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CIG SHANGHAI CO., LTD.

上海劍橋科技股份有限公司

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

(Stock Code: 6166)

CHANGE IN USE OF PROCEEDS FROM THE H SHARE OFFERING

Reference is made to (i) the prospectus of CIG Shanghai Co., Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") dated October 20, 2025 relating to the initial listing of H Shares (the "**Prospectus**"), which relates to the net proceeds from the Company's H Share offering (the "**H Share Offering**"); (ii) the announcement of the Company dated October 27, 2025 relating to the final offer price and allotment results; (iii) the announcement of the Company dated November 10, 2025 relating to the full exercise of the over-allotment option. Unless otherwise defined, terms used in this announcement shall have the same meanings as those defined in the Prospectus.

CHANGE IN USE OF PROCEEDS FROM THE H SHARE OFFERING

On October 28, 2025, the Company's H Shares were successfully listed on the Hong Kong Stock Exchange. 67,010,500 H Shares were issued at HK$68.88 per H Share, and the gross proceeds amounted to approximately HK$4,615.7 million. The net proceeds after deducting relevant expenses amounted to approximately HK$4,480.0 million (representing a net amount of approximately HK$66.86 per H Share). On November 10, 2025, the over-allotment option was exercised in full, and 10,051,500 H Shares were issued at HK$68.88 per H Share. The gross proceeds amounted to HK$692.3 million, and the net proceeds after deducting relevant expenses amounted to approximately HK$677.1 million (representing a net amount of approximately HK$67.36 per H Share). The aggregate net proceeds mentioned above amounted to approximately HK$5,157.1 million. The original intended use was disclosed in the section headed "Future Plans and Use of Proceeds" of the Prospectus.

The Board hereby announces that on October 30, 2026, the 37th meeting of the fifth session of the Board and the 15th meeting of the Strategy and ESG Committee of the fifth session of the Board considered and approved the proposal to change the use of the net proceeds from the H Share Offering (the "**Change in Use of Proceeds from the H Share Offering**").

Details of the 2026 Change in Use of Proceeds from the H Share Offering are set out below:

Intended Use	**Intended amount of use as disclosed in the Prospectus** *(HK$ million)*	**Estimated amount utilised as of the date of this announcement** *(HK$ million)*	**Estimated amount unutilised as of the date of this announcement** *(HK$ million)*	**Intended amount of use for the Change in Use of Proceeds from the H Share Offering** *(HK$ million)*	**Proposed timetable for use of the unutilised amount**
Enhance the Company's production capacity for Photonics, broadband and wireless products					
• In respect of the Company's broadband products, including 50G/25GPON products	618.9	11.5	607.4	—	By the end of 2027
• In respect of the Company's wireless products, including Wi-Fi 7 and Wi-Fi 8 products	670.4	2.4	668.0	—	By the end of 2027
• In respect of the Company's photonics products, including 800G/1.6T products	1,289.3	1,289.3	—	1,768.5	By the end of 2027
Enhance the Company's research and development talent and technology to achieve more breakthroughs					
• Recruit research and development talent	283.6	19.5	264.1	88.0	By the end of 2030
• Upgrade machinery and software to support research and development work	489.9	489.9	—	—	By the end of 2030
• Materials used to support research and development work	257.9	24.7	233.2	77.7	By the end of 2030

Intended Use	Intended amount of use as disclosed in the Prospectus *(HK$ million)*	Estimated amount utilised as of the date of this announcement *(HK$ million)*	Estimated amount unutilised as of the date of this announcement *(HK$ million)*	Intended amount of use for the Change in Use of Proceeds from the H Share Offering *(HK$ million)*	Proposed timetable for use of the unutilised amount
Strengthen business promotion and marketing efforts					
• Recruit sales and marketing talent	242.4	—	242.4	80.8	By the end of 2030
• Industry associations and global events	15.4	0.4	15.0	15.0	By the end of 2030
Strategic investments	773.6	773.6	—	—	By the end of 2030
Working capital	515.7	515.7	—	—	N/A
Total	**5,157.1**	**3,127.0**	**2,030.1**	**2,030.1**	

Following the Change in Use of Proceeds from the H Share Offering, all of the balance of HK$1,275.4 million originally intended to be used for enhancing the production capacity for broadband products and wireless products, and part of the balance of HK$493.10 million originally intended to be used for enhancing research and development capabilities and strengthening market expansion and marketing activities, totaling HK$1,768.5 million, will be reallocated to enhancing the production capacity for photonics products, including but not limited to production machinery, equipment and raw materials required for expanding Photonics production capacity, the upgrade and renovation of existing equipment, and in particular, the enhancement of the level of full automation of the production process. Save as disclosed above, there is no other change in the use of the remaining unutilised net proceeds.

Business Progress Since the Listing of H Shares

Since the listing of the Company's H Shares in October 2025 and up to the present, the Company's operating results have maintained rapid growth. In particular, the Company recorded revenue of RMB2.216 billion for the third quarter of 2026, representing a year-on-year increase of 67.26%; and accumulated revenue of RMB4.921 billion for the first three quarters, representing a year-on-year increase of 46.46%, which has exceeded the level for the whole of the previous year. For the third quarter, the net profit attributable to the Shareholders of the listed company was RMB433 million, representing

a year-on-year increase of 212.81%; and the accumulated net profit attributable to the parent for the first three quarters was RMB761 million, representing a year-on-year increase of 193.35%.

The growth in the Company's results was primarily attributable to the growth in demand for high-speed photonics products driven by the global construction of artificial intelligence (AI) infrastructure, as well as the positive progress made by the Company in customer expansion, production capacity construction and supply chain assurance. In particular, important breakthroughs were made in the expansion of new customers in the North American market, and the customer structure has gradually expanded from being primarily network equipment suppliers to various types of customers such as traditional cloud service providers and emerging cloud computing and computing power infrastructure service providers, further broadening the market space and enhancing the sustainability of business growth.

Benefiting from the expansion of the operating revenue scale and the continuous increase in the proportion of the high-speed Photonics business with relatively high profitability, the Company's profitability growth has been more pronounced. Although the increase in prices and tight supply of key materials such as DDR have exerted certain pressure on the gross profit margin of the traditional broadband and wireless access business, the rapid development of the high-speed Photonics business has still driven a significant improvement in the Company's overall profitability. As at the third quarter of 2026, revenue from the high-speed Photonics business accounted for more than 50% of the Company's revenue, of which 800G products accounted for the vast majority of the shipments of high-speed photonics products.

The rapid development of the Company's high-speed Photonics business is the result of the combined effect of the growth in industry demand and the Company's continuous investment in customer expansion, production capacity construction, supply chain coordination and technology research and development.

(I) CONTINUING TO EXPAND THE CUSTOMER BASE AND PROMOTE THE OPTIMISATION OF THE BUSINESS STRUCTURE

With the continuous growth of investment in AI infrastructure, demand in the global high-speed Photonics market has maintained relatively rapid growth. Major customers have placed greater emphasis on supplier diversification, technical capabilities, large-scale delivery and supply chain security, creating market opportunities for new suppliers with comprehensive competitiveness.

The Company has actively seized industry opportunities and, while consolidating cooperation with existing customers, has continued to expand into the North American market and other key markets. Since the beginning of this year, the Company has successfully introduced new customers such as traditional cloud service providers and emerging cloud computing service providers, and has actively promoted technical exchanges, product validation and business cooperation with

other cloud service providers, network equipment suppliers, and computing power infrastructure and chip-related enterprises. The continuous expansion of the customer base has provided support for the Company's business growth and further enhanced the diversification of its customer structure and its long-term growth potential.

(II) CONTINUING TO EXPAND THE SCALE OF PRODUCTION CAPACITY AND ENHANCE GLOBAL DELIVERY CAPABILITIES

Large-scale manufacturing and stable delivery capabilities have become important factors for customers in selecting high-speed Photonics suppliers. Since the listing of H Shares, the Company has continued to advance production capacity construction and enhance its manufacturing, process management and delivery assurance capabilities. As of early September 2026, the Company had basically established a production capacity with a monthly designed capacity of approximately 1 million units, providing support for the growth in demand from existing customers and the introduction of new customers.

The Company has continued to strengthen communication with major customers regarding medium- and long-term demand, and has planned future production capacity by taking into account industry trends, customer demand and supply chain supporting conditions. It plans to continue to advance substantial expansion of production capacity over the next approximately 15 months, and will dynamically adjust the pace of capacity expansion according to market demand, progress in customer cooperation and the supply of key materials and equipment.

At the same time, the Company has continued to improve its global manufacturing and delivery system, leveraging the respective advantages of different production bases in terms of cost, talent, processes and supply chain, optimising its production capacity layout and resource allocation, providing customers with flexible and stable delivery solutions, and enhancing the security and resilience of its global supply chain.

(III) STRENGTHENING COORDINATION IN THE UPSTREAM SUPPLY CHAIN AND BUILDING DIFFERENTIATED COMPETITIVE ADVANTAGES

The supply assurance capabilities for key components, raw materials and production equipment have become important factors affecting capacity expansion and product delivery in the high-speed Photonics industry, and are also important considerations for customers in assessing suppliers' comprehensive competitiveness.

The Company has continued to deepen its strategic cooperation with upstream core suppliers and, through various means such as equity investment, fixed assets and capacity supporting facilities, long-term procurement and prepayments, has

strengthened the supply assurance for key devices and materials such as lasers, silicon photonics chips and PCBs, as well as automated production equipment, thereby enhancing its supply chain coordination and vertical integration capabilities.

At the same time, the Company, through cooperation with professional investment institutions and by utilising industrial funds and other means, participates in the early-stage research and development and industrialisation of new materials, new processes and new technologies, reserving resources for future technology iteration and product upgrades. Leveraging its global operations and delivery system, the Company has actively promoted the overseas production and localised delivery layout of its core suppliers, enhancing the diversification, stability and risk resistance of its supply chain.

The supply chain coordination capabilities developed around key materials, core components, production equipment and the global manufacturing system are gradually becoming an important advantage for the Company in competing in the global high-speed Photonics market.

(IV) CONTINUING TO STRENGTHEN TECHNOLOGY RESEARCH AND DEVELOPMENT AND GLOBAL CUSTOMER SUPPORT, AND PROMOTING THE LAYOUT OF NEW PRODUCTS AND NEW TECHNOLOGIES

The Company has continued to strengthen its research and development system and its global customer technical support capabilities. Leveraging its research and development resources in Silicon Valley in the United States, Tokyo in Japan, Shanghai and Hsinchu, the Company has strengthened cross-regional coordination and established a round-the-clock technical support and response system covering major customers, thereby enhancing the efficiency of customer demand response, product validation and joint development.

In the field of next-generation high-speed optical interconnect technologies, the Company has continued to advance the research and development of technologies and products relating to near-package optics (NPO), thin-film lithium niobate (TFLN) modulation technology, and new high-density pluggable Photonics modules such as USFP and XPO, and has promoted technical exchanges, product validation and joint development with more customers, creating conditions for future product iteration and business expansion.

By continuously enhancing its research and development, manufacturing, supply chain and global technical service capabilities, the Company is gradually developing from a supplier primarily focused on product manufacturing and delivery into a partner with comprehensive capabilities, further enhancing its competitive position in the global high-speed optical interconnect industry chain.

(V) FULLY UTILISING THE CAPITAL MARKET FINANCING PLATFORM TO SUPPORT THE DEVELOPMENT OF THE PRINCIPAL BUSINESS

The Company has consistently carried out capital allocation around the development needs of its principal business, and has actively utilised domestic and overseas capital markets to support investment in research and development, production capacity construction and supply chain supporting facilities. The Company has raised funds through means such as the initial public offering in Hong Kong, share placings and convertible bonds, providing support for the expansion of high-speed Photonics production capacity, the global production layout and the assurance of key supply chains.

The Company will continue to focus on the development of its principal business, coordinate business growth, capital expenditure, supply chain security and efficiency of fund utilisation, enhance its capital allocation capabilities, and create conditions for its medium- and long-term development.

(VI) FUTURE OPERATING OUTLOOK

With the continuous construction of global AI infrastructure, the evolution of data centre network architecture and the upgrading of high-speed optical interconnect technologies, the Company believes that high-speed photonics products and related products still have favourable medium- and long-term market development space. At present, customer demand remains at a relatively high level, industry production capacity and key supply chain supporting capabilities continue to expand, and the future supply and demand relationship may also adjust with the release of new production capacity, technological evolution and changes in market competition.

The Company will closely monitor market demand, customer cooperation, technology iteration and supply chain changes, continue to advance production capacity construction, technology research and development, customer expansion and global supply chain layout, and enhance product competitiveness, large-scale delivery capabilities and operating efficiency.

The Company will continue to focus on its principal business, be customer demand-oriented, and, supported by technological innovation, supply chain coordination and global delivery capabilities, continuously enhance its competitive position in the global high-speed optical interconnect market, promote high-quality and sustainable development, and create long-term value for Shareholders, customers, employees and partners.

REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF PROCEEDS FROM THE H SHARE OFFERING

The planned use of the proceeds from the offering as disclosed in the H Share Prospectus was formulated based on the Company's forecasts of the then-current and future market conditions at the time of disclosure in the Prospectus. The Board is required to conduct dynamic assessments of the development trends of global and domestic economic conditions, the changing trends of the industry in which the Company operates, and the progress of the Company's own business development, so as to determine the most effective use of the net proceeds from the H Share Offering.

As of the date of this announcement, of the proceeds from the H share offering, the balance of the unused amount allocated to enhancing production capacity in relation to photonics products, including 800G/1.6T products was nil, which illustrated a faster utilization rate than that previously disclosed in the Prospectus. Such improvement in utilization efficiency was mainly driven by the significant upward trend of demand from downstream customers and consumers, leading to the Company's acceleration of production capacity construction in relation to photonics products in 2026: (i) sustained growth in capital expenditure; (ii) upward revision of procurement plans; and (iii) shift of end demand towards inference. The above factors collectively drove the Company's customers' demand for high-speed photonics products, such as 800G, 1.6T and NPO products, thereby further propelling the expansion of the Company's production capacity in relation to photonics products.

Meanwhile, with the continued explosive growth in demand for AI computing power, demand for high-speed Photonics remains strong. With the continuous increase in the proportion of the Company's Photonics business and recent progress in new customer expansion, and in view of the fact that the growth rate of the Company's existing orders is higher than that of its production capacity, the Company urgently needs to accelerate the production capacity expansion and supply chain development for photonics products to meet customers' delivery requirements.

Pursuant to the general mandate approved by the 2025 annual general meeting, the Company has respectively placed new H Shares in May 2026 and placed new H Shares and issued convertible bonds in October 2026, so as to provide more financing to support the supply chain assurance and capacity expansion plans of the Photonics business. Notwithstanding the above, taking into account the Company's actual operating conditions and development plans, upon estimation, more funds are still required to supplement the Company's investment in the expansion of production capacity relating to photonics products.

On the other hand, since the end of 2025, the broadband and wireless access market has been affected by price increases and supply shortages of core materials such as DDR, resulting in a decline in customers' purchasing power and delays in procurement demand. Accordingly, the urgency of the Company's originally planned production capacity expansion for broadband and wireless products has decreased. Following assessment, the

use of own and self-raised funds other than the proceeds from the H Share Offering can already satisfy the Company's production capacity and business needs in respect of broadband and wireless products for this year and 2027.

In addition, part of the proceeds from the H Share Offering originally intended to be used for enhancing research and development capabilities and strengthening market expansion and marketing activities is planned to be fully utilised before 2030. Compared with capacity expansion, such proceeds have a relatively longer utilisation period, relatively low utilisation efficiency and a longer return period. With the rapid improvement of the Company's production capacity and delivery, the Company's profitability has also improved rapidly and substantially, and future research and development and market-related investments are expected to be satisfied through own funds such as newly generated profits and other self-raised funds.

Based on the above reasons, by changing the use of proceeds from the H Share Offering and reallocating the funds originally intended for expanding the production capacity for broadband and wireless access products, as well as part of the funds originally intended for enhancing research and development capabilities and strengthening market expansion and marketing activities, to the expansion of Photonics production capacity, thereby helping to seize the window of opportunity in AI hardware demand and accelerate the enhancement of business scale and profitability, and enabling the Company to effectively enhance the efficiency of use of the proceeds from the H Share Offering, continuously consolidate its sustainable development, accelerate the advancement of the Company's globalisation strategy, and optimise investment returns to the Company's Shareholders.

OTHER MATTERS

Pursuant to the provisions of the Articles of Association of the Company, the Change in Use of Proceeds from the H Share Offering is required to be submitted to the general meeting for approval by way of an ordinary resolution before it can take effect. A circular containing details of the proposed Change in Use of Proceeds from the H Share Offering will be despatched to the Shareholders of the Company in due course.

By order of the Board
CIG SHANGHAI CO., LTD.
Mr. Gerald G Wong
Chairman, Executive Director and General Manager
(Chief Executive Officer)

Shanghai, October 30, 2026

As at the date of this announcement, the Board of Directors of the Company comprises: (i) Mr. Gerald G Wong, Mr. Zhao Haibo, Mr. Zhao Hongwei and Mr. Zhang Jie as Executive Directors;(ii) Mr. Qin Guisen, Mr. Yao Minglong and Ms. Yuen Shuk Yee as Independent Non-executive Directors.