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)

(Stock Code: 3308)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED JUNE 30, 2026

The board of directors (the "**Board**") of Zhongji InnoLight Co., Ltd. (the "**Company**") hereby announces the unaudited interim results of the Company and its subsidiaries for the six months ended June 30, 2026. This announcement, containing the full text of the 2026 interim report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to information to accompany preliminary announcements of interim results.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This results announcement will be published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company's website (www.zj-innolight.com).

The 2026 interim report will be published on the aforesaid websites of The Stock Exchange of Hong Kong Limited and the Company and will be despatched to the shareholders of the Company who have indicated their wish to receive a printed copy in due course.

2026 INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Company will distribute the interim dividend in cash to its shareholders in the amount of RMB12 (tax included) per 10 shares of the Company (the "**Shares**") based on the distributable share capital of the Company of 1,169,734,641 Shares. The interim dividend is denominated and declared in Renminbi, with dividends for A Shares being paid in RMB, and dividends for H Shares in HK$. H Share dividends shall be converted based on the central parity rate of RMB against HK$ (HK$1 against RMB0.86476) published by the People's Bank of China on the trading day immediately preceding the date on which the Board considers the 2026 interim dividend distribution plan (August 20, 2026). Based on the aforementioned dividend distribution plan, the Board resolved to distribute the interim dividend in cash to holders of H Shares whose names appear on the register of members of the Company at the close of business on September 10, 2026 in the amount of HK$13.8766 (tax included) per 10 H Shares on October 9, 2026.

In order to determine the entitlement of holders of H Shares to the interim dividend, the register of members of H Shares of the Company will be closed from Monday, September 7, 2026 to Thursday, September 10, 2026 (both days inclusive), during which period no registration of H Shares of the Company will be effected. Shareholders whose names appear on the register of members of H Shares of the Company on Thursday, September 10, 2026 (the "**Record Date**") shall be entitled to the interim dividend. Where the holders holding H Shares who have not registered with the Company intend to receive the interim dividend, all share certificates and transfer documents must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Friday, September 4, 2026.

By order of the Board
Zhongji InnoLight Co., Ltd.
中際旭創股份有限公司
Dr. Liu Sheng
Chairman of the Board, Executive Director and President

Hong Kong, August 21, 2026

As at the date of this announcement, the Board comprises (i) Dr. Liu Sheng, Mr. Wang Xiaodong and Ms. Wang Xiaoli as executive Directors; (ii) Ms. Chen Caiyun as non-executive Director; and (iii) Ms. Zhan Shuping, Dr. Cheng Bo, Dr. Qu Wenzhou and Mr. Huang Guobin as independent non-executive Directors.

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Dr. Liu Sheng (劉聖)
Mr. Wang Xiaodong (王曉東)
Ms. Wang Xiaoli (王曉麗)

Non-executive Director

Ms. Chen Caiyun (陳彩雲)

Independent Non-executive Directors

Ms. Zhan Shuping (戰淑萍)
Dr. Cheng Bo (成波)
Dr. Qu Wenzhou (屈文洲)
Mr. Huang Guobin (黃国濱)

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

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

JOINT COMPANY SECRETARIES

Mr. Wang Jun (王軍)
Ms. Wong Mei Fung Carrie (黃美鳳)

AUTHORIZED REPRESENTATIVES

Ms. Wang Xiaoli (王曉麗)
Mr. Wang Jun (王軍)

ALTERNATE AUTHORIZED REPRESENTATIVE

Ms. Wong Mei Fung Carrie (黃美鳳)

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 (黃国濱) *(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 (黃国濱)

LEGAL ADVISER AS TO HONG KONG LAWS

Davis Polk & Wardwell
10/F, The Hong Kong Club Building
3A Chater Road
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STOCK CODES

Hong Kong Stock Exchange: 3308
Shenzhen Stock Exchange: 300308

Corporate Information

COMPLIANCE ADVISER

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

PRINCIPAL BANKS

Industrial and Commercial Bank of China
(Suzhou Branch)
Bank of China (Suzhou Industrial Park Branch)
The Hongkong and Shanghai Banking
Corporation Limited (Singapore Branch)

COMPANY WEBSITE

www.zj-innolight.com

Management Discussion and Analysis

BUSINESS REVIEW

Industry Overview

(I) Industry Development

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 new trends such as multimodal large language models, agentic AI, and physical AI, the daily average 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.

To meet the rapidly growing computing power demand for AI training and inference, domestic and overseas CSP companies have gradually increased their capital expenditure, showing an overall rapid growth trend. In Q2 2026, the combined capital expenditure of Microsoft, Amazon, Meta and Google reached US$164.9 billion, representing a year-on-year increase of approximately 86%. According to forecasts by CIC, global cumulative AI capital expenditure is expected to reach US$4.7 trillion from 2026 to 2030, representing more than five times the total of the prior five-year period.

In Q1 2026, the combined capital expenditure of Alibaba, Tencent and Baidu was approximately RMB64.7 billion, representing a year-on-year increase of approximately 18% according to their published financial results. Chinese-based internet companies are gradually increasing their investment in AI-related businesses, accelerating the integration of AI technology into their original businesses, and attaching increasing importance to AI infrastructure construction, which have driven the continuous growth of their capital expenditure.

Optical interconnects solutions are a critical part of the network side of AI infrastructure, with application scenarios covering the datacom and telecom markets. The datacom market will become the core driving force for the growth of the optical interconnects market in the future. According to LightCounting, the global optical interconnects market size reached US$24.8 billion in 2025, and is expected to reach US$111 billion by 2030, with a CAGR of 31.6% from 2026 to 2030.

(II) Upstream and Downstream Industry Development

1. Overview and Development Trend of Upstream Industry

The upstream segment of the optical transceiver industry mainly comprises optoelectronic and electrical chips, passive optical components, PCBs, etc. Optoelectronic and electrical chips account for a relatively high proportion of the cost of optical transceivers, usually accounting for more than 50% of the total material cost of mainstream high-speed optical transceivers. Optical chips mainly include laser chips, detector chips, etc., among which laser chips have multiple types such as EML, continuous wave (CW) lasers, and VCSEL. Electrical chips include DSP chips, laser diode drivers (LDD), transimpedance amplifiers (TIA), clock and data recovery chips (CDR), etc. Among them, suppliers for rates of 200G and above are mainly overseas. Passive optical components mainly include lenses, isolators, filters, couplers, etc., which usually account for 10% to 20% of the total material cost.

2. *Overview and Development Trend of Downstream Industry*

Optical transceivers are currently mainly applied in the datacom market, telecom market and emerging markets. Driven by the rapid development of AI data centers, the current datacom market has become the core driving force for the growth of the optical transceiver industry, with a growth rate significantly exceeding that of the traditional telecom market. The emerging market includes fields such as consumer electronics and industrial automation, and has significant development potential. In the future, with the improvement of AI application penetration, continuous computing power investment by cloud service providers, and the promotion of optical interconnects technology applications in scale-out, scale-up, and scale-across networks, these factors will jointly promote the continuous development of optical transceivers as AI computing power infrastructure, driving a significant increase in demand for high-rate optical transceivers. At the same time, only by continuously increasing optical transceivers data rates and actively developing transceivers with higher specifications can we meet the rapidly evolving requirements of the downstream applications.

(III) Industry Competition Landscape and Company's Competitive Position

1. *Industry Competition Landscape*

In recent years, with the rapid development of the optical communication industry, competitive barriers in the optical interconnects industry have risen, placing higher requirements on optical interconnect vendors.

First, with the rapid development of scale-out, scale-up, and scale-across application scenarios, the optical interconnects industry, characterized by rapid technological iteration, demands forward-looking planning and systematic R&D capabilities. Leading companies, relying on their leading R&D strength and delivery capabilities, have formed strong technical barriers, further strengthened their competitive advantages, and are expected to maintain their leading position in the industry.

Second, optical interconnects suppliers primarily serve large cloud service providers. Deep trust and close collaboration with customers are cultivated through the course of a long-term engagement. As more and more cloud service providers develop self-developed xPU chips and independently design network architectures, customers' demands for optical interconnects technology have become more diversified and customized. Therefore, optical transceiver companies with deep R&D expertise and long-term customer cooperation relationships can more accurately match customer needs, keep up with customers' R&D pace, and launch next-generation optical interconnects products.

Third, optical interconnects products impose 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. In this context, leading companies have large-scale mass production advantages and strong supply chain management capabilities, and are expected to continue to maintain their competitive advantages.

2. *Company's Industry Position*

Zhongji InnoLight is a global-leading high-speed optical interconnect solutions provider focusing on providing high-speed optical interconnects products for cloud computing and AI infrastructure. With its products covering the full series from 10G to 1.6T, the Company maintains a global lead in high-speed optical transceivers such as 400G, 800G and 1.6T, and actively develops next-generation optical interconnects solutions around full-scenario network architectures such as scale-out, scale-up, scale-across and front-end. Relying on industry-leading technology R&D capabilities, large-scale mass production manufacturing and rapid delivery capabilities, the Company has won wide recognition from our long-term customers, and has maintained continuous growth in market share. According to CIC, from 2021 to 2025, the Company ranked first in terms of revenue scale in the global optical interconnects solution market for five consecutive years. As a leader in the optical transceiver field, Zhongji InnoLight will continue to enhance its core competitiveness, achieve efficient innovation, and respond to market demands in a timely manner to launch optical interconnects solutions that meet customer needs.

Summary of the Group's Main Products and Businesses

(I) Main Businesses

The Company is 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.

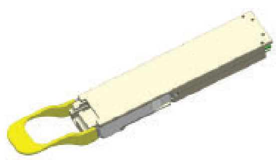
1. *Optical Transceiver Business*

Our optical transceivers convert electrical and optical signals into one another to transmit mass volumes of data, and widely serve global cloud service providers and AI computing solutions providers. The Company focuses on technology R&D, and drives product development toward high rate, high integration, low power consumption and low latency.

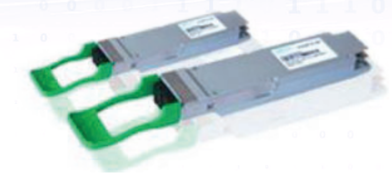
2. *Other Businesses*

The Company offers 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, 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.

(II) *Main Products and Application Scenarios*

Products Series	Features	Application Scenarios
 **1.6T OSFP**	Our Company offers a comprehensive portfolio of 1.6T OSFP 224 optical transceivers, and has 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.
 **800G OSFP**	Our Company offers 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**	Our Company offers 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**	Our Company offers 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.

Management Discussion and Analysis

Products Series	Features	Application Scenarios
 400G OSFP	Our Company offers 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	Our Company offers 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	Our Company offers 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.
 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.

(III) Company's Performance Drivers

During the Reporting Period, key customers further increased their capital expenditure to invest in the field of computing power infrastructure, and the demand for high-end optical transceiver products such as 800G and 1.6T increased significantly, promoting the sustained and rapid growth of the Company's operating revenue and net profit.

(IV) Operation Mode

1. Procurement Mode

The raw materials required for the Company's high-speed optical communication transceiver products mainly include optical components, integrated circuit chips, mechanical parts, etc. The energy consumption in the production of high-speed optical transceiver products is mainly electricity. To ensure the quality of its optical transceivers, the Company has 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.

2. Production Mode

Optical transceivers are non-terminal products, which mainly provide parts for downstream customers. The products have certain standardization and can be produced in batches. The Company can also provide personalized product design and manufacturing to meet some customized requirements of downstream customers. In terms of production mode, the Company primarily operates on a make-to-order production model. The Company's production will be arranged by the planning department according to the orders of downstream customers, and the main production processes include production planning, execution, and adjustment and tracking of production schedules, as well as materials tracking, etc.

3. Sales Mode

High-speed optical transceiver products have high technical integration. As the core components of downstream products, they play a vital role in the performance of downstream products. Therefore, downstream customers tend to establish direct and stable cooperative relationships with upstream manufacturers. The sales modes include direct sales and agency sales, but direct sales mode is the main one. This involves directly introducing technologies and products to downstream customers, signing contracts and delivering products, and providing after-sales technical support and services. In terms of customer development, as a supplier, the Company usually needs to pass the customer's supplier certification and product code certification procedures. After meeting the corresponding qualification certification, customer on-site inspection and other procedures, the Company becomes a qualified supplier of downstream customers, and on this basis, the corresponding products of the Company obtain the customer's product code certification. The Company's optical transceiver products are recognized by downstream customers for their excellent technology, stable performance, reliable supply and other characteristics. Therefore, the Company has formed long-term and stable cooperative relationships with global cloud service providers.

4. *R&D Mode*

The Company has established 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 and product line, providing the Company with strong independent innovation capabilities. The Company's R&D department attracts talent to jointly develop new technologies with competitive compensation and high-quality working conditions, and improves the professional competency of the Company's management, sales, process technology and product R&D personnel by encouraging them to participate in external training, academic education and other development initiatives. Under the Company's personnel mechanism that values, cultivates, and utilizes talent, employees' work enthusiasm and innovative drive have been fully unleashed. Through independently developing new processes and new products, they have improved product quality, reduced production costs, and enhanced the Company's profitability, thereby meeting the Company's operational needs and acquiring multiple core technologies in the R&D and production of various products. To maintain the Company's core competitiveness and prevent technology leakage, the Company has implemented rigorous technology protection measures, which have achieved good results in practice.

Core Competitiveness

In the market competition, as a well-known global main supplier of optical transceivers, the Company maintains steady business performance and continuously improves operating quality, leveraging with competitive advantages such as innovative R&D capabilities, rapid mass production and high-quality delivery capabilities, and a reliable and stable supply chain system. Its core competitiveness is mainly reflected in the following:

1. *Profound Industry Knowledge and Continuous Innovative R&D Capability*

The Company has contributed to continuous technological advancement and product innovation over the past decade. The Company's range of optical transceivers have multiple bandwidths, including 100G, 200G, 400G, 800G, and 1.6T, allowing it to cater to diverse requirements for bandwidth, scalability, and cost efficiency. The Company offers 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). The Company is also a member of the OSFP and QSFP-DD multi-source agreements. Keeping up with industry development, while being a key contributor to the next-generation technology roadmap and industry standards, the Company actively shapes the future, participates in the establishment of XPO MSA and Open CPX MSA, and promotes the establishment of an open industrial ecosystem. The Company is also an early mover in SiPh-based solutions, successfully integrating SiPh technology into optical transceivers and realizing mass production. According to CIC, the Company was the world's first company to introduce 400G, 800G, and 1.6T optical transceivers with SiPh technology, underscoring its position as the industry's innovation manufacturer. In addition, coherent technology has been a key focus for the Company since the early stages of its development. Starting R&D in 2018 with a dedicated team, the Company is now capable of mass-producing proprietary coherent devices, lasers and coherent optical sub-assemblies (COSA). According to CIC, the Company was the first to develop and apply coherent lite technology, which is critical for 1.6T and 3.2T coherent lite optical transceivers, further enhancing the Company's competitiveness in high-speed segments. As of the end of the Reporting Period, the Company owns 530 patents in total, including 253 invention patents. 47 newly authorized patents were added in the first half of 2026, including 20 invention patents.

2. ***Rapid Mass Production and High-Quality Delivery Capability***

Facing rapid market changes, the Company can keep up with the product iteration cycle and quickly respond to customer demands. The Company has a management team with manufacturing management experience and optical communication operation experience averaging more than 10 years, and has established an effective personnel training and certification system to ensure the skills and quality of production personnel. At the same time, the Company also has a new product introduction team with more than 10 years of experience in new optical transceiver product introduction, covering all functions of the project. The team consists of process, industrial, electronics, software, mechanical, and testing engineers, and has established a comprehensive product manufacturing plan (PMP) and manufacturing operation instructions (MOI). The Company operates in a Class 10,000 cleanroom environment with advanced automated production lines, and has implemented an effective workshop manufacturing execution system 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.

3. ***Reliable and Stable Supply Chain System***

The Company has built a stable global supply chain through close collaboration with top-tier suppliers. For each category of raw materials, the Company engages premier suppliers, creating a best-in-class ecosystem that enhances its product competitiveness. Furthermore, the Company secures 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. Meanwhile, the Company establishes strategic, long-term partnerships with suppliers, and actively supports suppliers' technological roadmaps and international expansion. This collaborative approach deepens our partnerships, which in turn enhances both the stability and cost competitiveness of our supply chain.

4. ***Comprehensive Quality Assurance and High-Quality Customer Service***

The Company has always adhered to the quality policy of "courageous innovation, continuous improvement, focusing on details, and rapid response", and has established a comprehensive and all-round quality management system. From the system certification of third-party professional institutions, to conducting customer satisfaction surveys, implementing SCAR for supplier management, formulating production operation instructions and training systems, and then establishing a traceable record system and conducting operator post assessment, the Company guarantees product quality, and continuously improves the job skills of employees through internal assessment and relevant qualification certifications. The Company further strengthens quality management through internal and external audits and management review meetings, promoting its products to be widely recognized by industry manufacturers.

Management Discussion and Analysis

5. *Scale Advantage*

The Company continues to focus on the development of the optical transceiver industry. It currently has multiple product types including 1.6T, 800G, 400G, 200G, and 100G, which can meet the requirements of various application scenarios and provide the best optical transceiver solutions for customers in the fields of AI data centers, wireless access and transmission. At the same time, due to its leading production scale and supply capacity in the industry, the scale advantage greatly improves the Company's ability to undertake large orders while effectively reducing the Company's manufacturing and procurement costs, which provides strong support for the Company's continuous leading position in market competitiveness.

Business Review for the Reporting Period and Future Outlook

(I) *Overall Operation*

During the Reporting Period, the Company achieved an operating revenue of RMB41.778 billion, representing a year-on-year increase of 182.49%; the net profit attributable to shareholders of listed company was RMB13.651 billion, representing a year-on-year increase of 241.70%.

During the Reporting Period, benefiting from the strong investment in the field of computing power infrastructure by our major customers in the AI industry, the shipments of the Company's 800G and 1.6T products increased rapidly, and their proportion continued to increase. With the continuous optimization of product solutions and the continuous improvement of operational efficiency, the Company's operating revenue and net profit achieved rapid growth compared with the same period of the previous year.

During the Reporting Period, the Company continued to promote the Third and Fourth Restricted Shares Incentive Schemes, determined March 12, 2026 as the grant date, and granted 1.1 million restricted shares to 62 incentive participants who are the objects of the fourth reserved portion at a price of RMB53.10 per share. At the same time, the Company completed the vesting of the second vesting period of the third initial grant, the first vesting period of the reserved portion, and the first vesting period of the fourth initial grant. The number of vestable second-class restricted shares was 2,482,200 shares, 324,450 shares and 1,309,657 shares respectively. The promotion of the equity incentive plan is conducive to the Company's establishment and improvement of the benefit sharing mechanism between laborers and owners, and the realization of the alignment of the interests of the Company, shareholders and employees.

During the Reporting Period, the Company convened a shareholders' meeting and an employee representative meeting to elect a new board of directors, and formulated systems such as "Shareholder Return Plan for the Next Three Years (2026-2028)", "Proposal on Formulating the Remuneration Management System for Directors and Senior Management Personnel", "Proposal on Formulating the Accounting Firm Recruitment System", etc., continuously improved the Company's legal person governance system, and effectively safeguarded the legitimate rights and interests of the Company and all shareholders.

During the Reporting Period, to promote the Company's internationalization strategy and global layout, enhance the Company's overseas financing capabilities, further improve the level of corporate governance and core competitiveness, and help the Company achieve high-quality development, the Company continued to promote the H share listing process, and was listed and traded on the Main Board of the Hong Kong Stock Exchange on July 30, 2026. The Chinese abbreviation of the H shares is "中際旭創", the English abbreviation is "ZJ INNOLIGHT", and the stock code is "3308".

(II) Analysis of Main Businesses

1. Optical Transceiver Business

Continuous Ramp-up of Overseas Revenue. During the Reporting Period, order demand from overseas customers of the Company remained robust, with high-speed optical transceiver products such as 800G and 1.6T continuing to ramp up in volume. The Company continued to deliver high-speed optical transceiver products in volume to the majority of global top-tier cloud service providers and AI computing solution providers, maintaining its position as a primary supplier among key customers. For the six months ended June 30, 2026, the Company's revenue from overseas business was approximately RMB39,614.7 million, representing an increase of 209.9% from RMB12,781.4 million for the six months ended June 30, 2025. This was primarily attributable to (1) continuous investments in computing power by overseas cloud service providers, driving rapid growth in demand for high-end optical transceivers; (2) the Company maintaining a high market share among key customers by virtue of high quality and efficient delivery capabilities; and (3) further expansion of the Company's downstream customer coverage.

Steady Growth in Domestic Revenue. During the Reporting Period, domestic internet companies accelerated the integration of AI applications into their business operations and continuously stepped up investments in AI computing infrastructure. Capitalizing on opportunities in domestic computing power construction, the Company deepened its cooperation with domestic top-tier cloud service providers, achieving steady increases in the delivery scale of high-speed products such as 400G and 800G. Leveraging the large-scale mass production capacity and rapid delivery capabilities of Pioseed Chengdu, the Company achieved steady growth in domestic revenue.

Accelerated Iteration in Product R&D. During the Reporting Period, to align with key customers' rapid technological iterations in AI servers and switch network hardware, the Company increased its R&D investment in core technologies such as SiPh and coherent technology, accelerating the development of next-generation optical interconnect products and achieving a series of breakthroughs. Among these, 1.6T SiPh modules entered the volume ramp-up phase, with shipments climbing quarter-by-quarter, serving as a core driver for revenue growth. The Company also actively deployed in next-generation optical interconnect technologies, with customized development or R&D refinement underway for products including XPO and NPO. In 2026, the Company conducted live demonstrations at OFC 2026 of its 12.8T 8xDR8 XPO module, 6.4T 4xDR8 NPO module, 1.6T OSFP 2xLR4 module based on TFLN MZM, and 800G LR2 coherent-lite optical module, etc. For the six months ended June 30, 2026, the Company's R&D expenses were approximately RMB1,153.0 million, representing an increase of 96.9% from RMB585.6 million for the six months ended June 30, 2025.

Continuous Optimization of the Supply Chain System. During the Reporting Period, the Company further refined its diversified sourcing system centered on critical materials such as electrical and optical chips, passive optical components, PCBs and mechanical parts. By offering diversified solutions such as SiPh-based and electro-absorption modulated laser (EML)-based solutions, the Company effectively enhanced and improved its raw material sourcing system and mitigated the risk of supply shortages, thereby reinforcing its competitive advantage in both pricing and operational resilience. In addition, for core materials such as electrical and optical chips and PCBs, the Company continuously developed new suppliers, broadened supply sources, and pre-emptively locked in supply chain capacity through various means.

Coordinated Expansion of Production Capacity. The Company continued to strengthen the expansion of its global production bases, constantly enhancing its localized service capabilities for customers. The Company has established production bases in Suzhou, Tongling, Chengdu, Taiwan, and Thailand and has continuously expanded the capacities to meet the surging customer demands, which is anticipated to further improve overall production capacity and delivery capabilities. Furthermore, the Company continuously increased its investment in intelligent manufacturing and systematically advanced the automated transformation and upgrade of production processes, effectively enhancing overall production efficiency and product yield.

2. *Other Businesses*

During the Reporting Period, for the six months ended June 30, 2026, revenue from other businesses was approximately RMB422.7 million, representing an increase of 18.3% from RMB357.3 million for the six months ended June 30, 2025. This was primarily attributable to the expansion of downstream customer coverage in automotive optoelectronics, which led to a corresponding increase in sales volume of relevant products.

(III) Future Outlook

The Company adheres to three core operating principles — Time-to-market, Time-to-volume, Time-to-cost, to promote the development of various businesses. In the future, it will continue to exert efforts around the following growth strategic directions:

1. **Strengthen R&D capabilities to maintain the market position in optical interconnects.** The Company will continue to take R&D investment and product innovation as the core of long-term growth, so as to consolidate the leadership of its proprietary core technologies and to transform such core technologies into a product portfolio that caters to diversified market demand. Relying on the first-mover advantages and experience accumulation in core technology fields such as SiPh and coherent technology, the Company will further increase R&D investment in core products such as 1.6T, 3.2T and higher-rate optical transceivers, and actively develop next-generation optical interconnect products such as NPO, XPO, CPO and OCS to meet the full-scenario needs of AI data centers.

2. **Continue to enhance our global presence.** The Company strives to expand global presence by building out end-to-end delivery capabilities underpinned by globalized manufacturing, supply chain resilience and localized R&D support. In the future, the Company will continue to expand its manufacturing and production capacity reserves on a global scale and is committed to the continuous optimization of its global supply chain and production sites footprint. This involves establishing a diversified sourcing system for raw materials and strengthening the resilience of its supply chain to support the Company's global business operations.

3. **Leverage our ecosystem advantages in the data center sector to unlock more business opportunities.** Leveraging its leadership within the data center optical connectivity system, the Company actively monitors industry trends. This allows it to gain precise insights into the evolving demands of customers. As customers' needs have expanded beyond basic interconnect requirements, the Company is continually adapting its solutions. The Company proactively expands its footprint in key fields such as thermal management, liquid cooling and data center power supplies, advances comprehensive and forward-looking technology reserves to steadily build a technological moat. This not only further solidifies the Company's market position across multiple business dimensions but also enables it to unlock future revenue growth opportunities.

4. **Continuously attract and retain top talent to energize organizational vitality.** The Company regards the identification and recruitment of potential talent as one of its core strategic priorities, and will build a comprehensive talent attraction matrix with a market-oriented salary incentive system as the core. It will establish an incentive mechanism deeply linked to talent value, market standards, and enterprise performance. The Company's organizational strategy is built on a synergistic system of empowerment. On this foundation, it cultivates an open, inclusive, and cohesive culture. The Company then unlocks talent value through structured career paths and personalized growth systems, ensuring the alignment of personal development with enterprise goals. Concurrently, it drives 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.

5. **Selectively conduct strategic acquisitions and industry-related investments.** The Company intends to leverage its multi-level investment platform to pursue targeted capital operations, including industrial mergers and acquisitions, strategic investment, and the development of the supply chain. The Company will efficiently integrate global industrial resources and proactively lay out the next-generation technology roadmap, thereby enhancing its influence across the entire AI data center ecosystem value chain. Concurrently, the Company will accurately identify and incubate ventures in high-potential industrial segments, aiming to build a solid, long-term foundation for its diversified growth.

FINANCIAL REVIEW

The following discussion is based on, and should be read in conjunction with, the financial information and the notes included elsewhere in this report.

Revenue

Our revenue was RMB41,777.9 million for the six months ended June 30, 2026, representing a 182.5% increase from RMB14,789.1 million for the six months ended June 30, 2025, primarily due to the strong demands from our major customers in relation to their increased investments in AI infrastructure.

Revenue by Product

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

	For the six months ended June 30,			
	2026 (unaudited) RMB'000	**%**	**2025 (unaudited) RMB'000**	**%**
Optical transceivers	**41,355,212**	**99.0**	14,431,742	97.6
Others*	**422,650**	**1.0**	357,333	2.4
Total	**41,777,862**	**100.0**	14,789,075	100.0

Note:

* Others primarily consist of optical components, automotive optoelectronics and other optical communication devices.

Revenue from optical transceivers, accounting for 99.0% of our revenue, was RMB41,355.2 million for the six months ended June 30, 2026, representing an increase of 186.6% from RMB14,431.7 million for the six months ended June 30, 2025, primarily due to the strong demands from our major customers in relation to their increased investments in AI infrastructure.

Revenue from others was RMB422.7 million for the six months ended June 30, 2026, representing an 18.3% increase from RMB357.3 million for the six months ended June 30, 2025, due to the increased sales of automotive optoelectronics.

Management Discussion and Analysis

Revenue by Region

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

	For the six months ended June 30,			
	2026 (unaudited)		2025 (unaudited)	
	RMB'000	%	RMB'000	%
Chinese Mainland	**2,163,201**	**5.2**	2,007,627	13.6
Other countries/regions*	**39,614,661**	**94.8**	12,781,448	86.4
Total	**41,777,862**	**100.0**	14,789,075	100.0

Note:

* Other countries/regions consist of the United States of America, Europe, Southeast Asia and other countries and regions.

Revenue from Chinese Mainland, accounting for 5.2% of our revenue, was RMB2,163.2 million for the six months ended June 30, 2026, representing a 7.7% increase from RMB2,007.6 million for the six months ended June 30, 2025, primarily due to increased demand from customers, driven by their continued investments in AI infrastructure.

Revenue from other countries/regions, accounting for 94.8% of our revenue, was RMB39,614.7 million for the six months ended June 30, 2026, representing a 209.9% increase from RMB12,781.4 million for the six months ended June 30, 2025, due to increased demand from customers, driven by their continued investments in AI infrastructure.

Cost of Revenue

Our cost of revenue primarily consists of raw materials (including electrical and optical chips, passive optical components, printed circuit boards and mechanical parts) and other costs (including staff costs, depreciation and amortization, and other manufacturing expenses).

Our cost of revenue was RMB22,639.6 million for the six months ended June 30, 2026, representing a 149.6% increase from RMB9,069.9 million for the six months ended June 30, 2025, which is in line with the increase in revenue.

Gross Profit and Gross Profit Margin

As a result of the foregoing, the Group's gross profit was RMB19,138.2 million for the six months ended June 30, 2026, representing a 234.6% increase from RMB5,719.2 million for the six months ended June 30, 2025. Our gross profit margin was 45.8% and 38.7% for the six months ended June 30, 2026 and 2025, respectively. The overall increase of our gross profit margin was primarily 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.

The following table sets forth a breakdown of our gross profit and gross profit margin by types of products and services for the periods indicated:

	For the six months ended June 30,			
	2026 (unaudited)		2025 (unaudited)	
	Gross profit RMB'000	Gross profit margin %	Gross profit RMB'000	Gross profit margin %
Optical transceivers	**19,086,492**	**46.2**	5,676,599	39.3
Others*	**51,756**	**12.2**	42,579	11.9
Total	**19,138,248**	**45.8**	5,719,178	38.7

Note:

* Others primarily consist of optical components, automotive optoelectronics and other optical communication devices.

Sales and Marketing Expenses

Our sales and marketing expenses consist of (i) staff costs, (ii) office, travelling and business development expenses, (iii) professional service expenses, (iv) depreciation and amortization expenses, (v) sample and consumable expenses, and (vi) others. Our sales and marketing expenses increased by 56.2% from RMB101.1 million for the six months ended June 30, 2025 to RMB157.9 million for the six months ended June 30, 2026, primarily due to an increase in staff costs, which reflected our business growth.

General and Administrative Expenses

Our general and administrative expenses consist of (i) staff costs, (ii) office, travelling and business development expenses, (iii) professional service expenses, (iv) depreciation and amortization expenses, and (v) others. Our general and administrative expenses increased by 163.6% from RMB291.5 million for the six months ended June 30, 2025 to RMB768.5 million for the six months ended June 30, 2026, primarily due to an increase in staff costs and an increase in professional service expenses.

Research and Development Expenses

Our research and development expenses primarily comprise (i) staff costs, (ii) raw material and consumable expenses, (iii) depreciation and amortization expenses, (iv) professional service expenses, and (v) others. Our research and development expenses increased by 96.9% from RMB585.6 million for the six months ended June 30, 2025 to RMB1,153.0 million for the six months ended June 30, 2026, primarily due to an increase in staff costs and an increase in raw material and consumable expenses.

Net Impairment (Losses)/Reversal on Financial Assets

We recorded net impairment losses on financial assets of RMB6.3 million for the six months ended June 30, 2026 and net impairment reversal on financial assets of RMB4.9 million for the six months ended June 30, 2025, primarily due to an increase in accounts receivables.

Other Income

Our other income increased by 56.0% from RMB38.3 million for the six months ended June 30, 2025 to RMB59.8 million for the six months ended June 30, 2026, primarily due to an increase in dividend income from investments in equity instruments.

Other Losses, Net

Our net other losses increased by 212.8% from RMB20.5 million for the six months ended June 30, 2025 to RMB64.0 million for the six months ended June 30, 2026, primarily due to an increase in foreign exchange losses.

Finance Income

Our finance income increased by 40.3% from RMB110.6 million for the six months ended June 30, 2025 to RMB155.1 million for the six months ended June 30, 2026, primarily due to an increase in interest income from bank deposits.

Finance Costs

Our finance costs decreased by 86.4% from RMB51.8 million for the six months ended June 30, 2025 to RMB7.0 million for the six months ended June 30, 2026, primarily due to a decrease in the change in carrying amount of redemption liabilities.

Share of Profits of Associates, Net

Our net share of profit of associates decreased by 41.8% from RMB58.7 million for the six months ended June 30, 2025 to RMB34.2 million for the six months ended June 30, 2026, reflecting the fluctuation in the carrying amount of our investment portfolio.

Income Tax Expense

Our income tax expenses increased by 291.0% from RMB638.7 million for the six months ended June 30, 2025 to RMB2,497.2 million for the six months ended June 30, 2026, primarily due to an increase in profit before income tax.

Profit for the Period

As a result of the foregoing, the recorded profit of the period increased by RMB10,490.9 million, or 247.3% from RMB4,242.5 million for the six months ended June 30, 2025 to RMB14,733.4 million for the six months ended June 30, 2026.

LIQUIDITY AND CAPITAL RESOURCES

During the Reporting Period, we relied on cash and cash equivalents and cash generated from business operations as the major sources of liquidity. We do not anticipate any material changes to the availability of financing to fund our operation in the near future.

We expect our liquidity requirements will be satisfied by a combination of cash generated from operating activities. We will continue to evaluate potential financing opportunities based on our need for capital resources and market conditions.

We had cash and cash equivalents of RMB6,363.7 million as at June 30, 2026 and RMB7,127.2 million as at June 30, 2025 respectively. The following table sets forth our cash flows for the periods indicated:

	For the six months ended June 30,	
	2026 (unaudited) (RMB'000)	2025 (unaudited) (RMB'000)
Net cash generated from operating activities	**1,787,024**	3,218,290
Net cash used in investing activities	**(6,803,676)**	(695,556)
Net cash generated from/(used in) financing activities	**839,092**	(366,533)
Net (decrease)/increase in cash and cash equivalents	**(4,177,560)**	2,156,201
Cash and cash equivalents at beginning of the period	**10,943,807**	4,987,790
Exchange losses on cash and cash equivalents	**(402,574)**	(16,808)
Cash and cash equivalents at end of the period	**6,363,673**	7,127,183

Net Cash Generated from Operating Activities

For the six months ended June 30, 2026, our net cash generated from operating activities was RMB1,787.0 million, compared to RMB3,218.3 million for the six months ended June 30, 2025. Such decrease is mainly due to an increase in payment for raw material and other goods.

Net Cash Used in Investing Activities

For the six months ended June 30, 2026, our net cash used in investing activities was RMB6,803.7 million, compared to net cash flows used in investing activities of RMB695.6 million for the six months ended June 30, 2025. This was mainly due to an increase in capital expenditure and purchase of financial assets.

Net Cash Generated from/(Used in) Financing Activities

For the six months ended June 30, 2026, our net cash generated from financing activities was RMB839.1 million, compared to net cash flows used in financing activities of RMB366.5 million for the six months ended June 30, 2025, primarily due to an increase in capital injection from third parties.

FOREIGN EXCHANGE EXPOSURE

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to U.S. dollar. Foreign exchange risk arises from foreign currency-denominated receivables, payables, cash balances and borrowings in currencies other than the functional currency of the relevant operations and future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the functional currency of the relevant group entity. In addition, as the net proceeds from the Global Offering are 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.

The Group's finance department has a professional team to manage the risk arising from fluctuation of exchange rate and we have also 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.

INDEBTEDNESS

The following table sets forth a breakdown of our financial indebtedness as of the dates indicated.

	As at June 30, 2026 (RMB'000) (unaudited)	As at December 31, 2025 (RMB'000) (audited)
Current		
Borrowings	**1,109,881**	981,926
– Guaranteed borrowings	**706,000**	666,000
– Credit borrowings	**354,081**	297,926
– Pledged borrowings	**49,800**	18,000
Lease liabilities	**58,506**	34,905
Non-Current		
Borrowings	**486,934**	510,000
– Guaranteed borrowings	**468,000**	510,000
– Credit borrowings	**18,934**	–
Lease liabilities	**139,790**	74,731
Financial instruments with preferred rights	**5,057,109**	900,192
Total	**6,852,220**	2,501,754

Borrowings

Our current and non-current borrowings primarily consist of (i) guaranteed borrowings, (ii) credit borrowings and (iii) pledged borrowings. The Group's total borrowings, including interest-bearing borrowings, as at June 30, 2026 were RMB1,596.8 million, representing an increase of RMB104.9 million compared to RMB1,491.9 million as at December 31, 2025. Such borrowings are denominated in Renminbi.

As at June 30, 2026 and December 31, 2025, the Group's bank borrowings of approximately RMB49.8 million and RMB18.0 million respectively are pledged by property, plant and equipment and intangible assets.

The fair values of the borrowings approximate their carrying amounts as the discounting impact is not significant.

As at June 30, 2026 and December 31, 2025, all the bank borrowings are at variable interest rates.

Lease Liabilities

Our lease liabilities present the present value of outstanding lease payments under our lease agreements. Our current lease liabilities increased from RMB34.9 million as of December 31, 2025 to RMB58.5 million as of June 30, 2026, primarily due to an increase in leasing activities. Our non-current lease liabilities increased from RMB74.7 million as of December 31, 2025 to RMB139.8 million as of June 30, 2026, primarily due to an increase in leasing activities.

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 RMB5,057.1 million as of June 30, 2026, compared to RMB900.2 million as of December 31, 2025.

Contingent liabilities

The Group had no material contingent liabilities as of June 30, 2026 (as of December 31, 2025: nil).

Save as disclosed in this report including the lease liabilities, we had no outstanding indebtedness or any loan capital issued and outstanding or agreed to be issued, bank overdrafts, term-loans, other borrowings 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 or any covenant in connection therewith as of June 30, 2026.

GEARING RATIO

The gearing ratio (calculated as net debt divided by total equity) of the Company as at June 30, 2026 was 17.1% (December 31, 2025: 8.26%).

PLEDGE OF ASSETS

Save as disclosed in Note 18 to the interim condensed consolidated financial statements in this report, the Group did not have any other pledged assets as at June 30, 2026.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the Reporting Period, the Company did not engage in any significant investments, acquisitions and/or disposals of subsidiaries, associates and joint ventures.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSET INVESTMENTS

As at June 30, 2026, the Group had no material investments (including any investments in investee companies whose value accounted for 5% or more of the Group's total assets as of June 30, 2026) with a value representing 5% or more of the Group's total asset value as at June 30, 2026.

As at June 30, 2026, save as disclosed in this report and the section headed "Future Plans and Use of Proceeds" in the Prospectus, the Group did not have any future plans for material investments or capital assets.

Management Discussion and Analysis

We will act in the best interests of the Group and its Shareholders as a whole, and actively seek suitable investment opportunities to enhance the Group's financial performance. The Group will publish announcements as and when appropriate in accordance with applicable rules and regulations.

LOAN ARRANGEMENTS GRANTED TO ENTITIES

During the Reporting Period, the Group did not grant any loan to any entity which is subject to disclosure requirements under Rule 13.13 of the Listing Rules.

BREACH OF LOAN AGREEMENTS

During the Reporting Period, there was no breach of the loan agreements by the Company in which the loan involved would have a significant impact on the business operations of the Company.

FINANCIAL ASSISTANCE AND GUARANTEES TO AFFILIATED COMPANIES

During the Reporting Period, there was no financial assistance or guarantee to affiliated companies by the Company which is subject to disclosure under Rule 13.13 of the Listing Rules.

GUARANTEE REGARDING THE FINANCIAL PERFORMANCE OF A COMPANY OR BUSINESS ACQUIRED

During the Reporting Period, there was no guarantee regarding the financial performance of a company or business acquired which is subject to disclosure requirements under Rule 14.36B and/or Rule 14A.63 of the Listing Rules.

PERMITTED INDEMNITY PROVISION AND DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

A permitted indemnity provision (as defined in the Companies Ordinance) in relation to the directors' and officers' liability insurance is currently in force and was in force since the Listing Date of the H Shares and as of the Latest Practicable Date. The Company has arranged appropriate directors' liability insurance coverage for the Directors of the Group since the Listing Date of the H Shares and as of the Latest Practicable Date.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company had maintained the prescribed public float under Rule 8.08 and Rule 19A.28B(2) of the Listing Rules since the Listing Date and as of the Latest Practicable Date.

KEY PERFORMANCE INDICATORS

Details of the key performance indicators of the Group as at June 30, 2026 are set out in the section headed "Management Discussion and Analysis" of this report.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As the Company's H Shares have not been listed on the Main Board of the Stock Exchange as at June 30, 2026, Divisions 7 and 8 of Part XV and section 352 of the SFO are not applicable to the Company's Directors and chief executives as at June 30, 2026.

As of the Listing Date, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations within the meaning of Part XV of the SFO, which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Interest in Shares and Underlying Shares of the Company

Name of Director/ Chief Executive	Capacity/Nature of interest	Class of Share	Number of Shares directly or indirectly held (1)	Approximate percentage of shareholding in our A Shares/H Shares (2)	Approximate percentage of interest in our Company (2)
Dr. Liu Sheng (3)	Beneficial owner	A Shares	3,898,354(L)	0.35%	0.33%
	Interest in controlled corporations	A Shares	70,485,432(L)	6.32%	6.03%
Mr. Wang Xiaodong (4)	Beneficial owner	A Shares	2,167,657(L)	0.19%	0.19%
Ms. Wang Xiaoli (5)	Beneficial owner	A Shares	887,040(L)	0.08%	0.08%

Notes:

(1) The Letter "L" denotes the long position in the Shares.

(2) As at the Listing Date, the Company had a total of 1,169,734,641 issued Shares, comprising 1,115,234,641 A Shares and 54,500,000 H Shares. The above calculation is based on the total number of issued shares and the total number of relevant classes of shares as at the Listing Date.

(3) As at the Listing Date, Dr. Liu Sheng held 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 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**"), 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 at the Listing Date.

(4) As at the Listing 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) As at the Listing Date, Ms. Wang Xiaoli held outstanding Share Awards for 192,500 A Shares under the 2023 Restricted Shares Incentive Scheme.

Interests in our associated corporations

Name of Director/ Chief Executive	Name of associated corporation	Capacity/nature of interest	Number of Shares directly or indirectly held/registered share capital of the associated corporation	Approximate percentage of interest in the associated company
Dr. Liu Sheng	Picmore Technology (Suzhou) Co., Ltd. (蘇州湃矽科技有限公司)	Interest in controlled corporation (1)	RMB10,000,000	33.33%
	TeraHop Pte. Ltd.	Interest in controlled corporation (2)	20,884,704	15.77%
		Interest in controlled corporation (3)	6,712,155	4.90%

Notes:

(1) As at the Listing Date, 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 Picmore Technology (Suzhou) Co., Ltd. (蘇州湃矽科技有限公司) ("**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) As at the Listing Date, INFIEVO Holding Pte. Ltd. ("**INFIEVO**") holds 15.77% equity interests in TeraHop Pte. Ltd. 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. Therefore, Dr. Liu Sheng is deemed to be interested in the equity interests held by INFIEVO in TeraHop Pte. Ltd. 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. Ltd., representing approximately 4.90% of the issued share capital of TeraHop Pte. Ltd. upon full completion of the TeraHop 2025 Financing (as defined in the Prospectus) and the TeraHop 2026 Financing (as defined in the Prospectus), 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. Ltd. under the SFO.

Save as disclosed above, as at the Listing Date, so far as is known to any Directors or the chief executive of the Company, none of the Directors nor the chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (b) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at the Listing Date, the following persons (other than the Directors and chief executives whose interests have been disclosed in this report), had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Interest in Shares and Underlying Shares of the Company

Name of Shareholders	Capacity/Nature of interest	Class of Share	Number of Shares directly or indirectly held (1)	Approximate percentage of shareholding in our A Shares/H Shares (2)	Approximate percentage of interest in our Company (2)
Zhongji Holding(3)	Beneficial owner	A Shares	121,440,135(L)	10.89%	10.38%
JPMorgan Chase & Co.	Beneficial owner	H Shares	308,100(L)	0.57%	0.03%
			236,301(S)	0.43%	0.02%
	Investment manager	H Shares	2,538,800(L)	4.66%	0.22%
	Person having a security interest in shares	H Shares	184,852(L)	0.34%	0.02%
	Approved lending agent	H Shares	20,399(P)	0.04%	0.002%
The Goldman Sachs Group, Inc.	Interest in controlled corporation	H Shares	6,487,767(L)	11.90%	0.55%
			102,050(S)	0.19%	0.01%
	Interests held jointly with another person	H Shares	8,175,000(S)	15.00%	0.70%
Goldman Sachs Holdings (Hong Kong) Limited	Interest in controlled corporation	H Shares	2,826,097(L)	5.19%	0.24%
	Interests held jointly with another person	H Shares	8,175,000(S)	15.00%	0.70%
Goldman Sachs Holdings (Asia Pacific) Limited	Interest in controlled corporation	H Shares	2,826,097(L)	5.19%	0.24%
	Interests held jointly with another person	H Shares	8,175,000(S)	15.00%	0.70%
Goldman Sachs (Asia) L.L.C.	Interest in controlled corporation	H Shares	2,826,097(L)	5.19%	0.24%
	Interests held jointly with another person	H Shares	8,175,000(S)	15.00%	0.70%
Goldman Sachs (Asia) Corporate Holdings L.L.C.	Interest in controlled corporation	H Shares	2,826,097(L)	5.19%	0.24%
	Interests held jointly with another person	H Shares	8,175,000(S)	15.00%	0.70%
Morgan Stanley	Interest in controlled corporation	H Shares	4,048,161(L)	7.43%	0.35%
			115,000(S)	0.21%	0.01%
Morgan Stanley Investments (UK)	Interest in controlled corporation	H Shares	3,035,238(L)	5.57%	0.26%
			95,000(S)	0.17%	0.01%
Morgan Stanley International Limited	Interest in controlled corporation	H Shares	3,035,238(L)	5.57%	0.26%
			95,000(S)	0.17%	0.01%
Morgan Stanley International Holdings Inc.	Interest in controlled corporation	H Shares	3,035,238(L)	5.57%	0.26%
			95,000(S)	0.17%	0.01%
T. Rowe Price Associates, Inc. and its Affiliates	Beneficial owner	H Shares	3,142,050(L)	5.77%	0.27%
The Capital Group Companies, Inc.	Interest in controlled corporation	H Shares	2,757,000(L)	5.06%	0.24%

Notes:

(1) The letters "L", "S" and "P" denote the long position, short position and lending pool in the Shares, respectively.

(2) As at the Listing Date, the Company had a total of 1,169,734,641 issued shares, comprising 1,115,234,641 A Shares and 54,500,000 H Shares. The above calculation is based on the total number of issued shares and the total number of relevant classes of shares as at the Listing Date.

(3) As at the Listing 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.

Save as disclosed above and to the best knowledge of the Directors, as at the Listing Date, the Company is not aware of any other person (other than the Directors or the chief executive of the Company) who had an interest or short position in the Shares or underlying Shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

ARRANGEMENT FOR DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this report, at no time during the Reporting Period was the Company or any of its subsidiaries, the holding company, a party to any arrangement to enable a Director to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Save as otherwise disclosed in this report, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules)) during the six months ended June 30, 2026.

Reference is made to the A Share announcement of the Company dated July 29, 2026 in relation to the proposal on a potential A Share repurchase plan (the "**Proposal**") received from Dr. Liu Sheng, the Chairman of the Board, an executive Director and the President of the Company, on July 28, 2026. The Proposal remains subject to the consideration and approval of the Board. Therefore, the Proposal may or may not proceed, and the timing and amount of any A Share repurchase under the Proposal (if implemented) has yet to be determined. No repurchase of A Shares is currently being conducted or has been implemented pursuant to the Proposal. The source of funds for the A Share repurchase under the Proposal (if implemented) will be the Company's internal resources and/or self-raised funds, and not the proceeds from the Global Offering. The A Share repurchase under the Proposal, if implemented, will be conducted in compliance with all applicable laws and regulations (including the Listing Rules).

PRE-EMPTIVE RIGHTS

The Company's shareholders are not entitled to have pre-emptive right according to the provisions of Chinese law and the Articles of Association.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

During the period from the Listing Date of the H Shares and as of the Latest Practicable Date, the Company did not have any disclosure obligations under Rule 13.20, 13.21 and 13.22 of the Listing Rules.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

The Group has compliance policies and procedures in place to ensure adherence to applicable laws, rules and regulations, in particular, those that have a significant impact on it. The Group would seek professional legal advice from its legal advisers to ensure that transactions and business to be performed by the Group are in compliance with the applicable laws and regulations. During the period from the Listing Date of the H Shares and as of the Latest Practicable Date, the Group was not aware of any non-compliance with the laws, regulations and regulatory requirements of the places where the Group operates in all material respects, including the requirements under the Companies Ordinance, the Listing Rules, the SFO and the Corporate Governance Code for, among other things, the disclosure of information and corporate governance.

EQUITY-LINK AGREEMENT

Save as disclosed in this report, the Company had not entered into any equity-linked agreement for the six months ended June 30, 2026, nor did any equity-linked agreement subsist as at June 30, 2026.

MATERIAL LITIGATION

During the Reporting Period, 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.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The H Shares of the Company were successfully listed on the Main Board of the Hong Kong Stock Exchange on July 30, 2026. The net proceeds from the Global Offering received by the Company were approximately HK$52,891 million after deducting underwriting commissions and listing expenses, which will be utilized for the purposes set out in the Prospectus.

As of the Latest Practicable Date, there was no change in the intended use of net proceeds as previously disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus. To the extent that net proceeds are not immediately used for the intended use or if we are unable to effect any part of our future development plans as intended, the Company will hold such funds in short-term interest-bearing accounts at licensed commercial banks and/or other authorised financial institutions (as defined under the Securities and Futures Ordinance, or applicable laws and regulations in other jurisdictions).

The net proceeds from the Global Offering of approximately HK$52,891 million will be applied in the manner as set out below:

Use of proceeds	Approximate % of the total amount	Net proceeds available for use (HK$ in million)	Expected timeline for utilisation of unutilised net proceeds[1]
Ongoing investment in R&D for optical interconnects	35.0	18,512	Before December 31, 2031
Expand global production capacity to support product upgrade roadmap and provide additional annual production capacity	30.0	15,867	Before December 31, 2029
Enhance supply chain resilience and commercialization capabilities	10.0	5,289	Before December 31, 2031
Strategic acquisitions and investments within domestic market and internationally	15.0	7,934	N/A
Working capital and general corporate purposes [2]	10.0	5,289	N/A
Total	100.0	52,891	–

Notes:

(1) Since the Listing Date and as at Latest Practicable Date, the Group has not yet utilised any net proceeds, and will gradually utilise the net proceeds in accordance with the intended purposes as stated in the Prospectus. The expected timeline for the utilisation of unutilised proceeds represents the Group's best estimates based on the anticipated market conditions, which may be subject to change in response to current and future market developments.

(2) Working capital and other general corporate purposes, including but not limited to prepayments to secure key materials and components from suppliers and settlement of daily operating expenses.

The additional net proceeds from the issue of the additional H Shares in connection with the exercise of the over-allotment option described in the Prospectus, if any, will be used by the Company on a pro rata basis for the purposes as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

Corporate Governance and Other Information

EMOLUMENT POLICY AND DIRECTORS' REMUNERATION

As of June 30, 2026, the Group had a total of 16,659 employees (as of December 31, 2025: 11,625). The total employee remuneration expenses for the six months ended June 30, 2026, including share-based compensation expenses, were RMB1,790.8 million, as compared to RMB912.5 million for the six months ended June 30, 2025.

Pursuant to Rule 3.25 of the Listing Rules and the Corporate Governance Code, the Company has established the Remuneration and Appraisal Committee to formulate remuneration policies. The Directors and senior management of the Company who receive remuneration from the Company are paid in the forms of base salaries, bonuses, incentive plans. The remuneration is determined and recommended based on the experience, qualification, position and seniority of each Director and senior management. As for the independent non-executive Directors, their remuneration is determined by the Board based on the recommendation from the Remuneration and Appraisal Committee. The Directors and the senior management of the Company are eligible participants of the applicable share incentive plans. Details of the share incentive plans can be referred to the section headed "Share Incentive Schemes" in this report.

Our employees are located in China, Thailand, Singapore, the United States, and other countries and regions. Our continued success depends on our ability to attract, retain and motivate qualified personnel. We maintain rigorous recruitment standards through experienced hiring, campus hiring, online platforms and internal referrals, selecting candidates based on their qualifications, relevant experience and our business needs. We offer competitive compensation and performance-based bonuses, particularly for contributions to R&D, innovation and operations. We also promote employee development and engagement through training programs and corporate activities.

RESULTS AND DIVIDEND

Details of the consolidated income of the Group for the six months ended June 30, 2026 and the Group's financial position as at June 30, 2026 are set out in the interim condensed consolidated financial statements in this report and their accompanying notes.

The Company considered and approved an interim dividend for the six months ended June 30, 2026 for a cash dividend of RMB12 per 10 shares. As of the Latest Practicable Date, the total number of Shares of the Company is 1,169,734,641 Shares. Based on the above, the total interim dividend of the Company amounts to approximately RMB1,403.7 million (tax inclusive).

TAX RELIEF AND EXEMPTION OF DIVIDEND

A Shareholders

1. Individual Income Tax

Pursuant to the relevant provisions of the *Notice on Issues Concerning the Implementation of the Differentiated Individual Income Tax Policy on Dividends of Listed Companies* (Caishui [2012] No. 85) and the *Notice on Issues Concerning the Differentiated Individual Income Tax Policy on Dividends of Listed Companies* (Caishui [2015] No. 101), in respect of individual shareholders and securities investment funds, where the holding period is within one month (inclusive), the entire dividend income shall be included in taxable income and be subject to individual income tax at the rate of 20%; where the holding period is more than one month but not more than one year (inclusive), 50% of the dividend income shall be temporarily included in taxable income and be subject to individual income tax at the rate of 20%; and where the holding period exceeds one year, the dividend income shall be temporarily exempt from individual income tax.

When the Company distributes dividends, in respect of individual shareholders and securities investment funds holding A Shares for not more than one year (inclusive) as at the record date, the Company will not temporarily withhold and remit individual income tax. Upon transfer of such A Shares by individual investors or securities investment funds, China Securities Depository and Clearing Corporation Limited shall calculate the tax payable based on their respective holding periods.

2. Enterprise Income Tax

For holders of A Shares who are PRC resident enterprises, the enterprise income tax on cash dividends shall be declared and paid by such shareholders themselves.

For holders of A Shares who are Qualified Foreign Institutional Investors ("QFIIs"), pursuant to the *Notice on Issues Concerning the Withholding and Payment of Enterprise Income Tax on Dividends, Bonuses and Interest Paid by PRC Resident Enterprises to QFIIs* (Guoshuihan [2009] No. 47), the Company shall withhold and remit enterprise income tax at the rate of 10%. Where the relevant shareholders consider that the dividend income derived by them is entitled to preferential treatment under any tax treaty (or arrangement), applications may be made in accordance with the prevailing administrative requirements for tax treaty treatment.

Pursuant to the *Notice on the Tax Policies Related to the Pilot Programme of the Shanghai-Hong Kong Stock Connect* (Caishui [2014] No. 81), in respect of dividend income derived by Hong Kong market investors (including enterprises and individuals) from investment in the Company's A Shares through the Shanghai-Hong Kong Stock Connect, before Hong Kong Securities Clearing Company Limited is able to provide China Securities Depository and Clearing Corporation Limited with detailed data in respect of the identities of the investors and their holding periods, the differentiated taxation policy based on holding period will not be implemented temporarily. Accordingly, the Company shall withhold income tax at the rate of 10% and file the relevant withholding return with its competent tax authority. For Hong Kong investors who are tax residents of countries other than the PRC and whose countries of tax residence have entered into tax treaties with the PRC stipulating a dividend tax rate lower than 10%, such enterprises or individuals may, in accordance with the prevailing administrative requirements for tax treaty treatment, apply for a refund of the excess tax paid.

H Shareholders

1. ***Individual Income Tax***

   Pursuant to the *Notice on Certain Policy Issues Concerning Individual Income Tax* (Caishuizi [1994] No. 020), foreign individuals are temporarily exempt from PRC individual income tax on dividends and bonuses received from foreign-invested enterprises. Accordingly, when the Company distributes dividends to foreign individual holders whose names appear on the register of members for H Shares, the Company will not temporarily withhold or remit PRC individual income tax on behalf of such holders.

2. ***Enterprise Income Tax***

   Pursuant to the *Notice on Issues Concerning the Withholding and Payment of Enterprise Income Tax on Dividends Distributed by PRC Resident Enterprises to Overseas Non-resident Enterprise Holders of H Shares* (Guoshuihan [2008] No. 897), where a PRC resident enterprise distributes dividends for the years from 2008 onwards to overseas non-resident enterprise holders of H Shares, enterprise income tax shall be withheld and remitted at the rate of 10%. Where the relevant shareholders are entitled to preferential treatment under any tax treaty (or arrangement), applications may be made in accordance with the prevailing administrative requirements for tax treaty treatment.

3. ***Shanghai-Hong Kong Stock Connect***

   For Mainland investors investing in the Company's H Shares through the Shanghai Stock Exchange (including enterprises and individuals), China Securities Depository and Clearing Corporation Limited, Shanghai Branch, as the nominee holder of investors in H Shares under the Shanghai-Hong Kong Stock Connect, will receive the cash dividends distributed by the Company and distribute such cash dividends to the relevant investors in the Company's H Shares through its registration and settlement system.

Pursuant to the *Notice on the Tax Policies Related to the Pilot Programme of the Shanghai-Hong Kong Stock Connect* jointly issued by the Ministry of Finance of the PRC, the State Taxation Administration of the PRC and the China Securities Regulatory Commission (Caishui [2014] No. 81): (1) in respect of dividend income derived by Mainland individual investors from investment in H Shares listed on The Stock Exchange of Hong Kong Limited through the Shanghai-Hong Kong Stock Connect, the Company shall withhold individual income tax at the rate of 20%; (2) in respect of dividend income derived by Mainland securities investment funds from investment in shares listed on The Stock Exchange of Hong Kong Limited through the Shanghai-Hong Kong Stock Connect, individual income tax shall be levied by reference to the treatment applicable to individual investors; and (3) in respect of dividend income derived by Mainland enterprise investors from investment in shares listed on The Stock Exchange of Hong Kong Limited through the Shanghai-Hong Kong Stock Connect, the Company will not withhold tax on dividend income, and the tax payable shall be declared and paid by the enterprises themselves. In particular, dividend income derived by Mainland resident enterprises from holding H Shares continuously for 12 months or more shall be exempt from enterprise income tax in accordance with the law.

4. *Shenzhen-Hong Kong Stock Connect*

For Mainland investors investing in the Company's H Shares through the Shenzhen Stock Exchange (including enterprises and individuals), China Securities Depository and Clearing Corporation Limited, Shenzhen Branch, as the nominee holder of investors in H Shares under the Shenzhen-Hong Kong Stock Connect, will receive the cash dividends distributed by the Company and distribute such cash dividends to the relevant investors in the Company's H Shares through its registration and settlement system.

Pursuant to the *Notice on the Tax Policies Related to the Pilot Programme of the Shenzhen-Hong Kong Stock Connect* (Caishui [2016] No. 127): (1) in respect of dividend income derived by Mainland individual investors from investment in H Shares listed on The Stock Exchange of Hong Kong Limited through the Shenzhen-Hong Kong Stock Connect, the Company shall withhold individual income tax at the rate of 20%; (2) in respect of dividend income derived by Mainland securities investment funds from investment in shares listed on The Stock Exchange of Hong Kong Limited through the Shenzhen-Hong Kong Stock Connect, individual income tax shall be levied by reference to the treatment applicable to individual investors; and (3) in respect of dividend income derived by Mainland enterprise investors from investment in shares listed on The Stock Exchange of Hong Kong Limited through the Shenzhen-Hong Kong Stock Connect, the Company will not withhold tax on dividend income, and the tax payable shall be declared and paid by the enterprises themselves. In particular, dividend income derived by Mainland resident enterprises from holding H Shares continuously for 12 months or more shall be exempt from enterprise income tax in accordance with the law.

Shareholders of the Company shall be responsible for complying with the relevant tax requirements and/or claiming any applicable tax benefits in accordance with the aforesaid provisions. The Company shall determine the identity of shareholders and the applicable tax treatment solely based on the registration information provided by China Securities Depository and Clearing Corporation Limited and the Hong Kong share registrar. Shareholders are advised to consult their professional advisers regarding the PRC, Hong Kong and other tax implications arising from the holding and disposal of the Company's shares.

CAPITAL COMMITMENT

As of June 30, 2026, capital commitment of the Group was RMB8,804.1 million (as of December 31, 2025: RMB2,924.7 million), mainly used for purchase of construction, machinery and equipment.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On July 30, 2026, the Company issued and allotted 54,500,000 new H Shares under the Global offering at an offer price of HK$980.00 per H Share, which were listed and traded on the Hong Kong Stock Exchange. The gross proceeds from the Global Offering amounted to approximately HK$53,410,000,000.

An interim dividend for the six months ended June 30, 2026 of RMB12 per 10 Shares (tax inclusive) was approved by the Board of Directors on August 21, 2026. The dividends were not recognized as liabilities as at June 30, 2026.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is highly aware of the importance of environmental protection and has not noted any material non-compliance with all relevant laws and regulations in relation to its business including environmental protection, health and safety, workplace conditions, employment and the environment. The Group has established detailed internal rules regarding environmental protection and adopted effective measures to achieve efficient use of resources, waste reduction and energy saving.

RELATIONSHIPS WITH THE GROUP'S EMPLOYEES

The Group believes that employees are important and valuable assets. The Group provides training for its employees to enhance their knowledge in corporate values and culture and to implement them thoroughly. Meanwhile, the Group encourages staff on continuous learning by sponsoring recognized development training. The Group also aims to provide competitive and attractive remuneration packages to retain its employees. Management reviews annually the remuneration package offered to the employees of the Group. Meanwhile, for the purpose of providing incentives and rewards to eligible participants who have contributed to the success of the Group's operations, the Company has adopted the 2023 Restricted Shares Incentive Scheme and 2025 Restricted Shares Incentive Scheme. Details of such schemes are set out in the sub-sections headed "Share Incentive Schemes" in this report.

SHARE INCENTIVE SCHEMES

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 (the "**Share Awards**") will be granted under both schemes after the Listing, and all Share Awards have been granted to specific individuals under the Restricted Share Incentive Plans.

After the Listing Date of the H Shares, the Company may, from time to time and subject to compliance with the Listing Rules, adopt additional share incentive plans (which may involve, among others, the issuance of new Shares and/or the repurchase of existing Shares) for the purpose of attracting, rewarding and retaining talent. Any such plan will be subject to approval by the Board and, where applicable, the Shareholders, and will comply with the applicable requirements under Chapter 17 of the Listing Rules.

As at the Latest Practicable Date, 6,220,690 of the Share Awards granted by the Company under the 2023 Restricted Shares Incentive Scheme to 168 grantees were outstanding, representing approximately 0.53% of the total number of Shares in issue as at the Latest Practicable Date, and 8,526,280 of the Share Awards granted by the Company under the 2025 Restricted Shares Incentive Scheme to 796 grantees were outstanding, representing approximately 0.73% of the total number of Shares in issue as at the Latest Practicable Date.

As at June 30, 2026, the number of A Shares that may be issued in respect of outstanding Share Awards granted under all schemes of Company was 14,746,970 shares, representing approximately 1.3% of the weighted average number of Shares of the Company in issue (excluding treasury shares).

Summary of Terms

The principal terms of the 2023 Restricted Shares Incentive Scheme and 2025 Restricted Shares Incentive Scheme are summarized below.

(i) Purpose

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

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 schemes.

(iii) ***Source of Shares***

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 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 Awards***

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
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 fourth 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
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%
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
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 fourth 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
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%
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%

Outstanding Share Awards

Movements of the outstanding Share Awards granted under the 2023 Restricted Shares Incentive Scheme during the Reporting Period are set out below:

					Number of Award Shares				
Name of grantee	Position	Date of Grant	Purchase price per Share (RMB)	Outstanding as at January 1, 2026	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Outstanding as at June 30, 2026
Directors:									
Liu Sheng	Chairman of the Board, executive Director and president of the Company	November 23, 2023	36.16	358,400	–	112,000	–	–	246,400
Wang Xiaoli	Executive Director, vice president, and chief financial officer of the Company	November 23, 2023	36.16	280,000	–	87,500	–	–	192,500
Senior Management:									
Wang Jun	Vice president and Board secretary of the Company	November 23, 2023	36.16	246,400	–	77,000	–	–	169,400
Connected Persons:									
Mok Osa Chou-Shung	Executive director of TeraHop Pte. Ltd.	November 23, 2023	36.16	313,600	–	98,000	–	–	215,600
Liu Wenxiong	Executive director of TeraHop (Thailand) Co., Ltd.	November 23, 2023	36.16	134,400	–	42,000	–	–	92,400
Ding Hai	Executive director of Suzhou InnoLight	November 23, 2023	36.16	201,600	–	63,000	–	–	138,600
Wang Pan	Executive director of InnoLight Technology (Tongling) Co., Ltd. and authorized director of TeraHop (Thailand) Co., Ltd.	November 23, 2023	36.16	280,000	–	87,500	–	–	192,500
Other Employee Grantees:									
Employees of our Group who are not Directors, Supervisors, members of senior management, consultants or connected persons of the Company	–	November 23, 2023	36.16	6,200,320	–	1,915,200	–	71,680	4,213,440
		November 7, 2024	35.16	1,120,000	–	324,450	–	35,700	759,850

Note:

(1) The weighted average closing price of the shares immediately before the dates on which the Share Awards were vested is RMB900.4.

Movements of the outstanding Share Awards granted under the 2025 Restricted Shares Incentive Scheme during the Reporting Period are set out below:

					Number of Award Shares				
Name of grantee	Position	Date of Grant	Purchase price per Share (RMB)	Outstanding as at January 1, 2026	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Outstanding as at June 30, 2026
Connected Persons:									
Mok Osa Chou-Shung	Executive director of TeraHop Pte. Ltd.	April 29, 2025	52.10	50,000	–	7,500	–	–	42,500
Ding Hai	Executive director of Suzhou InnoLight	April 29, 2025	52.10	104,000	–	15,600	–	–	88,400
Wang Pan	Executive director of InnoLight Technology (Tongling) Co., Ltd. and authorized director of TeraHop (Thailand) Co., Ltd.	April 29, 2025	52.10	40,000	–	6,000	–	–	34,000
Chen Hui	Key employee of Suzhou InnoLight	April 29, 2025	52.10	5,000	–	750	–	–	4,250
Other Employee Grantees:									
Employees of our Group who are not Directors, Supervisors, members of senior management, consultants or connected persons of the Company	–	April 29, 2025	52.10	8,681,000	-	1,279,807	–	144,063	7,257,130
		March 12, 2026	53.10	N/A	1,100,000	-	-	-	1,100,000

Notes:

(1) On March 12, 2026, the Company granted 1,100,000 Share Awards for the reserved grant of Shares under the 2025 Restricted Shares Incentive Scheme and the purchase price is RMB53.10 per Share. The vesting period for such Share Awards is 18 months, 30 months and 42 months from the grant date with 30%, 30%, and 40% of Share Awards being vested, respectively, subject to the performance targets set thereunder including the Company's performance appraisal and individual performance appraisal of the grantees.

(2) The fair value of restricted shares underlying the Share Awards at the date of grant (i.e., March 12, 2026) is RMB479.63 per Share.

(3) The closing price of the shares immediately before the date on which the Share Awards were granted (i.e., March 11, 2026) is RMB554.68 per Share.

(4) The fair value of Share Awards at the date of grant and the accounting standard and policy adopted can be referred to Note 26 to the interim condensed consolidated financial statements in this report.

(5) The weighted average closing price of the shares immediately before the dates on which the Share Awards were vested is RMB1,161.2.

Corporate Governance and Other Information

CHANGES IN INFORMATION OF DIRECTORS

Having made specific enquiry and as confirmed by Directors, there have been no changes in the information of Directors of the Company which shall be subject to disclosure pursuant to Rule 13.51B(1) of the Listing Rules since the Listing Date and as of the Latest Practicable Date.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company recognises 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, 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.

As the H Shares of the Company were listed on the Main Board of the Stock Exchange on July 30, 2026, the Corporate Governance Code was not applicable to the Company prior to the Listing Date. The Directors are of the view that from the Listing Date to the Latest Practicable Date, the Company has complied with all applicable code provisions of the Corporate Governance Code save and except for the following deviation from code provision C.2.1 of the Corporate Governance Code.

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.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

Our Company has established the 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. The Audit Committee consisted of three non-executive 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 Audit Committee is mainly responsible for reviewing the financial information of the Company and its disclosure, monitoring and evaluating internal and external audit work and internal controls.

The Audit Committee has reviewed the unaudited interim condensed consolidated financial statements of the Group for the six months ended June 30, 2026 with the management of the Company. The Audit Committee considers that the interim results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management of the Company.

PRINCIPAL RISKS AND UNCERTAINTIES

We believe that there are certain risks involved in our operations, many of which are beyond our control. These risks are set out in the section headed "Risk Factors" in the Prospectus, including risks relating to (i) our business and industry; (ii) our intellectual property; (iii) our financial prospects; and (iv) global operation in multiple jurisdictions.

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 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.

MODEL CODE FOR SECURITIES TRANSACTIONS

Our Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard under the Model Code regarding the transactions of securities of the Company by its Directors and the relevant employees who, because of his/her office or employment, would likely possess inside information of the Company.

As the Company's H Shares had not been listed on the Stock Exchange as of June 30, 2026, the Model Code was not applicable to the Company during the Reporting Period. Upon specific enquiry, all Directors have confirmed that they have complied with the Model Code from the Listing Date to the Latest Practicable Date.

CHANGE IN CONSTITUTIONAL DOCUMENTS

There has not been any change to the Articles of Association since the Listing Date of the H Shares and as of the Latest Practicable Date.

On behalf of the Board
Zhongji InnoLight Co., Ltd.
Dr. Liu Sheng
Chairman
August 21, 2026

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended June 30, 2026

	Note	Six months ended June 30, 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	3	**41,777,862**	14,789,075
Cost of revenue	3	**(22,639,614)**	(9,069,897)
Gross profit		**19,138,248**	5,719,178
Sales and marketing expenses	5	**(157,903)**	(101,088)
General and administrative expenses	5	**(768,494)**	(291,488)
Research and development expenses	5	**(1,153,029)**	(585,617)
Net impairment (losses)/gains on financial assets		**(6,256)**	4,900
Other income		**59,796**	38,326
Other losses, net	4	**(64,047)**	(20,477)
Operating profit		**17,048,315**	4,763,734
Finance income	6	**155,140**	110,556
Finance costs	6	**(7,028)**	(51,838)
Finance income, net		**148,112**	58,718
Share of profit of associates, net	7	**34,175**	58,687
Profit before income tax		**17,230,602**	4,881,139
Income tax expense	8	**(2,497,176)**	(638,681)
Profit for the period		**14,733,426**	4,242,458
Profit for the period attributable to:			
Owners of the Company		**13,651,150**	3,995,115
Non-controlling interests		**1,082,276**	247,343
		14,733,426	4,242,458
Earnings per share attributable to the owners of the Company (in RMB)			
– Basic (RMB per share)	10	**12.31**	3.64
– Diluted (RMB per share)	10	**12.19**	3.60

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(Continued)*

For the six months ended June 30, 2026

	Note	Six months ended June 30, 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Profit for the period		**14,733,426**	4,242,458
Other comprehensive loss:			
Items that may be reclassified to profit or loss, net of tax			
– Currency translation differences of foreign operations, net of tax		**(85,332)**	(14,049)
Other comprehensive loss for the period, net of tax		**(85,332)**	(14,049)
Attributable to:			
Owners of the Company		**(63,305)**	(10,669)
Non-controlling interests		**(22,027)**	(3,380)
Total comprehensive income for the period		**14,648,094**	4,228,409
Attributable to:			
Owners of the Company		**13,587,845**	3,984,446
Non-controlling interests		**1,060,249**	243,963
		14,648,094	4,228,409

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2026

	Note	**As at June 30, 2026 RMB'000 (Unaudited)**	As at December 31, 2025 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	**14,266,624**	9,057,030
Right-of-use assets		**388,006**	231,340
Intangible assets	12	**2,308,404**	2,243,755
Deferred tax assets		**1,361,902**	540,536
Prepayments, other receivables and other assets	13	**1,784,110**	73,981
Investments in associates	7	**1,187,601**	1,262,965
Financial assets at fair value through profit or loss	14	**937,890**	795,339
Total non-current assets		**22,234,537**	14,204,946
Current assets			
Inventories	15	**19,825,909**	12,680,708
Trade and notes receivables at amortised cost	16	**15,091,720**	6,349,511
Trade and note receivables at fair value through other comprehensive income		**93,288**	59,766
Prepayments, other receivables and other assets	13	**2,770,497**	997,131
Financial assets at fair value through profit or loss	14	**2,529,120**	10,016
Restricted cash	17	**33,460**	43,086
Cash and cash equivalents	17	**6,363,673**	10,943,807
Total current assets		**46,707,667**	31,084,025
Total assets		**68,942,204**	45,288,971
LIABILITIES			
Non-current liabilities			
Borrowings	18	**486,934**	510,000
Lease liabilities		**139,790**	74,731
Deferred tax liabilities		**535,784**	291,219
Deferred income		**205,654**	211,363
Redemption liabilities	19	**5,057,109**	900,192
Provisions		**190,904**	121,462
Other payables and accruals	21	**332**	332
Total non-current liabilities		**6,616,507**	2,109,299

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

As at June 30, 2026

	Note	**As at June 30, 2026 RMB'000 (Unaudited)**	As at December 31, 2025 RMB'000
Current liabilities			
Trade and note payables	20	**12,566,878**	7,800,410
Contract liabilities	3	**20,709**	26,327
Current tax liabilities		**1,446,114**	1,217,740
Borrowings	18	**1,109,881**	981,926
Lease liabilities		**58,506**	34,905
Provisions		**82,657**	68,761
Other payables and accruals	21	**2,974,198**	1,428,404
Total current liabilities		**18,258,943**	11,558,473
Total liabilities		**24,875,450**	13,667,772
Net current assets		**28,448,724**	19,525,552
EQUITY			
Share capital	22	**1,115,235**	1,111,118
Treasury shares	23	**–**	(46,876)
Reserves	24	**6,115,045**	8,452,683
Retained earnings	25	**32,628,882**	20,248,232
Equity attributable to owners of the Company		**39,859,162**	29,765,157
Non-controlling interests		**4,207,592**	1,856,042
Total equity		**44,066,754**	31,621,199
Total equity and liabilities		**68,942,204**	45,288,971

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended June 30, 2026

	Attributable to the owners of the Company						
	Share capital RMB'000 (Note 22)	Treasury shares RMB'000 (Note 23)	Reserves RMB'000 (Note 24)	Retained earnings RMB'000 (Note 25)	Total RMB'000	Non-controlling interests RMB'000	Total equity 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	–	–	–	13,651,150	13,651,150	1,082,276	14,733,426
Other comprehensive loss	–	–	(63,305)	–	(63,305)	(22,027)	(85,332)
Total comprehensive income	–	–	(63,305)	13,651,150	13,587,845	1,060,249	14,648,094
Transactions with owners:							
Capital injection	4,117	–	125,236	–	129,353	1,677,520	1,806,873
Stock ownership schemes settled with treasury shares	–	46,876	–	–	46,876	–	46,876
Share-based compensation	–	–	1,316,953	–	1,316,953	89,755	1,406,708
Dividends paid to shareholders	–	–	–	(1,113,601)	(1,113,601)	–	(1,113,601)
Dividends paid to non-controlling interests	–	–	–	–	–	(83,171)	(83,171)
Appropriations to statutory reserves	–	–	156,899	(156,899)	–	–	–
Appropriations to safety reserves	–	–	957	–	957	362	1,319
Utilisation of safety reserves	–	–	(66)	–	(66)	(25)	(91)
Recognition of redemption liability	–	–	(4,267,154)	–	(4,267,154)	–	(4,267,154)
Transaction with non-controlling interests	–	–	392,842	–	392,842	(393,140)	(298)
	4,117	46,876	(2,274,333)	(1,270,500)	(3,493,840)	1,291,301	(2,202,539)
As at June 30, 2026 (Unaudited)	1,115,235	–	6,115,045	32,628,882	39,859,162	4,207,592	44,066,754

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY *(Continued)*

For the six months ended June 30, 2026

	Attributable to the owners of the Company						
	Share capital RMB'000 (Note 22)	Treasury shares RMB'000 (Note 23)	Reserves RMB'000 (Note 24)	Retained Earnings RMB'000 (Note 25)	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
As at January 1, 2025	1,121,167	(569,365)	7,957,835	10,624,250	19,133,887	1,158,954	20,292,841
Comprehensive income:							
Profit for the period	–	–	–	3,995,115	3,995,115	247,343	4,242,458
Other comprehensive income	–	–	(10,669)	–	(10,669)	(3,380)	(14,049)
Total comprehensive income	–	–	(10,669)	3,995,115	3,984,446	243,963	4,228,409
Transactions with owners:							
Capital injection	6,417	–	145,329	–	151,746	14,700	166,446
Cancellation of shares	(16,466)	520,356	(449,118)	–	54,772	–	54,772
Share-based compensation	–	–	47,661	–	47,661	7,777	55,438
Dividends payable to shareholders	–	–	–	(555,559)	(555,559)	–	(555,559)
Appropriations to statutory reserves	–	–	49,438	(49,438)	–	–	–
Appropriations to safety reserves	–	–	1,568	–	1,568	–	1,568
Utilisation of safety reserves	–	–	(112)	–	(112)	–	(112)
	(10,049)	520,356	(205,234)	(604,997)	(299,924)	22,477	(277,447)
As at June 30, 2025 (Unaudited)	1,111,118	(49,009)	7,741,932	14,014,368	22,818,409	1,425,394	24,243,803

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended June 30, 2026

	Note	Six months ended June 30, 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Cash flows from operating activities			
Cash generated from operations	27(a)	**3,551,022**	3,406,212
Interest received		**155,140**	110,556
Income taxes paid		**(1,919,138)**	(298,478)
Net cash generated from operating activities		**1,787,024**	3,218,290
Cash flows from investing activities			
Payments for purchase of property, plant and equipment, intangible assets and other non-current assets		**(4,802,161)**	(953,721)
Payments for investment in associates		**–**	(184,746)
Payments for purchase of financial assets at fair value through profit or loss		**(2,174,696)**	(519,338)
Payments for investment deposits		**–**	(10,000)
Proceeds from sale of property, plant and equipment, intangible assets and other non-current assets		**61,720**	2,517
Proceeds from sale of financial assets at fair value through profit or loss		**49,498**	962,392
Dividends received		**49,313**	7,168
Proceeds from other investing activities		**12,650**	172
Net cash used in investing activities		**(6,803,676)**	(695,556)
Cash flows from financing activities			
Capital injection		**1,831,917**	166,446
Proceeds from borrowings		**366,246**	600,554
Repayments of borrowings		**(181,690)**	(536,179)
Payments of lease liabilities		**(22,315)**	(6,232)
Interests paid		**(16,248)**	(35,563)
Dividends paid to the Company's shareholders		**(1,113,601)**	(555,559)
Payment for listing expenses		**(24,919)**	–
Payments for acquisition of non-controlling interests		**(298)**	–
Net cash generated from financing activities		**839,092**	(366,533)
Net increase in cash and cash equivalents		**(4,177,560)**	2,156,201
Cash and cash equivalents at the beginning of period		**10,943,807**	4,987,790
Exchange losses on cash and cash equivalents		**(402,574)**	(16,808)
Cash and cash equivalents at the end of period	17	**6,363,673**	7,127,183

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General Information

Zhongji InnoLight Co., Ltd. (the "Company") was incorporated on June 27, 2005 with its headquarters located in Longkou, Shandong. On April 10, 2012, the Company was listed on the Shenzhen Stock Exchange ("SZSE") and its H shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited ("HKEx") since July 30, 2026.

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.

This interim condensed consolidated financial information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand, unless otherwise stated. This unaudited interim condensed consolidated financial information was approved for issue by the Board of Directors on August 21, 2026.

2. Basis of Preparation

2.1 Basis of preparation

The unaudited interim condensed consolidated financial statements for the six months ended June 30, 2026 have been prepared in accordance with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board ("IASB") and the disclosure requirements to the Listing Rules of HKEx. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements for the year ended December 31, 2025, which have been prepared in accordance with International Financial Reporting Standards (the "IFRS accounting standards") issued by the IASB.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

2. Basis of Preparation *(Continued)*

2.2 New standards and interpretations adopted

In the current interim period, the Group has applied the following amendments to an IFRS accounting Standard issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on January 1, 2026 for the preparation of the Group's interim condensed consolidated financial statements:

- Amendment to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments
- Amendment to IFRS 9 and IFRS 7 – Contracts referencing nature-dependent electricity
- Annual improvements project – Annual improvements to IFRS Accounting Standards – volumes 11

The adoption of these amendments to standards does not have significant impact on the condensed consolidated financial statements of the Group.

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
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group has already commenced an assessment of the impact of these new or revised standards, amendments and interpretations, certain of which are relevant to the Group's operations. According to the preliminary assessment made by the directors, these standards and amendments are not expected to have a significant impact on the Group's financial performance and position, except IFRS 18, which may mainly impact the presentation of the consolidated statements of the comprehensive loss and the Group is still in the process of assessing the impact.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

3. 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 Reporting 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

3. Revenue and Segment Information *(Continued)*

(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 period ended June 30, 2026 (unaudited) is as follows:

	Optical transceivers RMB'000	Others RMB'000	Inter-segment elimination RMB'000	Total RMB'000
Revenue	41,331,048	579,612	(132,798)	41,777,862
Operating costs and expenses	(24,002,844)	(677,214)	132,798	(24,547,260)
– Cost of revenue	(22,247,711)	(524,940)	133,037	(22,639,614)
Segment profit/(losses)	17,328,204	(97,602)	–	17,230,602
Total assets	68,149,172	1,768,524	(975,492)	68,942,204
Total liabilities	(24,090,540)	(1,012,331)	227,421	(24,875,450)
Other non-cash expenses excluding depreciation and amortisation	412,640	7,341	–	419,981
Long-term equity investments in associates	1,187,601	–	–	1,187,601
Increase in non-current assets (excluding long-term equity investments, financial assets and deferred tax assets)	7,113,534	27,504	–	7,141,038

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

3. Revenue and Segment Information *(Continued)*

(b) Segment information *(Continued)*

The Group derives revenue from the transfer of goods at a point in time in the following major product lines:

Segment information for the period ended June 30, 2025 (unaudited) is as follows:

	Optical transceivers RMB'000	Others RMB'000	Inter-segment elimination RMB'000	Total RMB'000
Revenue	14,423,727	521,799	(156,451)	14,789,075
Operating costs and expenses	(9,498,515)	(563,608)	154,187	(9,907,936)
– Cost of revenue	(8,755,782)	(467,566)	153,451	(9,069,897)
Segment profit/(losses)	4,925,212	(41,809)	(2,264)	4,881,139
Other non-cash expenses excluding depreciation and amortisation	86,234	2,381	–	88,615

(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.

	Six months ended June 30, 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue from external customers		
– Chinese Mainland	**2,163,201**	2,007,627
– Other countries/regions	**39,614,661**	12,781,448
	41,777,862	14,789,075

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

4. Other Losses, Net

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Net foreign exchange losses	**(708,466)**	(18,507)
Net losses on disposal of property, plant and equipment and other assets	**(1,422)**	(6,338)
Net fair value gains on financial assets at FVPL	**537,120**	(824)
Gains on disposal of investments in associates and financial assets at FVPL	**109,438**	–
Others	**(717)**	5,192
	(64,047)	(20,477)

5. Expenses by Nature

Expenses included in cost of revenue, sales and marketing expenses, general and administrative expenses and research and development expenses are analysed as follows:

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Changes in inventories of finished goods, semi-finished goods and work in progress	**(2,540,023)**	(1,114,941)
Raw materials and consumables used	**23,270,667**	9,053,686
Employee benefit expenses	**1,790,785**	912,535
Outsourced labour cost	**754,341**	310,576
Depreciation and amortisation	**602,404**	405,250
Utilities costs	**163,386**	95,116
Technology development and consulting service fee	**222,449**	77,912
Office expenses	**114,187**	46,875
Expenses relating to short-term leases	**62,052**	36,554
Provisions of inventory	**13,063**	51,973
Listing expenses	**4,763**	–
Others	**260,966**	172,554
	24,719,040	10,048,090

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

6. Finance Income, Net

	Six months ended June 30, 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Finance income:		
Interest income from bank deposits	**155,140**	110,556
Finance costs:		
Interest expense on bank borrowings	**(29,600)**	(32,938)
Interest expense on lease liabilities	**(2,043)**	(820)
Change in carrying amount of redemption liabilities	**24,943**	(20,183)
Net exchange gains on foreign currency borrowings	**(328)**	2,103
	(7,028)	(51,838)
Finance income, net	**148,112**	58,718

7. Investments in Associates

Movement of investments in associates is analysed as follows:

	Six months ended June 30, 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
At the beginning of the period	**1,262,965**	811,798
Additions/(disposals), net	**(99,541)**	185,119
Share of results of associates	**34,175**	58,687
Dividends	**(3,408)**	(2,976)
Currency translation differences	**(6,590)**	(374)
	1,187,601	1,052,254
Less: impairment loss	**–**	–
At the end of the period	**1,187,601**	1,052,254

There was no associate of the Group as at June 30, 2026 which, in the opinion of the directors, was material to the Group.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

8. Income Tax Expense

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax expense	**2,535,753**	692,159
Deferred income tax expense	**(38,577)**	(53,478)
	2,497,176	638,681

(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 six months ended June 30, 2026 and 2025.

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 Group'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 six months ended June 30, 2026 and 2025.

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%.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

8. Income Tax Expense *(Continued)*

(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 six months ended June 30, 2026 and 2025.

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 Accelerated 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. 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 Reporting Period.

(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 1 January 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 June 30, 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

8. Income Tax Expense *(Continued)*

(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 Pillar Two rules have been enacted in certain jurisdictions where the Group's subsidiaries are incorporated. Thailand, Singapore and Hong Kong have implemented the Pillar Two rules effective from 1 January 2025. The Group has assessed the potential risk exposure related to the financial performance for the period ended June 30, 2026 and has recognised a current top-up tax exposure due to local tax incentives. The Group applies the IAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

9. Dividends

An interim dividend for the six months ended June 30, 2026 of RMB12 per 10 shares (tax inclusive) (for the six months ended June 30, 2025: an interim dividend of RMB 4 per 10 shares) was approved by the directors on August 21, 2026. The dividends were not recognized as liabilities as at June 30, 2026.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

10. 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 six months ended June 30, 2026 and 2025, excluding ordinary shares held for share schemes as these shares are not considered outstanding for earnings per share calculation purposes.

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit attributable to the owners of the Company (RMB'000)	**13,651,150**	3,995,115
Less: Dividends paid to expected cancellable treasury shares (RMB'000)	**–**	(1,904)
Profit attributable to owners of the Company used in calculating basic EPS (RMB'000)	**13,651,150**	3,993,211
Weighted average number of ordinary shares in issue (thousand shares)	**1,109,280**	1,096,656
Basic EPS (RMB per share)	**12.31**	3.64

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

10. Earnings per Share *(Continued)*

(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).

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit attributable to the owners of the Company used in calculating diluted EPS (RMB'000)	**13,651,150**	3,995,115
Weighted average number of ordinary shares in issue (thousand shares)	**1,109,280**	1,096,656
Adjustments for calculation of diluted earnings per share:		
Share schemes	**10,169**	14,236
Weighted average number of ordinary shares used in calculating diluted EPS (thousand shares)	**1,119,449**	1,110,892
Diluted EPS (RMB per share)	**12.19**	3.60

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

11. Property, Plant and Equipment

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
Freehold land	**93,181**	96,162
Buildings	**1,825,924**	1,539,266
Machinery	**7,757,813**	5,376,258
Motor vehicles	**7,145**	6,245
Electronic equipment	**109,754**	33,074
Other equipment	**29,124**	29,608
Leasehold Improvements	**736,267**	554,480
Assets under construction	**3,707,416**	1,421,937
	14,266,624	9,057,030

(a) During the six months ended June 30, 2026, the Group purchased property, plant and equipment of RMB6,064,142,000 (six months ended June 30, 2025: RMB901,023,000). During the six months ended June 30, 2026, the Group disposed of certain property, plant and equipment with an aggregate carrying amount of RMB83,797,000 (six months ended June 30, 2025: RMB72,481,000) and resulting in a loss on disposal of RMB1,674,000 (six months ended June 30, 2025: RMB5,499,000).

(b) Certain property, plant and equipment as at June 30, 2026 were pledged as securities for notes payable facilities and borrowings.

(c) Depreciation of the Group's property, plant and equipment amounted to RMB540,130,000 was recognised for the six months ended June 30, 2026 (RMB363,307,000 for the six months ended June 30, 2025).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

12. Intangible Assets

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
Goodwill (b)	**1,938,875**	1,938,875
Royalty patents	**10,250**	14,517
Non-patent technologies	**116,769**	136,039
Development cost	**135,067**	54,086
Software	**63,443**	48,905
Customer relationship	**44,000**	51,333
	2,308,404	2,243,755

(a) Amortisation of the Group's intangible assets amounted to RMB37,883,000 was recognised for the six months ended June 30, 2026 (RMB32,444,000 for the six months ended June 30, 2025).

(b) The Management has conducted a retrospective review and the actual situation for the first half of 2026 has demonstrated an improvement compared to the projection period during the impairment test on December 31, 2025. As of June 30, 2026, no significant adverse changes have been noted, thus no further impairment test was conducted accordingly.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

13. Prepayments, other Receivables and other Assets

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
Deductible value-added tax	1,416,039	661,622
Prepayments	2,737,733	208,091
Deposits and guarantee receivables	92,057	79,352
VAT refund receivables	33,688	24,129
Amounts due from related parties (Note 28(d))	12,490	5,505
Others	268,741	98,544
	4,560,748	1,077,243
Less: provision for impairment	(6,141)	(6,131)
	4,554,607	1,071,112
Less: non-current portion (a)	(1,784,110)	(73,981)
Prepayments, other receivables and other assets	2,770,497	997,131

(a) The non-current portion mainly comprise prepaid construction equipment, export guarantee deposits, capacity reservation and commitment for raw materials and VAT refund receivables.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

14. Financial Assets at FVTPL

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
Non-current:		
– Investment in private equity funds	**719,789**	559,205
– Investment in unlisted securities	**218,101**	236,134
	937,890	795,339
Current:		
– Investment in listed securities	**2,529,120**	–
– Structured deposits	**–**	10,016
	2,529,120	10,016
	3,467,010	805,355

15. Inventories

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
Raw materials	**9,072,207**	4,604,523
Work in progress	**4,304,365**	2,652,300
Semi-finished goods	**3,514,294**	2,705,768
Finished goods	**2,908,631**	2,829,200
Spare parts and consumables	**310,378**	186,732
	20,109,875	12,978,523
Less: Provision for impairment loss	**(283,966)**	(297,815)
	19,825,909	12,680,708

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

16. Trade and Note Receivables at Amortised Cost

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
Trade and note receivables		
– Trade receivables	**15,051,527**	6,332,718
– Note receivables	**90,826**	72,635
	15,142,353	6,405,353
Less: allowance for credit losses		
– Trade receivables and note receivables	**(50,633)**	(55,842)
	15,091,720	6,349,511

The aging analysis of the trade receivables based on date of revenue recognition is as follows:

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
Up to 1 year	**15,023,510**	6,289,838
1-2 year	**23,838**	10,480
2-3 year	**2,698**	8,780
Above 3 years	**1,481**	23,620
	15,051,527	6,332,718

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

17. Cash and Cash Equivalents and Restricted Cash

(a) Cash and cash equivalents

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
Cash in bank and on hand	**6,363,673**	10,943,807

(b) Restricted cash

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
Guarantee deposits	**33,460**	43,086

Guarantee deposits mainly included letter of bank acceptance notes, letters of guarantee and letters of credit.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

18. Borrowings

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
Non-current		
Guaranteed borrowings (c)	468,000	510,000
Credit borrowings	18,934	–
	486,934	510,000
Current		
Credit borrowings	354,081	297,926
Guaranteed borrowings (c)	706,000	666,000
Pledged borrowings (b)	49,800	18,000
	1,109,881	981,926

(a) As at June 30, 2026 and December 31, 2025, the annual interest rate of short-term borrowings were ranged from 2.1% to 2.5% and 2.1% to 2.8%, respectively.

As at June 30, 2026 and December 31, 2025, the annual interest rate range of long-term borrowings were ranged from 2.35% to 2.55% and 2.1% to 2.9%, respectively.

(b) Pledged borrowings were mainly secured by property, plant and equipment and intangible assets.

(c) As at June 30, 2026 and December 31, 2025, guaranteed borrowings mainly guaranteed by the Company, amounting to RMB1,174,000,000 and RMB1,176,000,000.

(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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

19. Redemption Liabilities

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
Financial instruments with preferred rights (a)	**5,057,109**	900,192

(a) 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.

In November 2025 and March 2026, TeraHop Pte. Ltd., a subsidiary of the Group, 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 TeraHop Pte. Ltd.

At the same time, TeraHop Pte. Ltd. entered into a shareholders' agreement with the third-party investors, stipulating that the third-party 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.

As at June 30, 2026, TeraHop Pte. Ltd. received a total capital injection of USD478 million (equivalent to RMB3,721 million) in cash. After the completion of the capital increase, the Group's ownership percentage in TeraHop Pte. Ltd. decreased from 67.71% to 66.31%.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

20. Trade And Note Payables

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
Trade and note payables		
– Trade payables	**12,032,722**	7,329,829
– Note payables	**534,156**	470,581
	12,566,878	7,800,410

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 June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
Up to 1 year	**12,002,340**	7,318,877
Over 1 year	**30,382**	10,952
	12,032,722	7,329,829

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

21. Other Payables and Accruals

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
Payables related to long-term assets	**2,449,106**	922,823
Payable for stock ownership schemes	**–**	46,876
Payables for professional services	**751**	18,890
Salaries and welfare payables	**334,558**	363,795
Other taxes payable	**54,763**	32,691
Others	**135,352**	43,661
	2,974,530	1,428,736
Less: non-current portion		
– Others	**(332)**	(332)
	2,974,198	1,428,404

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

22. Share Capital

	Number of shares ('000)	Share Capital RMB'000
As at January 1, 2025	1,121,167	1,121,167
Capital injection	6,417	6,417
Cancellation of shares	(16,466)	(16,466)
As at June 30, 2025 (Unaudited)	1,111,118	1,111,118
As at January 1, 2026	**1,111,118**	**1,111,118**
Capital injection	**4,117**	**4,117**
As at June 30, 2026 (Unaudited)	**1,115,235**	**1,115,235**

23. Treasury Shares

	As at June 30, 2026 RMB'000 (Unaudited)	As at June 30, 2025 RMB'000 (Unaudited)
At the beginning of the year/period	**46,876**	569,365
Vested	**(46,876)**	–
Cancellation of shares	**–**	(520,356)
At the end of the year/period	**–**	49,009

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

24. Reserves

	Share-based payments reserves RMB'000	Share premium RMB'000	Statutory reserves RMB'000	Other reserves RMB'000	Total RMB'000
As at January 1, 2026	**1,146,778**	**7,002,395**	**347,850**	**(44,340)**	**8,452,683**
Capital injection	**–**	**125,236**	**–**	**–**	**125,236**
Appropriation to statutory reserves	**–**	**–**	**156,899**	**–**	**156,899**
Appropriation to safety reserves	**–**	**–**	**–**	**957**	**957**
Utilisation of safety reserves	**–**	**–**	**–**	**(66)**	**(66)**
Share-based payments	**1,316,953**	**–**	**–**	**–**	**1,316,953**
Exchange differences on translation	**–**	**–**	**–**	**(63,305)**	**(63,305)**
Transaction with non-controlling interests	**–**	**392,842**	**–**	**–**	**392,842**
Recognition of redemption liability	**–**	**(4,267,154)**	**–**	**–**	**(4,267,154)**
As at June 30, 2026 (Unaudited)	**2,463,731**	**3,253,319**	**504,749**	**(106,754)**	**6,115,045**
As at January 1, 2025	908,481	6,865,315	174,584	9,455	7,957,835
Capital injection	–	145,329	–	–	145,329
Cancellation of treasury shares	–	(449,118)	–	–	(449,118)
Appropriation to statutory reserves	–	–	49,438	–	49,438
Appropriation to safety reserves	–	–	–	1,568	1,568
Utilisation of safety reserves	–	–	–	(112)	(112)
Share -based payments	47,661	–	–	–	47,661
Exchange differences on translation	–	–	–	(10,669)	(10,669)
A s at June 30, 2025 (Unaudited)	956,142	6,561,526	224,022	242	7,741,932

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

25. Retained Earnings

	As at June 30, 2026 RMB'000 (Unaudited)	As at June 30, 2025 RMB'000 (Unaudited)
At the beginning of the year/period	**20,248,232**	10,624,250
Net profit	**13,651,150**	3,995,115
Appropriation to statutory reserves	**(156,899)**	(49,438)
Dividends	**(1,113,601)**	(555,559)
At the end of the year/period	**32,628,882**	14,014,368

26. Share-Based Payment

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 Fourth Restricted Shares Incentive Scheme Second grant
Share price	RMB534.80
Expected volatility	67.63%-72.81%
Expected option life	1.51-3.51 years
Dividend yield	0.37%
Risk-free interest rate	1.31% – 1.42%
Fair value at grant date	RMB479.63

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

27. Notes to Unaudited Interim Condensed Consolidated Statements of Cash Flows

(a) Reconciliation of profit before income tax to net cash generated from operations:

	Six months ended June 30, 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Profit before income tax	**17,230,602**	4,881,139
Adjustments for:		
– Depreciation of property, plant and equipment (Note 11)	**540,130**	363,307
– Depreciation of right-of-use assets	**24,391**	9,499
– Amortisation of intangible assets (Note 12)	**37,883**	32,444
– Impairment of inventory (Note 5)	**13,063**	51,973
– Impairment of financial assets	**6,256**	(4,900)
– Share-based payment expense	**419,981**	88,615
– Other income	**(45,905)**	(7,168)
– Share of (profit)/losses of associates, net (Note 7)	**(34,175)**	(58,687)
– Net fair value (gains)/losses on financial assets at FVTPL	**(537,120)**	824
– Net losses on disposal of property, plant and equipment and other assets (Note 4)	**1,422**	6,338
– Other (gains)/losses – net	**(109,438)**	–
– Finance income – net (Note 6)	**(148,112)**	(58,718)
– Net foreign exchange (gains)/losses	**125,976**	16,113
	17,524,954	5,320,779
Changes in working capital:		
– Inventories	**(7,239,286)**	(2,168,920)
– Trade and notes receivables at amortised cost	**(8,748,455)**	(1,729,320)
– Trade and notes receivables at FVOCI	**(33,522)**	(41,485)
– Prepayments, other receivables and other assets	**(2,894,524)**	551,085
– Trade and note payables	**4,875,590**	1,476,175
– Other payables and accruals	**(2,722)**	(25,464)
– Contract liabilities	**(5,618)**	(3,390)
– Deferred income	**(18,359)**	(12,991)
– Provisions	**83,338**	27,124
– Restricted cash	**9,626**	12,619
Cash generated from operations	**3,551,022**	3,406,212

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

28. Related Party Transactions

(a) Parent entities

Name	Type	Place of incorporation	Ownership interest As at June 30, 2026 (Unaudited)	As at December 31, 2025
Shandong Zhongji Investment Holding Co., Ltd.	Ultimate parent entity	Shandong	**10.89%**	10.99%

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

28. Related Party Transactions *(Continued)*

(b) ***Names and relationships with related parties*** *(Continued)*

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 period ended June 30, 2026 and 2025:

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 A (i)	Associate of the Group
Company B (ii)	Associate of the Group
Company C (iii)	Associate of the Group
Suzhou Industrial Park Hechuang Zhiyuan Digital Technology Venture-Capital Investment (Limited Partnership)	Associate of the Group
Suzhou Ruichuang Connection Technology Co., Ltd.	Associate of the Group

(i) Company A, one of the associates of a subsidiary, 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.

(ii) The Group completed the disposal of its interest in Company B on June 30, 2026 and ceased to have significant influence over Company B on the same date. Accordingly, Company B ceased to be accounted for as an associate of the Group from that date.

(iii) Company C, a subsidiary of Company B.

The following transactions and balances were carried out between the Group and its related parties during the Reporting 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 interim condensed consolidated financial information, the Group has the following significant transactions with related parties:

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

28. Related Party Transactions *(Continued)*

(c) *Significant transactions with related parties*

	Six months ended June 30, 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Sales of goods or services		
Associates of the Group	**1,540,218**	1,766,255
Purchases of goods or services		
Associates of the Group	**518,910**	-*

* The amounts disclosed herein represent the transactions that occurred only after the associate became a related party.

(d) *Balance with related parties*

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
Trade and note receivables at amortised cost		
Associates of the Group	**540,508**	342,395
Trade and note payables		
Associates of the Group	**284,340**	132,649

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

29. Commitments

(a) *Capital Commitments*

Significant capital expenditure contracted for at June 30, 2026 and December 31, 2025 but not recognised as liabilities is as follows:

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
Property, plant and equipment	**8,582,332**	2,883,385
Intangible assets	**221,771**	41,267
	8,804,103	2,924,652

30. Contingencies

As at June 30, 2026, there were no significant contingency items for the Group.

31. Subsequent Events

On July 30, 2026, the Company successfully issued and allotted 54,500,000 new H Shares at a final offer price of HKD980.00 per share and got listed on the Main Board of the Hong Kong Stock Exchange. The total proceeds from the Global Offering amounted to approximately HKD53,410,000,000.

An interim dividend for the six months ended June 30, 2026 of RMB12 per 10 shares (tax inclusive) was approved by the directors on August 21, 2026. The dividends were not recognized as liabilities as at June 30, 2026.

Forward-Looking Statements

All statements in this report that are not historical fact or that do not relate to present facts or current conditions are forward-looking statements. Such forward-looking statements express the Group's current views, projections, beliefs and expectations with respect to future events as of the Latest Practicable Date. Such forward-looking statements are based on a number of assumptions and factors beyond the Group's control. As a result, they are subject to significant risks and uncertainties, and actual events or results may differ materially from these forward-looking statements and the forward-looking events discussed in this report might not occur. Such risks and uncertainties include, but are not limited to, those detailed under the disclosure in the Prospectus. No representation or warranty is given as to the achievement or reasonableness of, and no reliance should be placed on, any projections, targets, estimates or forecasts contained in this report.

Definitions

"2023 Restricted Shares Incentive Scheme"	the restricted shares incentive scheme of our Company approved and adopted on November 8, 2023, as amended, supplemented or otherwise modified from time to time
"2025 Restricted Shares Incentive Scheme"	the restricted shares incentive scheme of our Company approved and adopted on April 25, 2025, as amended, supplemented or otherwise modified from time to time
"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)
"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" or "Accounting and Financial Reporting Council"	the Accounting and Financial Reporting Council of Hong Kong
"AI"	artificial intelligence
"APD"	avalanche photodetector, photodiode providing internal gain through avalanche multiplication for high-sensitivity detection
"Articles of Association"	the articles of association of our Company, as amended from time to time
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Board
"backhaul"	network segment connecting centralized or distributed baseband units to the core network

Definitions

"Board" or "our Board"	the board of Directors
"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
"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
"China", "Chinese Mainland" or "PRC"	the People's Republic of China which, for the purpose of this report and for geographical reference only, excluding the regions of Hong Kong, Macau and Taiwan of the People's Republic of China
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Company", "our Company", "the Company", or "Zhongji InnoLight"	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 and H Shares listed on the Main Board of the Hong Kong Stock Exchange with the stock code of 3308 since 2026
"connected person(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

Definitions

"CPO"	Co-Packaged Optics, 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
"datacom"	data communications, including high-speed optical interconnects for data centers and cloud networks
"Director(s)" or "our Director(s)"	the director(s) of our Company
"DSP"	digital signal processor, dedicated processor for digital signal processing, including equalization, modulation and error correction in high-speed communication systems
"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
"EML"	electro-absorption modulated laser, laser integrating an electro-absorption modulator for high-speed optical signal transmission
"ESG"	environment, social and governance

Definitions

"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
"Global Offering"	the Hong Kong Public Offering and the International Offering
"GPU"	graphics processing unit, a parallel computing processor optimized for rendering graphics and accelerating machine learning and scientific workloads
"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)
"GW"	gigawatt
"H Share Registrar"	Computershare Hong Kong Investor Services Limited
"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 subscribed for and traded in Hong Kong Dollars and listed on the Hong Kong Stock Exchange
"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
"HK$" or "Hong Kong Dollars" or "HK Dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"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" or 'HK"	the Hong Kong Special Administrative Region of the PRC

"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
"Latest Practicable Date"	August 21, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this report prior to its publication
"Leaf switch"	the access-layer switch that aggregates traffic from multiple ToR switches and connects them to the spine layer
"Listing"	the listing of our H Shares on the Main Board of the Hong Kong Stock Exchange
"Listing Date"	July 30, 2026, the date on which the H Shares are listed and dealings in the H Shares are 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)
"LPO"	Linear-drive Pluggable Optics, optical transceiver architecture designed for linear direct-drive applications, enabling cost-effective optical connectivity
"LRO"	Linear Receive Optics, optical transceiver architecture using linear receiver to improve power efficiency for high-speed datacom links

Definitions

"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
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"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))
"MOI"	inspection method and acceptance criteria
"Nomination Committee"	the nomination committee of the Board
"NPO"	Near-Packaged Optics, an optical integration approach where optical components are placed close to but not within the same package as electronic chips
"OCS"	Optical Circuit Switch, 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

"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
"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
"PMP"	product manufacturing plan
"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
"Prospectus"	the prospectus issued on July 22, 2026 by the Company in connection with the Hong Kong Public Offering
"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
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"Renminbi" or "RMB"	the lawful currency of the PRC
"Reporting Period"	January 1, 2026 to June 30, 2026
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)

Definitions

"SAT"	the State Taxation Administration of the PRC (中華人民共和國國家税務總局)
"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
"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)
"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)
"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

"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(有限合夥)), a limited partnership established under the laws of the PRC on July 29, 2016, being one of our Shareholders
"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
"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
"telecom"	telecommunications, communication networks and systems for carrier-grade communications
"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
"TO-CAN package"	metal can package for laser diodes and photodetectors
"treasury share(s)"	has the meaning ascribed thereto under the Listing Rules

Definitions

"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
"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

In the case of inconsistency, the English text of this report shall prevail over the Chinese text.