	2024	2025	March 31,
				2026
	(RMB in thousands)			
Intangible assets				
Goodwill	1,938,875	1,938,875	1,938,875	1,938,875
Non-patent technologies	84,202	92,026	136,039	126,355
Development cost	47,990	75,669	54,086	54,505
Customer relationship	80,667	66,000	51,333	47,667
Software	13,966	26,151	48,905	58,314
Royalty patents	42,598	17,840	14,517	14,513
Total	2,208,298	2,216,561	2,243,755	2,240,229

Our intangible assets remained relatively stable of RMB2,208.3 million as of December 31, 2023, RMB2,216.6 million as of December 31, 2024, RMB2,243.8 million as of December 31, 2025, and RMB2,240.2 million as of March 31, 2026.

Impairment reviews on the goodwill of our Group have been conducted by the management as of December 31, 2023, 2024, 2025 and March 31, 2026, according to IAS 36 “Impairment of assets”. For the purposes of impairment review, the recoverable amounts of CGU or group of CGUs are determined based on value in use (“VIU”) calculations by using the discounted cash flow method.

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The carrying amount of goodwill allocated to the following CGUs or group of CGUs are as follows:

	As at December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Optical transceivers and components				
Suzhou InnoLight Group	1,782,092	1,782,092	1,782,092	1,782,092
Chengdu Tsuhan	197,813	197,813	197,813	197,813
Automotive optoelectronics				
Jingle Electronic	38,486	38,486	38,486	38,486
	2,018,391	2,018,391	2,018,391	2,018,391
Less: Impairment	(79,516)	(79,516)	(79,516)	(79,516)
	<u>1,938,875</u>	<u>1,938,875</u>	<u>1,938,875</u>	<u>1,938,875</u>

The key assumptions used by management for VIU calculation for the impairment test as follows:

	As of December 31,		
	2023	2024	2025
Suzhou InnoLight Group:			
Revenue annual growth rate during the forecast period	0%-55%	0%-30%	0%-73%
Perpetual annual growth rates	0%	0%	0%
Gross margins	28%-29%	30%-32%	40%-43%
Pre-tax discount rates	13.28%	14.24%	14.16%
Chengdu Tsuhan:			
Revenue annual growth rate during the forecast period	6%-72%	12%-60%	12%-60%
Perpetual annual growth rates	0%	0%	0%
Gross margins	7%-14%	10%-18%	13%-24%
Pre-tax discount rates	11.96%	12.99%	12.65%

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Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determine values
Revenue annual growth rate	Revenue annual growth rate is estimated over the five-year forecast period based on past performance and management's expectations of market development. The management of the Group used a five-year period as the projection period for the cash flow forecast, which was in line with the period length used in the corresponding strategic planning and long-term budgeting purpose for many years. Based on the industry knowledge and understanding of the market and business cycle, the management considered that before the projections move into a long term stable period, such five-year period projection was reasonable and supportable.
Gross margin	Based on past performance and management's expectations for the future.
Perpetual annual growth rate	This is the weighted average growth rate used to extrapolate cash flows beyond the forecast period. The rates are determined after making reference to long term inflation rate of the countries in which they operate. The perpetual annual growth rates remained stable which was due to the fact that the long-term inflation rates of the relevant countries were relatively stable during the Track Record Period.
Pre-tax discount rate	Estimated by using the weighted average cost of capital ("WACC") method. The WACC was calculated by referring to public market data including risk free rate, market return, beta of comparable public companies etc. and the specific risk of the business.

The estimated recoverable amounts of the CGUs of Suzhou InnoLight Group and Chengdu Tsuhan in excess of their carrying amount after the impairment (the "headroom") are as follows:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Suzhou InnoLight Group	16,158,373	38,523,936	163,820,433
Chengdu Tsuhan	N/A	72,986	183,394

On May 19, 2020, the Group acquired 67.19% equity interests in Chengdu Tsuhan, which mainly engages in the design and production of optical components, and recognised goodwill amounting to RMB197,813,000. The estimated recoverable amount of the CGU of Chengdu Tsuhan was below its carrying amount and therefore provision for impairment of RMB48,114,000 was recorded for the year ended December 31, 2023. This impairment arose as a result of significant declines in product prices and profit margins during 2023, driven by overall weak market demand and intensified supply competition.

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The following table sets out the sensitivity analysis that the recoverable amount of the CGU would equal the carrying amount of Suzhou InnoLight Group and Chengdu Tsuhan if the key assumptions were individually changed as follows:

	As of December 31,		
	2023	2024	2025
Suzhou InnoLight Group:			
Decrease in revenue annual growth rate during the projection period	11.02%	14.40%	24.64%
Decrease in perpetual annual growth rate	43.29%	74.15%	N/A
Decrease in gross margin during the projection period	9.20%	12.32%	22.74%
Increase in pre-tax discount rate	12.55%	20.83%	47.73%
Chengdu Tsuhan:			
Decrease in revenue annual growth rate during the projection period	N/A	1.14%	3.15%
Decrease in perpetual annual growth rate	N/A	1.22%	4.07%
Decrease in gross margin during the projection period	N/A	0.70%	2.38%
Increase in pre-tax discount rate	N/A	0.97%	3.03%

The Management of the Group has assessed that any reasonably possible changes in any of the key assumptions would not result in an impairment provision of goodwill of Suzhou InnoLight Group and Chengdu Tsuhan in 2024 and 2025. As of March 31, 2026, no significant adverse changes have been noted, thus no further impairment test was conducted accordingly. For detail of impairment tests for goodwill, see Note 18 to the Accountant's Report in Appendix I to this Prospectus.

Deferred Tax Assets

Our deferred tax assets increased from RMB81.9 million as of December 31, 2023 to RMB221.7 million as of December 31, 2024, further to RMB540.5 million as of December 31, 2025, and subsequently increased to RMB762.3 million as of March 31, 2026.

Prepayments, Other Receivables and Other Assets

The following table sets forth the breakdown of our prepayments, other receivables and other assets as of the dates indicated.

	As of December 31,			As of
	2023	2024	2025	March 31,
				2026
<i>(RMB in thousands)</i>				
Prepayments and other assets				
Deductible value-added tax	245,176	530,074	661,622	696,807
Prepayments	427,875	503,703	208,091	1,699,306
Deposits and guarantee receivables	18,626	67,583	79,352	84,681

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	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Amounts due from related parties	3,881	–	5,505	57,424
VAT refund receivables	43,881	127,488	24,129	34,538
Others	17,083	41,615	98,544	127,096
Subtotal	756,522	1,270,463	1,077,243	2,699,852
Less: provision for impairment	(180)	(128)	(6,131)	(6,136)
Subtotal	756,342	1,270,335	1,071,112	2,693,716
Less: non-current portion ⁽¹⁾	(423,782)	(423,367)	(73,981)	(1,220,508)
Prepayments, other receivables and other assets	332,560	846,968	997,131	1,473,208

Note:

- (1) The non-current portion mainly comprise prepaid construction equipment, export guarantee deposits and VAT refund receivables.

Our current prepayments, other receivables and other assets increased from RMB332.6 million as of December 31, 2023 to RMB847.0 million as of December 31, 2024, further increased to RMB997.1 million as of December 31, 2025, and subsequently increased to RMB1,473.2 million as of March 31, 2026, primarily attributable to the deductible value-added tax during the Track Record Period in line with our business operation.

Investments in Associates

Our investments in associates refer to our equity interests in listed and unlisted companies. Our investments in associates decreased from RMB930.3 million as of December 31, 2023 to RMB811.8 million as of December 31, 2024, primarily attributable to the share of losses and disposals and transfers incurred in 2024. Our investments in associates increased to RMB1,263.0 million as of December 31, 2025, primarily attributable to the share of profit and additions incurred in 2025, and further increased to RMB1,276.9 million as of March 31, 2026.

Financial Assets at Fair Value Through Profit or Loss

The following table sets forth the breakdown of our financial assets at fair value through profit or loss as of the dates indicated.

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Current				
Structured deposits	416,039	420,008	10,016	10,026
Investment in unlisted securities	–	102,538	–	–
Subtotal	416,039	522,546	10,016	10,026

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	As of December 31,			As of March 31,
	2023	2024	2025	2026
	<i>(RMB in thousands)</i>			
Non-Current				
Investment in private equity funds	154,545	333,367	559,205	614,705
Investment in unlisted securities	213,696	177,039	236,134	218,697
Subtotal	368,241	510,406	795,339	833,402
Total	784,280	1,032,952	805,355	843,428

Our financial assets at fair value through profit or loss increased from RMB784.3 million as of December 31, 2023 to RMB1,033.0 million as of December 31, 2024, primarily attributable to (i) an increase in investment in private equity funds of RMB178.8 million and (ii) an increase in current investment in unlisted securities of RMB102.5 million. Our financial assets at fair value through profit or loss decreased from RMB1,033.0 million as of December 31, 2024 to RMB805.4 million as of December 31, 2025, primarily due to (i) a decrease in structured deposits of RMB410.0 million and (ii) a decrease in current investment in unlisted securities of RMB102.5 million, and our financial assets at fair value through profit or loss increased to RMB843.4 million as of March 31, 2026.

We adopt a prudent investment policy with capital preservation and liquidity as our primary objectives, and only invest in wealth management products with high safety, strong liquidity, controllable risks and principal protection features. We implement a conservative investment strategy by selecting reputable and well-established issuers and maintaining formal approval and management procedures to ensure investment scale is controlled within our risk tolerance, with continuous monitoring by our finance department and regular reviews through internal audit to manage risks. The Board approves annually the maximum investment amount, within which all investments are conducted in the name of the Company, the president of the Company is authorized to make investment decisions. We will comply with requirements under Chapter 14 of the Listing Rules and disclose the details of our investments and other notifiable transactions to the extent necessary and as appropriate after the Global Offering.

Inventories

The following table sets forth the carrying amount of our inventories as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	<i>(RMB in thousands)</i>			
Inventories				
Raw materials	1,793,679	2,312,839	4,604,523	6,693,549
Work in progress	1,322,416	1,432,883	2,652,300	3,315,781
Semi-finished goods	459,073	1,298,137	2,705,768	2,916,181
Finished goods	963,928	2,203,450	2,829,200	2,819,050
Spare parts and consumables .	41,966	100,733	186,732	223,691
Less: Provision for impairment loss	(286,402)	(296,722)	(297,815)	(296,174)
Total	4,294,660	7,051,320	12,680,708	15,672,078

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Our inventories increased from RMB4,294.7 million as of December 31, 2023 to RMB7,051.3 million as of December 31, 2024, primarily due to (i) an increase in finished goods of RMB1,239.5 million and (ii) an increase in semi-finished goods of RMB839.1 million, and our inventories further increased to RMB12,680.7 million as of December 31, 2025, primarily due to (i) an increase in raw materials of RMB2,291.7 million, (ii) an increase in work in progress of RMB1,219.4 million and (iii) an increase in semi-finished goods of RMB1,407.6 million. Such increases were mainly attributable to the continued expansion of our business scale and the sustained growth in our revenue during the Track Record Period. In light of the procurement, production and delivery lead times required for our products, we generally procure key raw materials and commence production in advance of the scheduled delivery of customer orders to ensure timely fulfillment. Accordingly, inventory is typically built up before the corresponding revenue is recognized. As customer demand and expected future deliveries continued to grow during the Track Record Period, we increased our inventory of key raw materials, work in progress and semi-finished goods to support our future production and delivery requirements, resulting in the growth of our inventory exceeding the growth of our revenue during the same period. Our inventories subsequently increased to RMB15,672.1 million as of March 31, 2026, primarily due to an increase in raw materials of RMB2,089.0 million, reflecting our continued preparation for upcoming production and delivery schedules.

The following table sets forth the aging analysis of our inventory after deduction of provision as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	<i>(RMB in thousands)</i>			
Inventories				
Within one year	3,905,680	6,626,366	12,226,300	15,194,934
Over one year	675,382	721,676	752,223	773,318
Less: Provision for impairment of inventories	(286,402)	(296,722)	(297,815)	(296,174)
Total	<u>4,294,660</u>	<u>7,051,320</u>	<u>12,680,708</u>	<u>15,672,078</u>

We believe we have a comprehensive and adequate system in place for identifying and accounting for inventory risks and impairment provisions. We regularly review our inventories to identify items with low sales or usage value and make impairment provisions accordingly. We further assess inventories based on the lower of cost or net realizable value to make additional impairment provisions if necessary. We are of the view that we have assessed the net realizable value of our inventories and made sufficient impairment provisions for inventories where appropriate.

We provided provision against all our inventories by estimating the net realizable value based on relevant input such as backlog orders, technology obsolescence, quality ratings, recent and expected sales/usage rate, among others. The work in progress is primarily associated with products that have relatively lengthy production processes and cycles, indicating a potential for conversion. Among raw materials, spare parts are mainly used for the maintenance and upgrading of production equipment and are deemed durable consumables and also exhibit a longer conversion period and conversion potential.

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The following table sets forth the turnover days of our inventory for the periods indicated:

	For the Year Ended December 31,			For the Three Months Ended March 31,
	2023	2024	2025	2026
Inventory turnover days ⁽¹⁾	218	137	166	123

Note:

- (1) Inventory turnover days for a period equals the average of the gross value of the opening and closing inventories balance divided by cost of revenue for the relevant period and multiplied by the number of days in the relevant period (i.e. 365 days for a fiscal year).

Our inventory turnover days were primarily affected by production cycles, customer delivery deadlines and other related factors that we take into consideration in ensuring timely supply during regular production processes. Our inventory turnover days decreased from 218 days in 2023 to 137 days in 2024, primarily due to the increased revenue and sales volume, leading to improved inventory turnover efficiency. It increased to 166 days in 2025, primarily due to strategic procurement and inventory planning of key raw materials to ensure supply chain stability and production capacity, and then decreased to 123 days in the three months ended March 31, 2026.

As of May 31, 2026, RMB7,242.7 million, or 45.4% of inventories outstanding as of March 31, 2026 had been subsequently utilized or sold.

Trade and Notes Receivables at Amortized Cost

During the Track Record Period, our credit terms to our customer typically ranged from 30 to 75 days. Our trade and notes receivables at amortized cost increased from RMB2,904.8 million as of December 31, 2023 to RMB4,670.6 million as of December 31, 2024 and further increased to RMB6,349.5 million as of December 31, 2025 and increased to RMB9,648.1 million as of March 31, 2026, primarily attributable to our increased sales from our customer.

The following table sets forth an aging analysis of our trade receivables as of the invoice dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
<i>(RMB in thousands)</i>				
Trade receivables				
Within one year	2,563,771	4,600,443	6,289,838	9,561,476
One to two years	47,526	12,269	10,480	15,072
Two to three years	5,886	39,603	8,780	3,404
Above three years	19,328	24,470	23,620	18,722
Total	<u>2,636,511</u>	<u>4,676,785</u>	<u>6,332,718</u>	<u>9,598,674</u>

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The following table sets forth the turnover days of our trade receivables for the periods indicated:

	For the Year Ended December 31,			For the Three Months Ended March 31,
	2023	2024	2025	2026
Trade receivable turnover days ⁽¹⁾	71	56	53	37

Note:

- (1) Trade receivable turnover days for a period equals the average of the gross value of the opening and closing trade receivable balance divided by revenue for the relevant period and multiplied by the number of days in the relevant period (i.e. 365 days for a fiscal year).

Our trade receivables turnover days decreased from 71 days in 2023 to 56 days in 2024, 53 days in 2025, and 37 days in the three months ended March 31, 2026. Trade receivables turnover days decreased from 71 days in 2023 to 56 days in 2024, primarily because revenue continued to grow during the Track Record Period, while trade receivables grew at a slower pace than revenue. This was also supported by our continued efforts in trade receivables management amid rapid business expansion.

As of May 31, 2026, RMB7,690.6 million, or 80.1%, of our trade receivables as of March 31, 2026 had been subsequently settled.

Cash and Cash Equivalents

Our cash and cash equivalents represent our cash in bank and on hand. We had cash and cash equivalents of RMB3,233.9 million, RMB4,987.8 million, RMB10,943.8 million, and RMB12,176.3 million as of December 31, 2023, 2024, 2025 and March 31, 2026, respectively. For details, see “— Liquidity and Capital Resources.”

Liabilities

Redemption Liabilities

Our current and non-current redemption liabilities consist of (i) financial instruments with preferred rights and (ii) put option payable to NCI. Our redemption liabilities increased from RMB46.9 million as of December 31, 2023 to RMB901.7 million as of December 31, 2024, primarily attributable to an increase in financial instruments with preferred rights of RMB879.7 million. Our redemption liabilities remained relatively stable at RMB900.2 million and RMB896.3 million as of December 31, 2025 and March 31, 2026.

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Other Payables and Accruals

The following table sets forth the breakdown of our other payables and accruals as of the dates indicated:

	As of December 31,			As of
	2023	2024	2025	March 31,
	(RMB in thousands)			2026
Other payables and accruals				
Payables related to long-term assets	221,855	242,252	922,823	1,377,861
Salaries and welfare payables	187,247	282,081	363,795	409,271
Other taxes payable	45,789	17,327	32,691	99,730
Payable for stock ownership schemes	154,896	103,780	46,876	—
Payables for professional services	26,844	3,584	18,890	19,680
Amounts due to a third party	729,518	—	—	—
Others	31,619	33,573	43,661	51,741
Less: non-current-portion Others	—	—	(332)	(332)
Total	1,397,768	682,597	1,428,404	1,957,951

Our other payables and accruals decreased from RMB1,397.8 million as of December 31, 2023 to RMB682.6 million as of December 31, 2024, primarily attributable to the repayment of a third party loan, and decrease in payable for stock ownership schemes, offset by increase in salaries and welfare payables as we expand our staff base along with the business expansion, and increase in payables in relation to long-term assets as we continue to expand its capacities and business scale. Our other payables and accruals increased to RMB1,428.4 million as of December 31, 2025, and further increased to RMB1,958.0 million as of March 31, 2026, primarily attributable to further increase in payables in relation to long-term assets as we continue to expand its capacities and business scale.

Trade and Note Payables

During the Track Record Period, our credit terms from our supplier typically ranged from 60 to 90 days. Our trade and note payables primarily represent trade payables and note payables. The following table sets forth the breakdown of our trade and note payables as of the dates indicated:

	As of December 31,			As of
	2023	2024	2025	March 31,
	(RMB in thousands)			2026
Trade and note payables				
Trade payables	1,856,962	2,990,891	7,329,829	10,421,585
Note payables	306,521	516,932	470,581	498,442
Total	2,163,483	3,507,823	7,800,410	10,920,027

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Our trade and note payables increased from RMB2,163.5 million as of December 31, 2023 to RMB3,507.8 million as of December 31, 2024, further increased to RMB7,800.4 million as of December 31, 2025, and subsequently increased to RMB10,920.0 million as of March 31, 2026, primarily due to our increased purchase from suppliers.

The following table sets forth an aging analysis of our trade payables as of the dates indicated:

	As of December 31,			As of
	2023	2024	2025	March 31,
				2026
	(RMB in thousands)			
Trade payables				
Within one year	1,847,691	2,964,209	7,318,877	10,413,192
Over one year	9,271	26,682	10,952	8,393
Total	1,856,962	2,990,891	7,329,829	10,421,585

The following table sets forth the turnover days of our trade payables for the periods indicated:

	For the Year Ended December 31,			For the Three
	2023	2024	2025	Months Ended
				March 31,
				2026
Trade payable turnover				
days ⁽¹⁾	74	56	84	75

Note:

- (1) Trade payable turnover days for a period equals the average of the gross value of the opening and closing trade payable balance divided by cost of revenue for the relevant period and multiplied by the number of days in the relevant period (i.e. 365 days for a fiscal year).

Our trade payable turnover days remained relatively stable from 74 days in 2023 to 56 days in 2024, 84 days in 2025, and 75 days in the three months ended March 31, 2026.

As of May 31, 2026, RMB8,030.7 million, or 77.1%, of our trade payables as of March 31, 2026 had been subsequently settled.

We incurred cashflow mismatch during the Track Record Period, primarily due to the nature of our business, which involves a production cycle from raw material procurement to product delivery. We have implemented measures to mitigate the risks arising from cash flow mismatches, including: (i) strengthening receivables management by setting appropriate credit terms and enhancing collection efforts within the framework of our long-term collaborative relationships; (ii) optimising inventory management through improved forecasting and production planning to enhance turnover and reduce capital tied up in inventory; and (iii) prudently extending trade payable cycles through centralised procurement and bulk purchasing arrangements with our long-term suppliers.

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LIQUIDITY AND CAPITAL RESOURCES

The following table presents our consolidated cash flow data for the years/periods indicated.

	For the Year Ended December 31,			For the three months ended March 31,	
	2023	2024	2025	2025	2026
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>	
Net cash generated from operating activities	1,854,673	3,138,175	10,875,145	2,164,287	3,354,934
Net cash used in investing activities	(1,133,716)	(2,915,595)	(2,597,642)	(150,715)	(1,935,151)
Net cash generated from/(used in) financing activities	(315,890)	1,492,480	(2,143,560)	54,891	7,587
Net increase in cash and cash equivalents	405,067	1,715,060	6,133,943	2,068,463	1,427,370
Cash and cash equivalents at beginning of the year/period	2,808,535	3,233,901	4,987,790	4,987,790	10,943,807
Exchange gains/(losses) on cash and cash equivalents	20,299	38,829	(177,926)	(6,670)	(194,923)
Cash and cash equivalents at end of the year/period	3,233,901	4,987,790	10,943,807	7,049,583	12,176,254

Net Cash Generated from Operating Activities

For the three months ended March 31, 2026, our net cash generated from operating activities was RMB3,354.9 million, which was primarily attributable to the profit before income tax of RMB7,535.8 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily include (i) share-based payment expense of RMB299.1 million, (ii) depreciation of property, plant and equipment of RMB248.9 million and (iii) net foreign exchange losses of RMB106.2 million; partially offset by net finance income of RMB61.6 million. The amount was further adjusted by an increase in trade and note payables of RMB3,119.6 million; partially offset by (i) a decrease in trade and notes receivables at FVOCI of RMB3,305.9 million, (ii) a decrease in inventories of RMB2,996.7 million and (iii) a decrease in prepayments, other receivables and other assets of RMB1,552.5 million.

In 2025, our net cash generated from operating activities was RMB10,875.1 million, which was primarily attributable to profit before tax of RMB13,599.6 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily include (i) depreciation of property, plant and equipment of RMB824.1 million,

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(ii) share-based payment expense of RMB268.6 million and (iii) impairment of inventory of RMB120.9 million, partially offset by (i) share of profit of associates, net of RMB324.1 million and (ii) net finance income of RMB146.6 million. The amount was further adjusted by an increase in trade and note payables of RMB4,292.6 million; partially offset by (i) an increase in inventories of RMB5,810.9 million and (ii) an increase in trade and notes receivables at amortized cost of RMB1,688.1 million.

In 2024, our net cash generated from operating activities was RMB3,138.2 million, which was primarily attributable to profit before tax of RMB6,052.4 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily include (i) depreciation of property, plant and equipment of RMB605.1 million, (ii) share-based payment expense of RMB222.6 million, and (iii) amortization of intangible assets of RMB94.3 million, partially offset by net fair value gains on financial assets at FVPL of RMB75.1 million. The amount was further adjusted by changes in working capital, primarily including an increase in trade and note payables of RMB1,341.9 million; partially offset by (i) an increase in inventories of RMB2,835.2 million and (ii) an increase in trade and notes receivables at amortized cost of RMB1,784.8 million.

In 2023, our net cash generated from operating activities was RMB1,854.7 million, which was primarily attributable to profit before tax of RMB2,492.5 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily include (i) depreciation of property, plant and equipment of RMB431.2 million, (ii) share-based payment expense of RMB157.1 million and (iii) impairment of inventory of RMB101.0 million, partially offset by net share of profit of associates of RMB294.2 million. The amount was further adjusted by changes in working capital, primarily including an increase in trade and note payables of RMB637.9 million; partially offset by (i) an increase in trade and notes receivables at amortized cost of RMB1,122.3 million, (ii) an increase in inventories of RMB375.7 million and (iii) a decrease in other payables and accruals of RMB133.8 million.

Net Cash Used in Investing Activities

For the three months ended March 31, 2026, our net cash used in investing activities was RMB1,935.2 million, primarily attributable to payments for purchase of property, plant and equipment, intangible assets and other non-current assets of RMB1,929.2 million.

In 2025, our net cash used in investing activities was RMB2,597.6 million, primarily attributable to payments for purchase of property, plant and equipment, intangible assets and other non-current assets of RMB2,760.0 million; partially offset by proceeds from sale of financial assets at fair value through profit or loss of RMB1,002.5 million.

In 2024, our net cash used in investing activities was RMB2,915.6 million, primarily attributable to (i) payments for purchase of property, plant and equipment, intangible assets and other non-current assets of RMB2,866.2 million, and (ii) payments for purchase of financial assets at fair value through profit or loss of RMB2,713.8 million; partially offset by proceeds from sale of financial assets at fair value through profit or loss of RMB2,608.1 million.

In 2023, our net cash used in investing activities was RMB1,133.7 million, primarily attributable to (i) payments for purchase of financial assets at fair value through profit or loss of RMB3,894.2 million and (ii) payments for purchase of property, plant and equipment, intangible assets and other non-current assets of RMB1,704.5 million; partially offset by proceeds from sale of financial assets at fair value through profit or loss of RMB4,461.8 million.

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Net Cash Generated from/(Used in) Financing Activities

For the three months ended March 31, 2026, our net cash generated from financing activities was RMB7.6 million, primarily attributable to (i) proceeds from borrowings of RMB167.8 million and (ii) capital injection of RMB34.3 million; partially offset by (i) repayments of borrowings of RMB137.9 million, (ii) payments for listing expenses of RMB21.7 million and (iii) net payments for other financing activities of RMB16.3 million.

In 2025, our net cash used in financing activities was RMB2,143.6 million, primarily attributable to (i) repayments of borrowings of RMB2,054.9 million and (ii) dividends paid to the Company's shareholders of RMB1,000.0 million; partially offset by (i) proceeds from borrowings of RMB941.2 million and (ii) capital injection of RMB205.3 million.

In 2024, our net cash generated from financing activities was RMB1,492.5 million, primarily attributable to (i) proceeds from borrowings of RMB2,603.9 million, and (ii) capital injection of RMB245.8 million; partially offset by (i) repayments of borrowings of RMB847.6 million and (ii) dividends paid to the Company's shareholders of RMB355.1 million.

In 2023, our net cash used in financing activities was RMB315.9 million, primarily attributable to (i) repayments of borrowings of RMB1,903.4 million, and (ii) dividends paid to the Company's shareholders of RMB157.3 million; partially offset by (i) proceeds from borrowings of RMB805.2 million, (ii) proceeds from loans from a third party of RMB717.8 million and (iii) capital injection of RMB260.1 million.

WORKING CAPITAL SUFFICIENCY

Taking into account the financial resources available to us, including the expected cash generated from operating activities, existing cash and cash equivalents, available bank facilities and the estimated net proceeds from the Global Offering, our Directors believe that we have sufficient working capital for our present requirements and for the next 12 months from the date of this Prospectus.

INDEBTEDNESS

The following table sets forth a breakdown of our financial indebtedness as of the dates indicated.

	As of December 31,			As of March 31,	As of May 31,
	2023	2024	2025	2026	2026
	(RMB in thousands)				(unaudited)
Current					
Borrowings					
– Guaranteed borrowings	310,000	471,246	666,000	667,999	667,000
– Credit borrowings	196,952	1,533,507	297,926	272,989	317,197
– Pledged borrowings	22,395	–	18,000	49,800	49,800
Lease liabilities	11,365	12,464	34,905	64,560	54,908

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	As of December 31,			As of March 31,	As of May 31,
	2023	2024	2025	2026	2026
	<i>(RMB in thousands)</i>				<i>(unaudited)</i>
Non-Current					
Borrowings					
– Guaranteed borrowings . .	212,481	596,000	510,000	527,991	528,000
– Credit borrowings	106,241	10,281	–	2,908	16,135
Lease liabilities	17,040	23,175	74,731	58,364	140,517
Financial instruments with preferred rights	–	879,749	900,192	896,304	2,973,241
Total	876,474	3,526,422	2,501,754	2,540,915	4,746,798

Borrowings

Our current and non-current borrowings primarily consist of (i) guaranteed borrowings, (ii) credit borrowings and (iii) pledged borrowings. Our borrowings increased from RMB848.1 million as of December 31, 2023 to RMB2,611.0 million as of December 31, 2024, primarily attributable to the capital requirement to align with our business expansion. Our borrowings decreased to RMB1,491.9 million as of December 31, 2025, primarily attributable to decrease in our repayment and partially offset by increase in long-term borrowings, aiming for an optimized and efficient capital structure. Our borrowings increased from RMB1,491.9 million as of December 31, 2025 to RMB1,521.7 million as of March 31, 2026, and further increased to RMB1,578.1 million as of May 31, 2026 primarily attributable to the capital requirement to align with our business expansion.

As of May 31, 2026, our unutilized committed bank facilities was RMB3,993.5 million. During the Track Record Period and up to the Latest Practicable Date, we did not experience any difficulties in obtaining bank loans or other borrowings, nor did we experience any default in payment of trade or non-trade payables, bank loans or other borrowings, or any breach of covenants.

Lease Liabilities

Lease liabilities represent the present value of outstanding lease payments under our lease agreements. We recorded non-current lease liabilities of RMB17.0 million, RMB23.2 million, RMB74.7 million, RMB58.4 million and RMB140.5 million, respectively, as of December 31, 2023, 2024, 2025 and March 31 and May 31, 2026. We recorded current lease liabilities of RMB11.4 million, RMB12.5 million, RMB34.9 million, RMB64.6 million and RMB54.9 million, respectively, as of December 31, 2023, 2024, 2025 and March 31 and May 31, 2026.

Financial Instruments with Preferred Rights

Financial instruments with preferred rights represent the present value of the equity investments from investors at TeraHop Pte. Ltd. which the investors have the right to require the issuer to repurchase their equity investments upon the occurrence of specific triggering events. We recorded financial instruments with preferred rights of nil, RMB879.7 million, RMB900.2 million, RMB896.3 million and RMB2,973.2 million, respectively, as of December 31, 2023, 2024, 2025 and March 31 and May 31, 2026.

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Except as disclosed above, as of May 31, 2026 being our indebtedness statement date, we had no outstanding indebtedness or any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, guarantees or other contingent liabilities. Our Directors confirm that there had been no material change in our indebtedness since May 31, 2026 and up to the Latest Practicable Date.

CAPITAL EXPENDITURES

The following table sets forth our capital expenditures for the periods indicated.

	For the Year Ended December 31,			For the Three Months Ended March 31,	
	2023	2024	2025	2025	2026
<i>(RMB in thousands)</i>					
<i>(unaudited)</i>					
Machinery and equipment	1,377,877	2,290,579	1,959,579	295,631	1,428,480
Leasehold improvements and freehold land	326,579	575,578	800,415	105,933	500,719
Long-term lease	14,846	14,038	18,974	4,681	9,204
Total	1,719,302	2,880,195	2,778,968	406,245	1,938,403

Our capital expenditures were RMB1,719.3 million, RMB2,880.2 million, RMB2,779.0 million, RMB406.2 million and RMB1,938.4 million, respectively, in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, primarily attributable to capital expenditures on machinery and equipment. We intend to fund our future capital expenditures with financial resources available to us, including our existing cash balance, cash generated from our operation activities, our available banking facilities and proceeds from the Global Offering. We will continue to make capital expenditures to meet the expected growth of our business. See “Future Plans and Use of Proceeds — Use of Proceeds.”

CONTRACTUAL OBLIGATIONS

Capital Commitments

	For the Year Ended December 31,			For the Three Months Ended March 31,
	2023	2024	2025	2026
<i>(RMB in thousands)</i>				
Contracted, but not provided for purchase of property, plant and equipment	493,963	930,917	2,883,385	5,625,623
Contracted, but not provided for purchase of intangible assets	1,228	7,817	41,267	89,195
Total	495,191	938,734	2,924,652	5,714,818

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OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we did not have any material off-balance sheet commitments or arrangements.

CONTINGENT LIABILITIES

As of December 31, 2023, 2024, 2025, March 31, 2026 and up to the Latest Practicable Date, we did not have any contingent liabilities. Our Directors confirm that there has been no material change in our contingent liabilities as of the Latest Practicable Date.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. Our Directors are of the view that each of the related party transactions was conducted in the ordinary course of business on an arm's-length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or cause our historical results to become non-reflective of our future performance.

As of December 31, 2023, 2024, 2025 and March 31, 2026, our outstanding balances was RMB3.0 million, RMB3.8 million, RMB336.9 million and RMB408.1 million with related parties of trade nature which mainly include trade and note receivables at amortized cost and prepayments, other receivables and other assets. As of December 31, 2023, 2024, 2025 and March 31, 2026, our outstanding balances was RMB0.6 million, nil, RMB132.6 million and RMB250.4 million with related parties of trade nature which mainly include trade and note payables. For further details, see Note 40 to the Accountant's Report in Appendix I to this Prospectus.

KEY FINANCIAL RATIOS

The following table sets forth some of our key financial ratios for the periods indicated.

	As of/For the Year Ended December 31,			As of/For the three months ended March 31,	
	2023	2024	2025	2025	2026
				<i>(unaudited)</i>	
Revenue growth	N/A	122.6%	60.3%	N/A	192.1%
Net profit growth	N/A	143.3%	115.6%	N/A	273.7%
Gross profit margin ⁽¹⁾	31.6%	33.3%	41.5%	36.1%	45.5%
Net profit margin ⁽²⁾	20.6%	22.5%	30.3%	25.3%	32.4%
Adjusted net profit margin (Non-IFRS measure)	22.1%	23.4%	31.0%	26.0%	33.9%
Return on equity ⁽³⁾	16.4%	30.6%	44.6%	N/A	18.1%
Debt-to-asset ratio ⁽⁴⁾	4.4%	9.2%	3.5%	N/A	2.90%

Notes:

- (1) Gross profit margin is calculated using gross profit for the year/period divided by revenue for the year/period and multiplied by 100%.
- (2) Net profit margin is calculated using net profit for the year/period divided by revenue for the year/period and multiplied by 100%.

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- (3) Return on equity is calculated based on the net profit for the years/periods divided by the average amount of beginning and ending balance of total equity and multiplied by 100%. For the three months ended March 31, 2025 and 2026, the value represented unannualized.
- (4) Debt-to-asset ratio is calculated based on the borrowings and lease liabilities for the year/period divided by the ending balance of total assets and multiplied by 100%.

For a more comprehensive discussion of the factors affecting our key financial ratios during the Track Record Period, see “— Discussion of Results of Operations.”

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Our activities expose us to a variety of financial risks, primarily the foreign currency risk, other price risk and interest rate risk. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance.

DIVIDEND

During the Track Record Period, we have been declared dividend of RMB157.3 million, RMB670.7 million, RMB1,000.0 million and nil in 2023, 2024, 2025 and the three months ended March 31, 2026 to our Shareholders. On April 20, 2026, we declared a cash dividend of RMB1,111.1 million to our Shareholders, which was reviewed and approved at the 2025 Annual General Meeting held on April 20, 2026. The dividend was declared at RMB10.00 (tax inclusive) per 10 Shares and was payable to all Shareholders. This dividend distribution was completed on April 30, 2026.

According to the applicable PRC laws and our dividend policy, we may pay dividends out of our profit after tax only after we have made the (i) recovery of accumulated losses, if any; (ii) allocations to the statutory reserve equivalent to 10% of our Company’s profit after tax, and, when the statutory reserve reaches and is maintained at or above 50% of our Company’s total issued share capital, no further allocations to this statutory reserve will be required; and (iii) allocations, if any, to a discretionary common reserve as approved by our shareholders in a shareholders’ meeting.

We may distribute dividends in the form of cash, stocks or a combination of cash and stocks. Any proposed distribution of dividends is subject to the discretion of the Board and the approval of our shareholders. Our Company currently does not have a formal standalone dividend policy or predetermined dividend payout ratio. As set forth in our Articles of Association, the accumulated profits distributed in cash for the most recent three years shall not be less than 30% of our Company’s average annual distributable profits realized for the same three-year period. For each year that we record profits and positive accumulated undistributed profit, we shall distribute dividends in cash and such cash dividends distributed shall not be less than 10% of our Company’s distributable profits realized for the same period, except the (i) occurrence of significant investments (excluding fundraising activities) where the investment amount for the relevant year exceeds 10% of our Company’s audited net assets as of the end of the most recent financial year; or (ii) occurrence of significant capital expenditures where we intend to invest, acquire assets or purchase equipment within the next 12 months and the accumulated expenditure of which is expected to reach or exceed 10% of our Company’s audited net assets as of the end of the most recent financial period.

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Generally, our Board will make dividend proposals, taking into account factors including our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors that our Board deems to be appropriate. Our Shareholders in a general meeting may approve declaration of dividends.

DISTRIBUTABLE RESERVES

As of March 31, 2026, our reserves were RMB25,982.7 million, which represent distributable reserves to our shareholders, the retained earnings of the Group.

LISTING EXPENSES

Based on an Offer Price of HK\$1,010.00 per Offer Share (being the maximum Offer Price), the total listing expenses (including underwriting commissions) payable by our Company are estimated to be approximately HK\$532.1 million (equivalent to approximately RMB461.8 million), assuming the Over-allotment Option is not exercised. These listing expenses mainly comprise professional fees paid and payable to the professional parties, and commissions payable to the Underwriters, for their services rendered in relation to the Listing and the Global Offering.

We recorded listing expenses of RMB4.8 million in our consolidated statements of comprehensive income during the Track Record Period. We estimate that the listing expenses of RMB457.0 million (including (i) underwriting-related expenses, including underwriting commissions of RMB399.7 million, assuming the Over-allotment Option is not exercised and based on an Offer Price of HK\$1,010.00 per Offer Share (being the maximum Offer Price) and (ii) non-underwriting expenses of RMB57.3 million, including (a) the legal counsels and reporting accountant's expenses of RMB39.6 million, and (b) other fees and expenses of RMB17.7 million), accounting for 1.0% of our gross proceeds, will be further incurred by our Group, of which RMB5.9 million is expected to be charged to our consolidated statements of comprehensive income and RMB451.1 million is expected to be charged against equity upon the Listing.

UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following is an illustrative unaudited pro forma statement of adjusted consolidated net tangible assets of the Group which has been prepared in accordance with Rule 4.29 of the Listing Rules for the purpose of illustrating the effect of the Global Offering on the audited consolidated net tangible liabilities of the Group attributable to equity holders of the Company as of March 31, 2026 as if the Global Offering had taken place on that date.

The unaudited pro forma statement of adjusted net tangible assets of the Group has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group had the Global Offering been completed as of March 31, 2026 or any future dates. Please refer to “Appendix II — Unaudited Pro Forma Financial Information” for further details.

FINANCIAL INFORMATION

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the date of this prospectus, there has been no material adverse change in our financial or trading position or prospects since March 31, 2026, being the end date of our latest audited financial statements, and there has been no event since March 31, 2026 that would materially affect the information shown in the Accountants' Report set out in Appendix I to this Prospectus.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

We confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to disclosure required under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

See “Business — Our Growth Strategies” for a detailed description of our future plans.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$54,512.9 million, after deducting underwriting commissions, fees and estimated expenses payable by us in connection with the Global Offering, assuming the Over-Allotment Option is not exercised and an Offer Price of HK\$1,010.00 per Offer Share (being the maximum Offer Price).

In line with our strategies, we intend to use the net proceeds for the following purposes, subject to changes with respect to our evolving business needs and changing market conditions:

- Approximately 35.0% or HK\$19,079.5 million will be allocated over the next five years to ongoing investment in R&D for optical interconnects. Our technology development roadmap is structured around key indicative milestones, which may be adjusted in response to evolving market conditions and technological developments. By 2027, we expect to focus on enhancing the overall performance of our 1.6T optical transceivers across key metrics such as power consumption, signal loss and integration density. Between 2028 and 2029, we intend to work toward mass-production readiness and volume ramp-up of our 3.2T optical transceivers while invest in the R&D of next-generation optical transceivers. Concurrently, we expect to pursue the development of XPO, NPO, and CPO products targeting next-generation AI networking and high-bandwidth applications, establishing an early-mover advantage in future high-performance optical interconnect solutions. To achieve these technological milestones, we will also continue to optimize manufacturing process and expand our R&D talent base, which set the foundation of our competitive edge. In particular:
 - (i) Approximately 15.0% or HK\$8,176.9 million of the net proceeds will be allocated to the R&D of optical transceivers through continuous product iteration leveraging our established core technologies. Our product R&D initiatives in the near term focus on the launch of 3.2T optical transceivers, the development of products with different transmission distances, and the broadening of use case scenarios. We are committed to reinforcing our leadership in established technologies, such as coherent, LPO and LRO, as well as investing in the R&D of core components. Specifically, approximately (i) 40.0% of the proceeds will be used for retaining of our R&D professionals focused on technological innovations and new product developments, (ii) 30.0% for procurement of raw materials and consumables for R&D experiment purposes, (iii) 20.0% for deploying R&D fabs and trial-run manufacturing lines to ensure the quality and reliability of mass production. These facilities will be utilized for the anticipated launch and commercialization of new products, including the 3.2T optical transceivers, with the relevant construction and implementation expected to take place over the next two years, and (iv) the remaining 10.0% for non-recurring engineering (NRE) efforts.

FUTURE PLANS AND USE OF PROCEEDS

Leveraging our long-term strategic partnerships with global cloud service providers and AI computing solutions providers, we are well positioned to draw upon the industry expertise and deep insights of these customers, and expedite the transition from product concept to commercial deployment. Through these initiatives, we expect to significantly enhance our “time-to-market” capability and further reinforce our core competitive moat against peers.

- (ii) Approximately 10.0% or HK\$5,451.3 million of the net proceeds will be allocated to the R&D of emerging optical interconnect solutions as well as adjacent solutions beyond optical interconnects. We strive to establish comprehensive, forward-looking technology reserves and increase both the breadth and depth of our product portfolio, actively pursuing high-growth opportunities. In the near term, we will continue to invest in emerging scale-up solutions such as NPO and CPO, while also further penetrating new segments that are synergistic with, or complementary to, our current optical interconnect offerings, such as OCS. By building new growth engines beyond optical transceivers, we seek to expand business boundaries and further grow market share.
- (iii) Approximately 5.0% or HK\$2,725.6 million of the net proceeds will be allocated to the optimization of manufacturing process. By investing in the R&D of product engineering, we expect to further simplify product design and reduce manufacturing steps, driving incremental cost savings. In addition, we plan to further invest in automation and AI initiatives to streamline operations, boost productivity and improve product quality. Through these initiatives, we aim to achieve operational excellence and improve cost effectiveness, thereby further strengthening our “time-to-cost” capability.
- (iv) Approximately 5.0% or HK\$2,725.6 million of the net proceeds will be allocated to attracting top-tier R&D talent globally, including graduates from leading universities and seasoned industry experts. These funds will be used to further enhance our R&D capabilities in optical interconnects through market-oriented remuneration and incentive system, comprehensive training and professional development initiatives, and additional employee welfare measures. We plan to continuously strengthen our R&D capabilities through sustained investment, with headcount expected to grow steadily in line with our project pipeline and technology roadmap. We target a highly skilled talent base, with at least 50% of new recruits expected to hold a master’s degree or above. Our recruitment efforts are focused on professionals with expertise in photonic and electronic technologies, capable of supporting our product development to capture both scale-up and scale-out application scenarios. We offer competitive compensation benchmarked against prevailing market rates and tailored to individual expertise and experience within our overall remuneration framework. By investing in our R&D workforce, we aim to lead technological advancement and maintain our position at the forefront of the optical interconnects industry.
- Approximately 30.0% or HK\$16,353.9 million will be allocated to expand our global production capacity to support our product upgrade roadmap, which are expected to provide additional annual production capacity of up to approximately 50 million optical transceivers over the next three years. Our annualized production capacity is expected to grow to approximately 90 million units from approximately 40 million units in 2026, representing a CAGR of 31.0% from 2026 to 2029. For reference, the global optical interconnects market is expected to grow at a CAGR of 33.2% from 2026 to 2029, according to CIC. Such additional output is expected to support sales growth in both domestic and overseas markets. In particular, overseas

FUTURE PLANS AND USE OF PROCEEDS

capacity expansion will be planned in advance and aligned with the anticipated ramp-up in overseas demand to support production and shipments. In addition, should further capacity be required, we intend to fund additional capacity expansion with our internal resources to meet increased delivery requirements. Our current optical transceiver production facilities are operating at a utilization rate of approximately 84.7%, and we aim to continue maintaining an utilization rate of around 80.0%, a threshold we consider optimal to maintain a reasonable buffer for demand fluctuations and operational flexibility. In light of our current capacity and the anticipated growth in demand for high-speed optical transceivers driven by the continued build-out and upgrade of AI infrastructure and data center networks, we intend to deploy the proceeds over the next three years, with annual allocations of approximately 30.0%, 30.0%, and 40.0%, respectively, reflecting a phased ramp-up approach designed to align capital deployment with expected demand trajectories while managing execution risk. Over 80% of such total capital expenditure is expected to be directed toward the production of 1.6T optical transceivers and above. According to CIC, 1.6T optical transceivers market is forecasted to grow at a CAGR exceeding 50% from 2026 to 2030. We intend to scale our 1.6T production capacity at a comparable rate to effectively capture market growth opportunities. As part of our broader global expansion strategy, we may consider establishing manufacturing facilities across Southeast Asia, Chinese mainland, and other regions. The selection of these locations reflects a balanced consideration of several factors, including production efficiency, supply chain proximity and geographical diversification to mitigate concentration risks. We expect the expanded capacity to support top-line growth and, over time, contribute to margin improvement as we benefit from greater economies of scale. While upfront capital investments may temporarily weigh on near-term cash flows, we believe the expansion is expected to enhance our overall cash flow generation and profitability over long term as the new capacity progressively ramps up. In particular:

- (i) Approximately 15.0% or HK\$8,176.9 million of the net proceeds will be allocated to expanding our global production capacity to meet anticipated market demand for 1.6T optical transceivers. After commencing mass production of 1.6T products in 2025, we foresee a rapid ramp-up in sales driven by the growing need for enhanced computing power and faster data transmission speeds. We plan to invest in infrastructure and manufacturing equipment to expand existing manufacturing bases and/or potentially build new manufacturing bases to support the production of our 1.6T products. These efforts will strengthen our local manufacturing capabilities, enabling us to fulfill customer orders more efficiently, lower logistics costs, and mitigate risks related to potential trade disruptions.
- (ii) Approximately 10.0% or HK\$5,451.3 million of the net proceeds will be reserved for future 3.2T optical transceivers and next-generation optical interconnect solutions. According to CIC, R&D progress for 3.2T products has accelerated as of 2025, with commercial validation expected within the next five years, ushering the transmission speed upgrades. Recognizing the significant growth potential, 3.2T products have become a primary focus of our R&D initiatives. We intend to strategically allocate funds to expand our production capacity for 3.2T products. This approach will enhance our “time-to-volume” capabilities, enabling us to rapidly capture market share in this segment. In addition, we will reserve funds to support production of other emerging optical interconnect solutions.

FUTURE PLANS AND USE OF PROCEEDS

- (iii) Approximately 5.0% or HK\$2,725.6 million of the net proceeds will be allocated to expanding our production capacity for other types of mainstream optical transceivers such as 800G products. Our product portfolio serves a wide array of applications, covering both datacom and telecom applications. We plan to invest in manufacturing equipment to support the production of these products to boost overall sales.
- Approximately 10.0% or HK\$5,451.3 million will be allocated to enhance our supply chain resilience and commercialization capabilities over the next five years. In particular:
 - (i) Approximately 7.0% or HK\$3,815.9 million of the net proceeds will be allocated to enhancing our supply chain resilience by strengthening partnerships with suppliers and fostering strategic alignment to proactively respond to market dynamics. Specifically, approximately (i) 40% of the relevant proceeds will be allocated for signing long-term framework agreements to enhance supply stability, (ii) 30% for purchasing manufacturing equipment for suppliers to increase their production capacity, and (iii) 30% for forming strategic partnerships to empower our suppliers in achieving technological advancement. Our goal is to strengthen relationships with existing suppliers—securing reliable supply and negotiating more favorable terms—while also broadening our supplier base by onboarding new partners. This approach will further enhance the stability, flexibility, and resilience of our global supply chain, reducing potential risks associated with supply disruptions and ensuring our ability to meet dynamic market demand.
 - (ii) Approximately 3.0% or HK\$1,635.4 million of the net proceeds will be allocated to marketing initiative and technical support team expansion to further enhance our commercialization capabilities. We intend to progressively expand our sales team in line with business development needs to ensure sufficient resources to support our market expansion efforts, and attract more customers, especially global cloud service providers and AI computing solutions providers. We seek sales professionals who combine a strong technical understanding of optical transceivers with proven ability to drive customer penetration. To further enhance our industry recognition and brand equity, we will launch global marketing campaigns and participate in industry exhibitions, events and forums to stay at the forefront of market trends. In addition, we will expand on-the-ground support teams to better understand specific post-sales customer requirements, respond more effectively to evolving needs and provide tailored solutions, thereby strengthening long-term customer loyalty. For these roles, we seek candidates with a technical background in optical technology or related fields who are capable of effectively diagnosing and resolving customer issues. Compensation for both our sales and technical support personnel is structured to be market-competitive and performance-linked, and is designed to attract and retain qualified talent within our overall remuneration framework.
- Approximately 15.0% or HK\$8,176.9 million will be allocated to strategic acquisitions and investments. In particular, we intend to pursue strategic investment and acquisition opportunities, both within our domestic market and internationally, that offer significant synergies or serve to complement our existing operations. Our approach focuses on identifying potential strategic partners and targets that possess one or more of the following attributes: (i) advanced technological capabilities that

FUTURE PLANS AND USE OF PROCEEDS

enhance or broaden our current technology portfolio; (ii) the ability to expand and diversify our product offerings to better respond to evolving market demand; or (iii) businesses along the optical communication value chain that can strengthen our vertical integration capabilities, including upstream components and technologies as well as selected downstream applications and packaging solutions. In particular, we will focus on upstream segments, covering both early-stage companies and established players. We may also selectively expand into adjacent areas with strong strategic synergies, such as data center infrastructure and related thermal and power management technologies. By partnering with or investing in companies with these characteristics, we aim to accelerate innovation, drive product development, and reinforce our competitive position in the global optical interconnects market. According to CIC, there are available targets within the industry. We are open to both minority investment and acquisition opportunities. As of the Latest Practicable Date, we had not identified any specific acquisition targets and were not in ongoing negotiations with any specific acquisition targets.

- Approximately 10.0% or HK\$5,451.3 million will be allocated for working capital and general corporate purposes, including making prepayments to secure key materials and components from suppliers.

The additional net proceeds that we would receive if the Over-Allotment Option is exercised in full would be HK\$8,181.7 million (assuming an Offer Price of HK\$1,010.00 per H Share, being the maximum Offer Price). We intend to apply the additional net proceeds to the above uses on a pro rata basis.

To the extent that the net proceeds of the Global Offering are not immediately used for the above purposes or if we are unable to effect any part of our future development plans as intended, we may hold such funds in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions).

CORNERSTONE INVESTORS

THE CORNERSTONE PLACING

We have entered into cornerstone investment agreements (each a “**Cornerstone Investment Agreement**”, and together the “**Cornerstone Investment Agreements**”) with the cornerstone investors set out below (each a “**Cornerstone Investor**”, and together the “**Cornerstone Investors**”), pursuant to which the Cornerstone Investors have agreed to, subject to certain conditions, subscribe, or cause their designated entities to subscribe, at the Offer Price for such number of Offer Shares (rounded down to the nearest whole board lot of 50 H Shares) that may be purchased for an aggregate amount of approximately US\$3,450 million (or approximately HK\$27,040.51 million, calculated based on an exchange rate of US\$1.00 to HK\$7.83783) and exclusive of brokerage fee, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee (the “**Cornerstone Placing**”).

Based on the Offer Price of HK\$1,010.00 per H Share, being the maximum Offer Price, the total number of Offer Shares to be subscribed for by the Cornerstone Investors would be 26,772,200 H Shares, representing approximately (i) 49.12% of the H Shares offered pursuant to the Global Offering (assuming the Over-allotment Option is not exercised); (ii) 2.29% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised); and (iii) 2.27% of our total issued share capital immediately upon completion of the Global Offering and the full exercise of the Over allotment Option, all assuming no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date (or the date of exercise of Over-allotment Option (where applicable).

We believe that the Cornerstone Placing signifies our Cornerstone Investors’ confidence in our Company and its business prospect, and that the Cornerstone Placing will help to raise the profile of our Company. We became acquainted with each of the Cornerstone Investors in its ordinary course of operation through our Group’s business network, or through introduction by our Company’s business partners or the Overall Coordinators of the Global Offering.

The Cornerstone Placing will form part of the International Offering, and save as otherwise obtained consent from the Stock Exchange, the Cornerstone Investors, and their respective close associates will not subscribe for any Offer Shares under the Global Offering (other than pursuant to the Cornerstone Investment Agreements). The Offer Shares to be subscribed by the Cornerstone Investors will rank *pari passu* in all respects with the fully paid H Shares in issue following the Global Offering of the Company and will be counted towards the public float of our Company under Rule 19A.13A of the Listing Rules. Immediately following the completion of the Global Offering, the Cornerstone Investors or their close associates will not, by virtue of their cornerstone investments, have any Board representation in our Company; and none of the Cornerstone Investors and their close associates will become a substantial Shareholder of our Company. Other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, the Cornerstone Investors do not have any preferential rights under each of their respective Cornerstone Investment Agreements, as compared with other public Shareholders. There are no side arrangements or agreements between our Company and the Cornerstone Investors or any benefit, direct or indirect, conferred on the Cornerstone Investors by virtue of or in relation to the Listing, other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, following the principles as set out in Chapter 4.15 of the Guide for New Listing Applicants.

Among the Cornerstone Investors, Temasek, JPM AM, BlackRock, ADIA, Wellington, Perseverance Asset Management, Mirae Investors, Boyu Capital, Ninety One Asia, WT Asset Management and CPP Investments are either existing minority Shareholders or their respective close associates. The Stock Exchange has granted a waiver from strict compliance with the

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requirements under Rule 10.04 and consent under Paragraph 1C(2) of Appendix F1 to the Listing Rules and paragraph 17 of Chapter 4.15 of the Guide for New Listing Applicants to permit H Shares in the International Offering to be placed to certain existing minority Shareholders and/or their close associates. For further details, see “Waivers — Allocation of H Shares to Existing Minority Shareholders and/or Their Close Associates.”

Save as otherwise disclosed, to the best knowledge of our Company, (i) other than the cornerstone investors who are either existing minority Shareholders or their respective close associates, each of the Cornerstone Investors is an Independent Third Party; (ii) other than the cornerstone investors who are either existing minority Shareholders or their respective close associates, none of the Cornerstone Investors is accustomed to taking instructions from our Company, the Directors, the chief executive, substantial Shareholders, existing Shareholders or any of their respective subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Offer Shares; (iii) other than the cornerstone investors who are either existing minority Shareholders or their respective close associates, none of the subscription of the relevant Offer Shares by any of the Cornerstone Investors is financed by our Company, the Directors, chief executive, substantial Shareholders, existing Shareholders or any of their respective subsidiaries or their respective close associates, each Cornerstone Investor will be utilizing its internal financial resources, financial resources of its shareholders or (in the case of Cornerstone Investors which are funds or investment managers) the assets managed for its investors as its source of funding for the subscription of the Offer Shares, and each Cornerstone Investor has sufficient funds to settle its respective investment under the Cornerstone Placing; and (iv) each of the Cornerstone Investors has confirmed that all necessary approvals have been obtained with respect to the Cornerstone Placing and that no specific approval from any stock exchange (if relevant) is required for the relevant Cornerstone Placing. We further confirm that (i) none of the Cornerstone Investors has the right to nominate any Director nor has any representative on our Board; and (ii) none of the Cornerstone Investors is expected to be involved in the management of the business of our Company. In addition, to the best knowledge of our Company, save as otherwise disclosed, each of the Cornerstone Investors is independent from each other and makes independent investment decisions.

The Cornerstone Investors have agreed to pay for the relevant Offer Shares that they have subscribed before dealings in the Company’s H Shares commence on the Stock Exchange. Some of the Cornerstone Investors have agreed that, our Company, the Joint Sponsors and the Overall Coordinators may in their sole discretion defer the delivery of all or part of the Offer Shares it will subscribe to on a date later than the Listing Date. Such delayed delivery arrangement is in place to facilitate the over-allocation in the International Offering. There will be no delayed delivery if there is no over-allocation in the International Offering. Where delayed delivery takes place, (i) there would be delayed delivery of Offer Shares to some of the Cornerstone Investors based on commercial negotiations with the Cornerstone Investors, (ii) the delayed delivery date should be no later than three business days following the last day on which the Over-allotment Option may be exercised, (iii) no extra payment will be made to the relevant Cornerstone Investors for the purpose of the delayed delivery arrangement, and (iv) each of the Cornerstone Investors has agreed that it shall nevertheless pay for the relevant Offer Shares in full before the Listing. As such, there will not be any deferred settlement in payment by the Cornerstone Investors.

Details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement of our Company to be published on or around Wednesday, July 29, 2026.

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To the best knowledge of the Company and the Overall Coordinators, and based on the indicative interest of investment of the Cornerstone Investors and/or their close associates as of the date of this prospectus, certain Cornerstone Investors and/or their close associates may participate in the International Offering as placees and subscribe for further Offer Shares in the Global Offering. Our Company will seek the Stock Exchange's consent and/or waiver to allow the Cornerstone Investors and/or their close associates to participate in the International Offering as placees pursuant to Chapter 4.15 of the Guide for New Listing Applicants. Whether such Cornerstone Investors and/or their close associates will place orders in the International Offering are uncertain and will be subject to the final investment decisions of such investors and the terms and conditions of the Global Offering.

OUR CORNERSTONE INVESTORS

The table below sets forth details of the Cornerstone Placing, assuming an Offer Price of HK\$1,010.00, being the maximum Offer Price:

Cornerstone Investor	Investment amount ⁽¹⁾	Number of Offer Shares ⁽²⁾	Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised	
			Approximate % of the Offer Shares	Approximate % of the issued share capital ⁽³⁾	Approximate % of the Offer Shares	Approximate % of the issued share capital ⁽³⁾
			(US\$ in millions)			
Temasek	300	2,328,050	4.27%	0.20%	3.71%	0.20%
<i>Taibai</i>	240	1,862,450	3.42%	0.16%	2.97%	0.16%
<i>True Light</i> . . .	60	465,600	0.85%	0.04%	0.74%	0.04%
HHLRA	300	2,328,050	4.27%	0.20%	3.71%	0.20%
JPM AM	250	1,940,050	3.56%	0.17%	3.10%	0.16%
<i>JPMIMI</i>	153.5	1,191,150	2.19%	0.10%	1.90%	0.10%
<i>JPMAMAPL</i> . .	96.5	748,850	1.37%	0.06%	1.19%	0.06%
BlackRock	250	1,940,050	3.56%	0.17%	3.10%	0.16%
YF Capital	150	1,164,000	2.14%	0.10%	1.86%	0.10%
Aspex	150	1,164,000	2.14%	0.10%	1.86%	0.10%
ADIA	100	776,000	1.42%	0.07%	1.24%	0.07%
Wellington	100	776,000	1.42%	0.07%	1.24%	0.07%
Perseverance Asset Management . .	100	776,000	1.42%	0.07%	1.24%	0.07%
Indus Funds	100	776,000	1.42%	0.07%	1.24%	0.07%
Mirae Investors . .	100	776,000	1.42%	0.07%	1.24%	0.07%
NGS Super Fund .	100	776,000	1.42%	0.07%	1.24%	0.07%
Bain Capital	100	776,000	1.42%	0.07%	1.24%	0.07%
CPE	100	776,000	1.42%	0.07%	1.24%	0.07%
Boyu Capital . . .	100	776,000	1.42%	0.07%	1.24%	0.07%
IDG Capital	90	698,400	1.28%	0.06%	1.11%	0.06%
Ninety One Asia .	10	77,600	0.14%	0.01%	0.12%	0.01%
WT Asset Management . .	100	776,000	1.42%	0.07%	1.24%	0.07%
CloudAlpha Capital	100	776,000	1.42%	0.07%	1.24%	0.07%
Tairen	100	776,000	1.42%	0.07%	1.24%	0.07%
Hao Funds	100	776,000	1.42%	0.07%	1.24%	0.07%
Janchor Funds . .	100	776,000	1.42%	0.07%	1.24%	0.07%
Alibaba	50	388,000	0.71%	0.03%	0.62%	0.03%
Tencent	50	388,000	0.71%	0.03%	0.62%	0.03%
CPP Investments .	50	388,000	0.71%	0.03%	0.62%	0.03%

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Cornerstone Investor	Investment amount ⁽¹⁾ (US\$ in millions)	Number of Offer Shares ⁽²⁾	Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised	
			Approximate % of the Offer Shares	Approximate % of the issued share capital ⁽³⁾	Approximate % of the Offer Shares	Approximate % of the issued share capital ⁽³⁾
Oaktree	50	388,000	0.71%	0.03%	0.62%	0.03%
CP Black Dragon .	50	388,000	0.71%	0.03%	0.62%	0.03%
CTFE	50	388,000	0.71%	0.03%	0.62%	0.03%
Athos Capital . . .	50	388,000	0.71%	0.03%	0.62%	0.03%
TAL Funds	50	388,000	0.71%	0.03%	0.62%	0.03%
Burkehill	50	388,000	0.71%	0.03%	0.62%	0.03%
General Atlantic .	50	388,000	0.71%	0.03%	0.62%	0.03%
Huadeng Technology . . .	50	388,000	0.71%	0.03%	0.62%	0.03%
Total	3,450	26,772,200	49.12%⁽⁴⁾	2.29%	42.72%	2.27%

Notes:

- (1) Exclusive of brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee, and to be converted to Hong Kong dollars based on the exchange rate set out in the section headed “Information about this Prospectus and the Global Offering — Exchange Rate Conversion” in this Prospectus for illustrative purpose.
- (2) Rounded down to the nearest whole board lot of 50 H Shares.
- (3) Assuming no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the date of exercise of Over-allotment Option.
- (4) Pursuant to paragraph 3.2 of Practice Note 18 to the Listing Rules, at least 40% of the total number of Offer Shares initially offered in the Global Offering must be allocated to investors in the placing tranche (other than the Cornerstone Investors). As the Company is initially offering approximately 10% of the total number of Offer Shares in the Hong Kong Public Offering, no more than 50% of the total number of the Offer Shares initially offered in the Global Offering can be allocated to all Cornerstone Investors (the “**Cornerstone Placing Allocation Limit**”). Each of the Cornerstone Investors has agreed in their respective Cornerstone Investment Agreements that the allocation of the number of Offer Shares to be subscribed for by the relevant Cornerstone Investor is subject to adjustment to ensure compliance with the Listing Rules, including the Cornerstone Placing Allocation Limit. Accordingly, the allocation of the number of Offer Shares to be subscribed for by the Cornerstone Investors will be adjusted in proportion to their respective initial subscription amounts set out in their respective Cornerstone Investment Agreements to ensure compliance with the Cornerstone Placing Allocation Limit in the event that the final Offer Price is set lower than HK\$1,010.00, and the number of the Offer Shares finally allocated to each of the Cornerstone Investors will be disclosed in the allotment results announcement of the Company to be published on or around Wednesday, July 29, 2026.

The information about our Cornerstone Investors set forth below has been provided by the Cornerstone Investors in connection with the Cornerstone Placing.

Temasek

Taibai

Taibai Investments Pte. Ltd. (“**Taibai**”) is an indirect wholly owned subsidiary of Temasek Holdings (Private) Limited (“**Temasek**”). Temasek is a global investment company headquartered in Singapore, with a net portfolio value of S\$518 billion as at March 31, 2026. Temasek’s Purpose “So Every Generation Prospers” guides it to make a difference for today’s and future generations. Temasek seeks to build a resilient and forward-looking portfolio that will deliver sustainable returns over the long term. It has 13 offices in 9 countries around the world: Beijing, Hanoi, Mumbai, Shanghai, Shenzhen, and Singapore in Asia; and Brussels, London, Mexico City, New York, Paris, San Francisco, and Washington, DC outside Asia.

CORNERSTONE INVESTORS

True Light

True Light Investments H Pte. Ltd. (“**True Light**”) is indirectly wholly held by True Light Capital GP Pte. Ltd. (“**True Light GP**”) for and on behalf of True Light Fund I LP (“**True Light Fund**”) in its capacity as general partner of True Light Fund. True Light GP has appointed True Light Capital Pte. Ltd. (“**True Light Capital**”) as the discretionary investment manager of True Light Fund.

True Light Fund invests alongside Temasek in high-quality investment opportunities which have a nexus to or have a major business relationship with Greater China. True Light Fund completed its final close in 2023 at US\$3.3 billion and is supported by global investors, including sovereign wealth funds, foundations, financial institutions and family offices.

Established in 2021, True Light Capital is an asset manager headquartered in Singapore with offices in both Singapore and Shanghai. True Light Capital manages funds that are focused on investing in Greater China. It applies a theme-driven approach, investing across asset classes, sectors and stages, and has the ability to invest and hold through cycles.

Both True Light GP and True Light Capital are each independent, indirectly wholly-owned subsidiaries of Temasek.

HHLRA

HHLR Advisors, Ltd. (“**HHLRA**”) is an exempted company incorporated in the Cayman Islands that acts as the investment manager of investment funds (collectively the “**HHLRA Funds**”), which are limited partnerships formed under the laws of the Cayman Islands. There is no individual limited partner investor who holds an economic interest of 30% or more in the HHLRA Funds. HHLRA intends to hold the Offer Shares through one of the HHLRA Funds, namely HACF, L.P.

HHLRA also acts as the investment manager of segregated management accounts (“**SMAs**”). HHLRA intends to hold certain Offer Shares through SMAs managed for CPP Investments and the Abu Dhabi Investment Authority.

HHLRA collaborates with industry-defining enterprises, aiming to establish alignment with sustainable, forward-thinking companies across industrial, consumer, healthcare and business services sectors. HHLRA manages capital for global institutions, including non-profit foundations, endowments, and pensions. HHLRA is entering the Cornerstone Investment Agreement with the Company in its capacity as a discretionary investment manager and on behalf of the HHLRA Funds and SMAs.

JPM AM

JPMIMI

J.P. Morgan Investment Management Inc. (“**JPMIMI**”), a company incorporated in New York in February of 1984, has entered into a cornerstone investment agreement with the Company and the Joint Sponsors, in its capacity as the investment advisor or investment manager for and on behalf of the following fund(s): JP Morgan Chase Retirement Plan – GEM Discovery, JPM Emerging Markets Equity Fund (US Mutual Fund), JPM Emerging Markets Equity Fund (Lux SICAV Fund), JPM Emerging Markets Fund, and certain other pooled funds, segregated accounts and mandates.

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To the best of JPMIMI's knowledge, no single ultimate beneficial owner holds 30% or more interest in those funds.

JPMIMI is licensed by the United States Securities and Exchange Commission (SEC) USA.

JPMAMAPL

JPMorgan Asset Management (Asia Pacific) Limited ("**JPMAMAPL**"), a company incorporated in Hong Kong in November 1974, has entered into a cornerstone investment agreement with the Company and the Joint Sponsors, in its capacity as the investment advisor or investment manager for and on behalf of the following fund(s): (i) JPMorgan China Pioneer A-Share Fund, (ii) JPMorgan China A-Share Opportunities Fund, (iii) JPMorgan Funds – China A-Share Opportunities Fund, (iv) JPMorgan China Growth and Income PLC, (v) JPMorgan Funds – China Fund, and (vi) certain other pooled funds, segregated accounts and mandates.

To the best of JPMAMAPL's knowledge, no single ultimate beneficial owner holds 30% or more interest in those funds.

JPMAMAPL is licensed by the Securities and Futures Commission (SFC) Hong Kong SAR.

Each of JPMIMI and JPMAMAPL is a wholly owned subsidiary of JPMorgan Asset Management Holdings Inc., an investment management company, which is ultimately wholly owned by JPMorgan Chase & Co. ("**JPMC**"), which is a company organized under United States, Delaware law as a corporation that has issued shares of common stock to investors. JPMC's shares are listed on the New York Stock Exchange (stock code: JPM).

BlackRock

Investment management subsidiaries of BlackRock, Inc. ("**BlackRock**") have discretionary investment management power over BlackRock Global Funds – China Fund, BlackRock Asia Fund, BlackRock Global Funds – Asian Dragon Fund, BlackRock Emerging Markets Fund, BlackRock Global Funds – Emerging Markets Fund, BlackRock Strategic Funds – BlackRock Asia Pacific Absolute Return Fund, BlackRock Global Funds-Emerging Markets Sustainable Equity Fund, BlackRock Global Funds – Emerging Markets Equity Income Fund, BlackRock Emerging Markets Fund, Inc., BlackRock Systematic Total Alpha Master Fund Ltd., Alpha Advantage Global Fund, Alpha Advantage Global Fund B, BlackRock Global Equity Market Neutral Fund of BlackRock Funds, Emerging Markets Alpha Master Fund Ltd., BlackRock Systematic China Absolute Return Master Fund Ltd., SAE Liquidity Fund LP, BLACKROCK STRATEGIC FUNDS – BlackRock Systematic Global Equity Absolute Return Fund, BLACKROCK STRATEGIC FUNDS – BlackRock Systematic Asia Pacific Equity Absolute Return Fund, All China Opportunities Fund, Pan Asia Opportunities Master Fund Ltd., Global Alpha Opportunities Master Fund Ltd., The 32 Capital Master Fund SPC Ltd. and certain other separately managed accounts (as several and not joint nor joint and several investors, each, a "**BlackRock Fund**", and collectively the "**BlackRock Funds**"). BlackRock is listed on the New York Stock Exchange (stock code: BLK). As of March 31, 2026, the firm managed approximately US\$13.9 trillion in assets on behalf of investors worldwide. BlackRock's shareholders' and New York Stock Exchange's approval are not required for BlackRock Funds' subscription for the Offer Shares pursuant to the Cornerstone Investment Agreement.

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In addition to the conditions precedent as set out in “— Closing Conditions”, the subscription obligations of the BlackRock Funds are subject to the respective representations, warranties, acknowledgements, undertakings and confirmations of the Company being accurate, true and complete in all material respects and not misleading and there being no material breach of the Cornerstone Investment Agreement on the part of the Company. Further, the BlackRock Funds are entitled to terminate the Cornerstone Investment Agreement in the event there is a material breach of the Cornerstone Investment Agreement by the Company or other contracting parties or they are prevented or delayed from performing their obligations under the Cornerstone Investment Agreement as a result of circumstances beyond their control.

YF Capital

New Alternative

New Alternative Limited (“**New Alternative**”) is a limited liability company incorporated in the British Virgin Islands and is wholly owned by Yunfeng Capital Limited, a wholly owned subsidiary of Yunfeng Investments Limited (“**Yunfeng Investments**”). Yunfeng Investments is majority-owned and controlled by Mr. Yu Feng. The other minority stakeholder is also an Independent Third Party.

Interlux Fund, L.P.

Interlux Fund, L.P. is a limited partnership whose general partner is Interlux GP, Ltd., which is wholly owned by Mr. Yu Feng. None of the limited partners of Interlux Fund, L.P., except New Golden Future Limited, holds 30% or more interests thereof. New Golden Future Limited is a limited liability company incorporated in the BVI, which is wholly owned by Yunfeng Investments.

Mr. Yu Feng is the co-founder and chairman of Yunfeng Capital, and the chairman and non-executive director of Yunfeng Financial Group Limited, a company listed on the Stock Exchange (stock code: 376).

Aspex

Aspex Master Fund (“**Aspex**”) is a company incorporated and registered as a mutual fund in the Cayman Islands. Aspex is managed by Aspex Management (HK) Limited (“**Aspex Management**”), a company incorporated in Hong Kong and licensed by the Securities and Futures Commission of Hong Kong to carry out type 9 (asset management) regulated activities in Hong Kong. Mr. Li Ho Kei is the ultimate beneficial owner of Aspex Management and controls the voting rights of Aspex, in each case through a holding entity. No other investor holds an ultimate beneficial ownership of 30% or more in Aspex or Aspex Management.

ADIA

Established in 1976, the Abu Dhabi Investment Authority (“**ADIA**”) is a globally-diversified investment institution that prudently invests funds on behalf of the Government of Abu Dhabi through a strategy focused on long-term value creation. ADIA manages a global investment portfolio that is diversified across more than two dozen asset classes and sub-categories including developed equities, emerging market equities, small cap equities, government bonds, credit, fixed income, real estate, infrastructure, private equity, cash and alternatives.

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Wellington

Wellington Management Company LLP (“WMC”) is a discretionary investment adviser established in Delaware, USA and registered as an investment adviser with the Securities and Exchange Commission. WMC has agreed to participate as cornerstone investor in the Global Offering on behalf of: Bay Pond Investors (Bermuda) L.P., Bay Pond Partners, L.P., Bay Pond Select Opportunities Master Fund (Cayman) L.P., Global Research Equity Extended Master Fund (Cayman) L.P., International Research Equity Extended Master Fund (Cayman) L.P., Wellington Diversifying Alpha Fund (Cayman) L.P., Wellington Global Multi-Strategy Master Fund (Cayman) L.P., Wellington Growth Equity Long/Short Fund (Bermuda) L.P., Wellington Growth Equity Long/Short Fund, L.P., Wellington Institutional Multi-Strategy Master Fund (Cayman) L.P., Wellington Pagosa Fund (Cayman) II, Ltd., Wellington Trust Company, National Association Multiple Collective Investment Funds Trust II, Global Research Equity — Extended Portfolio, and certain other client(s) of the Investment Adviser which have entrusted a portfolio of assets to the Investment Adviser for discretionary investment management on a segregated account basis, each of which is managed and advised by WMC.

Wellington Management Company LLP is a wholly owned subsidiary of Wellington Investment Advisors Holdings LLP, which is wholly ultimately owned by Wellington Management Group Holding LLP, which is a Massachusetts limited liability partnership.

Perseverance Asset Management

Perseverance Asset Management International (Singapore) Pte. Ltd. (“**Perseverance Asset Management**”) acts as the investment advisor or investment manager on a discretionary basis of certain investment funds and/or separated managed accounts (collectively the “**Perseverance Funds**”). No single ultimate beneficial owner holds 30% or more interest in each of the Perseverance Funds. Each of the Perseverance Funds is an Independent Third Party. Perseverance Asset Management is a private limited company incorporated in Singapore in October 2018, and holds a Capital Markets Services License for fund management with Monetary Authority of Singapore. Perseverance Asset Management is wholly owned by Perseverance Asset Management International, which is principally engaged in investment management and investment advisory services and an Independent Third Party.

Perseverance Asset Management is entering into the cornerstone investment agreement with the Company in its capacity as an investment advisor or investment manager and on behalf of the Perseverance Funds.

Indus Funds

Indus Select Master Fund, Ltd. and Vitruvius SICAV-Asian Equity, each managed by Indus Capital Partners, LLC (collectively, “**Indus Funds**”), have agreed to acquire such number of Offer Shares (rounded down to the nearest whole board lot) which may be purchased with US\$100 million at the Offer Price.

Indus Capital Partners, LLC (with its affiliates, “**Indus**”) is a performance-driven Asia Pacific equities investment manager leveraging local knowledge, on-the-ground research capabilities and a differentiated global perspective. Led by an experienced and dedicated investment team, Indus offers long-only and hedged strategies, and has offices in New York, Hong Kong, Tokyo, and San Francisco. As of June 30, 2026, Indus manages approximately US\$6 billion in assets of some of the largest endowments and foundations, sovereign wealth funds, public and private pension plans, and single and multi-family offices. Indus is registered as an investment adviser with the Securities and Exchange Commission in the U.S. and an affiliate is licensed with the Securities and Futures Commission in Hong Kong.

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Mirae Investors

Mirae Asset Securities Co., Ltd (“**MAS KR**”), Mirae Asset Securities (Hong Kong) Limited (“**MAS HK**”) and Mirae Asset Global Investments (Hong Kong) Limited (in its capacity as the investment manager, acting for and on behalf of each of the sub-funds) (“**MAGI HK**”, together with MAS KR and MAS HK, “**Mirae Investors**”) have, respectively, entered into Cornerstone Investment Agreements with our Company.

MAGI HK

MAGI HK is a wholly-owned subsidiary of Mirae Asset Global Investments Co., Ltd. (“**Mirae Asset Global Investments**”), a company incorporated in the Republic of Korea and a member of Mirae Asset Financial Group. Established in 2003, MAGI HK is licensed by the SFC to carry on type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities. Mirae Asset Global Investments is owned as to 60.19% by Mr. Park Hyeon-joo and 36.92% by Mirae Asset Consulting Co., Ltd., which is in turn held as to 48.49% by Mr. Park Hyeon-joo, whose spouse also holds 10.15%. Other than Mr. Park Hyeon-joo, no ultimate beneficial owner holds 30% or more in Mirae Asset Consulting Co., Ltd. Both Mr. Park Hyeon-joo and his spouse are Independent Third Parties. MAGI HK is a leading asset management company in Hong Kong, with a strong regional presence, providing all-rounded asset management services. MAGI HK will subscribe for the Offer Shares in its capacity as the discretionary investment manager for certain sub-funds under its management on a discretionary basis.

MAS KR

MAS KR is one of the largest investment banks incorporated in the Republic of Korea, providing a comprehensive range of financial services including brokerage, wealth management, investment banking, sales & trading, and principal investments. The company is ultimately controlled by Mirae Asset Capital Co., Ltd., a financial investment company incorporated in the Republic of Korea and a member of Mirae Asset Financial Group. The company engages primarily in corporate lending, structured finance, and strategic investments to support the broader Mirae Asset Financial Group. MAS KR is listed on the Korea Exchange under stock code 006800.KS.

MAS HK

MAS HK, a wholly-owned subsidiary of MAS KR, was established in Hong Kong in July 2005 and is licensed by the SFC to carry on, amongst others, type 9 (asset management) regulated activity.

NGS Super Fund

NGS Super Pty Limited, a company incorporated in Australia, is the trustee of NGS Super (the “**NGS Super Fund**”). The NGS Super Fund is a superannuation fund for education and community-based professionals. The NGS Super Fund’s principal continuing activities are providing member with lump sum or pension benefits upon retirement, termination of service, death or disablement. There is no member that holds 30% or more interest in the NGS Super Fund.

Bain Capital

BCC Asia Aggregator, L.P. is a Delaware limited partnership which is, by and through its general partner, Bain Capital Credit Member, LLC, and its affiliates, advised by Bain Capital Credit, LP (“**BCC**”), an investment adviser registered with the United States Securities and Exchange Commission, and its affiliates.

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BCC is an affiliate of Bain Capital, LP (“**Bain Capital**”), one of the world’s foremost alternative investment firms founded in 1984 and headquartered in the United States, with approximately US\$225 billion in assets under management as of December 31, 2025 and operating 24 offices across four continents.

CPE

CPE Hawthorn Investment Limited (“**CPE Hawthorn**”) is a business company incorporated under the laws of the BVI and its primary business activity is investment holding. It is controlled by CPE Global Opportunities Fund II, L.P. (“**CPE GOF II**”), an exempted limited partnership formed under the laws of the Cayman Islands. Apart from CPE GOF II, no other shareholder holds 30% or more interest in CPE Hawthorn. The general partner of CPE GOF II is CPE GOF GP Limited, a company incorporated in the Cayman Islands with limited liability. CPE GOF GP Limited is directly and wholly owned by CPE Management International Limited, which is in turn wholly owned by CPE Management International II Limited, both of which are companies incorporated in the Cayman Islands with limited liability. CPE Management International II Limited is owned by a number of shareholders that are natural persons who are Independent Third Parties and none of whom holds 30% or more interest in CPE Management International II Limited. CPE GOF II’s investor base comprises both corporate and entrepreneurial investors, and none of the limited partners hold 30% or more interest in CPE GOF II.

Boyu Capital

Arcane Nexus Limited (“**Arcane Nexus**”) is a company incorporated under the laws of the Cayman Islands and a controlled subsidiary of Boyu Capital Opportunities Master Fund. Boyu Capital Opportunities Master Fund is an exempted company incorporated under the laws of the Cayman Island and an investment fund managed by Boyu Capital Management (Singapore) Pte. Ltd. (“**Boyu**”). Boyu holds a capital markets services license and is regulated by the Monetary Authority of Singapore. Boyu provides growth and transformational capital for leading companies in sectors including high technology, healthcare, consumer and sustainable energy. Boyu is 100% indirectly owned by Boyu Group, LLC, which is in turn ultimately controlled by Mr. Xiaomeng Tong, an Independent Third Party. There is no single investor holding 30% or more interest in Arcane Nexus through Boyu Capital Opportunities Master Fund.

IDG Capital

IDG Rhododendron Fund

IDG Capital Project Fund Rhododendron L.P. (“**IDG Rhododendron Fund**”) is an exempted limited partnership established under the laws of the Cayman Islands. IDG Rhododendron Fund is a capital fund with a primary purpose of equity and equity-related investments, with a view towards long-term capital appreciation, primarily in the technology, media and telecommunication, healthcare, advanced manufacture and consumer sectors. IDG Rhododendron Fund is ultimately controlled by Chi Sing HO, who is holding no more than 30% of IDG Rhododendron Fund. Save for a Southeast Asian sovereign wealth fund, there is no other limited partner holding 30% or more interest in IDG Rhododendron Fund.

IDG Breyer Fund

IDG Breyer Capital Fund L.P. (“**IDG Breyer Fund**”) is an exempted limited partnership established under the laws of the Cayman Islands. IDG Breyer Fund is a capital fund with a primary purpose of making equity and equity-related investments, in the next-generation technology and technology-driven sectors, including, without limitation, artificial intelligence, autonomous driving, intelligent manufacturing, genome technology, fintech and 5G enabled next generation cloud services. It is ultimately controlled by Chi Sing HO and Fei YANG, both being Independent Third Parties. The investor holding 30% or more stake in IDG Breyer Fund is a listed company after equity penetration, save as disclosed above, none of the other ultimate beneficial owners of IDG Breyer Fund is interested in it as to 30% or more.

Ninety One Asia

Ninety One Asia Pte. Limited (“**Ninety One Asia**”) is a fund management company registered in Singapore and regulated by the Monetary Authority of Singapore (“**MAS**”). The company holds an Accredited/Institutional Licensed Fund Management Company (A/I LFMC) license, authorized to manage investment funds exclusively for accredited and institutional investors. The company focuses on asset management, with its core business being the management of equity investment funds. Ninety One Asia has a market-renowned investment team, focusing on investments in industries such as AI, TMT, consumer, healthcare, and advanced manufacturing, aiming to identify outstanding companies that transform industry business models and the most forward-thinking entrepreneurs through in-depth industry analysis and accurate grasp of emerging technology and consumer trends. Ninety One Asia serves as the discretionary investment manager for Enreal China Master Fund and Forreal China Value Fund, both of which are Great China focused long-only funds investing in Hong Kong and mainland China stock markets as well as Chinese ADRs. The ultimate beneficial owner of Enreal China Master Fund and Forreal China Value Fund holding 30% or more of its interest is a global institutional investor with several hundred billion USD in assets under management rather than an individual investor.

WT Asset Management

WT Asset Management Limited (“**WT Asset Management**”) is a company incorporated in Hong Kong with limited liability and licensed by the SFC to carry on type 9 (asset management) regulated activity. WT Asset Management is beneficially owned as to 100% by Mr. Tongshu Wang (王通書), who is an Independent Third Party. WT Asset Management has agreed to procure certain investors, namely WT China Fund Limited, WT China Focus Fund, WT Growth Fund and/or a segregated management account (investment portfolio professionally managed by WT Asset Management (as investment manager) where the investor owns the underlying investments directly) (collectively, the “**Funds**”), that WT Asset Management has discretionary investment management power over, to subscribe for such number of the Offer Shares. The Funds are managed by WT Asset Management as investment manager. The Funds pursue to achieve absolute return and long-term capital appreciation by investing primarily in the listed securities of companies which have great exposure or material impact by the PRC. Investors of the Funds include but are not limited to pension funds, fund of funds, family offices and other sophisticated institutional investors. Save for Mr. Tongshu Wang (王通書) who hold over 30% interests in WT Growth Fund and WT China Focus Fund, and the single ultimate beneficial owner of the segregated management account which is a pension fund based in North America respectively, no other single ultimate beneficial owner holds 30% or more interests in the Funds. Each of the Funds is an Independent Third Party. As of April 30, 2026, the total AUM of the Funds is approximately US\$9.96 billion.

CloudAlpha Capital

CloudAlpha Capital Management Limited (“**CloudAlpha Capital**”) was founded in 2014 and is now a global-leading hedge fund manager that focuses on investment in technologies. CloudAlpha Capital is headquartered in Hong Kong, with teams also spread across Shenzhen, Shanghai, Taipei, Hsinchu, and Tokyo. CloudAlpha Capital currently manages equity long or short hedge funds with total assets under management of approximately US\$4 billion. CloudAlpha Capital is fully controlled by Yang Jin (楊晉), Wang Yen Kang (王彥康) and Yan Peide (閔沛德), all of whom are Independent Third Parties. CloudAlpha Capital acts as the investment manager to two funds, namely Singularity Master Fund and Singularity Winners Master Fund, managed by it on a discretionary basis. There is no single investor holding 30% or more interests in the funds.

Tairen

Tairen Capital Limited (“**Tairen Capital**”) is a company incorporated in Hong Kong with limited liability and licensed by the SFC to carry on type 9 (asset management) regulated activity. Tairen Capital is beneficially owned as to 100% by Liren Chen, who is an Independent Third Party. Tairen Capital has agreed to procure certain investors, namely Tairen Alpha Fund Limited and a segregated management account (investment portfolio professionally managed by Tairen Capital (as investment advisor) where the single ultimate beneficial owner, Liren Chen, owns the underlying investment directly) (collectively, the “**Funds**”), that Tairen Capital has discretionary investment management power over, to subscribe for such number of the Offer Shares. The Funds are managed by Tairen Capital as investment advisor. The Funds pursue to achieve absolute return and long-term capital appreciation by investing primarily in the listed securities of companies. Investors of the Funds include but are not limited to pension funds, fund of funds, family offices and other sophisticated institutional investors.

Hao Funds

Hao Advisors Management Limited (“**Hao Advisors**”) was incorporated in Hong Kong in October 2014 and is licensed by the SFC to carry on Type 9 (asset management) regulated activity. It manages assets for institutional investors, including single- and multi-family offices and insurance companies. Hao Advisors has entered into the cornerstone investment agreement, in its capacity as the investment advisor for and on behalf of Hao Great China Focus Fund and Hao Fund I (together, the “**Hao Funds**”). Save for Mr. ZHANG Hao, no single ultimate beneficial owner holds 30% or more interests in any of the Hao Funds. Hao Advisors is ultimately wholly owned by Mr. ZHANG Hao, an Independent Third Party.

Janchor Funds

Janchor Partners Pan-Asian Master Fund and Janchor Industrialist Investing Master Fund (“**Janchor Funds**”) are investment funds established in the Cayman Islands. Janchor Partners Limited (“**Janchor Partners**”) serves as investment manager of the Janchor Funds. Established in 2009, Janchor Partners is a long-term industrialist investor, partnering with companies that have superior business models, favourable growth prospects and the potential to be part of long-term positive structural dynamics of Asian countries and economies.

Janchor Partners is licensed by the SFC to conduct asset management and is an experienced institutional investor with a track record of investing in technology companies. Janchor Partners is founded and controlled by John Ho, an Independent Third Party. None of the participating shareholders of each of the Janchor Funds or their feeder funds holds an interest of 30% or more of the Janchor Funds’ total capital.

Alibaba

Alibaba Investment Limited (“**Alibaba Investment**”) is a limited liability company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Alibaba Group Holding Limited, a company listed on the New York Stock Exchange (Stock Symbol: BABA) and the Stock Exchange (Stock Code: 9988 (HKD Counter) and 89988 (RMB Counter)). Alibaba Investment is a holding company for Alibaba’s strategic investments.

Tencent

Huang River Investment Limited is wholly owned by Tencent Holdings Limited (“**Tencent**”), a company listed on the Stock Exchange (stock code: 00700 (HKD Counter) and 80700 (RMB Counter)). Tencent is principally engaged in the provision of communication, social, digital content, games, marketing services, fintech and business services in the PRC.

CPP Investments

Canada Pension Plan Investment Board (“**CPP Investments**”) is a professional investment management organization that manages the Canada Pension Plan Fund in the best interests of the more than 22 million contributors and beneficiaries. In order to build diversified portfolios of assets, investments are made around the world in public equities, private equities, real estate, infrastructure and fixed income. Headquartered in Toronto, with offices in Hong Kong, London, Mumbai, New York City, São Paulo and Sydney, CPP Investments makes investment decisions independent of Canadian governments. At March 31, 2026, the Fund totaled C\$793.3 billion.

Oaktree

Oaktree Capital Management, L.P. (“**Oaktree**”) is the investment manager of Oaktree Emerging Markets Equity Fund, L.P. and certain funds and separately managed accounts within its Emerging Markets Equity strategy (severally and not jointly) (each, an “**Oaktree Fund**”, and collectively the “**Oaktree Funds**”). Oaktree Emerging Markets Equity Fund, L.P. is a private Cayman commingled fund with a diverse investor base, while the other Oaktree Funds are separately managed accounts of Oaktree. Oaktree is a Delaware limited partnership and is registered as an investment adviser with the United States Securities and Exchange Commission. Oaktree is a global investment management firm managing a broad array of complementary strategies in four asset classes: credit, private equity, real assets and listed equities, and maintains a contrarian, value-oriented investment philosophy. Oaktree’s investor base includes institutional investors such as pension plans, insurance companies, endowments, foundations and sovereign wealth funds.

CP Black Dragon

Black Dragon CP Fund SPC (acting for and on behalf of Black Dragon CP Strategic Fund SP) (“**CP Black Dragon**”) is a discretionary investment fund formed under the laws of Cayman Islands on January 13, 2026. The fund aims to achieve long-term, stable and attractive risk-adjusted returns by investing in a diversified portfolio. The fund is managed by Black Dragon Asset Management Limited, which is a company incorporated in Hong Kong with limited liability and licensed with the SFC to conduct Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities. The ultimate controlling shareholder of Black Dragon Asset Management Limited is Mr. Soopakij Chearavanont, the chairman of a Thailand-based conglomerate operating a diverse range of business across different segments including food and beverages. Charoen Pokphand Group

CORNERSTONE INVESTORS

Company Limited (“CPG”), through its controlled entities, holds more than 30% economic interest in CP Black Dragon. CPG is a company with a diverse shareholding structure with more than 80 shareholders, the largest shareholder being a company holding more than 10% of its shares and the ultimate beneficial owner of which is Mr. Sumet Jiaravanon. Mr. Sumet Jiaravanon is one of the Honorary Chairmen of CPG. No other ultimate beneficial owner holds 30% or more of the economic interest in CP Black Dragon.

CTFE

Total Glory Developments Limited is a company incorporated in the British Virgin Islands and is principally engaged in the investment holding business. It is a wholly-owned subsidiary of Chow Tai Fook Enterprises Limited (“CTFE”) which is the flagship investment holding company of the Dato’ Dr. Cheng Yu-Tung’s family. There is no ultimate beneficial owner holding 30% or more interest in CTFE.

Athos Capital

Athos Capital Limited (“Athos Capital”) serves as the discretionary investment manager of each of Athos Asia Event Driven Master Fund, New Holland Tactical Alpha Fund LP and BlueHarbour MAP I LP (“BlueHarbour”). To the best of Athos Capital’s knowledge, (i) save as an institution owned by a government from the United Arab Emirates holding 30% or more interest in BlueHarbour, no single ultimate beneficial owner holds 30% or more interest in each of such funds; and (ii) each of such funds is an Independent Third Party.

Athos Capital manages assets on behalf of a global institutional investor base, including sovereign wealth funds, university endowments, foundations and family offices. Founded in 2011, Athos Capital pursues a variety of investment strategies with a view to providing superior and sustainable long term returns for its clients. Athos Capital is wholly owned by Mr. Matthew Love Moskey and Mr. Friedrich Bela Schulte-Hillen, who are Independent Third Parties and also serve as the two responsible officers of Athos Capital.

TAL Funds

TAL China Focus Master Fund is an exempted company with limited liability incorporated under the laws of the Cayman Islands on 10 May 2010. TAL Global Opportunities Master Fund is an exempted company with limited liability incorporated under the laws of the Cayman Islands on 12 March 2018. TAL China A Long Only Master Fund is an exempted company with limited liability incorporated under the laws of the Cayman Islands on 23 January 2020 (TAL China Focus Master Fund, TAL Global Opportunities Master Fund and TAL China A Long Only Master Fund, collectively “TAL Funds”).

TAL Funds are managed by Trivest Advisors Limited, a Hong Kong incorporated SFC Type 9 licensed investment management company. None of the TAL Funds have ultimate beneficial owner holds 30% or more interest in each of the Funds.

Burkehill

Burkehill Global Management, LP (“Burkehill”) serves as the discretionary investment manager to Burkehill Fund Ltd, a Cayman Islands exempted company (the “Arleigh Fund”) and Burkehill Master Fund LP, a Cayman Islands exempted limited partnership (the “Admiral Fund”, and collectively with the Arleigh Fund, the “Burkehill Funds”). Christopher Rich serves as Managing Partner and the only ultimate beneficial owner holding 30% or more

CORNERSTONE INVESTORS

interest of Burkehill, the Managing Member of Burkehill Global LLC (the general partner of Burkehill), and the Managing Member of Burkehill Fund GP LLC (the general partner of the Admiral Fund). No single ultimate beneficial owner holds 30% or more interest in the Burkehill Funds.

Burkehill is a Delaware limited partnership and is registered as an investment adviser with the United States Securities and Exchange Commission. Burkehill is a global investment management firm which pursues its investment strategies across industry sectors, asset classes and geographies.

General Atlantic

General Atlantic Singapore SPV 68 Pte. Ltd. is a private company limited by shares, incorporated under laws of Singapore in 2022. It is wholly owned by General Atlantic Singapore Fund Pte. Ltd. (“**GASF**”). GASF, which is incorporated in Singapore, is a private equity fund based in Singapore that makes and holds investments in growth companies in Asia, including the PRC, Hong Kong, India, Singapore, Indonesia and other regions of Asia. It is part of the General Atlantic private equity group, a leading global growth equity firm providing capital and strategic support for growth companies. The manager of GASF is General Atlantic Singapore Fund Management Pte. Ltd. (“**GASFM**”). GASFM is wholly owned by General Atlantic Service Company, L.P., an investment advisor registered with the United States Securities and Exchange Commission. There is no individual limited partner which holds 30% or more interest in GASF and GASFM.

Huadeng Technology

Huadeng Tech Vision Investment Ltd (“**Huadeng Technology**”) is a company incorporated in the British Virgin Islands. Huadeng Technology and its affiliates have a profound background in the semiconductor industry and investment. There is no shareholder holding 30% or more of the shareholding interests in Huadeng Technology.

CLOSING CONDITIONS

The obligation of each Cornerstone Investor to subscribe for the Offer Shares under the respective Cornerstone Investment Agreement is subject to, among other things, the following closing conditions:

- (i) the Underwriting Agreements for the Hong Kong Public Offering and the International Offering being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Underwriting Agreements, and neither of the aforesaid Underwriting Agreements having been terminated;
- (ii) the Offer Price having been agreed according to the Underwriting Agreements and price determination agreement among the parties thereto in connection with the Global Offering;
- (iii) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the H Shares (including the H Shares subscribed for by the Cornerstone Investors) as well as other applicable waivers and approvals, and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the H Shares on the Stock Exchange;

CORNERSTONE INVESTORS

- (iv) no laws shall have been enacted or promulgated by any governmental authority which prohibits the consummation of the transactions contemplated in the Global Offering or in the respective Cornerstone Investment Agreements and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and
- (v) the respective acknowledgements, representations, warranties, undertakings and confirmations of relevant Cornerstone Investors under the respective Cornerstone Investment Agreements are accurate and true in all material respects and not misleading and that there is no material breach of the Cornerstone Investment Agreements on the part of the relevant Cornerstone Investors.

RESTRICTIONS ON THE CORNERSTONE INVESTORS

Each of the Cornerstone Investors has agreed that it will not, whether directly or indirectly, at any time during the period of six months from (and inclusive of) the Listing Date (the “**Lock-up Period**”), dispose of, in any way, any of the Offer Shares or any interest in any company or entity holding such Offer Shares that they have purchased pursuant to the relevant Cornerstone Investment Agreement, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of such Cornerstone Investor, including the Lock-up Period restriction.

UNDERWRITING

HONG KONG UNDERWRITERS

Goldman Sachs (Asia) L.L.C.
China International Capital Corporation Hong Kong Securities Limited
Morgan Stanley Asia Limited
GF Securities (Hong Kong) Brokerage Limited
Haitong International Securities Company Limited
Citigroup Global Markets Asia Limited
The Hongkong and Shanghai Banking Corporation Limited
China Galaxy International Securities (Hong Kong) Co., Limited
ABCI Securities Company Limited
Zhongtai International Securities Limited
Zero2IPO Securities Limited

UNDERWRITING

This prospectus is published solely in connection with the Hong Kong Public Offering. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. The International Offering is expected to be fully underwritten by the International Underwriters.

The Global Offering comprises the Hong Kong Public Offering of initially 5,450,000 Hong Kong Offer Shares and the International Offering of initially 49,050,000 International Offer Shares, subject, in each case, to reallocation on the basis as described in “*Structure of the Global Offering*” and the Over-allotment Option (in the case of the International Offering).

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, our Company is offering the Hong Kong Offer Shares for subscription on the terms and conditions set out in this prospectus and the Hong Kong Underwriting Agreement at the Offer Price.

Subject to (a) the Stock Exchange granting approval for the listing of, and permission to deal in, the H Shares in issue and to be issued (including the additional H Shares which may be issued pursuant to the exercise of the Over-allotment Option) under the Global Offering and such approval not having been subsequently withdrawn, revoked or withheld prior to the commencement of trading of the H Shares on the Stock Exchange and (b) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the Hong Kong Offer Shares being offered which are not taken up under the Hong Kong Public Offering on the terms and conditions set out in this prospectus and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional on, among other things, the International Underwriting Agreement having been executed and becoming unconditional and not having been terminated in accordance with its terms.

UNDERWRITING

Grounds for termination

If any of the events set out below occur at any time prior to 8:00 a.m. on the Listing Date, the Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) shall be entitled by written notice to our Company to terminate the Hong Kong Underwriting Agreement with immediate effect:

- (i) there shall develop, occur, exist or come into force:
 - (a) any new law or regulation or any change or development involving a prospective change or any event or series of events or circumstances likely to result in a change or a development involving a prospective change in existing laws or regulations, or the interpretation or application thereof by any court or any competent authority in or affecting Hong Kong, the PRC, the United States, the United Kingdom, the European Union (or any member thereof), Singapore or other jurisdictions relevant to the Group or the Global Offering (each a “**Relevant Jurisdiction**” and collectively, the “**Relevant Jurisdictions**”); or
 - (b) any change or development involving a prospective change, or any event or series of events or circumstances likely to result in a change or prospective change, in any local, national, regional or international financial, political, military, industrial, economic, fiscal, legal, regulatory, currency, credit or market conditions or sentiments, taxation, equity securities or currency exchange rate or controls or any monetary or trading settlement system, or foreign investment regulations (including, without limitation, a devaluation of the Hong Kong dollar, United States dollar or Renminbi against any foreign currencies, a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar or the Renminbi is linked to any foreign currency or currencies) or other financial markets (including, without limitation, conditions in stock and bond markets, money and foreign exchange markets, the inter-bank markets and credit markets) in or affecting any Relevant Jurisdictions, or affecting an investment in the Offer Shares; or
 - (c) any event or series of events, or circumstances in the nature of force majeure (including, without limitation, any acts of government, declaration of a regional, national or international emergency or war, calamity, crisis, economic sanctions, strikes, labor disputes, other industrial actions, lock-outs, fire, explosion, flooding, tsunami, earthquake, volcanic eruption, civil commotion, riots, rebellion, public disorder, paralysis in government operations, acts of war, epidemic, pandemic, outbreak or escalation, mutation or aggravation of diseases, accident or interruption or delay in transportation, local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared), act of God or act of terrorism (whether or not responsibility has been claimed)) in or affecting any of the Relevant Jurisdictions; or
 - (d) the imposition or declaration of any moratorium, suspension or limitation (including without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) on (i) the trading in shares or securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the New York Stock Exchange, or the NASDAQ Global Market; or (ii) the trading in any securities of the Company listed or quoted on a stock exchange or an over-the-counter market; or

UNDERWRITING

- (e) the imposition or declaration of any general moratorium on commercial banking activities in or affecting any of the Relevant Jurisdictions or any disruption in commercial banking or foreign exchange trading or securities settlement or clearing services, procedures or matters in or affecting any of the Relevant Jurisdictions; or
- (f) other than with the prior written consent of the Sponsor-OCs, the issue or requirement to issue by the Company of a supplement or amendment to the Prospectus or other documents in connection with the offer and sale of the Offer Shares pursuant to the Companies (Winding up and Miscellaneous Provisions) Ordinance or the Listing Rules or upon any requirement or request of the Stock Exchange and/or the SFC; or
- (g) the imposition of sanctions or export controls in whatever form, directly or indirectly, on any member of our Group by or on any Relevant Jurisdiction, or the withdrawal of trading privileges which existed on the date of the Hong Kong Underwriting Agreement, in whatever form, directly or indirectly, by, or for, any Relevant Jurisdiction; or
- (h) any valid demand by creditors for payment or repayment of indebtedness of any member of the Group or in respect of which any member of the Group is liable prior to its stated maturity; or
- (i) an order or petition is presented for the winding-up or liquidation of any member of the Group, or any member of the Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of the Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurs in respect of any member of the Group; or
- (j) any non-compliance of the Prospectus (or any other documents used in connection with the contemplated offering, allotment, issue, subscription or sale of any of the Offer Shares), the CSRC Filings or any aspect of the Global Offering with the Listing Rules or any other applicable Laws; or
- (k) any litigation, dispute, legal action or claim or regulatory or administrative investigation or action being threatened, instigated or announced against any member of the Group or any Director or senior management members as named in the Prospectus; or
- (l) any contravention by any member of our Group or any Director of the Listing Rules or applicable Laws; or
- (m) that the chairman of the Board, any Director or any member of senior management of the Company named in the Prospectus is vacating his/her office; or
- (n) any Director or any member of senior management of the Company named in the Prospectus is being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management or taking directorship of a company; or

UNDERWRITING

- (o) that (i) a material portion of the orders placed or confirmed in the bookbuilding process, or (ii) any investment commitment made by any cornerstone investors under the cornerstone investment agreements entered into by the Company, the Joint Sponsors, the Sponsor-OCs and the cornerstone investors as described in the Prospectus (the “**Cornerstone Investment Agreements**”), have been withdrawn, terminated or cancelled, or with respect to which the payment of the relevant orders and/or investment commitment has not been received or settled in the stipulated time and manner or otherwise,

which, in any such case individually or in the aggregate, in the sole and absolute opinion of the Joint Sponsors and the Sponsor-OCs (for themselves and on behalf of the Hong Kong Underwriters):

- (A) has or will or is likely to have a material adverse effect;
 - (B) has or will or is likely to have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of indications of interest under the International Offering; or
 - (C) makes or will make or is likely to make it impracticable, inadvisable, inexpedient or incapable for any material part of the Hong Kong Underwriting Agreement, the Hong Kong Public Offering or the Global Offering to be performed or implemented as envisaged, or for the Hong Kong Public Offering and/or the Global Offering to proceed, or to market the Global Offering, or the delivery or distribution of the Offer Shares on the terms and in the manner contemplated by the offering documents; or
 - (D) has or will or is likely to have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or
- (ii) there has come to the notice of the Joint Sponsors and the Sponsor-OCs (for themselves and on behalf of the Hong Kong Underwriters) that:
- (a) any statement contained in any of the offering documents, the CSRC filings and/or any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) (the “**Global Offering Documents**”) was, when it was issued, or has become untrue, incorrect, inaccurate in any material respect or misleading; or that any estimate, forecast, expression of opinion, intention or expectation contained in any such documents, was, when it was issued, or has become unfair or misleading in any respect or based on untrue, dishonest or unreasonable assumptions or given in bad faith; or
 - (b) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of the Prospectus, constitute a material omission or misstatement in any Global Offering Document; or

UNDERWRITING

- (c) any breach of, or any event or circumstance rendering untrue or incorrect or misleading in any respect, any of the representations and warranties given by the Company in the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or
- (d) any event, act or omission which gives rise or is likely to give rise to any liability of any of the indemnifying party pursuant to the indemnities in the Hong Kong Underwriting Agreement; or
- (e) any material breach of any of the obligations or undertakings imposed upon the Company to the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or
- (f) there is any change or development involving a prospective change, constituting or having a material adverse effect; or
- (g) the Company withdraws the Prospectus (and/or any other documents used in connection with the subscription or sale of any of the Offer Shares pursuant to the Global Offering) or the Global Offering; or
- (h) that the approval by the Listing Committee of the listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering (including pursuant to any exercise of the Over-allotment Option) is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, cancelled, qualified (other than by customary conditions), revoked or withheld; or
- (i) any person (other than any of the Joint Sponsors) has withdrawn or sought to withdraw its consent to the issue of the Prospectus with the inclusion of its reports, letters and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears; or
- (j) any prohibition on the Company for whatever reason from offering, allotting, issuing or selling any of the Offer Shares pursuant to the terms of the Global Offering; or
- (k) (A) the notice of acceptance of the CSRC filings issued by the CSRC and/or the results of the CSRC filings published on the website of the CSRC is rejected, withdrawn, revoked or invalidated; or (B) other than with the prior written consent of the Sponsor-OCs, the issue or requirement to issue by the Company of a supplement or amendment to the CSRC filings pursuant to the CSRC Filing Rules and the CSRC Archive Rules (the “**CSRC Rules**”) or upon any requirement or request of the CSRC; or (C) any non-compliance of the CSRC filings with the CSRC Rules or any other applicable Laws,

then, in each case, the Sponsor-OCs (for themselves and on behalf of the Hong Kong Underwriters) may, in their sole and absolute discretion and upon giving notice in writing to the Company, terminate the Hong Kong Underwriting Agreement with immediate effect.

UNDERWRITING

Undertakings to the Stock Exchange pursuant to the Listing Rules

(A) Undertakings by our Company

Pursuant to Rule 10.08 of the Listing Rules, our Company has undertaken to the Stock Exchange that it will not exercise its power to issue any further Shares, or securities convertible into equity securities of our Company (whether or not of a class already listed) or enter into any agreement to such an issue within six months from the Listing Date (whether or not such issue of Shares or securities will be completed within six months from the Listing Date), except (a) pursuant to the Global Offering (including the exercise of the Over-allotment Option), (b) pursuant to any capitalization issue, capital reduction or consolidation or sub-division of shares, or (c) under any of the circumstances provided under Rule 10.08 of the Listing Rules.

(B) Undertakings by our Single Largest Group of Shareholders

Pursuant to Rule 10.07 of the Listing Rules, our Single Largest Group of Shareholders has undertaken to us and to the Stock Exchange that, except pursuant to the Global Offering, each of the members of our Single Largest Group of Shareholders will not, and shall procure that any other registered holder(s) (if any) will not, without the prior written consent of the Stock Exchange or unless otherwise in compliance with applicable requirements of the Listing Rules, in the period commencing on the date by reference to which disclosure of his/its shareholding is made in this Prospectus and ending on the date which is six months from the Listing Date (the “**First Six-Month Period**”), dispose of, or enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of those shares or securities of the Company in respect of which he/it is shown by this Prospectus to be the beneficial owner (as defined in the Listing Rules).

Undertakings pursuant to the Hong Kong Underwriting Agreement

Undertakings by our Company

Our Company has undertaken to each of the Joint Sponsors, the Sponsor-OCs, the Overall Coordinators, the Joint Global Coordinators, the CMIs, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that except pursuant to the Global Offering (including pursuant to the Over-allotment Option), at any time after the date of the Hong Kong Underwriting Agreement up to and including the date falling the end of the First Six-Month Period, it will not, without the prior written consent of the Joint Sponsors and the Sponsor-OCs (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules or otherwise waived by the Stock Exchange:

- (i) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, assign, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any legal or beneficial interest in the share capital or any other securities of the Company or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase any share capital or other securities of the Company, as applicable), or deposit any share capital or other securities of the Company, as applicable, with a depositary in connection with the issue of depositary receipts; or

UNDERWRITING

- (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of the Shares or any other securities of the Company, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares); or
- (iii) enter into any transaction with the same economic effect as any transaction described in paragraphs (i) or (ii) above; or
- (iv) offer to or agree to do any of the foregoing specified in paragraphs (i), (ii) or (iii) or announce any intention to do so,

in each case, whether any of the foregoing transactions is to be settled by delivery of share capital or such other securities, in cash or otherwise (whether or not the issue of such share capital or other securities will be completed within the First Six Month Period).

Hong Kong Underwriters' interests in our Company

Save for their respective obligations under the Hong Kong Underwriting Agreement, as of the Latest Practicable Date, except that The Hongkong and Shanghai Banking Corporation Limited and its subsidiaries held approximately 0.32% of the total issued share capital of the Company, none of the Hong Kong Underwriters was interested, directly or indirectly, in any Shares or any securities of any member of our Group or had any right or option (whether legally enforceable or not) to subscribe for or purchase, or to nominate persons to subscribe for or purchase, any Shares or any securities of any member of our Group.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the H Shares as a result of fulfilling their respective obligations under the Hong Kong Underwriting Agreement.

The Hong Kong Underwriters and their affiliates may, subject to applicable laws and regulations and in their ordinary and usual course of business, (i) provide financing in connection with the subscription for, or purchase of, our securities with security interests over all or part of such securities subscribed or purchased, and/or (ii) participate in or facilitate the subscription for, or purchase of, our securities.

International Offering

International Underwriting Agreement

In connection with the International Offering, our Company expects to enter into the International Underwriting Agreement with the International Underwriters on or around the Price Determination Date. Under the International Underwriting Agreement and subject to reallocation and the Over-allotment Option, the International Underwriters would, subject to certain conditions set out therein, agree severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the International Offer Shares initially being offered pursuant to the International Offering. It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors should note that in the event that the International Underwriting Agreement is not entered into, the Global Offering will not proceed. See “Structure of the Global Offering — The International Offering”.

UNDERWRITING

Over-allotment Option

Our Company is expected to grant to the International Underwriters the Over-allotment Option, exercisable by the Sponsor-Overall Coordinators on behalf of the International Underwriters at any time from the Listing Date until 30 days after the last day for lodging applications under the Hong Kong Public Offering, pursuant to which our Company may be required to issue up to an aggregate of 8,175,000 additional H Shares, representing not more than 15.0% of the Offer Shares initially available under the Global Offering, at the Offer Price under the International Offering, to cover over-allocations in the International Offering, if any. See “Structure of the Global Offering — Over-allotment Option”.

Commissions and Expenses

All Capital Market Intermediaries participating in the Global Offering will receive an aggregate underwriting commission of 0.4% of the aggregate proceeds from the Global Offering (including any proceeds arising from the exercise of the Over-allotment Option) (the “**Gross Proceeds**”) (the “**Underwriting Commission**”). In addition, the Company may, in its sole discretion, pay to all Capital Market Intermediaries an incentive fee in an aggregate of up to 0.4% of the Gross Proceeds (the “**Discretionary Fee**”). Assuming the Discretionary Fees are paid in full, the ratio of the fixed amount of the Underwriting Commission payable to all Capital Market Intermediaries (the “**Fixed Fees**”) and Discretionary Fees payable to all Capital Market Intermediaries is approximately 41:59. For any unsubscribed Hong Kong Offer Shares reallocated to the International Offering, we will pay the underwriting commission for such H Shares to the International Underwriters (but not the Hong Kong Underwriters).

The aggregate underwriting commissions and fees together with the Stock Exchange listing fees, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee, legal and other professional fees and printing and all other expenses relating to the Global Offering are estimated to be approximately HK\$532.1 million (assuming an Offer Price of HK\$1,010.00 per Offer Share, the full payment of the discretionary incentive fee and the Over-allotment Option is not exercised) and will be paid by the Company.

Indemnity

Our Company has agreed to indemnify the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Capital Market Intermediaries, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters for certain losses which they may suffer or incur, including losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by any of our Company.

ACTIVITIES BY SYNDICATE MEMBERS

The underwriters of the Hong Kong Public Offering and the International Offering (together, the “**Syndicate Members**”) and their affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting or stabilizing process.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In the ordinary course of their various business activities, the Syndicate Members and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. Such investment and

UNDERWRITING

trading activities may involve or relate to assets, securities and/or instruments of our Company and/or persons and entities with relationships with our Company and may also include swaps and other financial instruments entered into for hedging purposes in connection with our Group's loans and other debt.

In relation to the H Shares, the activities of the Syndicate Members and their affiliates could include acting as agent for buyers and sellers of the H Shares, entering into transactions with those buyers and sellers in a principal capacity, including as a lender to initial purchasers of the H Shares (which financing may be secured by the H Shares) in the Global Offering, proprietary trading in the H Shares, and entering into over the counter or listed derivative transactions or listed or unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including the H Shares. Such transactions may be carried out as bilateral agreements or trades with selected counterparties. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the H Shares, which may have a negative impact on the trading price of the H Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the H Shares, in baskets of securities or indices including the H Shares, in units of funds that may purchase the H Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the H Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the stock exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the H Shares in most cases.

All such activities may occur both during and after the end of the stabilizing period described in "*Structure of the Global Offering*". Such activities may affect the market price or value of the H Shares, the liquidity or trading volume in the H Shares and the volatility of the price of the H Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the following:

- (a) the Syndicate Members (other than the Stabilization Manager or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and
- (b) the Syndicate Members must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

Certain of the Syndicate Members or their respective affiliates have provided from time to time, and expect to provide in the future, investment banking and other services to our Company and each of its affiliates for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

In addition, the Syndicate Members or their respective affiliates may provide financing to investors to finance their subscriptions of Offer Shares in the Global Offering.

STRUCTURE OF THE GLOBAL OFFERING

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited, Morgan Stanley Asia Limited, GF Securities (Hong Kong) Brokerage Limited, Haitong International Securities Company Limited, Citigroup Global Markets Asia Limited, The Hongkong and Shanghai Banking Corporation Limited and China Galaxy International Securities (Hong Kong) Co., Limited are the Overall Coordinators of the Global Offering.

The listing of the H Shares on the Stock Exchange is sponsored by the Joint Sponsors. The Joint Sponsors have made an application on behalf of our Company to the Stock Exchange for the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including the additional H Shares which may be issued pursuant to the exercise of the Over-allotment Option).

54,500,000 Offer Shares will initially be made available under the Global Offering comprising:

- (a) the Hong Kong Public Offering of initially 5,450,000 H Shares (subject to reallocation) in Hong Kong as described in “— *The Hong Kong Public Offering*” in this section; and
- (b) the International Offering of initially 49,050,000 H Shares (subject to reallocation and the Over-allotment Option) (i) in the United States solely to QIBs in reliance on Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and (ii) outside the United States (including to professional and institutional investors within Hong Kong) in offshore transactions in reliance on Regulation S, as described in “— *The International Offering*” in this section.

Investors may either:

- (i) apply for Hong Kong Offer Shares under the Hong Kong Public Offering; or
- (ii) apply for or indicate an interest for International Offer Shares under the International Offering, but may not do both.

The Offer Shares will represent approximately 4.7% of the total Shares in issue immediately following the completion of the Global Offering without taking into account the exercise of the Over-allotment Option. If the Over-allotment Option is exercised in full, the Offer Shares will represent approximately 5.3% of the total Shares in issue immediately following the completion of the Global Offering.

References in this prospectus to applications, application monies or the procedure for applications relate solely to the Hong Kong Public Offering.

STRUCTURE OF THE GLOBAL OFFERING

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares initially offered

Our Company is initially offering 5,450,000 H Shares for subscription by the public in Hong Kong at the Offer Price, representing approximately 10.0% of the total number of Offer Shares initially available under the Global Offering. The number of Offer Shares initially offered under the Hong Kong Public Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 0.5% of the total Shares in issue immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised).

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions set out in “— *Conditions of the Global Offering*” in this section.

Allocation

Allocation of Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which could mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

For allocation purposes only, the total number of Hong Kong Offer Shares available under the Hong Kong Public Offering (after taking into account any reallocation referred to below) will be divided equally (to the nearest board lot) into two pools: pool A and pool B (with any odd lot being allocated to pool A). The Hong Kong Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate price of HK\$5 million (excluding the brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee payable) or less. The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate price of more than HK\$5 million (excluding the brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee payable) and up to the total value in pool B.

Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If any Hong Kong Offer Shares in one (but not both) of the pools are unsubscribed, such unsubscribed Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. For the purpose of the immediately preceding paragraph only, the “price” for Hong Kong Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B and not from both pools. Multiple or suspected multiple applications under the Hong Kong Public Offering and any application for more than 2,725,000 Hong Kong Offer Shares (being approximately 50% of the Hong Kong Offer Shares initially available under the Hong Kong Public Offering) is liable to be rejected.

STRUCTURE OF THE GLOBAL OFFERING

Reallocation

The Offer Shares to be offered in the Hong Kong Public Offering and the International Offering may, in certain circumstances, be reallocated as between these offerings at the discretion of the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters). Subject to the allocation cap described in the subsequent paragraph, the Sponsor-Overall Coordinators may in their discretion reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. In addition, if the Hong Kong Public Offering is not fully subscribed, the Sponsor-Overall Coordinators will have the discretion (but shall not be under any obligation) to reallocate to the International Offering all or any unsubscribed Hong Kong Offer Shares in such amounts as they deem appropriate.

In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between Pool A and Pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Sponsor-Overall Coordinators deems appropriate. In the event of reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering in the circumstances where (a) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, or (b) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, then up to 2,725,000 Offer Shares may be reallocated from the International Offering to the Hong Kong Public Offering, so that the total number of Offer Shares available for subscription under the Hong Kong Public Offering will increase up to 8,175,000 Offer Shares, representing approximately 15% of the number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option), in accordance with Chapter 4.14 of the Guide for New Listing Applicants.

Given the initial allocation of the Offer Shares to the Hong Kong Public Offering and the International Offering follows the provision of Paragraph 4.2(b) of Practice Note 18 of the Listing Rules, no mandatory clawback or reallocation mechanism is required to increase the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering. Details of any reallocation of Offer Shares between the Hong Kong Public Offering and the International Offering will be disclosed in the allotment results announcement, which is expected to be published on Wednesday, July 29, 2026.

Applications

Each applicant under the Hong Kong Public Offering will be required to give an undertaking and confirmation in the application submitted by him that he and any person(s) for whose benefit he is making the application has not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Offer Shares under the International Offering. Such applicant's application under the International Offering is liable to be rejected if such undertaking and/or confirmation is/are breached and/or untrue (as the case may be).

Applicants under the Hong Kong Public Offering are required to pay, on application (subject to application channel), the maximum Offer Price of HK\$1,010.00 per Offer Share in addition to the brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee payable on each Offer Share, amounting to a total of HK\$51,009.29 for one board lot of 50 H Shares. Further details are set out in "*How to Apply for Hong Kong Offer Shares*".

STRUCTURE OF THE GLOBAL OFFERING

THE INTERNATIONAL OFFERING

Number of Offer Shares initially offered

The International Offering will consist of an offering of initially 49,050,000 H Shares, representing approximately 90.0% of the total number of Offer Shares initially available under the Global Offering (subject to reallocation and the Over-allotment Option). The number of Offer Shares initially offered under the International Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 4.2% of the total H Shares in issue immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised).

Allocation

The International Offering will include selective marketing of Offer Shares to QIBs in the United States as well as institutional and professional investors and other investors anticipated to have a sizeable demand for such Offer Shares in Hong Kong and other jurisdictions outside the United States in reliance on Regulation S. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities. The International Underwriters are soliciting from prospective investors indications of interest in acquiring our H Shares in the International Offering. Prospective investors will be required to specify the number of International Offer Shares under the International Offering they would be prepared to acquire. This process, known as “book-building,” may continue up to the last day for the making of applications under the Hong Kong Public Offering, but may cease earlier in the event that the International Offering is fully covered. Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with such book-building process and based on a number of factors, including the level and timing of demand, the total size of the relevant investor’s invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further H Shares and/or hold or sell its H Shares after the Listing. Such allocation is intended to result in a distribution of the H Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of our Group and the Shareholders as a whole.

The Sponsor-Overall Coordinators (on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Sponsor-Overall Coordinators so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any allocation of Offer Shares under the International Offering.

Reallocation

The total number of Offer Shares to be issued or sold pursuant to the International Offering may change as a result of the exercise of the Over-allotment Option in full or in part and/or any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering.

STRUCTURE OF THE GLOBAL OFFERING

OVER-ALLOTMENT OPTION

In connection with the Global Offering, our Company is expected to grant the Over-allotment Option to the International Underwriters, exercisable by the Sponsor-Overall Coordinators (on behalf of the International Underwriters).

Pursuant to the Over-allotment Option, the International Underwriters will have the right, exercisable by the Sponsor-Overall Coordinators (on behalf of the International Underwriters) at any time from the Listing Date until 30 days after the last day for lodging applications under the Hong Kong Public Offering to require our Company to issue up to an aggregate of 8,175,000 additional H Shares, representing not more than 15.0% of the Offer Shares initially available under the Global Offering, at the Offer Price under the International Offering to cover over-allocations in the International Offering, if any.

If the Over-allotment Option is exercised in full, the additional Offer Shares to be issued pursuant thereto will represent approximately 0.70% of the total Shares in issue immediately following the completion of the Global Offering. If the Over-allotment Option is exercised, an announcement will be made.

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the securities in the secondary market during a specified period of time, to retard and, if possible, prevent a decline in the initial public market price of the securities below the offer price. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including those of Hong Kong. In Hong Kong, the price at which stabilization is effected is not permitted to exceed the offer price.

In connection with the Global Offering, the Stabilizing Manager (or any person acting for it), on behalf of the Underwriters, may over-allocate or effect transactions with a view to stabilizing or supporting the market price of the H Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. However, there is no obligation on the Stabilizing Manager (or any person acting for it) to conduct any such stabilizing action. Such stabilizing action, if taken, (a) will be conducted at the absolute discretion of the Stabilizing Manager (or any person acting for it) and in what the Stabilizing Manager reasonably regards as the best interest of our Company, (b) may be discontinued at any time and (c) is required to be brought to an end within 30 days of the last day for lodging applications under the Hong Kong Public Offering.

Stabilization action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules of the SFO includes (a) over-allocating for the purpose of preventing or minimizing any reduction in the market price of the H Shares, (b) selling or agreeing to sell the H Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price of the H Shares, (c) purchasing, or agreeing to purchase, the H Shares pursuant to the Over-allotment Option in order to close out any position established under paragraph (a) or (b) above, (d) purchasing, or agreeing to purchase, any of the H Shares for the sole purpose of preventing or minimizing any reduction in the market price of the H Shares, (e) selling or agreeing to sell any H Shares in order to liquidate any position established as a result of those purchases and (f) offering or attempting to do anything as described in paragraph (b), (c), (d) or (e) above.

STRUCTURE OF THE GLOBAL OFFERING

Specifically, prospective applicants for and investors in the Offer Shares should note that:

- (a) the Stabilizing Manager (or any person acting for it) may, in connection with the stabilizing action, maintain a long position in the H Shares;
- (b) there is no certainty as to the extent to which and the time or period for which the Stabilizing Manager (or any person acting for it) will maintain such a long position;
- (c) liquidation of any such long position by the Stabilizing Manager (or any person acting for it) and selling in the open market may have an adverse impact on the market price of the H Shares;
- (d) no stabilizing action can be taken to support the price of the H Shares for longer than the stabilization period, which will begin on the Listing Date, and is expected to expire on Wednesday, August 26, 2026, being the 30th day after the last day for lodging applications under the Hong Kong Public Offering. After this date, when no further stabilizing action may be taken, demand for the H Shares, and therefore the price of the H Shares, could fall;
- (e) the price of the H Shares cannot be assured to stay at or above the Offer Price by any stabilizing action; and
- (f) stabilizing bids or transactions effected in the course of the stabilizing action may be made at any price at or below the Offer Price and can, therefore, be done at a price below the price paid by applicants for, or investors in, the Offer Shares.

Our Company will ensure or procure that an announcement in compliance with the Securities and Futures (Price Stabilizing) Rules of the SFO will be made within seven days of the expiration of the stabilization period.

Over-Allocation

Following any over-allocation of H Shares in connection with the Global Offering, the Stabilizing Manager (or any person acting for it) may cover such over-allocations by, among other methods, exercising the Over-allotment Option in full or in part, by using H Shares purchased by the Stabilizing Manager (or any person acting for it) in the secondary market at prices that do not exceed the Offer Price, or by a combination of these methods.

PRICING

Determining the Pricing of the Offer Shares

The Offer Price for the purposes of the various offerings under the Global Offering will be fixed between the Company and the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) at any time between Thursday, July 23, 2026 and Tuesday, July 28, 2026 (both days inclusive, but in any event no later than 12:00 noon on Tuesday, July 28, 2026 (“**Latest Time for Price Determination**”)), and the allocation of the International Offer Shares under the International Offering will be determined shortly thereafter.

STRUCTURE OF THE GLOBAL OFFERING

We will determine the Offer Price by reference to, among other factors, the closing price of the A Shares on the Shenzhen Stock Exchange on the last trading day on or before the Price Determination Date (which is accessible to the Shareholders and potential investors at www.szse.cn/English/siteMarketData/siteMarketData/lookup/index.html?code=300308), and the Offer Price will not be more than HK\$1,010.00. The historical prices of our A Shares and trading volume on Shenzhen Stock Exchange are set out below.

Period	High	Low	ADTV ⁽¹⁾
	(RMB)	(RMB)	(A Shares)
Year ended December 31, 2023	121	20	50
Year ended December 31, 2024	186	71	34
Year ended December 31, 2025	634	72	249
Year of 2026 (up to the Latest Practicable Date)	1,382	526	816

Note:

- (1) Average daily trading volume (“ADTV”) represents daily average number of our A Shares traded over the relevant period.

The final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering, the basis of allocations of the Hong Kong Offer Shares and the results of allocations in the Hong Kong Public Offering are expected to be made available through a variety of channels in the manner described in “How to Apply for Hong Kong Offer Shares — Publication of Results.”

Price Payable on Application

Applicants for Hong Kong Offer Shares may be required to pay, on application (subject to application channel), the maximum Offer Price per Hong Kong Offer Share plus the brokerage fee of 1.0%, the SFC transaction levy of 0.0027%, the AFRC transaction levy of 0.00015% and the Stock Exchange trading fee of 0.00565%, amounting to a total of HK\$51,009.29 for one board lot of 50 H Shares. If the Offer Price, as finally determined in the manner described in “— Determining the Pricing of the Offer Shares” above, is less than the maximum Offer Price, appropriate refund payments (including the brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy attributable to the surplus application monies) will be made to successful applicants, without interest. Further details are set out in “How to Apply for Hong Kong Offer Shares.”

Announcement of the Basis of Allocations

The level of applications in the Hong Kong Public Offering, level of indications of interest in the International Offering, and basis of allocations of the Hong Kong Offer Shares are expected to be made available through a variety of channels in the manner described in the subsection headed “How to Apply for the Hong Kong Offer Shares — B. Publication of Results.”

Reduction in Number of Offer Shares and/or Offer Price

The Sponsor-Overall Coordinators (on behalf of the Underwriters) may, where they deem appropriate, based on the level of interest expressed by prospective investors during the book-building process in respect of the International Offering, and with the consent of our Company, reduce the number of Offer Shares offered and/or the Offer Price below that stated

STRUCTURE OF THE GLOBAL OFFERING

in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, our Company will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering, cause to be published on the websites of our Company and the Stock Exchange at www.zj-innolight.com and www.hkexnews.hk, respectively, notices of the reduction. Upon the issue of such a notice, the revised number of Offer Shares and/or the Offer Price will be final and conclusive and the Offer Price, if agreed upon by the Sponsor-Overall Coordinators (on behalf of the Underwriters) and our Company, will be fixed at such revised Offer Price. The Company will also, as soon as practicable following the decision to make such change, issue a supplemental prospectus updating investors of the change in the number of Offer Shares being offered under the Global Offering and/or the Offer Price. Upon the issue of such a notice and supplemental prospectus, the revised number of Offer Shares and/or the Offer Price will be final and conclusive and the Offer Price, if agreed upon by the Sponsor-Overall Coordinators (on behalf of the Underwriters) and the Company, will be fixed within such revised Offer Price. The Global Offering must first be canceled and subsequently relaunched on FINI pursuant to the supplemental prospectus.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares and/or the Offer Price may not be made until the last day for lodging applications under the Hong Kong Public Offering. Such notice will also include confirmation or revision, as appropriate, of the working capital statement and the Global Offering statistics as currently set out in this prospectus, and any other financial information which may change as a result of any such reduction.

The level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering, the basis of allocations of the Hong Kong Offer Shares and the results of allocations in the Hong Kong Public Offering are expected to be made available through a variety of channels in the manner described in “*How to Apply for Hong Kong Offer Shares — B. Publication of Results*”.

UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms and conditions of the Hong Kong Underwriting Agreement on a conditional basis.

Our Company expects to enter into the International Underwriting Agreement relating to the International Offering on or about the Price Determination Date.

These underwriting arrangements, including the Underwriting Agreements, are summarized in “Underwriting”.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares will be conditional on:

- (a) the Stock Exchange granting approval for the listing of, and permission to deal in, the H Shares to be issued (including the additional H Shares which may be issued pursuant to the exercise of the Over-allotment Option under the Global Offering), on the Main Board of the Stock Exchange and such approval not subsequently having been withdrawn, revoked or withheld prior to the Listing Date;

STRUCTURE OF THE GLOBAL OFFERING

- (b) the pricing of the Offer Shares having been agreed between the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company;
- (c) the execution and delivery of the International Underwriting Agreement on or about the Price Determination Date; and
- (d) the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters under the International Underwriting Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements,

in each case on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and, in any event, not later than the date which is 30 days after the date of this prospectus.

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the dates and times specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published by our Company on the websites of our Company and the Stock Exchange at www.zj-innolight.com and www.hkexnews.hk, respectively, on the next day following such lapse. In such a situation, all application monies will be returned, without interest, on the terms set out in “*How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies*”. In the meantime, all application monies will be held in separate bank account(s) with the receiving bank(s) or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

H Share certificates for the Offer Shares will only become valid evidence of title at 8:00 a.m. on Thursday, July 30, 2026, **provided that** the Global Offering has become unconditional in all respects at or before that time.

DEALINGS IN THE H SHARES

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Thursday, July 30, 2026, it is expected that dealings in the H Shares on the Stock Exchange will commence at 9:00 a.m. on Thursday, July 30, 2026.

The H Shares will be traded in board lots of 50 H Shares each and the stock code of the H Shares will be 3308.

HOW TO APPLY FOR HONG KONG OFFER SHARES

IMPORTANT NOTICE TO INVESTORS OF HONG KONG OFFER SHARES

FULLY ELECTRONIC APPLICATION PROCESS

The Company has adopted a fully electronic application process for the Hong Kong Public Offering and below are the procedures for application.

This Prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the “*HKEXnews > New Listings > New Listing Information*” section, and the Company’s website at www.zj-innolight.com.

The contents of this Prospectus are identical to the prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

A. APPLICATION FOR HONG KONG OFFER SHARES

1. Who Can Apply

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are 18 years of age or older;
- have a Hong Kong address (for the **White Form eIPO** Service only); and
- are outside the United States (within the meaning of Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S.

Unless permitted by the Listing Rules or a waiver and/or consent has been granted by the Stock Exchange to the Company, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are an existing Shareholder of the Company;
- are a Director or chief executive of the Company and/or a director or chief executive of any of its subsidiaries;
- are a close associate (as defined in the Listing Rules) of any of the above persons;
- are a connected person (as defined in the Listing Rules) of the Company or will become a connected person of the Company immediately upon the completion of the Global Offering; or
- have been allocated or have applied for or indicated an interest in any International Offer Shares or otherwise participate in the International Offering.

HOW TO APPLY FOR HONG KONG OFFER SHARES

2. Application Channels

The Hong Kong Public Offering period will begin at 9:00 am on Wednesday, July 22, 2026 and end at 12:00 noon on Monday, July 27, 2026 (Hong Kong time).

To apply for Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
White Form eIPO service	at www.eipo.com.hk	Applicants who would like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 a.m. on Wednesday, July 22, 2026 until 11:30 a.m. on Monday, July 27, 2026 and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Monday, July 27, 2026.
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit electronic application instruction(s) on your behalf through HKSCC's FINI system in accordance with your instruction.	Applicants who would not like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

The **White Form eIPO** service and the **HKSCC EIPO** channel are facilities subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day of the application period to apply for Hong Kong Offer Shares.

For those applying through the **White Form eIPO** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **White Form eIPO** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the **electronic application instructions** are given, you shall be deemed to have declared that only one set of **electronic application instructions** has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of **electronic application instructions** for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

HOW TO APPLY FOR HONG KONG OFFER SHARES

For the avoidance of doubt, giving an application instruction under the **White Form eIPO** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **White Form eIPO** service, you are deemed to have authorized the **White Form eIPO** Service Provider to apply on the terms and conditions in this Prospectus, as supplemented and amended by the terms and conditions of the **White Form eIPO** service.

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this Prospectus and any supplement to it.

For those applying through **HKSCC EIPO** channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offering.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this Prospectus.

3. Information Required to Apply

You **must** provide the following information with your application:

For Individual/Joint Applicants	For Corporate Applicants
• Full name(s) as shown on your identity document • Identity document's issuing country or jurisdiction • Identity document type, with order of priority: i. HKID card; or ii. National identification document; or iii. Passport; and • Identity document number	• Full name(s) as shown on your identity document • Identity document's issuing country or jurisdiction • Identity document type, with order of priority: i. LEI registration document; or ii. Certificate of incorporation; or iii. Business registration certificate; or iv. Other equivalent document; and • Identity document number

HOW TO APPLY FOR HONG KONG OFFER SHARES

Notes:

- (1) If you are applying through the **White Form eIPO** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card.
- (2) The applicant's full name as shown on their identity document must be used and the surname, given name, middle and other names (if any) must be input in the same order as shown on the identity document. If an applicant's identity document contains both an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID card (including both Hong Kong Residents and Hong Kong Permanent Residents), the HKID number must be used when making an application to subscribe for shares in a public offer. Similarly for corporate applicants, a LEI number must be used if an entity has a LEI certificate.
- (3) If the applicant is a trustee, the client identification data ("**CID**") of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.
- (4) The maximum number of joint applicants on FINI is capped at four in accordance with market practice.
- (5) If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), the identity document's issuing country or jurisdiction, the identity document type; and (ii) the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.
- (6) If you are applying as an unlisted company and (i) the principal business of that company is dealing in securities; and (ii) you exercise statutory control over that company, then the application will be treated as being for your benefit and you should provide the required information in your application as stated above.

"**Unlisted company**" means a company with no equity securities listed on the Stock Exchange or any other stock exchange.

"**Statutory control**" means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

For those applying through **HKSCC EIPO** channel, and making an application under a power of attorney, the Company and the Sponsor-Overall Coordinators, as the Company's agent, have discretion to consider whether to accept it on any conditions we think fit, including evidence of the attorney's authority.

Failing to provide any required information may result in your application being rejected.

HOW TO APPLY FOR HONG KONG OFFER SHARES

4. Permitted Number of Hong Kong Offer Shares for Application

Board lot size: 50 Shares

Permitted number of Hong Kong Offer Shares for application and amount payable on application/successful allotment

Hong Kong Offer Shares are available for application in specified board lot sizes only. Please refer to the amount payable associated with each specified board lot size in the table below.

The maximum Offer Price is
HK\$1,010.00 per H Share.

If you are applying through the **HKSCC EIPO** channel, you are required to prefund your application based on the amount specified by your broker or custodian, as determined based on the applicable laws and regulations in Hong Kong. You are responsible for complying with any such pre-funding requirement imposed by your broker or custodian with respect to the Hong Kong Offer Shares you applied for.

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the final Offer Price, brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the designated bank for your broker or custodian.

If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of Hong Kong Offer Shares you have selected. You must pay the respective maximum amount payable on application in full upon application for Hong Kong Offer Shares.

HOW TO APPLY FOR HONG KONG OFFER SHARES

No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application
	HK\$		HK\$		HK\$		HK\$
50	51,009.29	700	714,130.10	9,000	9,181,672.66	200,000	204,037,170.00
100	102,018.59	800	816,148.68	10,000	10,201,858.50	300,000	306,055,755.00
150	153,027.88	900	918,167.26	20,000	20,403,717.00	400,000	408,074,340.00
200	204,037.16	1,000	1,020,185.86	30,000	30,605,575.50	500,000	510,092,925.00
250	255,046.47	2,000	2,040,371.70	40,000	40,807,434.00	1,000,000	1,020,185,850.00
300	306,055.75	3,000	3,060,557.56	50,000	51,009,292.50	1,500,000	1,530,278,775.00
350	357,065.04	4,000	4,080,743.40	60,000	61,211,151.00	2,000,000	2,040,371,700.00
400	408,074.35	5,000	5,100,929.26	70,000	71,413,009.50	2,725,000 ⁽¹⁾	2,780,006,441.26
450	459,083.63	6,000	6,121,115.10	80,000	81,614,868.00		
500	510,092.93	7,000	7,141,300.96	90,000	91,816,726.50		
600	612,111.51	8,000	8,161,486.80	100,000	102,018,585.00		

- (1) Maximum number of Hong Kong Offer Share you may apply for.
- (2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) and the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under the paragraph headed “— A. Application for Hong Kong Offer Shares — 3. Information Required to Apply” in this section. If you are suspected of submitting or cause to submit more than one application, all of your applications will be rejected.

Multiple applications made either through (i) the **White Form eIPO** service, (ii) **HKSCC EIPO** channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **White Form eIPO** service or **HKSCC EIPO** channel, you or the person(s) for whose benefit you have made the application shall not apply for any International Offer Shares.

6. Terms and Conditions of An Application

By applying for Hong Kong Offer Shares through the **White Form eIPO** service or **HKSCC EIPO** channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

- (i) undertake to execute all relevant documents and instruct and authorise the Company and/or the Sponsor-Overall Coordinators, as the Company’s agents, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC

HOW TO APPLY FOR HONG KONG OFFER SHARES

Nominees as required by the Articles of Association, and (if you are applying through the **HKSCC EIPO** channel) to deposit the allotted Hong Kong Offer Shares directly into CCASS for the credit of your designated HKSCC Participant's stock account on your behalf;

- (ii) confirm that you have read and understand the terms and conditions and application procedures set out in this Prospectus and the designated website of the **White Form eIPO** service (or as the case may be, the agreement you entered into with your broker or custodian), and agree to be bound by them;
- (iii) (if you are applying through the **HKSCC EIPO** channel) agree to the arrangements, undertakings and warranties under the participant agreement between your broker or custodian and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares;
- (iv) confirm that you are aware of the restrictions on offers and sales of Hong Kong Offer Shares set out in this Prospectus and they do not apply to you, or the person(s) for whose benefit you have made the application;
- (v) confirm that you have read this Prospectus and any supplement to it and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made) and will not rely on any other information or representations;
- (vi) agree that the Company, the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters, any of their respective directors, officers, employees, partners, agents, advisors and any other parties involved in the Global Offering (the “**Relevant Persons**”), the H Share Registrar and HKSCC will not be liable for any information and representations not in this Prospectus and any supplement to it;
- (vii) agree to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to the Company, the Relevant Persons, the H Share Registrar, HKSCC, HKSCC Nominees, the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, for the purposes under the paragraph headed “— *G. Personal Data* — 3. *Purposes* and 4. *Transfer of personal data*” in this section;
- (viii) agree (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees' application) has been accepted) that you will not rescind it because of an innocent misrepresentation;
- (ix) agree that subject to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the H Share Registrar by way of publication of the results at the time and in the manner as specified in the paragraph headed “— *B. Publication of Results*” in this section;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- (x) confirm that you are aware of the situations specified in the paragraph headed “— *C. Circumstances In Which You Will Not Be Allocated Hong Kong Offer Shares*” in this section;
- (xi) agree that your application or HKSCC Nominees’ application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;
- (xii) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Articles of Association and laws of any place outside Hong Kong that apply to your application and that neither the Company nor the Relevant Persons will breach any law inside and/or outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this Prospectus;
- (xiii) confirm that (a) your application or HKSCC Nominees’ application on your behalf is not financed directly or indirectly by the Company, any of the directors, chief executives, substantial shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates; and (b) you are not accustomed or will not be accustomed to taking instructions from the Company, any of the directors, chief executives, substantial shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the H Shares registered in your name or otherwise held by you;
- (xiv) warrant that the information you have provided is true and accurate;
- (xv) confirm that you understand that the Company and the Sponsor-Overall Coordinators will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;
- (xvi) agree to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;
- (xvii) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;
- (xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving **electronic application instructions** to HKSCC directly or indirectly or through the **White Form eIPO** service or by any one as your agent or by any other person; and
- (xix) (if you are making the application as an agent for the benefit of another person) warrant that (1) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving **electronic application instructions** to HKSCC and (2) you have due authority to give **electronic application instructions** on behalf of that other person as its agent.

HOW TO APPLY FOR HONG KONG OFFER SHARES

B. PUBLICATION OF RESULTS

Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

Platform	Date/Time
Applying through White Form eIPO service or HKSCC EIPO channel:	
Website The designated results of allocation website at www.iporesults.com.hk (alternatively: www.eipo.com.hk/eIPOAllotment) with a “search by ID” function.	24 hours, from 11:00 p.m. on Wednesday, July 29, 2026 to 12:00 midnight on Tuesday, August 4, 2026 (Hong Kong time)
The full list of (i) wholly or partially successful applicants using the White Form eIPO service and HKSCC EIPO channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed on the “Allotment Results” page of the White Form eIPO service at www.iporesults.com.hk (alternatively: www.eipo.com.hk/eIPOAllotment).	
The Stock Exchange’s website at www.hkexnews.hk and the Company’s website at www.zj-innolight.com which will provide links to the above mentioned websites of the H Share Registrar.	No later than 11:00 p.m. on Wednesday, July 29, 2026 (Hong Kong time)
Telephone +852 2862 8555 — the allocation results telephone enquiry line provided by the H Share Registrar	between 9:00 a.m. and 6:00 p.m. on Thursday, July 30, 2026 to Tuesday, August 4, 2026 (on a business day)

For those applying through **HKSCC EIPO** channel, you may also check with your broker or custodian from 6:00 p.m. on Tuesday, July 28, 2026 (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Tuesday, July 28, 2026 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

HOW TO APPLY FOR HONG KONG OFFER SHARES

Allocation Announcement

The Company expects to announce the results of the final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocations of Hong Kong Offer Shares on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.zj-innolight.com by no later than 11:00 p.m. on Wednesday, July 29, 2026 (Hong Kong time).

C. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which Hong Kong Offer Shares will not be allocated to you or the person(s) for whose benefit you are applying for:

1. If your application is revoked:

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

2. If the Company or its agents exercise their discretion to reject your application:

The Company, the Sponsor-Overall Coordinators, the H Share Registrar and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

3. If the allocation of Hong Kong Offer Shares is void:

The allocation of Hong Kong Offer Shares will be void if the Stock Exchange does not grant permission to list the H Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Stock Exchange notifies the Company of that longer period within three weeks of the closing date of the application lists.

4. If:

- you make multiple applications or suspected multiple applications. You may refer to the paragraph headed “— A. Application for Hong Kong Offer Shares — 5. Multiple Applications Prohibited” in this section on what constitutes multiple applications;
- your application instruction is incomplete;
- your payment (or confirmation of funds, as the case may be) is not made correctly;
- the Underwriting Agreements do not become unconditional or are terminated;
- the Company or the Sponsor-Overall Coordinators believe that by accepting your application, it or the Company would violate applicable securities or other laws, rules or regulations.

HOW TO APPLY FOR HONG KONG OFFER SHARES

5. If there is money settlement failure for allotted Offer Shares:

Based on the arrangements between HKSCC Participants and HKSCC, HKSCC Participants will be required to hold sufficient application funds on deposit with their designated bank before balloting. After balloting of Hong Kong Offer Shares, the receiving bank(s) will collect the portion of these funds required to settle each HKSCC Participant's actual Hong Kong Offer Share allotment from their designated bank.

There is a risk of money settlement failure. In the extreme event of money settlement failure by a HKSCC Participant (or its designated bank), who is acting on your behalf in settling payment for your allotted Offer Shares, HKSCC will contact the defaulting HKSCC Participant and its designated bank to determine the cause of failure and request such defaulting HKSCC Participant to rectify or procure to rectify the failure.

However, if it is determined that such settlement obligation cannot be met, the affected Hong Kong Offer Shares will be reallocated to the International Offering. Hong Kong Offer Shares applied for by you through the broker or custodian may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Offer Shares due to the money settlement failure by such HKSCC Participant. None of the Company, the Relevant Persons, the H Share Registrar and HKSCC is or will be liable if Hong Kong Offer Shares are not allocated to you due to the money settlement failure.

D. DESPATCH/COLLECTION OF H SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one H Share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the **HKSCC EIPO** channel where the H Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Hong Kong Offer Shares.

No receipt will be issued for sums paid on application.

H Share certificates will only become valid evidence of title at 8:00 a.m. on Thursday, July 30, 2026 (Hong Kong time), **provided that** the Global Offering has become unconditional and the right of termination described in the section headed “*Underwriting*” has not been exercised. Investors who trade H Shares prior to the receipt of H Share certificates or the H Share certificates becoming valid do so entirely at their own risk.

The right is reserved to retain any H Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

HOW TO APPLY FOR HONG KONG OFFER SHARES

The following sets out the relevant procedures and time:

	<u>White Form eIPO service</u>	<u>HKSCC EIPO channel</u>
Despatch/collection of H Share certificate¹		
For application of 1,000,000 Hong Kong Offer Shares or more	Collection in person from the H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong Time: from 9:00 a.m. to 1:00 p.m. on Thursday, July 30, 2026 (Hong Kong time), or any other place or date notified by the Company If you are an individual, you must not authorise any other person to collect for you. If you are a corporate applicant, your authorised representative must bear a letter of authorization from your corporation stamped with your corporation's chop Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the H Share Registrar <i>Note:</i> If you do not collect your H Share certificate(s) personally within the time above, it/they will be sent to the address specified in your application instructions by ordinary post at your own risk	H Share certificate(s) will be issued in the name of HKSCC Nominees, deposited into CCASS and credited to your designated HKSCC Participant's stock account No action by you is required
For application of less than 1,000,000 Hong Kong Offer Shares	Your H Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk Time: Wednesday, July 29, 2026	

HOW TO APPLY FOR HONG KONG OFFER SHARES

	White Form eIPO service	HKSCC EIPO channel
Refund mechanism for surplus application monies paid by you		
Date	Thursday, July 30, 2026	Subject to the arrangement between you and your broker or custodian
Responsible party	H Share Registrar	Your broker or custodian
Application monies paid through single bank account	White Form e-Refund payment instructions to your designated bank account	Your broker or custodian will arrange refund to your designated bank account subject to the arrangement between you and it
Application monies paid through multiple bank accounts	Refund cheque(s) will be despatched to the address as specified in your application instructions by ordinary post at your own risk	

- (1) Except in the event any Severe Weather Signals (as defined below) in force in Hong Kong in the morning on the business day before the Listing Date rendering it impossible for the relevant H Share certificates to be despatched to HKSCC in a timely manner, the Company shall procure the H Share Registrar to arrange for delivery of the supporting documents and H Share certificates in accordance with the contingency arrangements as agreed between them. You may refer to “— *E. Severe Weather Arrangements*” in this section.

E. SEVERE WEATHER ARRANGEMENTS

The Opening and Closing of the Application Lists

The application lists will not open or close on Monday, July 27, 2026 if, there is/are:

- a tropical cyclone warning signal number 8 or above;
- a black rainstorm warning; and/or
- an Extreme Conditions,

(collectively, “**Severe Weather Signals**”),

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Monday, July 27, 2026.

Instead they will open between 11:45 a.m. and 12:00 noon and/or close at 12:00 noon on the next business day which does not have Severe Weather Signals in force at any time between 9:00 a.m. and 12:00 noon.

HOW TO APPLY FOR HONG KONG OFFER SHARES

Prospective investors should be aware that a postponement of the opening/closing of the application lists may result in a delay in the Listing Date. Should there be any changes to the dates mentioned in the section headed “Expected Timetable” in this Prospectus, an announcement will be made and published on the Stock Exchange’s website at www.hkexnews.hk and the Company’s website at www.zj-innolight.com of the revised timetable.

If a Severe Weather Signal is hoisted on Wednesday, July 29, 2026, the H Share Registrar will make appropriate arrangements for the delivery of the H Share certificates to the CCASS Depository’s service counter so that they would be available for trading on Thursday, July 30, 2026.

If a Severe Weather Signal is hoisted on Thursday, July 30, 2026:

- for application of 1,000,000 Hong Kong Offer Shares or more, the physical H Share certificate(s) and/or refund cheque (if applicable) will be available for collection from the H Share Registrar’s office after the Severe Weather Signal is lowered or cancelled (e.g. in the afternoon of Thursday, July 30, 2026 or on Friday, July 31, 2026).

If a Severe Weather Signal is hoisted on Wednesday, July 29, 2026:

- for application of less than 1,000,000 Hong Kong Offer Shares, the despatch of physical H Share certificate(s) and/or refund cheque (if applicable) will be made by ordinary post when the post office re-opens after the Severe Weather Signal is lowered or cancelled (e.g. in the afternoon of Wednesday, July 29, 2026 or on Thursday, July 30, 2026).

Prospective investors should be aware that if they choose to receive physical H Share certificates issued in their own name, there may be a delay in receiving the H Share certificates.

F. ADMISSION OF THE H SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the H Shares on the Stock Exchange and the Company complies with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares on the Stock Exchange or any other date HKSCC chooses. Settlement of transactions between Exchange Participants is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and the HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

You should seek the advice of your broker or other professional advisor for details of the settlement arrangement as such arrangements may affect your rights and interests.

HOW TO APPLY FOR HONG KONG OFFER SHARES

G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by the Company, the H Share Registrar, the receiving bank(s) and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. This personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agree to all of the terms of the Personal Information Collection Statement below.

1. Personal Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of the Company and the H Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

2. Reasons for the collection of your personal data

It is necessary for applicants and registered holders of Hong Kong Offer Shares to ensure that personal data supplied to the Company or its agents and the H Share Registrar is accurate and up-to-date when applying for Hong Kong Offer Shares or transferring Hong Kong Offer Shares into or out of their names or in procuring the services of the H Share Registrar.

Failure to supply the requested data or supplying inaccurate data may result in your application for Hong Kong Offer Shares being rejected, or in the delay or the inability of the Company or the H Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of Hong Kong Offer Shares which you have successfully applied for and/or the despatch of H Share certificate(s) to which you are entitled.

It is important that applicants for and holders of Hong Kong Offer Shares inform the Company and the H Share Registrar immediately of any inaccuracies in the personal data supplied.

3. Purposes

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund cheque and **White Form** e-Refund payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this Prospectus and announcing results of allocation of Hong Kong Offer Shares;
- compliance with applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the names of the holders of the H Shares including, where applicable, HKSCC Nominees;
- maintaining or updating the register of members of the Company;

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- verifying identities of applicants for and holders of the H Shares and identifying any duplicate applications for the H Shares;
- facilitating Hong Kong Offer Shares balloting;
- establishing benefit entitlements of holders of the H Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from the Company and its subsidiaries;
- compiling statistical information and profiles of the holder of the H Shares;
- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable the Company and the H Share Registrar to discharge their obligations to applicants and holders of the H Shares and/or regulators and/or any other purposes to which applicants and holders of the H Shares may from time to time agree.

4. Transfer of personal data

Personal data held by the Company and the H Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential but the Company and the H Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- the Company's appointed agents such as financial advisors, receiving bank(s) and overseas principal share registrar;
- HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the H Share Registrar for the purposes of providing its services or facilities or performing its functions in accordance with its rules or procedures and operating FINI and CCASS (including where applicants for the Hong Kong Offer Shares request a deposit into CCASS);
- any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to the Company or the H Share Registrar in connection with their respective business operation;
- the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, including for the purpose of the Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and
- any persons or institutions with which the holders of Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or brokers etc.

HOW TO APPLY FOR HONG KONG OFFER SHARES

5. Retention of personal data

The Company and the H Share Registrar will keep the personal data of the applicants and holders of Hong Kong Offer Shares for as long as necessary to fulfil the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

6. Access to and correction of personal data

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether the Company or the H Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. The Company and the H Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to the Company and the H Share Registrar, at their registered address disclosed in the section headed “*Corporate information*” in this Prospectus or as notified from time to time, for the attention of the company secretary, or the H Share Registrar for the attention of the privacy compliance officer.

The following is the text of a report set out on pages I-1 to I-3, received from the Company's reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus. It is prepared and addressed to the directors of the Company and to the Joint Sponsors pursuant to the requirements of HKSIR 200 Accountants' Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.



ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF ZHONGJI INNOLIGHT CO., LTD. AND GOLDMAN SACHS (ASIA) L.L.C., CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED, MORGAN STANLEY ASIA LIMITED AND GF CAPITAL (HONG KONG) LIMITED

Introduction

We report on the historical financial information of Zhongji InnoLight Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-87, which comprises the consolidated statements of financial position as at December 31, 2023, 2024 and 2025 and March 31, 2026, the statements of financial position of the Company as at December 31, 2023, 2024 and 2025 and March 31, 2026, and the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2026 (the "Track Record Period") and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-87 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated July 22, 2026 (the "Prospectus") in connection with the initial listing of H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountant's responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified

Public Accountants (“HKICPA”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountant’s judgment, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountant considers internal control relevant to the entity’s preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountant’s report, a true and fair view of the financial position of the Company as at December 31, 2023, 2024 and 2025 and March 31, 2026, the consolidated financial position of the Group as at December 31, 2023, 2024 and 2025 and March 31, 2026 and of its consolidated financial performance and its consolidated cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information.

Review of Stub Period Comparative Financial Information

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the three months ended March 31, 2025 and other explanatory information (the “Stub Period Comparative Financial Information”). The directors of the Company are responsible for the preparation of the Stub Period Comparative Financial Information in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the International Auditing and Assurance Standards Board (“IAASB”). A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountant’s report, is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to Note 14 to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Track Record Period.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong

July 22, 2026

I. HISTORICAL FINANCIAL INFORMATION OF THE GROUP**Preparation of Historical Financial Information**

Set out below is the Historical Financial Information which forms an integral part of this accountant's report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by PricewaterhouseCoopers in accordance with International Standards on Auditing issued by International Auditing and Assurance Standards Board ("IAASB") ("Underlying Financial Statements").

The Historical Financial Information are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	Year ended December 31,			Three months ended March 31,	
		2023	2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Revenue	5	10,717,984	23,862,160	38,239,936	6,674,176	19,496,398
Cost of revenue	9	(7,333,527)	(15,921,054)	(22,364,054)	(4,262,023)	(10,616,404)
Gross profit		3,384,457	7,941,106	15,875,882	2,412,153	8,879,994
Sales and marketing expenses	9	(124,840)	(199,268)	(226,175)	(50,102)	(78,739)
General and administrative expenses	9	(483,257)	(683,759)	(771,818)	(149,102)	(412,306)
Research and development expenses	9	(739,368)	(1,244,027)	(1,615,282)	(290,341)	(644,689)
Net impairment (losses)/reversal on financial assets	6	(8,710)	(18,909)	(15,423)	7,699	(7,537)
Other income	7	72,334	85,652	183,991	23,388	29,118
Other gains/(losses), net	8	54,819	201,045	(302,204)	1,475	(310,743)
Operating profit		2,155,435	6,081,840	13,128,971	1,955,170	7,455,098
Finance income	11	104,627	108,030	244,310	41,678	82,576
Finance costs	11	(61,838)	(91,747)	(97,752)	(26,207)	(20,995)
Finance income, net		42,789	16,283	146,558	15,471	61,581
Share of profit/(loss) of associates, net	12	294,238	(45,685)	324,095	19,142	19,123
Profit before income tax		2,492,462	6,052,438	13,599,624	1,989,783	7,535,802
Income tax expense	13	(284,813)	(680,662)	(2,019,870)	(299,268)	(1,219,010)
Profit for the year/period		2,207,649	5,371,776	11,579,754	1,690,515	6,316,792
Profit for the year/period attributable to:						
Owners of the Company		2,173,528	5,171,486	10,797,254	1,582,876	5,734,501
Non-controlling interests		34,121	200,290	782,500	107,639	582,291
		<u>2,207,649</u>	<u>5,371,776</u>	<u>11,579,754</u>	<u>1,690,515</u>	<u>6,316,792</u>
Earnings per share attributable to the owners of the Company (in RMB)						
– Basic (RMB per share)	15	2.00	4.72	9.80	1.44	5.18
– Diluted (RMB per share)	15	1.97	4.63	9.71	1.43	5.14
Profit for the year/period		2,207,649	5,371,776	11,579,754	1,690,515	6,316,792
Other comprehensive income/(loss):						
<i>Items that may be reclassified to profit or loss, net of tax</i>						
– Currency translation differences of foreign operations, net of tax		12,669	20,779	(81,779)	(2,577)	(264,335)
Other comprehensive income/(loss) for the year/period, net of tax		12,669	20,779	(81,779)	(2,577)	(264,335)
Attributable to:						
Owners of the Company		10,174	13,251	(55,928)	(1,655)	(238,889)
Non-controlling interests		2,495	7,528	(25,851)	(922)	(25,446)
Total comprehensive income for the year/period		2,220,318	5,392,555	11,497,975	1,687,938	6,052,457
Attributable to:						
Owners of the Company		2,183,702	5,184,737	10,741,326	1,581,221	5,495,612
Non-controlling interests		36,616	207,818	756,649	106,717	556,845
		<u>2,220,318</u>	<u>5,392,555</u>	<u>11,497,975</u>	<u>1,687,938</u>	<u>6,052,457</u>

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at December 31,			As at March 31,
	Note	2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Non-current assets					
Property, plant and equipment	16	4,510,892	6,320,177	9,057,030	10,924,033
Right-of-use assets	17	163,867	166,497	231,340	274,538
Intangible assets	18	2,208,298	2,216,561	2,243,755	2,240,229
Deferred tax assets	19	81,940	221,725	540,536	762,272
Prepayments, other receivables and other assets	20	423,782	423,367	73,981	1,220,508
Investments in associates	12	930,333	811,798	1,262,965	1,276,920
Financial assets at fair value through profit or loss	22	368,241	510,406	795,339	833,402
Total non-current assets		8,687,353	10,670,531	14,204,946	17,531,902
Current assets					
Inventories	23	4,294,660	7,051,320	12,680,708	15,672,078
Trade and notes receivables at amortised cost	24	2,904,793	4,670,627	6,349,511	9,648,104
Trade and note receivables at fair value through other comprehensive income	25	44,065	50,478	59,766	105,221
Prepayments, other receivables and other assets	20	332,560	846,968	997,131	1,473,208
Financial assets at fair value through profit or loss	22	416,039	522,546	10,016	10,026
Other financial assets at amortised cost	26	10,000	—	—	—
Restricted cash	27	83,378	66,015	43,086	31,441
Cash and cash equivalents	27	3,233,901	4,987,790	10,943,807	12,176,254
Total current assets		11,319,396	18,195,744	31,084,025	39,116,332
Total assets		20,006,749	28,866,275	45,288,971	56,648,234

		As at December 31,			As at March 31,
	Note	2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
LIABILITIES					
Non-current liabilities					
Borrowings	28	318,722	606,281	510,000	530,899
Lease liabilities	17	17,040	23,175	74,731	58,364
Deferred tax liabilities	19	215,985	269,736	291,219	306,935
Deferred income	29	215,770	216,620	211,363	214,820
Redemption liabilities	30	21,266	879,749	900,192	896,304
Provisions	31	82,983	80,490	121,462	155,350
Other payables and accruals	33	—	—	332	332
Total non-current liabilities		871,766	2,076,051	2,109,299	2,163,004
Current liabilities					
Trade and note payables	32	2,163,483	3,507,823	7,800,410	10,920,027
Contract liabilities	5	2,607	9,997	26,327	45,593
Current tax liabilities		175,466	226,868	1,217,740	2,318,731
Borrowings	28	529,347	2,004,753	981,926	990,788
Lease liabilities	17	11,365	12,464	34,905	64,560
Redemption liabilities	30	25,667	22,000	—	—
Provisions	31	54,782	30,881	68,761	72,679
Other payables and accruals	33	1,397,768	682,597	1,428,404	1,957,951
Total current liabilities		4,360,485	6,497,383	11,558,473	16,370,329
Total liabilities		5,232,251	8,573,434	13,667,772	18,533,333
Net current assets		6,958,911	11,698,361	19,525,552	22,746,003
EQUITY					
Share capital	34	802,826	1,121,167	1,111,118	1,111,118
Treasury shares	35	(620,480)	(569,364)	(46,876)	—
Reserves	36	8,209,108	7,957,834	8,452,683	8,493,241
Retained earnings	37	5,869,568	10,624,251	20,248,232	25,982,733
Equity attributable to owners of the Company		14,261,022	19,133,888	29,765,157	35,587,092
Non-controlling interests		513,476	1,158,953	1,856,042	2,527,809
Total equity		14,774,498	20,292,841	31,621,199	38,114,901
Total equity and liabilities		20,006,749	28,866,275	45,288,971	56,648,234

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at December 31,			As at March 31,
	Note	2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Non-current assets					
Property, plant and equipment		886	792	691	654
Right-of-use assets		547	–	1,078	944
Intangible assets		86	71	55	51
Investments in subsidiaries	44	8,306,562	9,155,031	12,123,380	12,259,239
Investments in associates	12	174,325	101,273	113,273	111,498
Financial assets at fair value through profit or loss	22	87,769	256,666	464,505	503,159
Total non-current assets		8,570,175	9,513,833	12,702,982	12,875,545
Current assets					
Trade and notes receivables at amortised cost		3,000	–	–	–
Prepayments, other receivables and other assets	20	462,251	667,733	1,453,349	1,476,805
Financial assets at fair value through profit or loss	22	75,058	10,008	10,016	10,026
Cash and cash equivalents	27	485,288	86,216	63,960	73,855
Total current assets		1,025,597	763,957	1,527,325	1,560,686
Total assets		9,595,772	10,277,790	14,230,307	14,436,231
LIABILITIES					
Non-current liabilities					
Deferred tax liabilities		23,080	27,466	31,926	31,926
Lease liability		–	–	110	–
Total non-current liabilities		23,080	27,466	32,036	31,926
Current liabilities					
Lease liabilities		551	–	980	542
Other payables and accruals	33	982,795	1,057,193	3,795,597	3,905,094
Total current liabilities		983,346	1,057,193	3,796,577	3,905,636
Total liabilities		1,006,426	1,084,659	3,828,613	3,937,562
Net current assets/(liabilities) . . .		42,251	(293,236)	(2,269,252)	(2,344,950)
EQUITY					
Share capital	34	802,826	1,121,167	1,111,118	1,111,118
Treasury shares	35	(620,480)	(569,364)	(46,876)	–
Reserves	36	8,050,274	8,084,195	8,220,929	8,300,316
Retained earnings	37	356,726	557,133	1,116,523	1,087,235
Total equity		8,589,346	9,193,131	10,401,694	10,498,669
Total equity and liabilities		9,595,772	10,277,790	14,230,307	14,436,231

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to the owners of the Company					Non-controlling interests	Total equity
	Share capital	Treasury shares	Reserves	Retained earnings	Total		
	RMB'000 (Note 34)	RMB'000 (Note 35)	RMB'000 (Note 36)	RMB'000 (Note 37)	RMB'000	RMB'000	RMB'000
As at January 1, 2023 . .	<u>800,962</u>	<u>(782,270)</u>	<u>8,033,653</u>	<u>3,892,869</u>	<u>11,945,214</u>	<u>123,787</u>	<u>12,069,001</u>
Comprehensive income:							
Profit for the year	–	–	–	2,173,528	2,173,528	34,121	2,207,649
Other comprehensive income	–	–	10,174	–	10,174	2,495	12,669
Total comprehensive income	<u>–</u>	<u>–</u>	<u>10,174</u>	<u>2,173,528</u>	<u>2,183,702</u>	<u>36,616</u>	<u>2,220,318</u>
Transactions with owners:							
Capital injection (Note 34)	1,864	–	45,221	–	47,085	183,423	230,508
Stock ownership schemes settled with treasury shares	–	161,790	(159,662)	–	2,128	–	2,128
Share-based compensation (Note 38)	–	–	261,048	–	261,048	4,442	265,490
Appropriations to statutory reserves (Note 36)	–	–	39,557	(39,557)	–	–	–
Business combination (Note 18(b)(i))	–	–	–	–	–	157,256	157,256
Dividends (Note 14)	–	–	–	(157,272)	(157,272)	–	(157,272)
Transaction with non-controlling interests	–	–	(20,883)	–	(20,883)	7,952	(12,931)
	<u>1,864</u>	<u>161,790</u>	<u>165,281</u>	<u>(196,829)</u>	<u>132,106</u>	<u>353,073</u>	<u>485,179</u>
As at December 31, 2023	<u>802,826</u>	<u>(620,480)</u>	<u>8,209,108</u>	<u>5,869,568</u>	<u>14,261,022</u>	<u>513,476</u>	<u>14,774,498</u>

	Attributable to the owners of the Company					Non-controlling interests	Total equity
	Share capital	Treasury shares	Reserves	Retained earnings	Total		
	RMB'000 (Note 34)	RMB'000 (Note 35)	RMB'000 (Note 36)	RMB'000 (Note 37)	RMB'000	RMB'000	RMB'000
As at January 1, 2024 . .	802,826	(620,480)	8,209,108	5,869,568	14,261,022	513,476	14,774,498
Comprehensive income: .							
Profit for the year	–	–	–	5,171,486	5,171,486	200,290	5,371,776
Other comprehensive income	–	–	13,251	–	13,251	7,528	20,779
Total comprehensive income	–	–	13,251	5,171,486	5,184,737	207,818	5,392,555
Transactions with owners:							
Capital injection (Note 34, Note 36) . . .	2,712	–	65,212	–	67,924	–	67,924
Stock ownership schemes settled with treasury shares	–	51,116	–	–	51,116	–	51,116
Share-based compensation (Note 38)	–	–	351,539	–	351,539	7,081	358,620
Appropriations to statutory reserves (Note 36) . . .	–	–	61,721	(61,721)	–	–	–
Dividends (Note 14) . . .	–	–	–	(355,082)	(355,082)	–	(355,082)
Conversion from share premium to share capital (Note 34)	315,629	–	(315,629)	–	–	–	–
Transaction with non-controlling interests (Note 30)	–	–	410,857	–	410,857	430,578	841,435
Recognition of redemption liability (Note 30)	–	–	(838,225)	–	(838,225)	–	(838,225)
	318,341	51,116	(264,525)	(416,803)	(311,871)	437,659	125,788
As at December 31, 2024	1,121,167	(569,364)	7,957,834	10,624,251	19,133,888	1,158,953	20,292,841

	Attributable to the owners of the Company					Non-controlling interests	Total equity
	Share capital	Treasury shares	Reserves	Retained earnings	Total		
	RMB'000 (Note 34)	RMB'000 (Note 35)	RMB'000 (Note 36)	RMB'000 (Note 37)	RMB'000	RMB'000	RMB'000
As at January 1, 2025 . .	<u>1,121,167</u>	<u>(569,364)</u>	<u>7,957,834</u>	<u>10,624,251</u>	<u>19,133,888</u>	<u>1,158,953</u>	<u>20,292,841</u>
Comprehensive income:							
Profit for the year	–	–	–	10,797,254	10,797,254	782,500	11,579,754
Other comprehensive loss . .	–	–	(55,928)	–	(55,928)	(25,851)	(81,779)
Total comprehensive income	<u>–</u>	<u>–</u>	<u>(55,928)</u>	<u>10,797,254</u>	<u>10,741,326</u>	<u>756,649</u>	<u>11,497,975</u>
Transactions with owners:							
Capital injection (Note 34, Note 36) . . .	6,417	–	150,328	–	156,745	48,134	204,879
Stock ownership schemes settled with treasury shares	–	56,904	–	–	56,904	–	56,904
Cancellation of shares (Note 35)	(16,466)	465,584	(449,118)	–	–	–	–
Share-based compensation (Note 38)	–	–	689,106	–	689,106	18,804	707,910
Appropriations to statutory reserves (Note 36) . . .	–	–	173,266	(173,266)	–	–	–
Appropriations to safety reserves (Note 36) . . .	–	–	2,276	–	2,276	860	3,136
Utilisation of safety reserves (Note 36) . . .	–	–	(142)	–	(142)	(54)	(196)
Dividends (Note 14)	–	–	–	(1,000,007)	(1,000,007)	–	(1,000,007)
Transaction with non-controlling interests . . .	–	–	(14,939)	–	(14,939)	(127,304)	(142,243)
	<u>(10,049)</u>	<u>522,488</u>	<u>550,777</u>	<u>(1,173,273)</u>	<u>(110,057)</u>	<u>(59,560)</u>	<u>(169,617)</u>
As at December 31, 2025	<u>1,111,118</u>	<u>(46,876)</u>	<u>8,452,683</u>	<u>20,248,232</u>	<u>29,765,157</u>	<u>1,856,042</u>	<u>31,621,199</u>

	Attributable to the owners of the Company					Non-controlling interests	Total equity
	Share capital	Treasury shares	Reserves	Retained earnings	Total		
	RMB'000 (Note 34)	RMB'000 (Note 35)	RMB'000 (Note 36)	RMB'000 (Note 37)	RMB'000	RMB'000	RMB'000
As at January 1, 2026	1,111,118	(46,876)	8,452,683	20,248,232	29,765,157	1,856,042	31,621,199
Comprehensive income:							
Profit for the period	–	–	–	5,734,501	5,734,501	582,291	6,316,792
Other comprehensive loss	–	–	(238,889)	–	(238,889)	(25,446)	(264,335)
Total comprehensive income	–	–	(238,889)	5,734,501	5,495,612	556,845	6,052,457
Transactions with owners:							
Capital injection	–	–	–	–	–	34,300	34,300
Stock ownership schemes settled with treasury shares	–	46,876	–	–	46,876	–	46,876
Share-based compensation expenses (Note 38)	–	–	279,046	–	279,046	80,729	359,775
Appropriations to safety reserves (Note 36)	–	–	478	–	478	181	659
Utilisation of safety reserves (Note 36)	–	–	(49)	–	(49)	(18)	(67)
Transaction with non-controlling interests	–	–	(28)	–	(28)	(270)	(298)
	–	46,876	279,447	–	326,323	114,922	441,245
As at March 31, 2026	1,111,118	–	8,493,241	25,982,733	35,587,092	2,527,809	38,114,901
<i>(Unaudited)</i>							
As at January 1, 2025	1,121,167	(569,364)	7,957,834	10,624,251	19,133,888	1,158,953	20,292,841
Comprehensive income:							
Profit for the period	–	–	–	1,582,876	1,582,876	107,639	1,690,515
Other comprehensive loss	–	–	(1,655)	–	(1,655)	(922)	(2,577)
Total comprehensive income	–	–	(1,655)	1,582,876	1,581,221	106,717	1,687,938
Transactions with owners:							
Cancellation of shares (Note 35)	(16,466)	465,584	(449,118)	–	–	–	–
Share-based compensation expenses (Note 38)	–	–	(1,190)	–	(1,190)	3,440	2,250
Appropriations to safety reserves (Note 36)	–	–	784	–	784	–	784
Utilisation of safety reserves (Note 36)	–	–	(82)	–	(82)	–	(82)
	(16,466)	465,584	(449,606)	–	(488)	3,440	2,952
As at March 31, 2025	1,104,701	(103,780)	7,506,573	12,207,127	20,714,621	1,269,110	21,983,731

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Year ended December 31,			Three months ended March 31,	
		2023	2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					(Unaudited)	
Cash flows from operating activities						
Cash generated from operations	39(a)	1,893,407	3,609,437	11,517,836	2,330,707	3,542,234
Interest received	II	104,627	108,030	244,310	41,678	82,576
Income taxes paid		(143,361)	(579,292)	(887,001)	(208,098)	(269,876)
Net cash generated from operating activities		1,854,673	3,138,175	10,875,145	2,164,287	3,354,934
Cash flows from investing activities						
Payments for purchase of property, plant and equipment, intangible assets and other non-current assets		(1,704,456)	(2,866,157)	(2,759,995)	(401,563)	(1,929,199)
Payments for investment in associates		(9,000)	(719)	(217,691)	(173,278)	–
Proceeds from/(Payment for) acquisition of subsidiaries, net of cash acquired		(37,849)	–	37,540	–	–
Payments for purchase of financial assets at fair value through profit or loss		(3,894,245)	(2,713,800)	(755,006)	(225,000)	(65,798)
Proceeds from sale of property, plant and equipment, intangible assets and other non-current assets		22,907	9,284	7,938	535	8,725
Proceeds from government grants related to non-current assets		42,454	26,408	20,981	172	12,640
Proceeds from sale of financial assets at fair value through profit or loss		4,461,824	2,608,087	1,002,545	646,179	26,263
Proceeds from disposal of share in associates		–	–	35,429	–	–
Dividends received		14,649	11,302	40,617	2,240	12,218
Payments for investment deposits		(20,000)	–	(10,000)	–	–
Payments for purchase of other financial assets at amortised cost		(10,000)	(10,000)	–	–	–
Proceeds from sale of other financial assets at amortised cost		–	20,000	–	–	–
Net cash used in investing activities		(1,133,716)	(2,915,595)	(2,597,642)	(150,715)	(1,935,151)
Cash flows from financing activities						
Capital injection		260,051	245,818	205,314	–	34,300
Proceeds from borrowings		805,164	2,603,856	941,218	156,531	167,767
Loans from a third party		717,766	–	–	–	–
Proceeds from share-based compensation schemes		157,024	–	–	–	–
Proceeds from discounting of note receivables		12,473	–	–	–	–
Repayments of borrowings		(1,903,434)	(847,550)	(2,054,881)	(84,175)	(137,890)
Repayment of loans to a third party		(143,500)	(71,141)	–	–	–
Payments of lease liabilities		(14,846)	(14,038)	(18,974)	(4,258)	(8,986)
Payments for acquisition of non-controlling interests		–	(25,667)	(125,667)	–	–

Note	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Dividends paid to the Company's shareholders	(157,272)	(355,082)	(1,000,007)	–	–
Dividends paid to non-controlling shareholders	–	–	(19,965)	–	–
Interests paid	(49,316)	(43,716)	(62,765)	(13,819)	(9,613)
Payment for listing expenses	–	–	(7,833)	–	(21,734)
Net proceeds from/(payments for) other financing activities	–	–	–	612	(16,257)
Net cash generated from/(used in) financing activities	(315,890)	1,492,480	(2,143,560)	54,891	7,587
Net increase in cash and cash equivalents	405,067	1,715,060	6,133,943	2,068,463	1,427,370
Cash and cash equivalents at the beginning of year	2,808,535	3,233,901	4,987,790	4,987,790	10,943,807
Exchange gains/(losses) on cash and cash equivalents	20,299	38,829	(177,926)	(6,670)	(194,923)
Cash and cash equivalents at the end of year	3,233,901	4,987,790	10,943,807	7,049,583	12,176,254

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II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

Zhongji InnoLight Co., Ltd. (hereinafter referred to as “the Company”), was set up on June 27, 2005 with its headquarters located in Longkou, Shandong. On April 10, 2012, the Company's A Shares were listed on Shenzhen Stock Exchange.

The Company and its subsidiaries (hereinafter collectively referred to as “the Group”) are principally engaged in manufacturing and sales of optical transceivers, and others which comprise optical components and automotive optoelectronics.

2. BASIS OF PREPARATION

2.1 Basis of preparation

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”).

The Historical Financial Information have been prepared on a historical cost basis, except for certain financial assets at fair value through other comprehensive income (“FVOCI”), financial assets at fair value through profit or loss (“FVTPL”) and derivatives.

The preparation of Historical Financial Information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4.

The accounting policies applied in the preparation of the Historical Financial Information have been consistently applied to all the years presented, unless otherwise stated.

Other than those material accounting policies information as disclosed elsewhere in this Historical Financial Information, a summary of the other accounting policies information has been set out in Note 46 to this Historical Financial Information.

2.2 New standards and interpretations adopted

In preparation of the Historical Financial Information, all of the new standards, amendments to standards and interpretations that are effective during the Track Record Period have been adopted by the Group consistently throughout the Track Record Period.

2.3 New standards and interpretations not yet been adopted

Amended standards that have been issued but not yet effective and have not been early adopted:

		Effective for annual periods beginning on or after
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency	January 1, 2027
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
IFRS 20	Regulatory Assets and Regulatory Liabilities	January 1, 2029
Amendments to IFRS 10 and IFRS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

According to the assessment made by the directors of the Company, these new and amended standards are either not relevant to the Group or not significant to the financial performance and positions of the Group when they become effective, except for IFRS 18 which will mainly impact the presentation of the consolidated statements of comprehensive income.

IFRS 18 will replace IAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

Although the adoption of IFRS 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the income statement into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following items might potentially impact operating profit:

Foreign exchange differences currently aggregated in the line item "Other gains/(losses), net" in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.

The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the statement of financial position, the Group will disaggregate goodwill and other intangible assets and present them separately in the consolidated statement of financial position.

The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

- management-defined performance measures;
- a break-down of the nature of expenses for line items presented by function in the operating category of the statement of comprehensive income — this break-down is only required for certain nature expenses; and
- for the first annual period of application of IFRS 18, a reconciliation for each line item in the statement of comprehensive income between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.

From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Group will apply the new standard from its mandatory effective date of January 1, 2027. Retrospective application is required, and so the comparative information for the financial year ended December 31, 2026 will be restated in accordance with IFRS 18.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, other price risk, interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the directors and senior management of the Group.

(a) *Market risk*

(i) *Foreign exchange risk*

Exposure

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to United States Dollar ("USD"). Foreign exchange risk arises from future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the functional currency of the relevant group entity.

The Group's finance department has a professional team to manage the risk arising of fluctuation of exchange rate, with approach of signing forward foreign exchange hedging contracts to minimise foreign exchange risk, and to reduce the impact of exchange rate fluctuations on business performance.

The Group's exposure to foreign currency risk at the end of each reporting period, expressed in RMB, was as follows:

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	USD RMB'000	USD RMB'000	USD RMB'000	USD RMB'000
Cash and cash equivalents . .	733,083	2,057,795	3,253,970	3,215,843
Trade and notes receivables at amortised cost	1,367,499	1,079,958	230,971	156,433
Other assets	64,603	35,076	49,798	96,695
Trade and note payables . . .	(619,141)	(839,847)	(2,968,469)	(4,597,489)
Borrowings	(485,873)	(575,072)	—	—
Other liabilities	(62,858)	(22,806)	(369,850)	(33,293)
	<u>997,313</u>	<u>1,735,104</u>	<u>196,420</u>	<u>(1,161,811)</u>

The aforementioned USD financial assets and USD financial liabilities exclude intra-group transactions. However, such intra-group exposures will still contribute to the Group's overall foreign currency risk exposure. As at December 31, 2023, 2024 and 2025 and March 31, 2026, the USD trade and notes receivables at amortised cost eliminated upon consolidation amounted to RMB747,563,000, RMB5,585,395,000, RMB16,784,935,000 and RMB21,322,261,000, respectively. The USD trade and note payables eliminated upon consolidation amounted to RMB60,098,000, RMB58,358,000, RMB875,531,000 and RMB1,048,080,000, respectively.

As at December 31, 2023, 2024 and 2025 and March 31, 2026 for the USD financial assets and USD financial liabilities, if the functional currencies appreciates or depreciates by 4% against the USD and other factors remain unchanged, the Group will reduce or increase its profit before tax by approximately RMB67,000,000, RMB290,000,000, RMB644,000,000 and RMB764,495,000, respectively.

Other foreign currencies of changes have no significant impact on foreign exchange risk.

(ii) *Other price risk*

The Group is exposed to equity price risk mainly arising from investments held by the Group that are classified as FVTPL. To manage its price risk arising from the investments, the Group diversifies its investment portfolio. The investments are made either for strategic purposes, or for the purpose of achieving investment yield and balancing the Group's liquidity level simultaneously. Each investment is managed by management on a case-by-case basis.

Sensitivity analysis is performed by management to assess the exposure of the Group's financial results to equity price risk of investment in private equity funds and unlisted securities at the end of each reporting period. If prices of the respective instruments held by the Group had increased/decreased by 10% as at December 31, 2023, 2024 and 2025 and March 31, 2026, with all other variables held constant, profit for the year/period would increase/decrease approximately RMB30,423,000, RMB49,534,000, RMB62,000,000 and RMB65,000,000, respectively.

(iii) *Interest rate risk*

The Group's interest rate risk primarily arises from interest-bearing borrowings. Borrowings issued at floating rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group determines the proportion of borrowings issued at floating rates and fixed rates based on the market environment.

The Group has been monitoring the level of interest rates. The increase in the interest rates will increase the interest costs of borrowings issued at floating rates, which will further impact the performance of the Group. To hedge against the variability in the cash flows arising from a change in market interest rates, the Group may enter into interest rate swaps to mitigate interest rate risk. The Group did not have any interest rate swap arrangements during the Track Record Period.

As at December 31, 2023, 2024 and 2025 and March 31, 2026, total borrowings of the Group which were bearing at floating rates amounted to approximately RMB329,800,000, RMB1,196,800,000, RMB1,370,900,000 and RMB1,384,847,000, respectively.

If interest rate had been 50 basis points higher or lower with all other variables held constant as at December 31, 2023, 2024 and 2025 and March 31, 2026, the profit after tax would decrease/increase approximately RMB1,402,000, RMB5,086,000, RMB5,826,000 and RMB5,886,000, respectively.

(b) Credit risk

The Group is exposed to credit risk primarily in relation to its cash and cash equivalent, restricted cash, trade and note receivables at amortised cost, trade and note receivables at FVOCI, other financial assets at amortised cost and other receivables. The carrying amounts of each class of the above financial assets represent the Group's maximum exposure to credit risk in relation to financial assets.

(i) Risk management

To manage this risk arising from constant return financial products in other financial assets at amortised cost, restricted cash and cash and cash equivalents, the Group mainly transacts with the People's Bank of China, state-owned banks or other reputable listed banks with high credit rating. There has been no recent history of default in relation to those financial institutions.

For trade and note receivables at amortised cost, trade and note receivables at FVOCI, and other receivables. The Group assesses the credit quality of and sets credit limits on its customers by taking into account their financial position, the availability of guarantee from third parties, their credit history and other factors such as current market conditions. The credit history of the customers is regularly monitored by the Group. In respect of customers with a poor credit history, the Group will chase settlement by using written payment reminders, or shorten/cancel credit periods, to ensure the overall credit risk of the Group is limited to a controllable extent.

For other receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experiences.

(ii) Impairment of financial assets

The Group has five types of assets that are subject to the expected credit loss model:

- Trade and note receivables at amortised cost;
- Trade and note receivables at FVOCI;
- Other receivables;
- Other financial assets at amortised cost;
- Cash and cash equivalents and restricted cash.

While cash and cash equivalents, restricted cash and other financial assets at amortised cost are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial as at December 31, 2023, 2024 and 2025 and March 31, 2026.

Trade and note receivables at amortised cost and trade and note receivables at FVOCI

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade and note receivables. To measure the expected credit losses, trade and note receivables have been grouped based on shared credit risk characteristics and aging.

For trade receivable balances with objective evidence of impairment and significant different credit risk characteristics, individual provision was made based on the present value of the difference between contractual cashflows and the cash flows that were expected to be received, with the considerations on current and future economic situations.

For other customers with similar credit risk characteristics, the expected loss rates are based on the credit rating of counter parties and the payment profiles of sales over a period of each reporting period and probability of default of counter parties on an ongoing basis throughout each reporting period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product ("GDP") to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors.

- Trade receivables

As at December 31, 2023, 2024 and 2025 and March 31, 2026, the loss allowance provision for the trade receivables was determined as follows:

	Not overdue	Overdue 1-30 days	Overdue 31-120 days	Overdue 121-300 days	Overdue 301-660 days	Overdue 661-1,020 days	Overdue over 1,020 days	Individually assessed	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2023									
Expected loss rate . . .	0.51%	0.58%	1.11%	5.34%	30.40%	100.00%	100.00%	100.00%	
Gross amount . . .	2,207,316	284,921	57,974	18,609	39,064	26	42	28,559	2,636,511
Loss allowance . . .	(11,348)	(1,651)	(644)	(993)	(11,876)	(26)	(42)	(28,559)	(55,139)
As at December 31, 2024									
Expected loss rate . . .	0.44%	0.49%	1.98%	6.23%	33.53%	50.00%	100.00%	100.00%	
Gross amount . . .	4,157,667	319,360	108,020	15,221	11,447	37,399	54	27,617	4,676,785
Loss allowance . . .	(18,363)	(1,563)	(2,144)	(949)	(3,838)	(18,700)	(54)	(27,617)	(73,228)
As at December 31, 2025									
Expected loss rate . . .	0.27%	0.43%	1.58%	5.84%	17.61%	38.06%	100.00%	90.51%	
Gross amount . . .	5,472,231	566,125	187,381	63,046	8,232	3,586	2,703	29,414	6,332,718
Loss allowance . . .	(14,595)	(2,459)	(2,963)	(3,683)	(1,450)	(1,365)	(2,703)	(26,624)	(55,842)
As at March 31, 2026									
Expected loss rate . . .	0.21%	0.59%	3.54%	8.97%	22.99%	44.25%	100.00%	100.00%	
Gross amount . . .	8,647,916	673,455	196,150	39,139	12,865	2,861	3,281	23,007	9,598,674
Loss allowance . . .	(18,135)	(3,995)	(6,949)	(3,511)	(2,958)	(1,266)	(3,281)	(23,007)	(63,102)

- Note receivables at amortised cost and trade and note receivables at FVOCI

As at December 31, 2023, 2024 and 2025 and March 31, 2026, the Group measured provision for impairment based on the lifetime ECL and expected that there was no significant credit risk associated with its bank acceptance notes and did not expect that there would be any significant losses from non-performance by these banks.

Other receivables

Other receivables mainly include VAT refund receivables, amounts due from related parties and others. All of the Group's financial assets at amortised cost are measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. Other receivables that are not credit-impaired on initial recognition are classified in stage 1 and the expected credit losses are measured as 12-month expected credit losses. If a significant increase in credit risk of other receivable has occurred since initial recognition, the financial asset is moved to stage 2 but is not yet deemed to be credit-impaired. The expected credit losses are measured as lifetime expected credit loss. If any financial asset is credit-impaired, it is then moved to stage 3 and the expected credit loss is measured as lifetime expected credit loss.

Other receivables of RMB16,000,000 were transferred from stage 1 to stage 3, resulting in an expected credit loss allowance of RMB6,000,000 as at December 31, 2025. These receivables remain at stage 3 as at March 31, 2026. All others are classified within stage 1 and the average loss rate applied for other receivables as at December 31, 2023, 2024 and 2025 and March 31, 2026 were 0.22%, 0.05%, 0.09% and 0.07%.

(iii) Loss allowances

The loss allowances for trade and notes receivables and other receivables for the years ended December 31, 2023, 2024 and 2025 and for the three months ended March 31, 2025 and 2026, reconcile to the opening loss allowances as follows:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
At the beginning of the year/period		35,196	55,790	73,356	61,973
Business combination		11,887	—	—	—

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Allowance/(reversal) for impairment (<i>Note 6</i>)	8,710	18,909	15,423	(7,699)	7,537
Written off	–	(1,343)	(26,632)	(1,689)	–
Currency translation differences	(3)	–	(174)	–	(272)
At the end of the year/period . .	<u>55,790</u>	<u>73,356</u>	<u>61,973</u>	<u>63,968</u>	<u>69,238</u>

Trade and note receivables and other receivables are written off when there is no reasonable expectation of recovery. Impairment losses on trade and note receivables and other receivables are presented as net impairment (losses)/reversal on financial assets. Subsequent recoveries of amounts previously written off are credited against the same line item.

(c) *Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. Due to the dynamic nature of the underlying businesses, the policy of the Group is to regularly monitor the Group's liquidity risk and to maintain adequate cash and cash equivalents to meet the Group's liquidity requirements.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	On demand or less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2023				
Borrowings (including interest payables)	550,013	325,356	–	875,369
Trade and note payables	2,163,483	–	–	2,163,483
Other payables and accruals (excluding salaries and welfare payables and VAT and other taxes payables)	1,164,732	–	–	1,164,732
Lease liabilities	11,866	7,662	9,612	29,140
Redemption liabilities	21,266	25,667	–	46,933
Total	<u>3,911,360</u>	<u>358,685</u>	<u>9,612</u>	<u>4,279,657</u>

	On demand or less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2024				
Borrowings (including interest payables)	2,052,095	617,979	–	2,670,074
Trade and note payables	3,507,823	–	–	3,507,823
Other payables and accruals (excluding salaries and welfare payables and VAT and other taxes payables)	383,189	–	–	383,189
Lease liabilities	14,299	11,530	14,525	40,354
Redemption liabilities	22,000	–	1,063,131	1,085,131
Total	<u>5,979,406</u>	<u>629,509</u>	<u>1,077,656</u>	<u>7,686,571</u>

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	On demand or less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2025					
Borrowings (including interest payables)	995,781	131,948	406,289	—	1,534,018
Trade and note payables . .	7,800,410	—	—	—	7,800,410
Other payables and accruals (excluding salaries and welfare payables and VAT and other taxes payables) . .	1,031,918	—	332	—	1,032,250
Lease liabilities	35,826	34,400	43,499	1,971	115,696
Redemption liabilities . . .	—	—	1,039,527	—	1,039,527
Total	9,863,935	166,348	1,489,647	1,971	11,521,901

	On demand or less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at March 31, 2026					
Borrowings (including interest payables)	1,017,921	133,709	423,113	—	1,574,743
Trade and note payables . .	10,920,027	—	—	—	10,920,027
Other payables and accruals (excluding salaries and welfare payables and VAT and other taxes payables) . .	1,448,950	—	332	—	1,449,282
Lease liabilities	68,332	22,357	36,614	1,795	129,098
Redemption liabilities . . .	—	—	1,023,481	—	1,023,481
Total	13,455,230	156,066	1,483,540	1,795	15,096,631

3.2 Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended December 31, 2023, 2024 and 2025 and three months ended March 31, 2026.

The Group monitors capital on the basis of the asset-liability ratio as at December 31, 2023, 2024 and 2025 and March 31, 2026 were as follows:

	As at December 31,			As at March 31,
	2023	2024	2025	2026
Total assets (RMB'000)	20,006,749	28,866,275	45,288,971	56,648,234
Total liabilities (RMB'000)	5,232,251	8,573,434	13,667,772	18,533,333
Asset-liability ratio	26.15%	29.70%	30.18%	32.72%

3.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at December 31, 2023, 2024 and 2025 and March 31, 2026 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

(a) *Fair value hierarchy*

As at December 31, 2023, 2024 and 2025 and March 31, 2026, the financial assets and liabilities measured at fair value on a recurring basis by the above three levels were analysed below:

	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2023				
Financial assets:				
Trade and note receivables at FVOCI (Note 25)	—	—	44,065	44,065
Financial assets at FVTPL (Note 22)	—	—	784,280	784,280
	—	—	828,345	828,345
	=	=	=	=
As at December 31, 2024				
Financial assets:				
Trade and note receivables at FVOCI (Note 25)	—	—	50,478	50,478
Financial assets at FVTPL (Note 22)	—	—	1,032,952	1,032,952
	—	—	1,083,430	1,083,430
	=	=	=	=
As at December 31, 2025				
Financial assets:				
Trade and note receivables at FVOCI (Note 25)	—	—	59,766	59,766
Financial assets at FVTPL (Note 22)	—	—	805,355	805,355
	—	—	865,121	865,121
	=	=	=	=
As at March 31, 2026				
Financial assets:				
Trade and note receivables at FVOCI (Note 25)	—	—	105,221	105,221
Financial assets at FVTPL (Note 22)	—	—	843,428	843,428
	—	—	948,649	948,649
	=	=	=	=

The timing of transfers is determined at the date of the event or change in circumstances that caused the transfers. During the Track Record Period, there was no transfer between Level 1 and Level 2.

(b) *Valuation techniques used to determine fair values*

The fair value of financial instruments traded in an active market is determined at the quoted market price; and the fair value of those not traded in an active market is determined by the Group using valuation technique. The valuation models used mainly comprise expected rate of return approach, market approach and net assets approach. The inputs of the valuation technique mainly include risk-free interest rate, floating rate, foreign exchange rate, volatility, financial data of target companies, market multiple of comparable companies and discount for lack of marketability.

Assets and liabilities subject to Level 3 fair value measurement were mainly included financial assets at FVTPL and trade and note receivables at FVOCI. These assets and liabilities were measured mainly using market approach, net asset value and consensus pricing. The judgement of Level 3 of the fair value hierarchy is based on the materiality of unobservable inputs towards calculation of whole fair value. Significant unobservable inputs mainly include the financial data of targeted companies, market multiple of comparable companies and discount for lack of marketability.

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The following table presents the changes in Level 3 items for the years ended December 31, 2023, 2024 and 2025 and for the three months ended March 31, 2025 and 2026:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
At the beginning of the year/period	1,391,415	828,345	1,083,430	1,083,430	865,121
Additions	4,118,601	2,991,397	1,199,135	337,343	193,480
Disposals	(4,461,824)	(2,608,087)	(1,002,545)	(642,535)	(26,835)
Dividends received	(5,581)	(4,887)	(38,056)	(2,240)	(12,218)
Transfer from investments accounted for using the equity method	—	67,522	7,202	—	—
Settlement/Endorsement of notes receivables	(239,713)	(271,184)	(436,120)	(75,140)	(82,515)
Changes in fair value (Note 8)	19,866	75,063	14,921	23	—
Dividends (Note 7)	5,581	4,887	38,056	2,240	12,218
Currency translation differences	—	374	(902)	(40)	(602)
At the end of the year/period	<u>828,345</u>	<u>1,083,430</u>	<u>865,121</u>	<u>703,081</u>	<u>948,649</u>
Net unrealised (losses)/gains for the year/period	<u>(3,483)</u>	<u>66,876</u>	<u>13,626</u>	<u>23</u>	<u>—</u>

As at December 31, 2023

Description	Fair value	Valuation technique(s)	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
	RMB'000				
Investment in private equity funds	154,545	Net assets value ⁽ⁱ⁾	N/A	N/A	N/A
Investment in unlisted securities	83,479	Market approach	Price-to-book Ratio	5.49-11.28	Should the price-to-book ratio be increased/decreased by 1, the fair value of investment in unlisted securities would be increased/decreased by approximately RMB11,500,000
Investment in unlisted securities	76,620	Market approach	Price Sales Ratio	27.12	Should the price sales ratio be increased/decreased by 1, the fair value of investment in unlisted securities would be increased/decreased by approximately RMB2,700,000
Investment in unlisted securities	53,597	Most recent financing price	N/A	N/A	N/A
Structured deposits	416,039	Expected rate of return approach	Expected Rate of Return	1%-7.9%	Should the expected rate of return be increased/decreased by 10%, the fair value of structured deposits would be increased/decreased by approximately RMB104,000

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Description	Fair value	Valuation technique(s)	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
	RMB'000				
Trade and note receivables at FVOCI	44,065	N/A	N/A	N/A	N/A

As at December 31, 2024

Description	Fair value	Valuation technique(s)	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
	RMB'000				
Investment in private equity funds	333,367	Net assets value ⁽ⁱ⁾	N/A	N/A	N/A
Investment in unlisted securities	262,742	Most recent financing price	N/A	N/A	N/A
Investment in unlisted securities	16,835	Market approach	Price Sales Ratio	11.54	Should the price sales ratio be increased/decreased by 1, the fair value of investment in unlisted securities would be increased/decreased by approximately RMB1,200,000
Structured deposits . . .	420,008	Expected rate of return approach	Expected Rate of Return	1.05%-2.25%	Should the expected rate of return be increased/decreased by 10%, the fair value of structured deposits would be increased/decreased by approximately RMB800
Trade and note receivables at FVOCI	50,478	N/A	N/A	N/A	N/A

As at December 31, 2025

Description	Fair value	Valuation technique(s)	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
	RMB'000				
Investment in private equity funds	559,205	Net assets value ⁽ⁱ⁾	N/A	N/A	N/A
Investment in unlisted securities	169,355	Most recent financing price	N/A	N/A	N/A
Investment in unlisted securities	66,779	Market approach	Price Sales Ratio	33.53-33.81	Should the price sales ratio be increased/decreased by 1, the fair value of investment in unlisted securities would be increased/decreased by approximately RMB2,100,000

Description	Fair value	Valuation technique(s)	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
	<i>RMB'000</i>				
Structured deposits . . .	10,016	Expected rate of return approach	Expected Rate of Return	0.40%-2.00%	Should the expected rate of return be increased/decreased by 10%, the fair value of structured deposits would be increased/decreased by approximately RMB1,600
Trade and note receivables at FVOCI	59,766	N/A	N/A	0.87%-1.50%	N/A

As at March 31, 2026

Description	Fair value	Valuation technique(s)	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
	<i>RMB'000</i>				
Investment in private equity funds	614,705	Net assets value ⁽ⁱ⁾	N/A	N/A	N/A
Investment in unlisted securities	151,918	Most recent financing price	N/A	N/A	N/A
Investment in unlisted securities	66,779	Market approach	Price Sales Ratio	33.53-33.81	Should the price sales ratio be increased/decreased by 1, the fair value of investment in unlisted securities would be increased/decreased by approximately RMB2,100,000
Structured deposits . . .	10,026	Expected rate of return approach	Expected Rate of Return	1.55%-1.65%	Should the expected rate of return be increased/decreased by 10%, the fair value of structured deposits would be increased/decreased by approximately RMB26,000
Trade and note receivables at FVOCI	105,221	Discounted cash flow	N/A	0.87%-1.50%	Should the discount interest rate be increased/decreased by 100 basis points, the fair value of trade and note receivables at FVOCI would be decreased/increased by approximately RMB526,000

(i) The Group has determined that the reported net asset value represents fair value at the end of the reporting period.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group continually evaluates the critical accounting estimates and key judgements applied based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

The critical accounting estimates and key assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting year are outlined below:

(i) Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment. The recoverable amount of the asset group or group of asset groups that contain the apportioned goodwill is determined by the higher value between the present value of the future cash flows and the net value that is calculated by the fair value less the disposal costs. Accounting estimate is required for the calculation of the recoverable amount. The impairment testing is performed by assessing the recoverable amount of the asset group or group of asset groups containing the relevant goodwill, based on the present value of cash flows forecasts. Key assumptions adopted in the impairment testing of goodwill included revenue annual growth rate, perpetual annual growth rate, gross margin, pre-tax discount rate, etc. which involved critical accounting estimates and judgement. Details of the key assumptions used are disclosed in Note 18(b).

(ii) Inventory provision

Inventories are stated at the lower of cost and net realisable value. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Even though the management of the Group has made the best estimate about the inventory write-down loss predicted to occur and provided allowance for write-down, the write-down assessment may still be significantly changed due to the change of market situations.

(iii) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions, as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the tables in Note 3.1(b).

(iv) Share-based payments

At the end of each reporting period, for equity instruments fulfilled service conditions within the vesting period, the Group makes best estimate on the number of exercisable equity instruments and best judgement in certain specific situations, based on the latest changes in the number of exercisable employees and subsequent information.

For the equity incentive plans with option granted, management engaged a third-party valuation institution to assist it in assessing and determining the fair value of the restricted shares on the grant date using an option pricing model, including the selection of an appropriate valuation key parameters (such as risk-free interest rate, volatility and the expected dividend payout ratio).

When calculating the expenses related to the share-based payments, management needs to recognise the related share-based payment expenses in instalments based on the vesting period of the incentive recipients and the estimate of the number of exercisable rights.

(v) Income taxes and deferred taxations

The Group is subject to enterprise income tax in numerous jurisdictions. There are many transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgments are required from the Group in determining the provisions for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

The Group recognise deferred income tax assets based on estimates that it is probable to generate sufficient taxable profits in the foreseeable future against which the deductible losses will be utilised. The recognition of deferred income tax assets mainly involves management's judgments and estimations about the timing and the amount of taxable profits of the companies who has tax losses.

(vi) Impairment of investment in associates and property, plant and equipment

The Group assesses at the end of each reporting period whether there is an indication that investment in associates and property, plant and equipment may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount and performs a test of impairment for the asset. The recoverable amount is measured at the net amount of the fair value of the asset less disposal costs or the present value of the estimated future cash flow of the asset, whichever is higher. This requires an estimate of the expected future cash flows from the asset or the cash generating unit to which the asset was allocated and also the selection of a suitable discount rate in order to calculate the present value of those cash flows.

Key assumptions adopted in the impairment testing of investment in associates and property, plant and equipment included revenue annual growth rate, perpetual annual growth rate, gross margin, pre-tax discount rate, etc. which involved critical accounting estimates and judgement.

(vii) Useful lives of fixed assets

Estimated useful lives of fixed assets are reviewed at least at the end of each reporting period. Estimated useful lives of the assets are determined by management based on past experience of similar assets and the expected technical update. If significant changes occur on the previous estimates, adjustment on depreciation expenses is carried out in the future period.

5. REVENUE AND SEGMENT INFORMATION

(a) Description of segments and principal activities

The chief operating decision-maker has been identified as the Board of Directors of the Company. Management has determined the operating segments based on the information reviewed by the Board of Directors of the Company for the purposes of allocating resources and assessing performance.

The Board of Directors of the Company considers the business from perspective of types of goods delivered or provided. During the Track Record Period, the Group's operating and reportable segments are as follows:

- Optical transceivers
- Others

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is measured consistently with the Group's profit before tax.

(b) Segment information

The Group derives revenue from the transfer of goods at a point in time in the following major product lines:

Segment information for the year ended December 31, 2023 is as follows:

	Optical transceivers	Others	Inter-segment elimination	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	9,966,902	758,819	(7,737)	10,717,984
Operating costs and expenses	(7,326,192)	(912,048)	12,718	(8,225,522)
– Cost of revenue	(6,615,941)	(730,304)	12,718	(7,333,527)
Segment profit/(losses)	2,640,710	(153,229)	4,981	2,492,462
Total assets	19,198,535	1,319,332	(511,118)	20,006,749
Total liabilities	4,635,202	761,233	(164,184)	5,232,251
Other non-cash expenses excluding depreciation and amortisation	157,138	–	–	157,138
Long-term equity investments in associates	930,333	–	–	930,333
Increase in non-current assets (excluding long-term equity investments, financial assets and deferred tax assets)	1,177,023	112,957	–	1,289,980

Segment information for the year ended December 31, 2024 is as follows:

	Optical transceivers	Others	Inter-segment elimination	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	22,731,304	1,240,620	(109,764)	23,862,160
Operating costs and expenses	(16,610,065)	(1,309,442)	109,785	(17,809,722)
– Cost of revenue	(14,909,804)	(1,120,025)	108,775	(15,921,054)
Segment profit/(losses)	6,121,239	(68,822)	21	6,052,438
Total assets	27,888,843	1,840,973	(863,541)	28,866,275
Total liabilities	7,751,074	976,683	(154,323)	8,573,434

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	Optical transceivers	Others	Inter-segment elimination	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Other non-cash expenses excluding depreciation and amortisation . . .	217,452	5,165	–	222,617
Long-term equity investments in associates and joint ventures	811,798	–	–	811,798
Increase in non-current assets (excluding long-term equity investments, financial assets and deferred tax assets)	1,692,579	182,399	–	1,874,978

Segment information for the year ended December 31, 2025 is as follows:

	Optical transceivers	Others	Inter-segment elimination	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	37,492,314	965,533	(217,911)	38,239,936
Operating costs and expenses	(23,747,437)	(1,110,303)	217,428	(24,640,312)
– Cost of revenue	(21,710,364)	(854,220)	200,530	(22,364,054)
Segment profit/(losses)	13,744,877	(144,770)	(483)	13,599,624
Total assets	44,942,265	1,569,669	(1,222,963)	45,288,971
Total liabilities	13,251,718	764,227	(348,173)	13,667,772
Other non-cash expenses excluding depreciation and amortisation . . .	262,095	6,494	–	268,589
Long-term equity investments in associates and joint ventures . . .	1,262,965	–	–	1,262,965
Increase/(decrease) in non-current assets (excluding long-term equity investments, financial assets and deferred tax assets)	2,430,209	49,294	–	2,479,503

Segment information for the three months ended March 31, 2026 is as follows:

	Optical transceivers	Others	Inter-segment elimination	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	19,347,270	173,857	(24,729)	19,496,398
Operating costs and expenses	(11,775,712)	(209,803)	24,919	(11,960,596)
– Cost of revenue	(10,485,100)	(156,106)	24,802	(10,616,404)
Segment profit/(losses)	7,571,558	(35,946)	190	7,535,802
Total assets	55,284,001	1,581,778	(217,545)	56,648,234
Total liabilities	17,932,584	819,713	(218,964)	18,533,333
Other non-cash expenses excluding depreciation and amortisation . . .	295,404	3,671	–	299,075
Long-term equity investments in associates and joint ventures . . .	1,276,920	–	–	1,276,920
Increase/(decrease) in non-current assets (excluding long-term equity investments, financial assets and deferred tax assets)	3,006,861	46,341	–	3,053,202

Segment information for the three months ended March 31, 2025 (unaudited) is as follows:

	Optical transceivers	Others	Inter-segment elimination	Total
	RMB'000	RMB'000	RMB'000	RMB'000
(Unaudited)				
Revenue	6,495,770	225,345	(46,939)	6,674,176
Operating costs and expenses	(4,489,511)	(239,546)	44,664	(4,684,393)
– Cost of revenue	(4,108,838)	(197,849)	44,664	(4,262,023)
Segment profit/(losses)	2,006,259	(14,201)	(2,275)	1,989,783
Other non-cash expenses excluding depreciation and amortisation . . .	44,529	688	–	45,217

(c) Geographical information

The following table sets out the information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the goods are delivered.

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Revenue from external customers					
– Chinese Mainland	1,644,712	3,146,445	3,603,412	772,768	730,842
– Other countries/ regions	9,073,272	20,715,715	34,636,524	5,901,408	18,765,556
	<u>10,717,984</u>	<u>23,862,160</u>	<u>38,239,936</u>	<u>6,674,176</u>	<u>19,496,398</u>

The geographical location of non-current assets, mainly comprised of property, plant and equipment, is based on the physical location of these assets. At the end of each reporting period, more than 70% of the Group's non-current assets are located in the PRC.

(d) Information about major customers

For the years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2025 and 2026, revenue derived from customers who accounted for more than 10% of the Group's total revenue was set out below:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
				(Unaudited)	
Customer 1	12.04%	18.77%	14.22%	10.50%	25.08%
Customer 2	11.68%	N/A	18.26%	22.78%	21.80%
Customer 3	36.30%	22.81%	24.06%	26.97%	21.33%
Customer 4	N/A	20.41%	11.34%	N/A	N/A

N/A: The customer contributed less than 10% of total revenue for the corresponding year/period.

(e) Contract liabilities

The Group has recognised the following liabilities related to contracts with customers:

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Current contract liabilities	<u>2,607</u>	<u>9,997</u>	<u>26,327</u>	<u>45,593</u>

Contract liabilities of the Group mainly arise from the advance payments made by customers while the underlying goods are yet to be provided.

Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised during the Track Record Period relates to carried-forward contract liabilities:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Revenue recognised that was included in the contract liability balance at the beginning of the year/period .	<u>22,414</u>	<u>2,607</u>	<u>9,997</u>	<u>9,997</u>	<u>26,327</u>

Unsatisfied performance obligations

The transaction price allocated to the performance obligations that are unsatisfied, or partially unsatisfied, has not been disclosed, as substantially all of the Group's contracts have a duration of 1 year or less.

(f) Accounting policies of revenue recognition

Revenue is recognised at the amount of the consideration which the Group expects to be entitled to receive when the control of the goods is transferred to the customer. The Group is principally engaged in the manufacturing and sales of optical transceivers and others which comprise optical components and automotive optoelectronics.

Revenue from sales of optical transceivers and components is recognised at a point in time when relevant obligation is fulfilled based on a combination of the following factors: the acquisition of the present right to receive payments for the goods, the transfer of principal risks and rewards pertaining to the ownership of the goods, the transfer of legal ownership of the goods, the transfer of the physical goods, and the acceptance of the goods by the customer.

Revenue from sales of automotive optoelectronics is recognised at a point in time when the Group has delivered goods to the location specified in the sales contract and the buyer has confirmed the acceptance of the goods.

The credit period granted to customers by the Group is determined based on their credit risk characteristics, which is consistent with industry practice, and there is no significant financing component.

6. NET IMPAIRMENT (LOSSES)/REVERSAL ON FINANCIAL ASSETS

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Impairment losses/(reversal) – net					
– Trade and notes receivables	8,702	18,961	9,420	(7,698)	7,532
– Other receivables	8	(52)	6,003	(1)	5
	<u>8,710</u>	<u>18,909</u>	<u>15,423</u>	<u>(7,699)</u>	<u>7,537</u>

7. OTHER INCOME

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Government grants (a)	64,875	71,075	65,645	19,876	16,275
Additional deduction for VAT (b)	1,878	9,690	80,290	1,272	625
Dividends (c)	5,581	4,887	38,056	2,240	12,218
	<u>72,334</u>	<u>85,652</u>	<u>183,991</u>	<u>23,388</u>	<u>29,118</u>

(a) Government grants

During the years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2025 and 2026, the government grants mainly include financial subsidies from local government authorities with certain specified conditions, as well as the amortisation of deferred government grants. There are no unfulfilled conditions or other contingencies attaching to the grants recognised.

(b) Additional deduction for VAT

Pursuant to the Notice on the Additional Value-added Tax (“VAT”) Credit Policy for Advanced Manufacturing Enterprises (Announcement [2023] No. 43) issued by the Ministry of Finance and the State Taxation Administration in September 2023, advanced manufacturing enterprises are eligible for a 5% additional VAT deduction based on deductible input VAT.

(c) Dividends

Dividends are received from financial assets measured at FVTPL. Dividends are recognised when the right to receive payment is established in profit or loss, unless they clearly represent a recovery of part of the cost of an investment. The Group presents dividends recognised in profit or loss as 'other income'.

8. OTHER GAINS/(LOSSES), NET

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Net foreign exchange gains/(losses)	42,331	132,370	(323,412)	2,537	(309,277)
Net fair value gains/(losses) on financial assets at FVTPL . . .	19,866	75,063	14,921	23	—
Net losses on disposal of property, plant and equipment and other assets	(7,103)	(9,224)	(12,004)	(3,127)	(373)
Gains on disposal of investments in associates . . .	—	—	15,440	—	—
Others	(275)	2,836	2,851	2,042	(1,093)
	<u>54,819</u>	<u>201,045</u>	<u>(302,204)</u>	<u>1,475</u>	<u>(310,743)</u>

9. EXPENSES BY NATURE

Expenses included in cost of revenue, selling and marketing expenses, general and administrative expenses and research and development expenses are analysed as follows:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Changes in inventories of finished goods, semi-finished goods and work in progress .	(554,879)	(2,189,053)	(2,512,902)	(940,601)	(863,744)
Raw materials and consumables used	6,822,643	16,299,521	22,571,592	4,665,454	10,581,259
Employee benefit expenses (Note 10)	1,118,856	1,665,983	2,163,520	466,479	1,004,385
Depreciation and amortisation . .	525,495	713,213	934,209	218,967	276,796
Outsourced labour cost	133,233	599,772	739,530	154,183	373,304
Technology development and consulting service fee	119,963	233,274	230,406	28,317	63,021
Utilities costs	87,499	149,725	220,081	45,224	75,249
Expenses relating to short-term leases (Notes 17)	23,044	60,810	69,131	8,365	25,595
Provisions of inventory	101,016	78,580	120,895	26,711	5,341
Office expenses	41,992	79,678	162,194	39,080	61,627
Freight expenses	17,550	75,814	49,635	2,319	7,167
Travel expenses	18,263	32,562	52,042	9,644	11,726
Entertainment expenses	17,985	30,034	23,903	3,155	4,705
Listing expenses	—	—	—	—	4,763
Impairment of goodwill (Note 18)	48,114	—	—	—	—
Auditors' remuneration	6,300	11,797	12,467	335	325
Others	153,918	206,398	140,626	23,936	120,619
	<u>8,680,992</u>	<u>18,048,108</u>	<u>24,977,329</u>	<u>4,751,568</u>	<u>11,752,138</u>

10. EMPLOYEE BENEFIT EXPENSES

Employee benefit expenses are analysed as follows:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Wages and salaries	747,787	1,030,318	1,345,098	308,832	531,485
Discretionary bonuses	58,617	166,091	241,830	45,432	78,032
Share-based payment expenses (Note 38)	157,138	222,617	268,589	45,217	299,075
Pension costs – defined contribution plans (a)	69,935	107,676	116,910	28,109	34,350
Other social security costs, housing benefits and other employee benefits	85,379	139,281	191,093	38,889	61,443
	<u>1,118,856</u>	<u>1,665,983</u>	<u>2,163,520</u>	<u>466,479</u>	<u>1,004,385</u>

(a) Defined contribution plans

Employees of the subsidiaries in the PRC participate in employee social insurance plans established in the PRC, which cover pension and other welfare benefits. The plans are organised and administered by the government authorities. Except for the contributions made to these social insurance plans, the Group has no other commitments owing to the employees. According to the relevant regulations, the contributions that should be borne by the companies within the Group as required by the above social insurance plans are principally determined based on percentages of the basic salaries of employees, subject to certain ceilings imposed. These contributions are expensed as incurred.

(b) Directors and supervisors' emoluments

Directors and supervisors' remuneration for the Track Record Period is as follows:

	Fee	Wages and salaries	Discretionary bonuses	Share-based payment expenses	Pension costs – defined contribution plans	Other social security costs, housing benefits and other employee benefits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended December 31, 2023							
Executive directors							
Mr. Liu Sheng	–	2,232	1,028	2,121	46	192	5,619
Ms. Wang Xiaoli (i)	–	1,134	767	1,209	46	159	3,315
Mr. Wang Xiaodong	–	675	132	–	42	45	894
Mr. Wang Weixiu (ii)	–	730	–	–	–	–	730
Non-executive Directors							
Mr. Zhao Guibin (ii)	35	–	–	–	–	–	35
Mr. Liu Chengwei (ii)	–	–	–	–	–	–	–
Independent non-executive Directors							
Ms. Zhan Shuping	120	–	–	–	–	–	120
Mr. Xia Chaoyang	120	–	–	–	–	–	120
Mr. Cheng Bo (iii)	120	–	–	–	–	–	120
Mr. Jin Fuhai (iv)	70	–	–	–	–	–	70
Dr. Qu Wenzhou (v)	50	–	–	–	–	–	50
Mr. Chen Datong (vi)	–	–	–	–	–	–	–
Supervisors							
Ms. Chen Caiyun	–	960	552	798	46	76	2,432
Ms. Qi Zhijie	–	204	–	–	–	–	204
Mr. Wang Jin (vii)	–	–	–	–	–	–	–
Ms. Dai Yu (viii)	–	–	–	–	–	–	–
Total	<u>515</u>	<u>5,935</u>	<u>2,479</u>	<u>4,128</u>	<u>180</u>	<u>472</u>	<u>13,709</u>

	Fee	Wages and salaries	Discretionary bonuses	Share-based payment expenses	Pension costs – defined contribution plans	Other social security costs, housing benefits and other employee benefits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended December 31, 2024							
Executive directors							
Mr. Liu Sheng	–	2,327	1,130	7,045	47	243	10,792
Ms. Wang Xiaoli	–	1,286	719	5,299	47	182	7,533
Mr. Wang Xiaodong	–	686	132	–	42	44	904
Independent non-executive Directors							
Ms. Zhan Shuping	173	–	–	–	–	–	173
Mr. Xia Chaoyang	173	–	–	–	–	–	173
Mr. Cheng Bo	173	–	–	–	–	–	173
Dr. Qu Wenzhou	173	–	–	–	–	–	173
Supervisors							
Ms. Chen Caiyun	–	1,069	580	365	47	93	2,154
Ms. Qi Zhijie	–	204	–	–	–	–	204
Ms. Dai Yu (viii)	–	–	–	–	–	–	–
Total	<u>692</u>	<u>5,572</u>	<u>2,561</u>	<u>12,709</u>	<u>183</u>	<u>562</u>	<u>22,279</u>

	Fee	Wages and salaries	Discretionary bonuses	Share-based payment expenses	Pension costs – defined contribution plans	Other social security costs, housing benefits and other employee benefits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended December 31, 2025							
Executive directors							
Mr. Liu Sheng	–	2,512	1,330	5,290	48	293	9,473
Ms. Wang Xiaoli	–	1,398	850	4,049	48	217	6,562
Mr. Wang Xiaodong	–	775	144	–	43	44	1,006
Non-executive Directors							
Ms. Chen Caiyun	–	1,161	690	149	48	118	2,166
Independent non-executive Directors							
Ms. Zhan Shuping	200	–	–	–	–	–	200
Mr. Xia Chaoyang (ix)	17	–	–	–	–	–	17
Mr. Cheng Bo	200	–	–	–	–	–	200
Dr. Qu Wenzhou	200	–	–	–	–	–	200
Mr. Zhuang Yan (x)	183	–	–	–	–	–	183
Supervisors							
Ms. Qi Zhijie	153	–	–	–	–	–	153
Ms. Dai Yu (viii)	–	–	–	–	–	–	–
Total	<u>953</u>	<u>5,846</u>	<u>3,014</u>	<u>9,488</u>	<u>187</u>	<u>672</u>	<u>20,160</u>

	Fee	Wages and salaries	Discretionary bonuses	Share-based payment expenses	Pension costs – defined contribution plans	Other social security costs, housing benefits and other employee benefits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Three months ended							
March 31, 2026							
Executive directors							
Mr. Liu Sheng	–	653	261	764	12	65	1,755
Ms. Wang Xiaoli	–	387	155	597	12	36	1,187
Mr. Wang Xiaodong	–	201	–	–	11	11	223
Non-executive Directors							
Ms. Chen Caiyun	–	301	120	–	12	31	464
Independent non-executive Directors							
Ms. Zhan Shuping	50	–	–	–	–	–	50
Mr. Cheng Bo	50	–	–	–	–	–	50
Dr. Qu Wenzhou	50	–	–	–	–	–	50
Mr. Zhuang Yan (x)	50	–	–	–	–	–	50
Total	<u>200</u>	<u>1,542</u>	<u>536</u>	<u>1,361</u>	<u>47</u>	<u>143</u>	<u>3,829</u>

	Fee	Wages and salaries	Discretionary bonuses	Share-based payment expenses	Pension costs – defined contribution plans	Other social security costs, housing benefits and other employee benefits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
(Unaudited)							
Three months ended							
March 31, 2025							
Executive directors							
Mr. Liu Sheng	–	622	108	1,322	12	67	2,131
Ms. Wang Xiaoli	–	354	55	1,012	12	31	1,464
Mr. Wang Xiaodong	–	147	–	–	11	11	169
Non-executive Directors							
Ms. Chen Caiyun	–	278	47	37	12	28	402
Independent non-executive Directors							
Ms. Zhan Shuping	50	–	–	–	–	–	50
Mr. Xia Chaoyang (ix)	17	–	–	–	–	–	17
Mr. Cheng Bo	50	–	–	–	–	–	50
Dr. Qu Wenzhou	50	–	–	–	–	–	50
Mr. Zhuang Yan (x)	17	–	–	–	–	–	17
Supervisors							
Ms. Qi Zhijie	51	–	–	–	–	–	51
Ms. Dai Yu (viii)	–	–	–	–	–	–	–
Total	<u>235</u>	<u>1,401</u>	<u>210</u>	<u>2,371</u>	<u>47</u>	<u>137</u>	<u>4,401</u>

- (i) Ms. Wang Xiaoli was appointed as the executive director of the Company on August 8, 2023.
- (ii) Mr. Wang Weixiu resigned as the executive director of the Company on August 8, 2023. Mr. Zhao Guibin and Mr. Liu Chengwei resigned as the non-executive director of the Company on August 8, 2023. Mr. Liu Chengwei also waived his emoluments.
- (iii) Mr. Cheng Bo was appointed as the independent non-executive director of the Company on January 13, 2023.
- (iv) Mr. Jin Fuhai resigned as the independent non-executive director of the Company on August 8, 2023.

- (v) Dr. Qu Wenzhou was appointed as the independent non-executive director of the Company on August 8, 2023.
- (vi) Mr. Chen Datong resigned as the independent non-executive director of the Company on January 13, 2023. He also waived his emoluments.
- (vii) Mr. Wang Jin resigned as the supervisor of the Company on January 13, 2023. He also waived his emoluments.
- (viii) Ms. Dai Yu was appointed as the supervisor of the Company on August 8, 2023. She also waived her emoluments.
- (ix) Mr. Xia Chaoyang was resigned as the independent non-executive director of the Company on January 26, 2025.
- (x) Mr. Zhuang Yan was appointed as the independent non-executive director of the Company on February 21, 2025.
- (xi) Ms. Zhan Shuping, Mr. Cheng Bo and Dr. Qu Wenzhou will also be the independent non-executive director of H share with effective from the listing date of H share.
- (xii) Pursuant to the 2025 third extraordinary general meeting on September 17, 2025, Shareholders approved a resolution that the Company would no longer set up the supervisory committee with effect from September 17, 2025, and the powers of the supervisory committee will be exercised by the Audit Committee.

During the years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2025 and 2026, the executive directors (including Mr. Liu Sheng, Ms. Wang Xiaoli and Mr. Wang Xiaodong) have provided management services in connection with the management of the affairs of the Company or its subsidiaries undertaking. Since the emoluments as directors, supervisors or management cannot be distinguished from each other, emoluments as the mentioned roles are combined and disclosed together.

(c) Directors and supervisors' other benefits

The retirement benefits paid to directors and supervisors during the Track Record Period by a defined contribution plan in respect of their services in connection with the management of the affairs of the Company and its subsidiaries are disclosed in the table above. No other retirement benefits were paid to directors and supervisors in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries undertaking.

No payment was made to the directors and supervisors as compensation for early termination of appointment during the Track Record Period.

No payment was made to any former employers of the directors and supervisors for making available the services of them as a director or supervisor of the Company during the Track Record Period.

There were no loans, quasi-loans and other dealings in favour of directors and supervisors, controlled bodies corporate by and connected entities with such directors and supervisors during the Track Record Period.

Save as disclosed in Note 40, there were no significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which a director and a supervisor of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the Track Record Period.

(d) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2025 and 2026 include 1, 1, 1, 2 and 1 director respectively, whose emoluments are disclosed in the Note 10(b). The emoluments payable to the remaining 4, 4, 4, 3 and 4 highest paid individuals during the Track Record Period are as follows:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Wages and salaries	6,051	6,323	6,734	1,342	1,934
Discretionary bonuses	8,163	9,161	12,512	997	1,473
Share-based payment expenses .	7,150	23,203	19,782	3,314	3,204

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Pension costs – defined contribution plans	212	224	230	45	58
Other social security costs, housing benefits and other employee benefits	552	630	955	224	260
	<u>22,128</u>	<u>39,541</u>	<u>40,213</u>	<u>5,922</u>	<u>6,929</u>

The emoluments fell within the following bands:

	Year ended December 31			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Hong Kong Dollar (“HKD”) nil to HKD 1,000,000	–	–	–	–	–
HKD 1,500,001 to HKD 2,000,000	–	–	–	2	3
HKD 2,500,001 to HKD 3,000,000	–	–	–	1	1
HKD 3,500,001 to HKD 4,000,000	–	–	–	–	–
HKD 4,500,001 to HKD 5,000,000	2	–	–	–	–
HKD 5,500,001 to HKD 6,000,000	1	–	–	–	–
HKD 6,500,001 to HKD 7,000,000	1	–	–	–	–
HKD 7,500,001 to HKD 8,000,000	–	–	–	–	–
HKD 8,500,001 to HKD 9,000,000	–	1	–	–	–
HKD 9,500,001 to HKD 10,000,000	–	2	2	–	–
HKD 10,500,001 to HKD 11,000,000	–	1	1	–	–
HKD 11,500,001 to HKD 12,000,000	–	–	1	–	–
	<u>4</u>	<u>4</u>	<u>4</u>	<u>3</u>	<u>4</u>

11. FINANCE INCOME, NET

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Finance income:					
Interest income from bank deposits	104,627	108,030	244,310	41,678	82,576
Finance costs:					
Interest expense on bank borrowings	(40,991)	(49,779)	(58,776)	(16,618)	(10,120)
Interest expense on lease liabilities (<i>Note 17</i>)	(909)	(3,774)	(3,817)	(377)	(810)
Change in carrying amount of redemption liabilities	(4,459)	(29,139)	(40,604)	(10,032)	(10,181)
Interest expense on amounts due from third party	(8,325)	–	–	–	–
Net exchange gains/(losses) on foreign currency borrowings	(7,154)	(9,055)	5,445	820	116
	<u>(61,838)</u>	<u>(91,747)</u>	<u>(97,752)</u>	<u>(26,207)</u>	<u>(20,995)</u>
Finance income, net	<u>42,789</u>	<u>16,283</u>	<u>146,558</u>	<u>15,471</u>	<u>61,581</u>

12. INVESTMENTS IN ASSOCIATES

Movement of investments in associates is analysed as follows:

The Group

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
At the beginning of the year/period	635,741	930,333	811,798	811,798	1,262,965
Additions	9,000	719	247,619	173,278	–
Disposals/Transfers	–	(67,522)	(111,143)	–	–
Share of profit/(loss) of associates, net	294,238	(45,685)	324,095	19,142	19,123
Dividends	(9,068)	(6,415)	(4,142)	(3,882)	(1,313)
Currency translation differences	422	368	(5,262)	(22)	(3,855)
	930,333	811,798	1,262,965	1,000,314	1,276,920
Less: impairment loss	–	–	–	–	–
At the end of the year/period . .	930,333	811,798	1,262,965	1,000,314	1,276,920

The Company

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
At the beginning of the year/period	139,735	174,325	101,273	101,273	113,273
Additions	9,000	–	12,000	–	–
Disposals/Transfers	–	(67,522)	–	–	–
Share of profit of associates, net	34,658	885	2,815	–	(462)
Dividends	(9,068)	(6,415)	(2,815)	(2,815)	(1,313)
Less: impairment loss	–	–	–	–	–
At the end of the year/period . .	174,325	101,273	113,273	98,458	111,498

Management has assessed the level of influence that the Group and the Company exercises on certain associates and determined that it has significant influence through the board representation and other relevant facts and circumstances, even though the respective shareholding of some investments is below 20%. Accordingly, these investments have been classified as associates. In the opinion of the directors, the investment in associate is material when the carrying amount of an associate accounts for more than 5% of the Group and the Company's total assets. As at December 31, 2023, 2024 and 2025 and March 31, 2026, no investments in associate are material to the Group and the Company.

The Group has interests in a number of individually immaterial associates that are accounted for using the equity method. The carrying amount and the Group's share of the results of individually immaterial associates are shown in aggregate as below:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Aggregate carrying amount of individually immaterial associates . .	930,333	811,798	1,262,965	1,000,314	1,276,920
Aggregate amounts of the Group's share of:					
Profit/(loss) from operations	294,238	(45,685)	324,095	19,142	19,123

The Company has interests in a number of individually immaterial associates that are accounted for using the equity method. The carrying amount and the Company's share of the results of individually immaterial associates are shown in aggregate as below:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Aggregate carrying amount of individually immaterial associates	174,325	101,273	113,273	98,458	111,498
Aggregate amounts of the Company's share of:					
Profit from operations	34,658	885	2,815	–	(462)

There are no commitment or contingent liabilities relating to the Group and the Company's interest in the associates.

13. INCOME TAX EXPENSE

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Current income tax expense (a) .	282,718	696,513	1,948,234	289,142	1,364,513
Deferred income tax expense (b) (Note 19)	2,095	(15,851)	71,636	10,126	(145,503)
	<u>284,813</u>	<u>680,662</u>	<u>2,019,870</u>	<u>299,268</u>	<u>1,219,010</u>

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of each reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Historical Financial Information. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred income tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current income tax assets and liabilities and where the deferred income tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred income tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

(c) Income tax rates

Taxes on profits assessable have been calculated at the rates of tax prevailing in the jurisdictions in which relevant entities operate.

(i) PRC corporate income tax ("PRC CIT")

The income tax provision of the Group in respect of its operations in Chinese Mainland was calculated at tax rate of 25% on the assessable profits for the periods presented, based on the existing legislation, interpretation and practices in respect thereof.

Certain subsidiaries of the Company in the Chinese Mainland were approved as high-tech Enterprise, and they were subject to a preferential corporate income tax rate of 15% for the Track Record Period.

Certain subsidiaries of the Company were entitled to other tax concessions, mainly including the preferential tax rate of 15% applicable to some subsidiaries located in certain areas of the Chinese Mainland upon fulfilment of certain requirements of the respective local governments application conditions of relevant preferential policies.

The Company's subsidiaries in Chinese Mainland other than those mentioned above are subject to enterprise income tax at the rate of 25%.

(ii) Singapore corporate income tax ("Singapore CIT")

The Group's subsidiaries in Singapore are subject to Singapore CIT which is calculated based on the applicable tax rate of 17% on the assessable profits of the subsidiaries in accordance with Singapore tax laws and regulations for the Track Record Period.

According to the Development and Expansion Incentive ("DEI") under the Singapore International Headquarters Award, companies engaging in high value-added activities within Singapore that qualify for DEI treatment can enjoy certain tax reductions on the value-added portion of their qualifying business activities. During the reporting period, TeraHop Pte. Ltd. is subject to a corporate income tax rate of 10%.

(iii) Thailand corporate income tax ("Thailand CIT")

The Group's subsidiaries in Thailand are subject to Thailand CIT which is calculated based on the applicable tax rate of 20% on the assessable profits of the subsidiaries in accordance with Thailand tax laws and regulations for the Track Record Period.

According to the fourth amendment of the Investment Promotion Act 1997 issued by the Thailand Board of Investment, companies engaging in business activities that are of special importance and benefit to the country within Thailand can enjoy certain tax reductions. During the reporting period, the subsidiaries in Thailand is subject to a corporate income tax rate of 0%.

(iv) Additional Deduction for research and development expense

According to the relevant laws and regulations promulgated by the State Council of the People's Republic of China that was effective from 2008 onwards, enterprises engaging in research and development activities are entitled to claim 150% of their research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year ("Additional Deduction"). The State Taxation Administration of The People's Republic of China ("STA") further announced in March 2021 that manufacturing enterprises engaging in research and development activities would entitle to claim 200% of their research and development expenses as Additional Deduction since January 1, 2021. The STA further announced in March 2023 that eligible enterprises would entitle to claim 200% of their research and development expenses as Additional Deduction since January 1, 2023. The Group has made its best estimate for the Additional Deduction to be claimed for the Group's entities in ascertaining their assessable profits during the year.

(v) Withholding tax ("WHT")

According to the New Enterprise Income Tax Law ("New EIT Law"), distribution of profits earned by companies in Chinese Mainland since January 1, 2008 to foreign investors is subject to withholding tax of 10% or treaty tax rate, depending on the country of incorporation of the foreign investors, upon the distribution of profits to overseas-incorporated immediate holding companies.

As at December 31, 2023, 2024 and 2025 and March 31, 2026, the Group does not have plans to require some overseas subsidiaries to distribute their unremitted earnings in the foreseeable future, and intends to retain them to operate and expand its business in overseas. Accordingly, no deferred income tax liability related to WHT on unremitted earnings of these subsidiaries was accrued as at the end of each reporting period.

(vi) OECD Pillar Two model rules

The Organization for Economic Co-operation and Development (“OECD”) published Pillar Two model rules in December 2021, with the effect that a jurisdiction may enact domestic tax laws (“Pillar Two legislation”) to implement the Pillar Two model rules on a globally agreed common approach. Pillar Two legislation applies to a member of a multinational group within the scope of the Pillar Two model rules, which the Group is reasonably expected to fall into. It imposes a top-up tax on profits arising in a jurisdiction whenever the effective tax rate determined by the Pillar Two model rules on a jurisdictional basis is below a minimum rate of 15%.

The Group has reviewed its corporate structure in light of the introduction of Pillar Two model rules in various jurisdictions and engaged external tax specialists to assist them with applying the legislation and determining the related impact.

As at December 31, 2025 and March 31, 2026, the Group has operations in 8 jurisdictions. Among the 8 jurisdictions, Thailand, Singapore, and Hong Kong SAR China have enacted and effected QDMTT and IIR since January 1, 2025. Besides, Thailand has also enacted and effected UTPR since then. The Group has assessed the potential risk exposure related to the financial performance for the year ended December 31, 2025 and the three months ended March 31, 2026 and has recognised a current top-up tax exposure of RMB317,807,000 and RMB23,303,000 for Thailand and Singapore due to local tax incentives. For Chinese Mainland entities, where the Group has major operations, there is no top-up tax exposure during the year ended December 31, 2025. It is because, Chinese Mainland, as Ultimate Parent Entity (UPE) tax jurisdiction, is eligible for UPE-UTPR transitional relief during the year ended December 31, 2025. For the remaining tax jurisdictions among the Group, no significant Pillar 2 related current top-up tax exposure were identified during the year ended December 31, 2025 and the three months ended March 31, 2026. The Group applies the IAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Reconciliation between income tax expenses and profit before income tax at applicable tax rates for the years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2025 and 2026:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Profit before income tax	2,492,462	6,052,438	13,599,624	1,989,783	7,535,802
Tax on profit before income tax, calculated at the rates applicable to profits in the tax jurisdiction concerned	349,297	835,860	1,816,183	315,418	1,221,613
Top-up tax under Pillar Two Rules (Note 13(c)(vi))	–	–	317,807	–	23,303
Additional deduction of research and development expense . . .	(95,252)	(171,914)	(197,209)	(28,277)	(51,399)
Tax effect of non-deductible expenses	2,502	8,094	6,887	4,127	8,338
Tax effect of non-taxable income	(725)	(474)	(1,231)	(287)	–
Utilization of previously unrecognised tax losses and temporary differences	(18,346)	(2,452)	(7,674)	(38)	(963)
Tax losses and temporary differences not recognised . .	41,869	29,074	75,521	5,828	20,408
Recognition of previously unrecognised tax losses and temporary differences	(21,668)	(21,131)	–	–	(2,269)
Others	27,136	3,605	9,586	2,497	(21)
Income tax expense	284,813	680,662	2,019,870	299,268	1,219,010

14. DIVIDENDS

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Ordinary A shares					
Final dividends in respect of the previous year, declared or paid during the year (tax inclusive) (a)	157,272	670,711	555,560	—	—
Interim dividends in respect of the year, declared or paid during the year (tax inclusive) (b)	—	—	444,447	—	—
Total dividends provided or paid	157,272	670,711	1,000,007	—	—
Paid in cash	157,272	355,082	1,000,007	—	—
Stock dividends (Note 34(c))	—	315,629	—	—	—
	157,272	670,711	1,000,007	—	—

- (a) The final dividends of RMB2 per 10 shares (tax inclusive) in respect of the year ended December 31, 2022 were approved in 2022 Annual General Meeting of the Group on May 18, 2023. The final cash dividends of RMB157,272,000 were paid on June 6, 2023.

The final dividends of RMB4.5 per 10 shares (tax inclusive) in respect of the year ended December 31, 2023 were approved in 2023 Annual General Meeting of the Group on May 23, 2024. The final cash dividends of RMB355,082,000 were paid on June 6, 2024.

The final dividends of RMB5 per 10 shares (tax inclusive) in respect of the year ended December 31, 2024 were approved in 2024 Annual General Meeting of the Group on May 15, 2025. The final cash dividends of RMB555,560,000 were paid on June 19, 2025.

- (b) An Interim dividend in respect of the six months ended June 30, 2025 of RMB4 per 10 shares (tax inclusive) was approved by shareholders' meeting held on September 17, 2025.

15. EARNINGS PER SHARE

(a) Basic

Basic earnings per share ("EPS") is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the Track Record Period, excluding ordinary shares held for share schemes as these shares are not considered outstanding for earnings per share calculation purposes.

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
				(Unaudited)	
Profit attributable to the owners of the Company (RMB'000)	2,173,528	5,171,486	10,797,254	1,582,876	5,734,501
Less: Dividends paid to expected cancellable treasury shares (RMB'000)	(2,128)	(3,377)	(4,798)	(3,377)	(4,798)
Profit attributable to owners of the Company used in calculating basic EPS (RMB'000)	2,171,400	5,168,109	10,792,456	1,579,499	5,729,703
Weighted average number of ordinary shares in issue (thousand shares)	1,084,137	1,096,063	1,101,222	1,097,665	1,105,787
Basic EPS (RMB per share)	2.00	4.72	9.80	1.44	5.18

(b) Diluted

The share schemes granted by the Company and the subsidiaries have potential dilutive effect on the EPS. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential dilutive ordinary shares arising from share schemes (collectively forming the denominator for computing the diluted EPS).

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	<i>(Unaudited)</i>				
Profit attributable to the owners of the Company used in calculating diluted EPS (RMB'000)	2,173,528	5,171,486	10,797,254	1,582,876	5,734,501
Weighted average number of ordinary shares in issue (thousand shares)	1,084,137	1,096,063	1,101,222	1,097,665	1,105,787
Adjustments for calculation of diluted earnings per share:					
Share schemes	17,924	19,688	11,202	17,447	9,077
Weighted average number of ordinary shares used in calculating diluted EPS (thousand shares)	1,102,061	1,115,751	1,112,424	1,115,112	1,114,864
Diluted EPS (RMB per share) . .	1.97	4.63	9.71	1.43	5.14

16. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Buildings	Machinery	Motor vehicles	Electronic equipment	Other equipment	Leasehold Improvements	Assets under construction	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at January 1, 2023									
Cost	41,600	1,008,535	3,507,646	13,777	59,775	59,922	199,973	236,328	5,127,556
Accumulated depreciation . .	–	(133,279)	(1,075,526)	(10,156)	(30,290)	(31,872)	(36,091)	–	(1,317,214)
Accumulated impairment loss	–	–	(151,542)	–	–	–	–	–	(151,542)
Net book amount	41,600	875,256	2,280,578	3,621	29,485	28,050	163,882	236,328	3,658,800
Year ended December 31, 2023									
Opening net book amount . .	41,600	875,256	2,280,578	3,621	29,485	28,050	163,882	236,328	3,658,800
Business combination	–	1,493	18,073	571	677	–	1,614	2,395	24,823
Additions	–	–	860,999	626	8,828	10,504	48,481	351,692	1,281,130
Transfers	–	183,257	38,648	245	190	66	24,583	(254,093)	(7,104)
Disposals	–	–	(23,975)	–	3,359	419	–	–	(20,197)
Depreciation charge	–	(44,296)	(307,410)	(1,064)	(10,757)	(21,070)	(46,563)	–	(431,160)
Currency translation differences	705	3,608	7,425	16	137	68	392	(7,751)	4,600
Closing net book amount . .	42,305	1,019,318	2,874,338	4,015	31,919	18,037	192,389	328,571	4,510,892
As at December 31, 2023									
Cost	42,305	1,197,160	4,343,702	15,237	69,719	69,177	275,043	328,571	6,340,914
Accumulated depreciation . .	–	(177,842)	(1,346,048)	(11,222)	(37,800)	(51,140)	(82,654)	–	(1,706,706)
Accumulated impairment loss	–	–	(123,316)	–	–	–	–	–	(123,316)
Net book amount	42,305	1,019,318	2,874,338	4,015	31,919	18,037	192,389	328,571	4,510,892

APPENDIX I

ACCOUNTANT'S REPORT

	Freehold land	Buildings	Machinery	Motor vehicles	Electronic equipment	Other equipment	Leasehold improvements	Assets under construction	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended December 31, 2024									
Opening net book amount . . .	42,305	1,019,318	2,874,338	4,015	31,919	18,037	192,389	328,571	4,510,892
Additions	–	4,599	1,705,689	2,479	15,359	9,964	88,807	600,820	2,427,717
Transfers	–	619,323	49,404	–	1,980	–	183,010	(869,033)	(15,316)
Disposals	–	(533)	(8,442)	(100)	(124)	(26)	–	–	(9,225)
Depreciation charge	–	(53,591)	(466,213)	(971)	(11,959)	(12,416)	(59,985)	–	(605,135)
Currency translation differences	632	3,611	14,069	13	100	39	601	(7,821)	11,244
Closing net book amount . . .	42,937	1,592,727	4,168,845	5,436	37,275	15,598	404,822	52,537	6,320,177
As at December 31, 2024									
Cost	42,937	1,824,580	5,973,780	16,729	86,836	78,620	547,461	52,537	8,623,480
Accumulated depreciation . . .	–	(231,853)	(1,745,961)	(11,293)	(49,561)	(63,022)	(142,639)	–	(2,244,329)
Accumulated impairment loss	–	–	(58,974)	–	–	–	–	–	(58,974)
Net book amount	42,937	1,592,727	4,168,845	5,436	37,275	15,598	404,822	52,537	6,320,177
Year ended December 31, 2025									
Opening net book amount . . .	42,937	1,592,727	4,168,845	5,436	37,275	15,598	404,822	52,537	6,320,177
Additions	–	3,986	1,558,800	2,540	–	27,092	62,799	2,123,604	3,778,821
Transfers	55,085	40,010	382,614	–	8,267	1,424	187,291	(754,204)	(79,513)
Disposals	–	(621)	(66,868)	(148)	(445)	–	–	–	(68,082)
Depreciation charge	–	(88,686)	(623,156)	(1,449)	(11,782)	(14,690)	(84,363)	–	(824,126)
Impairment loss recognised . . .	–	–	(5,000)	–	–	–	–	–	(5,000)
Currency translation differences	(1,860)	(8,150)	(38,977)	(134)	(241)	184	(16,069)	–	(65,247)
Closing net book amount . . .	96,162	1,539,266	5,376,258	6,245	33,074	29,608	554,480	1,421,937	9,057,030
As at December 31, 2025									
Cost	96,162	1,858,413	7,752,354	18,939	93,875	105,057	781,482	1,421,937	12,128,219
Accumulated depreciation . . .	–	(319,147)	(2,315,995)	(12,694)	(60,801)	(75,449)	(227,002)	–	(3,011,088)
Accumulated impairment loss	–	–	(60,101)	–	–	–	–	–	(60,101)
Net book amount	96,162	1,539,266	5,376,258	6,245	33,074	29,608	554,480	1,421,937	9,057,030
Three months ended March 31, 2026									
Opening net book amount . . .	96,162	1,539,266	5,376,258	6,245	33,074	29,608	554,480	1,421,937	9,057,030
Additions	–	–	729,041	621	3,957	2,271	–	1,521,203	2,257,093
Transfers	100,731	–	403,391	–	6,520	124	137,542	(659,358)	(11,050)
Disposals	–	–	(57,038)	–	–	(6)	–	–	(57,044)
Depreciation charge	–	(19,922)	(190,135)	(380)	(3,860)	(3,865)	(30,727)	–	(248,889)
Currency translation differences	(1,497)	(10,351)	(31,847)	(40)	(191)	(83)	(4,360)	(24,738)	(73,107)
Closing net book amount . . .	195,396	1,508,993	6,229,670	6,446	39,500	28,049	656,935	2,259,044	10,924,033
As at March 31, 2026									
Cost	195,396	1,847,000	8,786,843	19,509	103,875	107,255	914,664	2,259,044	14,233,586
Accumulated depreciation . . .	–	(338,007)	(2,497,164)	(13,063)	(64,375)	(79,206)	(257,729)	–	(3,249,544)
Accumulated impairment loss	–	–	(60,009)	–	–	–	–	–	(60,009)
Net book amount	195,396	1,508,993	6,229,670	6,446	39,500	28,049	656,935	2,259,044	10,924,033

- (a) Certain property, plant and equipment as at December 31, 2023, 2024 and 2025 and March 31, 2025 and 2026 respectively, were pledged as securities for notes payable facilities.
- (b) Depreciation of the Group's property, plant and equipment has been recognised as follows:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Cost of revenue	276,330	431,806	639,371	131,192	185,049
Selling and marketing expenses	2,427	5,327	1,303	3,930	3,927
General and administrative expenses	50,723	46,253	43,315	12,803	18,627
Research and development expenses	101,680	121,749	140,137	35,086	41,286
	<u>431,160</u>	<u>605,135</u>	<u>824,126</u>	<u>183,011</u>	<u>248,889</u>

(c) **Depreciation methods and useful lives**

Property, plant and equipment are stated at historical costs less accumulated depreciation and accumulated impairment charges. Historical costs include expenditures that are directly attributable to the acquisition of the items.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values, over their estimated useful lives or, in the case of leasehold improvements, the shorter lease term as follows:

Freehold land	Permanent
Buildings	20-50 years
Machinery	3-10 years
Motor vehicles	5-10 years
Electronic equipment	3-5 years
Other equipment	3-8 years
Leasehold improvements	Shorter of their useful lives and the lease term

See Note 46.12 for the other accounting policies relevant to property, plant and equipment.

17. LEASES

This note provides information for leases where the Group is a lessee.

- (a) Amounts recognised in the consolidated statements of financial position:

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Right-of-use assets				
Land use rights	136,777	132,775	126,757	156,770
Buildings	<u>27,090</u>	<u>33,722</u>	<u>104,583</u>	<u>117,768</u>
	<u>163,867</u>	<u>166,497</u>	<u>231,340</u>	<u>274,538</u>
Lease liabilities				
Current	11,365	12,464	34,905	64,560
Non-current	<u>17,040</u>	<u>23,175</u>	<u>74,731</u>	<u>58,364</u>
	<u>28,405</u>	<u>35,639</u>	<u>109,636</u>	<u>122,924</u>

Additions to the right-of-use assets during the years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2025 and 2026 were approximately RMB28,890,000, RMB17,498,000, RMB99,248,000, RMB17,363,000 and RMB22,817,000, respectively.

Certain land use rights were pledged as securities for notes payable facilities as at December 31, 2023, 2024 and 2025 and March 31, 2026.

(b) Amounts recognised in the consolidated statement of comprehensive income

The consolidated statement of comprehensive income shows the following amounts relating to leases:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Depreciation charge of right-to-use assets					
Buildings	8,873	9,752	23,620	4,761	8,906
Land use rights	4,011	4,000	6,076	1,602	1,376
	<u>12,884</u>	<u>13,752</u>	<u>29,696</u>	<u>6,363</u>	<u>10,282</u>
Interest expenses (Note 11)	<u>909</u>	<u>3,774</u>	<u>3,817</u>	<u>377</u>	<u>810</u>
Expenses relating to short-term leases (Note 9) . . .	23,044	60,810	69,131	8,365	25,595

The total cash outflow for leases for the years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2025 and 2026 were approximately RMB37,890,000, RMB74,848,000, RMB88,105,000, RMB12,623,000 and RMB34,581,000, respectively.

(c) The Group's leasing activities and how leases are accounted for

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third-party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, the Group entities use that rate as a starting point to determine the incremental borrowing rate.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of use asset.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases are recognised on a straight-line basis as an expenses in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

See Note 46.5 for the other accounting policies relevant to leases.

(d) Extension and termination options

Options Lease payments to be made under reasonably certain extension options are included in the measurement. No termination options are included in building leases across the Group.

(e) Residual value guarantees

No residual value guarantees are provided in relation to leases.

18. INTANGIBLE ASSETS

	Goodwill	Royalty patents	Non-patent technologies	Development cost	Software	Customer relationship	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at January 1, 2023							
Cost	1,979,904	336,220	163,941	27,686	32,122	–	2,539,873
Accumulated amortisation	–	(282,394)	(87,254)	–	(22,881)	–	(392,529)
Accumulated impairment loss	(31,402)	–	–	–	–	–	(31,402)
Net book amount	<u>1,948,502</u>	<u>53,826</u>	<u>76,687</u>	<u>27,686</u>	<u>9,241</u>	<u>–</u>	<u>2,115,942</u>
Year ended December 31, 2023							
Opening net book amount	1,948,502	53,826	76,687	27,686	9,241	–	2,115,942
Additions	–	–	–	70,022	522	–	70,544
Business combination	38,487	22,000	–	–	611	88,000	149,098
Transfers	–	–	44,009	(49,718)	7,987	–	2,278
Amortisation charge	–	(33,228)	(36,494)	–	(4,396)	(7,333)	(81,451)
Impairment loss	(48,114)	–	–	–	–	–	(48,114)
Currency translation differences	–	–	–	–	1	–	1
Closing net book amount	<u>1,938,875</u>	<u>42,598</u>	<u>84,202</u>	<u>47,990</u>	<u>13,966</u>	<u>80,667</u>	<u>2,208,298</u>
As at December 31, 2023							
Cost	2,018,391	358,220	207,950	47,990	41,243	88,000	2,761,794
Accumulated amortisation	–	(315,622)	(123,748)	–	(27,277)	(7,333)	(473,980)
Accumulated impairment loss	(79,516)	–	–	–	–	–	(79,516)
Net book amount	<u>1,938,875</u>	<u>42,598</u>	<u>84,202</u>	<u>47,990</u>	<u>13,966</u>	<u>80,667</u>	<u>2,208,298</u>
Year ended December 31, 2024							
Opening net book amount	1,938,875	42,598	84,202	47,990	13,966	80,667	2,208,298
Additions	–	159	–	88,530	2,812	–	91,501
Transfers	–	–	54,001	(60,851)	16,271	–	9,421
Amortisation charge	–	(26,578)	(46,177)	–	(6,904)	(14,667)	(94,326)
Currency translation differences	–	1,661	–	–	6	–	1,667
Closing net book amount	<u>1,938,875</u>	<u>17,840</u>	<u>92,026</u>	<u>75,669</u>	<u>26,151</u>	<u>66,000</u>	<u>2,216,561</u>
As at December 31, 2024							
Cost	2,018,391	333,290	244,095	75,669	60,334	88,000	2,819,779
Accumulated amortisation	–	(315,450)	(152,069)	–	(34,183)	(22,000)	(523,702)
Accumulated impairment loss	(79,516)	–	–	–	–	–	(79,516)
Net book amount	<u>1,938,875</u>	<u>17,840</u>	<u>92,026</u>	<u>75,669</u>	<u>26,151</u>	<u>66,000</u>	<u>2,216,561</u>
Year ended December 31, 2025							
Opening net book amount	1,938,875	17,840	92,026	75,669	26,151	66,000	2,216,561
Additions	–	–	–	60,649	20,620	–	81,269
Transfers	–	–	76,031	(82,232)	33,184	–	26,983
Disposals	–	–	–	–	(628)	–	(628)
Amortisation charge	–	(3,323)	(32,018)	–	(30,379)	(14,667)	(80,387)
Currency translation differences	–	–	–	–	(43)	–	(43)
Closing net book amount	<u>1,938,875</u>	<u>14,517</u>	<u>136,039</u>	<u>54,086</u>	<u>48,905</u>	<u>51,333</u>	<u>2,243,755</u>
As at December 31, 2025							
Cost	2,018,391	24,299	320,125	54,086	113,450	88,000	2,618,351
Accumulated amortisation	–	(9,782)	(184,086)	–	(64,545)	(36,667)	(295,080)
Accumulated impairment loss	(79,516)	–	–	–	–	–	(79,516)
Net book amount	<u>1,938,875</u>	<u>14,517</u>	<u>136,039</u>	<u>54,086</u>	<u>48,905</u>	<u>51,333</u>	<u>2,243,755</u>

	Goodwill	Royalty patents	Non-patent technologies	Development cost	Software	Customer relationship	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Three months ended							
March 31, 2026							
Opening net book amount	1,938,875	14,517	136,039	54,086	48,905	51,333	2,243,755
Additions	–	–	–	1,834	1,289	–	3,123
Transfers	–	–	–	(1,415)	12,465	–	11,050
Amortisation charge	–	(4)	(9,684)	–	(4,271)	(3,666)	(17,625)
Currency translation differences	–	–	–	–	(74)	–	(74)
Closing net book amount	<u>1,938,875</u>	<u>14,513</u>	<u>126,355</u>	<u>54,505</u>	<u>58,314</u>	<u>47,667</u>	<u>2,240,229</u>
As at March 31, 2026							
Cost	2,018,391	24,299	320,125	54,505	127,130	88,000	2,632,450
Accumulated amortisation	–	(9,786)	(193,770)	–	(68,816)	(40,333)	(312,705)
Accumulated impairment loss	(79,516)	–	–	–	–	–	(79,516)
Net book amount	<u>1,938,875</u>	<u>14,513</u>	<u>126,355</u>	<u>54,505</u>	<u>58,314</u>	<u>47,667</u>	<u>2,240,229</u>

(a) Amortisation of the Group's intangible assets has been recognised as follows:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Cost of revenue	4,199	17,572	33,316	8,946	8,965
Research and development expenses	29,084	40,293	26,877	13,437	3,172
Sales and marketing expenses	7,333	14,667	14,699	3,690	3,702
General and administrative expenses	40,835	21,794	5,495	3,520	1,786
	<u>81,451</u>	<u>94,326</u>	<u>80,387</u>	<u>29,593</u>	<u>17,625</u>

(b) **Impairment tests for goodwill**

Management reviews the business performance based on type of business and monitors the goodwill at each CGU or each group of CGUs level. During the Track Record Period, the goodwill is allocated to the following CGUs or groups of CGUs: (i) the group of CGUs related to optical transceivers which was arising from the acquisition of InnoLight Technology (Suzhou) Co., Ltd. and its subsidiaries ("Suzhou InnoLight Group"); (ii) CGU related to optical components which was arising from the acquisition of Chengdu Tsuhan Technology Co., Ltd. ("Chengdu Tsuhan"); and (iii) CGU related to automotive optoelectronics which was arising from the acquisition of Chongqing Jingle Electronic Co., Ltd. ("Jingle Electronic").

The carrying amount of goodwill allocated to the following CGUs or group of CGUs are as follows:

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Optical transceivers and components				
Suzhou InnoLight Group	1,782,092	1,782,092	1,782,092	1,782,092
Chengdu Tsuhan	197,813	197,813	197,813	197,813
Automotive optoelectronics				
Jingle Electronic (i)	38,486	38,486	38,486	38,486
	<u>2,018,391</u>	<u>2,018,391</u>	<u>2,018,391</u>	<u>2,018,391</u>
Less: Impairment	(79,516)	(79,516)	(79,516)	(79,516)
	<u>1,938,875</u>	<u>1,938,875</u>	<u>1,938,875</u>	<u>1,938,875</u>

- (i) In July 2023, the Group acquired 62.45% equity interests of Jingle Electronic at a consideration of RMB300,000,000, including cash paid of RMB39,600,000 and shares issued of RMB260,400,000. The acquisition was made as part of the Group's strategy to develop its automotive optoelectronics business. The fair value of the net assets acquired was RMB418,769,000 at the acquisition date, among of which the major assets and liabilities were "trade and notes receivables at amortised cost", "prepayments, other receivables and other assets" and "trade and note payables", amounting to RMB238,683,000, RMB267,326,000 and RMB179,244,000, resulting an increase in goodwill of RMB38,487,000 and an increase in non-controlling interests of RMB157,256,000. In connection with the acquisition, the non-controlling shareholders were granted an option to put 20% equity interest in Jingle Electronic to the Group at the agreed price during the year ended December 31, 2023 and 2024 (the "Put Option") and these options were exercised as of December 31, 2025 (Note 30).

The total net cash outflow from the acquisition of Jingle Electronic was RMB37,849,000. The acquired business contributed total revenue of RMB329,470,000 and net profit of RMB16,528,000 to the Group for the period from the acquisition date to December 31, 2023. If the acquisition had occurred on January 1, 2023, consolidated revenue and net profit of the Group for the year ended December 31, 2023 would have been RMB11,013,413,000 and RMB2,218,176,000, respectively.

Impairment reviews on the goodwill of the Group have been conducted by the management as at December 31, 2023, 2024 and 2025, according to IAS 36 "Impairment of assets". For the purposes of impairment review, the recoverable amounts of CGU or group of CGUs are determined based on value in use ("VIU") calculations by using the discounted cash flow method.

The key assumptions used by management for VIU calculation for the impairment test as follows:

As at December 31,			
	2023	2024	2025
Suzhou InnoLight Group:			
Revenue annual growth rate during the forecast period	0%-55%	0%-30%	0%-73%
Perpetual annual growth rates	0%	0%	0%
Gross margins	28%-29%	30%-32%	40%-43%
Pre-tax discount rates	13.28%	14.24%	14.16%
As at December 31,			
	2023	2024	2025
Chengdu Tsuhan:			
Revenue annual growth rate during the forecast period	6%-72%	12%-60%	12%-60%
Perpetual annual growth rates	0%	0%	0%
Gross margins	7%-14%	10%-18%	13%-24%
Pre-tax discount rates	11.96%	12.99%	12.65%

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determine values
Revenue annual growth rate	Revenue annual growth rate is estimated over the five-year forecast period based on past performance and management's expectations of market development. The management of the Group used a five-year period as the projection period for the cash flow forecast, which was in line with the period length used in the corresponding strategic planning and long-term budgeting purpose for many years. Based on the industry knowledge and understanding of the market and business cycle, the management considered that before the projections move into a long term stable period, such five-year period projection was reasonable and supportable.
Gross margin	Based on past performance and management's expectations for the future.

Assumption	Approach used to determine values
Perpetual annual growth rate	This is the weighted average growth rate used to extrapolate cash flows beyond the forecast period. The rates are determined after making reference to long term inflation rate of the countries in which they operate. The perpetual annual growth rates remained stable which was due to the fact that the long-term inflation rates of the relevant countries were relatively stable during the Track Record Period.
Pre-tax discount rate	Estimated by using the weighted average cost of capital ("WACC") method. The WACC was calculated by referring to public market data including risk free rate, market return, beta of comparable public companies etc. and the specific risk of the business.

The estimated recoverable amounts of the CGUs of Suzhou InnoLight Group and Chengdu Tsuhan in excess of their carrying amount after the impairment (the "headroom") are as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Suzhou InnoLight Group	16,158,373	38,523,936	163,820,433
Chengdu Tsuhan	N/A	72,986	183,394

On May 19, 2020, the Group acquired 67.19% equity interests in Chengdu Tsuhan, which mainly engages in the design and production of optical components, and recognised goodwill amounting to RMB197,813,000. The estimated recoverable amount of the CGU of Chengdu Tsuhan was below its carrying amount and therefore provision for impairment of RMB48,114,000 was recorded for the year ended December 31, 2023. This impairment arose as a result of significant declines in product prices and profit margins during 2023, driven by overall weak market demand and intensified supply competition.

The following table sets out the sensitivity analysis that the recoverable amount of the CGU would equal the carrying amount of Suzhou InnoLight Group and Chengdu Tsuhan if the key assumptions were individually changed as follows:

	As at December 31,		
	2023	2024	2025
Suzhou InnoLight Group:			
Decrease in revenue annual growth rate during the projection period	11.02%	14.40%	24.64%
Decrease in perpetual annual growth rate	43.29%	74.15%	*
Decrease in gross margin during the projection period	9.20%	12.32%	22.74%
Increase in pre-tax discount rate	12.55%	20.83%	47.73%
Chengdu Tsuhan:			
Decrease in revenue annual growth rate during the projection period	N/A	1.14%	3.15%
Decrease in perpetual annual growth rate	N/A	1.22%	4.07%
Decrease in gross margin during the projection period	N/A	0.70%	2.38%
Increase in pre-tax discount rate	N/A	0.97%	3.03%

* represents that the proportion/percentage exceeds 100%.

The Management of the Group has assessed that any reasonably possible changes in any of the key assumptions would not result in an impairment provision of goodwill of Suzhou InnoLight Group and Chengdu Tsuhan in 2024 and 2025. As of March 31, 2026, no significant adverse changes have been noted, thus no further impairment test was conducted accordingly.

(c) Amortisation methods and periods

The Group amortises intangible assets with a limited useful life using the straight-line method over the following:

(i) Goodwill

Goodwill is measured as described in Note 46.6. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

(ii) Royalty patents

The royalty patents are amortised on a straight-line basis based on the period as stipulated by contracts of 5 and 10 years.

(iii) Non-patent technologies

Non-patent technologies are amortised on a straight-line basis over the estimated useful life of 5 years.

(iv) Software

Software are amortised on a straight-line basis over the estimated useful life of 5 and 10 years.

(v) Customer relationship

Customer relationship obtained in the business combinations is measured at fair value when acquired and are amortised over the estimated useful life of 6 years.

(vi) Research and development

All research costs are charged to the consolidated statement of comprehensive income as incurred.

Development costs are capitalised only when all the following conditions are met:

- the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale; and
- its intention to complete and its ability to use or sell the asset; and
- how the asset will generate economic benefits (including demonstration that the product derived from the intangible asset or the intangible asset itself will be marketable or, in the case of internal use, the usefulness of the intangible asset as such); and
- the availability of technical and financial resources to complete the project and procure the use or sale of the intangible asset; and
- the ability to measure reliably the expenditure during the development.

Capitalised development costs are transferred to non-patent technologies when the development is done and ready for use.

19. DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right of offsetting and when the deferred income taxes relate to the same authority. The net amounts of deferred tax assets and liabilities after offsetting are as follows:

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Gross deferred tax assets:				
– to be recovered within 12 months .	137,874	243,960	324,163	502,994
– to be recovered after 12 months . .	183,234	257,773	537,958	592,411
	321,108	501,733	862,121	1,095,405
Offsetting against deferred tax liabilities	(239,168)	(280,008)	(321,585)	(333,133)
Net deferred tax assets	81,940	221,725	540,536	762,272
	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Gross deferred tax liabilities:				
– to be recovered within 12 months .	52,903	41,169	47,112	49,561
– to be recovered after 12 months . .	402,250	508,575	565,692	590,507
	455,153	549,744	612,804	640,068
Offsetting against deferred tax assets	(239,168)	(280,008)	(321,585)	(333,133)
Net deferred tax liabilities	215,985	269,736	291,219	306,935

(a) Deferred tax assets

The movements in deferred tax assets before offsetting for the years ended December 31, 2023, 2024 and 2025 and for the three months ended March 31, 2026 are as follows:

	Employee benefits	Unrealised profit on intra-group transactions	Tax losses	Loss allowance and impairment provision	Deferred income	Provisions for warranties	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at January 1, 2023 . . .	1,068	20,586	23,341	72,491	29,370	16,588	917	164,361
Credited/(charged) to the consolidated statements of comprehensive income . .	32,633	12,646	6,904	(6,172)	2,671	2,575	228	51,485
Additions due to business combination	–	–	–	3,254	–	1,502	–	4,756
Credited to other reserve (Note 38)	100,506	–	–	–	–	–	–	100,506
As at December 31, 2023 .	134,207	33,232	30,245	69,573	32,041	20,665	1,145	321,108
At January 1, 2024	134,207	33,232	30,245	69,573	32,041	20,665	1,145	321,108
Charged to the consolidated income statements of comprehensive income . .	11,013	75,890	35,990	(5,719)	(143)	(3,959)	5	113,077
Credited to other reserve (Note 38)	67,548	–	–	–	–	–	–	67,548
As at December 31, 2024 .	212,768	109,122	66,235	63,854	31,898	16,706	1,150	501,733

APPENDIX I

ACCOUNTANT'S REPORT

	Employee benefits	Unrealised profit on intra-group transactions	Tax losses	Loss allowance and impairment provision	Deferred income	Provisions for warranties	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2025	212,768	109,122	66,235	63,854	31,898	16,706	1,150	501,733
Credited to the consolidated statements of comprehensive income . .	2,715	(41,258)	40,112	(3,028)	(640)	(7,388)	911	(8,576)
Credited to other reserve (Note 38)	368,964	—	—	—	—	—	—	368,964
As at December 31, 2025 . .	584,447	67,864	106,347	60,826	31,258	9,318	2,061	862,121
At January 1, 2026	584,447	67,864	106,347	60,826	31,258	9,318	2,061	862,121
Credited to the consolidated statements of comprehensive income . .	11,998	152,374	6,643	(59)	554	(1,451)	2,525	172,584
Credited to other reserve (Note 38)	60,700	—	—	—	—	—	—	60,700
As at March 31, 2026 . . .	657,145	220,238	112,990	60,767	31,812	7,867	4,586	1,095,405

(b) Deferred tax liabilities

The movements in deferred tax liabilities before offsetting for the years ended December 31, 2023, 2024 and 2025 and for the three months ended March 31, 2026 are as follows:

	Depreciation	Investments in associates	Appreciation of assets acquired in business combinations	Fair value change of financial assets at FVTPL	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at January 1, 2023	229,502	59,737	72,077	18,617	379,933
Credited to the consolidated statements of comprehensive income	21,872	45,456	(13,292)	255	54,291
Additions due to business combination	1,406	—	19,523	—	20,929
As at December 31, 2023 . . .	252,780	105,193	78,308	18,872	455,153
As at January 1, 2024	252,780	105,193	78,308	18,872	455,153
Credited to the consolidated statements of comprehensive income	112,346	(31,553)	(7,560)	21,358	94,591
As at December 31, 2024 . . .	365,126	73,640	70,748	40,230	549,744
As at January 1, 2025	365,126	73,640	70,748	40,230	549,744
Charged to the consolidated statements of comprehensive income	47,714	33,553	(5,828)	(12,379)	63,060
As at December 31, 2025 . .	412,840	107,193	64,920	27,851	612,804
As at January 1, 2026	412,840	107,193	64,920	27,851	612,804
Charged to the consolidated statements of comprehensive income	27,039	1,580	(1,355)	—	27,264
As at March 31, 2026	439,879	108,773	63,565	27,851	640,068

(c) Deferred tax assets not recognised

The Group has not recognised deferred tax assets in respect of the items below, which were incurred by certain subsidiaries that were not likely to generate taxable:

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Tax losses	324,889	441,098	435,478	488,236
Deductible temporary differences . .	124,251	191,475	387,623	430,672
	<u>449,140</u>	<u>632,573</u>	<u>823,101</u>	<u>918,908</u>

Deductible losses that are not recognised for deferred income tax assets will expire as follows:

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
2024	27,014	—	—	—
2025	59,055	57,062	—	—
2026	124,673	122,001	110,645	110,512
2027	5,727	2,000	—	—
2028	108,420	52,057	12,613	12,613
2029	—	207,978	184,252	184,252
2030	—	—	127,968	122,663
2031	—	—	—	58,196
	<u>324,889</u>	<u>441,098</u>	<u>435,478</u>	<u>488,236</u>

20. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Deductible value-added tax	245,176	530,074	661,622	696,807
Prepayments	427,875	503,703	208,091	1,699,306
Deposits and guarantee receivables .	18,626	67,583	79,352	84,681
VAT refund receivables	43,881	127,488	24,129	34,538
Amounts due from related parties (Note 40(d))	3,881	—	5,505	57,424
Others	17,083	41,615	98,544	127,096
	<u>756,522</u>	<u>1,270,463</u>	<u>1,077,243</u>	<u>2,699,852</u>
Less: provision for impairment	(180)	(128)	(6,131)	(6,136)
	<u>756,342</u>	<u>1,270,335</u>	<u>1,071,112</u>	<u>2,693,716</u>
Less: non-current portion (a)	(423,782)	(423,367)	(73,981)	(1,220,508)
Prepayments, other receivables and other assets	<u>332,560</u>	<u>846,968</u>	<u>997,131</u>	<u>1,473,208</u>

(a) The non-current portion mainly comprise prepaid construction equipment, export guarantee deposits, capacity reservation and commitment for raw materials and VAT refund receivables.

The Company

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Amounts due from subsidiaries . . .	20	5,083	175,841	177,009
Dividend receivables	460,000	660,000	1,254,000	1,254,000
Others	2,231	2,650	23,508	45,796
	462,251	667,733	1,453,349	1,476,805
Less: provision for impairment . . .	—	—	—	—
	462,251	667,733	1,453,349	1,476,805
Prepayments, other receivables and other assets	462,251	667,733	1,453,349	1,476,805

21. FINANCIAL INSTRUMENTS BY CATEGORY

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at amortised cost				
Trade and note receivables at amortised cost (<i>Note 24</i>)	2,904,793	4,670,627	6,349,511	9,648,104
Other receivables (<i>Note 20</i>)	83,291	236,558	151,731	219,174
Other financial assets at amortised cost (<i>Note 26</i>)	10,000	—	—	—
Cash and cash equivalents (<i>Note 27</i>)	3,233,901	4,987,790	10,943,807	12,176,254
Restricted cash (<i>Note 27</i>)	83,378	66,015	43,086	31,441
	6,315,363	9,960,990	17,488,135	22,074,973
Financial assets at fair value				
Financial assets at FVTPL (<i>Note 22</i>)	784,280	1,032,952	805,355	843,428
Trade and note receivables at FVTOCI (<i>Note 25</i>)	44,065	50,478	59,766	105,221
	828,345	1,083,430	865,121	948,649
Financial liabilities at amortised cost				
Borrowings (<i>Note 28</i>)	848,069	2,611,034	1,491,926	1,521,687
Trade and note payables (<i>Note 32</i>) .	2,163,483	3,507,823	7,800,410	10,920,027
Other payables and accruals (excluding payroll and welfare payables and VAT and other taxes payables) (<i>Note 33</i>)	1,164,732	383,189	1,032,250	1,449,282
Lease liabilities (<i>Note 17</i>)	28,405	35,639	109,636	122,924
Redemption liabilities (<i>Note 30</i>) . . .	46,933	901,749	900,192	896,304
	4,251,622	7,439,434	11,334,414	14,910,224

22. FINANCIAL ASSETS AT FVTPL

The Group

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current:				
– Investment in private equity funds	154,545	333,367	559,205	614,705
– Investment in unlisted securities	213,696	177,039	236,134	218,697
	<u>368,241</u>	<u>510,406</u>	<u>795,339</u>	<u>833,402</u>
Current:				
– Structured deposits	416,039	420,008	10,016	10,026
– Investment in unlisted securities	–	102,538	–	–
	<u>416,039</u>	<u>522,546</u>	<u>10,016</u>	<u>10,026</u>
	<u>784,280</u>	<u>1,032,952</u>	<u>805,355</u>	<u>843,428</u>

The Company

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current:				
– Investment in private equity funds	61,545	207,367	415,206	453,849
– Investment in unlisted securities	26,224	49,299	49,299	49,310
	<u>87,769</u>	<u>256,666</u>	<u>464,505</u>	<u>503,159</u>
Current:				
– Structured deposits	75,058	10,008	10,016	10,026
	<u>162,827</u>	<u>266,674</u>	<u>474,521</u>	<u>513,185</u>

The Group and the Company made election at the time of initial recognition to account for certain investments in associates which is held by venture capital organisations, or mutual funds and similar entities as investments measured at fair value through profit or loss in accordance with IFRS 9.

23. INVENTORIES

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Raw materials	1,793,679	2,312,839	4,604,523	6,693,549
Work in progress	1,322,416	1,432,883	2,652,300	3,315,781
Semi-finished goods	459,073	1,298,137	2,705,768	2,916,181
Finished goods	963,928	2,203,450	2,829,200	2,819,050
Spare parts and consumables	41,966	100,733	186,732	223,691
	<u>4,581,062</u>	<u>7,348,042</u>	<u>12,978,523</u>	<u>15,968,252</u>
Less: Provision for impairment loss .	<u>(286,402)</u>	<u>(296,722)</u>	<u>(297,815)</u>	<u>(296,174)</u>
	<u>4,294,660</u>	<u>7,051,320</u>	<u>12,680,708</u>	<u>15,672,078</u>

24. TRADE AND NOTE RECEIVABLES AT AMORTISED COST

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Trade and note receivables				
– Trade receivables	2,636,511	4,676,785	6,332,718	9,598,674
– Note receivables	323,892	67,070	72,635	112,532
	<u>2,960,403</u>	<u>4,743,855</u>	<u>6,405,353</u>	<u>9,711,206</u>
Less: allowance for credit losses				
– Trade receivables	(55,139)	(73,228)	(55,842)	(63,102)
– Note receivables	(471)	–	–	–
	<u>(55,610)</u>	<u>(73,228)</u>	<u>(55,842)</u>	<u>(63,102)</u>
	<u>2,904,793</u>	<u>4,670,627</u>	<u>6,349,511</u>	<u>9,648,104</u>

As at December 31, 2023, 2024 and 2025 and March 31, 2026, the aging analysis of the trade receivables based on date of revenue recognition is as follows:

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Up to 1 year	2,563,771	4,600,443	6,289,838	9,561,476
1-2 year	47,526	12,269	10,480	15,072
2-3 year	5,886	39,603	8,780	3,404
Above 3 years	19,328	24,470	23,620	18,722
Total	<u>2,636,511</u>	<u>4,676,785</u>	<u>6,332,718</u>	<u>9,598,674</u>

Trade and notes receivables are amounts due from customers for goods sold in the ordinary course of business. They are generally due for settlement within 90 days and therefore all classified as current. Trade and notes receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade and notes receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 3.1 for a description of the Group's impairment policies.

The Group applies the simplified approach under IFRS 9, which requires lifetime expected losses to be recognised from initial recognition of the assets. Information about the impairment of trade and notes receivables and the Group's exposure to credit risk is described in Note 3.1(b)(ii).

The carrying amounts of the Group's trade and notes receivables were mainly denominated in USD and approximated their fair values at the end of each reporting period.

Certain trade and note receivables at amortised cost were pledged for amounts due to a third party as at December 31, 2023 (Note 33).

25. TRADE AND NOTE RECEIVABLES AT FVOCI

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Trade and note receivables at FVOCI	<u>44,065</u>	<u>50,478</u>	<u>59,766</u>	<u>105,221</u>

Trade and note receivables at FVOCI were mainly accounts receivable and bank acceptance notes transferred, discounted and endorsed for the purpose of daily treasury management and were qualified for derecognition.

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9. Details are disclosed in Note 3.1(b)(ii).

26. OTHER FINANCIAL ASSETS AT AMORTISED COST

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Wealth management products with fixed return	10,000	—	—	—
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

27. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

(a) Cash and cash equivalents

The Group

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Cash in bank and on hand	3,233,901	4,987,790	10,943,807	12,176,254
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The Company

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Cash in bank and on hand	485,288	86,216	63,960	73,855
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

(b) Restricted cash

The Group

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Guarantee deposits	83,378	66,015	43,086	31,441
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Guarantee deposits mainly included letter of bank acceptance notes, letters of guarantee and letters of credit.

Cash and cash equivalents and restricted cash are denominated in the following currencies:

The Group

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
RMB	1,708,972	1,372,731	794,440	2,364,945
USD	1,574,551	3,641,315	10,128,052	9,761,418
Others	33,756	39,759	64,401	81,332
	<u>3,317,279</u>	<u>5,053,805</u>	<u>10,986,893</u>	<u>12,207,695</u>

The Company

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
RMB	485,288	86,216	63,960	73,855

28. BORROWINGS

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current				
Guaranteed borrowings (c)	212,481	596,000	510,000	527,991
Credit borrowings	106,241	10,281	—	2,908
	318,722	606,281	510,000	530,899
Current				
Credit borrowings	196,952	1,533,507	297,926	272,989
Guaranteed borrowings (c)	310,000	471,246	666,000	667,999
Pledged borrowings (b)	22,395	—	18,000	49,800
	529,347	2,004,753	981,926	990,788

- (a) As at December 31, 2023, 2024 and 2025 and March 31, 2026, the annual interest rate of short-term borrowings were ranged from 3.2% to 4.0%, 2.0% to 3.3%, 2.1% to 2.8% and 2.1% to 2.5%, respectively.

As at December 31, 2023, 2024 and 2025 and March 31, 2026, the annual interest rate range of long-term borrowings were ranged from 2.3% to 3.8%, 2.1% to 3.8%, 2.1% to 2.9% and 2.1% to 2.6%, respectively.

- (b) Pledged borrowings were mainly secured by trade and note receivables, property, plant and equipment and intangible assets.
- (c) As at December 31, 2023, 2024 and 2025 and March 31, 2026, guaranteed borrowings mainly guaranteed by the Company, amounting to RMB522,481,000, RMB1,067,246,000, RMB1,176,000,000 and RMB1,195,990,000, respectively.
- (d) For the majority of the borrowings, the fair values are not materially different from their carrying amounts, since either the interest payable on those borrowings is close to current market rates, or the borrowings are of a short-term nature.

29. DEFERRED INCOME

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Government grants	215,770	216,620	211,363	214,820

The Group received government grants for subsidizing the Group's purchase of property, plant and equipment. The government grants were recorded as deferred income and credited to profit or loss on a straight-line basis over the useful life of the related property, plant and equipment.

30. REDEMPTION LIABILITIES

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Financial instruments with preferred rights (a)	–	879,749	900,192	896,304
Put option payable to non-controlling interests (b)	46,933	22,000	–	–
	46,933	901,749	900,192	896,304
Less: current portion	(25,667)	(22,000)	–	–
	<u>21,266</u>	<u>879,749</u>	<u>900,192</u>	<u>896,304</u>

A contract that contains an obligation for the Group to purchase its own equity instruments for cash or another financial asset gives rise to a financial liability for the present value of the redemption amount ("Redemption liabilities") even if the Group's obligations to purchase is conditional on the counterparty exercising a right to redeem.

The financial liability in connection with the obligation was therefore recognized initially at present value (representing the present value of the aforementioned redemption amount based on the most likely scenario among all the possible situations), and subsequently measured at amortized cost using the effective interest method.

Reserve is debited to reflect the carrying amount of the redemption liabilities upon the initial recognition of redemption liabilities. The Group derecognizes the redemption liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. If the contract expires without redemption, the carrying amount of the financial liability is reclassified to equity.

- (a) According to the proposal approved by Board of Directors' meeting in January 2024, TeraHop Pte. Ltd., a subsidiary of the Group, received a total capital injection of USD118,000,000 (equivalent to RMB838,225,000) from investors in cash and through debt. The Group recognised an increase in reserves of RMB393,143,000 based on the changes in the net asset share of TeraHop Pte. Ltd. before and after the capital increase. After the completion of the capital increase, the Group's ownership percentage in TeraHop Pte. Ltd. decreased from 80.00% to 67.71%.

At the same time, TeraHop Pte. Ltd. entered into a shareholders' agreement with the investors, stipulating that the investors have the right to require the issuer to repurchase their equity investments upon the occurrence of specific triggering events. Since the issuer cannot avoid the occurrence of such events, this repurchase obligation meets the definition of a financial liability. The Group recorded the liability at the present value of the repurchase price discounted at the same term loan interest rate, which was included in redemption liabilities and reserves, amounting to RMB838,225,000 (Note 36).

- (b) In June 2024, the Group made a capital injection of RMB20 million to its subsidiary Jingle Electronic. At the same time, the non-controlling shareholders of Jingle Electronic exercised part of their put options, and the Group fulfilled its purchase obligation to repurchase the non-controlling interests. The total amount added to reserves due to the capital increase and the fulfillment of the purchase obligation for repurchasing the non-controlling interests for the year was RMB17,714,000. In September 2025, the non-controlling shareholders of Jingle Electronic exercised part of their put options, and the Group fulfilled its purchase obligation to repurchase the non-controlling interests. The total amount added to reserves due to the fulfillment of the purchase obligation for repurchasing the non-controlling interests for the year was RMB16,132,000.

31. PROVISION

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current Warranties	82,983	80,490	121,462	155,350
Current Warranties	54,782	30,881	68,761	72,679

The Group provides warranties for after-sales maintenance to customers that the Group will repair products for free for malfunctions and quality issues caused by events other than accidents within 24 and 36 months from products sold. The amount of provisions for product warranties is estimated based on the sales volume and industry experience of the level of repairs and returns. The estimation is reviewed on an ongoing basis and is revised when appropriate.

32. TRADE AND NOTE PAYABLES

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Trade and note payables				
– Trade payables	1,856,962	2,990,891	7,329,829	10,421,585
– Note payables	306,521	516,932	470,581	498,442
	<u>2,163,483</u>	<u>3,507,823</u>	<u>7,800,410</u>	<u>10,920,027</u>

An aging analysis of the trade payables based on the invoice date as at the end of the reporting period was as follows:

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Up to 1 year	1,847,691	2,964,209	7,318,877	10,413,192
Over 1 year	9,271	26,682	10,952	8,393
	<u>1,856,962</u>	<u>2,990,891</u>	<u>7,329,829</u>	<u>10,421,585</u>

33. OTHER PAYABLES AND ACCRUALS

The Group

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Payables related to long-term assets.	221,855	242,252	922,823	1,377,861
Payable for stock ownership schemes (Note 38(a))	154,896	103,780	46,876	–
Payables for professional services . .	26,844	3,584	18,890	19,680
Salaries and welfare payables	187,247	282,081	363,795	409,271
Other taxes payable	45,789	17,327	32,691	99,730
Amounts due to a third party (a) . .	729,518	–	–	–
Others	31,619	33,573	43,661	51,741
	<u>1,397,768</u>	<u>682,597</u>	<u>1,428,736</u>	<u>1,958,283</u>
Less: non-current portion				
– Others	–	–	(332)	(332)
	<u>1,397,768</u>	<u>682,597</u>	<u>1,428,404</u>	<u>1,957,951</u>

- (a) TeraHop Pte. Ltd., a subsidiary of the Group, entered into a one-year loan agreement with CDH Global Paper Limited and others (hereinafter referred to as “the Lender”) in January 2023 with a fixed interest rate of 4% per annum. TeraHop Pte. Ltd. borrowed an amount of USD103,000,000 (equivalent to RMB729,518,000) from the Lender. The loan was secured by trade receivables amounting to USD136,073,882 (equivalent to RMB963,770,000) and equipment valued at USD7,881,455 (equivalent to RMB55,822,000).

In January 2024, the Lender entered into share subscription agreements with TeraHop Pte. Ltd. to subscribe certain equity interests for a total consideration of USD93,000,000 (equivalent to RMB660,635,000). The difference between the consideration and the outstanding loan principal amount of USD10,000,000 (equivalent to RMB71,141,000) was fully settled in cash.

The carrying amounts of other payables and accruals of the Group are denominated in the following currencies:

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
RMB	516,597	530,895	853,697	1,453,783
USD	872,864	138,555	568,473	484,235
Others	8,307	13,147	6,566	20,265
	<u>1,397,768</u>	<u>682,597</u>	<u>1,428,736</u>	<u>1,958,283</u>

The Company

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Amounts due to related parties	820,598	942,117	3,721,102	3,856,035
Payable for stock ownership schemes	154,896	103,780	46,876	—
Payables for professional services	—	—	13,373	15,080
Salaries and welfare payables	5,717	8,850	8,023	5,308
Other taxes payable	146	175	3,800	12,401
Others	1,438	2,271	2,423	16,270
	<u>982,795</u>	<u>1,057,193</u>	<u>3,795,597</u>	<u>3,905,094</u>

34. SHARE CAPITAL

	Number of shares	Share Capital
	('000)	RMB'000
As at January 1, 2023	800,962	800,962
Issue of shares under share schemes (a)	<u>1,864</u>	<u>1,864</u>
As at December 31, 2023 and January 1, 2024	<u>802,826</u>	<u>802,826</u>
Issue of shares under share schemes (b)	2,712	2,712
Stock dividend (c)	<u>315,629</u>	<u>315,629</u>
As at December 31, 2024	<u>1,121,167</u>	<u>1,121,167</u>
Issue of shares under share schemes (d)	6,417	6,417
Cancellation of shares (Note 35(a))	<u>(16,466)</u>	<u>(16,466)</u>
As at December 31, 2025 and March 31, 2026	<u>1,111,118</u>	<u>1,111,118</u>

- (a) In May 2023, the vesting conditions for the second vesting period of the initial grant of the Second Restricted Shares Incentive Scheme and second grant had been met. Accordingly, it was agreed to grant vesting to 122 incentive recipients for 1,614,000 stock options and to 19 incentive recipients for 250,000 stock options, with vesting prices of RMB25.139 per share and RMB25.999 per share, respectively.

Totalling 1,864,000 shares exercised, with the incentive recipients contributing a monetary amount of RMB47,085,000. This exercise results in an increase in the Company's share capital by RMB1,864,000 and an increase in reserves by RMB45,221,000.

- (b) In May 2024, the vesting conditions for the third vesting period of the initial grant and the second vesting period of the second grant of the Second Restricted Shares Incentive Scheme had been met. Accordingly, it was agreed to grant vesting to 119 incentive recipients for 2,362,000 stock options and to 19 incentive recipients for 350,000 stock options, with vesting prices of RMB24.939 per share and RMB25.799 per share, respectively.

Totalling 2,712,000 shares were exercised, with the incentive recipients contributing a monetary amount of RMB67,924,000. This exercise results in an increase in the Company's share capital by RMB2,712,000 and an increase in reserves by RMB65,212,000.

- (c) According to the 2023 profit distribution plan, the Company distributes 4 additional shares for every 10 shares held by all shareholders, based on 789,072,000 shares, which is the total share capital deducts treasury shares, resulting in a total increase of RMB315,629,000 in share capital and a total decrease of RMB315,629,000 in reserves.
- (d) In May 2025, the vesting conditions for the fourth vesting period of the initial grant and the third vesting period of the second grant of the Second Restricted Shares Incentive Scheme had been met. Accordingly, it was agreed to grant vesting to 119 incentive recipients for 3,857,770 stock options and to 19 incentive recipients for 559,440 stock options, with vesting prices of RMB17.49 per share and RMB18.11 per share, respectively.

In June 2025, the vesting conditions for the first vesting period of the initial grant of the Third Restricted Shares Incentive Scheme had been met. Accordingly, it was agreed to grant vesting to 103 incentive recipients for 2,000,600 stock options, with vesting prices of RMB37.06 per share.

Totalling 6,418,000 shares were exercised, with the incentive recipients contributing a monetary amount of RMB151,745,000. This exercise results in an increase in the Company's share capital by RMB6,417,000 and an increase in reserves by RMB145,328,000.

35. TREASURY SHARES

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
At the beginning of the year/period	782,270	620,480	569,364	569,364	46,876
Stock ownership schemes settled with treasury shares (Note 38(a))	(161,790)	—	—	—	—
Vested	—	(51,116)	(56,904)	—	(46,876)
Cancellation of shares (a)	—	—	(465,584)	(465,584)	—
At the end of the year/period	<u>620,480</u>	<u>569,364</u>	<u>46,876</u>	<u>103,780</u>	<u>—</u>

As at December 31, 2023, 2024 and 2025 and March 31, 2026, treasury shares mainly comprised treasury shares used for stock ownership schemes that have not met vesting condition.

- (a) Pursuant to the resolutions of shareholder's meeting on February 21, 2025, the use of 16,466,000 repurchased shares has been changed from used for stock ownership schemes to cancel and reduce the Company's share capital. On March 5, 2025, the 16,466,000 repurchased shares have been cancelled, the Company recognised a decrease of RMB16,466,000 in share capital, RMB465,584,000 in treasury shares and RMB449,118,000 in reserves.

36. RESERVES

The Group

	Share-based payments reserves	Share premium	Statutory reserves	Other reserves	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at January 1, 2023	295,894	7,635,950	73,306	28,503	8,033,653
Appropriation to statutory reserves (a)	—	—	39,557	—	39,557
Share-based payments (c)	261,048	45,221	—	—	306,269
Stock ownership schemes settled with treasury shares (Note 38(a))	—	(159,662)	—	—	(159,662)
Exchange differences on translation	—	—	—	10,174	10,174
Transactions with non-controlling interests	—	21,591	—	(42,474)	(20,883)
As at December 31, 2023	<u>556,942</u>	<u>7,543,100</u>	<u>112,863</u>	<u>(3,797)</u>	<u>8,209,108</u>

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	Share-based payments reserves	Share premium	Statutory reserves	Other reserves	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at January 1, 2024	556,942	7,543,100	112,863	(3,797)	8,209,108
Appropriation to statutory reserves (a)	–	–	61,721	–	61,721
Share-based payments (c)	351,539	65,212	–	–	416,751
Exchange differences on translation	–	–	–	13,251	13,251
Stock dividend (Note 34)	–	(315,629)	–	–	(315,629)
Transactions with non-controlling interests	–	410,857	–	–	410,857
Recognition of redemption liability (Note 30)	–	(838,225)	–	–	(838,225)
As at December 31, 2024	<u>908,481</u>	<u>6,865,315</u>	<u>174,584</u>	<u>9,454</u>	<u>7,957,834</u>
As at January 1, 2025	908,481	6,865,315	174,584	9,454	7,957,834
Appropriation to statutory reserves (a)	–	–	173,266	–	173,266
Appropriation to safety reserves (b)	–	–	–	2,276	2,276
Utilisation of safety reserves	–	–	–	(142)	(142)
Share-based payments (c)	689,106	145,328	–	–	834,434
Conversion from share-based payments reserves to share premium	(450,809)	450,809	–	–	–
Exchange differences on translation	–	–	–	(55,928)	(55,928)
Cancellation of treasury shares (Note 35(a))	–	(449,118)	–	–	(449,118)
Transactions with non-controlling interests	–	(9,939)	–	–	(9,939)
As at December 31, 2025	<u>1,146,778</u>	<u>7,002,395</u>	<u>347,850</u>	<u>(44,340)</u>	<u>8,452,683</u>
As at January 1, 2026	1,146,778	7,002,395	347,850	(44,340)	8,452,683
Appropriation to safety reserves (b)	–	–	–	478	478
Utilisation of safety reserves	–	–	–	(49)	(49)
Share-based payments (c)	279,046	–	–	–	279,046
Exchange differences on translation	–	–	–	(238,889)	(238,889)
Transactions with non- controlling interests	–	(28)	–	–	(28)
As at March 31, 2026	<u>1,425,824</u>	<u>7,002,367</u>	<u>347,850</u>	<u>(282,800)</u>	<u>8,493,241</u>
(Unaudited)					
As at January 1, 2025	908,481	6,865,315	174,584	9,454	7,957,834
Appropriation to safety reserves (b)	–	–	–	784	784
Utilisation of safety reserves	–	–	–	(82)	(82)
Share-based payments (c)	(1,190)	–	–	–	(1,190)
Exchange differences on translation	–	–	–	(1,655)	(1,655)
Cancellation of treasury shares (Note 35(a))	–	(449,118)	–	–	(449,118)
As at March 31, 2025	<u>907,291</u>	<u>6,416,197</u>	<u>174,584</u>	<u>8,501</u>	<u>7,506,573</u>

- (a) In accordance with the Company Law of the People's Republic of China and the stipulated provisions of the articles of association of subsidiaries with limited liabilities in mainland China, appropriation of net profits (after offsetting accumulated losses from prior years) should be made by these companies to their respective statutory reserves before distributions are made to the owners. The percentage of appropriation to statutory reserves is 10%. When the balance of the statutory reserves reaches 50% of the registered capital, such appropriation needs not to be made. Statutory reserves can be capitalised as capital of an enterprise, provided that the remaining statutory reserves shall not be less than 25% of the registered capital.
- (b) Pursuant to the regulations issued by the Ministry of Finance and the State Administration of Work Safety of the PRC, the Group's PRC subsidiary is required to set aside an amount to safety reserve at progressive rates from 0.05% to 2.35% of the total revenue from the sales of automotive optoelectronics sensors from 2025. The reserve can be utilised for the spending in improvements and maintenances of work safety on the Group's daily operations, which would then be considered as expenses to be charged to the profit and loss as incurred.
- (c) Share-based payments represent the increase in shareholders' equity resulted from share-based payment expenses as disclosed in Note 38(d) and new shares issued under share schemes as disclosed in Note 34.

The Company

	Share-based payments reserves	Share premium	Statutory reserves	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at January 1, 2023	258,764	7,635,950	73,306	7,968,020
Appropriation to statutory reserves (a)	—	—	39,557	39,557
Share-based payments	157,138	45,221	—	202,359
Stock ownership schemes settled with treasury shares	—	(159,662)	—	(159,662)
As at December 31, 2023	<u>415,902</u>	<u>7,521,509</u>	<u>112,863</u>	<u>8,050,274</u>
As at January 1, 2024	415,902	7,521,509	112,863	8,050,274
Appropriation to statutory reserves (a)	—	—	61,721	61,721
Share-based payments	222,617	65,212	—	287,829
Stock dividend (Note 34)	—	(315,629)	—	(315,629)
As at December 31, 2024	<u>638,519</u>	<u>7,271,092</u>	<u>174,584</u>	<u>8,084,195</u>
As at January 1, 2025	638,519	7,271,092	174,584	8,084,195
Appropriation to statutory reserves (a)	—	—	173,266	173,266
Share-based payments	267,258	145,328	—	412,586
Conversion from share-based payments reserves to share premium	(450,809)	450,809	—	—
Cancellation of treasury shares (Note 35(a))	—	(449,118)	—	(449,118)
As at December 31, 2025	<u>454,968</u>	<u>7,418,111</u>	<u>347,850</u>	<u>8,220,929</u>
As at January 1, 2026	454,968	7,418,111	347,850	8,220,929
Share-based payments	79,387	—	—	79,387
As at March 31, 2026	<u>534,355</u>	<u>7,418,111</u>	<u>347,850</u>	<u>8,300,316</u>
(Unaudited)				
As at January 1, 2025	638,519	7,271,092	174,584	8,084,195
Share-based payments	45,217	—	—	45,217
Cancellation of treasury shares (Note 35(a))	—	(449,118)	—	(449,118)
As at March 31, 2025	<u>683,736</u>	<u>6,821,974</u>	<u>174,584</u>	<u>7,680,294</u>

37. RETAINED EARNINGS

The Group

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
At the beginning of the year/period	3,892,869	5,869,568	10,624,251	10,624,251	20,248,232
Net profit	2,173,528	5,171,486	10,797,254	1,582,876	5,734,501
Appropriation to statutory reserves	(39,557)	(61,721)	(173,266)	—	—
Dividends (Note 14)	(157,272)	(355,082)	(1,000,007)	—	—
At the end of the year/period	<u>5,869,568</u>	<u>10,624,251</u>	<u>20,248,232</u>	<u>12,207,127</u>	<u>25,982,733</u>

The Company

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
At the beginning of the year/period	157,982	356,726	557,133	557,133	1,116,523
Net profit/(loss)	395,573	617,210	1,732,663	(11,792)	(29,288)
Appropriation to statutory reserves	(39,557)	(61,721)	(173,266)	—	—
Dividends (Note 14)	(157,272)	(355,082)	(1,000,007)	—	—
At the end of the year/period	<u>356,726</u>	<u>557,133</u>	<u>1,116,523</u>	<u>545,341</u>	<u>1,087,235</u>

38. SHARE-BASED PAYMENT

(a) Stock Ownership Schemes (RSUs)

Pursuant to the Third Stock Ownership Scheme approved at the shareholders' meeting on January 13, 2023, the Company granted 11,200,000 shares to incentive participants. The grant date was January 13, 2023, and the granted price was RMB14.02 per share. The vesting periods for employee shares granted are 12 months, 24 months and 36 months from the grant date. According to the Company's performance appraisal and individual performance appraisal, 33%, 33% and 34% of employee shares plan will be vested respectively.

The fair value of each RSUs on the grant date is determined by reference to the fair value of the underlying ordinary shares on the grant date.

The granted RSUs are derived from the shares repurchased from the secondary market. The average cost of the treasury shares repurchased by the Company was approximately RMB28.27 per share. The difference between the grant price and the average repurchased share price resulted in a decrease of the reserves of RMB159,662,000.

The number of RSUs granted to the Group's incentive participants under the Third Stock Ownership Scheme is summarised as follows:

	As at December 31,			As at March 31,
	2023	2024	2025	2026
Outstanding as at the beginning of the year	—	11,200,000	10,505,600	5,331,200
Granted	11,200,000	—	—	—
Vested	—	(3,696,000)	(5,174,400)	(5,331,200)
Stock dividend	—	3,001,600	—	—
Outstanding as at the end of the year	<u>11,200,000</u>	<u>10,505,600</u>	<u>5,331,200</u>	<u>—</u>

(b) Restricted Shares Incentive Schemes (Type 2)

Restricted Shares Incentive Schemes (Type 2) represents that the Company grants incentive recipients the right to purchase shares at a predetermined price (the grant price) once the exercisable conditions are met. Incentive recipients can benefit from the upside when the share price on the exercise date exceeds the grant price, but they do not bear the downside risk of a falling share price, making it a share option in essence.

(i) The Second Restricted Shares Incentive Scheme

Pursuant to the proposal for the initial grant of restricted shares to the incentive recipients under the second phase of the restricted shares incentive schemes approved at the Board of Directors' meeting on December 14, 2020 (the "initial grant of the Second Restricted Shares Incentive Scheme"), the Company granted 8,999,000 restricted shares to 148 incentive participants. The grant date was December 15, 2020, and the granted price was RMB25.48 per share. The vesting periods for restricted shares granted are 16 months, 28 months, 40 months and 52 months from the grant date. According to the Company's performance appraisal and individual performance appraisal, 15%, 20%, 30% and 35% of restricted shares will be vested respectively.

Pursuant to the proposal for the second grant of restricted shares to the incentive recipients under the second phase of the restricted shares incentive schemes approved at the Board of Directors' meeting on February 9, 2021 (the "second grant of the Second Restricted Shares Incentive Scheme"), the Company granted 1,000,000 restricted shares to 20 incentive participants. The grant date was February 10, 2021, and the granted price was RMB26.34 per share. The vesting periods for restricted shares granted are 16 months, 28 months and 40 months from the grant date. According to the Company's performance appraisal and individual performance appraisal, 25%, 35% and 40% of restricted shares will be vested respectively.

(ii) The Third Restricted Shares Incentive Scheme

Pursuant to the proposal regarding the draft and summary of the Company's Third Restricted Shares Incentive Plan (the "Third Restricted Shares Incentive Scheme") among other related proposals approved on Board of Directors' meeting on November 23, 2023, the proposals to adjust the list of incentive recipients and the number of granted shares under the Third Restricted Shares Incentive Scheme, as well as the proposal for the initial grant of restricted shares to the incentive recipients under the Third Restricted Shares Incentive Scheme on November 23, 2023, the Company granted 7,186,000.00 restricted shares to 107 incentive participants. The grant date was November 24, 2023, and the granted price was RMB52.33 per share. The vesting periods for the restricted shares granted in the initial grant of the Third Restricted Shares Incentive Scheme are 12 months, 24 months, 36 months and 48 months from the grant date. According to the Company's performance appraisal and individual performance appraisal, 20%, 25%, 25% and 30% of restricted shares will be vested respectively.

Pursuant to the proposal for the second grant of restricted shares to the incentive recipients under the third phase of the restricted shares incentive schemes approved at the Board of Directors' meeting on November 7, 2024 (the "second grant of the Third Restricted Shares Incentive Scheme"), the Company granted 1,120,000 restricted shares to 75 incentive participants. The grant date was November 7, 2024, and the granted price was RMB37.06 per share. The vesting periods for restricted shares granted are 18 months, 30 months and 42 months from the grant date. According to the Company's performance appraisal and individual performance appraisal, 30%, 30%, and 40% of restricted shares will be vested respectively.

(iii) The Fourth Restricted Shares Incentive Scheme

Pursuant to the proposal regarding the draft and summary of the Company's Fourth Restricted Shares Incentive Plan (the "Fourth Restricted Shares Incentive Scheme") approved on Board of Directors' meeting on April 28, 2025, the Company granted 8,880,000 restricted shares to 752 incentive participants. The grant date was April 29, 2025, and the granted price was RMB54.00 per share. The vesting periods for the restricted shares granted in the initial grant of the Fourth Restricted Shares Incentive Scheme are 12 months, 24 months, 36 months and 48 months from the grant date. According to the Company's performance appraisal and individual performance appraisal, 15%, 25%, 30% and 30% of restricted shares will be vested respectively.

Pursuant to the proposal for the second grant of restricted shares to the incentive recipients under the fourth restricted shares incentive scheme approved at the Board of Directors' meeting on March 12, 2026 (the "second grant of the Fourth Restricted Shares Incentive Scheme"), the Company granted 1,100,000 restricted shares to 62 incentive participants. The grant date was March 12, 2026, and the granted price was RMB53.10 per share. The vesting periods for the restricted shares granted in the second grant of the Fourth Restricted Shares Incentive Scheme are 18 months, 30 months and 42 months from the grant date. According to the Company's performance appraisal and individual performance appraisal, 30%, 30%, and 40% of restricted shares will be vested respectively.

Based on fair value of the underlying ordinary shares of the Company, the Group has used Black-Scholes Model to determine the fair value of the share option as at the grant date. Key assumptions are set as below:

The Second Restricted Shares Incentive Scheme		
	Initial grant	Second grant
Share price	RMB54.24	RMB50.46
Expected volatility	43.90%-46.80%	41.60%-47.00%
Expected option life	1.3-4.3 years	1.3-3.3 years
Dividend yield	0.34%	0.34%
Risk-free interest rate	2.83%-3.05%	2.71%-2.91%
Fair value at grant date	RMB32.62	RMB27.44

The Third Restricted Shares Incentive Scheme		
	Initial grant	Second grant
Share price	RMB94.40	RMB145.08
Expected volatility	50.70%-60.65%	57.66%-71.63%
Expected option life	1-4.5 years	1.5-3.56 years
Dividend yield	0.35%	0.38%
Risk-free interest rate	2.38%-2.56%	1.41%-1.55%
Fair value at grant date	RMB53.13	RMB110.52

The Fourth Restricted Shares Incentive Scheme		
	Initial grant	Second grant
Share price	RMB83.09	RMB534.80
Expected volatility	58.61%-70.87%	67.63%-72.81%
Expected option life	1.09-4.09 years	1.51-3.51 years
Dividend yield	0.36%	0.37%
Risk-free interest rate	1.48%-1.50%	1.31%-1.42%
Fair value at grant date	RMB44.26	RMB479.63

The number of shares granted to the Group's incentive participants under the Restricted Shares Incentive Schemes is summarised as follows:

	As at December 31,			As at March 31,
	2023	2024	2025	2026
Outstanding as at the beginning of the year/period	8,383,100	13,213,900	15,597,610	18,014,720
Granted	7,186,000	1,120,000	8,880,000	1,100,000
Vested	(1,864,450)	(2,711,550)	(6,417,810)	—
Lapsed	(490,750)	(171,400)	(45,080)	—
Stock dividend	—	4,146,660	—	—
Outstanding as at the end of the year/period	<u>13,213,900</u>	<u>15,597,610</u>	<u>18,014,720</u>	<u>19,114,720</u>

(c) **Management warrant**

INFIEVO Holding Pte. Ltd. a management equity platform of TeraHop Pte, was granted a warrant, upon exercise of which it shall have the right to purchase 6,712,155 shares of TeraHop Pte, representing approximately 4.90% of the issued share capital of TeraHop Pte. The grant date was January 13, 2026, and the granted price was USD31.26 (equivalent to RMB225.45) per share. Such warrant was vested immediately. The total expenses recognised in the consolidated statement of comprehensive income in connection with warrant described above is USD31,678,000 (equivalent to RMB220,469,000).

(d) **Share-based compensation expenses**

The expense arising from all of the Group's stock ownership schemes, restricted shares incentive scheme and management warrant for the years ended December 31, 2023, 2024 and 2025 and for the three months ended March 31, 2025 and 2026 were RMB157,138,000, RMB222,617,000, RMB268,589,000, RMB45,217,000 and RMB299,075,000, respectively, of which the portion attributable to the owners of the Company were RMB152,696,000, RMB215,537,000, RMB249,780,000, RMB41,777,000 and RMB218,346,000, respectively, as disclosed in Note 10.

When the conditions for exercising the share incentive schemes are met, the amount that can be deducted before tax exceeds the costs and expenses recognised in profit or loss. The tax difference affects income tax by RMB7,846,000, RMB68,454,000, RMB70,362,000, nil and nil, respectively. Such tax difference increases the reserves accordingly.

The amount expected to be deductible before tax in future periods exceeds the costs and expenses related to share-based compensation expenses recognised in profit or loss, and the tax impact on the excess amount increases the reserves by RMB100,506,000, RMB67,548,000, RMB368,964,000, RMB(42,967,000) and RMB60,700,000, respectively.

An accumulated amount of RMB606,697,000, RMB829,314,000, RMB1,097,903,000, RMB874,530,000 and RMB1,396,978,000, respectively, for the years ended December 31, 2023, 2024 and 2025 and for the three months ended March 31, 2025 and 2026 has been recognised as share-based payments reserves regarding all of the Group's stock ownership schemes, restricted shares incentive scheme and management warrant.

39. NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Reconciliation of profit before income tax to net cash generated from operations:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Profit before income tax	2,492,462	6,052,438	13,599,624	1,989,783	7,535,802
Adjustments for:					
– Depreciation of property, plant and equipment (Note 16)	431,160	605,135	824,126	183,011	248,889
– Depreciation of right-of-use assets (Note 17)	12,884	13,752	29,696	6,363	10,282
– Amortisation of intangible assets (Note 18)	81,451	94,326	80,387	29,593	17,625
– Impairment of goodwill (Note 9)	48,114	–	–	–	–
– Impairment of inventory (Note 9)	101,016	78,580	120,895	26,711	5,341
– Impairment of financial assets (Note 6)	8,710	18,909	15,423	(7,699)	7,537
– Impairment of property, plant and equipment (Note 16)	–	–	5,000	–	–
– Share-based payment expense (Note 10)	157,138	222,617	268,589	45,217	299,075
– Other income (Note 7)	(5,581)	(4,887)	(38,056)	(2,240)	(12,218)
– Share of (profit)/losses of associates, net (Note 12)	(294,238)	45,685	(324,095)	(19,142)	(19,123)
– Net fair value (gains)/losses on financial assets at FVTPL (Note 8)	(19,866)	(75,063)	(14,921)	(23)	–
– Net losses on disposal of property, plant and equipment and other assets (Note 8)	7,103	9,224	12,004	3,127	373
– Other (gains)/losses – net (Note 8)	–	–	(15,440)	–	4,343
– Finance income – net (Note 11)	(42,789)	(16,283)	(146,558)	(15,471)	(61,581)
– Net foreign exchange (gains)/losses	(13,263)	15,378	108,190	(22,789)	106,243
	2,964,301	7,059,811	14,524,864	2,216,441	8,142,588

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	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Changes in working capital:					
– Inventories	(375,747)	(2,835,240)	(5,810,932)	(794,020)	(2,996,711)
– Trade and notes receivables at amortised cost	(1,122,265)	(1,784,795)	(1,688,130)	(235,727)	(3,305,853)
– Trade and notes receivables at FVOCI	19,007	(6,413)	(39,309)	(32,063)	(45,455)
– Prepayments, other receivables and other assets	(18,040)	(26,029)	(36,032)	460,361	(1,552,500)
– Trade and note payables	637,915	1,341,944	4,292,587	780,476	3,119,617
– Other payables and accruals	(133,752)	(112,642)	182,916	(62,565)	121,014
– Contract liabilities	(21,017)	7,390	16,330	4,563	19,266
– Deferred income	(25,276)	(25,558)	(26,238)	(6,495)	(9,183)
– Provisions	17,295	(26,394)	78,851	7,669	37,806
– Restricted cash	(49,014)	17,363	22,929	(7,933)	11,645
Cash generated from operations	<u>1,893,407</u>	<u>3,609,437</u>	<u>11,517,836</u>	<u>2,330,707</u>	<u>3,542,234</u>

(b) Non-cash activities

In addition to those disclosed in Note 33 and 34, the Group has the following non-cash activities:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Payment of purchase by note receivables at amortised cost	89,001	83,160	68,514	25,979	9,164
Payment of purchase by note receivables at fair value through other comprehensive income	72,300	75,338	54,360	7,279	2,422
Addition of right-of-use assets	28,890	17,498	99,248	17,363	22,817
Renewal of bank loan upon maturity	–	29,800	73,000	17,000	–

(c) Net debt reconciliation

Liabilities from financing activities				
Lease liabilities	Borrowings	Redemption liabilities	Amounts due to a third party	Total
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Net debt as at January 1, 2023	10,344	1,913,464	–	1,923,808
Cash inflows	–	805,164	717,766	1,522,930
Cash outflows – principal	(13,937)	(1,903,434)	(143,500)	(2,060,871)
Cash outflows – interest	(909)	(49,316)	–	(50,225)
Business combination	2,962	15,000	143,500	161,462
Recognition of redemption liabilities	–	–	42,474	42,474
Interest expense accrued	909	49,316	8,325	63,009
Other non-cash movement	28,890	2,396	–	31,286
Currency translation differences	146	15,479	3,427	19,052
Net debt as at December 31, 2023	<u>28,405</u>	<u>848,069</u>	<u>729,518</u>	<u>1,652,925</u>

	Liabilities from financing activities				
	Lease liabilities	Borrowings	Redemption liabilities	Amounts due to a third party	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Net debt as at January 1, 2024	28,405	848,069	46,933	729,518	1,652,925
Cash inflows	–	2,603,856	–	–	2,603,856
Cash outflows – principal . . .	(10,264)	(847,550)	(25,667)	(71,141)	(954,622)
Cash outflows – interest	(3,774)	(43,716)	–	–	(47,490)
Other non-cash movement (Note 33)	17,498	–	–	(660,635)	(643,137)
Recognition of redemption liabilities	–	–	838,225	–	838,225
Interest expense accrued	3,774	49,779	29,139	–	82,692
Currency translation differences	–	596	13,119	2,258	15,973
Net debt as at December 31, 2024	<u>35,639</u>	<u>2,611,034</u>	<u>901,749</u>	<u>–</u>	<u>3,548,422</u>
Net debt as at January 1, 2025	35,639	2,611,034	901,749	–	3,548,422
Cash inflows	–	941,218	–	–	941,218
Cash outflows – principal	(15,157)	(2,054,881)	(25,667)	–	(2,095,705)
Cash outflows – interest	(3,817)	(62,765)	–	–	(66,582)
Other non-cash movement (Note 33)	99,248	–	–	–	99,248
Interest expense accrued	3,817	58,776	40,604	–	103,197
Currency translation differences	(10,094)	(1,456)	(16,494)	–	(28,044)
Net debt as at December 31, 2025	<u>109,636</u>	<u>1,491,926</u>	<u>900,192</u>	<u>–</u>	<u>2,501,754</u>
Net debt as at January 1, 2026	109,636	1,491,926	900,192	–	2,501,754
Cash inflows	–	167,767	–	–	167,767
Cash outflows – principal	(8,176)	(137,890)	–	–	(146,066)
Cash outflows – interest	(810)	(9,613)	–	–	(10,423)
Other non-cash movement (Note 33)	22,817	–	–	–	22,817
Interest expense accrued	810	10,120	10,181	–	21,111
Currency translation differences	(1,353)	(623)	(14,069)	–	(16,045)
Net debt as at March 31, 2026	<u>122,924</u>	<u>1,521,687</u>	<u>896,304</u>	<u>–</u>	<u>2,540,915</u>
<i>(Unaudited)</i>					
Net debt as at January 1, 2025	35,639	2,611,034	901,749	–	3,548,422
Cash inflows	–	156,531	–	–	156,531
Cash outflows – principal	(3,881)	(84,175)	–	–	(88,056)
Cash outflows – interest	(377)	(13,819)	–	–	(14,196)
Other non-cash movement (Note 33)	17,363	–	–	–	17,363
Interest expense accrued	377	16,618	10,032	–	26,273
Currency translation differences	(1,688)	(3,618)	(1,248)	–	(6,554)
Net debt as at March 31, 2025	<u>47,433</u>	<u>2,682,571</u>	<u>910,533</u>	<u>–</u>	<u>3,639,783</u>

40. RELATED PARTY TRANSACTIONS**(a) Parent entities**

Name	Type	Place of incorporation	Ownership interest			
			As at December 31,			As at March 31,
			2023	2024	2025	2026
Shandong Zhongji Investment Holding Co., Ltd.	Ultimate parent entity	Shandong	11.29%	11.32%	10.99%	10.93%

The Company's ultimate holding company is Shandong Zhongji Investment Holding Co., Ltd., and the ultimate controlling person is Mr. Wang Weixiu.

(b) Names and relationships with related parties

Related parties are those parties that have the ability to control, jointly control or exercise significant influence over the other party in holding power over the investee; exposure or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns. Parties are also considered to be related if they are subject to common control or joint control. Related parties maybe individuals or other entities.

The directors of the Company are of the view that the following parties were significant related parties of the Group that had transactions or balances with the Group for the years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2025 and 2026:

Name of related parties	Relationship with the Group
Shandong Zhongji Investment Holding Co., Ltd. . .	Ultimate parent entity
Shandong Zhongji Intelligent Equipment Co., Ltd. ("Zhongji Intelligent")	Controlled by the Company's ultimate controlling shareholder
Toptrans (Suzhou) Corporation Limited ("Toptrans Suzhou")	Associate of the Group
Company B (i)	Associate of the Group
Company C (ii)	Associate of the Group
Hechuang Digital Technology	Associate of the Group

- (i) As of July 1, 2025, following the renegotiations between the Group and other partnership entities, the Group bears the majority of the variability of variable returns from its involvement with Company A, and thus the Group obtained control over Company A, whose principal activity is investment management and which had previously been an associate of the Group. The fair value of the net assets acquired was RMB901,091,000 at the acquisition date, which is also the carrying value and fair value of previously held equity interest at the acquisition date.

Company B, one of the investments of Company A, thus become an associate of the Group. The Group has determined that it has significant influence over this entity, even though it holds less than 20% of the voting rights after considering all the relevant facts and circumstances, including but not limited to: (i) there are material transaction between the Group and Company B, and (ii) the Group is the largest shareholder of the entity which shares are free for circulation.

- (ii) Company C is a private company providing optical products, headquartered in Cayman Island.

The following transactions and balances were carried out between the Group and its related parties during the Track Record Period. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties. In addition to those disclosed elsewhere in the Historical Financial Information, the Group has the following significant transactions with related parties:

(c) Significant transactions with related parties

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Sales of goods or services					
Associates of the Group	4,613	6,698	3,103,682	562,382	719,009
Purchases of goods or services					
Associates of the Group	4,236	456	234,926	—*	221,150
Entities controlled by the Company's ultimate controlling shareholder	600	600	600	—	—
	4,836	1,056	235,526	—	221,150
Sales of non-current assets (non-trade)					
Associates of the Group	—	—	5,590	—	53,254

* The amounts disclosed herein represent the transactions that occurred only after the associate became a related party.

(d) Balance with related parties

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Trade and note receivables at amortised cost				
Associates of the Group	3,000	3,773	336,890	408,111
Trade and note payables				
Associates of the Group	552	—	132,649	250,383
Other receivables (non-trade)				
Associates of the Group	3,881	—	5,505	57,424

Trade and note receivables, trade and note payables are trade in nature. Other receivables are non-trade in nature and have been subsequently settled prior to listing.

(e) Key management compensation

Compensation of the key management personnel of the Group, including amounts paid to the Company's executive directors as disclosed in Note 10, was as follows:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Wages and salaries	6,276	5,450	5,872	1,435	1,565
Discretionary bonuses	3,265	2,752	3,284	225	546
Share-based payment expenses (Note 10)	4,489	17,050	12,920	3,229	1,886
Pension costs – defined contribution plans	226	183	187	47	53
Other social security costs, housing benefits and other employee benefits	600	656	776	142	152
	14,856	26,091	23,039	5,078	4,202

41. COMMITMENTS**(a) Capital Commitments**

Significant capital expenditure contracted for at December 31, 2023, 2024 and 2025 and March 31, 2026 but not recognised as liabilities is as follows:

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Property, plant and equipment	493,963	930,917	2,883,385	5,625,623
Intangible assets	1,228	7,817	41,267	89,195
	<u>495,191</u>	<u>938,734</u>	<u>2,924,652</u>	<u>5,714,818</u>

(b) Other Commitments

On November 21, 2025 and in March 2026, TeraHop Pte conducted its 2025 financing and 2026 financing, respectively. The Company's wholly-owned subsidiary, Vincrest Pte, together with other third-party investors, will collectively invest USD623 million to subscribe for 18,817,176 ordinary shares of the Company's controlled subsidiary, TeraHop Pte. Ltd. Upon completion of the financings, TeraHop Pte will be held as to approximately 66.35% by the Group. These third-party investors' capital contribution amounted to USD234 million will be granted certain preferential rights to require TeraHop Pte to repurchase their equity investments upon the occurrence of specific triggering events. Since TeraHop Pte cannot avoid the occurrence of such events, this repurchase obligation meets the definition of a financial liability. The Group will record the liability at the present value of the repurchase price discounted at the same term loan interest rate, which will be included in redemption liabilities and reserves upon completion of the financings. As of March 31, 2026, neither Vincrest Pte nor the other investors have made the aforementioned payments to TeraHop Pte.

On April 21, 2026, TeraHop Pte received partial capital contributions amounting to USD91,893,000 from the investors and recognised the corresponding financial liability for the repurchase obligation in accordance with the arrangements described above.

42. CONTINGENCIES

As at December 31, 2023, 2024 and 2025 and March 31, 2026, there were no significant contingency items for the Group and the Company.

43. SUBSEQUENT EVENTS

The final dividends of RMB10 per 10 shares (tax inclusive) in respect of the year ended December 31, 2025 were approved in 2025 Annual General Meeting of the Group on April 20, 2026. The final dividends were paid on April 30, 2026.

Between March 27, 2026 and April 10, 2026, a total of 2,482,200 share options were exercised by employees at an exercise price of RMB36.16 per share, resulting in the issuance of 2,482,200 new ordinary shares and with total proceeds of approximately RMB89.8 million.

Between May 8, 2026 and May 19, 2026, a total of 1,309,657 share options were exercised by employees at an exercise price of RMB52.10 per share, resulting in the issuance of 1,309,657 new ordinary shares and with total proceeds of approximately RMB68.2 million.

Between May 8, 2026 and May 22, 2026, a total of 324,450 share options were exercised by employees at an exercise price of RMB35.16 per share, resulting in the issuance of 324,450 new ordinary shares and with total proceeds of approximately RMB11.4 million.

The issuances of new ordinary shares under the share options are not reflected in the Group's consolidated financial statements for the three months ended March 31, 2026.

44. SUBSIDIARIES

As at the date of this report and during the Track Record Period, the Company's principal subsidiaries are as follows:

Name	Place of Incorporation and Operation	Principal activities	Paid-in capital/registered capital ('000)				Percentage of attributable equity interest to the Company			
			As at December 31,				As at December 31,			
			2023	2024	2025	2026	2023	2024	2025	2026
Directly control										
InnoLight Technology (Suzhou) Co., Ltd. ("Suzhou InnoLight") 蘇州旭創科技有限公司 (Note a)	Chinese Mainland	Design, research and development, and production	RMB2,834,600/ RMB2,834,600	RMB2,834,600/ RMB2,834,600	RMB2,834,600/ RMB2,834,600	RMB2,834,600/ RMB2,834,600	100.00%	100.00%	100.00%	100.00%
Jiangsu ReinOCS Technologies Group Co., Ltd. ("Jiangsu ReinOCS") 江蘇智馳致遠控股有限公司 (Note b)	Chinese Mainland	Investment, management and services	RMB10,000/ RMB10,000	RMB10,000/ RMB10,000	RMB10,000/ RMB10,000	RMB10,000/ RMB10,000	100.00%	100.00%	100.00%	100.00%
Pioseed Technology (Chengdu) Co., Ltd ("Pioseed Chengdu") 成都智禾光通科技有限公司 (Note a)	Chinese Mainland	Design, research and development, and production	RMB15,000/ RMB15,000	RMB150,000/ RMB150,000	RMB150,000/ RMB150,000	RMB150,000/ RMB150,000	100.00%	100.00%	100.00%	100.00%
TeraHop Technology (Suzhou) Co., Ltd ("TeraHop Suzhou") 蘇州智達泰羅科技有限公司 (Note b)	Chinese Mainland	Investment, management and services	N/A	RMB2,000/ RMB571,600	RMB571,600/ RMB571,600	RMB571,600/ RMB571,600	N/A	100.00%	100.00%	100.00%
Chengdu Tsuhan Technology Co., Ltd. ("Chengdu Tsuhan") 成都儲翰科技股份有限公司 (Note a)	Chinese Mainland	Design, research and development, and production	RMB103,000/ RMB103,000	RMB103,000/ RMB103,000	RMB103,000/ RMB103,000	RMB103,000/ RMB103,000	67.19%	67.19%	99.74%	99.84%
Zhongji InnoLight (Shanghai) Investment Co., Ltd. ("InnoLight Investment") 中際旭創(上海)投資有限公司 (Note b)	Chinese Mainland	Investment	N/A	N/A	RMB300,000/ RMB300,000	RMB300,000/ RMB300,000	N/A	N/A	100.00%	100.00%
TeraCule Technology (Guangdong) Co., Ltd. ("TeraCule Guangdong") 廣東深潔度智冷科技有限公司 (Note a)	Chinese Mainland	Design, research and development, and production	N/A	N/A	RMB30,000/ RMB100,000	RMB100,000/ RMB100,000	N/A	N/A	51.00%	51.00%
Zhongji InnoLight HK Limited. ("InnoLight HK") (Note c)	Hong Kong	Investment, trade and services	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.00%
Indirect control										
TeraHop Pte. Ltd. (Note a)	Singapore	Investment, trade and services	USD110,000/ USD110,000	USD228,000/ USD228,000	USD228,000/ USD228,000	USD228,000/ USD228,000	80.00%	67.71%	67.71%	66.31%
TeraHop (Thailand) Co., Ltd. ("TeraHop Thailand") (Note a)	Thailand	Design, research and development, and production	THB4,994,838/ THB4,994,838	THB6,350,434/ THB10,331,830	THB6,350,434/ THB10,331,830	THB6,350,434/ THB10,331,830	80.00%	67.71%	67.71%	66.31%
TeraHop US, Inc. ("TeraHop US") (Note b)	United States	Investment, trade and services	USD8,300/ USD8,300	USD8,300/ USD8,300	USD8,300/ USD8,300	USD8,300/ USD8,300	80.00%	67.71%	67.71%	66.31%

Name	Place of Incorporation and Operation	Principal activities	Paid-in capital/registered capital ('000)				Percentage of attributable equity interest to the Company			
			As at December 31,		As at March 31,		As at December 31,		As at March 31,	
			2023	2024	2025	2026	2023	2024	2025	2026
Vertexvest Holding Pte. Ltd. ("Vertexvest") (Note a)	Singapore	Investment, trade and services	USD1,000/ USD1,000	USD1,000/ USD1,000	USD1,000/ USD1,000	USD1,000/ USD1,000	100.00%	100.00%	100.00%	100.00%
Cynor Holding Ltd. ("Cynor") (Note b)	Cayman	Investment, trade and services	USD3,650/ USD3,650	USD3,650/ USD3,650	USD3,650/ USD3,650	USD3,650/ USD3,650	100.00%	100.00%	100.00%	100.00%
Pioseed HK Ltd. ("Pioseed HK") (Note c)	Hong Kong	Investment, trade and services	USD1/USD1	USD1/USD1	USD1/USD1	USD1/USD1	100.00%	100.00%	100.00%	100.00%
InnoLight Technology (Tongling) Co., Ltd ("Tongling InnoLight") 銅陵旭創科技有限公司 (Note a)	Chinese Mainland	Design, research and development, and production	RMB1,182,894/ RMB1,185,397	RMB1,185,397/ RMB1,185,397	RMB1,185,397/ RMB1,185,397	RMB1,185,397/ RMB1,185,397	100.00%	100.00%	100.00%	100.00%
Tongling Lixing Integrated Services Co., Ltd. ("Tongling Lixing") 銅陵聯行綜合服務有限公司 (Note a)	Chinese Mainland	Services	RMB100/ RMB100	RMB100/ RMB100	RMB100/ RMB100	RMB100/ RMB100	100.00%	100.00%	100.00%	100.00%
Suzhou InnoLight Technology Optoelectronics Park ("Optoelectronic Park") 蘇州旭創光電產業園發展有限公司 (Note a)	Chinese Mainland	Project management and rental	RMB302,164/ RMB517,650	RMB302,164/ RMB517,650	RMB302,164/ RMB517,650	RMB302,164/ RMB517,650	100.00%	100.00%	100.00%	100.00%
InnoLight Technology (Hainan) Co., Ltd ("InnoLight Hainan") 海南旭創光通科技有限公司 (Note b)	Chinese Mainland	Management and technical services	RMB5,000/ RMB5,000	RMB5,000/ RMB5,000	RMB5,000/ RMB5,000	RMB5,000/ RMB5,000	100.00%	100.00%	100.00%	100.00%
Wuxi Qiyun Enterprise Management Co., Ltd. ("Wuxi Qiyun") 無錫鵬雲企業管理有限公司 (Note b)	Chinese Mainland	Management and technical services	RMB2,000/ RMB30,000	RMB5,000/ RMB30,000	RMB12,000/ RMB30,000	RMB12,000/ RMB30,000	100.00%	100.00%	100.00%	100.00%
Windsurf Technology (Wuxi) Co., Ltd ("Windsurf Wuxi") 無錫馭風智研科技有限公司 (Note a)	Chinese Mainland	Design, research and development, and production	RMB1,990/ RMB30,000	RMB4,990/ RMB30,000	RMB11,990/ RMB30,000	RMB11,990/ RMB30,000	100.00%	100.00%	100.00%	100.00%
Pioseed Technology (Shandong) Co., Ltd ("Pioseed Shandong") 山東智禾通信科技有限公司 (Note b)	Chinese Mainland	Design, research and development, and production	RMB10/ RMB10	RMB10/ RMB10	RMB10/ RMB10	RMB10/ RMB10	100.00%	100.00%	100.00%	100.00%
Pimcore Technology (Suzhou) Co., Ltd ("Pimcore Suzhou") 蘇州洋砂科技有限公司 (Note a)	Chinese Mainland	Design, research and development, and production	RMB20,000/ RMB30,000	RMB20,000/ RMB30,000	RMB30,000/ RMB30,000	RMB30,000/ RMB30,000	66.67%	66.67%	66.67%	66.67%
Chongqing Jingle Electronic Co., Ltd. ("Jingle Electronic") 重慶君歌電子科技有限公司 (Note a)	Chinese Mainland	Design, research and development, and production	RMB80,067/ RMB80,067	RMB82,924/ RMB82,924	RMB82,924/ RMB82,924	RMB82,924/ RMB82,924	62.45%	68.16%	72.59%	72.59%

Name	Place of Incorporation and Operation	Principal activities	Paid-in capital/registered capital ('000)			Percentage of attributable equity interest to the Company				
			As at December 31,		As at March 31,	As at December 31,		As at March 31,	As of report date	
			2023	2024		2023	2024	2025	2026	
ReinOCS AutoPhotonics (Suzhou) Co., Ltd. ("ReinOCS Suzhou") 蘇州智馳領航科技有限公司 (Note b)	Chinese Mainland	Investment, trade and services	N/A	RMB5,000/ RMB5,000	RMB20,000/ RMB23,333	N/A	100.00%	75.26%	75.26%	59.76%
Jingle Electronic (Suzhou) Co., Ltd. ("Jingle Suzhou") 君歌電子科技(蘇州)有限公司 (Note b)	Chinese Mainland	Design, research and development, and production	N/A	RMB1,000/ RMB10,000	RMB2,400/ RMB10,000	N/A	68.16%	72.59%	72.59%	72.59%
Wuhu Jingle Electronic Co., Ltd. ("Wuhu Jingle") 蕪湖君歌電子科技有限公司 (Note b)	Chinese Mainland	Design, research and development, and production	N/A	RMB0/ RMB100,000	RMB3,400/ RMB100,000	N/A	68.16%	72.59%	72.59%	72.59%
Jingle Electronic Technology (Singapore) Pte. Ltd. ("Jingle Pte") (Note d)	Singapore	Design, research and development, and production	N/A	USD0/USD1	USD0/USD1	N/A, deregistered	68.16%	72.59%	N/A, deregistered	N/A, deregistered
Pioseed Technology (Suzhou) Co., Ltd. ("Pioseed Suzhou") 蘇州智禾光通科技有限公司 (Note b)	Chinese Mainland	Design, research and development, and production	N/A	RMB0/ RMB5,000	RMB10/ RMB5,000	N/A	100.00%	100.00%	100.00%	100.00%
Atomfusion Holding Ltd. ("Atomfusion") (Note b)	British Virgin Islands	Investment, trade and services	N/A	USD0/ USD6,670	USD6,670/ USD6,670	N/A	100.00%	100.00%	100.00%	100.00%
Photonmind Holding Ltd. ("Photonmind") (Note b)	Cayman	Investment, trade and services	N/A	USD0/ USD10,000	USD10,000/ USD10,000	N/A	66.70%	66.70%	66.70%	66.70%
Picmore Technology Pte. Ltd. ("Picmore Pte") (Note a)	Singapore	Design, research and development, and production	N/A	USD0/ USD0	USD0/ USD0	N/A	66.70%	66.70%	66.70%	66.70%
Picmore Technology (Thailand) Co., Ltd. ("Picmore Thailand") (Note a)	Thailand	Design, research and development, and production	N/A	N/A	THB250,073/ THB250,073	N/A	N/A	66.70%	66.70%	66.70%
TeraHop Holding Inc. ("TeraHop Holdings") (Note b)	United States	Design, research and development, and production	N/A	N/A	USD1,000/ USD1,000	N/A	N/A	67.71%	67.71%	66.31%
TeraHop Photonics Inc. ("TeraHop Photonics") (Note b)	United States	Design, research and development, and production	N/A	N/A	USD1,000/ USD1,000	N/A	N/A	67.71%	67.71%	66.31%
Avance Semi. Inc. (liquidated in 2023)	United States	Design, research and development, and production	N/A, deregistered	N/A, deregistered	N/A, deregistered	N/A, deregistered	N/A, deregistered	N/A, deregistered	N/A, deregistered	N/A, deregistered

Name	Place of Incorporation and Operation	Principal activities	Paid-in capital/registered capital ('000)				Percentage of attributable equity interest to the Company			
			As at December 31,		As at March 31,		As at December 31,		As at March 31,	
			2023	2024	2025	2026	2023	2024	2025	2026
Ningbo Chuangzeyun Investment Partnership (Limited Partnership) ("Ningbo Chuangzeyun") 寧波創澤雲投資合夥企業(有限合夥) (Note a)	Chinese Mainland	Investment	N/A	N/A	RMB141,859/ RMB141,859	RMB141,859/ RMB141,859	N/A	N/A	99.85%	99.85%
Chongqing Chejie Sensing Electronic Technology Co., Ltd. ("Chongqing Chejie") 重慶澈界感知電子科技有限公司 (Note b)	Chinese Mainland	Design and research and development, and production	N/A	N/A	RMB5,000/ RMB5,000	RMB5,000/ RMB5,000	N/A	N/A	72.59%	72.59%
Vincerest Holdings Pre. Ltd. ("Vincerest Pre.") (Note b)	Singapore	Design and research and development, and production	N/A	N/A	USD0/ USD10	USD0/ USD10	N/A	N/A	100.00%	100.00%
Lunaris Holding Company Limited ("Lunaris Holding") (Note b)	United Arab Emirates	Investment, trade and services	N/A	N/A	USD0/ USD10	USD0/ USD10	N/A	N/A	67.71%	66.31%
TeraHop SDN. BHD. (TeraHop SDN.) (Note e)	Malaysia	Design, research and development, and production	N/A	N/A	N/A	USD0/ USD10	N/A	N/A	N/A	66.31%
Tongling InnoLight Optoelectronics Technology Co., Ltd. ("Tongling Optoelectronics") 銅陵地創光通科技有限公司 (Note e)	Chinese Mainland	Design, research and development, and production	N/A	N/A	N/A	RMB10,000/ RMB200,000	N/A	N/A	N/A	100.00%
Orvanta Technologies Inc. ("Orvanta") (Note e)	United States	Investment, trade and services	N/A	N/A	N/A	USD3,000/ USD15,000	N/A	N/A	N/A	66.31%
Picmore Technology (Shanghai) Co., Ltd. ("Picmore Shanghai") 上海湃移科技有限公司 (Note e)	Chinese Mainland	Design, research and development, and production	N/A	N/A	N/A	N/A	N/A	N/A	N/A	66.67%
InnoLight Technology (Huai'an) Co., Ltd. ("Huai'an InnoLight") 淮安地創科技有限公司 (Note e)	Chinese Mainland	Design, research and development, and production	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.00%

- (a) The statutory financial statements of these companies for the years ended December 31, 2023 and 2024 were audited. The statutory financial statements of these companies for the year ended December 31, 2025 are yet to be issued. The statutory auditors of these subsidiaries are set out below:

Company name	Name of statutory auditors		
	2023	2024	2025
Suzhou InnoLight .	PricewaterhouseCoopers ZhongTian LLP	PricewaterhouseCoopers ZhongTian LLP	PricewaterhouseCoopers ZhongTian LLP
Chengdu Tsuhan . .	PricewaterhouseCoopers ZhongTian LLP	PricewaterhouseCoopers ZhongTian LLP	PricewaterhouseCoopers ZhongTian LLP
Jingle Electronic .	PricewaterhouseCoopers ZhongTian LLP	PricewaterhouseCoopers ZhongTian LLP	PricewaterhouseCoopers ZhongTian LLP
Optoelectronic Park	PricewaterhouseCoopers ZhongTian LLP	PricewaterhouseCoopers ZhongTian LLP	PricewaterhouseCoopers ZhongTian LLP
Pioseed Chengdu .	Sichuan Huaxin (Group) CPA (LLP)	Sichuan Huaxin (Group) CPA (LLP)	Sichuan Huaxin (Group) CPA (LLP)
Windsurf Wuxi . .	Suzhou Wanglong Yongding Certified Public Accountants	Suzhou Wanglong Yongding Certified Public Accountants	Suzhou Wanglong Yongding Certified Public Accountants
Picmore Suzhou . .	Suzhou Wanglong Yongding Certified Public Accountants	Suzhou Wanglong Yongding Certified Public Accountants	Suzhou Wanglong Yongding Certified Public Accountants
Tongling InnoLight	Tongling Jinjian Certified Public Accountants (General Partnership)	Tongling Jinjian Certified Public Accountants (General Partnership)	Tongling Jinjian Certified Public Accountants (General Partnership)
TeraHop Pte. Ltd. .	PricewaterhouseCoopers LLP, Singapore	PricewaterhouseCoopers LLP, Singapore	N/A (<i>Note c</i>)
TeraHop Thailand .	PricewaterhouseCoopers ABAS Ltd.	PricewaterhouseCoopers ABAS Ltd.	PricewaterhouseCoopers ABAS Ltd.
Vertexvest	TY TEOH International LLP	TY TEOH International LLP	N/A (<i>Note c</i>)
Tongling Lixing . .	Tongling Jinjian Certified Public Accountants (General Partnership)	Tongling Jinjian Certified Public Accountants (General Partnership)	Tongling Jinjian Certified Public Accountants (General Partnership)
Picmore Pte	N/A	N/A (<i>Note c</i>)	N/A (<i>Note c</i>)
Picmore Thailand	N/A	N/A	PricewaterhouseCoopers ABAS Ltd.
Ningbo Chuangzeyun . .	N/A	N/A	PricewaterhouseCoopers ZhongTian LLP
TeraCule Guangdong . . .	N/A	N/A	Suzhou Wanglong Yongding Certified Public Accountants

- (b) No audited financial statements have been issued for these companies as there is no statutory audit requirement in their place of incorporation.
- (c) The statutory financial statements for the year ended December 31, 2025 of these companies are yet to be prepared.
- (d) The company had been disposed of on January 27, 2026.
- (e) These companies were established in 2026.
- (f) The English names of the Chinese Mainland companies are direct translation or transliteration of their Chinese registered names.

Investments in subsidiaries – the Company

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Investments in subsidiaries	8,341,029	9,189,498	12,157,847	12,293,706
Less: allowance for impairment of investment in subsidiaries	(34,467)	(34,467)	(34,467)	(34,467)
	<u>8,306,562</u>	<u>9,155,031</u>	<u>12,123,380</u>	<u>12,259,239</u>

45. PARTLY OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Set out below is summarized financial information for TeraHop Pte. Ltd. and its subsidiaries since its foundation by the Group, which has non-controlling interests that are material to the Group. The amounts disclosed for TeraHop Pte. Ltd. and its subsidiaries are before inter-company eliminations.

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Current assets	1,828,210	6,568,191	19,623,865	25,722,106
Current liabilities	1,722,056	5,991,778	18,269,751	23,168,316
Current net assets	106,154	576,413	1,354,114	2,553,790
Non-current assets	1,104,694	2,250,558	3,916,470	4,672,072
Non-current liabilities	5,402	893,255	1,031,129	1,079,292
Non-current net assets	1,099,292	1,357,303	2,885,341	3,592,780
Net assets	<u>1,205,446</u>	<u>1,933,716</u>	<u>4,239,455</u>	<u>6,146,570</u>
Accumulated NCI	241,085	898,141	1,643,230	2,249,083

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Revenue	2,282,698	11,129,088	33,675,241	4,894,833	19,422,415
Profit for the year/period	273,234	688,645	2,379,926	321,766	1,748,114
Other comprehensive income . .	12,471	24,746	(80,057)	(2,857)	(77,477)
Total comprehensive income . .	<u>285,705</u>	<u>713,391</u>	<u>2,299,869</u>	<u>318,909</u>	<u>1,670,637</u>
Profit allocated to NCI	54,647	195,959	768,478	103,904	564,466
Dividends paid to NCI	–	–	–	–	–
Cash flows from operating activities	16,612	1,766,076	7,440,695	989,882	289,855
Cash flows used in investing activities	(357,874)	(1,157,507)	(2,060,152)	(471,778)	(622,701)
Cash flows from/(used in) financing activities	923,374	119,199	(12,920)	(2,465)	(24,844)
Net increase/(decrease) in cash and cash equivalents	<u>582,112</u>	<u>727,768</u>	<u>5,367,623</u>	<u>515,639</u>	<u>(357,690)</u>

46. SUMMARY OF OTHER ACCOUNTING POLICIES

46.1 Principles of consolidation and equity accounting

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 46.6).

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income and consolidated statement of changes in equity and consolidated statement of financial position respectively.

(b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (c) below), after initially being recognised at cost.

(c) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 46.7.

(d) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This might mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

46.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of the Company has appointed a strategic steering committee which assesses the financial performance and position of the Group and makes strategic decisions. The steering committee is the Group's chief operating decision maker and consists of the chief executive officer, the chief financial officer and the manager for corporate planning.

46.3 Foreign currency translation**(i) Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Since the majority of the assets and operations of the Group are located in the PRC, the Historical Financial Information are presented in RMB, which is also the Company's functional and the Group's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income on a net basis within 'other gains/(losses), net'.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at FVTPL are recognised in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at FVOCI are recognised in other comprehensive income.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position,
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

46.4 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in consolidated statements of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred income and are credited to consolidated statements of comprehensive income over the estimated useful lives of the related assets using the straight-line method.

46.5 Lease

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,

- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the Group under residual value guarantees,
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option,
- lease payments to be made under an extension option if the Group is reasonably certain to exercise the option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost, comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date, less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Entity-specific details about the Group's leasing policy are provided in Note 17.

46.6 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises:

- the fair values of the assets transferred,
- the liabilities incurred to the former owners of the acquired business,
- the equity interests issued by the Group,
- the fair value of any asset or liability resulting from a contingent consideration arrangement, and
- the fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquired entity, and the acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or as a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

46.7 Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

46.8 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

46.9 Trade receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, in which case they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance. See Note 24 for further information about the Group's accounting for trade receivables, and Note 3.1(b) for a description of the Group's impairment policies.

46.10 Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

46.11 Investments and other financial assets**(i) Classification**

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded either in profit or loss or in OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to present subsequent changes in fair value in other comprehensive income.

The Group reclassifies debt instruments only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all of the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in 'other gains/(losses), net' together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the consolidated statement of comprehensive income.
- **FVOCI:** assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'other gains/(losses), net'. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in 'other gains/(losses), net', and impairment expenses are presented as a separate line item in the consolidated statement of comprehensive income.
- **FVTPL:** assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within 'other gains/(losses), net' in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in 'other gains/(losses), net' in the consolidated statement of comprehensive income as applicable.

(iv) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 3.1(b) for further details.

46.12 Property, plant and equipment

The Group's accounting policy for property, plant and equipment is explained in Note 16. All property, plant and equipment are stated at historical costs less accumulated depreciation and accumulated impairment charges. Historical costs include expenditures that are directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the periods in which they are incurred.

The depreciation methods and periods used by the Group are disclosed in Note 16(c).

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 46.7).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the consolidated statement of comprehensive income.

Construction in progress mainly represents property, plant and equipment under construction and is stated at cost less impairment losses. It will be reclassified to the relevant property, plant and equipment category upon completion and depreciation begins when the relevant assets are available for use.

46.13 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities, unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

46.14 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are derecognised when the obligation specified in the contract is extinguished, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

46.15 Borrowings costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

46.16 Provisions

Provisions for product quality warranties are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations might be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

46.17 Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period, and they are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

(ii) Post-employment obligations

The Group operates various post-employment schemes, including defined contribution pension plans and post-employment medical plans. Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into a separate fund and will have no obligation to pay further contributions. During the reporting period, the Group's defined contribution plans mainly include basic pensions and unemployment insurance.

(iii) Housing funds, medical insurances and other social insurances

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each year. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

(iv) Share-based payments

Share-based payments can be distinguished into equity-settled share-based payments and cash-settled share-based payments. Equity-settled share-based payments are transactions of the Group settled through the payment of shares or other equity instruments in consideration for receiving services.

Equity-settled share-based payments made in exchange for services rendered by employees are measured at the fair value of equity instruments granted to employees. Instruments which are vested immediately upon the grant are charged to relevant costs or expenses at the fair value on the date of grant and the capital reserve is credited accordingly. Instruments of which vesting is conditional upon completion of services or fulfillment of performance conditions are measured by recognizing services rendered during the period in relevant costs or expenses and crediting the capital reserve accordingly at the fair value on the date of grant according to the best estimates conducted by the Group at the end of each reporting period during the vesting period. The fair value of equity instruments is determined using the Black-Scholes Option Pricing model. For details see Note 38. Share-based payment.

No expense is recognised for awards that do not ultimately vest due to non-fulfillment of non-market conditions and/or vesting conditions. For the market or non-vesting condition under the share-based payments agreement, it should be treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that other performance condition and/or vesting conditions are satisfied.

Where the terms of an equity-settled share-based payment are modified, as a minimum, services obtained are recognised as if the terms had not been modified. In addition, an expense is recognised for any modification which increases the total fair value of the instrument granted or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. Where employees or other parties are permitted to choose to fulfill non-vesting conditions but have not fulfilled during the pending period, equity-settled share-based payments are deemed cancelled. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the new awards are treated as if they were a modification of the original award.

(v) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

46.18 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

46.19 Earnings per share**(i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, by
- the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

46.20 Interest income

Interest income from financial assets at FVTPL is included in the net fair value gains/(losses) on these assets, see Note 8 above. Interest income on financial assets at amortised cost and financial assets at FVOCI calculated using the effective interest method is recognised in profit or loss as part of other income. Interest income from financial instruments is calculated by effective interest method and recognised in profit or loss for the current period. Interest income comprises premiums or discounts, or the amortization based on effective rates of other difference between the initial carrying amount and the due amount of interest-earning assets.

The effective interest method is a method of calculating the amortised cost of a financial asset or liability and the interest income or interest costs based on effective rates. The effective interest rate is the rate at which the estimated future cash flows during the period of expected duration of the financial instruments or applicable shorter period are discounted to the current carrying amount of the financial instruments. When calculating the effective interest rate, the Group estimates cash flows by considering all contractual terms of the financial instrument (e.g., early repayment options, similar options, etc.), but without considering future credit losses. The calculation includes all fees and interest paid or received that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Interest income from impaired financial assets is calculated at the interest rate that is used for discounting estimated future cash flow when measuring the impairment loss.

46.21 Dividend income

Dividend income is recognised when the right to receive dividend payment is established.

III SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of the companies now comprising the Group in respect of any period subsequent to March 31, 2026 and up to the date of this report.

The information set out in this Appendix II does not form part of the Accountant's Report from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, the reporting accountant of the Company, as set out in Appendix I to this prospectus, and is included herein for illustrative purpose only.

The unaudited pro forma financial information should be read in conjunction with the section entitled "Financial Information" in this prospectus and the Accountant's Report set out in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted net tangible assets of the Group has been prepared in accordance with Rule 4.29 of the Hong Kong Listing Rules and for illustrative purposes only, and is set out below to illustrate the effect of the Global Offering on the audited consolidated net tangible assets of the Group attributable to the owners of the Company as of March 31, 2026 as if the Global Offering had taken place on March 31, 2026.

The unaudited pro forma statement of adjusted net tangible assets of the Group has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group had the Global Offering been completed as of March 31, 2026 or any future date. It is prepared based on the audited consolidated net tangible liabilities of the Group attributable to the owners of the Company as at March 31, 2026 as derived from the Accountant's Report, set out in Appendix I to this prospectus and adjusted as described below.

	Audited Consolidated Net Tangible Assets of the Group Attributable to Owners of the Company as at March 31, 2026	Estimated Net Proceeds from the Global Offering	Unaudited Pro Forma Adjusted Net Tangible Assets Attributable to Owners of the Company as at March 31, 2026	Unaudited Pro Forma Adjusted Net Tangible Assets per Share	
	Note 1 RMB'000	Note 2 RMB'000	RMB'000	Note 3 RMB	Note 4 HK\$
Based on an Offer Price of HK\$1,010.00 per H Share .	33,377,640	47,292,491	80,670,131	69.21	79.78

Notes:

1. The unaudited consolidated net tangible assets attributable to owners of the Company as at March 31, 2026 is extracted from the historical financial information contained in the Accountant's Report set forth in Appendix I to this prospectus, which is based on the unaudited consolidated net assets of the Group attributable to owners of the Company as at March 31, 2026 of approximately RMB35,587,092,000 with an adjustment for the intangible assets attributable to owners of the Company as at March 31, 2026 of approximately RMB2,209,452,000.
2. The estimated net proceeds from the Global Offering are based on the indicative offer price of HK\$1,010.00 per H Share, after deduction of the underwriting fees and other related expenses paid/payable by the Company, excluding listing expenses of RMB4,763,000 which has been accounted for in the consolidated statements of comprehensive income up to March 31, 2026. It does not take account of any H Shares which may be issued upon the exercise of the Over-Allotment Option or any shares which may be issued under the share schemes.

3. The unaudited pro forma adjusted consolidated net tangible assets per Share is arrived at 1,111,118,334 A Shares in issue (excluding 4,116,307 A Shares issued under the share option scheme after March 31, 2026) and 54,500,000 H Shares expected to be in issue upon the completion of the Global Offering. It does not take account of any H Shares which may be issued upon the exercise of the Over-Allotment Option or any shares which may be issued under the share schemes.
4. For the purpose of this unaudited pro forma adjusted net tangible assets, the balances stated in Renminbi are converted into Hong Kong dollars at a rate of RMB0.86746 to HK\$1.00, as set out in “Information about this Prospectus and the Global Offering” to this Prospectus. No representation is made that Renminbi amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.
5. No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at March 31, 2026 to reflect any trading results or other transactions of the Group entered into subsequent to March 31, 2026. In particular, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company has not taken into account (i) payment of dividend of RMB1,111,118,000 which was approved by the Shareholders on April 20, 2026 and (ii) the exercise of share options which increase the total number of A Shares by 4,116,307 shares with total proceeds of RMB169.4 million. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share would have been HK\$78.57 per Share, assuming the indicative Offer Price of HK\$1,010.00 per H Share, if the dividend declaration and the exercise of share options had been accounted for as at March 31, 2026.

B. REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

To the Directors of Zhongji InnoLight Co., Ltd.

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Zhongji InnoLight Co., Ltd. (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at March 31, 2026 and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages II-1 to II-2 of the Company's prospectus dated July 22, 2026, in connection with the proposed initial public offering of the H shares of the Company (the "Prospectus"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages II-1 to II-2 of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed initial public offering on the Group's financial position as at March 31, 2026 as if the proposed initial public offering had taken place at March 31, 2026 respectively. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the three months ended March 31, 2026, on which an accountant's report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7, *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars*, ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the proposed initial public offering at March 31, 2026 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our work has not been carried out in accordance with auditing standards or other standards and practices generally accepted in the United States of America or auditing standards of the Public Company Accounting Oversight Board (United States) or standards and practices of any professional body in any other overseas jurisdiction and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong
July 22, 2026

This appendix is primarily intended to provide potential investors with an overview of the Articles of Association. The following information is only a summary, not covering all the information that may be material to potential investors.

ISSUANCE OF SHARES

The shares of the Company shall be issued in an open, fair and equal manner. Each share of the same class shall rank *pari passu* with each other. Shares of a class in each issuance shall be issued under the same terms and at the same price. Each of the shares shall be subscribed for at the same price by any purchaser.

INCREASE, DECREASE AND REPURCHASE OF SHARES

According to the operation and development needs of the Company, subject to the laws and administrative regulations, the Company may increase the share capital in the following ways upon approval of resolutions at the shareholders' meetings:

- (i) Issuance of shares to non-specific investors;
- (ii) Issuance of shares to specific investors;
- (iii) Distribution of bonus shares to existing Shareholders;
- (iv) Converting the reserve funds into share capital;
- (v) Other methods as provided for by laws and administrative regulations and approved by the CSRC and other securities regulatory bodies in the places where the shares of the Company are listed.

The Company may decrease the registered share capital and shall comply with the procedures stipulated in the Company Law and other regulations, the Articles of Association.

The Company shall not repurchase its own shares, unless otherwise under the circumstances:

- (i) Reducing the Company's registered share capital;
- (ii) Merging with other companies which hold our shares;
- (iii) Using the shares for an employee stock ownership plan or equity incentive plan;
- (iv) Purchasing its shares from Shareholders who have voted against the resolutions on the merger or division of the Company at a shareholders' meeting upon their request;
- (v) Use of shares for conversion of convertible corporate bonds issued by the Company;
- (vi) Necessary for the Company to maintain its value and protect the interests of the Shareholders.

The repurchase of the Company's shares by the Company may be carried out through public centralized trading, or other methods recognized by laws, administrative regulations, CSRC and securities regulatory authorities where the Company's shares are listed. If the share repurchase is made under the circumstances stipulated in (iii), (v) or (vi) above, it shall be conducted through public centralized trading.

A resolution shall be passed at the shareholders' meeting when the Company is to repurchase its own shares under the circumstances (i) and (ii) set out above. In case of the circumstances stipulated in (iii), (v) and (vi) above, a resolution of the Company's Board shall be passed by more than two-thirds of the Directors attending the Board meeting.

After the Company has repurchased its own shares in accordance with the circumstances above, the shares repurchased shall be canceled within ten days from the date of purchase (under the circumstance set out in (i) above), or shall be transferred or canceled within six months (under the circumstances set out in (ii) and (iv) above). If the Company repurchases its shares under the circumstances set out in (iii), (v) and (vi) above, the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred or canceled within three years.

When the Company repurchases its own shares, it shall perform the obligation of information disclosure in accordance with the Securities Law and the regulatory rules of securities of the place where the Company's shares are listed.

TRANSFER OF SHARES

Shares issued prior to the public offering of A shares of the Company shall not be transferred within one year from the date on which the A shares of the Company are listed and traded on the Stock Exchange. Where laws, administrative regulations or the securities regulatory rules of the place where the Company's shares are listed have other provisions governing the transfer of company shares held by Shareholders and the actual controlling party of a company, those provisions shall prevail.

The Directors and senior management of the Company shall declare the Company of their holdings of shares of the Company and the changes therein. The shares transferred by them during each year of their tenures as determined at the time of appointment shall not exceed 25% of their total holdings of shares of the Company. The shares of the Company held by them shall not be transferred within one year from the date on which the Company's shares are listed for trading. The shares of the Company held by them shall not be transferred within half a year from their departure from the Company.

Any gains from sale of Company's shares or other securities with the nature of equity by the Directors and senior management members or Shareholders holding 5% or more of the Company's shares within six months after their purchase of the same, and any gains from the purchase of the shares or other securities with the nature of equity by any of the aforesaid parties within six months after sale of the same shall be disgorged and paid to the Company, and the Board of Directors of the Company shall recover such gains from the abovementioned parties. However, there is an exception for securities companies that hold more than 5% of the shares due to the purchase of surplus shares after the package sale, and other circumstances stipulated by the CSRC. Where laws, administrative regulations or the securities regulatory rules of the place where the Company's shares are listed provide otherwise with respect to the above-mentioned restrictions, those provisions shall prevail.

Shares or other securities with the nature of equity held by Directors, senior management and individual shareholders as mentioned in the preceding paragraph include shares or other securities with the nature of equity held by their spouses, parents or children, or held by them by using other people's accounts.

If the Board of Directors of the Company fails to comply with the provision set forth above, the Shareholders are entitled to request the Board of Directors to do so within 30 days. If the Board of Directors of the Company fails to comply within the aforesaid period, the Shareholders are entitled to initiate litigation directly in the People's Court of the PRC in their own names for the interest of the Company. And if the Board of Directors fails to implement the provisions set forth above, the responsible Directors shall bear joint and several liability in accordance with law.

SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

Shareholders

The Company shall establish a register of Shareholders in accordance with evidentiary documents provided by the securities registration authorities. The register of Shareholders is sufficient evidence to prove that the Shareholders hold the Company's Shares. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations. The original register of Shareholders of H shares is kept in Hong Kong and is available for inspection by Shareholders, but the Company may suspend the registration of Shareholders in accordance with applicable laws and regulations and the securities regulatory rules of the place where the Company's shares are listed. In the event that any Shareholder whose name is recorded in or any person who requests to have its name entered in the register of Shareholders of H Shares loses his/her share certificate(s), he/she may apply to the Company for replacement of new share certificate(s) in respect thereof. Where a Shareholder of H Shares loses his/her share certificate(s) and applies for replacement, such application shall be dealt with in accordance with the laws, rules of the stock exchange or other relevant regulations of the place where the original copy of the register of Shareholders of H Shares is maintained.

The rights of our Shareholders are as follows:

- (i) To receive dividends and other forms of interest distribution according to the number of shares held;
- (ii) To legally require, convene, preside over, participate in or authorize proxies of Shareholders to attend the shareholders' meeting and exercise corresponding voting rights;
- (iii) To supervise business operations of the Company, provide suggestions or submit queries;
- (iv) To transfer, grant or pledge the Company's shares held according to the provisions of the laws, administrative regulations and the Articles of Association;
- (v) To read and copy the Articles of Association, the register of Shareholders, shareholders' meeting minutes, resolutions of meetings of the Board of Directors and financial and accounting reports;

- (vi) To participate in the distribution of the remaining properties of the Company in proportion to their shareholdings in the event of the termination or liquidation of the Company;
- (vii) To require the Company to acquire the shares from Shareholders voting against any resolutions adopted at the shareholders' meeting concerning the merger and division of the Company;
- (viii) Other rights conferred by laws, administrative regulations, regulations of the authorities, regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

If the Shareholders request access to or reproduction of relevant information mentioned in the above article or ask for relevant materials, they shall provide the Company with written documents evidencing the class and number of the shares held by them in the Company, upon verification of their status as Shareholders, the Company shall provide such Shareholders with the information as required by them.

Shareholders who hold more than 3% of the Company's shares individually or collectively for more than 180 consecutive days may require to inspect the Company's accounting books and accounting vouchers as required by laws; If a Shareholder who holds more than 3% of the Company's shares individually or collectively for more than 180 consecutive days requests to inspect the Company's accounting books and accounting vouchers, he or she shall submit a written request to the Company stating the purpose. If the Company has a reasonable basis to believe that the Shareholder's inspection of accounting books and accounting vouchers has an improper purpose and may harm the legitimate interests of the Company, it may refuse to provide such inspection, and shall within 15 days reply to the Shareholder in writing and explain the reasons.

If the content of the resolution of the Company's shareholders' meeting or Board of Directors violates laws, administrative regulations or provisions of the Articles of Association, the Shareholders have the right to request the court of the PRC to clarify it invalid. If the convening procedures or voting methods of the shareholders' meeting or the Board of Directors violate laws, administrative regulations or the Articles of Association, or the content of the resolution violates the Articles of Association, the Shareholders have the right to request the court of the PRC to revoke the resolution within 60 days from the date on which the resolution is made. However, the resolution shall not be revoked if there are only minor flaws in the convening procedures or voting methods of the shareholders' meeting or the board meeting resulting in no substantial impact on the resolution.

In the event of any loss caused to our Company as a result of violation of any laws, administrative regulations or Articles of Association by the Directors or senior management except Audit Committee members when performing their duties in the Company, the Shareholders holding more than 1% shares separately or jointly for over 180 consecutive days may submit a written request to the Audit Committee to file an action with the court of the PRC. Where Audit Committee members violate laws, administrative regulations or the Articles of Association in their duty performance and cause loss to the Company, the Shareholders holding more than 1% shares separately or jointly for over 180 consecutive days may submit a written request to the Board of Directors to file an action with the court of the PRC.

In the event that the Audit Committee or the Board of Directors refuse to file an action upon receipt of the Shareholders' written request specified in the preceding paragraph, or fail to file an action within 30 days upon receipt thereof, or in the event that the failure to

immediately file an action in an emergency case will cause irreparable damage to the interests of the Company, the Shareholder(s) specified in the preceding paragraph may, in their own name, directly file an action to the court of the PRC for the interest of the Company.

The obligations of Shareholders are as follows:

- (i) To abide by laws, administrative regulations and the Articles of Association;
- (ii) To provide Share capital according to the Shares subscribed and the subscription methods;
- (iii) Not to withdraw Shares unless prescribed otherwise in laws and administrative regulations;
- (iv) Not to abuse Shareholders' rights to infringe upon the interests of the Company or other Shareholders; not to abuse the Company's status as an independent legal entity or the limited liability of Shareholders to damage the interests of the Company's creditors;
- (v) To perform other duties prescribed in laws, administrative regulations, Listing Rules, regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Shareholders who abuse their Shareholders' rights and cause the Company or other Shareholders to suffer damages shall bear compensation liability in accordance with the law. Shareholders who abuse the independent legal person status of the Company and limited liability of Shareholders to evade debts and cause damage to the interests of the creditors of the Company shall bear joint liability for the Company's debt.

If the Shareholders holding more than 5% of the voting shares of the Company pledge their shares, they shall submit a written report to the Company on the day of such pledge.

The controlling shareholder and actual controller of the Company shall not use their connected relationship to damage the legitimate interests of the Company; who violate the rules and cause losses to the Company shall be liable for compensation.

General Provisions for Shareholders' Meetings

The shareholders' meeting is the organ of authority of the Company, which exercises its powers in accordance with the law:

- (i) To elect or replace the Directors and to decide on matters relating to the remuneration of Directors;
- (ii) To examine and approve reports of the Board of Directors;
- (iii) To examine and approve the Company's proposals for profit distribution plans and loss recovery plans;
- (iv) To decide on any increase or decrease of the Company's registered capital;
- (v) To decide on the issue of corporate bonds by the Company;

- (vi) To decide on matters such as merger, division, dissolution and liquidation or change of corporate form of the Company;
- (vii) To amend the Articles of Association;
- (viii) Resolution on appointment and dismissal of an accounting firm by the Company;
- (ix) To examine and approve the external guarantees stipulated in the Articles of Association that need to be examined and approved by the Shareholders' meeting;
- (x) To examine and approve transactional matters, including but not limited to matters relating to the purchases and sales of the Company's material assets;
- (xi) To examine and approve matters relating to changes in the use of proceeds;
- (xii) To examine and approve the equity incentive plans and employee stock ownership plans;
- (xiii) To examine and approve matters relating to material connected transactions;
- (xiv) To examine other matters as required by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association of the Company, which shall be decided by the shareholders' meeting.

A shareholders' meeting may authorize the Board of Directors to decide on the issuance of company bonds.

Unless otherwise specified by the laws, administrative regulations, rules of CSRC or Stock Exchanges, the functions and powers of the aforesaid shareholders' meeting may not be exercised by the Board of Directors or other organization or individual through authorization.

The following acts of external guarantee of the Company shall be submitted to the shareholders' meeting for deliberation and approval:

- (i) Any guarantee to be provided after the total amount of external guarantees provided by the Company and the subsidiaries it controls has exceeded 50% of the Company's net assets as audited in the latest period;
- (ii) Any guarantee to be provided after the total amount of external guarantees provided by the Company has exceeded 30% of the Company's total assets audited in the latest period;
- (iii) The single guarantee for an amount more than 10% of the Company's net assets audited in the latest period;
- (iv) Any guarantee to be provided for a party whose ratio of liabilities to assets exceeds 70%;
- (v) The total amount of external guarantees provided by the Company has exceeded 30% of the Company's total assets audited in the latest period;

- (vi) The guarantee to be provided to a Shareholder, or to an actual controller or related party thereof;
- (vii) Other guarantees required by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

When the Board of Directors reviews guarantee matters, approval must be obtained from more than two-thirds of the Directors present at the Board meeting. When the shareholders' meeting reviews the guarantee matters mentioned in item (v) of the preceding paragraph, approval must be obtained from more than two-thirds of the voting rights held by the Shareholders present at the meeting.

When the Board of Shareholders deliberates on the proposal of providing guarantees for the Shareholders and their related persons, the said Shareholders or the Shareholders dominated by the actual controller shall not participate in the voting. The proposal shall be approved by more than half of the voting rights held by other Shareholders in attendance at the Board of Shareholders.

The shareholders' meetings are divided into annual shareholders' meetings and extraordinary shareholders' meetings. The annual shareholders' meeting shall be convened once a year and be held within six months after the end of the previous fiscal year.

The Company shall convene an extraordinary shareholders' meeting within two months from the date of the occurrence of any of the following circumstances:

- (i) The number of Directors is less than the number provided for in the PRC Company Law or less than two-thirds of the number prescribed in the Articles of Association;
- (ii) The uncovered losses of our Company reach one-third of its share capital;
- (iii) A written request from Shareholders who separately or jointly hold 10% or more shares in the Company;
- (iv) The Board of Directors considers it necessary;
- (v) Audit Committee proposes that such a meeting shall be held;
- (vi) Other circumstances conferred by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Convening of Shareholders' Meetings

Approved by more than half of whom, the independent Directors shall have the right to propose to the Board to convene an extraordinary shareholders' meeting. The Board shall, in accordance with relevant laws, administrative regulations and the Articles of Association, give a written response on whether or not it agrees to convene such an extraordinary shareholders' meeting within ten days after the receipt of the proposal. If the Board agrees to convene an extraordinary shareholders' meeting, it shall give a notice convening such meeting within five days after it has so resolved. If the Board does not agree to convene the extraordinary shareholders' meeting, it shall state the reasons and make an announcement.

The Audit Committee shall have the right to propose to the Board in writing to convene an extraordinary shareholders' meeting. The Board shall, in accordance with relevant laws, administrative regulations and the Articles of Association, give a written response on whether or not it agrees to convene such an extraordinary shareholders' meeting within ten days after the receipt of the proposal. If the Board agrees to convene an extraordinary shareholders' meeting, it shall give a notice convening such meeting within five days after it has so resolved. Any changes to be made to the original request in the notice shall be subject to approval of the Audit Committee. If the Board does not agree to convene an extraordinary shareholders' meeting or fails to give a response within ten days after the receipt of the proposal, the Audit Committee may convene and preside over such meeting on its own.

Shareholders who individually or collectively hold more than 10% of the shares of the Company have the right to request the Board of Directors to convene an extraordinary shareholders' meeting and shall submit such request in writing to the Board of Directors. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide a written response on whether or not to convene the extraordinary shareholders' meeting within ten days after receiving the request. Where the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of convening the shareholders' meeting within five days after the resolution of the Board of Directors is made, and changes to the original request in the notice shall be subject to the consent of the relevant Shareholders. Where the Board of Directors does not agree to convene an extraordinary shareholders' meeting, or fails to give response within ten days after receiving the request, Shareholders who individually or collectively hold more than 10% of the Company's shares have the right to propose to the Audit Committee to hold an extraordinary shareholders' meeting, and shall make a written request to the Audit Committee. Where the Audit Committee agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of convening the shareholders' meeting within five days of receiving the request, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders. Where the Audit Committee fails to issue a notice of the shareholders' meeting within the prescribed time limit, it shall be deemed that the Audit Committee has not convened and presided over the shareholders' meeting, and Shareholders who individually or collectively hold more than 10% of the Company's shares for more than 90 consecutive days may convene and preside over it on their own.

Proposals and Notices of Shareholders' Meetings

The content of proposals shall fall within the functions and powers of the shareholders' meeting, have clear subject for discussion and specific matters to be resolved and comply with relevant requirements of the laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The Board of Directors, Audit Committee or Shareholders that hold, individually or collectively, 1% or more of the Shares of the Company shall have the right to propose resolutions in shareholders' meeting.

Shareholders that hold, individually or collectively, 1% or more of the Shares of the Company may submit ad hoc proposals in writing to the convener ten days before the convening of the shareholders' meeting. The convener shall give a supplemental notice of the shareholders' meeting within two days upon receipt of the proposals and notify the contents of the ad hoc proposals and submit the ad hoc proposals to the shareholders' meeting for consideration, except for the cases where temporary proposal violates the provisions of laws, administrative regulations or the Articles of Association, or does not fall within the scope of the authority of the shareholders' meeting.

Except for the circumstances provided for in the preceding paragraph, the convener shall not modify the proposals already listed in the notice of the shareholders' meeting or add new proposals after issuing the notice of the shareholders' meeting. The shareholders' meeting shall not vote and make resolutions on proposals that are not specified in the notice of the shareholders' meeting or do not conform to the provisions of the Articles of Association.

The convener of an annual shareholders' meeting shall notify all Shareholders by means of an announcement 20 days before the meeting; the convener of an extraordinary shareholders' meeting shall notify all Shareholders by means of an announcement 15 days before the meeting. When calculating the commencement date of a term, the date of the meeting shall not be included.

A notice of a shareholders' meeting shall include the following:

- (i) The time, venue and duration of the meeting;
- (ii) Matters and proposals submitted to the meeting for consideration;
- (iii) A prominent written statement that all Shareholders are entitled to attend shareholders' meeting and are entitled to appoint in writing a proxy to attend and vote at the meeting and that such proxy need not be a Shareholder of the Company;
- (iv) The name and telephone number of the regular contact person for the meeting;
- (v) The record date of registration of Shareholders entitled to attend the shareholders' meeting;
- (vi) The time and procedure for voting online or through other means;
- (vii) Other requirements stipulated in laws, regulations, Listing Rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Notices or supplementary notices of shareholders' meetings shall adequately and completely disclose the specific contents of all proposals.

After the shareholders' meeting notice has been issued, the shareholders' meeting should not be postponed or canceled without justifiable reasons, and the proposals listed in the notice of the shareholders' meeting should not be canceled. In the event of a postponement or cancellation, the convener shall make an announcement and explain the reasons at least two working days before the original date of the convening. If the securities regulatory rules of the place where the Company's stock is listed have special provisions regarding the procedures for postponing or canceling a shareholders' meeting, these provisions shall be followed, provided that they do not violate the regulatory requirements of the domestic jurisdiction.

Holding of Shareholders' Meetings

All Shareholders or their proxies registered on the record date for equity registration shall be entitled to attend the shareholders' meeting. They shall have the right to speak and exercise voting rights at the meeting in accordance with relevant laws, regulations, and the Company's Articles of Association (unless individual Shareholders are required to abstain from voting on certain matters under the securities regulatory rules of the place where the Company's stock is listed).

Shareholders may attend the shareholders' meeting in person, or they may entrust proxies to attend, speak and vote on their behalf. Each Shareholder has the right to appoint one or more proxies. The Shareholder which is a legal entity may appoint a representative to attend and vote at any general meeting of the Company, and the legal entity shall be deemed to be present in person at any meeting if it has appointed a representative to attend the meeting. A legal entity may make an appointment of a representative signed by a duly authorized officer of the legal entity.

A shareholder's meeting shall be presided over by the Chairman of the Board. Where the Chairman of the Board is unable or fails to perform his/her duties, the meeting shall be presided over by a Director jointly elected by more than half of the Directors. A shareholders' meeting convened by the Audit Committee shall be presided over by the convener. Where the convener of the Audit Committee is unable or fails to perform his/her duties, the meeting shall be presided over by a committee member jointly elected by more than half of the Audit Committee. A shareholders' meeting convened by Shareholders shall be presided over by the convener or a representative elected by the convener. Where the host of the meeting violates the rules of procedure and makes it impossible to continue the meeting, with the consent of more than half of the Shareholders present at the meeting with voting rights, the shareholders' meeting may elect a person to serve as the host of the meeting and continue the meeting.

The Company formulates the rules of procedure of the shareholders' meeting, which stipulate in detail the convening and voting procedures of the shareholders' meeting, including notice, registration, consideration of proposals, voting, counting, announcement of voting results, formation of meeting resolutions, meeting minutes and signings and announcements, etc., as well as the authorization principles of the shareholders' meeting to the Board of Directors, and the authorization content should be clear and specific. The rules of procedure of the shareholders' meeting shall be annexed to the Articles of Association, drawn up by the Board of Directors and approved by the shareholders' meeting.

Voting at the Shareholders' Meeting

The resolutions of the Shareholders' meeting are divided into ordinary resolutions and special resolutions. An ordinary resolution at a shareholders' meeting shall be passed by more than half of the voting rights held by the shareholders present at the shareholders' meeting (including proxies). A special resolution at a shareholders' meeting shall be passed by at least two-thirds of the voting rights held by the shareholders present at the shareholders' meeting (including proxies).

The following matters shall be approved by the shareholders' meeting through ordinary resolutions:

- (i) Work reports of the Board of Directors;
- (ii) Plans of earnings distribution and recovery of losses schemes drafted by the Board of Directors;
- (iii) Appointment or dismissal of the members of the Board of Directors, its remunerations and the payment method;
- (iv) Annual report of the Company;

- (v) Other matters other than those approved by special resolution stipulated in the laws, administrative regulations, securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association.

The following matters shall be approved by special resolution at the shareholders' meeting:

- (i) The increase or reduction of the registered capital of the Company;
- (ii) The division, merger, dissolution and liquidation of the Company;
- (iii) Any amendment to the Articles of Association;
- (iv) The purchase and sale of material assets or amount of guarantee provided by the Company within one year valued at more than 30% of the audited total assets of the Company as in the latest period;
- (v) Share incentive plan;
- (vi) Other matters as required by the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association, and considered by the shareholders' meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the Company, shall be passed by a special resolution.

Shareholders (including proxies) shall exercise voting rights based on the number of shares with voting rights held by them, and each share shall be entitled to one vote.

Where material issues affecting the interests of minority Shareholders are considered at the shareholders' meeting, the votes of minority Shareholders shall be counted separately. The separate votes counting results shall be disclosed publicly in a timely manner.

The shares held by the Company shall have no voting right, and shall not be included in the total number of shares with voting rights of Shareholders present at the shareholders' meeting.

The Company's own shares held by the Company do not carry voting rights and such shares shall not count towards the total number of shares with voting rights at shareholders' meeting. If a Shareholder purchases shares with voting rights of the Company in violation of the provisions of Article 63(1) and (2) of the Securities Law, the voting rights of such shares in excess of the prescribed proportion shall not be exercised and shall not be counted towards the total number of shares with voting rights present at the shareholders' meeting for 36 months after the purchase.

The Board of Directors, independent directors, shareholders holding more than 1% of the voting shares, or investor protection institutions established in accordance with laws and regulations or rules of CSRC, may act as solicitors to publicly request Shareholders to entrust them to attend shareholders' meetings on their behalf and exercise shareholder rights such as the right to propose and vote on their behalf, but shall not publicly solicit shareholder rights in a paid or disguised paid manner. Except for the statutory conditions, the Company shall not impose a minimum shareholding restriction on the solicitation of voting rights.

When a shareholders' meeting deliberates on matters pertaining to related party transactions, related shareholders shall abstain from voting, the shares with voting rights held by them shall not be included in the total number of valid votes; the announcement on resolutions of shareholders' general meeting shall make full disclosure of votes of non-related shareholders.

BOARD OF DIRECTORS

Directors

Directors of the Company shall be individuals, and a person may not serve as a Director of the Company in case of any of the following circumstances:

- (i) The person without civil conduct capacity or with limited civil conduct capacity;
- (ii) The person who has committed an offense of corruption, bribery, conversion of property, misappropriation of property or sabotaging the market economic order of socialism and has been punished therefor; or who has been deprived of his/her political rights, in each case where less than five years have elapsed since the date of the completion of implementation of such punishment or deprivation; in the case of a suspended sentence, for a period not exceeding two years from the date of expiry of the probationary period;
- (iii) The person who is a former director, factory director or Manager of a company or enterprise which is insolvent and under liquidation and he/she is personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of such insolvency and liquidation of the company or enterprise;
- (iv) The person who is a former legal representative of a company or enterprise which had its business license revoked and was ordered to shut down due to a violation of the law and who incurred personal liability, where less than three years have elapsed since the date of such revocation of the business license;
- (v) The person listed as a judgment defaulter by the court of the PRC because the amount of debt he bears is relatively large and the debt is not paid off when it is due;
- (vi) The person has been banned by the CSRC from access to the securities market, and the term of prohibition has not expired;
- (vii) The person has been publicly determined by the Stock Exchange as not suitable for acting as a Director or senior management personnel of a listed company and the prescribed period has not expired;
- (viii) Other contents stipulated by laws, administrative regulations, departmental rules or the securities regulatory rules of the place where the shares of the Company are listed.

Where a Director is elected or appointed in violation of the provisions above, the election, appointment or appointment shall be invalid. If a Director falls under the provisions above during his or her tenure, the Company will dismiss him or her from office and suspend his or her performance from duties.

Directors (except for employee Directors) shall be elected or replaced at the shareholder's meeting and may be dismissed by the shareholders' meeting prior to the expiry of the term of their office. Employee Directors shall be democratically elected by the Company's employees through employee representative assemblies or other means and directly assume positions of the Board. A Director shall serve a term of three years and may serve consecutive terms if re-elected upon the expiration of their terms.

The term of office of a Director shall commence from the date of taking the position until the expiry of the term of office of the current session of the Board. Where a re-election fails to be carried out in a timely manner upon the expiry of the term of office of a Director, such Director shall continue to perform his/her duties as a Director in accordance with the laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

General Manager or other senior management personnel may serve concurrently as Directors, provided that the total number of such Directors who concurrently serve as General Manager or other senior management personnel and the employee representatives shall not exceed a half of the total number of the Directors of the Company.

Directors may resign prior to the expiration of their terms of office. The Directors who resign shall submit to the Board a written report in relation to their resignation. Relevant information shall be disclosed by the Company within two days. In the event that the resignation of any Director results in the number of members of the Board falling below the statutory minimum requirement or not in compliance with the Listing Rules and the securities regulatory rules of the place where the Company's Shares are listed, the resigned Directors shall continue to perform his/her duties in accordance with laws, administrative regulations, regulatory rules of the place where the Company's shares are listed and the Articles of Association until the newly elected Director assumes the office. Except for the circumstances mentioned in the preceding paragraph, the resignation of a Director shall take effect upon the delivery of the resignation letter to the Board of Directors.

Without the provisions of the Articles of Association or the lawful authorization of the Board of Directors, no Director shall act in his/her own name on behalf of the Company or the Board of Directors. When a Director acts in his/her own name, the Director shall declare his/her position and identity in advance if the third party reasonably believes that the Director is acting on behalf of the Company or the Board of Directors.

Board of Directors

The Company has established a Board of directors. The Board shall comprise eight Directors, of whom at least 1/3 are independent Directors and one is an employee representative Director.

The Board shall exercise the following duties and powers:

- (i) To convene shareholders' meetings and report its work to the shareholders' meetings;
- (ii) To implement the resolutions of the shareholders' meetings;
- (iii) To resolve business operation plans and investment plans of the Company;
- (iv) To formulate the profit distribution plans and plans for recovery of losses of the Company;

- (v) To formulate plans of the Company regarding increase or reduction of the registered capital, issuance of bonds or other securities and listing;
- (vi) To draft plans for significant acquisitions of the Company, the purchase of Shares of the Company, merger, division, dissolution or change of the form of the Company;
- (vii) To determine, to the extent authorized by the shareholders' meeting, on such matters as the external investments, purchase or sale of assets, assets mortgage, external guarantee, entrusted wealth management, connected transactions of the Company;
- (viii) To determine the internal management structure of the Company;
- (ix) To determine the appointment or dismissal of the General Manager and the Board secretary, and determine their remuneration, rewards and penalties; based on the nomination of the General Manager, to determine the appointment or dismissal of senior management personnel, including Deputy General Manager and Chief Financial Officer of the Company and determine their remuneration, rewards and penalties;
- (x) To formulate the basic management system of the Company;
- (xi) To formulate proposals for any amendment of the Articles of Association;
- (xii) To manage the information disclosure of the Company;
- (xiii) To propose to the shareholders' meeting for appointment or replacement of the accounting firms which provide audit services to the Company;
- (xiv) To listen to work reports of the General Manager of the Company and review his/her work;
- (xv) Other duties as stipulated in laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed, the Articles of Association or under the authorization of shareholders' meeting.

Board meetings shall include regular meetings and extraordinary meetings. Board meetings shall be held at least two times a year.

Shareholders representing more than 1/10 of the voting rights, more than 1/3 of the Directors, more than 1/2 of the independent directors, the Audit Committee or the General Manager may propose to convene an extraordinary meeting of the Board. The Chairman of the Board shall convene and preside over the extraordinary meeting of the Board within ten days from the receipt of the proposal.

Where a Director has any connected relationship with the enterprise or the individual involved in the matter to be decided at the Board meeting, he/she shall report to the Board in writing timely and any connected Director shall not exercise his/her voting rights on the resolution, nor shall he/she exercise his/her voting rights on behalf of other Directors. The quorum of such a Board meeting shall be more than half of all the non-connected Directors, and the resolutions made at such a Board meeting shall require adoption by more than half of all the non-connected Directors. If the number of non-connected Directors in presence is less than three persons, the matter shall be submitted to the shareholders' meeting for deliberation.

Where there are additional restrictions under the laws and regulations or the securities regulatory rules of the place where the Company's shares are listed regarding Directors' participation in Board meeting and voting, such provisions shall prevail.

Directors shall attend Board meetings in person. If any Director is unable to attend the meeting for any reason, he/she may by a written power of attorney appoint another Director to attend the meeting on his/her behalf. The power of attorney shall include the name of the proxy, the subject, scope of authorization and validity period, which shall be signed or officially sealed by the appointing Director. A Director appointed as the representative of another Director to attend the meeting shall exercise the rights of a Director within the scope of authorization. Where a Director does not attend a Board meeting and does not appoint a proxy to attend the meeting on his behalf, he/she shall be deemed to have waived his/her voting right in such meetings.

MANAGERS AND OTHER SENIOR MANAGEMENT PERSONNEL

The Company shall have one General Manager, several Deputy General Managers, and one Secretary to the Board of Directors, all of whom shall be appointed or dismissed by the Board of Directors.

The provisions in the Company's Articles of Association regarding the fiduciary duties and duties of care of Directors shall also apply to senior management personnel.

The General Manager shall serve for a term of three years and may serve consecutive terms if re-appointed. The General Manager is responsible to the Board of Directors and exercises the following powers:

- (i) To be in charge of the Company's production, operation and management, and to organize and implement the resolutions of the Board of Directors and report on works to the Board of Directors;
- (ii) To organize and implement the Company's annual business plan and investment proposals;
- (iii) To draft plans for the establishment of the Company's internal management organization;
- (iv) To draft the Company's basic management system;
- (v) To draft the Company's specific regulations;
- (vi) To propose to the Board of Directors on the appointment or dismissal of Deputy General Manager and Chief Financial Officer of the Company;
- (vii) To appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board of Directors;
- (viii) Other functions and powers conferred by the Articles of Association or the Board of Directors.

The Board secretary is responsible for preparing for the shareholders' meetings and Board meetings, and maintaining documents and managing Shareholders' information, as well as handling information disclosure matters.

The senior management personnel of the Company shall perform their duties faithfully and safeguard the best interests of the Company and all Shareholders. If the senior management personnel of the Company fails to perform their duties faithfully or violates their fiduciary duties, causing damage to the interests of the Company and public Shareholders, they shall be liable for compensation in accordance with the laws.

FINANCIAL ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT

Financial Accounting System

The Company shall formulate its financial and accounting systems in accordance with laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and regulations of relevant departments.

Profit distribution

When distributing after-tax profits of the year, the Company shall allocate 10% of its after-tax profits for the Company's statutory reserve fund. When the aggregate balance in the statutory reserve fund has reached 50% or more of the Company's registered capital, the Company needs not to make any further allocations to that fund. Where the Company's statutory reserve fund is not enough to make up losses of the Company for the preceding year, the current year's profits shall be applied firstly to make up the losses before being allocated to the statutory reserve in accordance with the preceding provision.

Subject to a resolution passed at a shareholders' meeting, after allocation has been made to the Company's statutory reserve fund from its after-tax profits, the Company may set aside funds for the discretionary reserve fund from its after-tax profits. Except for those not distributed in proportion as prescribed in the Articles of Association, the remaining after-tax profit, after recovery of losses and appropriation of reserve funds, shall be distributed to Shareholders in proportion to their shareholdings. If the Company distributes profits to Shareholders in violation of the provisions of the Articles of Association or the Company Law, Shareholders must refund to the Company the profits distributed in violation of the provisions; if losses are caused to the Company, the Shareholders and the responsible Directors, and senior management shall be liable for compensation. No profit shall be distributed in respect of the shares of the Company which are held by the Company.

The reserve fund of the Company shall be used for making up for the loss, expansion of the operation or increase of capital of the Company. Where the Company's statutory reserve fund and discretionary reserve fund are not enough to make up losses of the Company, the capital reserve fund shall only be applied. When the statutory reserve fund is capitalized, the retained portion of the fund shall not be less than 25% of the registered capital of the Company before the capitalization.

Internal audit

The Company implements an internal audit system which is equipped with dedicated audit personnel to conduct internal audits for supervision of financial income and expenditure and economic activities of the Company.

The internal audit body of the Company shall supervise and inspect the Company's business activities, risk management, internal control, financial information and other authorized activities.

Appointment of an Accounting Firm

The Company shall appoint such accounting firm which has complied with the PRC Securities Law and the securities regulatory rules of the place where the shares of the Company are listed for carrying out the audit for the accounting statements, net asset verification, and other relevant consultancy services. The term of appointment shall be one year and can be renewed.

The appointment or the termination of the appointment of accounting firm by the Company shall be subject to the approval of shareholders' meetings. The Board shall not appoint accounting firm before the approval of the shareholders' meeting.

The Company guarantees that it shall provide the appointed accounting firm with true and complete accounting proofs, accounting books, financial and accounting reports and other accounting information, and that it engages without any refusal, withholding, and misrepresentation.

The auditing fee of the accounting firm shall be determined by the shareholders' meeting.

In the event of termination of the appointment or non-renewal of appointment of an accounting firm, the Company shall notify the accounting firm 15 days in advance; when the shareholders' meeting votes on termination of appointment of an accounting firm, the accounting firm shall be allowed to make its representation. An accounting firm proposing to resign shall state its opinions in the shareholders' meeting whether the Company has committed any improper act.

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION**Merger, Division, Capital Increase and Capital Reduction**

Merger of the Company may take the form of absorption or establishment of a new company. In case of merger by absorption, a company absorbs any other company and the absorbed company is dissolved. In case of merger by new establishment, two or more companies merge into a new one and the parties to the merger are dissolved.

If the Company is involved in a merger, the parties to the merger shall enter into a merger agreement, and shall prepare a balance sheet and a property list. The Company shall notify its creditors within ten days as of the date of the resolution for the merger and shall publish an announcement on newspaper or the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within 30 days as of the date of such resolution. A creditor may within 30 days as of the receipt of the notice or, in case where he/she fails to receive such notice, within 45 days of the date of the announcement, demand the Company to repay its debts or provide guarantees for such debts.

When the Company is merged, the claims and debts of each party to the merger shall be succeeded to by the company surviving the merger or the new company established subsequent to the merger.

Where there is a division of the Company, its assets shall be divided accordingly. Where there is a division of the Company, a balance sheet and property list shall be prepared. The Company shall notify its creditors within ten days as of the date of the resolution for the division and shall publish an announcement on newspaper or the National Enterprise Credit

Information Publicity System (國家企業信用信息公示系統) within 30 days as of the date of such resolution. Unless a written agreement has been entered into, before the division, by the Company and its creditors in relation to the repayment of debts, debts of the Company prior to the division shall be jointly assumed by the surviving companies after the division.

Where the Company needs to reduce its registered capital, it shall prepare a balance sheet and property list. The Company shall notify its creditors within ten days as of the date of the resolution for the reduction of its registered capital and shall publish an announcement on newspaper or the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within 30 days as of the date of such resolution. A creditor may within 30 days as of the receipt of the notice or, in case where he/she fails to receive such notice, within 45 days of the date of the announcement, demand the Company to repay its debts or provide guarantees for such debts.

If the Company reduces its registered capital, it shall reduce the amount of capital contribution or shares in accordance with the proportion of capital contributed or shares held by shareholders, unless otherwise provided by law or otherwise provided in the Articles of Association.

In the event of a merger or division of a company, if there is a change in the registration items, the Company shall go through the change registration with the company registration authority in accordance with the law; If the Company is dissolved, it shall go through the deregistration procedures in accordance with the law; If a new company is established, the company establishment registration shall be completed in accordance with the law. If the Company increases or decreases its registered capital, it shall go through the change registration with the company registration authority in accordance with the law.

DISSOLUTION AND LIQUIDATION

The Company shall be dissolved upon the occurrence of the following events:

- (i) A resolution on dissolution is passed by a shareholders' meeting;
- (ii) Dissolution is required due to the merger or division of the Company;
- (iii) The business license of the Company is revoked or the Company is ordered to close down or dissolved in accordance with the laws;
- (iv) The Company suffers significant hardships in operation and management, and its continued existence would cause significant losses to Shareholders' interests, and such issues cannot be resolved through other means, Shareholders representing 10% or above of the total voting rights of the Company may plead the court of the PRC to dissolve the Company;
- (v) Other cause of dissolution as specified in the Articles of Association.

In the event that the Company has the dissolution causes as prescribed in the preceding paragraph, it is obligated to disclose the causes of dissolution through the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within ten days.

If the Company is in the situation as described in Item (i) or (v) of Article 180 of the Articles of Association and has not yet distributed its properties to Shareholders, it can continue to exist by amending the Articles of Association or through a resolution of the

shareholders' meeting. The amendment of the Articles of Association or the resolution of the shareholders' meeting as per the preceding paragraph must be passed by more than two-thirds of the voting rights held by the Shareholders attending the shareholders' meeting.

Where the Company is dissolved pursuant to Item (i), (iii), (iv) or (v) of Article 180 of the Articles of Association, it shall be liquidated. The Directors are the liquidation obligators of the Company and shall establish a liquidation committee within 15 days as of the dissolution circumstance arises. The liquidation committee shall be composed of Directors, unless otherwise stipulated in the Articles of Association or otherwise elected by the resolution of the shareholders' meeting. If a liquidation obligor fails to fulfill its liquidation obligations in a timely manner and causes losses to the Company or its creditors, it shall be liable for compensation.

The liquidation committee shall notify the creditors within ten days since its establishment and make public announcement on newspaper or the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within 60 days. Creditors shall, within 30 days as of the receipt of the notice or, in case where he/she fails to receive such notice, within 45 days as of the date of the announcement, declare their claims to the liquidation committee.

Creditors shall provide explanations and evidence for their claims upon their declarations of such claims. The liquidation committee shall record the creditors' claims.

The liquidation committee shall not pay off any debts to any creditors during period of claim declaration.

After clearing the assets of the Company and preparing a balance sheet and property list, the liquidation committee shall formulate a liquidation plan for the confirmation of the shareholders' meeting or the court of the PRC. The remaining assets of the Company, after the payment for liquidation expenses, wages, social insurance premiums and statutory compensation of staffs and paying the taxes owed, settling the Company's debts, shall be distributed by the Company in proportion to their shareholdings. During the liquidation period, the Company shall continue to exist but shall not carry out any business activities unrelated to liquidation. The properties of the Company shall not be distributed to the Shareholders until the settlement of debts in accordance with the preceding provisions.

If the liquidation committee, after clearing the assets of the Company and preparing a balance sheet and property list, finds that the assets of the Company are insufficient to pay off its debts, it shall immediately file an application to the court of the PRC for bankruptcy. After the court of the PRC accepts the bankruptcy application, the liquidation committee shall hand over the liquidation matters to the bankruptcy administrator designated by court of the PRC.

Upon completion of liquidation of the Company, the liquidation committee shall prepare a liquidation report and submit the report to the shareholders' meeting or the court of the PRC for confirmation and submit the report to the company registration authority to apply for deregistration of the Company.

Where the Company is declared bankruptcy in accordance with law, it shall implement bankruptcy liquidation in accordance with the relevant laws relating to bankruptcy of enterprise.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association in any of the following circumstances:

- (i) After amendments are made to the PRC Company Law or other relevant laws, administrative regulations and regulatory rules at the place where the shares of the Company are listed, the matters stipulated in the Articles of Association are in conflict with the provisions of the revised laws, administrative regulations and regulatory rules at the place where the shares of the Company are listed;
- (ii) If certain changes of the Company occur, resulting in the inconsistency with certain terms specified in the Articles of Association;
- (iii) The shareholders' meeting has resolved to amend the Articles of Association.

Where the amendments to the Articles of Association passed by resolutions of the shareholders' meetings require approval of the competent authorities, the amendments shall be submitted to the relevant authorities for approval. Where the amendments involve registration matters of the Company, the involved changes shall be registered in accordance with the laws.

The Board shall amend the Articles of Association in accordance with the resolution of the shareholders' meetings on amendment to the Articles of Association and the examination and approval opinions from relevant authorities.

FURTHER INFORMATION ABOUT OUR COMPANY**Establishment of our Company**

Our Company was established as a limited liability company in the PRC on June 27, 2005 and was converted into a joint stock limited company with limited liability on October 16, 2010 under the laws of the PRC. As of the Latest Practicable Date, the registered share capital of our Company is RMB1,115,234,641.

Our Company has established a principal place of business in Hong Kong at 46/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong and has been registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on January 29, 2026. Ms. Wong Mei Fung Carrie, one of our joint company secretaries, has been appointed as the authorized representative in Hong Kong and our agent for the acceptance of service of process in Hong Kong whose correspondence address is the same as our principal place of business in Hong Kong.

As we are established in the PRC, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in "Summary of Articles of Association" in Appendix III to this Prospectus. A summary of certain relevant aspects of the laws and regulations of the PRC is set out in "Regulatory Overview."

Changes in Share Capital of Our Company

Save as disclosed in the section headed "History, Development and Corporate Structure — Corporate Development and Major Changes in Share Capital and Shareholdings" and the below, there has been no other alteration in the share capital of our Company during the two years immediately preceding the date of this Prospectus.

- (a) on March 5, 2025, our registered capital was decreased to RMB1,104,700,524;
- (b) on May 22, 2025, our registered capital was increased to RMB1,105,259,964;
- (c) on May 27, 2025, our registered capital was increased to RMB1,109,117,734;
- (d) on June 11, 2025, our registered capital was increased to RMB1,111,118,334;
- (e) on April 22, 2026, our registered capital was increased to RMB1,113,600,534;
- (f) on June 1, 2026, our registered capital was increased to RMB1,114,910,191; and
- (g) on June 8, 2026, our registered capital was increased to RMB1,115,234,641.

Changes in Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries is set out in the Accountant's Report in Appendix I to this Prospectus.

There has been no alteration in the share capital of any of the subsidiaries of our Company within the two years immediately preceding the date of this Prospectus save as disclosed below:

- (a) on August 1, 2024, Chongqing Jingle Electronic Co., Ltd. (重慶君歌電子科技有限公司) ("Jingle Electronic") increased its registered capital from RMB80,066,666.67 to RMB82,923,809.52;

- (b) on August 5, 2024, Pioseed Chengdu increased its registered capital from RMB15,000,000 to RMB150,000,000;
- (c) on September 12, 2024, TeraHop Suzhou was established in the PRC with a registered capital of RMB571,600,000;
- (d) on December 3, 2024, Wuhu Jingle Electronic Co., Ltd. (蕪湖君歌電子科技有限公司) was established in the PRC with a registered capital of RMB100,000,000;
- (e) on December 30, 2024, Pioseed Technology (Suzhou) Co., Ltd. (蘇州智禾光通科技有限公司) was established in the PRC with a registered capital of RMB5,000,000;
- (f) on December 31, 2024, TeraHop Pte increased its registered capital from US\$223,000,000 to US\$228,000,000;
- (g) on March 3, 2025, TeraCule Technology (Guangdong) Co., Ltd. (廣東深度智冷科技有限公司) was established in the PRC with a registered capital of RMB100,000,000;
- (h) on May 13, 2025, Picmore Technology (Thailand) Co., Ltd. was established in Thailand with a registered capital of THB4,990,000;
- (i) on July 11, 2025, TeraHop Holdings Inc. was established in the United States with a registered capital of US\$1,000,000;
- (j) on July 14, 2025, TeraHop Photonics Inc. was established in the United States with a registered capital of US\$1,000,000;
- (k) on July 18, 2025, Zhongji InnoLight (Shanghai) Investment Co., Ltd. (中際旭創(上海)投資有限公司) was established in the PRC with a registered capital of RMB300,000,000;
- (l) on September 2, 2025, Picmore Technology (Thailand) Co., Ltd. (“**Picmore Technology Thailand**”) increased its registered capital from THB4,990,000 to THB227,342,500;
- (m) on November 10, 2025, Chongqing Chejie Sensing Electronic Technology Co., Ltd. (重慶澈界感知電子科技有限公司) was established in the PRC with a registered capital of RMB5,000,000;
- (n) on November 14, 2025, Vincrest Holdings Pte. Ltd. (“**Vincrest Pte.**”) was established in Singapore with a registered capital of US\$10,000;
- (o) on November 25, 2025, Picmore Technology Thailand increased its registered capital from THB227,342,500 to THB250,072,900;
- (p) on December 10, 2025, Ningbo Chuangzeyun Investment Partnership (Limited Partnership) (寧波創澤雲投資合夥企業(有限合夥)) reduced its registered capital from RMB163,824,000 to RMB141,859,000;
- (q) on December 19, 2025, ReinOCS AutoPhotonics (Suzhou) Co., Ltd. (蘇州智馳領馭科技有限公司) (“**ReinOCS Suzhou**”) increased its registered capital from RMB5,000,000 to RMB20,000,000;
- (r) on December 26, 2025, ReinOCS Suzhou increased its registered capital from RMB20,000,000 to RMB23,333,333;
- (s) on December 31, 2025, Jingle Electronic increased its registered capital from RMB82,923,809.52 to RMB92,137,609.52;

- (t) on December 31, 2025, Lunarix Holding Company Limited was established in the United Arab Emirates with a registered capital of US\$10,000;
- (u) on January 8, 2026, Picmore Technology Pte. Ltd. increased its registered capital from US\$0 to US\$10,000,000;
- (v) on January 20, 2026, ReinOCS Suzhou increased its registered capital from RMB23,333,333 to RMB26,574,067;
- (w) on March 5, 2026, TeraHop SDN. BHD. (“**TeraHop SDN.**”) was established in Malaysia with a registered capital of US\$10,000;
- (x) on March 27, 2026, Jingle Electronic reduced its registered capital from RMB92,137,609.52 to RMB82,923,809.52;
- (y) on March 27, 2026, Tongling InnoLight Optoelectronics Technology Co., Ltd. (銅陵旭創光通科技有限公司) was established in the PRC with a registered capital of RMB200,000,000;
- (z) on March 27, 2026, Orvanta Technologies Inc. was established in the United States with a registered capital of US\$15,000,000;
- (aa) on April 7, 2026, Picmore Technology (Shanghai) Co., Ltd. (上海湃矽科技有限公司) was established in the PRC with a registered capital of RMB30,000,000;
- (bb) on April 17, 2026, Vincrest Pte. increased its registered capital from US\$10,000 to US\$240,000,000;
- (cc) on April 21, 2026, TeraHop Pte increased its registered capital from US\$228,000,000 to US\$599,896,891.4;
- (dd) on April 27, 2026, Zhongji Innolight HK Limited was established in Hong Kong with a registered capital of HK\$100,000;
- (ee) on April 30, 2026, InnoLight Technology (Huai’an) Co., Ltd. (淮安旭創科技有限公司) was established in the PRC with a registered capital of RMB40,000,000;
- (ff) on May 25, 2026, TeraHop Thailand increased its registered capital from THB10,331,830,000 to THB13,557,380,000;
- (gg) on May 29, 2026, ReinOCS Suzhou increased its registered capital from RMB26,574,067 to RMB33,466,717;
- (hh) on June 2, 2026, TeraHop SDN. increased its registered capital from US\$10,000 to US\$10,010,000;
- (ii) on June 12, 2026, TeraHop Thailand increased its registered capital from THB13,557,380,000 to THB13,757,380,000; and
- (jj) on June 24, 2026, TeraHop Pte increased its registered capital from US\$599,896,891.4 to US\$705,564,128.47.

Resolutions of our Shareholders

At the extraordinary general meeting of our Company held on January 28, 2026, the following resolutions, among other things, were duly passed:

- (a) the issue by our Company of H Shares of nominal value of RMB1.00 each and such H Shares be listed on the Hong Kong Stock Exchange;
- (b) the number of H Shares to be issued before the exercise of the Over-allotment Option shall not exceed 8% of the enlarged share capital of our Company upon completion of the Global Offering and granting the Underwriters the Over-allotment Option of no more than 15% of the above number of H Shares to be issued;
- (c) subject to the completion of the Global Offering, the conditional adoption of the Articles of Association, which shall become effective on Listing Date; and
- (d) authorization of the Board or its authorized individual to handle all matters relating to, among other things, the Global Offering, the issue and listing of H Shares on the Hong Kong Stock Exchange.

FURTHER INFORMATION ABOUT OUR BUSINESS**Summary of Material Contracts**

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this Prospectus that are or may be material:

- (a) the cornerstone investment agreement dated July 21, 2026 entered into among the Company, Taibai Investments Pte. Ltd., True Light Investments H Pte. Ltd., Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited and GF Securities (Hong Kong) Brokerage Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$300 million;
- (b) the cornerstone investment agreement dated July 20, 2026 entered into among the Company, HHLR Advisors, Ltd., Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited and GF Securities (Hong Kong) Brokerage Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$300 million;
- (c) the cornerstone investment agreement dated July 20, 2026 entered into among the Company, J.P. Morgan Investment Management Inc. (on behalf of funds and/or accounts it manages), Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited and GF Securities (Hong Kong) Brokerage Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$153.5 million;
- (d) the cornerstone investment agreement dated July 20, 2026 entered into among the Company, JPMorgan Asset Management (Asia Pacific) Limited (on behalf of funds and/or accounts it manages), Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited and GF Securities (Hong Kong) Brokerage Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$96.5 million;

- (e) the cornerstone investment agreement dated July 20, 2026 entered into among the Company, BlackRock Global Funds – China Fund, Best Investment Corporation, National Council for Social Security Fund, IBERCAJA EMERGENTES, FI, BlackRock Asia Fund, BlackRock Global Funds – Asian Dragon Fund, BlackRock Emerging Markets Fund, BlackRock Global Funds – Emerging Markets Fund, BlackRock Strategic Funds – BlackRock Asia Pacific Absolute Return Fund, BlackRock Global Funds–Emerging Markets Sustainable Equity Fund, BlackRock Global Funds – Emerging Markets Equity Income Fund, BlackRock Emerging Markets Fund, Inc., Alpha Advantage Global Fund, Alpha Advantage Global Fund B, BlackRock Global Equity Market Neutral Fund of BlackRock Funds, Emerging Markets Alpha Master Fund Ltd., BlackRock Systematic China Absolute Return Master Fund Ltd., SAE Liquidity Fund LP, BlackRock Systematic Total Alpha Master Fund Ltd., BlackRock Systematic Total Alpha Master Fund Ltd., BLACKROCK STRATEGIC FUNDS – BlackRock Systematic Global Equity Absolute Return Fund, BLACKROCK STRATEGIC FUNDS – BlackRock Systematic Asia Pacific Equity Absolute Return Fund, Government Employees Pension Fund, Baldr Bayes Fund Inc., Baldr Bayes Fund Inc., All China Opportunities Fund, National Pension Service, Republic of Korea, EMN BNH Fund, LP, Pan Asia Opportunities Master Fund Ltd., Global Alpha Opportunities Master Fund Ltd., The 32 Capital Master Fund SPC Ltd., Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited and GF Securities (Hong Kong) Brokerage Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$250 million;
- (f) the cornerstone investment agreement dated July 20, 2026 entered into among the Company, New Alternative Limited, Interlux Fund, L.P., Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited and GF Securities (Hong Kong) Brokerage Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$150 million;
- (g) the cornerstone investment agreement dated July 20, 2026 entered into among the Company, Aspex Master Fund, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited and GF Securities (Hong Kong) Brokerage Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$150 million;
- (h) the cornerstone investment agreement dated July 20, 2026 entered into among the Company, Abu Dhabi Investment Authority, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited and GF Securities (Hong Kong) Brokerage Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$100 million;
- (i) the cornerstone investment agreement dated July 20, 2026 entered into among the Company, Wellington Management Company LLP (as investment adviser for and on behalf of certain investors, severally and not jointly nor jointly and severally), Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited and GF Securities (Hong Kong) Brokerage Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$100 million;

- (j) the cornerstone investment agreement dated July 20, 2026 entered into among the Company, Perseverance Asset Management International (Singapore) Pte. Ltd. (acting in its capacity as an investment advisor or investment manager and on behalf of certain investment funds and separated managed accounts), Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited and GF Securities (Hong Kong) Brokerage Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$100 million;
- (k) the cornerstone investment agreement dated July 20, 2026 entered into among the Company, Indus Select Master Fund, Ltd. and Vitruvius SICAV-Asian Equity, each as advised or managed by Indus Capital Partners, LLC (solely in its capacity as investment manager and authorized agent), Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited and GF Securities (Hong Kong) Brokerage Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$100 million;
- (l) the cornerstone investment agreement dated July 20, 2026 entered into among the Company, Mirae Asset Global Investments (Hong Kong) Limited (in its capacity as the investment manager, acting for and on behalf of each of the sub-funds), Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited and GF Securities (Hong Kong) Brokerage Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$30 million;
- (m) the cornerstone investment agreement dated July 20, 2026 entered into among the Company, Mirae Asset Securities Co., Ltd., Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited and GF Securities (Hong Kong) Brokerage Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$35 million;
- (n) the cornerstone investment agreement dated July 20, 2026 entered into among the Company, Mirae Asset Securities (Hong Kong) Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited and GF Securities (Hong Kong) Brokerage Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$35 million;
- (o) the cornerstone investment agreement dated July 20, 2026 entered into among the Company, NGS SUPER PTY LIMITED (solely in its capacity as trustee for NGS SUPER), Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited and GF Securities (Hong Kong) Brokerage Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$100 million;

- (p) the cornerstone investment agreement dated July 20, 2026 entered into among the Company, BCC Asia Aggregator, L.P., Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited and GF Securities (Hong Kong) Brokerage Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$100 million;
- (q) the cornerstone investment agreement dated July 20, 2026 entered into among the Company, CPE Hawthorn Investment Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited and GF Securities (Hong Kong) Brokerage Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$100 million;
- (r) the cornerstone investment agreement dated July 20, 2026 entered into among the Company, Arcane Nexus Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited and GF Securities (Hong Kong) Brokerage Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$100 million;
- (s) the cornerstone investment agreement dated July 20, 2026 entered into among the Company, IDG Breyer Capital Fund L.P., Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited and GF Securities (Hong Kong) Brokerage Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$70 million;
- (t) the cornerstone investment agreement dated July 20, 2026 entered into among the Company, IDG Capital Project Fund Rhododendron L.P., Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited and GF Securities (Hong Kong) Brokerage Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$20 million;
- (u) the cornerstone investment agreement dated July 20, 2026 entered into among the Company, Ninety One Asia Pte. Limited (acting for and on behalf of Enreal China Master Fund and Forreal China Value Fund in the capacity as the investment manager thereto), Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited and GF Securities (Hong Kong) Brokerage Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$10 million;
- (v) the cornerstone investment agreement dated July 20, 2026 entered into among the Company, WT Asset Management Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited and GF Securities (Hong Kong) Brokerage Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$100 million;

- (w) the cornerstone investment agreement dated July 20, 2026 entered into among the Company, CloudAlpha Capital Management Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited and GF Securities (Hong Kong) Brokerage Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$100 million;
- (x) the cornerstone investment agreement dated July 20, 2026 entered into among the Company, Tairen Capital Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited and GF Securities (Hong Kong) Brokerage Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$100 million;
- (y) the cornerstone investment agreement dated July 20, 2026 entered into among the Company, Hao Advisors Management Limited (acting in its capacity as an investment advisor and on behalf of certain investors), Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited and GF Securities (Hong Kong) Brokerage Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$100 million;
- (z) the cornerstone investment agreement dated July 20, 2026 entered into among the Company, Janchor Partners Pan-Asian Master Fund, Janchor Industrialist Investing Master Fund, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited and GF Securities (Hong Kong) Brokerage Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$100 million;
- (aa) the cornerstone investment agreement dated July 20, 2026 entered into among the Company, Alibaba Investment Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited and GF Securities (Hong Kong) Brokerage Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$50 million;
- (bb) the cornerstone investment agreement dated July 20, 2026 entered into among the Company, Huang River Investment Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited and GF Securities (Hong Kong) Brokerage Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$50 million;
- (cc) the cornerstone investment agreement dated July 20, 2026 entered into among the Company, Canada Pension Plan Investment Board, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited and GF Securities (Hong Kong) Brokerage Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$50 million;

- (dd) the cornerstone investment agreement dated July 20, 2026 entered into among the Company, Oaktree Capital Management, L.P. (as the investment manager for and on behalf of certain investors), Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited and GF Securities (Hong Kong) Brokerage Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$50 million;
- (ee) the cornerstone investment agreement dated July 20, 2026 entered into among the Company, Black Dragon CP Fund SPC (for and on behalf of Black Dragon CP Strategic Fund SP), Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited and GF Securities (Hong Kong) Brokerage Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$50 million;
- (ff) the cornerstone investment agreement dated July 20, 2026 entered into among the Company, Total Glory Developments Limited, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited and GF Securities (Hong Kong) Brokerage Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$50 million;
- (gg) the cornerstone investment agreement dated July 20, 2026 entered into among the Company, Athos Capital Limited (in its capacity as the investment advisor for and on behalf of certain investors), Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited and GF Securities (Hong Kong) Brokerage Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$50 million;
- (hh) the cornerstone investment agreement dated July 20, 2026 entered into among the Company, TAL China Focus Master Fund, TAL Global Opportunities Master Fund, TAL China A Long Only Master Fund, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited and GF Securities (Hong Kong) Brokerage Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$50 million;
- (ii) the cornerstone investment agreement dated July 20, 2026 entered into among the Company, Burkehill Global Management, LP (on behalf of its certain advisory clients), Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited and GF Securities (Hong Kong) Brokerage Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$50 million;
- (jj) the cornerstone investment agreement dated July 20, 2026 entered into among the Company, General Atlantic Singapore SPV 68 Pte. Ltd., Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited and GF Securities (Hong Kong) Brokerage Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$50 million;

(kk) the cornerstone investment agreement dated July 20, 2026 entered into among the Company, Huadeng Tech Vision Investment Ltd, Goldman Sachs (Asia) L.L.C., China International Capital Corporation Hong Kong Securities Limited, Morgan Stanley Asia Limited, GF Capital (Hong Kong) Limited and GF Securities (Hong Kong) Brokerage Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$50 million; and

(ll) the Hong Kong Underwriting Agreement.

Intellectual Property Rights

As of the Latest Practicable Date, our Group has registered, or has applied for the registration of the following intellectual property rights which were material to our Group's business.

Trademarks

As of the Latest Practicable Date, we have registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Registration Number	Owner	Place of Registration	Registration Date (dd/mm/yyyy)	Expiry Date (dd/mm/yyyy)
1. . .		8792424	Suzhou InnoLight	PRC	21/2/2012	20/2/2032
2. . .		12717670	Suzhou InnoLight	PRC	28/11/2014	27/11/2034
		25582362	Suzhou InnoLight	PRC	7/10/2019	6/10/2029
		7625800	Suzhou InnoLight	USA	24/12/2024	24/12/2034
		305113773	Suzhou InnoLight	Hong Kong	15/11/2019	14/11/2029
		302832778	Suzhou InnoLight	Hong Kong	12/11/2013	10/12/2033
		40201924110X	Suzhou InnoLight	Singapore	4/11/2019	4/11/2029
		221104055	Suzhou InnoLight	Thailand	27/11/2019	26/11/2029
		416261	Suzhou InnoLight	Vietnam	30/3/2022	5/11/2029
		02070145	Suzhou InnoLight	Taiwan, PRC	1/7/2020	30/6/2030
		02069520	Suzhou InnoLight	Taiwan, PRC	1/7/2020	30/6/2030
		02085194	Suzhou InnoLight	Taiwan, PRC	16/9/2020	15/9/2030
3. . .	旭創科技	12717637	Suzhou InnoLight	PRC	28/3/2015	27/3/2035
		302832804	Suzhou InnoLight	Hong Kong	12/11/2013	10/12/2033
		02070146	Suzhou InnoLight	Taiwan, PRC	1/7/2020	30/6/2030
		02065000	Suzhou InnoLight	Taiwan, PRC	16/6/2020	15/6/2030
		02069521	Suzhou InnoLight	Taiwan, PRC	1/7/2020	30/6/2030
4. . .	旭創光電	58364708	Suzhou InnoLight	PRC	14/4/2022	13/4/2032
		58372379	Suzhou InnoLight	PRC	14/4/2022	13/4/2032
		58348509	Suzhou InnoLight	PRC	14/2/2022	13/2/2032
5. . .	旭創光馳	53135908	Suzhou InnoLight	PRC	28/8/2021	27/8/2031
6. . .	INNOLEAP	54162758	Suzhou InnoLight	PRC	28/10/2021	27/10/2031
		54143466	Suzhou InnoLight	PRC	28/12/2021	27/12/2031
7. . .		42103293	The Company	PRC	7/9/2020	6/9/2030
		42116881	The Company	PRC	7/9/2020	6/9/2030

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

No.	Trademark	Registration Number	Owner	Place of Registration	Registration Date (dd/mm/yyyy)	Expiry Date (dd/mm/yyyy)
8. . .		53327885	The Company	PRC	7/3/2022	6/3/2032
		54795954	The Company	PRC	7/5/2022	6/5/2032
		307070599	The Company	Hong Kong	10/03/2026	23/10/2035
		307070580	The Company	Hong Kong	10/03/2026	23/10/2035
9. . .	SITOPARK	58399989	Suzhou InnoLight Optoelectronic Industrial Park Development Co., Ltd. (蘇州旭創光電產業園發展有限公司) (“SITO Park”)	PRC	7/2/2022	6/2/2032
		58395340	SITO Park	PRC	7/2/2022	6/2/2032
		58393564	SITO Park	PRC	7/2/2022	6/2/2032
		58383592	SITO Park	PRC	7/2/2022	6/2/2032
		58381368	SITO Park	PRC	7/2/2022	6/2/2032
		58388176	SITO Park	PRC	21/2/2022	20/2/2032
		58383795	SITO Park	PRC	21/2/2022	20/2/2032
		58406510	SITO Park	PRC	7/3/2022	6/3/2032
		58379884	SITO Park	PRC	14/2/2022	13/2/2032
		58379740	SITO Park	PRC	14/2/2022	13/2/2032
10. . .		58398421	SITO Park	PRC	14/2/2022	13/2/2032
		58395293	SITO Park	PRC	14/2/2022	13/2/2032
		58390293	SITO Park	PRC	14/2/2022	13/2/2032
11. . .	TeraHop	40202410967P	TeraHop Pte	Singapore	20/5/2024	20/5/2034
		251111595	TeraHop Thailand	Thailand	23/3/2026	9/6/2034
		02414636	TeraHop Pte	Taiwan, PRC	16/11/2024	15/11/2034
		79840306	TeraHop Pte	PRC	7/2/2025	6/2/2035
		8215986	TeraHop Pte	USA	14/04/2026	14/04/2036
12. . .	TERAHOP	40202415901T	TeraHop Pte	Singapore	15/7/2024	15/7/2034
		02429268	TeraHop Pte	Taiwan, PRC	16/1/2025	15/1/2035
		8197759	TeraHop Pte	USA	31/03/2026	31/03/2036
		79844457	TeraHop Pte	PRC	7/2/2025	6/2/2035
13. . .	PioSeed	019068890	Pioseed Chengdu	EU	15/1/2025	19/8/2034
14. . .	PIOSEED	80249866	Pioseed Chengdu	PRC	21/2/2025	20/2/2035
		8265637	Pioseed Chengdu	USA	19/05/2026	19/05/2036
		019068956	Pioseed Chengdu	EU	15/1/2025	19/8/2034
		80521530	Pioseed Chengdu	PRC	28/2/2025	27/2/2035
		8265636	Pioseed Chengdu	USA	19/05/2026	19/05/2036
15. . .	ReinOCS	019074064	ReinOCS AutoPhotonics (Suzhou) Co., Ltd. (蘇州智馳領馭科技有限公司) (“ReinOCS Suzhou”)	EU	18/1/2025	3/9/2034
		80476423	ReinOCS Suzhou	PRC	7/7/2025	6/7/2035
		80487660	ReinOCS Suzhou	PRC	14/6/2025	13/6/2035
		8276390	ReinOCS Suzhou	USA	26/05/2026	26/05/2036

No.	Trademark	Registration Number	Owner	Place of Registration	Registration Date (dd/mm/yyyy)	Expiry Date (dd/mm/yyyy)
16. . .		019085462	ReinOCS Suzhou	EU	22/2/2025	30/9/2034
		81208365	ReinOCS Suzhou	PRC	21/7/2025	20/7/2035
		81223728	ReinOCS Suzhou	PRC	21/7/2025	20/7/2035
		8306643	ReinOCS Suzhou	USA	16/06/2026	16/06/2036

Patents

As of the Latest Practicable Date, we had registered the ownership of and/or had the right to use the following patents which we consider to be or may be material to our business:

No.	Patent	Patent Owner	Patent Category	Place of Registration	Filing Date (dd/mm/yyyy)	Expiry Date (dd/mm/yyyy)
1. . .	Optical module (光模塊)	Suzhou InnoLight	Invention	PRC	31/12/2014	31/12/2034
2. . .	APD bias control circuit, photoelectric receiving circuit and bias control method (APD偏壓控制電路、光電接收電路以及偏壓控制方法)	Suzhou InnoLight	Invention	PRC	29/4/2016	29/4/2036
3. . .	Optical module (光模塊)	Suzhou InnoLight	Invention	PRC	5/2/2016	5/2/2036
4. . .	Optical path control system and optical module (光路控制系統及光模塊)	Suzhou InnoLight	Invention	PRC	5/2/2016	5/2/2036
5. . .	An optical module based on a pull-type unlocking and reset mechanism (基於拉拔式解鎖重定機構的光模塊)	Suzhou InnoLight	Invention	PRC	30/8/2016	30/8/2036
6. . .	Optical module (光模塊)	Suzhou InnoLight	Invention	PRC	19/7/2017	19/7/2037
7. . .	Optical module (光模塊)	Suzhou InnoLight	Invention	PRC	19/7/2017	19/7/2037
8. . .	Optical module (光模塊)	Suzhou InnoLight	Invention	PRC	19/7/2017	19/7/2037
9. . .	Optical module (光模塊)	Suzhou InnoLight	Invention	PRC	19/7/2017	19/7/2037
10. . .	Flexible printed circuit, optical transceiver assembly and optical module (柔性電路板、光收發組件及光模塊)	Suzhou InnoLight	Invention	PRC	16/11/2017	16/11/2037
11. . .	Flexible printed circuit, circuit board assembly, optical transceiver assembly and optical module (柔性電路板、電路板組件、光收發組件及光模塊)	Suzhou InnoLight	Invention	PRC	28/2/2018	28/2/2038
12. . .	An optical module (一種光模塊)	Suzhou InnoLight	Invention	PRC	27/8/2018	27/8/2038
13. . .	An optical module (一種光模塊)	Suzhou InnoLight	Invention	PRC	6/5/2019	6/5/2039
14. . .	An optical interface component and optical module (一種光接口組件及光模塊)	Suzhou InnoLight	Invention	PRC	29/9/2019	29/9/2039

No.	Patent	Patent Owner	Patent Category	Place of Registration	Filing Date (dd/mm/yyyy)	Expiry Date (dd/mm/yyyy)
15.	A packaging structure and optical module (一種封裝結構及光模塊)	Suzhou InnoLight	Invention	PRC	18/5/2020	18/5/2040
16.	Component packaging structure and optical module with the same (組件封裝結構及具有其的光模塊)	Suzhou InnoLight	Utility Model	PRC	18/9/2021	18/9/2031
17.	Optical circulator and optical module (環形器及光模塊)	Suzhou InnoLight	Utility Model	PRC	10/6/2022	10/6/2032
18.	An optical module (一種光模塊)	Suzhou InnoLight	Utility Model	PRC	5/12/2023	5/12/2033
19.	Optical module (光模塊)	Suzhou InnoLight; TeraHop Pte	Utility Model	PRC	13/8/2024	13/8/2034
20.	Optical module and assembly method thereof (光模塊及其裝配方法)	TeraHop Pte	Invention	USA	22/12/2017	22/12/2037
21.	Substrate packaging structure including conductive blocks and conductive areas formed on substrates and optical module including same (超高速基板封裝結構及光模塊)	TeraHop Pte	Invention	USA	4/1/2018	4/1/2038
22.	Wavelength selection method and wavelength selection device for tunable laser (可調諧激光器的波長選擇方法及波長選擇裝置)	TeraHop Pte	Invention	USA	10/9/2019	27/11/2039
23.	Narrow-linewidth tunable external cavity laser (一種窄線寬可調外腔激光器)	TeraHop Pte	Invention	USA	15/11/2019	9/6/2040
24.	Optical assembly and manufacturing method thereof (一種光學組件及其製造方法)	TeraHop Pte	Invention	USA	8/1/2020	8/1/2040
25.	Optical module comprising a reflective surface at a preset angle for reflecting light from light transmitting lenses to light receiving lenses (一種BiDi光學器件)	TeraHop Pte	Invention	USA	6/3/2020	24/7/2040
26.	Optical module (光模塊)	TeraHop Pte	Invention	USA	14/8/2020	14/8/2040
27.	Optical assembly (一種光學組件)	TeraHop Pte	Invention	USA	24/11/2020	24/11/2040
28.	Optical module package structure (一種光模塊封裝結構)	Suzhou InnoLight	Invention	USA	3/8/2021	5/4/2042
29.	Optical module and its assembly method (光模塊及其裝配方法)	TeraHop Pte	Invention	Taiwan, PRC	1/4/2022	31/3/2042
30.	Optical interface assembly and optical module (一種光接口組件及光模塊)	TeraHop Pte	Invention	USA	29/9/2020	29/9/2040

No.	Patent	Patent Owner	Patent Category	Place of Registration	Filing Date (dd/mm/yyyy)	Expiry Date (dd/mm/yyyy)
31.	Optical module (光模塊)	Suzhou InnoLight	Invention	PRC	19/7/2017	19/7/2037

Copyrights

As of the Latest Practicable Date, we have registered the following copyrights which we consider to be or may be material to our business:

No.	Copyright	Owner	Registration Number	Registration Date (dd/mm/yyyy)	Place of Registration
1. . .	Innovation Lights Our Future (創新照亮未來) -1	Suzhou InnoLight	蘇作登字-2017-F-00240163	13/11/2017	PRC
2. . .	Innovation Lights Our Future (創新照亮未來) -5	Suzhou InnoLight	蘇作登字-2017-F-00240159	13/11/2017	PRC
3. . .	Innovation Lights Our Future (創新照亮未來) -4	Suzhou InnoLight	蘇作登字-2017-F-00240160	13/11/2017	PRC
4. . .	Innovation Lights Our Future (創新照亮未來) -6	Suzhou InnoLight	蘇作登字-2017-F-00240158	13/11/2017	PRC
5. . .	Innovation Lights Our Future (創新照亮未來) -2	Suzhou InnoLight	蘇作登字-2017-F-00240162	13/11/2017	PRC
6. . .	Innovation Lights Our Future (創新照亮未來) -3	Suzhou InnoLight	蘇作登字-2017-F-00240161	13/11/2017	PRC
7. . .	TERA	The Company	國作登字-2025-F-00339916	20/11/2025	PRC

Domain Names

As of the Latest Practicable Date, we have registered the following internet domain names which we consider to be or may be material to our business:

No.	Domain Name	Registered Owner	Registration Date (dd/mm/yyyy)	Expiry Date (dd/mm/yyyy)
1. . .	innolight.cn	Suzhou InnoLight	9/9/2010	9/9/2028
2. . .	innolight-us.com	Suzhou InnoLight	3/12/2021	3/12/2028
3. . .	innolight.com	Suzhou InnoLight	19/2/2004	20/2/2030
4. . .	zj-inno.com	The Company	24/6/2019	24/6/2029
5. . .	zj-innolight.com	The Company	8/8/2018	8/8/2029
6. . .	zhongji-innolight.com	The Company	8/8/2018	8/8/2029
7. . .	中際旭創.com	The Company	25/8/2020	25/8/2029
8. . .	中際旭創.cn	The Company	25/8/2020	25/8/2029
9. . .	中際旭創.net	The Company	25/8/2020	25/8/2029
10. . .	蘇州旭創.cn	The Company	25/8/2020	25/8/2029
11. . .	蘇州旭創.com	The Company	25/8/2020	25/8/2029
12. . .	旭創科技.cn	The Company	25/8/2020	25/8/2029
13. . .	旭創科技.com	The Company	25/8/2020	25/8/2029
14. . .	旭創科技.net	The Company	25/8/2020	25/8/2029

FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Interests and short positions of our Directors and chief executive of our Company in the Shares, underlying Shares and debentures of our Company and our associated corporations

Interests in our Company

Save as disclosed in this paragraph headed “Interests and short positions of our Directors and chief executive of our Company in the Shares, underlying Shares and debentures of our Company and our associated corporations” below, immediately following the completion of the Global Offering (assuming the Over-Allotment Option is not exercised, no new Shares are issued under the Restricted Share Incentive Schemes and there are no changes in the issued share capital of the Company between the Latest Practicable Date and the Listing Date), so far as our Directors are aware, none of our Directors and chief executive has any interests and short positions in our Shares, underlying Shares or debentures of our Company or any of our associated corporations (within the meaning of Part XV of the SFO) (i) which will have to be notified to us and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or (ii) which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) which will be required to be notified to us and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules:

Name	Position	Capacity/Nature of interest	Description of Shares	Number of Shares ⁽¹⁾	Approximate percentage of shareholding in the A Shares immediately after completion of the Global Offering ⁽²⁾	Approximate percentage of shareholding in the total Share capital immediately after completion of the Global Offering ⁽²⁾
Dr. Liu Sheng ⁽³⁾	Executive	Beneficial interest	A Shares	3,651,954	0.33%	0.31%
	Director and	Beneficial interest	A Shares	246,400	0.02%	0.02%
	president of the Company	Interest in controlled corporations	A Shares	70,485,432	6.32%	6.03%
Mr. Wang Xiaodong ⁽⁴⁾	Executive	Beneficial interest	A Shares	2,167,657	0.19%	0.19%
Ms. Wang Xiaoli ⁽⁵⁾	Director					
	Executive	Beneficial interest	A Shares	694,540	0.06%	0.06%
	Director	Beneficial interest	A Shares	192,500	0.02%	0.02%

Notes:

- (1) All interests stated are long positions in the Shares.
- (2) The calculation is based on the total number of 1,115,234,641 A Shares and 54,500,000 H Shares in issue immediately after completion of the Global Offering, assuming the Over-Allotment Option is not exercised, no new Shares are issued under the Restricted Share Incentive Schemes and there are no changes in the issued share capital of the Company between the Latest Practicable Date and the Listing Date.
- (3) Dr. Liu Sheng has been granted outstanding Share Awards for 246,400 A Shares under the 2023 Restricted Shares Incentive Scheme. In addition, the general partner of Suzhou Yixingfu and Suzhou Yunchangjin is Suzhou Tiantingque, which is wholly owned by Dr. Liu Sheng. As such, pursuant to the SFO, Dr. Liu Sheng is deemed to be interested in the 46,627,154 A Shares held by Suzhou Yixingfu and 23,858,278 A Shares held by Suzhou Yunchangjin as of the Latest Practicable Date.
- (4) Mr. Wang Xiaodong is also deemed as a party acting in concert with Mr. Wang Weixiu and Zhongji Holding under the applicable PRC laws, regulations and rules.
- (5) Ms. Wang Xiaoli has been granted outstanding Share Awards for 192,500 A Shares under the 2023 Restricted Shares Incentive Scheme.

Interests in our associated corporations

Name	Position	Name of associated corporation	Capacity/Nature of interest	Number of shares/registered share capital of the associated corporation	Approximate percentage of issued/registered share capital of the associated corporation
Dr. Liu Sheng	Executive Director and president of the Company	Picmore Technology (Suzhou) Co., Ltd. (蘇州湃矽科技有限公司) (“ Suzhou Picmore ”)	Interest in controlled corporation ⁽¹⁾	RMB9,999,000	33.33%
		TeraHop Pte	Interest in controlled corporation ⁽²⁾	21,230,971	15.50%
			Interest in controlled corporation ⁽³⁾	6,712,155	4.90%

Notes:

- (1) Suzhou Industrial Park Shuxin Juhui Enterprise Management Partnership (Limited Partnership) (蘇州工業園區曙芯聚輝企業管理合夥企業(有限合夥)) (“**Suzhou Shuxin Juhui**”) holds 33.33% equity interests in Suzhou Picmore. The general partner of Suzhou Shuxin Juhui is Suzhou Industrial Park Xinyuan Huilian Enterprise Management Co., Ltd. (蘇州工業園區芯源慧聯企業管理有限公司) (“**Xinyuan Huilian**”), which is held as to 70% by Dr. Liu Sheng. Therefore, Dr. Liu Sheng is deemed to be interested in the equity interests held by Suzhou Shuxin Juhui in Suzhou Picmore under the SFO.
- (2) INFIEVO Holding Pte. Ltd. (“**INFIEVO**”) holds 15.77% equity interests in TeraHop Pte. INFIEVO is held as to approximately 91.76% by Suzhou Xingnuowei Enterprise Management Partnership (Limited Partnership) (蘇州星諾維企業管理合夥企業(有限合夥)) (“**Suzhou Xingnuowei**”). The general partner of Suzhou Xingnuowei is Suzhou Industrial Park Tiantingque Enterprise Management Co., Ltd. (蘇州工業園區天庭闕企業管理有限公司), which is wholly owned by Dr. Liu Sheng, who holds approximately 81.36% partnership interests in Suzhou Xingnuowei as a limited partner. Therefore, Dr. Liu Sheng is deemed to be interested in the equity interests held by INFIEVO in TeraHop Pte under the SFO.
- (3) INFIEVO was granted a warrant, upon exercise of which it shall have the right to purchase 6,712,155 shares of TeraHop Pte, representing approximately 4.90% of the issued share capital of TeraHop Pte upon full completion of the TeraHop 2025 Financing and the TeraHop 2026 Financing, subject to the terms of the warrant. As disclosed above, Dr. Liu Sheng is deemed to be interested in such derivative interests held by INFIEVO in TeraHop Pte under the SFO.

Interests of the substantial shareholders in the Shares

Save as disclosed in “Substantial Shareholders”, immediately following the completion of the Global Offering and without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option and under the Restricted Share Incentive Schemes, our Directors are not aware of any other person (not being a Director or chief executive of our Company) who will have an interest or short position in our Shares or the underlying Shares which would fall to be disclosed to us and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting shares of our Company.

Interests of the substantial shareholders in other members of our Group

So far as the Directors are aware, the following persons (other than our Company, and any subsidiaries of our Group) are entitled to exercise, or control the exercise of, 10% or more of voting power at the general meetings of other members of our Group:

Name of the subsidiary	Name of the shareholder	Percentage of interest in the subsidiary
TeraCule Technology (Guangdong) Co., Ltd. (廣東 深度智冷科技有限公司)	Guangdong Hec Liquid Cooling Technology Co., Ltd. (廣東東 陽光液冷科技有限公司)	49.00%
Suzhou Picmore	Suzhou Shuxin Juhui	33.33%
Photonmind Holding Ltd.	Engineg Holding Limited	33.30%
TeraHop Pte	INFIEVO	15.77%
Chongqing Jingle Electronic Co., Ltd. (重慶君歌電子科技 有限公司)	Liu Shiyong (劉世勇)	16.20%

Particulars of Directors' Service Contracts

Each of the Directors has entered into a service contract or a letter of appointment with our Company. Save as above, we have not entered into, and do not propose to enter into any service contracts with any of our Directors in their respective capacities as Directors (excluding agreements expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

Disclaimers

- (a) None of our Directors, their respective close associates (as defined under the Listing Rules) or Shareholders who or which to the best knowledge of the Directors own more than 5% of the number of issued shares of our Company have any interests in the five largest customers or the five largest suppliers of our Group for each year during the Track Record Period;
- (b) None of our Directors or any of the parties listed in “— Qualifications of Experts” in this Appendix is:
 - i. interested in our promotion, or in any assets which have been, within two years immediately preceding the date of this Prospectus, acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to any member of our Group; or
 - ii. materially interested in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to our business;
- (c) Save in connection with the Underwriting Agreements, none of the persons listed in “— Qualifications of Experts” in this Appendix has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group; and
- (d) None of our Directors has entered or has proposed to enter into any service agreements with our Company or any member of our Group (other than contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

2023 RESTRICTED SHARES INCENTIVE SCHEME AND 2025 RESTRICTED SHARES INCENTIVE SCHEME

Our Company adopted the 2023 Restricted Shares Incentive Scheme and 2025 Restricted Shares Incentive Scheme on November 8, 2023 and April 25, 2025, respectively, which were outstanding as of the Latest Practicable Date. The terms of the 2023 Restricted Shares Incentive Scheme and 2025 Restricted Shares Incentive Scheme are not subject to the provisions of Chapter 17 of the Listing Rules as no Share Awards will be granted under both schemes after the Listing. The principal terms of the 2023 Restricted Shares Incentive Scheme and 2025 Restricted Shares Incentive Scheme are summarized below.

(i) Purpose of the 2023 Restricted Shares Incentive Scheme and 2025 Restricted Shares Incentive Scheme

The purposes of the 2023 Restricted Shares Incentive Scheme and 2025 Restricted Shares Incentive Scheme are to further establish and improve long-term incentive mechanisms, attract and retain outstanding talents, fully motivate the core management team and key employees, effectively align the interests of Shareholders, the Company, and the core team, and ensure that all parties jointly focus on the long-term development of the Company, thereby securing the achievement of the Company's development strategy and business objectives.

(ii) Participants of the 2023 Restricted Shares Incentive Scheme and 2025 Restricted Shares Incentive Scheme

The participants of the 2023 Restricted Shares Incentive Scheme include Directors (excluding independent non-executive Directors), senior management, middle-level managers and key employees of the members of the Group, and the participants of the 2025 Restricted Shares Incentive Scheme include middle-level managers and key employees of the members of the Group. All such participants are existing employees of the Group and play an important role in and have significant impact on the overall performance and long-term development of the Group as set out in the Scheme.

(iii) Source of the Shares for the 2023 Restricted Shares Incentive Scheme and 2025 Restricted Shares Incentive Scheme

The underlying Shares for the 2023 Restricted Shares Incentive Scheme and 2025 Restricted Shares Incentive Scheme are new A Shares to be issued by our Company to the participants thereunder. The maximum number of Share Awards (before any adjustment due to capital reserve capitalization and other share capital changes, if any) that can be granted under the 2023 Restricted Shares Incentive Scheme and 2025 Restricted Shares Incentive Scheme is 8,000,000 A Shares and 10,000,000 A Shares, respectively.

(iv) Term of the 2023 Restricted Shares Incentive Scheme and 2025 Restricted Shares Incentive Scheme

Both the 2023 Restricted Shares Incentive Scheme and the 2025 Restricted Shares Incentive Scheme are valid for a period of 60 months, commencing from the date of the first grant of restricted shares under each respective scheme.

(v) Administration

Both the 2023 Restricted Shares Incentive Scheme and the 2025 Restricted Shares Incentive Scheme have been approved by the Shareholders' meeting and are administered by the Board. The Board is responsible for drafting and amending the plans and handling other related matters of the 2023 Restricted Shares Incentive Scheme and the 2025 Restricted Shares Incentive Scheme within the scope authorized by the Shareholders' meeting.

(vi) Lock-up and Vesting of the Shares

The vesting of the restricted Shares under the 2023 Restricted Shares Incentive Scheme and the 2025 Restricted Shares Incentive Scheme shall be subject to attainment of performance target at the Group level and results of the yearly personal evaluation of each participant at individual level.

The vesting period for the initial grant of Shares under the 2023 Restricted Shares Incentive Scheme is below:

Vesting tranche	Vesting period	Percentage of vested Shares to total initially granted Shares under 2023 Restricted Shares Incentive Scheme
The first vesting tranche	From the first trading day following the 12 months after the initial grant date until the last trading day within 24 months from the initial grant date	20%
The second vesting tranche	From the first trading day following the 24 months after the initial grant date until the last trading day within 36 months from the initial grant date	25%
The third vesting tranche	From the first trading day following the 36 months after the initial grant date until the last trading day within 48 months from the initial grant date	25%
The forth vesting tranche	From the first trading day following the 48 months after the initial grant date until the last trading day within 60 months from the initial grant date	30%

The vesting period for the reserved grant of Shares under the 2023 Restricted Shares Incentive Scheme is below:

Vesting tranche	Vesting period	Percentage of vested Shares to total initially granted Shares under 2023 Restricted Shares Incentive Scheme
The first vesting tranche	From the first trading day following 18 months after the grant date of the reserved restricted Shares until the last trading day within 30 months from the grant date of the reserved restricted Shares	30%
The second vesting tranche	From the first trading day following 30 months after the grant date of the reserved restricted Shares until the last trading day within 42 months from the grant date of the reserved restricted Shares	30%

Vesting tranche	Vesting period	Percentage of vested Shares to total initially granted Shares under 2023 Restricted Shares Incentive Scheme
The third vesting tranche	From the first trading day following 42 months after the grant date of the reserved restricted Shares until the last trading day within 54 months from the grant date of the reserved restricted Shares	40%

The vesting period for the initial grant of Shares under the 2025 Restricted Shares Incentive Scheme is below:

Vesting tranche	Vesting period	Percentage of vested Shares to total initially granted Shares under 2025 Restricted Shares Incentive Scheme
The first vesting tranche	From the first trading day following the 12 months after the initial grant date until the last trading day within 24 months from the initial grant date	15%
The second vesting tranche	From the first trading day following the 24 months after the initial grant date until the last trading day within 36 months from the initial grant date	25%
The third vesting tranche	From the first trading day following the 36 months after the initial grant date until the last trading day within 48 months from the initial grant date	30%
The forth vesting tranche	From the first trading day following the 48 months after the initial grant date until the last trading day within 60 months from the initial grant date	30%

The vesting period for the reserved grant of Shares under the 2025 Restricted Shares Incentive Scheme is below:

Vesting tranche	Vesting period	Percentage of vested Shares to total initially granted Shares under 2025 Restricted Shares Incentive Scheme
The first vesting tranche	From the first trading day following 18 months after the grant date of the reserved restricted Shares until the last trading day within 30 months from the grant date of the reserved restricted Shares	30%

Vesting tranche	Vesting period	Percentage of vested Shares to total initially granted Shares under 2025 Restricted Shares Incentive Scheme
The second vesting tranche	From the first trading day following 30 months after the grant date of the reserved restricted Shares until the last trading day within 42 months from the grant date of the reserved restricted Shares	30%
The third vesting tranche	From the first trading day following 42 months after the grant date of the reserved restricted Shares until the last trading day within 54 months from the grant date of the reserved restricted Shares	40%

(vii) Details of the outstanding Share Awards granted

As of the Latest Practicable Date, our Company had granted outstanding Share Awards under the 2023 Restricted Shares Incentive Scheme to 168 grantees to subscribe for an aggregate of 6,220,690 A Shares, representing approximately 0.53% of the total number of Shares in issue immediately after completion of the Global Offering (assuming the Over-Allotment Option is not exercised, no new Shares are issued under the Restricted Share Incentive Schemes and there are no changes in the issued share capital of the Company between the Latest Practicable Date and the Listing Date). Among the outstanding Share Awards in the 2023 Restricted Shares Incentive Scheme, two Directors (Dr. Liu Sheng and Ms. Wang Xiaoli), one member of senior management (Mr. Wang Jun), four other connected persons of the Company, and 161 grantees who are employees of our Group and are not Directors, Supervisors, members of senior management, consultants or connected persons of the Company were granted Share Awards to subscribe for 438,900 A Shares, 169,400 A Shares, 639,100 A Shares, and 4,973,290 A Shares, respectively. Details of the outstanding Share Awards granted as of the Latest Practicable Date are set out below:

Names of Grantee	Position in our Group	Date of grant	Number of A Shares underlying the Share Awards	Purchase price per Share	Approximate percentage of issued Shares immediately after completion of the Global Offering
<i>(RMB)</i>					
Directors					
Liu Sheng	Chairman of the Board, executive Director and president of the Company	November 23, 2023	246,400	36.16	0.02%
Wang Xiaoli	Executive Director, vice president, and chief financial officer of the Company	November 23, 2023	192,500	36.16	0.02%

Names of Grantee	Position in our Group	Date of grant	Number of A Shares underlying the Share Awards	Purchase price per Share (RMB)	Approximate percentage of issued Shares immediately after completion of the Global Offering
Senior Management					
Wang Jun	Vice president and Board secretary of the Company	November 23, 2023	169,400	36.16	0.01%
Connected Persons					
Mok Osa	Executive director of TeraHop Pte	November 23, 2023	215,600	36.16	0.02%
Chou-Shung					
Liu Wenxiong	Executive director of TeraHop Thailand	November 23, 2023	92,400	36.16	0.01%
Ding Hai	Executive director of Suzhou InnoLight	November 23, 2023	138,600	36.16	0.01%
Wang Pan	Executive director of Tongling InnoLight and authorized director of TeraHop Thailand	November 23, 2023	192,500	36.16	0.02%
Other Grantees					
102 employees with outstanding Share Awards of 20,000 or fewer	–	November 23, 2023; November 7, 2024	705,390	35.16; 36.16	0.06%
25 employees with outstanding Share Awards of 20,001 to 50,000	–	November 23, 2023; November 7, 2024	887,110	35.16; 36.16	0.08%
34 employees with outstanding Share Awards of 50,001 or more	–	November 23, 2023; November 7, 2024	3,380,790	35.16; 36.16	0.29%

As of the Latest Practicable Date, our Company had granted outstanding Share Awards under the 2025 Restricted Shares Incentive Scheme to 796 grantees to subscribe for an aggregate of 8,526,280 A Shares, representing approximately 0.73% of the total number of Shares in issue immediately after completion of the Global Offering (assuming the Over-Allotment Option is not exercised, no new Shares are issued under the Restricted Share Incentive Schemes and there are no changes in the issued share capital of the Company between the Latest Practicable Date and the Listing Date). None of the grantees of outstanding awards under the 2025 Restricted Shares Incentive Scheme are Directors or members of the senior management of the Company. Among the outstanding Share Awards in the 2025 Restricted Shares Incentive Scheme, four connected persons of the Company and 792 grantees who are employees of our Group and are not Directors, Supervisors, members of senior management, consultants or connected persons of the Company were granted Share Awards to subscribe for 169,150 A Shares and 8,357,130 A Shares, respectively.

Names of Grantee	Position in our Group	Date of grant	Number of A Shares underlying the Share Awards	Purchase price per Share (RMB)	Approximate percentage of issued Shares immediately after completion of the Global Offering
Connected Persons					
Mok Osa	Executive director	April 29, 2025	42,500	52.10	0.004%
Chou-Shung	of TeraHop Pte				
Ding Hai	Executive director	April 29, 2025	88,400	52.10	0.01%
	of Suzhou				
	InnoLight				
Wang Pan	Executive director	April 29, 2025	34,000	52.10	0.003%
	of Tongling				
	InnoLight and				
	authorized				
	director of				
	TeraHop Thailand				
Chen Hui	Key employee of	April 29, 2025	4,250	52.10	0.0004%
	Suzhou InnoLight				
Other Grantees					
724 employees with	–	April 29, 2025;	5,622,745	52.10;	0.48%
outstanding Share		March 12,		53.10	
Awards of 20,000		2026			
or fewer					
53 employees with	–	April 29, 2025;	1,475,795	52.10;	0.13%
outstanding Share		March 12,		53.10	
Awards of 20,001		2026			
to 50,000					
15 employees with	–	April 29, 2025;	1,258,590	52.10;	0.11%
outstanding Share		March 12,		53.10	
Awards of 50,001		2026			
or more					

OTHER INFORMATION

Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries under the laws of the PRC.

Litigation

As of the Latest Practicable Date, we were not engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to our Directors to be pending or threatened by or against any member of our Group, that would have a material and adverse effect on our Group's results of operations or financial conditions, taken as a whole.

Joint Sponsors' Independence

Each of the Joint Sponsors satisfies the independence criteria applicable to the sponsor set out in Rule 3A.07 of the Listing Rules.

Pursuant to the engagement letter entered into between the Company and the Joint Sponsors, the Joint Sponsors' fees payable by us to each of the Joint Sponsors in respect of their services as sponsors in connection with the Listing on the Hong Kong Stock Exchange is US\$500,000.

Preliminary Expenses

As of the Latest Practicable Date, our Company has not incurred any material preliminary expenses.

Promoter

The promoters of the Company are all of the five then shareholders of our Company as of October 16, 2010 immediately before our conversion into a joint stock limited liability company. Within the two years immediately preceding the date of this Prospectus, no cash, securities or other benefit has been paid, allotted or given or is proposed to be paid, allotted or given to the promoters in connection with the Global Offering and the related transactions described in this Prospectus.

Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares registered with our Hong Kong branch register of members will be subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and seller is 0.1% of the consideration of or, if higher, of the fair value of our Shares being sold or transferred.

No Material Adverse Change

Our Directors confirm that up to the date of this Prospectus, there has been no material adverse change in our financial, operational or trading positions or prospects since March 31, 2026, being the end of the period reported on as set out in the Accountant's Report included in Appendix I to this Prospectus.

Restriction on Share Repurchase

For details of the restrictions on share repurchases by our Company, please refer to "Summary of Articles of Association — Increase, Decrease and Repurchase of Shares" in Appendix III to this Prospectus.

Qualifications of Experts

The qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given their opinion and/or advice in this Prospectus are as follows:

<u>Name</u>	<u>Qualification</u>
Goldman Sachs (Asia) L.L.C. . .	A licensed corporation under the SFO for type 1 (dealing in securities), type 4 (advising on securities), type 5 (advising on futures contracts), type 6 (advising on corporate finance) and type 9 (asset management) of the regulated activities as defined under the SFO

Name	Qualification
China International Capital Corporation Hong Kong Securities Limited	A licensed corporation under the SFO to conduct type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 5 (advising on futures contracts) and type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
Morgan Stanley Asia Limited . .	A licensed corporation under the SFO to conduct type 1 (dealing in securities), type 4 (advising on securities), type 5 (advising on futures contracts), type 6 (advising on corporate finance) and type 9 (asset management) of the regulated activities as defined under the SFO
GF Capital (Hong Kong) Limited	A licensed corporation under the SFO to conduct type 6 (advising on corporate finance) regulated activity as defined under the SFO
PricewaterhouseCoopers	Certified Public Accountants under Professional Accountant Ordinance (Chapter 50 of the Laws of Hong Kong) and Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
Zhong Lun Law Firm	PRC Legal Adviser and PRC data compliance adviser to our Company
Katten Muchin Rosenman LLP .	Legal adviser to our Company as to U.S. export controls and sanctions
Hogan Lovells Cadwalader International LLP	Legal adviser to our Company as to U.S. tariffs and outbound investment program
China Insights Industry Consultancy Limited	Independent industry consultant
PricewaterhouseCoopers Consultants (Shenzhen) Limited Suzhou Branch	Transfer Pricing Consultant

As of the Latest Practicable Date, none of the experts named above had any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

Consents of Experts

Each of the experts as referred to “— Qualifications of Experts” in this Appendix has given and has not withdrawn their respective written consents to the issue of this Document with the inclusion of their reports and/or letters and/or opinion (as the case may be) and the references to their names included in the form and context in which they are respectively included.

Binding Effect

This Prospectus shall have the effect, if an application is made in pursuance of it, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

Bilingual Prospectus

The English and Chinese language versions of this Prospectus are being published separately, in reliance upon the exemption provided under section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

Miscellaneous

Save as disclosed in the section headed “Financial Information” and this Appendix,

- (a) within the two years preceding the date of this Prospectus: (i) we have not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash; and (ii) no commissions, discounts, brokerage fee or other special terms have been granted in connection with the issue or sale of any shares of our Company;
- (b) no share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option;
- (c) we have not issued nor agreed to issue any founder shares, management shares or deferred shares;
- (d) there are no arrangements under which future dividends are waived or agreed to be waived;
- (e) there are no procedures for the exercise of any right of pre-emption or transferability of subscription rights;
- (f) there are no contracts for hire or hire purchase of plant to or by us for a period of over one year which are substantial in relation to our business;
- (g) there have been no interruptions in our business which may have or have had a significant effect on our financial position in the last 12 months;
- (h) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;
- (i) save for the A Shares of our Company that are listed on the Shenzhen Stock Exchange, and save for the H Shares to be issued in connection with the Global Offering, none of the equity and debt securities of our Company, if any, is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought;
- (j) our Company has no outstanding convertible debt securities or debentures;
- (k) our Company is a joint stock limited company and is subject to the PRC Company Law; and
- (l) our Company has adopted a code of conduct regarding Directors’ securities transactions on terms as required under the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to a copy of this Prospectus and delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) a copy of the material contracts referred to in “Appendix IV — Statutory and General Information — Further Information about our Business — Summary of Material Contracts”; and
- (b) the written consents referred to in “Appendix IV — Statutory and General Information — Other Information — Consents of Experts”.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be published on the Hong Kong Stock Exchange’s website at www.hkexnews.hk and the Company’s website at www.zj-innolight.com during a period of 14 days from the date of this Prospectus:

- (a) the Articles of Association;
- (b) the audited consolidated financial statements of our Group for the years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2026;
- (c) the Accountant’s Report of our Group from PricewaterhouseCoopers, the text of which is set out in Appendix I;
- (d) the report from PricewaterhouseCoopers on the unaudited pro forma financial information of our Group, the text of which is set out in Appendix II;
- (e) the material contracts referred to in “Appendix IV — Statutory and General Information — Further Information about our Business — Summary of Material Contracts”;
- (f) the written consents referred to in “Appendix IV — Statutory and General Information — Other Information — Consents of Experts”;
- (g) the service contracts and letters of appointment referred to in “Appendix IV — Statutory and General Information — Further Information about our Directors and Substantial Shareholders — Particulars of Directors’ Service Contracts”;
- (h) the legal opinions issued by Zhong Lun Law Firm, our PRC Legal Adviser, in respect of, among other things, the general corporate matters and property interests of our Group under the PRC law and PRC data compliance matters;
- (i) the legal memorandum issued by Katten Muchin Rosenman LLP, our legal adviser as to U.S. export controls and sanctions;

- (j) the legal memorandum issued by Hogan Lovells Cadwalader International LLP, our legal adviser as to U.S. tariffs and outbound investment program;
- (k) the industry report issued by China Insights Industry Consultancy Limited referred to in “Industry Overview”;
- (l) the transfer pricing review report issued by PricewaterhouseCoopers Consultants (Shenzhen) Limited Suzhou Branch, the Transfer Pricing Consultant, with respect to transfer pricing arrangement of our Group;
- (m) a copy of the PRC Company Law, PRC Securities Law, and the Overseas Listing Trial Measures, together with unofficial English translations and the Shenzhen Stock Exchange ChiNext Listing Rules, together with unofficial English translations thereof; and
- (n) terms of the 2023 Restricted Shares Incentive Scheme and 2025 Restricted Shares Incentive Scheme.

DOCUMENT AVAILABLE FOR INSPECTION

A copy of a full list of all the Grantees under the 2023 Restricted Shares Incentive Scheme and 2025 Restricted Shares Incentive Scheme will be made available for public inspection at our Company’s Hong Kong legal adviser’s office in Hong Kong at 10/F, The Hong Kong Club Building, 3A Chater Road, Central, Hong Kong, during normal business hours up to and including the date which is 14 days from the date of this Prospectus.



中际旭创
ZHONGJI INNOLIGHT

中際旭創股份有限公司
ZHONGJI INNOLIGHT CO., LTD.