

China International Capital Corporation Hong Kong Securities Limited

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

The Board of Directors

Shanghai Xizhi Technology Co., Ltd. 上海曦智科技股份有限公司

Nos. 111, 125 and 139 Boxia Road
China (Shanghai) Pilot Free Trade Zone
Pudong New District
Shanghai
PRC

April 20, 2026

Dear Sir/Madam,

Re: Consent to the issue of the Prospectus of Shanghai Xizhi Technology Co., Ltd. 上海曦智科技股份有限公司 (the “Company”) in connection with the Global Offering

We, China International Capital Corporation Hong Kong Securities Limited, as one of the joint sponsors in respect of the proposed global offering and listing of the H shares of the Company (the “**Global Offering**”) on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), refer to the prospectus of the Company dated April 20, 2026 (the “**Prospectus**”) in connection with the Global Offering and listing of the H shares of the Company on the Stock Exchange .

We hereby give, and confirm that we have not withdrawn, our written consent to the issue of the Prospectus by the Company, with the inclusion therein of all references to our name, qualifications, confirmations and the opinions, in the form and context in which they respectively appear in the Prospectus, and a statement of the aforesaid in the Prospectus, in the form and context in which it appears in the Prospectus.

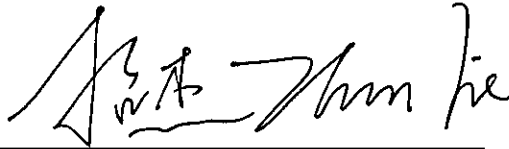
We hereby consent to you releasing a copy of this letter to the Registrar of Companies in Hong Kong and the Stock Exchange for the purpose of the registration of the Prospectus.

We also hereby consent to you making a copy of this letter available on display as described in the section headed “Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display” in Appendix V to the Prospectus.

FOR AND ON BEHALF OF:

**CHINA INTERNATIONAL CAPITAL CORPORATION
HONG KONG SECURITIES LIMITED**

By:

A handwritten signature in black ink, appearing to read 'Jie ZHAO', is written over a horizontal line.

Name: Jie ZHAO

Title: Executive Director

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

The Board of Directors

Shanghai Xizhi Technology Co., Ltd. 上海曦智科技股份有限公司
Nos. 111, 125 and 139 Boxia Road
China (Shanghai) Pilot Free Trade Zone
Pudong New District
Shanghai
PRC

April 20, 2026

Dear Sir/Madam,

Re: Consent to the issue of the Prospectus of Shanghai Xizhi Technology Co., Ltd. 上海曦智科技股份有限公司 (the “Company”) in connection with the Global Offering

We, Haitong International Capital Limited, as one of the joint sponsors in respect of the proposed global offering and listing of the H shares of the Company (the “**Global Offering**”) on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), refer to the prospectus of the Company dated April 20, 2026 (the “**Prospectus**”) in connection with the Global Offering and listing of the H shares of the Company on the Stock Exchange.

We hereby give, and confirm that we have not withdrawn, our written consent to the issue of the Prospectus by the Company, with the inclusion therein of all references to our name, qualifications, confirmations and the opinions, in the form and context in which they respectively appear in the Prospectus, and a statement of the aforesaid in the Prospectus, in the form and context in which it appears in the Prospectus.

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FOR AND ON BEHALF OF:

HAITONG INTERNATIONAL CAPITAL LIMITED

By:



Name: Chan Chun Yin Ronny

Title: Managing Director

The Board of Directors

Shanghai Xizhi Technology Co., Ltd.

(上海曦智科技股份有限公司)

Nos. 111, 125 and 139 Boxia Road
China (Shanghai) Pilot Free Trade Zone
Pudong New District
Shanghai
PRC

April 20, 2026

Dear Sirs,

Re: Consent to the Issue of the Prospectus of Shanghai Xizhi Technology Co., Ltd. (上海曦智科技股份有限公司) (the “Company”) in connection with the Global Offering

We, Zhong Lun Law Firm, refer to the proposed global offering and listing of the H shares of the Company (the “**Global Offering**”) on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the prospectus of the Company dated April 20, 2026 (the “**Prospectus**”) in connection with the Global Offering.

We hereby give, and confirm that we have not withdrawn, our written consent (i) to the issue of the Prospectus; and (ii) to the inclusion of all references to our name, qualifications and our legal opinions and matters advised by us in respect of, among other things, the general corporate matters and property interests of the Company and its subsidiaries under the law of the People’s Republic of China (the “**Legal Opinions**”), and any information extracted therefrom, in the form and context in which they respectively appear in the Prospectus.

We hereby consent to a copy of this letter being released to the Registrar of Companies in Hong Kong and the Stock Exchange for the purpose of the registration of the Prospectus.

We also hereby consent to copies of our Legal Opinions and this letter being made available on display as described in the section headed “Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display” in Appendix V to the Prospectus.

[Signature page to follow]

For and on behalf of
Zhong Lun Law Firm

Zhong Lun Law Firm

Name: *HONG BING*

Title: *partner*

The Board of Directors

Shanghai Xizhi Technology Co., Ltd.

(上海曦智科技股份有限公司)

Nos. 111, 125 and 139 Boxia Road
China (Shanghai) Pilot Free Trade Zone
Pudong New District
Shanghai
PRC

April 20, 2026

Dear Sirs,

**Re: Consent to the Issue of the Prospectus of Shanghai Xizhi
Technology Co., Ltd. (上海曦智科技股份有限公司) (the “Company”) in
connection with the Global Offering**

We, Haiwen & Partners, refer to the proposed global offering and listing of the H shares of the Company (the “**Global Offering**”) on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the prospectus of the Company dated April 20, 2026 (the “**Prospectus**”) in connection with the Global Offering.

We hereby give, and confirm that we have not withdrawn, our written consent (i) to the issue of the Prospectus; and (ii) to the inclusion of all references to our name, qualifications and our legal opinions and matters advised by us in respect of, among other things, the general corporate matters and property interests of the Company and its subsidiaries under the law of the People’s Republic of China (the “**Legal Opinions**”), and any information extracted therefrom, in the form and context in which they respectively appear in the Prospectus.

We hereby consent to a copy of this letter being released to the Registrar of Companies in Hong Kong and the Stock Exchange for the purpose of the registration of the Prospectus.

We also hereby consent to copies of our Legal Opinions and this letter being made available on display as described in the section headed “Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display” in Appendix V to the Prospectus.

[Signature page to follow]

For and on behalf of
Haiwen & Partners

Haiwen & Partners

Name: TANG Jiangshan

Title: Partner

April 20, 2026

The Board of Directors

Shanghai Xizhi Technology Co., Ltd.

(上海曦智科技股份有限公司)

Nos. 111, 125 and 139 Boxia Road
China (Shanghai) Pilot Free Trade Zone
Pudong New District
Shanghai
PRC

Dear Sirs,

Your ref

Our ref

Doc No.

BK/PT/796433/000001

4123-3299-5688

Re: Consent to the Issue of the Prospectus of Shanghai Xizhi Technology Co., Ltd. (上海曦智科技股份有限公司) (the “Company”) in connection with the Global Offering

We, Hogan Lovells International LLP, refer to the proposed global offering and listing of the H shares of the Company (the “**Global Offering**”) on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the prospectus of the Company dated April 20, 2026 (the “**Prospectus**”) in connection with the Global Offering.

We hereby give, and confirm that we have not withdrawn, our written consent (i) to the issue of the Prospectus; and (ii) to the inclusion of all references to our name, qualifications and the memorandum of advice summarizing our legal advice in respect of international sanctions laws (the “**Legal Memorandum**”), and any information extracted therefrom, in the form and context in which they respectively appear in the Prospectus.

We hereby consent to a copy of this letter being released to the Registrar of Companies in Hong Kong and The Stock Exchange of Hong Kong Limited for the purpose of the registration of the Prospectus.

We also hereby consent to copies of our Legal Memorandum and this letter being made available on display as described in the section headed “Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display” in Appendix V to the Prospectus.

Partners

O Chan
M Lin
D Y C So
C J Dobby
N W O Tang
E I Low
J P Kwan
L H S Leung
J E M Leitch
B A Phillips
T Liu
J Cheng
M Wong
M Sit
Z Dong

Senior Counsel

A J McGinty

Counsel

A D E Cobden
J S F Yim
J Leung
D Lau
P J Kaur

Foreign Legal

Consultants
S Tang
(New York, USA)
B Kostrzewa
(District of Columbia,
USA)
S Jiang
(New York, USA)

*Notary Public

[Signature page to follow]

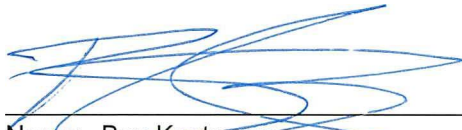
Hogan Lovells is an affiliated business of Hogan Lovells International LLP, a limited liability partnership registered in England and Wales.

Hogan Lovells is part of an international legal practice that includes Hogan Lovells International LLP, Hogan Lovells US LLP and their affiliated businesses, with offices in: Alicante Amsterdam Baltimore Beijing Berlin Birmingham Boston Brussels Colorado Springs Denver Dubai Dublin Dusseldorf Frankfurt Hamburg Hanoi Ho Chi Minh City Hong Kong Houston London Los Angeles Luxembourg Madrid Mexico City Miami Milan Minneapolis Monterrey Munich New York Northern Virginia Paris Philadelphia Riyadh Rome San Francisco Sao Paulo Shanghai Silicon Valley Singapore Tokyo Washington, D.C. Associated Offices: Budapest Jakarta Shanghai FTZ. Business Services Centers: Johannesburg Louisville.

The word “partner” is used to describe a partner or member of Hogan Lovells International LLP, Hogan Lovells US LLP or any of their affiliated entities or any employee or consultant with equivalent standing. Certain individuals, who are designated as partners, but who are not members of Hogan Lovells International LLP, do not hold qualifications equivalent to members. For more information about Hogan Lovells, the partners and their qualifications, see www.hoganlovells.com.

Hogan Lovells is a member of the Pacific Rim Advisory Council with member offices in: Argentina Brussels Canada Chile China (Mainland) Colombia Costa Rica El Salvador France Guatemala Honduras Hong Kong India Japan Mexico Netherlands Nicaragua Panama Peru Philippines Singapore Taiwan USA.

Yours faithfully
For and on behalf of
Hogan Lovells International LLP



Name: Ben Kostrzewa
Title: Foreign Legal Consultant (Partner)



羅兵咸永道

The Directors

Shanghai Xizhi Technology Co., Ltd. (上海曦智科技股份有限公司)

Nos. 111, 125, and 139 Boxia Road

China (Shanghai) Pilot Free Trade Zone

Pudong New District

Shanghai

PRC

20 April 2026

Dear Sirs,

We refer to the prospectus dated 20 April 2026 in connection with the proposed listing of H shares of Shanghai Xizhi Technology Co., Ltd. (the “Company”) on the Main Board of The Stock Exchange of Hong Kong Limited (the “Prospectus”), a copy of which is attached and initialled by us on its front cover for the purpose of identification.

Our engagement to prepare this letter has been performed in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, Accountants’ Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.

We hereby consent to the inclusion of our accountant’s report and our report on unaudited pro forma financial information, all dated 20 April 2026 in the Prospectus, and the references to our name in the form and context in which they are included.

Yours faithfully,



PricewaterhouseCoopers

Certified Public Accountants

Hong Kong

www.pwchk.com

PricewaterhouseCoopers
22/F Prince’s Building, Central
Hong Kong SAR, China
T: +852 2289 8888, F: +852 2810 9888



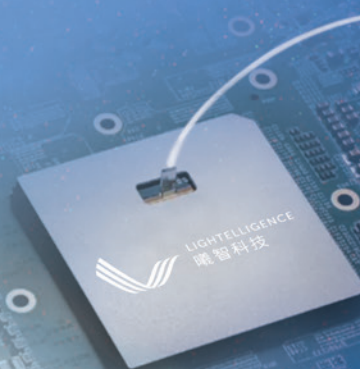
LIGHTELLIGENCE
曦智科技

Shanghai Xizhi Technology Co., Ltd.

上海曦智科技股份有限公司

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

Stock Code : 1879



GLOBAL OFFERING

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



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



Joint Bookrunners



IMPORTANT

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



LIGHTELLIGENCE

曦智科技



Shanghai Xizhi Technology Co., Ltd. 上海曦智科技股份有限公司

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

GLOBAL OFFERING

Number of Offer Shares under the Global Offering	: 13,795,215 H Shares (subject to the Over-allotment Option)
Number of Hong Kong Offer Shares	: 689,775 H Shares (subject to reallocation)
Number of International Offer Shares	: 13,105,440 H Shares (subject to reallocation and the Over-allotment Option)
Maximum Offer Price	: HK\$183.2 per H Share, plus brokerage of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015% (payable in full on application in Hong Kong dollars, subject to refund)
Nominal value	: RMB1.00 per H Share
Stock code	: 01879

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



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



Joint Bookrunners



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

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

The Offer Price is expected to be determined by agreement between the Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company on the Price Determination Date. The Price Determination Date is expected to be on or around Friday, April 24, 2026 and, in any event, not later than 12:00 noon on Friday, April 24, 2026. The Offer Price will not be more than HK\$183.2 per Offer Share and is currently expected to be not less than HK\$166.6 per Offer Share. If, for any reason, the Offer Price is not agreed by 12:00 noon on Friday, April 24, 2026 between the Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company, the Global Offering will not proceed and will lapse.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) if certain grounds arise prior to 8:00 a.m. on the Listing Date. See "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination".

We are a Specialist Technology Company (as defined under Chapter 18C of the Listing Rules). The securities of Specialist Technology Companies carry high investment risks including risks of share price volatility and inflated valuation due to the difficulty in valuing such companies. Investors should fully understand the investment risks of a Specialist Technology Company and the risks disclosed by us before making their investment decisions. In addition, our Company is a Pre-Commercial Company (as defined in Chapter 18C of the Listing Rules). Pre-Commercial Companies are Specialist Technology Companies that cannot meet the revenue requirement as set out in Rule 18C.03(4) of the Listing Rules, and so are subject to a higher risk of corporate failure if they are unable to secure sufficient external funding and/or cannot generate sufficient revenue to sustain their operations after listing.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may be offered and sold only (a) in the United States to "Qualified Institutional Buyer" in reliance on Rule 144A or another exemption from, or in a transaction not subject to, registration under the U.S. Securities Act and (b) outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act.

ATTENTION

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

This Prospectus is available at the websites of the Stock Exchange (www.hkexnews.hk) and our Company (<https://www.xztech.ai/>). If you require a printed copy of this Prospectus, you may download and print from the website addresses above.

April 20, 2026

IMPORTANT

IMPORTANT NOTICE TO INVESTORS FULLY ELECTRONIC APPLICATION PROCESS

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

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

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

Application Channel	Platform	Target Investors	Application Time
HK eIPO White Form service	www.hkeipo.hk .	Investors who would like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 a.m. on Monday, April 20, 2026 to 11:30 a.m. on Thursday, April 23, 2026, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Thursday, April 23, 2026, Hong Kong time.
HKSCC EIPO	Your broker or custodian who is a HKSCC Participant will submit an EIPO application on your behalf through HKSCC’s FINI system in accordance with your instruction.	Investors who would not like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant’s stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian .

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

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

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

IMPORTANT

Your application through the **HK eIPO White Form** service or the **HKSCC EIPO** channel must be for a minimum of 15 Hong Kong Offer Shares and in one of the numbers set out in the table. If you are applying through the **HK eIPO White Form** service, you may refer to the table below for the amount payable for the number of Shares you have selected. You must pay the respective maximum amount payable on application in full upon application for Hong Kong Offer Shares. If you are applying through the **HKSCC EIPO** channel, you are required to prefund your application based on the amount specified by your **broker** or **custodian**, as determined based on the applicable laws and regulations in Hong Kong.

No. of Hong Kong Offer Shares applied for	Maximum Amount payable ⁽²⁾ on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable ⁽²⁾ on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable ⁽²⁾ on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable ⁽²⁾ on application/ successful allotment
	HK\$		HK\$		HK\$		HK\$
15	2,775.71	450	83,271.41	7,500	1,387,856.79	105,000	19,429,995.05
30	5,551.43	600	111,028.54	9,000	1,665,428.15	120,000	22,205,708.65
45	8,327.14	750	138,785.68	10,500	1,942,999.51	135,000	24,981,422.22
60	11,102.86	900	166,542.82	12,000	2,220,570.87	150,000	27,757,135.80
75	13,878.57	1,050	194,299.95	13,500	2,498,142.23	300,000	55,514,271.60
90	16,654.28	1,200	222,057.09	15,000	2,775,713.58	344,880 ⁽¹⁾	63,819,206.62
105	19,430.00	1,350	249,814.22	30,000	5,551,427.15		
120	22,205.70	1,500	277,571.36	45,000	8,327,140.75		
135	24,981.43	3,000	555,142.71	60,000	11,102,854.32		
150	27,757.13	4,500	832,714.08	75,000	13,878,567.90		
300	55,514.27	6,000	1,110,285.43	90,000	16,654,281.48		

(1) Maximum number of Hong Kong Offer Shares you may apply for and this is approximately 50% of the Hong Kong Offer Shares initially offered.

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the **HK eIPO White Form** Service Provider (for applications made through the application channel of the **HK eIPO White Form** service) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

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

EXPECTED TIMETABLE

If there is any change in the following expected timetable of the Hong Kong Public Offering, we will issue an announcement in Hong Kong to be published on the websites of the Stock Exchange at www.hkexnews.hk and our Company at www.xztech.ai.

Date⁽¹⁾

Hong Kong Public Offering commences 9:00 a.m. on
Monday, April 20, 2026

Latest time to complete electronic applications
under the **HK eIPO White Form** service through
the designated website at www.hkeipo.hk⁽²⁾ 11:30 a.m. on
Thursday, April 23, 2026

Application lists open⁽³⁾ 11:45 a.m. on
Thursday, April 23, 2026

Latest time for (a) completing payment of **HK eIPO White Form**
applications by effecting internet banking transfer(s)
or PPS payment transfer(s) and (b) giving **electronic application**
instructions to HKSCC⁽⁴⁾ 12:00 noon on
Thursday, April 23, 2026

If you are instructing your **broker** or **custodian** who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via FINI to apply for the Hong Kong Offer Shares on your behalf, you are advised to contact your **broker** or **custodian** for the latest time for giving such instructions which may be different from the latest time as stated above.

Application lists close⁽³⁾ 12:00 noon on
Thursday, April 23, 2026

Expected Price Determination Date⁽⁵⁾ at or before 12:00 noon on
Friday, April 24, 2026

Announcement of the Offer Price, the level of applications
in the Hong Kong Public Offering; the level of indications
of interest in the International Offering; and the basis of allocation
of the Hong Kong Offer Shares to be published
on our website at www.xztech.ai⁽⁶⁾ and the website of
the Stock Exchange at www.hkexnews.hk on or before⁽¹⁰⁾ Monday, April 27, 2026

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

- in the announcement to be posted on our website and
the website of the Stock Exchange at www.xztech.ai⁽⁶⁾
and www.hkexnews.hk, respectively Monday, April 27, 2026

EXPECTED TIMETABLE

- from the designated results of allocation at
www.hkeipo.hk/IPOResult or www.tricor.com.hk/ipo/result
with a “search by ID” function from 11:00 p.m. on
Monday, April 27, 2026
to 12:00 midnight on
Sunday May 3, 2026
- from the allocation results telephone enquiry line
by calling +852 3691 8488 between 9:00 a.m.
and 6:00 p.m. from Tuesday, April 28, 2026 to
Monday, May 4, 2026
(excluding Saturday, Sunday and
public holiday in Hong Kong)

For those applying through **HKSCC EIPO** channel,
you may also check with your **broker** or **custodian** from 6:00 p.m. on
Friday, April 24, 2026

H Share certificates in respect of wholly or
partially successful applications to be dispatched or
deposited into CCASS on or before⁽⁷⁾⁽⁹⁾ Monday, April 27, 2026

HK eIPO White Form e-Auto Refund payment
instructions/refund cheques in respect of wholly or
partially successful applications if the final Offer Price
is less than the maximum Offer Price per Offer Share
initially paid on application (if applicable) or wholly or
partially unsuccessful applications to be dispatched
on or before⁽⁸⁾⁽⁹⁾ Tuesday, April 28, 2026

Dealings in the Shares on the Hong Kong Stock Exchange
expected to commence at 9:00 a.m. on Tuesday, April 28, 2026

Notes:

- (1) All dates and times refer to Hong Kong local dates and times, except as otherwise stated. Details of the structure of the Global Offering, including conditions of the Hong Kong Public Offering, are set forth in the section headed “Structure of the Global Offering” in this prospectus.
- (2) If you have already submitted your application through the designated website at www.hkeipo.hk and obtained a payment reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close. You will not be permitted to submit your application through the designated website at www.hkeipo.hk after 11:30 a.m. on the last day for submitting applications.
- (3) If there is/are a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning and/or Extreme Conditions in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, April 23, 2026, the application lists will not open or close on that day. See “How to Apply for Hong Kong Offer Shares — E. Severe Weather Arrangements” for details.
- (4) Applicants who apply for the Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC via CCASS or instructing your **broker** or **custodian** to apply on your behalf via CCASS should see “How to Apply for Hong Kong Offer Shares — A. Application for Hong Kong Offer Shares” for details.

EXPECTED TIMETABLE

- (5) The Price Determination Date is expected to be on or around Friday, April 24, 2026 and, in any event, not later than 12:00 noon on Friday, April 24, 2026. If, for any reason, we do not agree with the Overall Coordinators (for themselves and on behalf of the Underwriters and the CMI) on the pricing of the Offer Shares by 12:00 noon on Friday, April 24, 2026, the Global Offering will not proceed and will lapse.
- (6) None of the website or any of the information contained on the website forms part of this Prospectus.
- (7) The H Share certificates will only become valid evidence of title provided that the Global Offering has become unconditional in all respects and neither of the Hong Kong Underwriting Agreement nor the International Underwriting Agreement is terminated in accordance with its respective terms prior to 8:00 a.m. on the Listing Date. The Listing Date is expected to be on or about Tuesday, April 28, 2026. Investors who trade the H Shares on the basis of publicly available allocation details prior to the receipt of H Share certificates or prior to the H Share certificates becoming valid evidence of title do so entirely at their own risk.
- (8) **HK eIPO White Form** e-Auto Refund payment instructions/refund checks will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering and in respect of wholly or partially successful applicants in the event that the final Offer Price is less than the price payable per Offer Share on application..
- (9) Applicants who have applied for Hong Kong Offer Shares through the **HKSCC EIPO** channel should refer to “How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies” for details.

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

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

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

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

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IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

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

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

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SUMMARY

This summary aims to give you an overview of the information contained in this Prospectus. As it is a summary, it does not contain all the information that may be important to you. You should read the whole Prospectus before you decide to invest in our H Shares. In particular, we are a specialist technology company seeking to list on the Main Board of the Hong Kong Stock Exchange under Chapter 18C of the Listing Rules because we are unable to meet the requirements under Rule 8.05 (1), (2) or (3) of the Listing Rules. Our Company is a Pre-Commercial Company (as defined in Chapter 18C of the Listing Rules). Pre-Commercial Companies are Specialist Technology Companies that cannot meet the revenue requirement as set out in Rule 18C.03(4) of the Listing Rules. There are unique challenges, risks and uncertainties associated with investing in companies such as ours. In addition, we have incurred net loss since our inception, and we may incur net loss for the foreseeable future. We had negative net cash flow from operating activities during the Track Record Period. We did not declare or pay any dividends during the Track Record Period and may not pay any dividends in the foreseeable future. Your investment decision should be made in light of these considerations.

There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed “Risk Factors” in this Prospectus. You should read that section carefully in full before you decide to invest in our H Shares.

OVERVIEW

We are dedicated to the field of optoelectronic computing, an innovative paradigm that combines the advantages of photonics and electronics. In 2017, *Nature Photonics* published a paper by our founder, Dr. Shen Yichen, which provided the first validation for using light to compute and supported subsequent technological development in this field. Carrying forward this scientific breakthrough, we have transformed cutting-edge research into engineering capability and product strength, and on this basis, we have developed multiple technologies and translated them into products and solutions. Since our establishment, we have built a product and solution portfolio centered on optical interconnect and optical computing, powered by our proprietary optoelectronic chip technologies, delivering scalable and cost-effective solutions. Our technologies offer low latency, high throughput, and low power consumption, with the aim of improving computing performance and advancing the next wave of innovation. According to Frost & Sullivan, we are the first company globally to achieve mass deployment of optoelectronic computing.

The era of artificial intelligence (AI) requires continuous breakthroughs in the performance and scale of computing power. According to Frost & Sullivan, global computing infrastructure remains dominated by electrical computing and electrical interconnects. Constrained by Moore’s Law and other physical limits, the bottlenecks in cost, scalability, performance, and power consumption of traditional electrical systems are increasingly pronounced, exacerbating the shortage of computing power. Optoelectronic computing directly addresses this challenge by leveraging more efficient single-chip computing and optical interconnects to significantly reduce customers’ computing costs. It has become a crucial direction for the evolution of computing infrastructure.

Against this backdrop, optical interconnect solutions have seen early adoption in computing infrastructure, linking widely deployed electrical computing chips to create a faster and more energy-efficient interconnect paradigm. Meanwhile, to meet growing demand for computing power, optical computing chips are expected to gain broader adoption over time. The commercialization of

SUMMARY

optical computing products remains at an early stage, and broader market adoption will take time to materialize. We expect that, likely after 2035, optical computing and electrical computing products and solutions may coexist on a large scale.

Standing at the outset of a new era for the global computing power industry, our product and solutions provide advanced optical interconnect and optical computing solutions.

- **Our Optical Interconnect:** Empowered by our proprietary optoelectronic chip technologies, we provide a comprehensive solution connecting diverse computing devices—including GPUs, CPUs, xPUs, switches, and storage chips—using optical signals. Our optical interconnect solutions are used to increase the computational power within a single server or node (scale-up) or connecting multiple individual servers or nodes to form a large cluster (scale-out). The optical solutions provide lower latency, higher bandwidth and higher power efficiency compared to electric solutions. We jointly launched our optical circuit switch product LightSphere X in 2025, which is the world’s first distributed optical circuit switch solution for the interconnect of GPU supernode, according to Frost & Sullivan. The solution improves Model FLOPs Utilization (MFU), a crucial efficiency metric used to measure how effectively a computing system utilizes its computing power, by over 50%, substantially reducing total cost of ownership for a certain amount of computing power generated.
- **Our Optical Computing:** By replacing electrons with photons for data processing, our optical computing processors use photonic linear computing units to accelerate operations. These units are less constrained by process nodes and offer low latency and high throughput, supporting improvements in computing performance boundaries and redefining the standards of chip performance. Our optical computing solutions have yielded notable products, including OptiHummingbird, the world’s first oNOC-based optoelectronic computing card, and PACE 2, the world’s first 3D TSV-packaged optoelectronic computing card, according to Frost & Sullivan.

Guided by global customer needs, we co-create the application ecosystem with our partners and continue to advance commercialization across the industry. As of the Latest Practicable Date:

- **Proven Deployments:** We have successfully deployed optical interconnect solutions to three thousand-GPU clusters, representing an important step in the commercialization of our technology and demonstrating that our products are ready for deployment in real-world systems at large scale. Delivering clusters of this scale requires integration across the entire value chain, from chip design to system deployment, demonstrating our capability to execute at scale and to lead the rollout of next-generation optoelectronic computing solutions.
- **Established Customer Relationships:** We have entered into over 15 design-in collaborations with GPU and server manufacturers, positioning us among the few companies in the industry capable of bringing cutting-edge solutions into commercial deployment, according to Frost & Sullivan. Because the customization process with chip manufacturers requires significant time and effort and is difficult to replicate, our solutions create stable customer relationships and long-term business continuity, establishing us as one of the fastest-moving companies in the field.

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- **Mass Production Ready:** We have established strong collaborations with semiconductor foundries and secured priority capacity commitments and favorable terms. For example, we received priority manufacturing support from such suppliers within agreed order volumes due to our long-standing supplier partnerships and leadership in advanced optoelectronic computing. These arrangements provide us with stable and cost-advantaged supply, laying the foundation for scalable commercialization and mass production of our optical interconnect and optical computing product, although the pace of such commercialization remains subject to customer acceptance and evolving market demand.

Our strategic partnerships across the ecosystem fuel our continuous growth and reinforce our industry leadership, translating directly into substantial revenue growth. During the Track Record Period, our revenue increased from RMB38.2 million in 2023 to RMB106.4 million in 2025, representing a CAGR of 66.9%. Nevertheless, our commercialization remains at an early stage, particularly for our optical computing products, and market adoption or related revenue growth may take time to materialize.

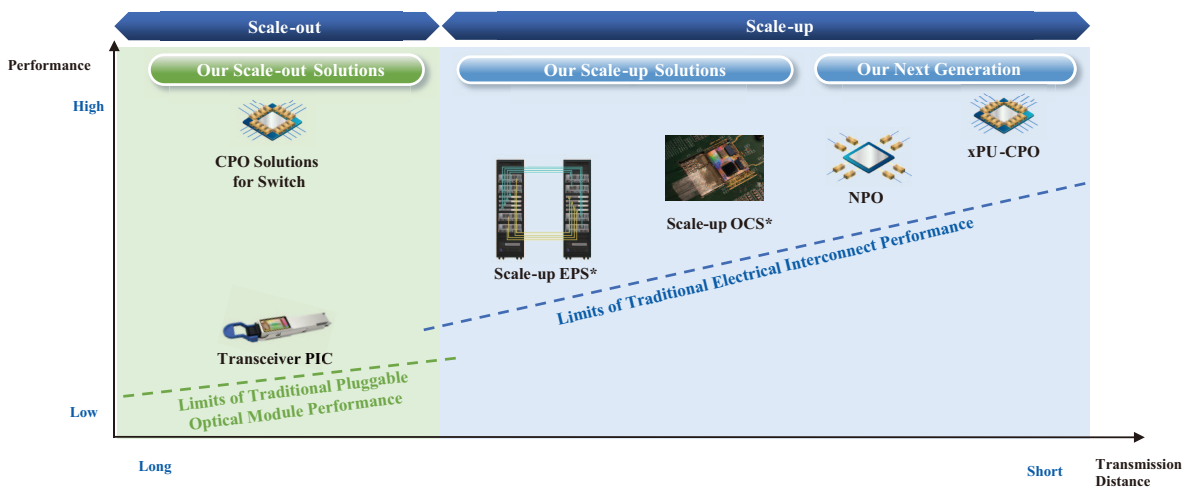
Our Global Market Opportunity

Rising Demand for Computing Power Driven by Rapid AI Development

The rapid development and adoption of generative AI are reshaping demand for computing power. Existing computing infrastructure, however, faces mounting performance bottlenecks driven by massive data growth, rising transmission rate requirements and expanding application scenarios, particularly with the rise of large language models. A new transition in computing power is underway.

Traditional Electrical Computing and Electrical Interconnects Have Reached Their Limits

Electrical computing, long aligned with Moore’s Law, now faces significant physical limits that constrain single-chip performance growth. As single-chip manufacturing processes have rapidly advanced, transistor scaling is approaching its physical boundary, and Moore’s Law is showing signs of slowing down, which limits the growth of single-chip computing capabilities. Bandwidth and power constraints further restrict the computational efficiency of a single chip, with challenges like the “Memory Wall” (the widening gap between processor speed and memory bandwidth) and “Power Wall” (thermal and energy limits on processor) becoming increasingly prominent.



* Except for products marked with an asterisk (*), the remaining have not yet achieved mass production.

SUMMARY

Copper Interconnects and Conventional Optical Modules Cannot Fully Overcome Industry Pain Points

To mitigate these constraints, the industry has turned to interconnecting multiple electrical computing chips using copper wires. However, the physical properties of the copper-based interconnects impose inherent limits on reach and bandwidth, resulting in “short-distance, low-bandwidth” transmission.

Conventional optical modules, another widely adopted alternative, primarily extend transmission distances between transmitters and receivers. While they address the reach issue, they struggle to overcome bandwidth bottlenecks, leading to “long-distance, low-bandwidth” transmission. In cluster computing and supernode environments, where communication latency between chips is critical, optical modules fail to effectively reduce latency or increase chip utilization. Moreover, the relatively high cost of optical modules makes them an even less ideal solution. As a result, conventional optical modules alone cannot fully resolve the industry’s challenges or meet the demands of next-generation computing systems. Leading companies, such as Broadcom and NVIDIA, are already moving beyond conventional optical modules and exploring advanced optical interconnect technologies, including co-packaged optics, to break through these limitations and enhance computing power.

A Vast Market Opportunity for Optoelectronic Computing Products and Solutions

We have established deep collaborations with leading enterprises and achieved commercial deployments across a wide range of downstream applications, including electronic design automation and AI-related tasks. According to Frost & Sullivan, the China markets for scale-up optical interconnect and optical computing are expected to reach RMB270.4 billion and RMB2,546.3 million, respectively, by 2031. Leveraging our optoelectronic computing products and solutions, we aim to overcome existing industry bottlenecks and pursue growth opportunities in this market.

We expect to capitalize on first-mover advantages in the global optoelectronic computing market. According to Frost & Sullivan, as of 2025, market penetration of optical computing chips in AI inference chips was less than 0.5% in China, and is projected to reach 20% by 2040. The Chinese market has emerged rapidly, setting a benchmark for the development of global computing power. We intend to drive continued increases in market penetration worldwide while actively expanding our market share, thereby reinforcing our leadership position in the global market.

Our Core Optoelectronic Chip Technologies

Our optoelectronic computing products are based on three core chip technologies: oNOC (Optical Network on Chip), oNET (Optical Inter-chip Networking), and oMAC (Optical Multiply Accumulate). This delivers more efficient and cost-effective optoelectronic computing solutions, directly addressing industry development bottlenecks such as the “Memory Wall” and the “Power Wall.” Our optoelectronic chip technologies work efficiently with traditional electrical chips because optical interconnect is primarily protocol agnostic as it operates at the physical layer focusing on the transmission of light signals (photons) rather than interpreting specific logical data protocol which electrical interconnects are more tightly coupled with. For further details on how each of the three core chip technologies enables our products to achieve greater efficiency and higher performance, see “Business — Our Core Technologies.”

SUMMARY

OUR PRODUCTS

Our product portfolio addresses market demand caused by rapid expansion of artificial intelligence, particularly large language model training and deployment, through two complementary lines of innovation: (i) optical interconnect, which overcomes the physical bottlenecks of traditional electronic interconnects by delivering scalable, low-latency, and power-efficient connectivity for both scale-up and scale-out architectures; and (ii) optical computing, which leverages the unique physical properties of light to break through the performance and efficiency limitations of conventional electronic processors. At the core of both product families are our proprietary semiconductor design capabilities, particularly the integrated development of photonic and electronic integrated circuits, which enables us to deliver differentiated performance. We operate under a fabless model and primarily sell our optical interconnect products and optical computing products. To a lesser extent, we also provide technology development services to enable companies and research institutions to conduct semiconductor design and related activities.

Our offerings are primarily hardware-based products and solutions that integrate our proprietary optoelectronic chips. Some products under development, including Transceiver PICs and Next Generation Scale-up Hardware and Solutions, may be commercialized as standalone chips. This aligns with our business model of internally designing core optoelectronic chips and bringing them to market in versatile formats. Regardless of the final product form, these proprietary chips constitute the essential and differentiating components of our portfolio, forming the technological foundation of our products.

All the products and services of our optical interconnect products and optical computing products and services are designated as Specialist Technology Products as defined under Chapter 18C of the Listing Rules. We confirm that all our Specialist Technology Products fall within the acceptable sector under the Listing Rules, and that all revenues generated during the Track Record Period were generated by the Specialist Technology Products. We further confirm that all our optical interconnect products and optical computing products have been internally developed, and our provision of technology development services are based on our core technology. We own key IP rights associated to our Specialist Technology Products. As such, we affirm that the Company qualified as a Specialist Technology Company as defined in Rule 18C.01.

Our Optical Interconnect Business

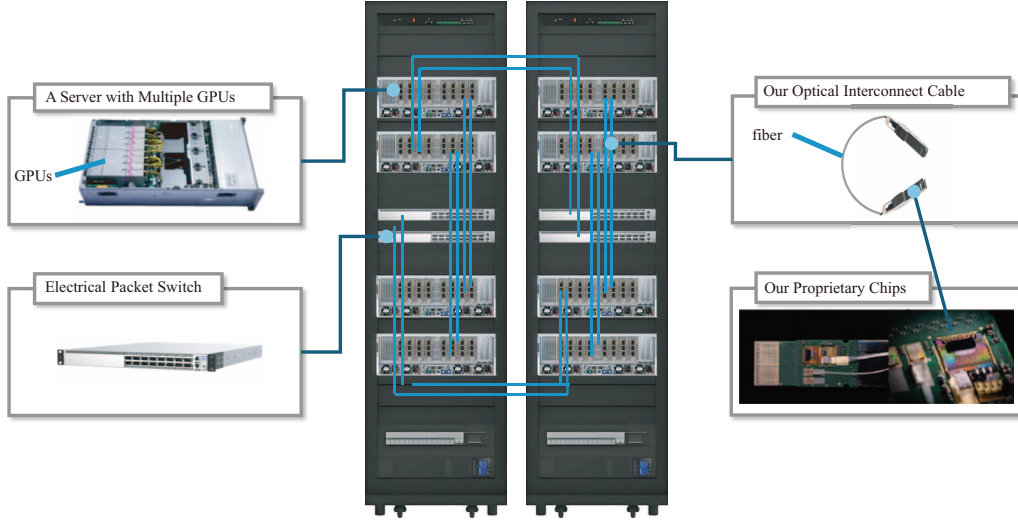
Scale-up Hardware and Solutions: Empowering AI Infrastructure by Building “Supernodes”

Our scale-up hardware and solutions are designed to build “supernodes” — large, tightly interconnected groups of GPUs (often tens to hundreds) that are configured to operate as a single computing unit for large language model training and inference. Supernodes are designed to address the specific challenges presented by the training and inference of frontier AI models, including computational demands that scale with model size, memory requirements that exceed the capacity of any single device, and communication patterns that require near-perfect synchronization across thousands of devices. For supernodes whose performance is constrained by the interconnect, optical technology is becoming a fundamental requirement for scaling beyond the limits of electrical transmission, rather than merely an incremental improvement.

SUMMARY

Our commercialized scale-up solutions, Scale-up EPS and Scale-up OCS, address efficiently the industry pain points associated with conventional electrical interconnects and optical modules by using Linear-drive Pluggable Optics (LPO) technology to transmit data through light and avoid reliance on digital signal processors (DSPs) for signal integrity. This architecture reduces latency, minimizes power consumption and achieves cost efficiency within the widely adopted pluggable form factor.

Scale-up EPS: Optical Interconnect with Electrical Packet Switch

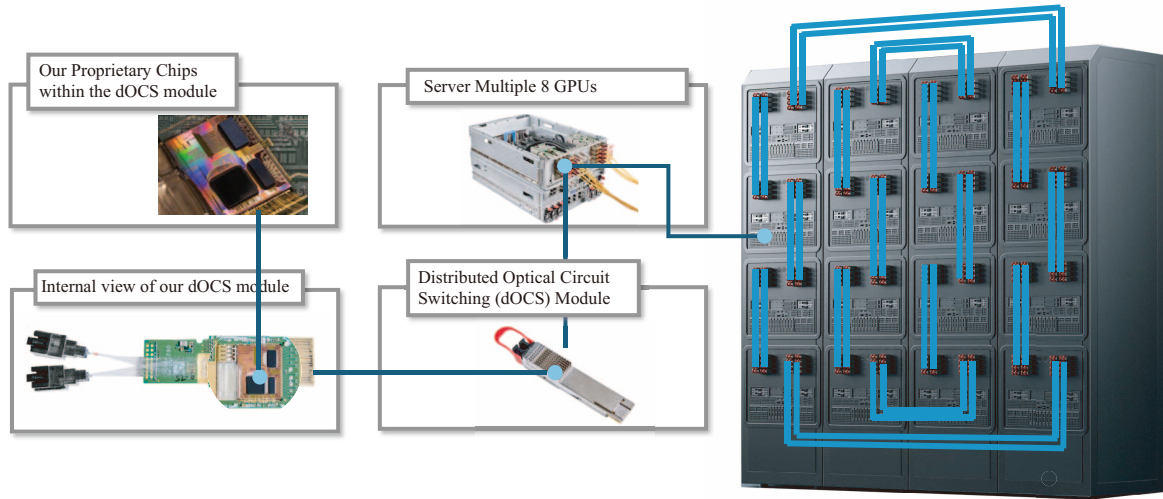


A Supernode Interconnected by Scale-up EPS

Scale-up EPS is deployed in AI infrastructure using optical fiber cable and modules to transmit data in optical form, replacing copper wires that transmit data in electrical form, and connect computing units especially GPUs within or across racks. Besides our optical interconnect cable with our proprietary chips integrated, our Scale-up EPS product offering includes electrical packet switch, which is the conventional electrical switching technology for data traffic routing, therefore with only limited change to the current mainstream network in the data centers. This architecture supports rack-to-rack connectivity with low latency, high bandwidth and lower power per bit, and mitigates the distance and signal-integrity limits of copper and short-reach electrical backplanes. A diagram of how Scale-up EPS is deployed in AI infrastructure is set forth above.

SUMMARY

Scale-up OCS: Optical Interconnect with Optical Circuit Switch



A Supernode Interconnected by Scale-up OCS

Scale-up OCS is deployed in AI infrastructure using optical fiber cable and modules with optical circuit switch function integrated, to replace copper wires and electrical packet switches that transmit data through electronic signal and convert electrical signals to optical signals for transmission and back to electrical signals. With the Scale-up OCS solution, data traffic remains in the optical domain from port to port through the optical circuit switch, reducing the number of optical-to-electrical and electrical-to-optical conversions therefore reducing latency and power consumption and enhancing connection density. A diagram of how Scale-up OCS is deployed in AI infrastructure is set forth above.

Next Generation Scale-up Hardware and Solutions

We are at an early R&D stage in developing optical interconnect technologies with higher levels of integration to address challenges in power consumption, cost efficiency and system reliability in building supernodes within AI infrastructure. We have defined a three-stage roadmap that reflects both industry trends and our own semiconductor design and integration capabilities. This progression—from commercialized linear pluggable optics (“LPO”) to near-packaged optics (“NPO”) and co-packaged optics (“CPO”) — represents a path toward bringing the optical engine closer to the computing chip, thereby shortening the electrical signal path before optical conversion and reducing overall signal transmission distance. As integration increases, these architectures are designed to reduce power consumption, improve bandwidth density and enhance signal integrity and performance.

Our Scale-out Hardware and Solutions

Within AI infrastructure, our scale-out products connect switch units across multiple computing nodes or servers in a data center network, unlike scale-up products, which connect computing units within supernodes in a data center network. The scale-out interconnect market is relatively mature, and its mainstream products are optical transceivers used to connect switch units. Optical transceiver modules are standardized products with established technical specifications.

SUMMARY

We are tapping into the scale-out market as a supplementary business to our main business on the scale-up market. In the scale-out market, we differentiate ourselves by leveraging our in-house photonic integrated circuit (“PIC”) development capabilities and by delivering scale-out products and solutions tailored for AI infrastructure environments. Our scale-out offerings include (i) Smart Transceivers with NexusBench, which are pluggable optical modules that incorporate sensing and analytics to provide real-time link health indicators and early warnings, enabling predictive diagnostics and proactive maintenance across AI infrastructure, (ii) Transceiver PICs, the core component inside optical transceiver modules, which integrate key optical functions onto a single chip to replace multiple discrete components and support higher bandwidth density, and (iii) co-packaged optics solutions for switches, which are networking devices that connect servers and direct data traffic, a next-generation switch architecture that integrates optical engines in close proximity to, or on the same package as, the switch ASIC to shorten electrical signal paths and improve power efficiency and scalability compared with traditional pluggable optical modules.

Our Optical Computing Business

Since our establishment, we have consistently translated our foundational research into a series of hardware products with the mission of leveraging the advantages offered by the combination of photonics and electronics and optimizing our products for AI workload. Our core commercial optical computing product is PACE, supported by our proprietary technologies, which integrates Optical Processing Unit (OPU) and a custom Application-Specific Integrated Circuit (ASIC). PACE series are designed as accelerator cards with a goal to be installed into servers in a similar way to conventional GPUs. Alongside our primary PACE series, we have also developed exploratory and complementary products, such as Gazelle and OptiHummingbird, which target specific technological challenges and research applications.

Optical computing remains at an early stage of commercialization, and its downstream applications are still evolving. Currently, our optical computing products are primarily used by early adopters, including enterprises, research institutes and universities, in scientific research, technology validation and pilot projects. The core advantage of optical computing lies in performing matrix multiplication and other linear algebra operations, which are key calculations used in large language models, neural networks and scientific computing, in the optical domain at high speed. Our early customers use our products to explore such applications, including research on new computing architectures, AI algorithms and system design. Potential application scenarios in which we have achieved pilot deployment, although not yet generated material revenue, include financial technology, new materials development and visual detection.

Our optical computing cards are not designed to replace GPUs or traditional electronic systems as a whole. Rather, they are designed to be deployed alongside GPUs and other electronic processors as specialized accelerators for certain mathematically well-defined workloads, particularly matrix multiplication. In such deployment, the GPU or other electronic processor continues to perform general-purpose computing, control logic and non-linear operations, while our optical computing cards offload the relevant linear-compute portion of the workload. Accordingly, our optical computing products are intended to supplement, rather than replace, traditional electrical systems, while performing certain compute functions that would otherwise be handled by electronic processors in specific application scenarios. In this sense, our optical computing products are expected to work alongside GPUs, in a manner like how GPUs came to work alongside CPUs in modern computing systems as computing units evolved from fixed-function graphics processors into programmable parallel accelerators.

SUMMARY

With the continued advancement of our product roadmap, we expect the downstream application scope of our optical computing products to broaden. In particular, PACE 3 is being developed to support larger-scale commercial deployment, and we expect it to expand our optical computing products into more promising commercial scenarios, including large language model inference, while also broadening our customer base beyond early adopters. Similar to conventional GPUs, however, optical computing products generally require technical validation, software and system adaptation and customer testing before their larger-scale commercial deployment. The application in AI infrastructure is also expected to be gradual, and our optical computing products are therefore expected to be rolled out in stages as part of an evolving hybrid computing architecture.

PACE Series



The PACE series is the flagship product within our optical computing portfolio, and each successive generation is designed to support larger matrix sizes and higher performance for increasingly complex AI workloads. We have released two products under the PACE series, namely PACE and PACE 2, and we are currently in the middle of research and development process of PACE 3, our next-generation optical computing hardware, which represents the “growth” phase of our optical computing product roadmap. PACE 3 is being developed to support larger-scale commercial deployment of our technology by addressing key bottlenecks in modern AI infrastructure.

Gazelle

Gazelle is among the world’s first fully programmable, high precision optical computing evaluation hardware designed to perform matrix-related computing tasks for general research purposes, allowing customers to experiment with our optical computing technology.

OptiHummingbird

According to Frost & Sullivan, OptiHummingbird is the world’s first optical Network-on-Chip (oNOC) processor designed to address the critical data movement bottlenecks in modern computing infrastructure. See “Business – Our Products” for more details.

Commercialization of Our Specialist Technology Products

Commercialization Status and Roadmap

As of the Latest Practicable Date, we had achieved commercialization of: (i) Scale-up EPS, Scale-up OCS and Smart Transceiver with NexusBench under our optical interconnect product line; and (ii) PACE, OptiHummingbird, Gazelle and PACE 2 under our optical computing product line.

SUMMARY

With respect to the commercialization roadmap, we expect the optical interconnect products to facilitate near-term commercialization over the next two years or so. Specifically, we plan to focus on the commercial deployment of our Scale-up EPS and Scale-up OCS products, introduce and commercially deploy our NPO-based products, and continue supplementary commercialization of our scale-out PIC products, within such timeframe. Over about the next three to five years, we expect our CPO-based optical interconnect products and PACE-series optical computing products led by PACE 3 to enter more advanced commercialization phases once it reaches sufficient performance, stability and programmability and unlock greater revenue opportunities, on top of the products planned for the near term. Before then, we expect that a vast majority of our revenue of our Specialist Technology Products will be contributed by our optical interconnect product line by 2027, the year we expect to be able to qualify as a Commercial Company.

Our optical interconnect products have progressed from initial commercialization to broader market deployment, with Scale-up EPS commercialised in 2024 and Scale-up OCS and Smart Transceiver with NexusBench commercialised in 2025. In parallel, our optical computing product line reflects a staged commercialization path, with OptiHummingbird and PACE first commercialised in 2022, Gazelle commercialised in 2024 and PACE 2 commercialised in 2025.

Impediments to Commercialization and Related Measures

Optical Interconnect

The optical interconnect market is at a critical inflection point, driven by the surge in demand from the development of large language models and supernode architectures, both of which require significantly higher computing performance. While the demand is robust, customers still need time to assess how effectively our optical interconnect solutions meet their strategic and technical requirements. Furthermore, after initial customer demand is identified, additional time is needed to ensure compatibility and stability of our solutions across hardware, software, and system clusters. Consequently, the adoption process is expected to be gradual, with widespread commercial deployment may occur over an extended timeline.

Despite such impediment, we believe the customer adoption process has demonstrated very positive trend. To accelerate this adoption, we are actively engaging in design-in collaborations and co-development initiatives with key customers to ensure product compatibility and system stability. In parallel, we are collaborating with various industry partners along the value chain, including large language model developers, to demonstrate and optimize our product performance.

Optical Computing

As we progress toward the commercialization of PACE 3, we face several industry-wide challenges that must be addressed to ensure its successful deployment and broad adoption. The major challenge is that the software ecosystem of optical computing is not yet mature. Optical computing, as an emerging technology, still has a limited software stack and lacks developer familiarity with the technology. To mitigate this, we are developing software development kits and compilers, implementing structured developer training initiatives and forming strategic partnerships with academic institutions and industry leaders to foster a robust software ecosystem.

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Another challenge we face is process integration and yield management. As we scale PACE 3 from the prototype stage to full production, ensuring manufacturability and reliability is crucial. A meaningful portion of the proceeds of the Global Offering will be prudently allocated to engineering, packaging, and reliability validation of PACE 3. This investment will address scaling issues early and help optimize production costs. By prioritizing these areas, we are confident that PACE 3 will meet the high standards required for mass deployment, while remaining cost-competitive.

Lastly, customer adoption remains an impediment for optical computing. The transition from proof-of-concept to commercial orders can be slow, particularly in industries that are cautious about adopting new technologies. To accelerate this transition, the Company is leveraging its existing academic and research collaborations to provide valuable early-stage customer engagements, with many universities and research institutions already using our existing PACE series products in their applications. By continuing to nurture these early adopters, we are building a strong base of reference customers, which will help drive broader adoption of PACE 3 in the commercial market.

Our Specialist Technology Products in the Pipeline

We have maintained a robust product pipeline, including: (i) Next Generation Scale-up Solutions: Near-Packaged Optics (NPO) and Co-Packaged Optics (CPO), Transceiver PIC, CPO Switch Solution under our optical interconnect product line; and (ii) PACE 3 under our optical computing product line. The following table summarizes as of the Latest Practicable Date the key milestones and latest status of these products.

Specialist Technology Products	Key Milestones	Latest Status
Next Generation Scale-up Solutions: Near-Packaged Optics (NPO) and Co-Packaged Optics (CPO)	R&D Commencement: NPO: Q1, 2025 CPO: Q1, 2025	NPO: We have signed framework agreements and letters of intent for the delivery of NPO solutions with customers and expect to begin providing hardware samples in the first half of 2026. CPO: We have conducted prototype proof-of-concept (POC) validation with customers and showcased the solution at the World Artificial Intelligence Conference (WAIC) in 2025.
Transceiver PIC	R&D Commencement: Q2, 2025	Transceiver PIC is under development. Customer validation is expected to begin in the first half of 2026, followed by small-batch deliveries in the second half of 2026.
CPO Switch Solutions . . .	R&D Commencement: Q1, 2025	Research and development of CPO Switch solutions is underway. A proof-of-concept demonstration based on next-generation switch ASICs is currently under way, with initial results targeted for completion in 2026. The optical chiplets required for this project have already entered the tape-out stage and are expected to be returned for integration in the near term.

SUMMARY

Specialist Technology Products	Key Milestones	Latest Status
PACE 3	R&D Commencement: Q1, 2025 First Tape-out: Q2, 2026	PACE 3 is in front-end design and RTL coding phase, with tape-out expected in the first half of 2026 and engineering samples targeted for delivery to customers by first half of 2027.

BUSINESS AND REVENUE MODEL

Our Revenue Model

Our revenue is derived from two primary sources: (i) optical interconnect business and (ii) optical computing business. During the Track Record Period, substantially all of our revenue is generated in the China market. The following table sets forth the breakdown of our revenue by segment, in absolute amounts and as a percentage of our total revenue, for the years indicated.

Revenue by Major Products

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
<i>(in thousands, except for percentages)</i>						
Revenue						
Optical interconnect business						
Sale of products	—	—	47,019	78.1	80,693	75.8
Scale-up products	—	—	47,019	78.1	75,582	71.0
EPS	—	—	47,019	78.1	30,853	29.0
OCS	—	—	—	—	44,465	41.8
Others	—	—	—	—	264	0.2
Scale-out products	—	—	—	—	5,111	4.8
Smart Transceiver with NexusBench . . .	—	—	—	—	5,111	4.8
Technology development services and others .	—	—	—	—	3,584	3.4
Subtotal of optical interconnect business . .	—	—	47,019	78.1	84,277	79.2
Optical computing business						
Sale of products	4,631	12.1	2,974	4.9	20,204	19.0
PACE Series	1,497	3.9	—	—	16,225	15.3
LTSimulator	—	—	—	—	3,097	2.9
Gazelle	—	—	2,492	4.1	—	—
Optihummingbird	3,101	8.1	482	0.8	776	0.7
Others	33	0.1	—	—	106	0.1
Technology development services and others .	33,604	87.9	10,198	16.9	1,887	1.8
Subtotal of optical computing business . . .	38,235	100.0	13,172	21.9	22,091	20.8
Total revenue	38,235	100.0	60,191	100.0	106,368	100.0
Total of technology development services and others	33,604	87.9	10,198	16.9	5,471	5.2

Optical interconnect business. We generate revenue primarily from sales of our Scale-up and Scale-out products.

SUMMARY

Scale-up products. In 2025, the revenue from sales of Scale-up products increased to RMB75.6 million from RMB47.0 million in 2024 mainly because the Company intentionally redirected the resources in certain product towards launching our new product, Scale-up OCS, which achieved mass production in 2025. Scale-up OCS has proven to better align with evolving market needs and offer improved profitability, and has become a main driver of the Company’s revenue growth of 2025.

Scale-out products. The Company started to sell scale-out products in 2025 supplementary to our Scale-up products. This initiative provides more comprehensive product options to our customers and meanwhile enhance our scope and volume of procurement and achieve economies of scale given Scale-up and Scale-out products share the same raw materials, consumables and outsourcing costs.

Optical computing business. We generate revenue primarily from (i) sales of our PACE series, optical computing cluster based on PACE 2 (a server system composed of multiple PACE 2 cards integrated and operated together, designed to enable parallel processing and high-throughput data handling capabilities within a single server), LTSimulator, Gazelle and OptiHummingbird and (ii) providing technology and development services to research institutions and companies. In 2025, the revenue model of our optical computing business successfully transitioned from technology development service focused to product sales focused, an important milestone towards mass commercialization of our optical computing business.

Technology-development services. We generate revenue from technology-development services conducted for enterprises, research institutes and universities. Such services include consulting services, technical support, chip samples, prototypes, software adaptation, technical documentation, and testing or validation reports. They are generally provided to early adopters of our optical computing products for algorithm study, application exploration, academic research and pilot deployment project. These activities are closely related to our Specialist Technology Products as they require the application of our proprietary optical computing chip design and engineering expertise. In addition, providing such technology-development services advance the R&D of our optical computing products through real-world development and validation work. Our revenue from technology development services and others decreased from RMB33.6 million in 2023 to RMB10.2 million in 2024, and further to RMB5.5 million 2025, primarily due to the evolving trajectory of our optical computing business, which is increasingly focused on hardware product sales. See “Business — Our Optical Computing Business — Technology Development Services” for details.

During the Track Record Period, we engaged two distributors to distribute our products. In 2023, 2024 and 2025, our sales to distributors were RMB289.3 thousand, RMB2.2 million and RMB3.7 million, constituting 0.8%, 3.7% and 3.4% of the total revenue in the respective years. During the Track Record Period, both of our distributors were Independent Third Parties.

Revenue by Downstream Applications

Our optical interconnect products and services are primarily deployed in data centers as AI infrastructure, including in the construction of super-nodes. Our optical computing products and services were initially adopted mainly in scientific and research settings. Since 2025, however, we have observed adoption of our optical computing hardware directly within commercial AI infrastructure, representing another commercialization milestone. The table below sets forth our revenue breakdown by downstream applications during the Track Record Period.

SUMMARY

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
	(in thousands, except for percentages)					
Revenue						
Optical interconnect business						
Sale of products	—	—	47,019	78.1	80,693	75.8
Scale-up products	—	—	47,019	78.1	75,582	71.0
AI infrastructure	—	—	47,019	78.1	75,342	70.8
Scientific and research applications	—	—	—	—	240	0.2
Scale-out products	—	—	—	—	5,111	4.8
AI infrastructure	—	—	—	—	5,111	4.8
Technology development services and others .	—	—	—	—	3,584	3.4
AI infrastructure	—	—	—	—	3,584	3.4
Scientific and research applications	—	—	—	—	—	—
Subtotal of optical interconnect business . .	—	—	47,019	78.1	84,277	79.2
Optical computing business						
Sale of products	4,631	12.1	2,974	4.9	20,204	19.0
AI infrastructure	—	—	—	—	11,855	11.2
Scientific and research applications	4,631	12.1	2,974	4.9	8,349	7.8
Technology development services and others .	33,604	87.9	10,198	16.9	1,887	1.8
Scientific and research applications	33,604	87.9	10,198	16.9	1,887	1.8
Subtotal of optical computing business . . .	38,235	100.0	13,172	21.9	22,091	20.8
Total revenue	38,235	100.0	60,191	100.0	106,368	100.0
Total of technology development services and others	33,604	87.9	10,198	16.9	5,471	5.2

OUR COMPETITIVE STRENGTHS

We are an early and established participant in the field of optoelectronic computing. Since inception, we have leveraged our core silicon photonics technology to drive the industry's transformation from electrical to optical computing, continuously advancing innovation in both optical computing and optical interconnects. We believe our competitive strengths is manifested by the following aspects: (i) a technology and commercialization forerunner in global optoelectronic computing; (ii) industry-leading capabilities in complex optoelectronic chip design; (iii) R&D platform: the foundation of our products and capabilities; (iv) cutting-edge product solutions with a solid foundation for commercialization; (v) broad compatibility and a robust and collaborative ecosystem; and (vi) accomplished team in technology innovation and large-scale commercialization.

See “Business — Our Competitive Strengths” for details.

OUR STRATEGIES

To accelerate the commercialization of our products and further our technological edge over our peer companies, we have devised the following strategies to maintain our continued leadership in the market: (i) focus on R&D and innovation to upgrade our technology; (ii) upgrade our product matrix and increase global market penetration; (iii) deepen collaboration with our partners and cultivate the ecosystem; and (iv) elevate talent to accelerate innovation and operational excellence.

See “Business — Our Strategies” for details.

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RESEARCH AND DEVELOPMENT

Our research and development department is led by Dr. Meng Huaiyu, our co-founder, executive Director and chief technology officer. As of the Latest Practicable Date, our R&D department consists of 171 employees, with 116 holding a graduate degree, making up 67.8% of our total workforce. Our R&D process is characterized by our world-class, interdisciplinary R&D department pioneering in optoelectronic computing. Within our R&D department, research teams operate in agile, co-located teams merging photonics, electronics, and systems engineering. This fosters rapid prototype development and tight collaboration between research and product development, accelerating innovation from lab to market. See “Business — Research and Development” for details.

KEY OPERATING DATA

The following table sets forth our key operating data as of the dates and for the years indicated.

	As of / For the year ended December 31,		
	2023	2024	2025
Total number of customers ¹	12	22	44
Number of new customers ²	11	10	22

Notes: (1) The total number of customers as of a given date represents the cumulative number of customers from whom we have recorded revenue; (2) the number of new customers for a given year represents the number of customers from whom we recorded revenue for the first time.

CUSTOMERS AND SUPPLIERS

Our customers primarily consist of research institutions, internet companies, GPU and server manufacturers, system integrators and computing infrastructure builders and operators. Our suppliers primarily consist of suppliers of EDA/IP, equipment, raw materials and third-party manufacturing services. We historically engaged certain leading semiconductor fabrication partners for tape-out services, with our most recent tape-out completed in June 2024. Following the U.S. export control developments announced in Q4 2024, we transitioned subsequent projects to domestic fabrication partners, which now substantially support our ongoing and future production needs without material adverse impact on our operations or technology development. For further details, see “Business — Ecosystem of Partners — Our Suppliers”.

While the U.S. has imposed series of export control restrictions related to advanced computing in China, as advised by Hogan Lovells, our International Sanctions Legal Adviser, our Directors are of the view that our current business activities, products and sourced raw materials are not subject to U.S. export license requirement under these applicable U.S. advanced computing regulations.

INDUSTRY AND COMPETITION

At present, while the optical interconnect market particularly for scale-up interconnect is still in its early stage, the Company is observing a clear market inflection driven by the rapid adoption of large language models and the increasing demand for supernode architectures, which create sustained demand for high-performance optical interconnect solutions. As supernodes gain wider adoption, GPU interconnect bandwidth continues to increase, optical interconnect solution providers with system design and integration capabilities will be the first to benefit, securing differentiated competitive advantages and driving the broader market toward commercialization and expansion. The Company ranks the second by revenue in 2025 in the market, and distinguishes itself by offering a holistic,

SUMMARY

integrated system architecture that includes hardware and component-level delivery, software and intelligent management, simulation and system design, link and turnkey solutions, rather than standard optical modules. See “Industry Overview” for details.

RISK FACTORS

During the Track Record Period, we are a Pre-Commercial Company. We seek Listing on the Main Board of the Stock Exchange under Chapter 18C of the Listing Rules. Our business and the Global Offering involve certain risks as set out in “Risk Factors” in this Prospectus. You should read that section in its entirety carefully before you decide to invest in our Shares. We believe the most significant risks we face include but are not limited to the following: (i) we have a limited operating history and our ability to develop and manufacture our products and solutions on a large scale is unproven and still evolving, which makes it difficult to evaluate our current business and predict our future performance. Our historical financial results may not be indicative of our future performance; (ii) the future commercial success of our products and solutions will depend on the degree of their market acceptance and customer demand. Failure to estimate customer demand properly could lead to mismatches between supply and demand; (iii) if we are unable to attract, hire, retain, and motivate our key executives, management and R&D staff, and employees, our business may be harmed; and (iv) we have incurred significant losses and net operating cash outflows since inception, and may not be able to achieve or subsequently maintain profitability in the near future. See “Risk Factors” for details.

INTELLECTUAL PROPERTY

Intellectual property lies at the heart of our research, product development and commercial success. We safeguard our proprietary technologies through a layered strategy that combines (i) statutory protection under patent, trademark, copyright, trade-secret and unfair-competition laws in the PRC and other jurisdictions, and (ii) contractual safeguards such as confidentiality undertakings, invention-assignment covenants and license agreements. All employment and key commercial contracts expressly delineate ownership of, and obligations to protect, intellectual property created or used in the course of our business. During the Track Record Period, our core technologies were patented. Such patents are typically valid for 10 to 20 years. See “Appendix IV — Statutory and General Information — Further Information about our Business — Intellectual Property Rights” for a schedule of material intellectual property rights.

OUR SINGLE LARGEST SHAREHOLDERS

Immediately upon completion of the Global Offering, Dr. Shen will directly exercise approximately 6.43% voting rights in the Company and he will also control approximately 13.78% voting rights in the Company through concert party agreements with LightAI EIP, Mach C and Youguang Zhiyuan. For details, please refer to the section headed “History, Development and Corporate Structure — Concert Party Agreements”. In addition, Youguang Shuoran is the general partner of Youguang Yihui, one of our Share Incentive Platforms, and Youguang Shuoran is held by Dr. Shen as to 80%. Therefore, Dr. Shen will also control the voting rights of 9.33% in the Company of Youguang Yihui. As such, Dr. Shen will control an aggregate of 29.55% voting rights in the Company upon completion of the Global Offering and 34.76% voting rights in the Company as of the Latest Practicable Date, and Dr. Shen, LightAI EIP, Mach C, Youguang Zhiyuan, Youguang Shuoran and Youguang Yihui, together with Deep Harbor Limited, Foong Jun Zhe, Youguang Yuning and Mr. Zhang Hong, will be our Single Largest Shareholders upon Listing.

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CONCERT PARTY AGREEMENTS

In September 2024 and October 2024, Dr. Shen entered into concert party agreements, as amended from time to time, with LightAI EIP, Mach C and Youguang Zhiyuan, respectively, pursuant to which LightAI EIP, Mach C and Youguang Zhiyuan acknowledged that, among others, (i) they would act in concert with Dr. Shen in the board meetings and general meetings of the Company, and (ii) where consensus cannot be reached, Dr. Shen's opinion shall prevail. The agreements remain valid unless terminated by Dr. Shen or until the three Share Incentive Platforms cease to have any shareholding in the Company respectively.

PRE-IPO INVESTMENTS

We have undertaken several rounds of Pre-IPO Investments. For details of the background of our key Pre-IPO Investors and the principal terms of the Pre-IPO Investments, see “History, Development and Corporate Structure — Pre-IPO Investments.”

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, extracted from the Accountant's Report set out in Appendix I. You should read this summary in conjunction with our consolidated financial information included in the Accountant's Report set out in Appendix I, including the accompanying notes, and the information set forth in “Financial Information.”

Consolidated Statements of Comprehensive Loss

The following table sets forth a summary of our consolidated statements of comprehensive loss, in absolute amounts and as a percentage of our total revenue, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	<i>(in thousands, except for percentages)</i>					
Revenue	38,235	100.0	60,191	100.0	106,368	100.0
Cost of sales	(15,032)	(39.3)	(27,978)	(46.5)	(64,900)	(61.0)
Gross profit	23,203	60.7	32,213	53.5	41,468	39.0
Selling and marketing expenses	(19,604)	(51.3)	(24,109)	(40.1)	(63,677)	(59.9)
General and administrative expenses	(114,746)	(300.1)	(99,320)	(165.0)	(187,363)	(176.1)
Research and development expenses	(279,822)	(731.8)	(352,063)	(584.9)	(479,041)	(450.4)
Net impairment losses on financial assets . . .	(95)	(0.2)	(660)	(1.1)	(972)	(0.9)
Other income	13,862	36.3	72,447	120.4	191,653	180.2
Other gains/(losses) — net	18,081	47.3	9,939	16.5	(4,116)	(3.9)
Operating loss	(359,121)	(939.2)	(361,553)	(600.7)	(502,048)	(472.0)
Finance income	4,649	12.2	8,270	13.7	6,335	6.0
Finance costs	(2,292)	(6.0)	(3,181)	(5.3)	(3,198)	(3.0)
Finance income — net	2,357	6.2	5,089	8.5	3,137	2.9
Fair value changes of financial instruments						
issued to investors	(56,612)	(148.1)	(378,816)	(629.4)	(843,465)	(793.0)
Loss before income tax	(413,376)	(1,081.1)	(735,280)	(1,221.6)	(1,342,376)	(1,262.0)
Income tax expenses	(127)	(0.3)	—	—	—	—
Loss for the year	(413,503)	(1,081.5)	(735,280)	(1,221.6)	(1,342,376)	(1,262.0)

SUMMARY

NON-IFRS FINANCIAL MEASURE

We use adjusted net loss (Non-IFRS measure), which is a non-IFRS financial measure, to evaluate our operating results and for financial and operational decision-making purposes. We define adjusted net loss (Non-IFRS measure) as net loss adjusted by adding back (i) share-based payment expenses, including share-based payment expenses to employees, consultants and an investor, (ii) fair value changes of financial instruments issued to investors, and (iii) listing expenses. We believe this measure is useful because it facilitates a supplemental assessment of our operating performance by excluding items that do not directly reflect our underlying business operations or that are non-cash, non-operating or listing-related in nature. Share-based payment is non-cash in nature. All the financial instruments issued to investors will be re-classified from financial liabilities to equity as a result of the automatic conversion into our Shares upon the Listing. Listing expenses primarily refer to the expense incurred in relation to this Listing. See “Financial Information — Non-IFRS Financial Measure” for details.

The following table presents our non-IFRS financial measure for the years ended December 31, 2023, 2024 and 2025.

	For the year ended December 31,		
	2023	2024	2025
	RMB	RMB (in thousands)	RMB
Net loss for the year	(413,503)	(735,280)	(1,342,376)
Add:			
Share-based payment expenses	92,842	60,092	204,972
Fair value changes of financial instruments issued to investors.	56,612	378,816	843,465
Listing expenses	—	—	22,465
Adjusted net loss for the year (non-IFRS measure)	(264,049)	(296,372)	(271,474)

We incurred net losses of RMB413.5 million, RMB735.3 million and RMB1,342.4 million in 2023, 2024 and 2025, respectively. Our net loss increased from 2023 to 2024 primarily due to a significant increase in the fair value changes of financial instruments issued to investors, which rose from RMB56.6 million in 2023 to RMB378.8 million in 2024, as well as continued substantial R&D expenses incurred in connection with the advancement of our Specialist Technology Products. Our net loss further increased from 2024 to 2025 primarily due to a further increase in the fair value changes of financial instruments issued to investors, which rose to RMB843.5 million in 2025, as well as increases in R&D expenses, selling and marketing expenses, general and administrative expenses and share-based payment expenses in line with the expansion of our business and continued investment in commercialization and corporate development.

Key Items from Our Consolidated Balance Sheets

The table below sets forth selected information from our consolidated balance sheets as of the dates indicated, which has been extracted from our consolidated financial statements included in Appendix I to this Prospectus.

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	As of December 31,		
	2023	2024	2025
		<i>(RMB in thousands)</i>	
Total Current Assets	790,458	1,014,360	845,729
Total Non-Current Assets	79,721	168,843	292,103
Total Assets	870,179	1,183,203	1,137,832
Total Current Liabilities	3,181,661	4,141,877	5,226,069
Total Non-Current Liabilities	115,536	94,199	159,615
Total Liabilities	3,297,197	4,236,076	5,385,684
Net Current Liabilities	(2,391,203)	(3,127,517)	(4,380,340)
Total Deficit/Net Liabilities	(2,427,018)	(3,052,873)	(4,247,852)

Our net liabilities position was primarily influenced by the issuance of financial instruments to investors, including preferred shares, convertible debentures, contingent forward agreements, and instruments with preference rights. As of December 31, 2023, 2024 and 2025, our financial instruments issued to investors amounted to RMB3,052.0 million, RMB3,821.7 million and RMB4,924.2 million, respectively. Upon the Listing, these financial instruments will be reclassified from financial liabilities to equity due to their automatic conversion into our shares, such that the net liabilities position would turn into net assets position. For further details, please refer to the section “Financial Information” and Note 34 in the Accountant’s Report in Appendix I of this Prospectus.

The fluctuation in net liabilities during the Track Record Period was also driven by several additional factors including: (i) the loss for the year, which significantly impacted our accumulated deficit; (ii) exchange differences on translation of foreign operations, which led to changes in the carrying value of our foreign subsidiaries’ assets and liabilities; and (iii) capital contributions by investors without preference rights, which helped reduce the overall net liabilities, albeit in a limited manner.

Our net liabilities of RMB2,061.2 million as of January 1, 2023 increased to RMB2,427.0 million as of December 31, 2023, primarily due to (i) a loss for the year of RMB413.5 million, and (ii) exchange differences on translation of foreign operations of RMB6.6 million, partially offset by equity-settled share-based payments of RMB54.7 million. Our net liabilities of RMB2,427.0 million as of December 31, 2023 increased to RMB3,052.9 million as of December 31, 2024, primarily due to (i) a loss for the year of RMB735.3 million, (ii) change in fair value attributable to credit risk change of RMB9.4 million, and (iii) exchange differences on translation of foreign operations of RMB9.1 million, partially offset by (i) capital contributions by investors without preference rights of RMB67.8 million, and (ii) equity-settled share-based payments of RMB60.1 million. Our net liabilities of RMB3,052.9 million as of December 31, 2024 increased to RMB4,247.9 million as of December 31, 2025, primarily due to (i) a loss for the year of RMB1,342.4 million, (ii) deemed distributions to related parties of RMB66.8 million, and (iii) change in fair value attributable to credit risk change of RMB13.1 million, partially offset by (i) equity-settled share-based payments of RMB205.0 million, (ii) capital contributions by investors without preference rights of RMB14.4 million, and (iii) exchange differences on translation of foreign operations of RMB8.0 million.

During the Track Record Period, our net current liabilities fluctuated primarily in line with our business expansion and capital activities. From 2023 to 2024, our net current liabilities further increased due to increases in financial instruments issued to investors and deferred income, partially

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offset by increase in amounts due from investors, while other payables and accruals remained stable. From 2024 to 2025, net current liabilities continued to rise, primarily due to increase in financial instruments issued to investors. See “Financial Information — Discussion of Certain Key Items from Our Consolidated Balance Sheets” for details.

Consolidated Statements of Cash Flows and Cash Burn Analysis

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

	For the year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Net cash flows used in operating activities. . .	(176,306)	(181,800)	(361,099)
Net cash flows generated from/(used in)			
investing activities	154,414	(89,350)	(396,174)
Net cash flows generated from financing			
activities.	212,752	331,942	622,883
Net increase/(decrease) in cash and cash			
 equivalents	190,860	60,792	(134,390)
Cash and cash equivalents at the beginning of			
the year	98,930	290,084	348,336
Effect of foreign exchange rates change. . . .	294	(2,540)	(4,888)
Cash and cash equivalents at the end of			
 the year	290,084	348,336	209,058

Our cash burn rate refers to the average monthly aggregate amount of (i) net cash used in operating activities, (ii) purchases of property, plant and equipment, (iii) payments for intangible assets, (iv) principal payments of lease liabilities, (v) interest paid for lease liabilities, and (vi) deducting the amount of government grants received related to assets. Our historical cash burn rate was RMB19.3 million, RMB24.9 million and RMB34.2 million in 2023, 2024 and 2025, respectively. The changes of our cash burn rate during the Track Record Period was primarily due to changes in net cash used in operating activities, purchases of property, plant and equipment and intangible assets and payments related to lease liabilities.

We have incurred net cash outflows used in operating activities of RMB176.3 million, RMB181.8 million and RMB361.1 million, respectively. Substantially all of our net cash outflows from operating activities during the Track Record Period were driven by significant investments in research and development, which were essential for advancing our optoelectronic computing technology and critical to the development of our Specialist Technology Products. These operating cash outflows reflect the substantial upfront investments of pioneering frontier technologies, and investments associated with these R&D efforts far exceeded the cash flows generated during the same years. While they have contributed to the growth of our intellectual property portfolio and helped maintain our technological leadership in a competitive industry landscape, they have yet to result in significant net cash inflows.

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We had cash and cash equivalents, financial assets at fair value through profit and loss and current bank deposits of RMB616.2 million in aggregate as of December 31, 2025. We estimate that we will receive net proceeds of RMB1,890.6 million, after deducting the underwriting commissions and other estimated offering expenses payable by us in connection with the Global Offering, assuming that the Over-allotment Option is not exercised and based on the low-end Offer Price of HK\$166.6 per Offer Share.

Our average monthly cash burn in 2025 was RMB34.2 million, which was higher than that in 2024 and 2023, because we completed the front-end R&D work for PACE 3 in 2025, which was in line with the relevant stage of our R&D cycle. PACE 3 is expected to tape out in the first half of 2026.

Assuming an average future monthly cash burn of RMB39.3 million, representing approximately 1.15 times our average monthly cash burn for the twelve months ended December 31, 2025, and based on the following principal assumptions: (i) we have reached a relatively stable team size, and our headcount, particularly R&D headcount, will not increase materially, (ii) our capital expenditure is expected to remain broadly stable, and (iii) part of the expected increase in future production and R&D costs will be offset by cash inflows generated from sales of our Specialist Technology Products, we estimate that our cash balance as of December 31, 2025 would be sufficient for us to operate for approximately 16 months, or approximately 64 months after taking into account the estimated IPO proceeds.

We expect our costs and expenses will continue to increase as our business grows and in line with our revenue in the foreseeable future.

COMMERCIALIZATION AND BUSINESS SUSTAINABILITY

Commercialization of our Specialist Technology Products

We are still at a nascent stage in terms of monetization and commercialization as historically we have been largely focused on developing our optoelectronic computing technologies. During the Track Record Period, we have moved beyond pilot stage and achieved deployment of our Specialist Technology Products. Our revenue increased from RMB38.2 million in 2023 to RMB60.2 million in 2024 and further to RMB106.4 million in 2025, as a result of first mass production of our Scale-up products. On the other hand, the selling price of our Scale-up products have increased, as our innovative Scale-up products have delivered rich features to fulfill customers' demands. At the same time, we devoted more resources toward the research and development of higher-performance, feature-rich products with broader market applicability, such as the newly developed Scale-up OCS. Scale-up OCS entered into mass production in December 2025, and became the major product driving full-year revenue growth in 2025.

During the Track Record Period, we funded our cash requirements primarily through capital contributions from shareholders and financing activities, including issuances of convertible preferred shares, convertible bond and financial instruments issued to investors with preference rights. See "History, Development and Corporate Structure — Pre-IPO Investments." Our cash and cash equivalents was RMB209.1 million as of December 31, 2025. Moreover, we hold bank deposits, restricted cash and financial assets in the form of structured deposits and money market funds, with the current portion amounting to RMB53.1 million, RMB51.2 million and RMB407.3 million, as of December 31, 2023, 2024 and 2025, respectively. Our total cash balance is sufficient to cover our net cash flows used in operating activities and provide adequate liquidity for our expansion of business

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operations. As such, we believe that we possess sufficient working capital, including sufficient cash and liquidity assets, after taking into account the financial resources available to us. See “Business — Commercialization and Business Sustainability — Early-Stage Commercialization and Business Sustainability” for details.

Path to the Commercialization of our Specialist Technology Products

To accelerate the commercialization of our Specialist Technology Products, we intend to continue to pursue the following strategies: (i) leveraging the rapid growth of AI industry demand for our products and solutions; (ii) continuing to maintain technology leadership and developing new technologies and solutions; (iii) broadening the offering of our optical interconnect business and optical computing business; (iv) deepening our existing collaborations and scaling our customer base; and (v) maintaining supply chain stability and achieving R&D and operational efficiency.

See “Business — Commercialization and Business Sustainability — Path to the Commercialization of our Specialist Technology Products” for details.

KEY FINANCIAL RATIOS

	For the year ended December 31,		
	2023	2024	2025
Revenue Growth	801.3%	57.4%	76.7%
Gross Margin	60.7%	53.5%	39.0%

Rule 13.46(2) of the Listing Rules requires a PRC issuer to send an annual report or a summary financial report to its shareholders within four months after the end of the financial year to which the report relates. Since (a) this Prospectus already includes the financial information of the Company for the year ended December 31, 2025 as required under Appendix D2 to the Listing Rules in relation to annual reports; (b) we will not be in breach of the Articles of Association, laws and regulations of the PRC or other regulatory requirements as a result of not distributing such annual reports and accounts; and (c) we have complied with the applicable code provisions in Part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, we will not separately prepare and publish and send an annual report to our Shareholders for the year ended December 31, 2025. In addition, we will issue an announcement by April 30, 2026 stating that we will not separately prepare and send an annual report to our Shareholders for the year ended December 31, 2025 as the relevant financial information has been included in this Prospectus. We will still comply with the requirements under Rule 13.91(5) of the Listing Rules.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the granting of the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including any Shares which may be issued pursuant to the exercise of the Over-allotment Option) and the H Shares to be converted from Unlisted Shares. Our listing application is made on the basis that, among other things, we satisfy the requirements under Rule 18C.03 of the Listing Rules as a Pre-Commercial Company (as defined in the Listing Rules), with reference to our expected market capitalization at the time of Listing, which exceeds HK\$8 billion based on the low-end of the indicative Offer Price range.

SUMMARY

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any legal, arbitration or administrative proceedings that would have a material adverse effect on our business, results of operations, financial condition or reputation and compliance.

As advised by our PRC Legal Advisers, we had not been and were not involved in any material noncompliance incidents that have led to fines, enforcement actions or other penalties that could, individually or in the aggregate have a material adverse effect on our business, financial condition and results of operations.

GLOBAL OFFERING STATISTICS

The statistics in the following table are based on the assumptions that the Global Offering has been completed and 91,968,097 Shares are issued pursuant to the Global Offering.

	Based on an Offer Price of HK\$166.6 per Share	Based on an Offer Price of HK\$183.2 per Share
Market capitalization of our Shares ⁽¹⁾	HK\$15,322 million	HK\$16,849 million
Unaudited pro forma adjusted consolidated net tangible assets per Shares ⁽²⁾	HK\$31.55	HK\$33.93

(1) The calculation of the capitalization of our Shares is based on the assumption that 91,968,097 Shares will be in issue and outstanding immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised).

(2) The unaudited pro forma adjusted consolidated net tangible assets per Shares is calculated after making the adjustments referred to in “Appendix II – Unaudited Pro Forma Financial Information” and on the basis that 91,968,097 shares were in issue assuming that the Global Offering and reclassification of financial liabilities arising from the convertible redeemable preferred shares and ordinary shares into equity had been completed on December 31, 2025, without taking account of the exercise of the Over-allotment Option.

Listing Expenses

Our listing expenses mainly include (i) underwriting-related expenses, such as underwriting fees and commissions, and (ii) non-underwriting-related expenses, comprising professional fees paid to our legal advisors and reporting accountants for their services rendered in relation to the Listing and the Global Offering, and other fees and expenses. Assuming full payment of the discretionary incentive fee, the estimated total listing expenses (based on the mid-point of the Offer Price range and assuming that the Over-allotment Option is not exercised) for the Global Offering are approximately HK\$145.8 million, accounting for approximately 6.0% of our gross proceeds. Among such estimated total listing expenses, we expect to pay underwriting-related expenses of HK\$96.7 million, professional fees for our legal advisors and reporting accountants of HK\$28.4 million and other fees and expenses of HK\$20.7 million. An estimated amount of HK\$41.7 million for our listing expenses, accounting for approximately 1.7% of our gross proceeds, is expected to be expensed through the statement of profit or loss and an estimated amount of HK\$104.1 million is expected to be recognized directly as a deduction from equity upon the Listing. As of December 31, 2025, we incurred listing expenses of

SUMMARY

RMB27.0 million, among which RMB22.5 million was recognized in general and administrative expenses in the statement of profit or loss, and RMB4.5 million was recorded in prepayments, other receivables and other assets and will be recognized directly as a deduction from equity upon Listing.

FUTURE PLANS AND USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$2,266.9 million, after deducting underwriting commissions, fees and estimated expenses payable by us in connection with the Global Offering, assuming no Over-allotment Option is exercised and an Offer Price of HK\$174.9 per Offer Share, being the midpoint of the indicative Offer Price range stated in this Prospectus.

- Approximately 70% (HK\$1,586.8 million) of the net proceeds will be used for research and development over the next five years, including the continued development of our optical interconnect business and optical computing business, specifically: (i) approximately 35% (HK\$793.4 million) of the net proceeds will be used for the development of our optical interconnect business, with a particular focus on chip design technology; and (ii) approximately 35% (HK\$793.4 million) of the net proceeds will be used for the continued research and development of our optical computing business, with a focus on the research and development of PACE 3 and future generation OPUs.
- Approximately 20%, or HK\$453.4 million of the net proceeds will be used for our commercialization efforts.
- Approximately 10%, or HK\$226.7 million of the net proceeds will be allocated to working capital and general corporate purposes.

See “Future Plans and Use of Proceeds” for details.

DIVIDENDS

No dividend was paid or declared by us or any of our subsidiaries since our incorporation. After the Track Record Period and up to the date of this Prospectus, we did not declare any dividends to our Shareholders. As of the Latest Practicable Date, we did not have a formal dividend policy or a fixed dividend distribution ratio. PRC laws require that dividends be paid only out of our distributable profits. Distributable profits are our after-tax profits, less appropriations to statutory and other reserves that we are required to make. As advised by our PRC Legal Adviser, based on our Articles of Association and the Company Law of the People’s Republic of China (Revised in 2023), we can pay dividends despite accumulated losses, except when the accumulative amount of our statutory reserve is not sufficient to cover accumulated losses, in which case the current year’s profits shall first be used to make up for the losses. For details, please refer to “Financial Information — Dividend.”

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

In early 2026, we continued to make progress on both commercialization and R&D in line with our business plan. On the commercialization front, we continued to deliver our Scale-up OCS products under the purchase orders secured in the fourth quarter of 2025 and to advance fulfilment of those orders with the relevant customers, and these purchase orders are expected to be fully fulfilled in 2026. On the research and development front, we continued to execute our previously disclosed product

SUMMARY

roadmap. In particular, development of PACE 3 has progressed in line with our prior plan, and we continue to expect tape-out in the first half of 2026. We have also continued the development of our NPO solutions in accordance with our prior plan and expect to begin providing hardware samples in the first half of 2026.

Our Directors confirm that, up to the date of this Prospectus, there has been no material adverse change in our financial or trading position or prospects since December 31, 2025, being the end date of the years reported in the Accountant's Report set out in Appendix I, and there is no event since December 31, 2025 that would materially affect the information shown in the Accountant's Report set out in Appendix I to this Prospectus. In 2026, however, we expect to record a significant increase in net losses, primarily due to our continued substantial investment in R&D and the fact that the commercialization of our products and solutions will continue to take time to materially contribute to our revenue. We remain largely as an R&D focused company operating in the frontier space of optoelectronics research and development.

COMPLIANCE WITH REGULATIONS ON THE OUTBOUND INVESTMENT RULES AND EXPORT CONTROL REGULATIONS

Outbound Investment Rule

On October 28, 2024, the U.S. Department of the Treasury (the “**Treasury**”) issued a final rule to implement Presidential Executive Order 14105 issued on August 9, 2023 entitled “Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern” (commonly referred to as the “**Outbound Executive Order**” and “**OIR Rule**”). As advised by Hogan Lovells, our International Sanctions Legal Adviser, we are a “Covered Foreign Person” that engages in certain integrated circuits design activities that fall within the “semiconductors and microelectronics” sectors defined under the “Notifiable Transactions” category under the OIR Rule. As advised by our International Sanctions Legal Adviser, based on the information we have provided to such advisor, we are not engaged in any “Covered Activities” that fall within the definition of a “Prohibited Transaction” under the OIR Rule, as the integrated circuits we design do not meet or exceed the performance parameters of integrated circuit as defined in a “Prohibited Transaction”. Thus, investments by, or that are knowingly directed by, a U.S. person would be subject to a notification requirement. The OIR Rule does exclude certain types of investments from the scope of covered transactions, including passive investments in publicly traded securities. Pursuant to Treasury’s OIR-related Frequently Asked Questions updated on December 23, 2025 (the “**FAQ**”), absent additional facts, when a U.S. person acquires an equity interest in a covered foreign person, and at the time of such acquisition the equity interest is publicly traded, such security falls under the description of a “publicly traded security,” regardless of when an agreement is entered into. In cases of doubt (including as to whether “additional facts” that are relevant under the FAQ are present), U.S. persons (and non-U.S. subsidiaries of U.S. persons) that acquire Shares from us in the Global Offering should consult their legal counsel regarding availability of the “publicly traded securities” exception. In general, as advised by our International Sanctions Legal Adviser, the OIR Rule should not restrict U.S. persons from purchasing shares in our Company’s publicly traded securities when issued and our Directors are of the view that the OIR Rule should not have a material impact on our operations. As advised by our International Sanctions Legal Adviser, U.S. persons can participate in the Global Offering, but if they acquire pre-listing shares of our Company, then because we are a “Covered Foreign Person” engaged in activities that fall within the scope of “Notifiable Transaction,” such U.S. persons will be required to file a notification to Treasury.

SUMMARY

See “Risk Factors — Risks Related to Our Business and Industry — We could be viewed as a “Covered Foreign Person” under the Outbound Investment Rules administered by the U.S. Department of the Treasury and the activity in which we are engaged may be subject to notification requirement.”

Export Control under the Export Administration Regulations

In recent years, the United States has also imposed further export controls on exports and reexports to China via the Export Administration Regulations (the “**EAR**”), administered by the U.S. Department of Commerce’s Bureau of Industry and Security (“**BIS**”). As advised by our International Sanctions Legal Adviser, based on the information we have provided to such advisor, we do not currently purchase, source, or use items that are currently subject to licensing requirements under the EAR. We primarily engage in chip design and do not operate a fabrication facility ourselves, do not manufacture ICs, and our employees who are U.S. persons do not otherwise have the U.S. export control-prohibited dealings with any Chinese customers or other third parties (including suppliers and manufacturing or production partners) that develop or produce integrated circuits at a facility where production of advanced integrated circuits occurs. We are also not involved in the shipment, transfer, or servicing of the advanced-node IC to the EAR under the U.S. person controls set forth in part 744 of the EAR. Therefore, with regard to the U.S. Advanced Computing Regulations, our Directors are of the view that, as of the Latest Practicable Date, we and our employees do not engage in activities that would require a U.S. export license, and our ability to make sales to either our current customers or prospective customers that we expect to sell to as we expand our business has not been materially and adversely impacted. However, as such export control laws and regulations continue to expand and evolve, our operations and business growth might be materially and adversely affected if more restrictive measures are enacted in the future. See “Risk Factors — Risks Related to Our Business and Industry — We are subject to the risks associated with international trade policies, international export controls and economic sanctions, geopolitics and trade protection measures, and our business, financial condition and results of operations could be adversely affected.”

DEFINITIONS

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

“Accountant’s Report”	the accountant’s report of our Company, the text of which is set out in Appendix I to this Prospectus
“affiliate(s)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	Accounting and Financial Reporting Council (會計及財務匯報局)
“Articles of Association” or “Articles”	the articles of association of our Company, as amended, which shall become effective on the Listing Date, a summary of which is set out in Appendix III to this Prospectus
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the board of Directors of our Company
“Business Day”	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
“Capital Market Intermediaries” or “Capital Market Intermediary(ies)” or “CMI(s)”	the capital market intermediaries participating in the Global Offering and has the meaning ascribed thereto under the Listing Rules
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Chairman”	the chairman of the Board
“Chief Executive Officer”	the chief executive officer of our Company
“China” or “PRC”	the People’s Republic of China, unless the context requires otherwise, excluding, for the purposes of this Prospectus only, the regions of Hong Kong, Macau and Taiwan of the People’s Republic of China
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“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” or “the Company”	Shanghai Xizhi Technology Co., Ltd. (上海曦智科技股份有限公司), a limited liability company established in the PRC on February 27, 2018 and converted into a joint stock limited liability company incorporated in the PRC on August 29, 2025, previously known as Shanghai Xizhi Technology Company Limited (上海曦智科技有限公司)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“connected transaction(s)”	has the meaning ascribed thereto under the Listing Rules
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“CSDCC”	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)” or “our Director(s)”	the director(s) of our Company
“Dr. Shen”	Dr. Shen Yichen, our founder, chairman of the Board, executive Director, chief executive officer and one of our Single Largest Shareholders
“EIT”	enterprise income tax
“EIT Law”	Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法)
“Exchange Participant”	a person (a) who, in accordance with the Rules of the Hong Kong Stock Exchange, may trade on or through the Hong Kong Stock Exchange; and (b) whose name is entered in a list, register or roll kept by the Hong Kong Stock Exchange as a person who may trade on or through the Hong Kong Stock Exchange
“Extreme Conditions”	extreme conditions as announced by the government of Hong Kong in the case where a super typhoon or other natural disaster of a substantial scale seriously affects the working public’s ability to resume work or brings safety concern for a prolonged period

DEFINITIONS

“FINI”	“Fast Interface for New Issuance”, the online platform operated by HKSCC that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for the Listing
“Frost & Sullivan”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., the industry consultant of our Company
“Global Offering”	the Hong Kong Public Offering and the International Offering
“Group,” “our Group,” “we” or “us”	our Company and our subsidiaries from time to time or, where the context so requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
“H Share Registrar”	Tricor Investor Services Limited
“H Share(s)”	overseas listed foreign share(s) in the share capital of our Company with a nominal value of RMB1.0 each, to be subscribed for and traded in HK dollars and to be listed on the Hong Kong Stock Exchange
“Hangzhou Guangzhiyuan”	Hangzhou Guangzhiyuan Technology Co., Ltd. (杭州光智元科技有限公司), a limited liability company incorporated in the PRC on November 5, 2019 and a wholly-owned subsidiary of the Company as at the Latest Practicable Date
“ HK eIPO White Form ”	the application for Hong Kong Offer Shares to be issued in the applicant’s own name and submitted online through the designated website at www.hkeipo.hk
“ HK eIPO White Form Service Provider”	the HK eIPO White Form service provider designated by our Company as specified on the designated website at www.hkeipo.hk
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“ HKSCC EIPO ”	the application for Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your designated HKSCC Participant’s stock account through causing HKSCC Nominees to apply on your behalf, including by instructing your broker or custodian who is a HKSCC Participant to give electronic application instructions via HKSCC’s FINI system to apply for Hong Kong Offer Shares on your behalf

DEFINITIONS

“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“HKSCC Operational Procedures”	the operational procedures of HKSCC containing the practices, procedures and administrative or other requirements relating to HKSCC’s services and the operations and functions of CCASS, FINI or any other platform, facility or system established, operated and/or otherwise provided by or through HKSCC, as in force from time to time
“HKSCC Participant”	a person admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Offer Shares”	the 689,775 H Shares offered by us for subscription at the Offer Price pursuant to the Hong Kong Public Offering (subject to adjustment as described in the section headed “Structure of the Global Offering” in this Prospectus)
“Hong Kong Public Offering”	the offering of the Hong Kong Offer Shares for subscription by the public in Hong Kong (subject to adjustment as described in “Structure of the Global Offering”) at the Offer Price (plus brokerage, SFC transaction levy, AFRC transaction levy and Hong Kong Stock Exchange trading fee), on and subject to the terms and conditions described in “Structure of the Global Offering”
“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 Underwriters”	the underwriters listed in the paragraph headed “Underwriting — Hong Kong Underwriters”, being the underwriters of the Hong Kong Public Offering
“Hong Kong Underwriting Agreement”	the underwriting agreement dated April 17, 2026 relating to the Hong Kong Public Offering entered into among our Company, certain Single Largest Shareholders, the Joint Sponsors, the Overall Coordinators and the Hong Kong Underwriters
“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

DEFINITIONS

“International Offer Shares”	the 13,105,440 H Shares offered by our Company pursuant to the International Offering (subject to adjustment as described in “Structure of the Global Offering”) together with any additional H Shares which may be allotted and issued by our Company pursuant to the exercise of the Over-allotment Option
“International Offering”	the offer of the International Offer Shares (a) in the United States solely to QIBs pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act or (b) outside the United States in offshore transactions in reliance on Regulation S, at the Offer Price, in each case on and subject to the terms and conditions of the International Underwriting Agreement, as further described in the section headed “Structure of the Global Offering” in this Prospectus
“International Underwriters”	the group of international underwriters who are expected to enter into the International Underwriting Agreement to underwrite the International Offering
“International Underwriting Agreement”	the underwriting agreement relating to the International Offering expected to be entered into on or about April 24, 2026 by our Company and the International Underwriters, as further described in “Underwriting — International Offering”
“Joint Bookrunners”	the joint bookrunners of the Listing as named in the section headed “Directors and Parties Involved in the Global Offering”
“Joint Global Coordinators”	the joint global coordinators as named in the section headed “Directors and Parties Involved in the Global Offering” of this Prospectus
“Joint Lead Managers”	the joint lead managers as named in the section headed “Directors and Parties Involved in the Global Offering” of this Prospectus
“Joint Sponsors” and “Sponsor-OCs”	the joint sponsors and sponsor-overall coordinators of the Listing as named in the section headed “Directors and Parties Involved in the Global Offering”
“Latest Practicable Date”	April 13, 2026 being the latest practicable date for the purpose of ascertaining certain information contained in this Prospectus prior to its publication
“LightAI EIP”	LightAI EIP Holdings LP, a limited partnership established under the laws of the British Virgin Islands and a Share Incentive Platform

DEFINITIONS

“Lightelligence Pte. Ltd.”	Lightelligence Pte. Ltd., a private limited liability company incorporated on 2 November 2020 in Singapore and a wholly-owned subsidiary of the Company as at the Latest Practicable Date
“Listing”	listing of the H Shares on the Main Board of the Hong Kong Stock Exchange
“Listing Committee”	the Listing Committee of the Hong Kong Stock Exchange
“Listing Date”	the date, expected to be on or about Tuesday, April 28, 2026, on which our H Shares are listed and from which dealings therein 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 Hong Kong Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Mach C”	MachC L.P., a limited partnership established under the laws of the British Virgin Islands and a Share Incentive Platform
“Main Board”	the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with Growth Enterprise Market of the Hong Kong Stock Exchange
“Ministry of Finance” or “MOF”	the Ministry of Finance of the PRC (中華人民共和國財政部)
“MIT”	the Massachusetts Institute of Technology
“MOFCOM”	the Ministry of Commerce of the PRC (中華人民共和國商務部)
“Nanjing Guangzhiyuan”	Nanjing Guangzhiyuan Technology Co., Ltd. (南京光智元科技有限公司), a limited liability company incorporated in the PRC on September 18, 2020 and a wholly-owned subsidiary of the Company as at the Latest Practicable Date
“NDRC”	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“Nomination Committee”	the nomination committee of the Board
“Offer Price”	the final offer price per Offer Share (exclusive of brokerage fee of 1%, SFC transaction levy of 0.0027%, Hong Kong Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) at which the Offer Shares are to be subscribed for and issued pursuant to the Global Offering as described in the section headed “Structure of the Global Offering” in this Prospectus

DEFINITIONS

“Offer Share(s)”	the Hong Kong Offer Shares and the International Offer Shares, with any additional H Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option
“Over-allotment Option”	the option granted by us to the International Underwriters, exercisable by the Overall Coordinators (on behalf of the International Underwriters) pursuant to the International Underwriting Agreement, to require our Company to allot and issue up to an aggregate of 2,069,280 additional H Shares (representing approximately 15% of the Offer Shares initially available under the Global Offering), at the Offer Price to, among other things, cover over-allocations in the International Offering, if any, exercisable at any time from the date of the International Underwriting Agreement up to (and including) the date which is the 30th day from the last day for lodging of applications under the Hong Kong Public Offering
“Overall Coordinators”	the overall coordinators of the Listing as named in the section headed “Directors and Parties Involved in the Global Offering”
“Pathfinder SII(s)”	has the meaning ascribed thereto under Chapter 2.5 of the Guide for New Listing Applicants issued by the Stock Exchange
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC Company Law”	the Company Law of the People’s Republic of China (中華人民共和國公司法)
“PRC GAAP”	generally accepted accounting principles in the PRC
“PRC Government” or “State”	the central government of the PRC, including all governmental subdivisions (including principal, municipal and other regional or local government entities) and instrumentalities
“PRC Legal Advisers”	Zhong Lun Law Firm and Haiwen & Partners, our legal adviser as to PRC laws
“Pre-IPO Investment(s)”	the investment(s) in our Company undertaken by the Pre-IPO Investors, details of which are set out in the section headed “History, Development and Corporate Structure” in this Prospectus
“Pre-IPO Investor(s)”	the investor(s) from whom our Company obtained several rounds of investments, details of which are set out in the section headed “History, Development and Corporate Structure” in this Prospectus

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“Price Determination Agreement”	the agreement to be entered into by the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and our Company on the Price Determination Date to record and fix the Offer Price
“Price Determination Date”	the date, expected to be on or around Friday, April 24, 2026 (Hong Kong time) on which the Offer Price is determined, or such later time as our Company and the Overall Coordinators (on behalf of the Hong Kong Underwriters) may agree, but in any event not later than 12:00 noon on Friday, April 24, 2026
“Prospectus”	this prospectus being issued in connection with the Hong Kong Public Offering
“Qualified Institutional Buyer” or “QIB”	a qualified institutional buyer within the meaning of Rule 144A
“R&D”	research and development
“Regulation S”	Regulation S under the U.S. Securities Act
“Remuneration Committee”	the remuneration committee of the Board
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“ROW”	rest of world, refer to all countries or regions outside the primary markets being discussed
“Rule 144A”	Rule 144A under the U.S. Securities Act
“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SAT”	the State Administration of Taxation of the PRC (國家稅務總局)
“Securities and Futures Ordinance” or “SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“SFC”	the Securities and Futures Commission of Hong Kong
“Share Incentive Platform(s)”	the equity incentive platforms of our Group, namely Youguang Yihui, Youguang Zhiyuan, LightAI EIP and Mach C
“Share(s)”	ordinary share(s) in the capital of our Company with a nominal value of RMB1.0-each, comprising Unlisted Shares and H Shares
“Shareholder(s)”	holder(s) of the Share(s)

DEFINITIONS

“Single Largest Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules and unless the context otherwise requires, refers to Dr. Shen, LightAI EIP, Mach C, Youguang Zhiyuan, Youguang Shuoran, Youguang Yihui, Deep Harbor Limited, Foong Jun Zhe, Youguang Yuning and Mr. Zhang Hong. See “Relationship with Our Single Largest Shareholder” in this Prospectus for details
“Sophisticated Independent Investor(s)” or “SII(s)”	has the meaning ascribed thereto under Chapter 2.5 of the Guide for New Listing Applicants issued by the Stock Exchange
“Specialist Technology”	has the meaning ascribed thereto under the Listing Rules
“Specialist Technology Company”	has the meaning ascribed thereto under the Listing Rules
“Specialist Technology Product(s)”	has the meaning ascribed thereto under the Listing Rules
“Stabilizing Manager”	China International Capital Corporation Hong Kong Securities Limited
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-back issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Track Record Period”	the three financial years ended December 31, 2023, 2024 and 2025
“Trial Measures”	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法), promulgated by the CSRC on February 17, 2023
“U.S.” or “United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“U.S. dollar”, “US\$” or “USD”	United States dollar, the lawful currency of the United States
“U.S. Securities Act”	the United States Securities Act of 1933, as amended and supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
“Underwriters”	the Hong Kong Underwriters and the International Underwriters
“Underwriting Agreements”	the Hong Kong Underwriting Agreement and/or the International Underwriting Agreement, as the context may require

DEFINITIONS

“Unlisted Share(s)”	ordinary share(s) issued by our Company, with a nominal value of RMB1.00 each, which is/are not listed on any stock exchange
“VAT”	value-added tax
“Youguang Shuoran”	Shanghai Youguang Shuoran Enterprise Management Company Limited (上海有光燦然企業管理有限公司), a limited liability company established in the PRC on March 14, 2024 and one of our Single Largest Shareholders
“Youguang Yihui”	Shanghai Youguang Yihui Enterprise Management Partnership (LP) (上海有光熠輝企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on July 2, 2024, a Share Incentive Platform and a Single Largest Shareholder
“Youguang Zhiyuan”	Shanghai Youguang Zhiyuan Enterprise Management Partnership (LP) (上海有光致遠企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on July 2, 2024 and a Share Incentive Platform
“%”	percent

Unless otherwise specified, all references to any shareholdings in our Company following the completion of the Global Offering assume that the Over-allotment Option is not exercised.

If there is any inconsistency between this Prospectus and its Chinese translation, this Prospectus shall prevail. The English names of the PRC entities, PRC laws or regulations, and the PRC governmental authorities referred to in this Prospectus are translations from their Chinese names and are for identification purposes only. If there is any inconsistency, the Chinese names shall prevail.

Certain amounts and percentage figures included in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

GLOSSARY

This glossary contains explanations of certain technical terms used in this Prospectus in connection with us and our business. As such, some of these terms and their meanings may not correspond to standard industry definitions or usage of these terms and may not be comparable to similar terms adopted by other companies.

“API”	a set of protocols and tools that enables different software applications to communicate and interact with each other
“ASIC”	a customized semiconductor chip designed for a particular application or function, rather than for general-purpose use
“CAGR”	the mean annual growth rate of an investment over a specified period of time longer than one year
“CPO”	co-packaged optics, an integration approach where optical components are co-packaged with switching or computing chips to improve bandwidth and energy efficiency
“CPU”	the core computing unit of a system that interprets and executes instructions, performing arithmetic, logical and control operations essential for running programs
“CXL”	an open industry standard interconnect designed to enable high-speed, efficient communication between CPUs and accelerators, memory devices or other peripherals
“design-in”	process of having a product selected and incorporated into a customer’s system or platform design
“DOCS”	distributed optical circuit switching, an optical switching architecture that distributes circuit switching functions across the network to enhance scalability and reduce latency in data transmission
“DSP”	digital signal processors, a specialized microprocessor optimized for the real-time mathematical processing of digital signals, widely used in communications, audio and image processing
“EDA”	electronic design automation, software tools used for the design, simulation and verification of electronic systems and semiconductor devices
“EIC”	electronics integrated chip, a chip that integrates multiple electronic components and circuits into a single unit to provide specific functionalities
“EOS”	end of service, the point at which a product or service is no longer supported or maintained by the provider

GLOSSARY

“EPS”	earnings attributable to each outstanding share of common stock, a common measure of corporate profitability
“FLOP”	a basic unit of computation that represents a single operation on floating-point numbers
“FPGA”	a reconfigurable integrated circuit that can be programmed after manufacturing to implement custom logic functions
“GPGPU”	General-Purpose Graphics Processing Units, the use of graphics processing units to perform general-purpose computing tasks beyond graphics rendering
“GPU”	a parallel computing processor optimized for rendering graphics and accelerating machine learning and scientific workloads
“IC”	electronic components in which multiple transistors and other devices are fabricated and interconnected on a single semiconductor substrate
“ICT”	information and communications technology
“interconnect”	the physical or logical links that enable data transmission and communication between chips, components or systems
“I/O”	input/output, the communication between a computing system and external devices such as storage, networks or user interfaces
“Llama 2”	an open-source large language model developed by Meta, designed for natural language understanding and generation tasks
“LLM”	a type of artificial intelligence model trained on large-scale text data to understand and generate human-like language
“LPO”	optical transceiver modules designed for linear direct-drive applications, enabling cost-effective optical connectivity
“MatMul”	a fundamental mathematical operation that multiplies two matrices, widely used in machine learning and scientific computing
“MFU”	model FLOPs utilization, a measure of how efficiently a model uses available floating-point operations relative to theoretical maximum performance
“Moore’s Law”	the observation that the number of transistors on an integrated circuit doubles approximately every two years, leading to exponential growth in computing power

GLOSSARY

“NIC”	a hardware component that connects a computer to a network and manages data transmission
“node”	a basic unit in a computing or networking system that performs processing, storage or communication functions
“NPO”	near-packaged optics, an optical integration approach where optical components are placed close to but not within the same package as electronic chips
“OA approval”	the final authorization or endorsement granted for a project, document or process after comprehensive review
“OCS”	network switches that establish optical-level circuit connections to provide high-bandwidth and low-latency data transmission
“ODM”	a company that designs and manufactures products that are rebranded and sold by another company
“OEM”	a company that produces components or products purchased by another company and sold under the purchaser’s brand
“OIO”	the use of optical signals for data transmission between chips, modules or systems
“oMAC”	optical multiply accumulate, an optical computing operation that performs multiplication and accumulation of signals in the optical domain
“oNET”	optical inter-chip networking, an optical interconnect architecture enabling high-speed communication between multiple chips within a system
“oNOC”	optical network on chip, an on-chip communication framework using optical links to transfer data between cores or modules efficiently
“optical modules”	pluggable or integrated optoelectronic devices that convert electrical signals into optical signals and vice versa, enabling high speed data transmission over optical fiber
“optoelectronic”	relating to devices or systems that convert electrical signals into optical signals or vice versa
“OPU”	a processor that performs computing tasks using optical signals instead of purely electronic circuits
“PCB”	printed circuit board, a board that mechanically supports and electrically connects electronic components using conductive tracks

GLOSSARY

“PCIe”	a high-speed interface standard for connecting components such as GPUs, storage devices and network cards to the motherboard
“PIC”	a chip that integrates multiple photonic components to generate, process and transmit optical signals
“POC”	a demonstration to verify the feasibility or potential of a proposed design, method or technology
“QUBO”	a mathematical formulation used to represent optimization problems suitable for quantum and classical solvers
“R&D”	research and development, activities focused on the innovation, design and improvement of products, technologies or processes
“ResNet50”	a deep convolutional neural network with 50 layers based on residual learning architecture, commonly used for image recognition and computer vision tasks
“RTL”	register transfer level, a design stage in semiconductor development where the functional behavior of a chip is described using hardware description languages before physical implementation
“scale-out”	an interconnect strategy that focuses on connecting multiple individual computing nodes or servers to form a larger cluster in order to distribute workloads across many systems, scaling the cluster’s overall capacity
“scale-up”	an interconnect strategy that focuses on enhancing the performance and connectivity within a single computing node or a tightly integrated supernode to make a single system vastly more powerful by enabling high-speed communication between its internal components, primarily GPUs and accelerators
“SDK”	a collection of tools, libraries and documentation that helps developers build software for a specific platform or framework
“SiP”	system-in-package, a packaging technology that integrates multiple integrated circuits and components into a single package
“SRAM”	a type of semiconductor memory that stores data using bistable latching circuitry and provides fast access
“supernode”	a high-capacity computing or networking node designed to handle intensive workloads and aggregate large-scale resources

GLOSSARY

“switch”	a network device that connects multiple devices within a network and directs data packets to their intended destinations based on addressing information
“TCO”	total cost of ownership, the overall cost of acquiring and operating an asset over its entire lifecycle, including purchase and maintenance
“TIA”	transimpedance amplifier, an electronic device that converts input current to an output voltage, commonly used in optical receivers
“TOPS”	tera-operations per second, a measure of computing performance representing one trillion operations per second
“transceiver”	a device that combines a transmitter and a receiver to send and receive data signals over optical or electrical communication channels
“wafer”	a thin slice of semiconductor material used as the substrate for fabricating integrated circuits and other microelectronic devices
“xPU”	a general term referring to various types of processing units such as CPU, GPU, TPU or other domain-specific accelerators
“3D TSV”	a vertical electrical connection passing through a silicon wafer, enabling three-dimensional stacking and integration of semiconductor devices

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements and information relating to us and our subsidiary that are based on the beliefs of our management as well as assumptions made by and information currently available to our management which are not historical facts. When used in this Prospectus, the words “aim,” “anticipate,” “believe,” “could,” “expect,” “going forward,” “intend,” “may,” “ought to,” “plan,” “project,” “seek,” “should,” “will,” “would,” “vision,” “aspire,” “target,” “schedules,” and the negative of these words and other similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future, events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the risk factors as described in this Prospectus, some of which are beyond our control and may cause our actual results, performance or achievements, or industry results, to be materially different from that expressed or implied by the forward-looking statements. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing us which could affect the accuracy of forward-looking statements include, but are not limited to, the following: (i) our operations business prospects, business strategies and plans to achieve these strategies; (ii) our ability to maintain relationship with, and the actions and developments affecting, our major customers and suppliers; (iii) future developments, trends, general economic, political and business conditions and changes to the regulatory environment in the industries and markets in which we operate or plan to operate; (iv) our ability to maintain the market leading positions; (v) the actions and developments of our competitors; (vi) our ability to effectively contain costs and optimize pricing; (vii) the ability of third parties to perform in accordance with contractual terms and specifications; (viii) our ability to retain senior management and key personnel and recruit qualified staff; (ix) our ability to defend our intellectual rights and protect confidentiality; (x) the effectiveness of our quality control systems; (xi) change or volatility in interest rates, foreign exchange rates, equity prices, trading volumes, commodity prices and overall market trends, including those pertaining to the industry and markets in which we operate; (xii) our dividend policy; and (xiii) all other risks and uncertainties described in “Risk Factors” and elsewhere.

By their nature, certain disclosures relating to these and other risks are only estimates and should one or more of these uncertainties or risks, among others, materialize, actual results may vary materially from those estimated, anticipated or projected, as well as from historical results. Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this Prospectus, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Prospectus might not occur in the way we expect or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this Prospectus are qualified by reference to the cautionary statements in this section.

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An investment in our H Shares involves significant risks. You should carefully consider all of the information set out in this prospectus, including the risks and uncertainties described below, before making an investment in our H Shares. Particularly, we are a Pre-Commercial Company seeking to list on the Main Board of the Stock Exchange under Chapter 18C of the Listing Rules. Our operations and the specialist technology industry in which we operate involve certain risks and uncertainties, some of which are beyond our control and may cause you to lose all your investments in our H Shares.

The following is a description of what we consider to be our material risks. Our business, financial condition and results of operations could be materially and adversely affected by any of these risks and uncertainties. The trading price of our H Shares could decline due to any of these risks, and you may lose all or part of your investment. These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in “Forward-looking Statements.”

We are a Specialist Technology Company seeking to list on the Main Board of the Stock Exchange under Chapter 18C of the Listing Rules. The securities of Specialist Technology Companies carry high investment risks including risks of share price volatility and inflated valuation due to the difficulty in valuing such companies. Investors should fully understand the investment risks of a Specialist Technology Company and the risks disclosed by us before making their investment decisions.

We are at a relatively early stage of commercialization of our optical interconnect business and optical computing business, as our optical interconnect products only entered into mass production in 2024 and optical computing products have not achieved mass production. In addition, we recorded net losses since our inception. We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into risks related to (i) our business and industry; (ii) our intellectual properties; (iii) our financial position and need for additional capital; (iv) doing business in the jurisdictions where we operate; and (v) the Global Offering. Additional risks and uncertainties that are presently not known to us or not expressed or implied below or that we currently deem immaterial could also harm our business, results of operations, and financial condition. You should consider our business and prospects in light of the challenges we face, including those discussed in this section.

RISKS RELATED TO OUR BUSINESS AND INDUSTRY

We have a limited operating history and our ability to develop and manufacture our products and solutions on a large scale is unproven and still evolving, which makes it difficult to evaluate our current business and predict our future performance. Our historical financial results may not be indicative of our future performance.

We are a development-stage company with limited business operating history since 2017, and our future ability to develop high-quality products that appeal to customers, on schedule, and on a large scale, is unproven and still evolving. Our operations to date have focused on research and development of our products and solutions, establishing and expanding our intellectual property portfolio, as well as enlarging and strengthening our R&D team. Therefore, we have a limited track record in launching, commercializing, sales, and marketing of our products and solutions. Our ability to manufacture and

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deliver our Specialist Technology Products on a large scale is unproven. Due to our limited track record in commercialization, there can be no assurance that our efforts to gain market acceptance of our products and solutions will succeed, that the sales results of our products and solutions will meet our expectations, or that our products and solutions will provide a satisfactory user experience to our customers. Our commercial development and delivery of our products and solutions are, and will be, subject to inherent risks, including with respect to delays or disruptions in our supply chain, quality control deficiencies, compliance with applicable laws and regulations, international trade policies, challenges caused by geopolitics, trade protection measures, cost overruns, and lack of necessary funding, among others, which may adversely affect our business, results of operations, and financial performance.

Furthermore, our limited operating history, particularly in light of the rapidly evolving optical interconnect and optical computing industries, may make it difficult to evaluate the prospects of our current business and reliably predict our future performance. This Prospectus contains certain statements and information that are forward-looking, including but not limited to the statements in “Business — Commercialization and Business Sustainability.” You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions may prove to be inaccurate and as a result, the forward-looking statements based on those assumptions may also be incorrect. We may encounter unforeseen expenses, difficulties, complications, delays, and other business uncertainties. If we do not address these business uncertainties and difficulties successfully, our business will suffer. See also “— Risks Related to the Global Offering — Forward-looking statements contained in this Prospectus are subject to risks and uncertainties.”

The future commercial success of our products and solutions will depend on the degree of their market acceptance and customer demand. Failure to estimate customer demand properly could lead to mismatches between supply and demand.

The future commercial success of our products will depend on the degree of their market acceptance by customers. Given that our R&D and sales cycles can be long and unpredictable, and that we have a limited track record of commercializing our products and solutions, the future commercial success of our products and solutions is subject to inherent uncertainties. We depend on third parties to manufacture and assemble our products and have long manufacturing lead times. This dependence and long lead times could make it difficult to build finished products and maintain inventory in advance of anticipated demand. If our estimates of customer demand are ultimately inaccurate, there could be a significant mismatch between supply and demand, which could result in product shortages, excess inventory, or both for different products, and may significantly harm our results of operations and financial performance.

Demand for our products is based on many factors in addition to lead times that could cause us to either underestimate or overestimate our customers’ future demand for our products, or could otherwise cause a mismatch between supply and demand for our products and impact the timing and amount of our revenue, including but not limited to: competing technologies and competitor product releases and announcements, which may be cheaper or provide better functionality or features than ours; the demand for our solutions and third-party equipment and systems with which our products are used; changes in the macroeconomic environment and changes in business and economic conditions resulting in decreased end demand; geopolitical challenges, such as new or higher tariffs and/or other measures applied by foreign countries on the importation of our products and solutions as well as potential difficulty in working with technology partners in other countries, which may impose export and/or other trade controls on their sharing of technical information with us; rapidly changing technology or

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customer requirements; new product introductions and transitions resulting in less demand for existing products; new or unexpected end use cases, such as the introduction of alternatives to traditional data centers; business decisions made by third parties, such as developers that create applications leveraging our solutions; and decisions by standards setting bodies that favor our competitors or otherwise disadvantage our products, solutions, and/or future product roadmaps or other factors that negatively affect the demand for our offerings.

If we underestimate our customers' demand for our products, our manufacturing partners may not have adequate lead time or capacity to increase production accordingly, and we may not be able to obtain sufficient inventory to fill orders on a timely basis. Even if we are able to increase production levels to meet customer demand, we may not be able to do so in a cost-effective or timely manner, or our manufacturing partners may experience supply constraints. If we fail to fulfill our customers' orders on a timely basis, or at all, our customer relationships could be damaged, we could lose revenue and market share, and our reputation could be harmed.

If we overestimate our customers' future demand for our products, or if customers cancel or defer orders or choose to purchase from our competitors, we may not be able to reduce our inventory or our contractual purchase commitments to third-party suppliers. In the future, we may experience a reduction in average selling prices as a result of our overestimation of future demand. We may also need to increase prices for certain of our products as a result of our suppliers' increase in prices in the future, in which case we may also need to face cancellation penalties from third-party suppliers and record impairments on our inventories. The risk of these impacts may increase if our purchase obligations and amounts prepaid grow while our revenue remains flat or declines. All of these factors may negatively impact our results of operations and financial performance.

The success of our business is dependent upon our ability to introduce products or solutions on a timely basis with features and performance levels that provide value to our customers while supporting and coinciding with significant industry transitions.

Our success depends to a significant extent on the development, implementation, and acceptance of new products that provide value to our customers. Our ability to develop and launch new products/solutions and related technologies to meet evolving industry standard and requirements, at prices acceptable to our customers on a timely basis, are significant factors in determining our competitiveness in our target markets. We cannot assure you that our efforts to execute our product roadmap will result in innovative products/solutions and technologies that provide value to our customers and meet the industry standard and requirements. If we fail to or are delayed in developing or launching new products or technologies that provide value to our customers and address these new trends or if we fail to predict which new functionality, features, or form factors consumers will adopt or to adjust our business accordingly, we may lose competitive positioning, which could negatively affect our business.

If we fail to establish, expand, and optimize an effective sales network for our products and solutions, we may not be able to generate revenue as planned, and our business and results of operations could be adversely affected.

Given the developmental stage of our business, we may not be able to establish, expand, and optimize an effective sales network for our products and solutions. For example, we will have to compete with our competitors to recruit, hire, train, motivate, and retain sales and marketing personnel. Moreover, we may spend significant time in communications with potential customers, project

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evaluation, and design, which could result in longer sales cycles. Our sales cycles are difficult to predict, and the length of our sales cycle can vary substantially from customer to customer. Our sales cycle primarily consists of initial communications with customers, project evaluation and design, proof of concept, demo testing, and contract negotiation. Such long and unpredictable sales cycles exacerbate our risks in establishing an effective sales network. If we fail to establish, expand, and optimize an effective sales network for our products and solutions, we may not be able to generate revenue as planned, and our business could be adversely affected.

Disruptions in our supply chain could delay our development plans.

Our operations and those of our suppliers, contract foundries, and logistics providers may be disrupted by a number of factors, including but not limited to geopolitical uncertainties, increased and/or changing laws and regulations, regulatory compliance issues, natural disasters (such as fires, floods and earthquakes), potential effect of climate change, strikes or other labor disputes, and disruptions in logistics, among other things. A significant disruption in our supply chain that affects the manufacturing or sourcing of our products or components for any reason, including those mentioned above, could interrupt product supply and significantly delay our development plans. Such disruptions, if not remedied, could lead to delay of our research and development plans, loss of orders and customers, litigation or regulatory action, financial penalties, and reputational damage that could materially and adversely affect our business, results of operations, and financial condition.

We are investing heavily in our research and development, and such investment may not generate the results we expect to achieve. Failure in developing, enhancing, or adapting to new technologies and methodologies may make our technologies and products obsolete, which will materially adversely affect our business.

Our technological capabilities and infrastructure are critical to our success. We have been investing heavily in our research and development efforts. In 2023, 2024, and 2025, we incurred research and development expenses of RMB279.8 million, RMB352.1 million, and RMB479.0 million, respectively, accounting for 731.8%, 584.9% and 450.4% of our revenue for the same years. Optical interconnect and optical computing industries are subject to rapid technological changes and are evolving quickly in terms of technological innovation. We need to invest significant resources, including financial and human resources, in research and development to lead technological advancement in order to make our solutions innovative and competitive in the market. As a result, we expect that our research and development expenses will continue to increase in absolute numbers.

Furthermore, research and development activities are inherently uncertain, and we might encounter practical difficulties in commercializing our research and development results. We cannot assure you that we will be able to develop, enhance, or adapt to new technologies and methodologies, successfully identify new technological opportunities, develop and bring new or enhanced products and solutions to market, obtain patent or other intellectual property protection for such new or enhanced products and solutions, or, if such products and solutions are introduced, that they will achieve market acceptance. Given the fast pace with which the technology has been and likely will continue to develop, we may not be able to timely upgrade our technologies in a cost-effective and timely manner, or at all. New technologies in the optical interconnect and optical computing industries could render our technologies, our technological infrastructure or products and solutions that we are developing or expect to develop in the future obsolete or unattractive.

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If we are unable to attract, hire, retain, and motivate our key executives, management and R&D staff, and employees, our business may be harmed.

To be competitive and to execute our business strategy successfully, we must attract, hire, retain, and motivate our key executives, management and R&D staff, and employees and recruit and develop diverse talent. Many of our key executives and management and R&D employees are important to us due to the high entry barriers of the optical interconnect and optical computing industries. Labor is subject to external factors that are beyond our control, including our industry's highly competitive market for skilled workers and leaders, cost inflation, and workforce participation rates. Changes in immigration and work permit regulations or in their administration or interpretation could impair our ability to attract and retain qualified employees. Competition for personnel results in increased costs in the form of cash and stock-based compensation, and in times of stock price volatility, as we may experience in the future, the retentive value of our stock-based compensation may decrease. Failure to retain key executives, management and R&D staff and employees could have an adverse effect on our business, prospects, and results of operations.

We may not compete successfully in the optical interconnect and optical computing industries.

In the optical interconnect and optical computing industries, some key market players have access to their vast resource and prior experience in the fields of optical interconnect and/or optical computing. Furthermore, we have yet to fully develop a sales network and customer base, which are necessary for the build-up of a product ecosystem comparable to that of some of our competitors. We may not be able to compete successfully with such established market players, especially given our limited history of commercialization. As optical interconnect and optical computing products become more and more critical in light of the rapid development of AI and the correlating, growing need for computing power, we also face fierce competition from new market entrants. Such new entrants may include better-established technology companies that possess substantial financial resources, sophisticated technological capabilities and broad sales channels. In addition, we may face competition not only from third-party providers commercializing standalone scale-up optical interconnect solutions, but also from vertically integrated AI computing system providers whose products may incorporate scale-up optical interconnect technologies as part of an overall supernode computing cluster. Although such competitors may offer integrated systems rather than standalone optical interconnect products, customers may nevertheless evaluate such offerings against our products and solutions when making procurement, upgrade or deployment decisions. Furthermore, we may face competition from global technology. Intensified competition could result in lower sales, price reductions, reduced margins, and loss of market share. In addition, we may be compelled to make substantial additional investments in research and development, marketing, and sales in order to respond to such competitive threats, and we cannot assure you that such measures will be effective. If we are unable to compete successfully, or if competing successfully requires us to take costly actions in response to the actions of our competitors, our business, financial condition, and results of operations could be adversely affected.

We are subject to the risks associated with international trade policies, international export controls and economic sanctions, geopolitics and trade protection measures, and our business, financial condition and results of operations could be adversely affected.

Our operations may be negatively affected by deterioration in the political and economic relations among countries, sanctions, and export controls administered by the government authorities in countries with which our operations are connected, and other geopolitical challenges, including increased tariffs, taxes, and other costs and political instability. Jurisdictions such as the United States have adopted and

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may further adopt restrictive measures, policies, laws, and regulations that directly or indirectly affect China-based technology companies. Further, the U.S.-China trade tensions have led to the introduction of high tariffs on a host of goods trading between the two countries, including high-technology goods, semiconductors, and electronics. The trade tensions between the two countries have somewhat de-escalated following recent trade talks in Malaysia, there remains a possibility that the extent and scale of trade restrictions between the two countries could escalate again if either party chooses not to uphold the terms of the comprehensive agreement that has been reached. As such, we cannot predict the implications of the ongoing U.S.-China trade tensions and the resulting impact on our industry and the global economy.

In recent years, the United States has also imposed further export controls on exports and reexports to China via the Export Administration Regulations (the “**EAR**”), administered by the U.S. Department of Commerce’s Bureau of Industry and Security (“**BIS**”). For example, in October 2022 BIS issued an interim final rule aimed at restricting China’s ability to obtain advanced computing integrated circuits, develop and maintain supercomputers, and manufacture advanced integrated circuits. Since that time, BIS has continued to amend its export controls on these items and end uses, including in October 2023, April 2024, December 2024, and January 2025 (together with BIS’s October 2022 interim final rule, collectively referred to as the “**U.S. Advanced Computing Regulations**”). Among other measures, the U.S. Advanced Computing Regulations add to the EAR’s Commerce Control List (a list of commodities, software, and technologies that are subject to export controls) restrict the export of certain advanced and high-performance computing integrated circuits and computer commodities that contain these integrated circuits. These advanced and high-performance computing integrated circuits and related computer commodities now generally require a license prior to the export, reexport, or in-country transfer of such items to and within China, including Hong Kong, and Macau (absent an applicable license exception), if such items are subject to the export controls jurisdiction of the EAR. The U.S. Advanced Computing Regulations also impose new or expanded license requirements for items subject to the EAR destined for an end-use in the development or production of supercomputers, certain types of advanced node integrated circuits, and semiconductor manufacturing equipment in certain jurisdictions, including China. The U.S. Advanced Computing Regulations further restrict certain activities of U.S. persons supporting IC development or production efforts in China. Specifically, under §744.6(c) of the EAR, if a U.S. person knows that an export, reexport, or in-country transfer involves specified activities related to “advanced-node IC” development or production, a license would be required for any shipment, transmission, in-country transfer, facilitation of such shipment or transfer, or servicing (including installation) activities associated with such item, end use, or end user. For the purpose of the EAR, “advanced-node IC” generally refer to a narrow category of highly sophisticated, cutting-edge semiconductor chips subject to enhanced restrictions.

As advised by our International Sanctions Legal Adviser, based on the information we have provided to such advisor, we do not produce or design any advanced-node ICs under the EAR, nor do we (including our U.S. employees) engage in shipment, transmission, in-country transfer, facilitation of such shipment or transfer, or servicing (including installation) activities related to “advanced-node IC.” In addition, we confirm that our U.S. employees do not have the U.S. export control-prohibited dealings with any Chinese customers or other third parties (including suppliers and manufacturing or production partners) that develop or produce integrated circuits at a facility where production of advanced-node ICs occurs. In light of the above, our International Sanctions Adviser is of the view that the Group (including our U.S. employees) are not subject to legal restrictions set forth in §744.6(c) of the EAR.

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Therefore, with regard to the U.S. Advanced Computing Regulations, as advised by our International Sanctions Legal Adviser, based on the information we have provided to such advisor, as of the Latest Practicable Date, we and our employees do not engage in activities that would require a U.S. export license, and our ability to make sales to either our current customers or prospective customers that we expect to sell to as we expand our business has not been materially and adversely impacted. Furthermore, we do not purchase, source, or use items that are currently subject to licensing requirements under the EAR. Our certain patents are registered in the United States; however, as set forth in §734.3(b) of the EAR, information on patents is publicly available and is not subject to the EAR, thus, our Group is not subject to the U.S. export control restrictions due to patents registered in the U.S. Therefore, as advised by our International Sanctions Legal Adviser, based on the information we have provided to such advisor, our current business activities, products and sourced raw materials are not subject to U.S. export license requirement. However, as such export control laws and regulations continue to expand and evolve, our operations and business growth might be materially and adversely affected if more restrictive measures are enacted in the future.

In addition to the circumstances described above, other legal and regulatory developments stemming from international geopolitical dynamics may also give rise to legal and economic uncertainties. For example, in November 2024, the United States directed certain semiconductor factories to cease supplying certain advanced chips to Chinese customers. Additionally, certain reported but unimplemented trade policy proposals may also pose potential adverse impacts on our business operations. For example, on October 23, 2025, Reuters reported that the Trump administration is considering a plan to impose restrictions on a wide array of software-powered exports to China, potentially including chip design software, in response to China's latest round of rare earth export control measures. Such measures, if taking effect, may have material and adverse impact to our supply chain, business performance, and results of operation.

We are a "Covered Foreign Person" under the Outbound Investment Rules administered by the U.S. Department of the Treasury and the activity in which we are engaged may be subject to notification requirement. On October 28, 2024, the U.S. Department of the Treasury issued a final rule to implement Presidential Executive Order 14105 issued on August 9, 2023 entitled "Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern" (commonly referred to as the "**Outbound Executive Order**" and "**OIR Rule**"). The OIR Rule, which took effect on January 2, 2025, imposed certain investment prohibition and notification requirements, additional diligence responsibilities, and record-keeping requirements on U.S. persons and their controlled foreign entities involving new investments in entities associated with China (including Hong Kong and Macau) that are engaged in activities involving any of the following three sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, or (iii) artificial intelligence systems (collectively defined as "**Covered Foreign Persons**"). U.S. persons subject to the OIR Rule are prohibited from making or are required to report certain investments in Covered Foreign Persons, which are defined as "covered transactions." Covered transactions may include, among other things, acquisitions of equity interests, certain debt financing transactions, the formation of certain joint ventures, and certain investments as a limited partner in a non-U.S. person pooled investment fund. The OIR Rule is aimed at exerting greater U.S. government oversight over U.S. direct and indirect investments involving China and may introduce new hurdles and uncertainties for cross-border collaborations, investments, and funding opportunities of China-based issuers, including us.

As advised by Hogan Lovells, our International Sanctions Legal Adviser, because our products and solutions are centered on optical interconnect and optical computing and are built on our proprietary optoelectronic chip design technologies, as advised by our International Sanctions Legal

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Adviser we are a “Covered Foreign Person” engaging in integrated circuit design activities within the “semiconductors and microelectronics” sector that fall within the scope of the “Notifiable Transactions”, rather than the “Prohibited Transactions” under the OIR Rule, based on the following assessment:

- Under the OIR Rule, a “Covered Foreign Person” is defined in 31 CFR 850.209 as a “Person of a Country of Concern” that engages in a “Covered Activity,” or a person that directly or indirectly, holds a board seat on, a voting or equity interest in, or any contractual power to direct or cause the direction of the management or policies of any “Person of a Country of Concern” that engages in a “Covered Activity” and from or through which the person, on an annual basis: derives more than 50 percent of its revenue individually, or as aggregated across all such persons; derives more than 50 percent of its net income individually, or as aggregated across all such persons; incurs more than 50 percent of its capital expenditure individually, or as aggregated across all such persons; or incurs more than 50 percent of its operating expenses individually, or as aggregated across all such persons.
- Our Company is a “Person of a Country of Concern” because we are headquartered in China, and the OIR Rule designates China as a country of concern. In terms of the “Covered Activity”, the OIR Rule defines a “Covered Activity” to be any of the activities referred to in the definitions of “Notifiable Transaction” or “Prohibited Transaction.” In terms of the relative technological sophistication of the activities involved, “Prohibited Transactions” under the OIR Rule are considered to reflect a higher level of advancement than “Notifiable Transactions.” Specifically, our Company engages in the design of certain integrated circuits that are classified by the BIS under export control classification number (“ECCN”) EAR99, 3A991, and 4A994, which could meet the criteria of “Covered Activities” as described in 31 CFR 850.217(a) under the definition of a “Notifiable Transaction.”
- However, we believe that we are not engaged in any “Covered Activities” that fall within the definition of a “Prohibited Transaction” under the OIR Rule, as the integrated circuits we design do not meet or exceed the performance parameters of an integrated circuit as defined in a “Prohibited Transaction”. Thus, investments by, or that are knowingly directed by, a U.S. person would be subject to a notification requirement only.

Pursuant to the OIR Rule, U.S. persons’ purchases of certain publicly traded securities are neither prohibited nor subject to notification to Treasury under an exception in the OIR Rule that applies to U.S. persons’ purchase of “any publicly traded security, with ‘security’ as defined in the U.S. Exchange Act, denominated in any currency, and that trades on a securities exchange in any jurisdiction” (the “**Publicly Traded Securities Exception**”), provided that such U.S. persons or their non-U.S. person subsidiaries are not afforded rights beyond standard minority shareholder protections with respect to the Company. In addition, pursuant to Treasury’s OIR-related Frequently Asked Questions updated on December 23, 2025 (the “**FAQ**”), absent additional facts, when a U.S. person acquires an equity interest in a covered foreign person, and at the time of such acquisition the equity interest is publicly traded, such security falls under the description of a “publicly traded security,” regardless of when an agreement is entered into. In cases of doubt (including as to whether “additional facts” that are relevant under the FAQ are present), U.S. persons (and non-U.S. subsidiaries of U.S. persons) that acquire Shares from us in the Global Offering should consult their legal counsel regarding availability of the Publicly Traded Securities Exception. In general, as advised by our International Sanctions Legal

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Adviser, following Listing, purchases and trading of our publicly traded securities by U.S. persons should be exempted under the Publicly Traded Securities Exception under the OIR Rule and should not have a material adverse impact on our operations. U.S. persons can participate in the Global Offering.

On February 21, 2025, U.S. President Donald J. Trump issued a memo entitled the “America First Investment Policy,” outlining several initiatives to incentivize investment from U.S. allies and partners while restricting investments involving companies from certain other countries, including China. Among other things, this policy suggests that the sectors covered by the OIR Rule may be broadened in the future, and existing exceptions may be narrowed. Any additional restrictions imposed in line with this policy may further deepen the uncertainties for cross-border collaborations, investments, and funding opportunities for China-based issuers, including us. In addition, the OIR Rule could be changed by other U.S. executive actions or legislation, which could include changes to the scope of activities and technologies applicable to “notifiable transactions” or “prohibited transactions” category under the OIR Rule. The OIR Rule could also further limit our ability to raise capital and to invest in certain companies, which may negatively affect our business, financial condition, and prospects. Such U.S. foreign investment laws and regulations are subject to frequent changes, and their interpretation and enforcement involve substantial uncertainties, which may be driven by political and/or other factors that are out of our control. They could also result in negative publicity, require significant time and attention of the management, and subject us to fines, penalties, or orders that we cease or modify our existing business practices. Any of these events may have an adverse effect on our business, financial condition, or results of operations.

Further tightening of U.S. export controls or related restrictions affecting semiconductor fabrication or supply chains could adversely affect our supply chain, product development timeline and costs.

In the past, we engaged Supplier F as our primary fabrication partner for certain tape-out services. Our most recent tape-out services for PACE 2 were completed in June 2024, and since June 2024, we have not engaged in any substantive follow-up collaboration with Supplier F, including any new tape-out activities.

Following the relevant U.S. export control developments, we completed the transition of subsequent projects to fabrication partners in mainland China. Since April 2023, we had already begun engaging alternative fabrication partners to enhance supply chain stability and resilience. By March 2025, based on the circumstances encountered during the release process of the PACE 2 wafers, we concluded that it was appropriate to transition subsequent projects to other domestic fabrication partners. We currently do not maintain active engagements or production activities with Supplier F and do not rely on Supplier F for our ongoing and future production needs.

However, we cannot assure you that further tightening, expansion or reinterpretation of U.S. export controls, sanctions-related measures, licensing policies or other restrictions (if any) affecting semiconductor fabrication services, manufacturing partners, wafer supply, related equipment or the broader semiconductor supply chain will not adversely affect us. Such measures could, among other things, reduce the availability of suitable fabrication partners, require us to undertake additional validation tape-outs and qualification procedures, lengthen our product development and commercialization timeline, increase the manufacturing, validation and procurement costs for our designed chips, or otherwise disrupt portions of our supply chain. Even though we have transitioned away from Supplier F for our ongoing and future production needs, if our domestic or alternative

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supply arrangements are adversely affected by future regulatory changes or market responses to such changes, our business, financial condition, results of operations and prospects could be materially and adversely affected.

Our business depends in part on continued access to third-party chip design tools (e.g. EDA software), and any future restrictions on chip design software, software updates or license renewals could adversely affect our product development and commercialization.

In connection with our business operations, we procure Electronic Design Automation (EDA) tools, which are essential to our product design and development processes. We have procured EDA tools from multiple leading providers from China, Ireland and the U.S. Our current license rights are valid until the fourth quarter of 2026 or the first quarter of 2027, and we currently plan to renew multi-year agreements with relevant EDA providers in mid-2026 to ensure continued access beyond the current license terms. We also have full access to the relevant EDA tools during the term of our existing agreements and are actively cooperating with domestic suppliers to further improve our overall supply chain resilience.

Nevertheless, EDA tools have long been subject to U.S. export licensing considerations when destined for China, and there have been public reports that the U.S. government is considering, or may in the future consider, imposing further restrictions on chip design software, software updates, license renewals or the provision of new licenses to China-based users. If any of our current or future EDA providers, particularly U.S.-based providers, become prohibited from providing us with software updates, new licenses, technical support or renewals, or if the terms on which such tools are made available to us become materially less favorable, our product design and development activities may be disrupted.

We cannot assure you that any replacement could be secured in a timely manner, on commercially reasonable terms, or without requiring material adaptation, migration or additional validation work. Any interruption in our access to relevant EDA tools, software updates or related technical support could reduce our design efficiency, delay R&D progress and product iteration, impair our ability to develop or optimize our products, increase our operating costs, and adversely affect our commercialization timetable, business, financial condition, results of operations and prospects.

We depend on a limited number of customers for a substantial portion of our revenue, and the loss of, or a significant reduction in sales to, one or more of our major customers would adversely affect our business, results of operations and financial condition.

During the Track Record Period, we have generated revenues from a small group of customers during the early stage of commercialization, which may not be indicative of our future customer base and profile. For the years ended December 31, 2023, 2024 and 2025, the aggregate revenue generated from our top five customers accounted in each year for 84.6%, 87.0% and 78.9% of our total revenue, respectively. For the same years, revenue generated from our largest customer in each year during the Track Record Period accounted for 31.1%, 31.8% and 40.6% of our total revenue, respectively. However, we may not be able to effectively reduce customer concentration and our business, results of operations, and financial condition for the foreseeable future may continue to depend on sales to a relatively small number of customers. In the future, our current major customers may decide not to purchase our products or solutions, may purchase fewer of our products or solutions, or may alter their purchasing patterns, including as a result of a transition to products and solutions provided by our

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competitors. If our major customers reduce production, scale back or terminate their business with us, or if we are unable to secure new customers or obtain favorable contractual terms, our business, financial condition and results of operations may be materially and adversely affected.

If items or services essential to the production of our products are not supplied in a timely manner and in adequate quantities, our business could be materially and adversely affected.

Our operations depend upon obtaining adequate supplies of essential items and services on a timely basis, including manufacturing services, assembly and packaging of our products, certain intellectual property, electronic design automation tools and emulators, as well as certain backend and physical design services. If we or our third-party vendors are unable to procure any essential items or services needed in the production process of our products, our business would be materially adversely affected. Due to the complexities of our products, certain items and services used in the production process of our products are available only from a limited number of suppliers, and it is sometimes difficult to substitute one supplier for another in a short period of time. For the years ended December 31, 2023, 2024 and 2025, the aggregate purchases from our top five suppliers in each year during the Track Record Period accounted for 46.2%, 41.4% and 44.0% of our total purchases, respectively. For the same years, purchases from our largest supplier in each year during the Track Record Period accounted for 17.2%, 14.1% and 19.8% of our total purchases, respectively. From time to time, some of these items and services may be subject to rapid changes in price and availability because, for example, suppliers may extend lead times, limit supply, or increase prices due to capacity constraints. Interruption of supply or increased demand in the industry could cause shortages and price increases in various essential items and services. Dependence on a limited number of suppliers exacerbates these risks. In addition, as the technical complexities in many of our products have been increasing, we rely on our third-party suppliers to update their processes so that our production needs are met continuously.

Dependency on third-party suppliers and their services to design, manufacture, assemble, test, or package our products, reduces our control over product quantity and quality and could harm our business.

To facilitate the design process of our offerings, we utilize various items and services provided by third-parties, such as EDA tools and emulators and support services. We may also engage certain design services providers. In addition, we rely on third parties for manufacturing, assembly, and packaging of our products. The design requirements necessary to meet consumer demands for greater functionality from our products may exceed the capabilities of such third-party vendors. We face several risks which could adversely affect our ability to meet customer demand and scale our supply chain, negatively impact longer-term demand for our products and solutions, and adversely affect our business operations, and/or financial results, including: failure by third-party foundries to develop, obtain, or successfully implement high-quality process technologies needed to manufacture our products; a limited number of geographically concentrated third-party suppliers; failure to secure an adequate capacity for manufacturing, assembly, and packaging of our products; loss of one or more key suppliers and the additional expense and/or production delays resulting from the need to identify and reach commercial agreements with alternative suppliers; lack of direct control over product quantity, quality, and delivery schedules; suppliers or their suppliers failing to supply high-quality products or services and/or making changes to their products or services without our prior knowledge or the opportunity to accommodate our products or services to such changes; delays in product shipments, shortages, a decrease in product quality and/or higher expenses in the event our third-party suppliers prioritize our competitors' or other customers' orders over ours; requirements to place orders that are not cancellable or requirements to prepay for orders; low manufacturing yields resulting from a failure in our product design or a

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foundry's proprietary process technology; change of laws and/or regulations, including any international trade policies, geopolitics, and trade protection measures, that result in disruptions in our business relationship with third-party vendors, see “— Risks Related to Our Business and Industry — We are subject to risks associated with international trade policies, international export controls and economic sanctions, geopolitics and trade protection measures, and our business, financial condition and results of operations could be adversely affected.” and “— Risks Related to Our Business and Industry — Disruptions in our supply chain could delay our development plans;” and disruptions in manufacturing, assembly and other processes due to closures related to natural disasters and other incidents.

Our brand is integral to our success. If we fail to effectively maintain, promote, and enhance our brand, our business and competitive advantages may be harmed.

We believe that maintaining, promoting, and enhancing our brand is critical to our business and the successful commercialization of our products. Maintaining and enhancing our brand depends largely on our ability to continue to provide high-quality, well-designed, useful, reliable, and innovative products and solutions, which we cannot assure you we will do successfully. In addition to our ability to provide reliable and useful products and solutions at competitive prices, successful promotion of our brands will also depend on the effectiveness of our marketing efforts. We expect to market our products through our direct sales force, our partners, as well as customers' word-of-mouth referrals. We expect to incur significant marketing costs, and such expenses may not result in sufficient revenue growth to offset them.

Defects in our products could cause us to incur significant expenses to remediate, which could damage our reputation and harm our business prospects.

Our product and solution offerings are complex and may in the future contain defects or security vulnerabilities, or experience failures or unsatisfactory performance due to any number of issues in design, fabrication, packaging, materials, and/or applications in use cases. For example, defects or failure of our products and solutions to perform to their specifications could lead to substantial damage to users. These risks may increase as our offerings are introduced into new devices, markets, technological environment, and applications or as new features are released. These risks further increase when we rely on partners to supply and manufacture components that are used in our products, as these arrangements reduce our direct control over production and quality assurance. We generally remain responsible to the customer for warranty product defects that may occur from time to time. Some failures in our products and solutions in the future may only be discovered after such products and solutions have been delivered or even used for an extended period of time. Undiscovered vulnerabilities in our products and solutions could result in unsatisfactory user experiences, loss of data, or other technical incidents, or could expose our end customers to unscrupulous third parties who develop and deploy malicious software programs that could attack our products and solutions.

Additionally, our efforts to remedy these issues may not be timely or satisfactory to our customers. An error or defect in products and solutions after commercial delivery could result in failure to achieve market acceptance, loss of design wins, temporary or permanent withdrawal of a product from market, harm to our relationships with customers and partners harm to the reputation or our brand, which would in turn negatively impact our results of operations and financial performance. We may be required to reimburse our customers or partners for costs to repair or to replace products in the field or in connection with indemnification obligations, pay fines or be subject to other administrative penalties imposed by regulatory agencies.

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Product, system security, and data protection breaches, as well as cyber-attacks, could disrupt our operations, reduce our expected revenue and increase our expenses, which could adversely affect our results of operations and damage our reputation.

Security breaches, computer malware, social-engineering attacks, denial-of-service attacks, software bugs, server malfunctions, software or hardware failures, loss of data or other information technology assets, and other cyber-attacks are increasingly sophisticated, making it more difficult to successfully detect, defend against them or implement adequate preventative measures. Our ability to recover from ransomware attacks may be limited if our backups have been affected by the attack, or if restoring from backups is delayed or not feasible.

Threat actors, sophisticated nation-states, and nation-state-supported actors now engage and are expected to continue to engage in cyber-attacks. Geopolitical conflicts, including periods of war or major instability, may heighten the risk of cyber-attacks that could materially disrupt our ability to provide products and services. We rely on third-party suppliers to operate certain critical systems, such as cloud infrastructure and authentication technologies, which exposes us to supply-chain vulnerabilities and other business disruptions. We cannot assure that these third parties' systems are secure or free from exploitable defects, and our limited visibility into their security practices, as well as potential lack of direct access to their systems in the event of a breach, may restrict our ability to respond effectively and could adversely affect our operations. Additionally, we are incorporated into the supply chain of a large number of entities worldwide and, as a result, if our products or services are compromised, a significant number of our customers and their data could be affected, which could result in potential liability and harm our business.

To defend against cyber-attacks, we must continuously engineer more secure products, enhance security and reliability features, and continue to develop security measures under customers, industry standards and government regulations, which are expected to result in increased expenses. We may not always be able to detect all vulnerabilities in our security controls, systems or software, including third-party software we have installed, as such threats and techniques change frequently and may not be detected until after a security incident has occurred. Further, we may experience delays in developing and deploying remedial measures designed to address identified vulnerabilities. These vulnerabilities could result in reputational and financial harm.

We hold confidential and proprietary information, including information from partners and customers. Breaches of our security measures, along with reported or perceived vulnerabilities or unapproved dissemination of proprietary information or sensitive or confidential data about us or third parties could expose us and the parties affected to a risk of loss or misuse of this information, potentially resulting in litigation and subsequent liability, regulatory inquiries or actions, damage to our brand and reputation or other harm, including financial, to our business. If we or a third party we rely on experience a security incident, which has occurred in the past, or are perceived to have experienced a security incident, we may experience adverse consequences, including government enforcement actions, additional reporting requirements and/or oversight on processing data, litigation, indemnification obligations, reputational harm, diversion of funds, financial loss, loss of data, material disruptions in our systems and operations, supply chain, and ability to produce, sell and distribute our goods and services, and other similar harms. Inability to fulfill orders, delayed sales, lower margins or lost customers as a result of these disruptions could adversely affect our business, financial results, results of operations and reputation.

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We may be involved in legal proceedings and commercial disputes, which could have a material adverse effect on our business, financial condition, results of operations and reputation.

We may be involved in legal proceedings and commercial disputes, and, as a result, penalties and new claims with material adverse effect on our business, financial condition, results of operations and reputation may arise in the future. Regardless of the merit of particular claims, legal proceedings, such as litigations, injunctions and governmental investigations, may be expensive, time consuming or disruptive to our operations and distracting to management. In recognition of these considerations, we may enter into new or further licensing agreements or other arrangements to settle litigation and resolve such disputes. No assurance can be given that such agreements can be obtained on acceptable terms or that litigation will not occur. These agreements may also significantly increase our operating expenses. If any legal matter is resolved against us or an indemnified third party for amounts in excess of our management's expectations or certain injunctions are granted to prevent us from using certain technologies in our solutions, our business and financial conditions could be materially and adversely affected. For further details regarding our legal proceedings and compliance matters, see the sections headed "Business — Legal Proceedings and Compliance" and "Business — Licenses and Permits."

Actual or alleged failure to comply with privacy, cybersecurity and data protection laws and regulations could damage our reputation, deter current and potential customers from using our solutions and subject us to legal, financial and operational consequences.

We may be subject to laws and regulations regarding privacy, cybersecurity and data protection in China and other areas and jurisdictions. We have adopted various measures to ensure legal compliance. See "Business — Data Security and Privacy" for more information. However, the laws and regulations regarding privacy, cybersecurity and data protection are generally complex and still evolving and changing, and the official interpretation and regulatory guidance for many of these new laws may be limited or ambiguous, making it challenging to assess our obligations or ensure full compliance. If we are unable to comply with the then-applicable laws and regulations, or to address any privacy, cybersecurity and data protection concerns, such actual or alleged failure could damage our reputation, deter current and potential customers from using our solutions and could subject us to legal, financial and operational consequences.

Rumors or negative publicity involving our Company, our products and solutions, our management, our customers, our business partners or our industry in general may materially and adversely affect our reputation, business, results of operations and growth prospects.

Rumors or negative publicity involving our industry, our Company, our products and solutions, our management, our customers or our business partners in the future may also materially and adversely harm our business and reputation. We cannot preclude media reports of a similar nature or similar allegations from other parties from being made in the future, nor can we assure you that we will be able to defuse such negative publicity to the satisfaction of our investors, customers and business partners or prevent related misconception and other damages caused by such reports. We may have to incur significant expenses and divert our management's time and attention in order to remedy the effects of these negative reports or allegations even if they are baseless, which may adversely affect our results of operations.

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Our limited insurance coverage could expose us to significant costs and business disruption.

We purchased insurance for our properties, equipment, and inventories. In line with general market practice and as of the Latest Practicable Date, we did not maintain key-man insurance, which are not mandatory under PRC laws. Our current insurance coverage may not be sufficient to prevent us from any loss and there is no certainty that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected. If such risk materializes, we may also suffer substantial losses as we do not have insurance coverage.

We face risks related to natural disasters, health epidemics and other outbreaks of contagious diseases.

Our business could be adversely affected by natural disasters or outbreaks of epidemics. These natural disasters, outbreaks of contagious diseases and other adverse public health developments in any market where we currently operate or where we plan to operate in the future could severely disrupt our business operations by damaging our network infrastructure or information technology system or impacting the productivity of our workforce, which may adversely affect our financial condition and results of operations.

Failure to comply with the PRC regulations regarding contribution of social insurance premium or housing provident fund may subject us to fines and other legal or administrative penalties.

Companies operating in mainland China are required to participate in various government sponsored employee benefit plans, including certain social insurance and housing provident funds. As of June 30, 2025, we had identified two minor instances of non-compliance, specifically: (i) two subsidiaries had engaged a third-party agency to make social insurance and housing provident fund contributions for three employees; and (ii) one subsidiary had not made social insurance contributions for one expatriate employee. Both identified issues were fully rectified by September 30, 2025. Furthermore, the relevant subsidiaries have subsequently obtained certificate from the local social insurance and housing provident fund management centers certifying that there is no history of administrative penalties related to the housing provident fund. The likelihood of any material penalties or sanctions being imposed by the regulatory authorities is considered low. Given that the aggregate amount of the underpaid social insurance and housing provident fund contributions involved was not significant, no provision has been made in our financial statements for any potential additional contributions payable in relation to these instances of non-compliance. We cannot assure you that the competent authority will not require us to rectify any noncompliance by making contribution of overdue social insurance premium or to pay any overdue fine or penalty related thereto. This in turn may adversely affect our business, financial condition and results of operations.

As PRC laws and regulations regarding participating in and contribution to employee benefit plans are still evolving, we cannot assure you that making contributions to the housing provident funds for foreign employees and employees with Hong Kong, China, Macao, China and Taiwan, China residency will not be a compulsory obligation for employer operating in mainland China in the future, so we could be required to provide additional compensation for certain of our employees and our business, financial condition and results of operations may be adversely affected.

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Climate change may have a long-term impact on our business.

Climate change may adversely affect our business, operations and results. Extreme weather events, disruptions to water and energy supply, and impacts on global supply chains and critical infrastructure may interrupt our operations and those of our customers and suppliers, leading to increased costs and operational challenges. In addition, climate-related laws and regulations, including carbon taxes, energy taxes and emission limits, may increase our compliance, capital and operating expenses and require changes to our manufacturing processes and product design. Such developments could expose us to regulatory risks, contractual disputes, reputational harm and higher litigation and compliance costs, and may adversely affect our business, financial condition and results of operations.

RISKS RELATED TO OUR INTELLECTUAL PROPERTIES

If we are unable to obtain and maintain patent and other intellectual property protection for our technologies or products, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties could develop and commercialize products and technologies similar or identical to ours and compete directly against us, and our ability to successfully commercialize any product or technology may be adversely affected.

We seek to protect the technology that we consider commercially important by filing patent applications in the PRC and other jurisdictions, relying on patent or trade secrets or employing a combination of these methods. For further information on our patent portfolio, see “Business — Intellectual Property.” If we or our licensors fail to obtain or maintain adequate patent and other intellectual property protection for our technologies, our business and financial performance could be materially harmed. Patent prosecution is costly, time-consuming and complex, and we may be unable to secure, maintain or enforce necessary patents in a timely or cost-effective manner across all jurisdictions. As intellectual property protection varies by country, we may not be able to prevent competitors or third parties from developing and commercializing competing products or technologies. We may fail to timely identify and protect patentable aspects of our R&D results. Confidentiality agreements with employees, collaborators or contract manufacturers may be breached, and premature disclosure could jeopardize our ability to obtain patent protection. In addition, we cannot be certain that we were the first to invent or file patent applications for the technologies claimed in our patents or pending applications.

When patent applications that we currently hold are issued as patents in the future, they may not be issued in a form that will provide us with any meaningful protection, prevent competitors or other third parties from competing with us, or otherwise provide us with any competitive advantage. Furthermore, any patents that we hold, or in-license may be challenged, narrowed, circumvented, or invalidated by third parties. In addition to our patented technology, we also rely on unpatented proprietary technology, trade secrets, processes and know-how. We can not assure that we will be able to maintain the confidentiality of any of such unpatented proprietary technology, trade secrets, processes and know-how, or that others will not independently develop substantially equivalent technology, trade secrets, processes and know-how. The failure or inability to protect these unpatented proprietary technology, trade secrets, processes and know-how could have a material adverse effect on our results of operations. Moreover, there can be no assurance that our products utilizing such unpatented proprietary technology, trade secrets, processes and know-how will not infringe on the rights of others. If disputes arise in such circumstances, we may be forced to expend substantial resources if we have to defend against any such infringement claims.

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We may be subject to intellectual property infringement claims, which could be time consuming or costly to defend, may lead to unfavorable publicity, and may result in diversion of our financial and management resources.

We cannot be certain that our operations or any aspects of our business do not or will not infringe upon or otherwise violate intellectual property rights held by third parties. We may from time to time be subject to such infringement claims. We cannot assure you that holders of patents purportedly relating to some aspect of our technology infrastructure or business, if any such holders exist, would not seek to enforce such patents against us in China or any other jurisdictions. Defending against such infringement or licensing allegations and claims is costly and time consuming and may divert management's time and other resources from our business and operations, and the outcome of many of these claims and proceedings cannot be predicted. If a judgment, a fine or a settlement involving a payment of a material sum of money were to occur, or an injunctive relief was issued against us, it may result in significant monetary liabilities and may materially disrupt our business and operations by restricting or prohibiting our use of the intellectual property in question, we may have to redesign or discontinue selling the products or solutions involved, and our business, financial position and results of operations could be materially and adversely affected.

Confidentiality agreements and non-compete covenants with employees and other third parties may not adequately prevent the disclosures of trade secrets and other proprietary information.

We have devoted substantial resources to the development of our technology and know-how. Although we enter into employment agreements with confidentiality, non-compete covenants and intellectual property ownership clauses with our employees, we cannot assure you that these agreements will not be breached, that we will have adequate remedies for any breach in time or at all, or that our proprietary technology, know-how or other intellectual property will not otherwise become known to third parties. We may hire employees who have previously worked for our competitors. There can be no assurance that such employees will not use their previous employers' proprietary know-how or trade secrets in their work for us. In addition, others may independently discover trade secrets and proprietary information, limiting our ability to assert any proprietary rights against such parties. It could be necessary to initiate costly and time-consuming litigations in order to enforce or to determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive position, business, financial position and results of operations.

RISKS RELATED TO OUR FINANCIAL POSITIONS AND NEED FOR ADDITIONAL CAPITAL

We have incurred significant losses and net operating cash outflows since inception, and may not be able to achieve or subsequently maintain profitability in the near future.

Since our inception, we have incurred net losses in 2023, 2024 and 2025, of RMB413.5 million, RMB735.3 million and RMB1,342.4 million, respectively. We have also incurred net cash outflows used in operating activities of RMB176.3 million, RMB181.8 million and RMB361.1 million, respectively. Substantially all of our net losses during the Track Record Period resulted from costs and expenses incurred by our research and development activities, which significantly exceeded the revenue we recognized for the same years. Our ability to generate revenue and achieve profitability depends significantly on our success in commercializing our products and solutions, which we may not be able to do in a timely manner or at all.

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We expect to continue to incur net losses in the foreseeable future and that these net losses may increase as we carry out certain activities, including but not limited to the following: make efforts, such as establishing a sales network, to enable the commercialization of products and solutions in our pipeline; seek to develop additional products and solutions to further expand our product pipeline; develop, maintain, expand and protect our intellectual property portfolio; attract and retain skilled personnel and talent; and incur additional legal, accounting, investor relations, insurance and other expenses associated with operating as a public company. Even if we achieve profitability in the future, we may not be able to sustain profitability in subsequent years thereafter. Our net losses have had, and will continue to have, an adverse effect on our working capital and shareholders' equity. Our failure to become and remain profitable may affect perception of the potential value of our Company and could impair our ability to raise additional capital, expand our business or continue our operations.

We had net liabilities and net current liabilities positions in the past and may not be able to achieve or maintain net assets and net current assets position in the future.

As of December 31, 2023, 2024 and 2025, we recorded net liabilities of RMB2,427.0 million, RMB3,052.9 million and RMB4,247.9 million, respectively. Our net liabilities position was in part due to financial instruments issued to investors, which consist of preferred shares, convertible debentures, contingent forward and financial instruments issue to investors with preference rights in the Company. Please refer to the section headed "Financial Information" and Note 34 to the Accountant's Report set out in Appendix I in this Prospectus for further details. As of December 31, 2023, 2024 and 2025, our financial instruments issued to investors amounted to RMB3,052.0 million, RMB3,821.7 million and RMB4,924.2 million, respectively. We expect that the fluctuations in the fair value changes of our financial instruments will affect our financial position until the Listing Date.

We may not be able to obtain additional capital when desired, on favorable terms or at all.

A majority of our operating expenses are for R&D activities. Our capital requirements will be subject to many factors, including, but not limited to: technological advancements; market acceptance of our products and solutions and product and solution enhancements, and the overall level of sales of our products and solutions; R&D expenses; our relationships with our customers and suppliers; our ability to control costs; sales and marketing expenses; and general economic conditions, inflation, rising interest rates and international conflicts and their impact on our industry.

If our capital requirements are materially different from those currently planned, we may need additional capital sooner than anticipated. Additional financing may not be available on favorable terms, on a timely basis, or at all. If adequate funds are not available or are not available on acceptable terms, we may be unable to continue our operations as planned, develop or enhance our products and solutions, expand our sales and marketing programs, take advantage of future opportunities, or respond to competitive pressures. Furthermore, we may in the future raise additional capital through means including the issuance of securities, in which case the ownership interests of our existing shareholders may be diluted. Concurrent with such capital raising efforts, our public float may increase, and the market price of our common stock may decline significantly as a result of subsequent sales of the securities issued, or the perception that such sales may occur.

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We have granted options in the past under our employee incentive plan and may continue to grant options and other share-based awards in the future, which may result in increased share-based compensation expenses and have an adverse effect on our future profitability.

We have granted options to provide additional incentives to employees and consultants. We recorded share-based compensation expenses of RMB54.7 million, RMB60.1 million and RMB205.0 million, in 2023, 2024 and 2025, respectively. We believe the granting of share-based awards is of significant importance to our ability to attract and retain key personnel and employees, and we will continue to grant share-based awards to employees in the future. As a result, our expenses associated with share-based compensation may increase, which may have an adverse effect on our results of operations.

We face exposure to fair value change and valuation uncertainty of financial assets at fair value through profit or loss.

As of December 31, 2023, 2024 and 2025, we had financial assets at fair value through profit or loss of RMB11.0 million, nil and RMB325.0 million, respectively, which primarily represented structured deposits that we purchased. After Listing, we may continue to face exposure to fair value change of financial assets measured at fair value through profit or loss. We may recognize fair value losses on the financial assets at fair value through profit or loss, which would affect our results of operations for future years. In addition, the valuation of financial assets at fair value through profit or loss is subject to uncertainties due to the use of unobservable inputs. Such estimated fair values involve the exercise of professional judgment and the use of certain bases, assumptions and unobservable inputs, which, by their nature, are subjective and uncertain. As such, the valuation of financial assets at fair value through profit or loss has been, and will continue to be, subject to uncertainties in estimations, which may not reflect the actual fair value of these financial assets and result in fluctuations in profit or loss from year to year.

The discontinuation of any of the government grants or incentives currently available to us could adversely affect our business, financial condition, results of operations and prospects.

We receive government grants from the PRC government. In 2023, 2024 and 2025, our government grants amounted to RMB13.9 million, RMB72.4 million and RMB191.7 million, respectively. We cannot assure you that we will continue to be eligible to receive such government subsidies or that the amount of such subsidies will not be reduced in the future. Our ability to continue to enjoy government subsidies is subject to changes in national or local policies, and may be affected by the termination of, or amendments to, such policies for any number of reasons, including those beyond our control. Any decrease in or termination of such government subsidies in the future may have an adverse effect on our financial condition, results of operations and prospects. Our growth depends in part on government spending and favorable government policies in respect of the industries in which we operate. However, such policies may be subject to changes that are beyond our control. There can be no assurance that government policies will continue. Changes in such policies may have a material adverse impact on our business, financial condition and results of operations.

We are subject to credit risks of some of our customers.

As of December 31, 2023, 2024 and 2025, our trade receivables amounted to RMB5.2 million, RMB19.2 million and RMB87.2 million, respectively. See “Financial Information” for details. We may not be able to collect all trade receivables due to a variety of factors that are outside of our control.

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Adverse changes in our customers' financial conditions may be challenging for us to detect and monitor, and may negatively affect the length of time to collect associated trade receivables or the likelihood of ultimate collection, which would in turn have a material and adverse effect on our results of operations, financial performance and business prospects.

Failure of inventory management may have a material and adverse effect on our business.

We had inventories of RMB15.1 million, RMB27.8 million and RMB28.5 million as of December 31, 2023, 2024 and 2025, respectively. See "Financial Information" for details. During the Track Record Period, our inventories primarily consisted of raw materials, work in progress and finished goods. We depend on proper demand forecasts to make procurement and product development plans. Such demand, however, can change significantly between the points of time inventories are ordered and the date by which we plan to sell them. Demand may be affected by changes of competitive landscape, new product launches, pricing and discounts, changes in customers' demand, and other factors. If we overestimate demand for our products and fail to manage our inventories effectively, we may be subject to higher stocking costs, heightened risks of inventory obsolescence, decline in inventory value, and inventory write-offs. If we underestimate demand for our products, or if our suppliers fail to supply quality products in a timely manner, we may experience inventory shortages, which might result in loss of revenue. Any of the above may materially and adversely affect our results of operations and financial performance.

We are exposed to risks relating to fluctuations in our trade receivables, inventory and trade payables turnover days, which may lead to fluctuations in our cash flows and working capital levels.

During the Track Record Period, our trade receivables, inventory and trade payables turnover days fluctuated. In particular, (i) our trade receivables turnover days increased from 27 days in 2023 to 74 days in 2024, and further to 183 days in 2025, (ii) our inventory turnover days changed from 187 days in 2023 to 281 days in 2024 to 159 days in 2025, and (iii) our trade payables turnover days changed from 27 days in 2023 to 46 days in 2024 to 36 days in 2025. Such fluctuations may indicate changes in our collection cycle, inventory management efficiency and payment terms with suppliers.

If we experience a lengthening in our trade receivables turnover days without a corresponding extension in our trade payables turnover days, or if our inventory turnover slows, we may experience fluctuations in our working capital levels and cash flow position. In addition, any delay in customer payments or changes in inventory turnover may affect the timing of our cash inflows and outflows. As a result, our liquidity position and cash conversion cycle may be subject to fluctuations, which could have an adverse effect on our business, financial condition and results of operations.

RISKS RELATED TO DOING BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE

We may be subject to additional regulatory requirements under new laws and regulations on overseas offerings and listings issued by PRC governmental authorities.

On July 6, 2021, the relevant PRC governmental authorities issued the Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law (《關於依法從嚴打擊證券違法活動的意見》). These opinions emphasized the needs to strengthen the administration over illegal securities activities and the supervision on overseas listings by China-based companies and proposed to take effective measures. On February 17, 2023, the CSRC promulgated the Trial Administrative

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Measures for Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “Overseas Listing Trial Measures”) along with five relevant guidelines, which became effective on March 31, 2023. The Overseas Listing Trial Measures require, among others, that PRC domestic companies that seek to initially offer and list securities in overseas markets, either directly or indirectly, shall file the required documents with the CSRC within three business days after its application for overseas listing is submitted. On February 24, 2023, the CSRC, the MOF, the National Administration of State Secrets Protection of China, and the National Archives Administration of China published the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the “Archives Rules”), which came into effect on March 31, 2023. The Archives Rules require that, in relation to the overseas securities offering and listing activities of domestic enterprises, either in direct or indirect form, such domestic enterprises, as well as securities companies and securities service institutions providing relevant securities services, are required to strictly comply with applicable laws, regulations and requirements on confidentiality and archives management, establish a sound confidentiality and archiving system, and take necessary measures to implement their confidentiality and archive management responsibilities. The interpretation and implementation of the Archives Rules may keep evolving, failure to comply with which may materially and adversely affect our business, results of operations or financial conditions.

The legal system is evolving, and the interpretation and implementation of laws, rules and regulations, typically existing in the civil law systems, could affect our business and impede our ability to continue our operations.

The mainland China legal system is a civil law system based on written statutes, mainland China’s legal system is still evolving, and the laws and regulations governing our business activities may change in the future. If we fail to respond to changes in the regulatory environment in the jurisdiction where we operate, could materially and adversely affect our business and impede our ability to continue our operations, and may further affect the legal remedies and protections available to investors, which may, in turn, adversely affect the value of your investment.

Evolving of PRC laws and regulations relating foreign investment in the PRC may affect our business and results of operations.

Laws regulating foreign investment in China include the PRC Foreign Investment Law (《中華人民共和國外商投資法》), or the PRC FIL, effective from January 1, 2020, and the Regulation on Implementing the PRC Foreign Investment Law (《中華人民共和國外商投資法實施條例》), or the Implementation Regulations, effective from January 1, 2020. The PRC FIL specifies that foreign investments shall be conducted in line with the “negative list” to be issued or approved to be issued by the State Council. The Special Management Measures (Negative List) for the Access of Foreign Investment (2024) (《外商投資准入特別管理措施(負面清單) (2024年版)》), the “**Negative List**” issued by the NDRC and MOFCOM, which set out in a unified manner the restrictive measures for the access of foreign investments such as the requirements for equity and senior management, and the industries that are prohibited for foreign investment. As of the Latest Practicable Date, our main business in China does not fall within the Negative List. However, certain industries are specifically prohibited for foreign investment, which may restrict us from entering into these industries afterwards. Also, we cannot assure you that the PRC government will not render part of our business in China within the Negative List. If we fail to adjust our corporate structure or business line to comply with the newly issued laws and regulations relating to foreign investment in the future, our business, financial condition and results of operations may be adversely affected.

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Fluctuations in exchange rates could result in foreign currency exchange losses.

The value of the Renminbi against the Hong Kong dollar, the U.S. dollar and other currencies fluctuates, is based on rates set by the People's Bank of China, which is affected by changes in global and geographical political and economic conditions, supply and demand in the monetary markets, and economic and political developments domestically and internationally, among other things.

The proceeds from the Global Offering will be received in Hong Kong dollars. As a result, any appreciation of the Renminbi against the Hong Kong dollar may result in a decrease in the value of our proceeds from the Global Offering. Conversely, any depreciation of the Renminbi may adversely affect the value of, and any dividends payable on, our Shares in a foreign currency. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. All of these global and geographical political and economic factors could materially and adversely affect our business, financial condition, and results of operations and prospects, and could reduce the value of, and dividends payable on, our Shares in foreign currency terms.

Laws and regulations over currency conversion and on the remittance of Renminbi into and out of the PRC may affect our utilization of our revenue and affect the value of your investment.

The PRC government imposes laws and regulations on the convertibility of the Renminbi into foreign currencies and, in certain cases, the remittance of Renminbi into and out of the PRC. A substantial majority of our revenue is denominated in Renminbi, which is currently not a fully freely convertible currency under existing PRC foreign exchange regulations. A portion of our revenues may be converted into other currencies in order to meet our foreign currency demands or financing requirements we may have. Moreover, we are also currently required to obtain the SAFE or its local counterpart's approval before converting significant sums of foreign currencies into Renminbi. If the foreign exchange regulation system makes it difficult for us to obtain sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends or other payments in foreign currencies.

Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval of SAFE by complying with certain procedural requirements. However, approval from or registration with appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted out of the PRC to pay capital expenses such as the repayment of loans denominated in foreign currencies. If we do not meet the procedural requirements in respect of the foreign exchange administration, we may not be able to obtain sufficient foreign currencies to satisfy our foreign currency demand and may also not be able to pay dividends in foreign currencies to our Shareholders.

Our operations are subject to and may be affected by changes in PRC tax laws and regulations.

We are subject to periodic examinations on fulfillment of our tax obligation under the PRC tax laws and regulations by PRC tax authorities. Furthermore, the PRC government may adjust or change its tax laws and regulations in response to changing economic and other conditions. For example, under the Individual Income Tax Law of the People's Republic of China (the "IIT Law") (《中華人民共和國個人所得稅法》), which was amended on August 31, 2018 and came into effect on January 1, 2019, foreign nationals who have no domicile in China but have resided in the PRC for a total of 183 days or more in a tax year would be subject to PRC individual income tax on their income gained within or

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outside the PRC. To comply with this rule, our ability to attract and retain highly skilled foreign scientists and research personnel to work in China may be affected, which may in turn have an adverse effect on our business, financial condition, results of operations, cash flows and prospects.

If our preferential tax treatments are revoked, become unavailable or if the calculation of our tax liability is successfully challenged by the PRC tax authorities, we may be required to pay tax, interest and penalties in excess of our tax provisions, and our results of operations could be materially and adversely affected.

We enjoy various types of preferential tax treatment according to the prevailing PRC tax laws. If our preferential tax treatments are revoked, become unavailable or if the calculation of our tax liability is successfully challenged by the PRC tax authorities, the discontinuation of any of the various types of preferential tax treatment we enjoy could materially and adversely affect our results of operations. See “Financial Information — Taxation — Mainland China.”

Holders of our H Shares may be subject to PRC income tax obligations.

Under the current PRC tax laws and regulations, non-PRC resident individuals and non-PRC resident enterprises are subject to different tax obligations with respect to the dividends paid to them by us and the gains realized upon the sale or other disposition of H Shares. Non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate for the income derived in China under the IIT Law and its implementation guidelines. Accordingly, we are required to withhold such tax from dividend payments, unless applicable tax treaties between China and the jurisdiction in which the foreign individual resides reduce or provide an exemption for the relevant tax obligations. In addition, under the IIT Law and its implementation regulations, non-PRC resident individual holders of H shares are subject to individual income tax at a rate of 20% on gains realized upon the sale or other disposition of H shares. As of the Latest Practicable Date, no aforesaid provisions have expressly provided that individual income tax shall be levied non-PRC resident individual holders on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges, and to our knowledge, no such individual income tax was levied by PRC tax authorities in practice. If such tax is collected in the future, the value of such individual holders’ investments in H shares may be affected.

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

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Despite the arrangements mentioned above, the interpretation and application of applicable PRC tax laws and regulations by the competent tax authorities are subject to changes and are still evolving and it is difficult for us to predict how PRC tax authorities will interpret and implement the EIT Law and its implementation rules, including whether and how enterprise income tax on gains derived upon the sale or other disposition of H shares will be collected from non-PRC resident enterprise holders of H Shares. If such tax is collected in the future, the value of your investment in our H Shares may be affected.

It may be difficult to effect service of process upon our Directors or executive officers or to enforce certain judgments against us.

A majority of our Directors and our senior management personnel reside within the PRC, and a majority of their assets are located within the PRC. As a result, due to the difference in legal systems, it may be difficult for investors to effect service of process within certain jurisdictions outside the PRC upon us or most of our directors and senior management. Furthermore, the recognition and enforcement of a foreign judgement is subject to the satisfaction of certain conditions provided under the applicable PRC law, and the PRC does not have treaties providing for the reciprocal enforcement of judgments of courts with the United States, the United Kingdom, Japan or many other countries. In addition, Hong Kong has no arrangement for the reciprocal enforcement of judgments with the United States. As a result, failure to satisfy the conditions in respect of the recognition and enforcement of a foreign judgement and the absent of treaties providing for the reciprocal enforcement, recognition and enforcement in China or Hong Kong of judgments of a court obtained in the United States and any of the other jurisdictions mentioned above may be difficult, as the case in many other jurisdictions.

On January 18, 2019, the Supreme People's Court and the government of the Hong Kong Special Administrative Region entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the “**New Arrangement**”), which seeks to establish a mechanism with further clarification on and certainty for reciprocal recognition and enforcement of judgments in a wider range of civil and commercial matters between Mainland China and Hong Kong. The New Arrangement discontinued the requirements for a choice of court agreement for bilateral recognition and enforcement. Under the New Arrangement, any party concerned may apply to the relevant PRC court or Hong Kong court for recognition and enforcement of the effective judgments in civil and commercial cases subject to the conditions set forth in the New Arrangement. Although the New Arrangement has been signed, the outcome and effectiveness of any action brought under the New Arrangement will be subject to the PRC courts further adjudication in accordance with PRC laws, including the PRC civil procedure law.

RISKS RELATED TO THE GLOBAL OFFERING

There has been no prior public market for our H Shares and the liquidity and market price of our H Shares may be volatile.

Prior to the completion of the Global Offering, there has been no public market for our H Shares. There can be no guarantee that an active trading market for our H Shares will develop or be sustained after the completion of the Global Offering. The Offer Price is the result of negotiations between our Company, the Joint Global Coordinators and the Overall Coordinators (for themselves and on behalf of

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the Underwriters), which may not be indicative of the price at which our H Shares will be traded following completion of the Global Offering. The market price of our H Shares may drop below the Offer Price at any time after completion of the Global Offering.

The trading price of our H Shares may be volatile, which could result in substantial losses to you.

The trading price of our H Shares may be volatile and could fluctuate widely in response to factors beyond our control, including general market conditions of the securities markets in Hong Kong, China, the United States and elsewhere in the world. In particular, the performance and fluctuation of the market prices of other companies with business operations located mainly in mainland China that have listed their securities in Hong Kong may affect the volatility in the price of and trading volumes for our H Shares. A number of mainland China-based companies have listed their securities, and some are in the process of preparing for listing their securities, in Hong Kong. Some of these companies have experienced significant volatility, including significant price declines after their initial public offerings. The trading performances of the securities of these companies at the time of or after their offerings may affect the overall investor sentiment towards mainland China-based companies listed in Hong Kong and consequently may impact the trading performance of our H Shares. Pursuant to the PRC Company Law, within the one year following the date of listing, shares issued prior to the listing shall not be transferred. Due to such lock-up requirement, the liquidity and trading volume of the H Shares in the short-term following the Global Offering may be significantly affected. These factors may significantly affect the market price and volatility of our H Shares, regardless of our actual operating performance.

Future sales or perceived sales of substantial amounts of our H Shares in the public market could have a material adverse effect on the price of our H Shares and our ability to raise additional capital in the future.

The market price of our H Shares could decline as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the public market, or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. The H Shares held by our existing Shareholders are subject to certain lock-up periods beginning on the date on which trading in our H Shares commences on the Stock Exchange. We cannot assure you that our existing Shareholders will not dispose of any H Shares they may own now or in the future. See “History, Development and Corporate Structure — Lock-up Under Chapter 18C of the Listing Rules and Free Float” for details. Future sales, or anticipated sales, of substantial amounts of our securities, including any future offerings, could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our shareholders may experience dilution in their holdings if we issue more securities in the future. New shares or shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares.

Our Single Largest Shareholders have significant influence over us and their interests may not always be aligned with the interests of our other Shareholders.

Immediately following the completion of the Global Offering, our Single Largest Shareholders will control an aggregate of 29.55% of voting rights in our Company immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised) of our Company. Our Single Largest Shareholders will, through their voting power at the Shareholders’ meetings and their delegates or positions on the Board, have significant influence over our business and affairs, including decisions in respect of mergers or other business combinations, acquisitions or dispositions of assets, issuance of additional Shares or other equity securities, timing and amount of dividend payments, election of Directors and matters relating to our management and other significant corporate matters. Our Single Largest Shareholders may not act in the best interests of our minority

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Shareholders. This concentration of ownership may also discourage, delay or prevent a change in control of our Company, which could deprive our Shareholders of an opportunity to receive a premium for the Shares in the event of a sale of our Company and may significantly reduce the price of our H Shares.

You will incur immediate and substantial dilution if the Offer Price of the Offer Shares is higher than the net tangible asset value per H Share and may experience further dilution if we issue additional Shares in the future.

The Offer Price of the Offer Shares is higher than the net tangible asset value per H Share immediately prior to the Global Offering. Therefore, purchasers of the Offer Shares in the Global Offering will experience an immediate dilution in pro forma consolidated net tangible asset value. There can be no assurance that if we were to immediately liquidate after the Global Offering, any assets will be distributed to Shareholders after the creditors' claims. To expand our business, we may consider offering and issuing additional Shares in the future. Purchasers of the Offer Shares may experience dilution in the net tangible asset value per Share of their Shares if we issue additional Shares in the future at a price which is lower than the net tangible asset value per Share at that time.

Any possible conversion of Unlisted Shares into H Shares could increase the supply of H Shares in the market, which will negatively impact the market price of H Shares.

According to the stipulations by the CSRC and the Articles of Association, all of our Unlisted Shares may be converted into H Shares, and such converted Shares may be offered or traded on an overseas stock exchange. Any offering or trading of the converted Shares on an overseas stock exchange shall also comply with the regulatory procedures, rules and requirements of such stock exchanges. However, the PRC Company Law provides that in relation to the listing of a company, the shares of that company which are issued prior to the listing shall not be transferred within one year from the date of the listing. Therefore, shares currently held on our Unlisted Share register may be traded, after the conversion, in the form of H Shares on the Stock Exchange after one year of the Listing, which could further increase the supply of our H Shares in the market and could negatively impact the market price of our H Shares.

Payment of dividends is subject to restrictions under PRC law.

Under the PRC law, dividends may be paid only out of distributable profit. Distributable profit is our profit as determined under PRC GAAP or IFRS, whichever is lower, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. We may not have sufficient or any distributable profit to enable us to make dividend distributions to our Shareholders, including in years in which we are profitable. Any distributable profit not distributed in a given year is retained and available for distribution in subsequent years. In addition, we are required to comply with the dividend distribution rules prescribed by the PRC regulatory authorities when determining our dividend payout ratios. The PRC regulatory authorities may further amend the dividend distribution rules for listed companies in the future, which could significantly affect the amount of capital available to support the development and growth of our business. Moreover, as the calculation of distributable profits under PRC GAAP is different from the calculation under IFRS in certain respects, our subsidiaries may not have distributable profits as determined under PRC GAAP, even if they have profits for that year as determined under IFRS, or vice versa. Accordingly, we may not receive sufficient distributions from our subsidiaries. Failure by our subsidiaries to pay dividends to us could have a negative impact on our cash flows and our ability to make dividend distributions to our Shareholders in the future, including those years in which our financial statements indicate that our operations have been profitable.

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Certain statistics in this Prospectus derived from official government sources have not been independently verified.

Certain facts, forecasts, estimates and other statistics contained in this Prospectus relating to the economy and the industry in which we operate have been derived from official government sources. While we have exercised reasonable care in compiling and reproducing such information from official government publications, we cannot assure you, and we do not make any representation as to, the accuracy, completeness or reliability of such information derived from official government sources. Neither we nor any of our respective affiliates or advisers, nor the Joint Sponsors, the Joint Global Coordinators, the Overall Coordinators, the Joint Bookrunners, the Capital Market Intermediaries, the Joint Lead Managers, the Underwriters or any other party involved in the Global Offering, has independently verified the information in this Prospectus that has been derived from official government sources. Such information may be subject to limitations inherent in official collection methods or reporting practices and may not be directly comparable to similar information prepared or published in respect of other countries, regions or markets.

Forward-looking statements contained in this Prospectus are subject to risks and uncertainties.

This Prospectus contains certain statements and information that are forward-looking and uses forward-looking terminology such as “anticipate,” “believe,” “could,” “going forward,” “intend,” “plan,” “project,” “seek,” “expect,” “may,” “ought to,” “should,” “would” or “will” and similar expressions. You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions may prove to be inaccurate and as a result, the forward-looking statements based on those assumptions may also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this Prospectus should not be regarded as representations or warranties by us that our plans and objectives will be achieved and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend publicly to update or otherwise revise the forward-looking statements in this Prospectus, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this Prospectus are qualified by reference to this cautionary statement.

You should read the entire Prospectus carefully and should not rely on any information contained in press articles or other media regarding us and the Global Offering.

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the Global Offering. Prior to the publication of this Prospectus, there has been press and media coverage regarding us, our business, our industry and the Global Offering. There may be additional media coverage regarding us, our business, our industry and the Global Offering subsequent to the date of this Prospectus but prior to the completion of the Global Offering. Such press and media coverage may include references to certain information that does not appear in this Prospectus, including certain operating and financial information and projections, valuations and other information. None of us or any other person involved in the Global Offering has authorized the disclosure of any such information in the press or media and none of us accepts any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this Prospectus, we disclaim responsibility for it and you should not rely on such information.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

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

CSRC FILING

The CSRC has issued the filing notice, confirming our completion of the filing procedures in connection with the proposed Listing and the Global Offering.

THE HONG KONG PUBLIC OFFERING AND THIS PROSPECTUS

This Prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. The Global Offering comprises the Hong Kong Public Offering of initially 689,775 Offer Shares and the International Offering of initially 13,105,440 Offer Shares (subject to, in each case, reallocation on the basis referred to in “Structure of the Global Offering” in this Prospectus and, in case of the International Offering, to any exercise of the Over-allotment Option).

The listing of our H Shares on the Stock Exchange is sponsored by the Joint Sponsors and the Global Offering is managed by the Overall Coordinators. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters pursuant to the Hong Kong Underwriting Agreement, subject to us and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) agreeing on the Offer Price. The International Offering is expected to be fully underwritten by the International Underwriters pursuant to the terms of the International Underwriting Agreement which is expected to be entered into on or around April 24, 2026. For further information regarding the Underwriters and the Underwriting Agreements, see “Underwriting” in this Prospectus.

The Offer Shares are offered solely on the basis of the information contained and representations made in this Prospectus and on the terms and subject to the conditions set out herein and therein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this Prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by our Company, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries, any of their respective directors, officers, employees, advisers, agents or representatives, or any other persons or parties involved in the Global Offering. Neither the delivery of this Prospectus nor any subscription or acquisition made under it shall, under any circumstances, create any implication that there has been no change or development in our affairs since the date of this Prospectus.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

STRUCTURE OF THE GLOBAL OFFERING

For details of the structure of the Global Offering (including its conditions) and the arrangements relating to the Over-allotment Option and stabilization, see “Structure of the Global Offering” and “Underwriting” in this Prospectus.

RESTRICTIONS ON OFFER AND SALE OF THE OFFER SHARES

Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his/her acquisition of Hong Kong Offer Shares to, confirm that he/she is aware of the restrictions on the offer and sale of the Hong Kong Offer Shares described in this Prospectus. No action has been taken to permit a public offering of the Offer Shares or the distribution of this Prospectus in any jurisdiction other than Hong Kong. Accordingly, without limitation to the following, this Prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation for subscription. The distribution of this Prospectus and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities’ regulatory authorities or an exemption therefrom. In particular, the Offer Shares have not been offered and sold, and will not be offered and sold, directly or indirectly, in the PRC or the United States.

APPLICATION FOR LISTING OF THE H SHARES ON THE HONG KONG STOCK EXCHANGE

We have applied to the Stock Exchange for the granting of the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including any Shares which may be issued pursuant to the exercise of the Over-allotment Option) and the H Shares to be converted from Unlisted Shares. Our listing application is made on the basis that, among other things, we satisfy the requirements under Rule 18C.03 of the Listing Rules as a Pre-Commercial Company (as defined in the Listing Rules), with reference to our expected market capitalization at the time of Listing, which exceeds HK\$8 billion based on the low-end of the indicative Offer Price range.

Dealings in the H Shares on the Hong Kong Stock Exchange are expected to commence on Tuesday, April 28, 2026. Save as our pending application to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the H Shares, no part of our share capital or debt securities is listed on or dealt in on any other stock exchange, and no such listing or permission to list is being or proposed to be sought as of the Latest Practicable Date. Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, the H Shares on the Hong Kong Stock Exchange is refused before the expiration of three weeks from the date of the closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company by or on behalf of the Hong Kong Stock Exchange.

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the H Shares on the Hong Kong Stock Exchange and compliance with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares on the Hong Kong Stock Exchange or on any other date as determined by HKSCC. Settlement of transactions between participants of the

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

Hong Kong Stock Exchange is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. All necessary arrangements have been made enabling the H Shares to be admitted into CCASS. Investors should seek the advice of their stockbrokers or other professional advisers for details of the settlement arrangements as such arrangements may affect their rights and interests.

PROCEDURES FOR APPLICATION FOR HONG KONG OFFER SHARES

The procedures for applying for Hong Kong Offer Shares are set out in “How to Apply for Hong Kong Offer Shares” in this Prospectus.

H SHARE REGISTER OF MEMBERS AND STAMP DUTY

All of the Offer Shares will be registered on our H Share register of members to be maintained by our H Share Registrar, Tricor Investor Services Limited, in Hong Kong. Our principal register of members will be maintained by us at our headquarters in the PRC. Dealings in the H Shares registered on the H Share register of members of our Company in Hong Kong will be subject to Hong Kong stamp duty. Unless determined otherwise by our Company, dividends payable in respect of our H Shares will be paid to the Shareholders listed on the H Share register of members of our Company in Hong Kong, by ordinary post, at the H Shareholders’ risk, to the registered address of each H Shareholder of our Company.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors in the Global Offering are recommended to consult their professional advisers as to the taxation implications of subscribing for, purchasing, holding or disposal of, and/or dealing in the H Shares or exercising rights attached to them. None of us, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries, any of their respective directors, officers, employees, partners, agents, advisers or representatives or any other person or party involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription, purchasing, holding, disposition of, or dealing in, the H Shares or exercising any rights attached to them.

EXCHANGE RATE CONVERSION

Solely for your convenience, this Prospectus contains translations among certain amounts denominated in Renminbi, Hong Kong dollars and U.S. dollars. Unless indicated otherwise, (i) the translations between Renminbi and U.S. dollars were made at the rate of RMB6.8657 to US\$1.00, (ii) the translations between Hong Kong dollars and Renminbi were made at the rate of RMB0.8765 to HK\$1.00, and (iii) the translations between U.S. dollars and Hong Kong dollars were made at the rate of HK\$7.8331 to US\$1.00. No representation is made that the amounts denominated in one currency could actually be converted into the amounts denominated in another currency at the rates indicated or at all.

WAIVERS

In preparation for the Global Offering, we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules:

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

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

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

- (a) pursuant to Rule 3.05 of the Listing Rules, we have appointed and will continue to maintain two authorized representatives, who will act as our principal channel of communication with the Hong Kong Stock Exchange and ensure that our Company complies with the Listing Rules at all times. The two authorized representatives appointed are Mr. Zhang Hong (張弘) and Ms. Yeung Siu Wai Kitty (楊小慧) (“**Ms. Yeung**”) (the “**Authorized Representative(s)**”). Ms. Yeung is situated and based in Hong Kong, and will be available to meet with the Hong Kong Stock Exchange within a reasonable time frame upon the request of the Hong Kong Stock Exchange. Both of the Authorized Representatives will be readily contactable by telephone, facsimile (if applicable) and email to deal promptly with enquiries from the Hong Kong Stock Exchange. Our Company has provided contact details of the two Authorized Representatives to the Hong Kong Stock Exchange and will inform the Hong Kong Stock Exchange promptly in respect of any change in the Authorized Representatives;
- (b) when the Hong Kong Stock Exchange wishes to contact our Directors on any matter, each of the Authorized Representatives will have all necessary means to contact all of our Directors (including our independent non-executive Directors) promptly at all times. We have provided the Hong Kong Stock Exchange with the contact details (i.e., mobile phone number, office phone number, email address and fax number, if applicable) of all Directors to facilitate communication with the Hong Kong Stock Exchange. Our Directors will also provide the phone number of the place of his/her accommodation to the Authorized Representatives in the event that any Director expects to travel or otherwise be out of office;

WAIVERS

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

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

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

WAIVERS

Note 1 to Rule 3.28 of the Listing Rules provides that the Hong Kong Stock Exchange considers the following academic or professional qualifications to be acceptable: (a) a member of The Hong Kong Chartered Governance Institute; (b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and (c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Note 2 to Rule 3.28 of the Listing Rules further provides that the Hong Kong Stock Exchange considers the following factors in assessing the “relevant experience” of the individual: (a) length of employment with the issuer and other issuers and the roles he/she played; (b) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code; (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and (d) professional qualifications in other jurisdictions.

Our Company has appointed Ms. Lin Yifan (林一帆) (“**Ms. Lin**”), our inhouse counsel, as one of our joint company secretaries. The Company believes that it would be in the best interests of the Company and the corporate governance of the Group to have Ms. Lin as its joint company secretary, who is responsible for the company’s legal matters and has day-to-day knowledge of the Company’s affairs. Ms. Lin has the nexus to the Board and close working relationship with the management of the Company necessary to perform the function of a joint company secretary and to take required actions in the most effective and efficient manner. However, Ms. Lin presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, we have appointed Ms. Yeung, an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute, who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as the other joint company secretary and to provide assistance to Ms. Lin for an initial period of three years from the Listing Date, to enable Ms. Lin to acquire the “relevant experience” under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules.

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

WAIVERS

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

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

WAIVER UNDER RULE 10.04 AND CONSENT UNDER PARAGRAPH 1C(2) OF APPENDIX F1 TO THE LISTING RULES IN RESPECT OF SUBSCRIPTIONS OF OFFER SHARES BY EXISTING SHAREHOLDERS AND/OR ITS CLOSE ASSOCIATES AS CORNERSTONE INVESTORS

Rule 10.04 of the Listing Rules provides that a person who is an existing shareholder of the issuer may only subscribe for or purchase any securities for which listing is sought which are being marketed by or on behalf of a new applicant either in his or its own name or through nominees if the conditions set out in Rules 10.03(1) and (2) of the Listing Rules are fulfilled.

Paragraph 1C(2) of Appendix F1 to the Listing Rules provides, inter alia, that no allocations will be permitted to applicant's existing shareholders or their close associates, whether in their own names or through nominees unless the conditions set out in Rules 10.03 and 10.04 are fulfilled, without the prior written consent of the Hong Kong Stock Exchange.

Paragraph 57 of Chapter 2.5 of the Guide further provides that, an existing shareholder holding less than 10% of the shares in the Specialist Technology Company prior to IPO may subscribe for shares in the IPO as either a cornerstone investor or a placee. In the case of subscription as a cornerstone investor, the applicant and its sponsors must confirm that no preference was given to the existing shareholder other than the preferential treatment of assured entitlement at the IPO price and the terms are substantially the same as other cornerstone investors.

As further described in the section headed "Cornerstone Investors" in this Prospectus, as of the Latest Practicable Date each of (a) Shanghai CM Digital Transformation Investment Fund, L.P. (上海中移數字轉型產業私募基金合夥企業(有限合夥)), an existing minority shareholder of the Company holding 3.83% equity interest in the Company; and (b) CICC Financial Trading Limited ("CICC FT"), a close associate of CICC Culture and Consumption Industry Equity Investment Fund (Xiamen) Partnership (Limited Partnership) (中金文化消費產業股權投資基金(廈門)合夥企業(有限合夥)), an existing minority shareholder of the Company holding 2.16% equity interest in the Company, (collectively, the "Existing Shareholder CI Participants") has entered into a cornerstone investment agreement with the Company, the Joint Sponsors and the Overall Coordinators, pursuant to which the Existing Shareholder CI Participants have agreed to participate as cornerstone investors in the Global Offering to subscribe for the Offer Shares to be issued by the Company under the International Offering.

WAIVERS

We have applied for a waiver under Rule 10.04 of the Listing Rules and a consent under paragraph 1C(2) of Appendix F1 to the Listing Rules, to permit the Existing Shareholder CI Participants to participate as cornerstone investors in the Global Offering to subscribe for the Offer Shares to be issued by the Company under the International Offering. The Stock Exchange has agreed to grant the requested waiver and consent subject to the conditions that:

- (a) the allocation to the Existing Shareholder CI Participants will not affect the Company's ability to satisfy relevant requirements under Rules 19A.13A(1), 18C.08 and 19A.13C(1) of the Listing Rules, respectively;
- (b) the Company and the Joint Sponsors confirm that no preferential treatment has been, nor will be directly or indirectly, given to the Existing Shareholder CI Participants as cornerstone investors by virtue of their relationship with the Company in any allocation in the Global Offering, other than the preferential treatment of assured entitlement under the cornerstone investment at the Offer Price and the terms are substantially the same as other cornerstone investors; and
- (c) details of the subscription of the Offer Shares by the Existing Shareholder CI Participants as cornerstone investors under the Global Offering are disclosed in this Prospectus, and details of the allocation will be disclosed in the allotment results announcement of the Company.

For further information about the relevant cornerstone investments, please refer to the section headed "Cornerstone Investors" in this Prospectus.

CONSENT IN RESPECT OF THE PROPOSED SUBSCRIPTION OF OFFER SHARES BY A CONNECTED CLIENT

Paragraph 1C(1) of Appendix F1 to the Listing Rules provides that no allocations will be permitted to "connected clients" of the overall coordinator(s), any syndicate member(s) (other than the overall coordinator(s)) or any distributor(s) (other than syndicate member(s)) (collectively, the "**Distributors**", and each a "**Distributor**"), without the prior written consent of the Stock Exchange.

Paragraph 1B(7) of the Appendix F1 to the Listing Rules states that "connected client" in relation to an exchange participant means any client which is a member of the same group of companies as such exchange participant.

As further described in the section headed "Cornerstone Investors" in this Prospectus, CICC FT and China International Capital Corporation Limited will enter into a series of cross border delta-one OTC swap transactions (collectively, the "**Greenwoods OTC Swaps**") with each other and the ultimate clients (the "**CICC FT Ultimate Clients (Greenwoods)**"), pursuant to which CICC FT will hold the Offer Shares on a non-discretionary basis to hedge the Greenwoods OTC Swaps while the economic risks and returns of the underlying Offer Shares are passed to the CICC FT Ultimate Clients (Greenwoods), subject to customary fees and commissions. CICC FT and China International Capital Corporation Hong Kong Securities Limited ("**CICCHKS**"), a Joint Sponsor, an Overall Coordinator and an Underwriter of the Global Offering, are members of the same group of companies. Accordingly, CICC FT is a connected client of CICCHKS.

WAIVERS

We have applied for, and the Stock Exchange has granted, a consent under paragraph 1C(1) of Appendix F1 to the Listing Rules to permit CICC FT to participate in the Global Offering as a cornerstone investor on the following basis and conditions as set out in Paragraph 6 of Chapter 4.15 of the Guide:

- (a) any Offer Shares to be allocated to CICC FT will be held on behalf of independent third parties on non-discretionary basis;
- (b) no preferential treatment has been, nor will be, given to CICC FT, by virtue of its relationship with CICCHKs, in any allocation of Offer Shares in the International Offering as a cornerstone investor other than the assured entitlement under the relevant cornerstone investment agreement following the principles set out in Chapter 4.15 of the Guide that the cornerstone investment agreement of CICC FT does not contain any material terms which are more favorable to it than those in the other cornerstone investment agreements;
- (c) CICC FT confirms that to the best of its knowledge and belief, it has not received and will not receive any preferential treatment in the Global Offering allocation as a cornerstone investor by virtue of its relationship with CICCHKs other than the preferential treatment of assured entitlement under the cornerstone investment;
- (d) each of the Company, the Overall Coordinators, CICC FT and CICCHKs has provided the Stock Exchange with written confirmations in accordance with Chapter 4.15 of the Guide; and
- (e) details of the cornerstone investment and details of the allocations will be disclosed in this Prospectus and the allotment results announcement of our Company.

For further information about the relevant cornerstone investment, please refer to the section headed “Cornerstone Investors” in this Prospectus.

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

DIRECTORS

Name	Address	Nationality
Executive Directors		
Dr. Shen Yichen (沈亦晨)	Room 402, Unit 1, Building 31 Chaohuiba District Xiacheng District Hangzhou Zhejiang Province PRC	Chinese
Dr. Meng Huaiyu (孟懷宇)	Room 302, Unit Bing, Building 163 Qingtian Wucun Changzhou City Jiangsu Province PRC	Chinese
Mr. Wang Long	Room 1002, Building 1 Lane 39, Yinxiao Road Pudong New District Shanghai PRC	American
Mr. Zhang Hong (張弘)	Room 402, 4th Floor, No. 5, Lane 95 Yuanzhao Road, Sanlin Town Pudong New District Shanghai PRC	Chinese
Non-executive Directors		
Mr. Yu Ze (俞澤)	Room 1506, Building 3, No. 10 North Third Ring Road Xicheng District Beijing PRC	Chinese
Mr. Zhang Kun (章錕)	Room 305, No. 158 Tangjiawan Road Huangpu District Shanghai PRC	Chinese

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Name	Address	Nationality
Independent Non-Executive Directors		
Dr. Huang Weiping	Unit 903, Building 7, No. 7 Zengcheng Road, Shinan District Qingdao City Shandong Province PRC	Canadian
Dr. Zhao Hang (趙行)	Room 201, Unit 3 No. 2 Tiychang Road Xiacheng District Hangzhou City Zhejiang Province PRC	Chinese
Ms. Xu Lili (徐黎黎)	29E, Island Lodge 180 Java Road North Point Hong Kong	Chinese

For details with respect to our Directors, see “Directors and Senior Management” in this Prospectus.

PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Sponsors

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

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

Overall Coordinator, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers and Capital Markets Intermediaries

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

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Bookrunners

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

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

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

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

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

Futu Securities International (Hong Kong) Limited
34/F, United Centre
No. 95 Queensway
Admiralty
Hong Kong

Shenwan Hongyuan Securities (H.K.) Limited
Level 6, Three Pacific Place
1 Queen's Road East
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Capital Market Intermediaries

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

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

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

Futu Securities International (Hong Kong) Limited
34/F, United Centre
No. 95 Queensway
Admiralty
Hong Kong

Shenwan Hongyuan Securities (H.K.) Limited
Level 6, Three Pacific Place
1 Queen's Road East
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Legal Advisers to our Company

As to Hong Kong and U.S. laws

Davis Polk & Wardwell

10/F
The Hong Kong Club Building
3A Chater Road
Central
Hong Kong

As to PRC law

Zhong Lun Law Firm

22-24F & 27-31F, South Tower of CP Center
20 Jin He East Avenue
Chaoyang District
Beijing
PRC

Haiwen & Partners

20/F, Fortune Financial Center
5 Dong San Huan Central Road
Beijing
PRC

As to international sanctions laws:

Hogan Lovells International LLP

11th Floor, One Pacific Place
Queensway
Hong Kong

Legal Advisers to the Joint Sponsors and the Underwriters

As to Hong Kong and U.S. laws

Fangda Partners

26/F, One Exchange Square
8 Connaught Place
Central
Hong Kong

As to PRC law

Fangda Partners

24/F, HKRI Centre Two
HKRI Taikoo Hui, 288 Shi Men Yi Road
Shanghai
PRC

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Auditor and Reporting Accountant

PricewaterhouseCoopers

Certified Public Accountants

Registered Public Interest Entity Auditor

22/F, Prince's Building

Central

Hong Kong SAR, China

Industry Consultant

Frost & Sullivan (Beijing) Inc.,

Shanghai Branch Co.

2504 Wheelock Square

1717 Nanjing West Road

Jing'an District

Shanghai

PRC

Compliance Adviser

Rainbow Capital (HK) Limited

Office No. 710

7/F Wing On House

71 Des Voeux Road Central

Central

Hong Kong

Receiving Bank

Bank of China (Hong Kong) Limited

1 Garden Road

Central

Hong Kong

CORPORATE INFORMATION

Registered Office	Nos. 111, 125 and 139 Boxia Road China (Shanghai) Pilot Free Trade Zone Pudong New District Shanghai PRC
Headquarters and Principal Place of Business in the PRC	Nos. 111, 125 and 139 Boxia Road China (Shanghai) Pilot Free Trade Zone Pudong New District Shanghai PRC
Principal Place of Business in Hong Kong	Room 1910, 19/F Lee Garden One 33 Hysan Avenue, Causeway Bay Hong Kong
Company's Website	<u>https://www.xztech.ai/</u> <i>(the information contained on this website does not form part of this Prospectus)</i>
Joint Company Secretaries	Ms. Lin Yifan (林一帆) Room C10, 10/F Block 1 Pine Court 23 Sha Wan Drive Pokfulam Hong Kong Ms. Yeung Siu Wai Kitty (楊小慧) <i>(ACG, HKACG)</i> Room 1910, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Authorized Representatives	Mr. Zhang Hong (張弘) Room 402, 4th Floor, No. 5, Lane 95 Yuanzhao Road, Sanlin Town Pudong New District Shanghai PRC

CORPORATE INFORMATION

	Ms. Yeung Siu Wai Kitty (楊小慧) (ACG, HKACG) Room 1910, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Audit Committee	Ms. Xu Lili (徐黎黎) (<i>Chairperson</i>) Dr. Huang Weiping Dr. Zhao Hang (趙行)
Remuneration Committee	Dr. Zhao Hang (趙行) (<i>Chairperson</i>) Dr. Shen Yichen (沈亦晨) Dr. Huang Weiping
Nomination Committee	Dr. Huang Weiping (<i>Chairperson</i>) Dr. Shen Yichen (沈亦晨) Ms. Xu Lili (徐黎黎)
Strategy Committee	Dr. Shen Yichen (沈亦晨) (<i>Chairperson</i>) Dr. Huang Weiping Dr. Meng Huaiyu (孟懷宇) Mr. Wang Long Mr. Zhang Hong (張弘)
H Share Registrar	Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
Principal Banks	China Merchants Bank Shanghai Free Trade Zone Branch No. 56, Bohang Road Pudong New District Shanghai PRC The Hong Kong and Shanghai Banking Corporation Limited 1 Queen's Road Central Central Hong Kong

INDUSTRY OVERVIEW

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

MARKET BACKGROUND FOR OPTICAL COMPUTING AND OPTICAL INTERCONNECTS IN THE AI ERA

Analysis of the Evolution of Artificial Intelligence

The development of artificial intelligence has gone through multiple rounds of technological iteration, evolving from simple rule-based systems to complex architectures. Throughout this process, demand for computing power has grown rapidly. As the scale of model parameters has expanded from tens of millions to hundreds of billions and even trillions, and training datasets have increased from gigabytes to petabytes, traditional electrical computing architectures are facing dual bottlenecks in energy consumption and latency. At present, the rise of large-scale model training, the pursuit of general intelligence across domains, and the integration of multimodal tasks all impose extremely high requirements on computing power, making stronger and more efficient computing capabilities essential for supporting these developments.

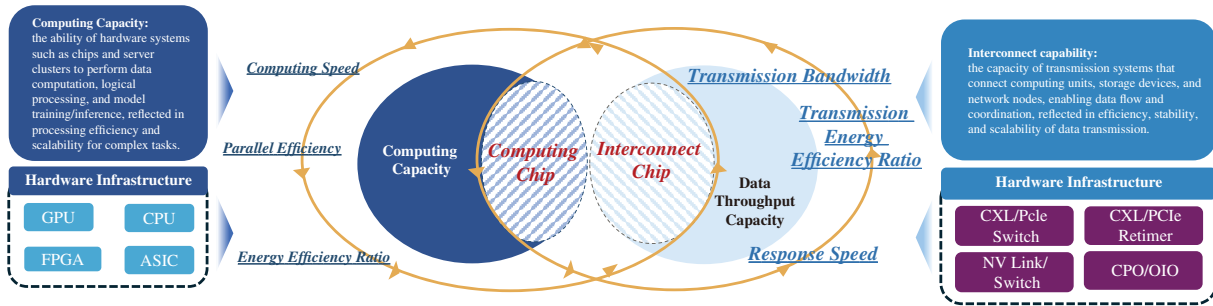
Optical computing and optical interconnect technologies provide an effective solution to this challenge. Optical chips, as the core components, leverage the inherent advantages of optical parallel processing and the high speed, large capacity, and low interference of optical signal transmission. They can accommodate the massive computational demands of large-scale model training while alleviating bandwidth bottlenecks and transmission delays in data flow, thereby becoming a fundamental infrastructure supporting the steady advancement of artificial intelligence in the future.

Analysis of the Underlying Infrastructure of Artificial Intelligence

The underlying infrastructure of artificial intelligence is structured around the synergy of computational power and interconnect capacity, which together form the twin pillars supporting the development of the AI industry. The efficiency and coordination between these two elements directly define the boundaries of industrial advancement. The computing layer generates processing power, defining the scale of tasks that artificial intelligence can execute. The interconnect layer facilitates the transmission of processing power, determining the efficiency with which computational resources operate in unison.

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Analysis of the Underlying Infrastructure of Artificial Intelligence



Source: Frost & Sullivan

Pathways for Enhancing AI Computational Power

Path 1: Increasing Single-Chip Performance

i. Emerging Computing Paradigms: Emerging computing paradigms are crucial for overcoming the bandwidth and energy consumption bottlenecks inherent in traditional electrical architectures. Optical computing stands out by leveraging photon propagation to achieve superior bandwidth and lower transmission latency without electrical resistance. By adopting a hybrid optoelectronic architecture, it utilizes optical signals for high-speed transmission and multiply-accumulate operations, while electronic circuits handle logic and control. This innovative synergy effectively eliminates traditional data movement delays, delivering computational performance that significantly surpasses conventional electrical models.

ii. Advanced Packaging as an Enabler: Advanced packaging technologies have emerged as a critical solution to bypass the physical limitations of traditional process scaling and enhance overall system efficiency. Rather than relying on large monolithic dies, the industry is increasingly adopting chiplet integration to connect smaller functional modules via high-bandwidth, low-latency interfaces like silicon interposers. This modular approach not only improves manufacturing yields and reduces costs but also enables the seamless integration of heterogeneous units such as CPUs, GPUs, and NPUs. Consequently, it fosters highly collaborative computing environments within a single package, substantially boosting both computational power and application flexibility.

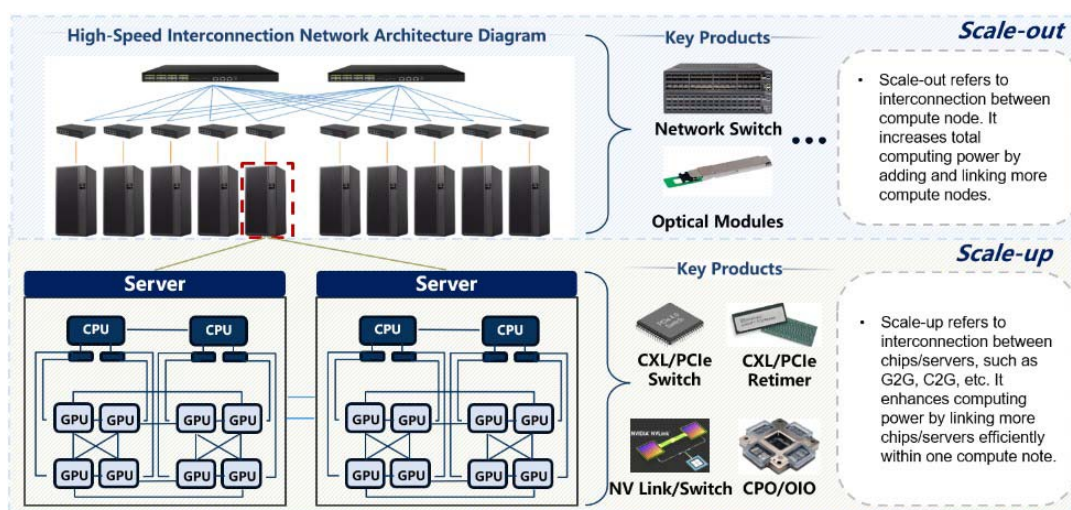
iii. Advancement of Chip Fabrication Processing: Moore's Law states that the number of transistors on an integrated circuit doubles approximately every 18 to 24 months, leading to exponential improvements in computing performance. By continuously shrinking transistor dimensions, chip manufacturers have achieved simultaneous gains in frequency, power efficiency, and cost over the past decades. However, once nodes entered the 7-nanometer and below range, scaling encountered physical limits such as quantum tunneling, electromigration, and heat dissipation. Pure geometric shrinkage no longer delivered meaningful performance gains. Since 2015, the rate of performance improvement with each new node has slowed significantly, falling short of the rising computing demand in the AI era. As a result, new innovation pathways are urgently required to supplement node scaling, while optical computing is not subject to similar limitations.

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Path 2: High-Speed Interconnects for Scaling Computing Clusters

High-speed interconnects act as the foundational infrastructure for expanding AI computing capacity through dual dimensions: scale-up and scale-out. Scale-up architectures rely on key technologies like CXL, NVLink, and CPO to maximize data transfer efficiency and resource synergy within a single computing node. Conversely, scale-out utilizes network switches and optical modules to link multiple independent nodes, unifying them into a massive, centralized computing resource pool. Together, these interconnected dimensions enable the seamless formation of massive GPU clusters comprising thousands of devices, fundamentally sustaining continuous AI capacity growth.

High-Speed Interconnect Technology Driving AI Computing Power Expansion



Source: Frost & Sullivan

Pathways to Optoelectronic Computing

The realization of all-optical computing follows a staged evolution. At the current stage, optical interconnects used in high-speed data transmission within data centers represent the first step toward large-scale commercialization, addressing the bandwidth bottlenecks of electrical interconnects. In the medium term, integration with optical switching will enable an all-optical data center that completes the “transmission-switching” loop. In the long term, the convergence of optical computing and optical interconnects will give rise to a fully optical architecture, marking a transition from “electrical computing plus optical transmission” to a paradigm of all-optical computing.

Market Potential of AI Computing and Interconnect Products

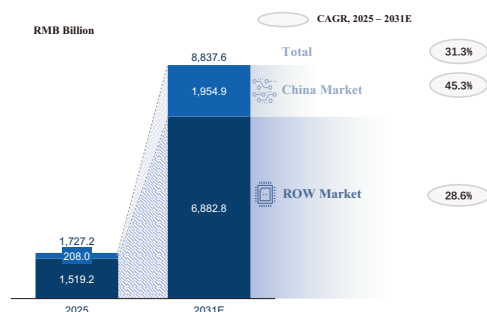
As artificial intelligence advances rapidly, the parameter scale of large models is rising exponentially, driving a surge in global demand for computing power. This demand is fueling the expansion of AI computing platforms, including AI computing chips for model training and inference, and interconnect systems enabling high-speed communication between chips. Together, they form the core infrastructure supporting the intelligent economy, with a market of vast size and strong growth momentum. In the AI computing product market, global growth is primarily driven by the accelerating

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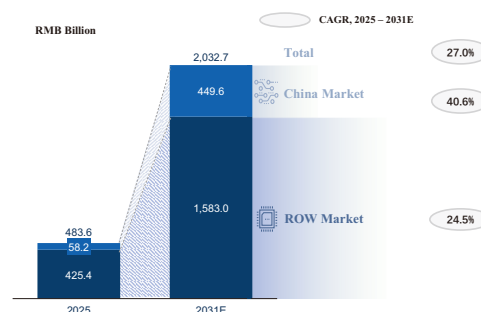
expansion of AI application scenarios, which amplifies demand for computing products. This expansion is supported not only by China's rapid advances in AI but also by policy incentives and local substitution demand. While overseas markets remain larger in absolute scale, their growth lags behind China.

In the AI interconnect product market, growth is driven mainly by the need for high-speed, low-latency interconnects in ultra-large-scale AI clusters. The global market is projected to expand from RMB483.6 billion in 2025 to RMB2,032.7 billion in 2031, with a CAGR of 27.0%. China is expected to grow faster, at a CAGR of 40.6%, compared with 24.5% in overseas markets. Similar to AI computing products, demand for AI interconnects in China is rising more quickly than in other regions, reflecting the country's strong momentum in AI development. This rapid expansion of China's AI computing and interconnect markets provides broad commercialization opportunities for next-generation technologies such as optical interconnects and optical computing.

**Market Size of Global AI Computing Products
(by Revenue), China & ROW, 2025 & 2031E**



Market Size of Global AI Interconnect Products* (by Revenue), China & ROW, 2025 & 2031E



Source: Frost & Sullivan

Note:

- (1) The market scope includes interconnect products that are self-developed by AI computing chip companies. When calculating the revenue generated from such self-developed products, only the value attributable to the interconnect products is included.

OPTICAL INTERCONNECT MARKET ANALYSIS

Optical interconnects, as a key enabling technology in the era of artificial intelligence and high-performance computing, can be categorized into Scale-out and Scale-up optical interconnects according to application scenarios. Scale-out optical interconnects are primarily used for connections between computing nodes and have already been widely deployed in data centers and AI training clusters, where they have become an industry standard. By contrast, Scale-up optical interconnects focus on high-speed chip-to-chip connections within a computing node. In the current market, this function is mainly fulfilled by Scale-up electrical interconnects that use copper as the transmission medium. As AI models continue to scale and single-chip bandwidth requirements rise, the performance and power consumption of conventional Scale-up electrical interconnects can no longer meet the demands of chip-to-chip communication. Consequently, Scale-up optical interconnects are expected to gradually replace traditional electrical interconnects and become the inevitable direction for the evolution of Scale-up interconnect solutions.

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Definition and Classification of Scale-up Optical Interconnect

Scale-up optical interconnect refers to high-speed data transmission technology designed for chip-to-chip scale-up connections. It uses photons as information carriers and optical media to establish low-loss, high-bandwidth links between computing chips. Unlike traditional electrical interconnects that rely on copper transmission, optical interconnects offer significant advantages in bandwidth density, transmission distance, and energy efficiency. They overcome the performance bottlenecks of electrical interconnects in large-scale parallel computing and support the demanding requirements of ultra-large-scale AI clusters and high-performance computing systems.

In terms of product forms, Scale-up optical interconnect products mainly include Linear-drive Pluggable Optics (LPO), Near-Packaged Optics (NPO), Co-Packaged Optics (CPO), and Optical Circuit Switches (OCS). LPO adopts a simplified linear-drive architecture and is currently the mainstream solution for long-distance board-to-board and rack-to-rack connections in supernodes. NPO places the optical engine closer to computing or switching chips, shortening electrical traces and improving signal integrity and transmission efficiency, serving as an important transitional form toward CPO. CPO integrates the optical engine tightly with the switching ASIC or AI accelerator chip within the same package or substrate, achieving the highest bandwidth density and the lowest energy consumption, and is regarded as the core solution for next-generation ultra-large-scale clusters. OCS provides large-scale switching and traffic management between computing nodes through all-optical cross-connections, offering lower power consumption and greater port scalability compared with traditional electrical switching, thereby enabling network interconnects for ultra-large-scale AI computing clusters.

Comparative Analysis of Scale-up Optical Interconnects and Electrical Interconnects

From an architectural perspective, Scale-up optical interconnects use photons as information carriers and rely on optical transmission paths that support multi-wavelength parallelism. Electrical interconnects, by contrast, depend on electrons moving through conductive media, constrained to serial or limited parallel transmission.

In terms of technical performance, optical interconnects achieve single-link bandwidth scaling without being restricted by electron migration limits, while also offering lower energy consumption, lower latency, and stronger resistance to electromagnetic interference. Electrical interconnects are more susceptible to interference and face bottlenecks in bandwidth, energy consumption, and latency. Regarding cost structure, optical interconnects involve higher initial R&D and manufacturing expenses. However, as the technology matures and scales, costs are expected to decline, and total lifecycle energy costs remain low. Electrical interconnects have lower upfront hardware costs, but in high-bandwidth and long-distance applications, they require frequent upgrades, leading to a long-term total cost of ownership disadvantage. In application scenarios, Scale-up optical interconnects are suited to ultra-large-scale data centers and AI computing clusters that demand high bandwidth and low latency. Electrical interconnects, due to lower costs, are currently used in short-distance connections. Yet as optical interconnect costs continue to fall and AI computing demand grows rapidly, electrical interconnects are expected to be gradually replaced by Scale-up optical interconnects.

Evolution of Scale-up Optical Interconnect Product Forms

The evolution of Scale-up optical interconnect product forms reflects two fundamental dimensions: switching architecture and packaging integration. As AI clusters and high-performance data centers demand ever higher bandwidth, lower latency and greater energy efficiency, interconnect architectures must continuously break through performance bottlenecks. Switching architecture defines

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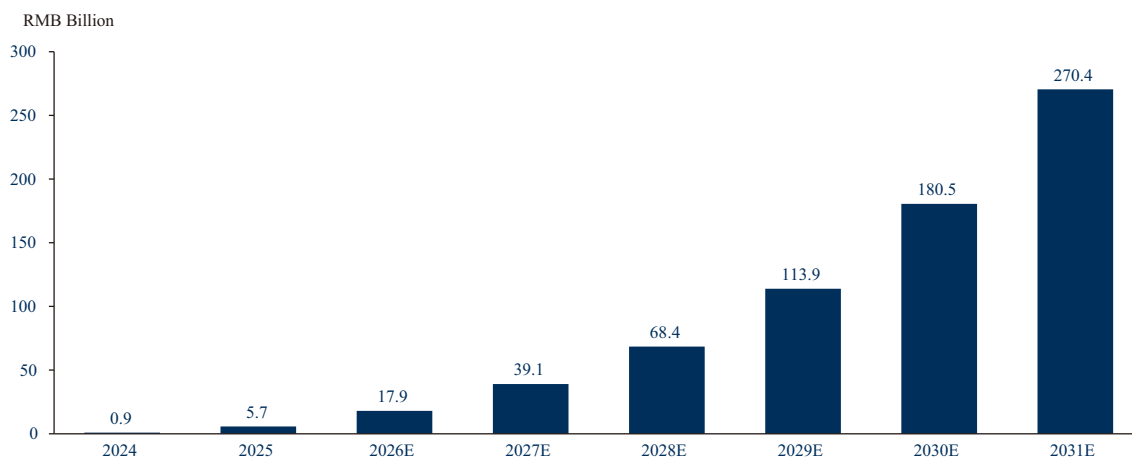
the limits of latency and power efficiency, while packaging form determines bandwidth density and transmission efficiency. It is precisely the escalating requirements of next-generation computing infrastructure that drive the industry toward deeper opticalization and higher levels of integration.

On the switching side, the prevailing “optical transmission plus electronic switching” model still relies on electronic chips for routing, constraining scalability and power efficiency. To meet ultra-low-latency and high-bandwidth requirements, the industry is advancing toward all-optical switching, where optical signals complete path selection and routing directly within switching nodes, eliminating repeated optical-electrical conversions and significantly reducing latency and energy loss. On the packaging side, integration has progressed from LPO to NPO and ultimately to CPO, continuously shortening electrical transmission paths and improving bandwidth density and energy efficiency. The shift toward all-optical interconnect and CPO packaging is therefore not incidental, but a structural response to the performance demands of large-scale AI computing systems.

Market Size of Scale-up Optical Interconnects

China’s scale-up optical interconnect market remains at an early stage and is currently focused on supernode computing scenarios. The rapid expansion of the scale-up optical interconnect market is driven by three factors. First, AI cluster architectures are shifting from single-node to supernode configurations, sharply increasing intra- and inter-rack interconnect requirements and exceeding the physical limits of electrical interconnects. Second, continued growth in chip interconnect bandwidth is exposing constraints in electrical solutions across bandwidth density, power consumption and latency, accelerating the shift toward optical technologies. Third, the maturation of silicon photonics and advanced integration forms such as CPO, together with cost reductions from scale effects, is improving economic viability and enabling broader deployment beyond supernode scenarios.

Market Size of Scale-up Optical Interconnects* (by Revenue), China, 2024–2031E



Source: Frost & Sullivan

Note:

- (1) The market scope includes scale-up optical interconnects that are self-developed by AI computing chip companies. When calculating the revenue generated from such self-developed solutions, only the value attributable to the scale-up optical interconnect portion within AI compute cluster revenue is included.

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Drivers and Development Trends of the Scale-up Optical Interconnect Market

- *Paradigm shifts in technical architecture*

The physical limits of electrical interconnects and the advantages of optical technologies are driving Scale-up optical interconnects toward a central role in computing infrastructure. As bandwidth, power and latency constraints intensify, the industry is advancing silicon photonics integration, CPO and linear-drive architectures to shorten transmission paths and improve efficiency. By combining tighter chip-level integration with wavelength multiplexing and optimized network design, Scale-up optical interconnects are evolving from component solutions to system-level architectures.

- *Exponential expansion of computing demand*

At the same time, surging AI training demand is pushing Scale-up optical interconnects into the core of data centers. Rapid growth in rack-level port density has exposed the scalability limits of electrical interconnects, making optical solutions essential for ultra-large clusters and trillion-parameter models. This is accelerating adoption of ultra-high-speed modules such as 1.6T and driving the shift toward more flexible and scalable computing networks.

Competitive Landscape of China's Scale-up Optical Interconnect Market

At present, while the optical interconnect market particularly for scale-up interconnect is still in its early stage, the Company is observing a clear market inflection driven by the rapid adoption of large language models and the increasing demand for supernode architectures, which create sustained demand for high-performance optical interconnect solutions. As supernodes gain wider adoption, GPU interconnect bandwidth continues to increase, optical interconnect solution providers with system design and integration capabilities will be the first to benefit, securing differentiated competitive advantages and driving the broader market toward commercialization and expansion.

Market Rankings of China's Scale-up Optical Interconnect Sector

In 2025, only two companies in China's scale-up optical interconnect market had achieved large-scale commercialization, resulting in a highly concentrated competitive landscape in which the top two players together accounted for approximately 99.8% of total market share. Among them, the Company is the only independent Scale-up optical interconnect solution provider in China that has achieved large-scale commercialization. Among independent Scale-up optical interconnect solution providers, the Company ranked first by revenue in 2025, generating RMB79.2 million and accounting for approximately 88.3% of the market share. The Company is also the only independent supplier in the market capable of providing integrated, large-scale Scale-up optical interconnect solutions. The Company's solutions cover hardware and component-level delivery, software and intelligent management, simulation and system design, as well as link design and turnkey deployment, and it has established commercial partnerships with multiple AI computing chip manufacturers and system integrators. Although certain components are manufactured by third-party suppliers, such activities are essentially contract manufacturing services. The value generated from this manufacturing is recorded as a cost item for that company; therefore, to avoid double counting, the value attributable to such activities has been excluded from the market size calculation.

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Ranking of Scale-up Optical Interconnect Solution Providers (by Revenue), China, 2025

Rank	Company Name	Revenue (RMB mn)	Market Share (%)
1	Company A.	5,636.2	98.4
2	The Company	79.2	1.4
	Others	10.5	0.2

Source: Frost & Sullivan

Ranking of Independent Scale-up Optical Interconnect Solution Providers (by Revenue), China, 2025

Rank	Company Name	Revenue (RMB mn)	Market Share (%)
1	The Company	79.2	88.3
	Others	10.5	11.7

Source: Frost & Sullivan

Comparisons of Global Scale-up Optical Interconnect Leaders

	The Company	Company A ⁽¹⁾
Founded Time	Founded in 2017	Founded in 1987
Business Model	A third-party provider offering holistic and integrated optical interconnect system architecture that includes hardware and component-level delivery, software and intelligent management, simulation and system design, link and turnkey solutions	A large ICT, consumer electronics and AI computing infrastructure provider that develops proprietary scale-up optical interconnect solutions as part of its AI computing system architecture
Product Coverage	Comprehensive and advanced product portfolio from LPO products of Scale-up EPS and Scale-up OCS, to next-generation NPO and CPO prototypes, all of which include our self-developed optoelectronic chips.	Self-developed scale-up optical interconnect architecture integrated within its AI computing cluster systems, supported by high-speed optical interconnect technologies and optical transceivers.
Commercialization Degree	Achieved initial commercialization for Scale-up products	
Customer Coverage	Our customers primarily consist of research institutions, internet companies, GPU and server manufacturers, system integrators and AI infrastructure builders and operators.	Only deployed within its own AI computing infrastructure ecosystem and AI computing cluster systems.

Source: Frost & Sullivan

Notes :

- (1) Company A is a private company founded in 1987 and headquartered in Shenzhen, China. It provides a broad range of products and solutions across ICT infrastructure, AI infrastructure and consumer electronics.

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Comparison of Interconnects

Comparison Dimensions		Scale-up Electrical Interconnect	Scale-up Optical Interconnect
Key Performance Indicators	Transmission rate	The rate is limited by electron migration (Gbps level, with high-end reaching tens of Gbps)	Ultra-high transmission rates (tens of Gbps to Tbps level)
	Bandwidth	Bandwidth is relatively limited, and multi-channel integration is highly challenging	High bandwidth capacity, supporting multi-channel parallel processing
	Power Consumption	High power consumption, with significant joule heating losses	Low power consumption, high energy efficiency ratio
	Latency	Relatively high	Extremely low
	Interference Resistance	Susceptible to electromagnetic interference	High resistance to electromagnetic interference
Technology Maturity		Multiple product and technology iterations have been achieved: Functionality: Evolved from early peer-to-peer data transfer to address core requirements such as multi-node computing power aggregation for high-performance computing clusters and AI training clusters, as well as high-speed interaction of massive data, enabling broader application scenarios. Performance: Transmission rates and bandwidth have significantly increased (PCIe 6.0 reaches 64GT/s, NVLink 4.0 achieves 100GB/s per link), delivering microsecond-level low latency and high reliability while supporting seamless scaling to hundreds of compute nodes. Architecture: Evolving from simple direct-connect architectures to composite systems through PCIe-Switch-Retimer and NVLink core solutions; PCIe protocol continuous optimization enables 100-port switching, Retimer enhances signal compensation, and NVLink upgrades to multi-GPU mesh interconnects.	Initial generation of products has been developed, deployed and commercialized with ongoing R&D to form more mature versions for widespread mass commercialization.
Degree of Commercialization		Highly commercialized, with many major companies such as NVIDIA and Montage (澜起科技) already involved	Initial commercialization has been achieved

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Comparison Dimensions	Scale-up Electrical Interconnect	Scale-up Optical Interconnect
Market Size	In 2024, the scale-up electrical interconnect market reached 16.69 billion yuan, projected to grow to 56.57 billion yuan by 2030, accounting for approximately 11.6% of the global AI interconnect product market.	In 2024, the scale-up optical interconnect market reached 110 million yuan, projected to grow to 17.65 billion yuan by 2030, accounting for approximately 3.6% of the global AI interconnect product market.
Downstream Application Scenarios	Inference computing and training across all scenarios	Initial applications have been implemented in the supernode computing system

Source: Frost & Sullivan

OPTICAL COMPUTING PRODUCTS MARKET ANALYSIS

Definition and Classification of Optical Computing Products

An optical computing product is a new type of integrated circuit that leverages optical signals for information transmission and computation. Relying on the high-speed and low-power characteristics of optical devices, it breaks through the bottlenecks in computing power and energy efficiency faced by traditional electrical chips, holding core application value in fields such as AI and high-performance computing.

From a technical architecture perspective, optical computing products can be categorized into pure optical computing chips and optoelectronic computing chips. From an application scenario standpoint, they include AI acceleration chips and chips tailored for scientific computing, addressing the intensive computing demands in these domains.

Comparative Advantage Analysis of Optical Computing Products over Electrical Computing Products

Optical computing products hold significant advantages in both performance and efficiency compared with electrical computing products. In terms of computational power, photons serve as carriers of information, leveraging light-speed transmission and wavelength multiplexing to achieve trillions of parallel operations per second, surpassing the physical limits of electronic transistors. They can achieve extremely high computational density within a compact footprint. On the performance side, optical computing enables ultra-low latency through the inherent speed and parallelism of photons. It also supports multi-channel, high-bandwidth data read/write operations at very high speeds. Furthermore, photon transmission avoids resistive heating and generates minimal thermal load, eliminating the need for excessive cooling space. This allows for higher integration density and ensures resilience to electromagnetic interference, delivering stable computation under complex conditions. By contrast, electrical computing suffers from heat dissipation issues and electromagnetic interference. Overall, optical computing products provide stronger competitiveness in energy efficiency and reliability.

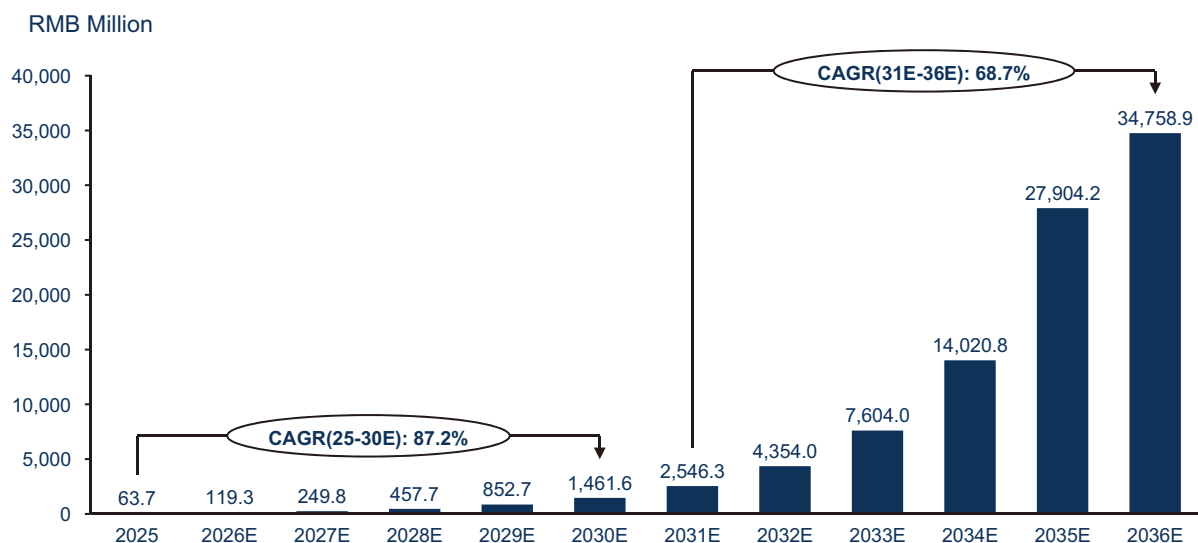
Market Size of Optical Computing Products

In terms of market size, China's optical computing products are still in the early stage of industrial development. From 2025–2030, as the optical computing ecosystem gradually takes shape, the market is projected to grow steadily. Between 2031 and 2036, driven by the surging computational

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demands of rapidly iterating AI large models and the maturity of chip design and manufacturing, optical computing chips are expected to transition from validation to mature commercial adoption. They will gradually penetrate AI inference chip leasing markets at scale, and from around 2030, begin entering non-leasing applications.

Market Size of Optical Computing Products (by Revenue), China, 2025-2036E



Source: Frost & Sullivan

Future Growth Stages of the Optical Computing Product Market

In the AI computing chip sector, photonic chips exhibit clear substitution potential for electrical chips, thanks to their low power consumption and high parallelism. Their growth follows a phased logic, with each stage characterized by distinct technological features, market performance, and ecosystem dynamics.

Stage 1: Technology Breakthrough and R&D Phase (Current Stage)

At this stage, optical computing chips face challenges in materials science, process engineering, and system integration. Key R&D focuses include minimizing photon transmission losses and improving modulator response speeds. Progress has been made in validating architectural feasibility, laying the groundwork for future development. Features of this stage include high R&D costs and low market awareness. The market remains small and is concentrated in lab verification and prototype development, with only leading research groups and pioneering firms participating.

Stage 2: Ecosystem Formation and Market Penetration (2026–2029)

Optical computing chips have entered the stage of ecosystem construction and market penetration with breakthroughs in core technical bottlenecks. Technically, higher chip integration, lower computing power cost and industrial-grade reliability have created conditions for large-scale applications. Market-wise, the global market keeps steady growth, with rising procurement demand in professional fields and expanded scenarios from labs to professional sectors. Driven by policy support,

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industry-university-research collaboration and enterprise layout, its initial ecosystem has formed, featured by unified technical standards, established mainstream technical routes and the leap from technical verification to commercial trials.

Stage 3: Commercialization and Ecosystem Maturity (Post-2030)

At this stage, the optical computing ecosystem becomes established. Hardware costs fall further, performance indicators reach higher levels, and software ecosystems mature with standardized tools enabling mainstream AI frameworks to run on photonic hardware. Optical computing chips achieve widespread adoption across AI inference, scientific computing, and data centers. Applications expand to automotive computing, quantum computing, and beyond, reshaping the semiconductor industry. The mature ecosystem integrates chips, software, and services into a coordinated system, supported by regional alliances and industry programs. Optical chips become mainstream alternatives to electrical chips in training, supercomputing, and communication.

In the evolution process from technology breakthrough to ecosystem maturity, the growth logic of optical computing chips has always revolved around the progressive relationship of “performance breakthroughs — cost reduction — ecological improvement”. Each stage of technological milestone corresponds to a leap in market size, ultimately translating this technology from the laboratory into ready-to-use products and solutions.

Drivers and Development Trends of Optical Computing Product Market

- ***Ecosystem Synergy***

The divergence between traditional computing architectures and the physical properties of optical drives the need for deep hardware — software co-optimization. To solve compatibility challenges, the industry is building a ecosystem from device-level to application-level, with unified standards and interfaces. This enables seamless integration with electronic systems and boosts resource efficiency. Over time, open-source communities and standardized frameworks will further reduce barriers, transforming optical computing from isolated hardware modules into scalable system-level solutions.

- ***Paradigm Shift in AI Training***

Traditional optical architectures excel in low-precision inference but fall short in high-precision training tasks required for large AI models. To address this, researchers are reconstructing the underlying logic of optical computing, mapping gradient calculations into physical optical propagation. This breakthrough enhances training efficiency and enables dynamic weight adjustment and network optimization. As optical training architectures mature, optical computing will extend beyond inference into full AI lifecycle tasks, including multimodal training and reinforcement learning.

Global Competitive Landscape of Optical Computing Product Market

The global optical computing market is still in its exploratory and early commercialization stage. Only two companies have achieved commercial deployments; most players remain focused on R&D, with shipments concentrated in research use cases (e.g., labs and supercomputing centers). Market

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concentration is high, with the two leaders dominating, while other players remain in trial phases. As AI demand surges and optical performance improves, companies with comprehensive integration capabilities will lead the transition from testing to commercialization, reshaping the AI computing chip landscape.

Comparative Analysis of Global Optical Computing Product Leaders

The global optical computing industry is still in an emerging stage, and most players in the overall competitive landscape are still in the early stage of scientific research and exploration. Large scale commercialization has not yet become a common phenomenon in the industry.

From the perspectives of technology, products, commercialization level, and customer coverage, in terms of technology, we have been recognized by top global journals for our pioneering optoelectronic computing architecture. Our products have demonstrated remarkable advantages over commercial GPUs in key technical indicators such as integration density and computing performance — where its systems show improvements of more than two orders of magnitude in latency and computing time for specific workloads compared to high-performance GPUs; In terms of products, we have achieved a fast pace of product iteration and synchronous promotion of optical interconnect products and optical computing products, which has obvious advantages in commercialization and diversified customer coverage. In 2024, the Company's cumulative shipment of optical computing chips ranked first in the world.

Overseas representative enterprise Company B also has certain advantages in technological architecture innovation and product iteration, but commercialization is still mainly focused on the research and development stage, with cooperation focusing on strategic research and development. Domestic representative enterprises Company C focuses on characteristic technology routes, but the progress of product release and commercialization is relatively lagging behind, and only a few strategic partnerships have been reached.

Comparisons of Global Optical Computing Product Leaders

	The Company	Company B ⁽¹⁾	Company C ⁽²⁾
Founded Time	Founded in 2017	Founded in 2017	Founded in 2022
Announced Products⁽³⁾	Yes	No	No
Commercialization Degree	Revenue generated	Revenue generated	R&D phase
Customer Coverage	Has collaborated with research institutions, internet companies, GPU and server manufacturers, system integrators and AI infrastructure builders and operators.	Has collaborated with research institutions, internet companies, GPU and server manufacturers, system integrators and AI infrastructure builders and operators.	Has signed strategic cooperation agreements with some domestic enterprises.

Notes:

- (1) Company B, established in 2017, headquartered in Mountain View, USA, is a company that develops specialized chips and chip communication technology, called interconnects, using photonics.
- (2) Company C, established in 2022, headquartered in Shanghai, China, is a manufacturer specializing in the research, development, and production of optical communication components and optical computing chips.

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- (3) “Announced Products” refer to products formally released to the public via channels like official websites, press conferences, or industry publications, etc.

Source: Frost & Sullivan

Comparison of Computing Chips

Comparison Dimensions		GPU	Optical Computing Chips
Key Performance Indicators	Calculation Speed/Computing Power	Friendly to highly parallel problems	Friendly to serial problems
	Converge rate	Average	Low latency, very fast
	Latency	Microsecond level	Nanosecond level
	Power Consumption	Power consumption rises with computing power; thermal bottlenecks exist	Photons have naturally low power consumption; high energy efficiency ratio
	Calculation Precision	Stable precision, mature technology	Weaker precision, strong anti-interference
Technology Maturity		Multiple product series have been continuously iterated:	Only a few products released; still in R&D stage; no product iteration yet
		Function Level: Products upgraded through multiple rounds, expanding from traditional image rendering to AI computing.	
		Performance Level: Iterated from early models with weak power/slow speed to current products with extreme computing power.	
		Architecture Level: Evolved from early simple designs relying on basic stream processors to advanced architectures integrating CUDA cores, Tensor cores, and Ray Tracing cores.	
Degree of Commercialization	Commercial Product Availability	Commercialization achieved	Initial commercialization; a small number of products deployed
	Major Manufacturers' Layout	Currently many high-market-cap, high-revenue companies, e.g., NVIDIA, AMD, Intel, etc.	No high-market-cap public companies yet; mainly some enterprises (including the Company) engaging in initial commercial deployment
Market Size		In 2024, global GPU market size is RMB921.65 billion; estimated to reach RMB3,167.95 billion by 2029, accounting for ~85.4% of AI chips	In 2024, global optical computing product market size is RMB0.05 billion; estimated to reach RMB0.89 billion by 2029, and RMB29.12 billion by 2035

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Comparison Dimensions	GPU	Optical Computing Chips
Downstream Application Scenarios	Cloud side: Except for a few ASICs, almost all use GPU solutions. Emerging Edge AI: Commercial penetration gradually realized; currently, computing cores like robots are generally dominated by GPUs.	Initial penetration and shipments in operator and academic research fields, but not yet penetrated cloud, data centers, training/inference, or edge AI fields

Source: Frost & Sullivan

Wafer Price Analysis

Wafer pricing dynamics, both globally and in China, are inherently aligned with the broader semiconductor industry cycle — driven primarily by supply-demand balances, capacity utilization levels, and technological advancements. Unlike standalone market cycles, wafer prices fluctuate in tandem with shifts in downstream demand and the pace of industry capacity expansion. The 2020–2022 period witnessed a sustained uptrend in wafer foundry pricing, fueled by robust global semiconductor demand and constrained production capacity. This momentum reversed in 2023, as sluggish demand for consumer electronics and smart phones led to underutilized wafer capacity, exerting downward pressure on prices across select segments. Since 2024, however, pricing has stabilized amid a gradual recovery in the consumer electronics sector, paired with sustained demand growth from AI training, automotive-grade chips, and computing applications. A divergence has emerged between process nodes: advanced nodes have seen modest price gains due to their deepening penetration in high-performance computing and automotive electronics, while mature nodes face downward pricing pressure — attributed to rapid capacity expansion by domestic manufacturers that has intensified market competition. Looking ahead, wafer prices are poised to maintain overall stability over the medium to long term. Fundamentally, they will continue to mirror the semiconductor industry’s cyclical nature, shaped by the interplay of fluctuating downstream demand and the trajectory of capacity development across the sector.

Product Lifecycle Analysis

Our products typically follow a structured lifecycle from concept initiation to end-of-life management. Given the complexity and high reliability requirements of optoelectronic hardware deployed in AI infrastructure and advanced computing environments, the lifecycle of our products generally comprises: (i) concept initiation and feasibility study; (ii) architecture definition; (iii) chip and module design and tape-out; (iv) engineering samples and customer samples, system-level validation and pilot deployment; (v) launch and new product introduction; (vi) mass production and commercialization; (vii) in-field operation, quality monitoring and iterative improvements; and (viii) orderly product transition to successor generations and end-of-life arrangements.

Optical Interconnect. The lifecycle for our optical interconnect products is generally shorter at the component/module level, but may involve multiple product forms across different deployment architectures. The development of the underlying photonic/electronic chips broadly follows a semiconductor lifecycle. However, given the comparatively lower integration complexity versus large compute chips, the time from project initiation to mass production is often shorter, and may be approximately two years on a general reference basis. At the module level (for example, smart

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transceiver-type products), development cycles are typically around six to eight months, and we generally conduct a structured new product introduction phase prior to mass production, covering reliability qualification, manufacturability validation and supply chain readiness.

Optical Computing. The lifecycle for our optical computing products typically has a longer development and commercialization cycle, reflecting the broader co-optimization required across photonic/electronic hardware, packaging, and software enablement. As a general industry reference, the timeframe from project initiation/concept to tape-out is often around 18 months, followed by approximately six months from tape-out to engineering/customer samples, when a product may be formally launched, and a further six to twelve months to reach mass production. After entering mass production, products typically remain commercially available for at least three years, and the total sales life from launch is commonly in the range of approximately four to six years, subject to market demand and the pace of generational upgrades.

SOURCE OF INFORMATION

We commissioned Frost & Sullivan to conduct market research on Global and China's optical interconnect and optical computing industries and prepare the Frost & Sullivan Report. Frost & Sullivan is an independent global consulting firm founded in 1961 in New York that offers industry research and market strategies. We have contracted to pay RMB450,000 to Frost & Sullivan for compiling the Frost & Sullivan Report.

In preparing the Frost & Sullivan Report, Frost & Sullivan conducted detailed primary research which involved discussing the status of the industry with certain leading industry participants and conducting interviews with relevant parties. Frost & Sullivan also conducted secondary research which involved reviewing company reports, independent research reports, and data based on its own research database. Frost & Sullivan obtained the figures for the estimated total market size from historical data analysis plotted against macroeconomic data as well as considered the abovementioned industry key drivers. Its market engineering forecasting methodology integrates several forecasting techniques with the market engineering measurement-based system and relies on the expertise of the analyst team in integrating the critical market elements investigated during the research phase of the project. These elements primarily include expert-opinion forecasting methodology, integration of market drivers and restraints, integration with the market challenges, integration of the market engineering measurement trends and integration of econometric variables.

The Frost & Sullivan Report is compiled based on the following assumptions: (i) the social, economic and political environment of the globe and the PRC is likely to remain stable in the forecast period; and (ii) related industry key drivers are likely to drive the market in the forecast period.

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REGULATORY ENVIRONMENT IN THE PRC

The following provides an overview of the major PRC laws, regulations, and policies related to the Company's current daily business operations in the PRC.

Policies Related to the IC Industry

In June 2014, the State Council promulgated the Outline for Promoting the Development of the National IC Industry, which stated that the development goal of the integrated circuit industry is to reach an advanced international standard in the major links of the integrated circuit industry chain by 2030, with a number of enterprises entering the international first tier and achieving leapfrog development. In January 2017, the National Development and Reform Commission of the People's Republic of China (the "NDRC") promulgated the Guiding Catalogue of Key Products and Services in Strategic Emerging Industries (2016 Edition), which clarifies eight industries in five major areas, which are further subdivided into 174 sub-directions under 40 key directions and nearly 4,000 subdivided products and services. In July 2020, the State Council announced the Several Policies for Promoting High-Quality Development of the IC Industry and the Software Industry in the New Era. In March 2021, the National People's Congress of the PRC (the "NPC") promulgated the Outline of the 14th Five-Year Plan for National Economic and Social Development and the Long-Range Objectives through the Year 2035 of the PRC, which outlined plans to cultivate advanced manufacturing clusters. In December 2021, the State Council promulgated the Notice of the State Council on Issuing the 14th Five-Year Plan for the Development of the Digital Economy, which clarified that during the "14th Five-Year Plan" period, the promotion of digital industrialization should be accelerated to make up for key technical shortcomings. In August, 2025, the Ministry of Industry and Information Technology (the "MIIT") and the State Administration for Market Regulation promulgated the "Action Plan for Stabilizing Growth of the Electronic Information Manufacturing Industry (2025-2026)", which emphasizes that sustained support will be provided for scientific and technological innovation in areas including integrated circuits, advanced computing, future displays, and new industrial control systems to improve the efficiency of collaborative research.

Regulations Related to Foreign Investment in the PRC

Regulations on Corporation

According to the Company Law of the People's Republic of China (effective from July 1, 2024, the "**Company Law**"), limited liability companies and joint-stock limited companies established within the territory of China are subject to the Company Law. Unless otherwise specified by the law on foreign investment, foreign-invested enterprises are also governed by the Company Law.

Foreign Investment Regulation

According to the Foreign Investment Law of the People's Republic of China (effective from January 1, 2020, the "**Foreign Investment Law**"), foreign investment refers to investment activities carried out directly or indirectly within the territory of China by foreign natural persons, enterprises, or other organizations (the foreign investors). The Foreign Investment Law further implements the pre-establishment national treatment plus negative list management system for foreign investment. According to the Regulations for the Implementation of the Foreign Investment Law of the People's Republic of China (effective from January 1, 2020), the state encourages and promotes foreign investment, protects the legitimate rights and interests of foreign investors, regulates the management of

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foreign investment. According to the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2024 Edition) (effective from November 1, 2024), which replaces the previous negative list, domestic enterprises engaged in businesses prohibited by the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2024 Edition) that intend to issue shares and list on overseas stock exchanges shall obtain the approval of relevant national competent authorities. Overseas investors shall not participate in the enterprise's operation and management, and their shareholding ratios shall be implemented in accordance with the relevant provisions on the management of overseas investors' securities investments within the territory of China.

Security Review of Foreign Investment

According to the Measures for the Security Review of Foreign Investment (effective from January 18, 2021), foreign investors or relevant parties in China must submit a security review application to the office of the working mechanism before making the following investments: (i) investing in fields related to national defense security, such as military industry and military industry support, as well as investing in areas surrounding military facilities and military industry facilities; and (ii) investing in important agricultural products, important energy and resources, major equipment manufacturing, important infrastructure, important transportation services, important cultural products and services, important information technology and internet products and services, important financial services, key technologies, and other important fields that involve national security, and acquiring control over the target enterprise.

Regulations Related to Overseas Investment

According to the Measures for the Administration of Overseas Investment (effective from October 6, 2014), the MOFCOM and provincial-level commerce authorities implement filing and approval management separately based on different circumstances of enterprises' overseas investments. Overseas investment of enterprises involving any sensitive country or region or any sensitive industry shall be subject to confirmation management. Overseas investment under other circumstances shall be subject to recordation management. According to the Measures for the Administration of Overseas Investment of Enterprises (effective from March 1, 2018), an enterprise in the territory of the PRC (the “**investor**”) shall, in overseas investment, undergo the formalities for the confirmation or recordation, among others, of an overseas investment project (the “**project**”), report the relevant information, and cooperate in supervisory inspection. The NDRC promulgated the Catalogue of Sensitive Sectors for Outbound Investment (2018 Edition), effective from March 1, 2018, to list the sensitive industries for overseas investment in detail. According to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving the Policies for the Foreign Exchange Administration of Direct Investment (effective from June 1, 2015), the approval for foreign exchange registration for direct investment has been canceled. Banks are entitled to review and carry out foreign exchange registration for overseas direct investment directly. The SAFE and its branches shall exercise indirect supervision over foreign exchange registration for overseas direct investment through banks.

Regulations Related to Cyber and Data Security

Network Security

According to the Cybersecurity Law of the People's Republic of China (effective from June 1, 2017), those which build or operate networks or provide services through networks shall take technical measures and other necessary measures in accordance with laws, administrative regulations and

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compulsory national requirements to safeguard the safe and stable operation of the networks, respond to network security incidents effectively, prevent illegal and criminal activities committed on the network, and maintain the integrity, confidentiality and availability of network data.

Data Security

According to the Data Security Law of the People's Republic of China (effective from September 1, 2021), the state establishes a data classification and graded protection system, implementing data classification and graded protection based on factors such as the importance of data in economic and social development. When conducting data processing activities, entities shall, in accordance with laws and regulations, establish and improve a full-process data security management system, organize data security education and training, and adopt corresponding technical measures and other necessary measures to ensure data security.

Regulations Related to Intellectual Property

Patents

According to the Patent Law of the People's Republic of China (effective from June 1, 2021), and the Implementing Regulations of the Patent Law of the People's Republic of China (effective from January 20, 2024), patents are divided into 3 categories. The validity period of patents for inventions is 20 years, while the validity period of patents for utility models is 10 years, and the validity period of patents for designs is 15 years, all starting from the date of application.

Trademarks

According to the Trademark Law of the People's Republic of China (effective from November 1, 2019), trademark registrants shall enjoy the right to exclusive use of their trademarks and shall be protected by law. The validity period of a registered trademark is 10 years, calculated from the date of approval for registration.

Copyrights

According to the Copyright Law of the People's Republic of China (effective from June 1, 2021), and the Detailed Regulations on the Implementation of the Copyright Law of the People's Republic of China (effective from March 1, 2013), copyright owners enjoy various personal rights and property rights, including the right of publication, the right of authorship, the right of reproduction, and the right of information network dissemination. According to the Regulations on the Protection of Computer Software (effective from March 1, 2013), and the Measures for the Registration of Computer Software Copyrights (effective from February 20, 2002), the term of protection for software copyright owned by legal persons or other organizations is 50 years, expiring on 31 December of the 50th year following the first publication of the software.

Domain Names

According to the Measures for the Administration of Internet Domain Names (effective from November 1, 2017), the MIIT shall be responsible for managing internet domain name in the PRC. Domain name registrations are handled through domain name service agencies established under the relevant regulations, and the applicants become domain name holders upon successful registration.

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Regulations Related to House Leasing

According to the Law of the People's Republic of China on the Administration of the Urban Real Estate (effective from January 1, 2020), in the leasing of a house, the leaser and the lessee shall conclude a written lease contract defining such matters as the term, purpose and price of the lease, liability for repair, as well as other rights and obligations of both parties, and shall register the leasing with the department of housing administration for the record.

Regulations Related to Product Quality

According to the Product Quality Law of the People's Republic of China (effective from December 29, 2018), the manufacturers and sellers shall establish and perfect their internal management of product quality, strictly implement quality criteria for various posts, specify quality liabilities, and make checks accordingly.

Regulations Related to Import and Export

According to the Foreign Trade Law of the People's Republic of China, the state permits the free import and export of goods and technologies, unless otherwise stipulated by laws and administrative regulations. According to the Customs Law of the People's Republic of China, the Customs of the People's Republic of China is the state's supervisory and administrative organ for the import and export of goods at the border. Consignees and consignors of imported and exported goods, as well as customs declaration enterprises, shall file records with the Customs in accordance with the law when going through customs declaration procedures.

Regulations Related to Foreign Exchange Supervision

According to the Regulations on the Foreign Exchange Administration of the People's Republic of China (effective from August 1, 2008), foreign exchange expenditures under current accounts shall be paid with self-owned foreign exchange or purchased from financial institutions engaged in foreign exchange settlement and sales business based on valid documents, in accordance with the administrative regulations on foreign exchange payment and purchase issued by the foreign exchange administrative department of the State Council. According to the Provisions on Foreign Exchange Administration of Foreign Investors' Direct Investment in China (effective from December 30, 2019), the administration of direct investment in China by foreign investors by SAFE or its local branches must be conducted through registration, and banks must handle foreign exchange business related to direct investment in China based on the registration data provided by SAFE and its branches. According to the Circular on Foreign Exchange Administration for Overseas Listings (effective from December 26, 2014), domestic enterprises shall go through overseas listing registration with the foreign exchange bureau at their registered place within 15 working days after the completion of overseas listing issuance. Funds raised from overseas listings by domestic companies may be repatriated to corresponding domestic special accounts or deposited in overseas special accounts, and the use of funds shall be consistent with the relevant content listed in the document and other publicly disclosed documents. According to the Notice of the State Administration of Foreign Exchange on Further Deepening Reform to Promote Cross-border Trade and Investment Facilitation (effective from December 4, 2023), foreign exchange funds raised from overseas listings by domestic enterprises may be directly remitted to capital account settlement accounts, and funds in capital account settlement accounts may be freely converted and used.

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Regulations Related to Labor and Employment

Labor Law and Labor Contract Law

According to the Labor Law of the People's Republic of China (effective from December 29, 2018), promulgated by the NPCSC on July 5, 1994, and revised on December 29, 2018 and the Labor Contract Law of the People's Republic of China (effective from July 1, 2013), promulgated by the NPCSC on June 29, 2007, and revised on December 28, 2012, employers and workers shall sign written labor contracts when establishing labor relations. Wages shall not be lower than the local minimum wage standards. According to the Interpretation (II) of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (effective from September 1, 2025), where an employer fails to execute a written labor contract with an employee pursuant to the law, it shall pay double wages to the employee, calculated on a monthly basis.

Social Insurance and Housing Provident Funds

According to the Social Insurance Law of the People's Republic of China (effective from December 29, 2018), and the Provisional Regulations on Collection and Payment of Social Insurance Premiums (effective from March 24, 2019), a social insurance system consisting of a basic old-age insurance, basic medical insurance, work injury insurance, unemployment insurance, and maternity insurance has been established. According to the Regulations on the Management of Housing Provident Fund (effective from March 24, 2019), an employer shall go to the housing provident fund management center to undertake registration of payment and deposit of the housing provident fund and go through the formalities of opening housing provident fund accounts on behalf of its staff. According to the Interpretation (II) of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (effective from September 1, 2025), any agreement between an employer and an employee — or any undertaking by an employee to the employer — to waive social-insurance contributions shall be deemed invalid by the people's courts. If an employer fails to pay social-insurance premiums in accordance with the laws and the employee seeks to rescind the labor contract under Article 38 of the Labor Contract Law and claim economic compensation, the people's courts shall uphold the claim.

Regulations Related to Taxation

Enterprise Income Tax

According to the Enterprise Income Tax Law of the People's Republic of China (effective from December 29, 2018, the “**EIT Law**”), promulgated by the NPC on March 16, 2007, and revised on December 29, 2018, and the Regulations on the Implementation of the Enterprise Income Tax Law of the People's Republic of China (effective from January 20, 2025, the Regulations on the Implementation of the EIT Law), domestic enterprises established in accordance with the law within the territory of China or established in accordance with the laws of foreign countries (regions) but with their actual management entities within the territory of China are deemed as resident enterprises. Resident enterprises shall pay enterprise income tax at a rate of 25% on any income generated within or outside the territory of China. High-tech enterprises supported by the state may pay enterprise income tax at a reduced rate of 15%.

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Value-added Tax

According to the Interim Regulations of the People's Republic of China on Value-added Tax (effective from November 19, 2017); the Detailed Regulations on the Implementation of the Interim Regulations of the People's Republic of China on Value-added Tax (effective from November 1, 2011); the Announcement of the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs on Policies Related to Deepening VAT Reforms (effective from April 1, 2018); and the Announcement on Policies Concerning the Deepening of Value-Added Tax Reform (effective from April 1, 2019), enterprises and individuals engaged in the sale of goods, provision of processing, repair, and replacement services, sale of services, intangible assets, real estate, and importation of goods within the territory of China shall pay value-added tax, and the value-added tax rates have been further revised to 6%, 9% or 13%.

Dividend Withholding Tax

According to the Individual Income Tax Law of the People's Republic of China (effective from January 1, 2019), and the Regulations on the Implementation of the Individual Income Tax Law of the People's Republic of China (effective from January 1, 2019), dividends distributed by Chinese enterprises shall be subject to individual income tax at a unified rate of 20%. For foreign individuals who are non-residents of China and receive dividends from Chinese enterprises, they shall generally be subject to individual income tax at a rate of 20%, unless otherwise stipulated by the financial and taxation authorities of the State Council. According to the EIT Law and the Regulations on the Implementation of the EIT Law, the enterprise income tax rate is 25%. Non-resident enterprises that do not establish institutions or establishments within the territory of China, or that have established institutions or establishments but the income derived therefrom has no actual connection with such institutions or establishments, shall pay enterprise income tax on their income derived from sources within the territory of China at a rate of 10%.

According to the Circular of the State Administration of Taxation on Issues Relating to Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (effective from November 6, 2008), when Chinese resident enterprises distribute dividends for the year 2008 and subsequent years to non-resident enterprise shareholders holding H shares outside the territory of China, they shall uniformly withhold and pay enterprise income tax at a rate of 10%.

According to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (effective from August 21, 2006), the mainland government may impose tax on dividends paid by Chinese resident enterprises to Hong Kong residents (including natural persons and legal entities), but such tax shall not exceed 10% of the gross amount of the dividends payable by the Chinese resident enterprises, unless the relevant Hong Kong resident directly holds 25% or more of the equity in a Chinese resident enterprise, in which case the tax shall not exceed 5% of the gross amount of the dividends payable by the Chinese resident enterprise.

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Regulations Related to Securities and Filing for Overseas Listing

Laws and Regulations on Securities

According to the Securities Law of the People's Republic of China (effective from March 1, 2020, the "**Securities Law**"), domestic enterprises that directly or indirectly issue securities overseas or list their securities overseas shall comply with the relevant provisions of the State Council. For domestic companies whose shares are subscribed for and traded in foreign currencies, specific measures shall be separately stipulated by the State Council. The CSRC is a securities regulatory institution established by the State Council, responsible for supervising and managing the securities market in accordance with the law, maintaining market order, and ensuring the lawful operation of the market. Currently, the overseas issuance of securities and listing of enterprises within the territory of China are mainly regulated by regulations and normative documents promulgated by the State Council and the CSRC.

Filing for Overseas Listings

According to the Trial Measures for the Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises (effective from March 31, 2023) and supporting guidelines (the Trial Measures for Overseas Listing) as well as the Notice on the Arrangement for the Administration of Overseas Listing Filing by Domestic Enterprises (effective from February 17, 2023) domestic enterprises that directly or indirectly issue securities overseas or list their securities for trading overseas must file with the CSRC within three working days after submitting listing application documents to the relevant regulatory authorities of the intended listing venue. Enterprises that fail to complete the filing in accordance with the overseas listing regulations or conceal any material facts or fabricate any material false content in the filing documents may be subject to administrative penalties such as orders to make corrections, warnings and fines. Their controlling shareholders, actual controllers, directly responsible supervisors, and other directly responsible personnel may also be subject to administrative penalties such as warnings and fines.

According to the Provisions on Strengthening the Confidentiality and Archive Management Related to Overseas Issuance of Securities and Listing by Domestic Enterprises (effective from March 31, 2023), domestic enterprises shall establish confidentiality and archive systems when issuing and listing securities in overseas markets.

REGULATORY ENVIRONMENT IN SINGAPORE

As at the Latest Practicable Date, we have one (1) Singapore subsidiary, Lightelligence Pte. Ltd. (the "**Singapore Subsidiary**"), which was incorporated in and operates under the general regulatory framework applicable to companies in Singapore. We consider our Singapore subsidiary immaterial to our business from both operational and financial perspectives. As of December 31, 2025, the subsidiary had one full-time employees (representing less than 1% of our total workforce) and contributed less than 3% of our revenue for 2025. The Singapore Subsidiary is not subject to any specific legislation or regulatory oversight beyond those ordinarily imposed on such entities.

Company Law

Companies Act 1967 of Singapore ("**Companies Act**") is the principal legislation governing companies in Singapore, and sets out, amongst other things, requirements for incorporation as well as ongoing compliance requirements, including but not limited to, the following: (a) to maintain the

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appointments of (i) at least one (1) director ordinarily resident in Singapore; (ii) an accounting entity as auditor (unless otherwise exempted); and (iii) a qualified company secretary ordinarily resident in Singapore; (b) to maintain the company's registers; (c) to hold an annual general meeting within six (6) months of its financial year end ("FYE"); (d) to file its annual return with the Accounting and Corporate Regulatory Authority within seven (7) months of its FYE; and (e) to file its corporate tax filing with the Inland Revenue Authority of Singapore.

Dividends

The Companies Act prescribes that dividends may only be paid out of profits of the company. Dividends paid to shareholders by a Singapore resident company under the one-tier corporate tax system are not taxable. Withholding tax is also not applicable to dividends paid out to both resident and non-resident shareholders.

Corporate Income Tax

Corporate income tax in Singapore is governed by the Income Tax Act 1947 of Singapore. A company is regarded as a tax resident in Singapore when the control and management of the company is exercised in Singapore. Corporate taxpayers, which include both Singapore tax residents and non-residents, are subject to Singapore income tax on income accrued in or derived from Singapore and income received in Singapore from outside Singapore, unless specifically exempt. The prevailing corporate tax rate in Singapore is 17%, with partial tax exemption for normal chargeable income of up to S\$200,000. With effect from the year of assessment 2020, 75% of the first S\$10,000, and 50% of the next S\$190,000 of a company's chargeable income (otherwise subject to normal taxation) is exempt from corporate tax. The remaining chargeable income that exceeds S\$200,000 will be fully taxable at the prevailing corporate tax rate. Tax rebates may also be provided from time to time.

Other Taxes

There is no tax on capital gains in Singapore. Any gains derived from the disposal of shares acquired will not be taxable in Singapore. Foreign shareholders are advised to consult their own tax advisers to take into account the tax laws of their respective home countries/countries of residence and the applicability of any double taxation agreement which their country of residence may have with Singapore.

Employment Law

The Employment Act 1968 of Singapore (the "**Employment Act**") is administered by the Ministry of Manpower and sets out the basic terms and conditions at work for employees under the Employment Act, such as the payment of salary, paid public holidays, sick leave and maternity leave. The Employment Act covers, amongst others, every employee who is under a contract of service with an employer and includes a workman (as defined in the Employment Act).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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Our businesses can be traced back to 2017, when Dr. Shen founded our business in the United States and the PRC, with an aim to harnessing cutting-edge optical computing to build efficient real-world connections and lay the cornerstone for AI. After years of corporate development as described in the section headed “ — Corporate Development and Major Shareholding Changes” and rounds of Pre-IPO Investments as elaborated in the section headed “Pre-IPO Investments” below, the Company has become the Group’s major operating and shareholding platform and it was converted into a joint stock limited company in August 2025. For now, we are dedicated to the field of optoelectronic hybrid accelerated computing, an innovative paradigm that combines the advantages of photonics and electronics.

BUSINESS DEVELOPMENT MILESTONES

The following table summarizes the key milestones in our business development:

Year	Milestone
2017	Lightelligence, Inc. was incorporated in the United States.
2019	We released our first photonic computing prototype, which successfully ran a Google TensorFlow model to process the MNIST dataset, validating our optical computing approach.
2021	We launched the PACE photonic computing processor, integrating over 10,000 photonic devices and supporting a 64×64 matrix operation, demonstrating computing speeds hundreds of times faster than contemporary high-end GPUs on specific algorithms.
2022	Our PACE photonic computing processor secured its first customer and generated revenue, marking the commencement of the commercialization of our optical computing business.
2023	We announced OptiHummingbird, our first hardware product utilizing Optical Network on Chip (oNOC) technology, at the Hot Chips conference.
2024	We achieved initial commercialization of our optical interconnect business.
2025	We released PACE 2, an optoelectronic computing accelerator card, integrating over 40,000 photonic devices and supporting a 128x128 matrix, marking the first application of our technology in complex commercial models.
	We published related research on PACE in <i>Nature</i> .
	We jointly launched LightSphere X, the world’s first distributed optical interconnect and optical switching GPU supernode solution, according to Frost & Sullivan. The solution, centered on our all-optical interconnect chip, won the Superior AI Leader (SAIL) Award at the 2025 World Artificial Intelligence Conference (WAIC).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Year	Milestone
	We launched China's first xPU-CPO co-packaged optics prototype system, co-packaging the optical engine and computing chip (xPU) on the same substrate to shorten transmission distance.

OUR MAJOR SUBSIDIARIES

Details of each of our major subsidiaries which have made material contribution to our results of operations during the Track Record Period or are of strategic importance to our Group are as follows:

Name of Subsidiary	Place of Incorporation	Date of Establishment and Commencement of Business	Principal Business
Hangzhou Guangzhiyuan	PRC	November 5, 2019	Research, development and sales of hardware and software products and provision of related services
Nanjing Guangzhiyuan	PRC	September 18, 2020	Research, development and sales of hardware and software products and provision of related services
Lightelligence Pte. Ltd.	Singapore	November 2, 2020	Trading and sales

Save as disclosed in the section headed “— Corporate Development and Major Shareholding Changes — Reorganization in 2024”, there is no change of shareholdings in the above major subsidiaries throughout the Track Record Period and up to the Latest Practicable Date.

CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES

Establishment of Our Principal Businesses

In October 2017, Lightelligence, Inc. was incorporated in the United States to operate our principal businesses including R&D on optical computing. Upon incorporation, Lightelligence, Inc. was held by Dr. Shen as to 100%. By the end of 2018, we completed our series A financing in Lightelligence, Inc., and it was held by Dr. Shen and our series A Pre-IPO Investors as to 26.24% and 52.81%, respectively.

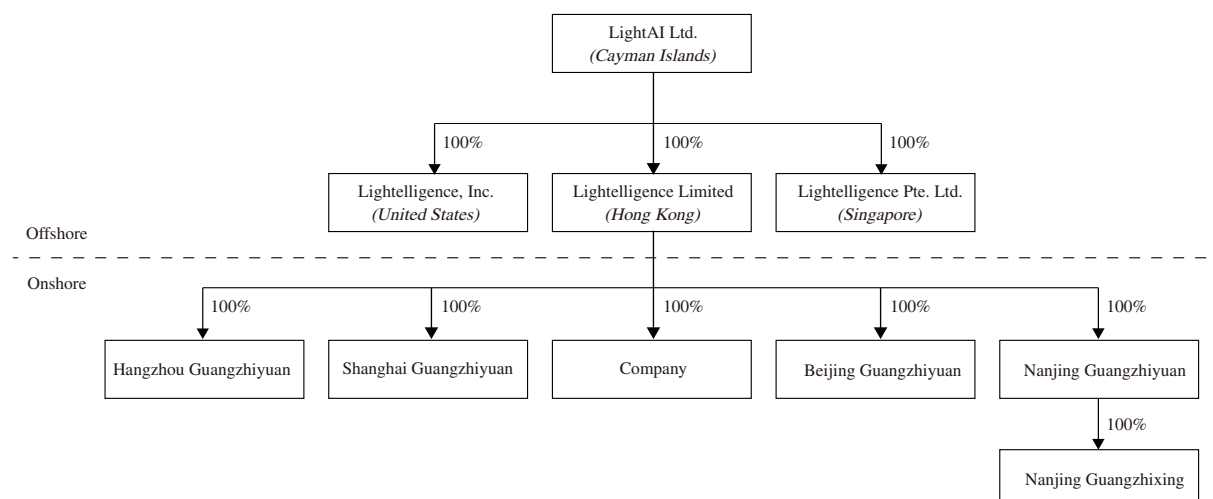
Incorporation of our Cayman Holding Company

To facilitate our financing, LightAI Ltd. was incorporated in the Cayman Islands as a limited liability company in August 2019. In January 2020, LightAI incorporated a company which was merged into Lightelligence, Inc. while the existing shareholders of Lightelligence obtained shares of LightAI on a pro-rata basis. As a result, the entire shares of Lightelligence, Inc. was held by LightAI Ltd., which was in turn held by Dr. Shen, certain employees and consultants, and our Pre-IPO Investors as to 34.39%, 23.09% and 42.52%, respectively.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Subsequent Reorganization

Along with our Pre-IPO Investments conducted in the United States and the Cayman Islands between 2018 to 2023, our group companies in Hong Kong, Singapore and the PRC, including our Company which was established in February 2018, were established to operate our domestic and overseas businesses. We set forth below our simplified group chart as at November 17, 2023:



Given most of our principal businesses were being conducted in the PRC and to streamline our shareholding structure, we carried out the following steps in 2024:

Acquisitions within our Group

Through November 2023 to December 2023, the Company acquired the entire shares of Hangzhou Guangzhiyuan, Shanghai Guangzhiyuan, Beijing Guangzhiyuan and Nanjing Guangzhiyuan from Lightelligence Limited at a consideration of US\$2 million, RMB1, RMB1 and US\$6 million, respectively. Upon completion of the aforementioned acquisitions, Hangzhou Guangzhiyuan, Shanghai Guangzhiyuan, Beijing Guangzhiyuan and Nanjing Guangzhiyuan were directly held by the Company.

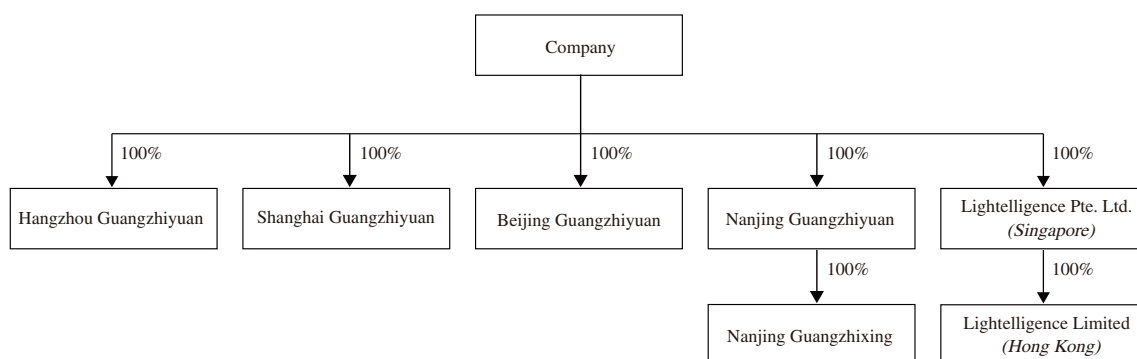
In September 2024, Dr. Shen and certain of our then Shareholders purchased a total of RMB10,000,000 registered share capital of our Company from Lightelligence Limited, which ceased to be a shareholder of the Company in September 2024.

In September 2024, the Company acquired the entire shares of Lightelligence Pte. Ltd. from LightAI Ltd. and in December 2024, Lightelligence Pte. Ltd. acquired the entire shares of Lightelligence Limited.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Subscription of Shares in the Company

Among a series of equity transfer, divestment and investment from our Pre-IPO Investors, in October 2024, certain of our Share Incentive Platforms and Pre-IPO Investors further subscribed for a total of RMB61,414,924 registered share capital of the Company. Upon completion of the aforesaid subscriptions, the Company was held by Dr. Shen, our Share Incentive Platforms and Pre-IPO Investors as 9.35%, 29.97% and 60.68%, respectively. We set forth below our simplified group chart after the completion of the above reorganization:



Conversion into a Joint Stock Limited Company

In July 2025, our Shareholders passed resolutions approving, among other matters, the conversion of our Company from a limited liability company into a joint stock limited company. Upon completion of the conversion, the registered capital of our Company became RMB76,831,836 divided into 76,831,836 Shares with a nominal value of RMB1.00 each.

MAJOR ACQUISITIONS, MERGERS AND DISPOSALS

Throughout the Track Record Period and up to the Latest Practicable Date, we did not conduct any acquisitions, mergers or disposals.

SHARE INCENTIVE PLATFORMS

In recognition of the contributions of our current or former employees and consultants and to incentivize them to further promote our development, four Share Incentive Platforms, all being limited partnerships, were established by 2024 to implement our employee incentive plan.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Details of each of our Share Incentive Platforms as of the Latest Practicable Date are set forth below:

Name of Share Incentive Platforms	Place of Incorporation	General Partner	Limited Partners
LightAI EIP	British Virgin Islands	Deep Harbor Limited, a company controlled by Foong Jun Zhe, Benjamin, an employee of the Group who is our country manager of Singapore and an Independent Third Party	The Group's former or current overseas employees
Mach C	British Virgin Islands	Deep Harbor Limited, a company controlled by Foong Jun Zhe, Benjamin, an employee of the Group who is an Independent Third Party	The Group's employees, consultants and certain investors
Youguang Yihui	PRC	Youguang Shuoran, a company controlled by Dr. Shen	The Group's former or current domestic employees
Youguang Zhiyuan	PRC	Shanghai Youguang Yuning Enterprise Management Co., Ltd. (上海有光煜寧企業管理有限公司, "Youguang Yuning"), a company controlled by Mr. Zhang Hong, one of our executive Directors	The Group's former or current domestic employees

We set forth below details of interests from our connected persons, senior management and key personnels under Listing Rules 18C.14 who are responsible for the Company's technical operations and/or the research and development of its Specialist Technology Product ("Key R&D Staff(s)") in the Share Incentive Platforms:

- (i) LightAI EIP: Dr. Ben Chen, one of our Key R&D Staffs, is a limited partner with interest of 0.51%. Spencer Powers, Cheng-Kuan Lu, Arash Hosseinzadeh, Maurice Steinman, our employees, Wang Long, one of our executive Directors, are interested in it as to 18.47%, 7.48%, 5.19%, 20.87% and 28.24%, respectively. Save as disclosed above, there is no limited partner who holds more than 5% of the partnership interests in LightAI EIP;
- (ii) Mach C: Mr. Wang Long, one of our executive Directors, a member of the senior management and Key R&D Staffs, is a limited partner with interest of 9.68%. Marin Soljacic holds 33.19% partnership interests in Mach C, being a consultant of the Group, Cheung Sze Wah Sam, John Joannopoulos, Berusman Ltd, Jeffrey Ju and Mr. Wang Long are interested in it as to 7.25%, 7.13%, 12.88%, 22.96% and 9.68%, respectively. Save as disclosed above, none of the limited partners holds more than 5% of the partnership interests in Mach C;
- (iii) Youguang Yihui: Dr. Shen, Dr. Meng Huaiyu and Mr. Zhang Hong, all being our executive Directors and members of our senior management, are limited partners with interest of 32.87%, 24.50% and 15.68%, respectively. Youguang Shuoran is the general partner of Youguang Yihui with a partnership interest of 0.001% and is held by Dr. Shen, Dr. Meng

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Huaiyu and Mr. Zhang Hong as to 80%, 10% and 10%, respectively. Lu Tao (盧濤) and Wang Jingtian (王景田), being our employees and Independent Third Parties, are interested in Youguang Yihui as to 6.1706% and 5.1422%, respectively. All of the other limited partners in Youguang Yihui are the Group's former or current domestic employees holding less than 5% partnership interests therein;

- (iv) Youguang Zhiyuan: Shanghai Youguang Yuning Enterprise Management Co., Ltd. (上海有光煜寧企業管理有限公司) is the general partner of Youguang Zhiyuan with a partnership interest of 0.0021%, which is held by Mr. Zhang Hong and Dr. Meng Huaiyu as to 80% and 20%, respectively. Mr. Zhang Hong is a limited partner interested in Youguang Zhiyuan as to 0.2071%. Apart from Shanghai Youguang Yuning Enterprise Management Co., Ltd. and Mr. Zhang Hong, the remaining limited partners of Youguang Zhiyuan are Shanghai Guangzhiyuan Benyuan Enterprise Management Partnership (Limited Partnership) (上海光致遠本源企業管理合夥企業(有限合夥)), Shanghai Guangzhiyuan Nanhe Enterprise Management Partnership (Limited Partnership) (上海光致遠南鶴企業管理合夥企業(有限合夥)), Shanghai Guangzhiyuan Shenhua Enterprise Management Partnership (Limited Partnership) (上海光致遠申華企業管理合夥企業(有限合夥)), Shanghai Guangzhiyuan Shenyun Enterprise Management Partnership (Limited Partnership) (上海光致遠申韻企業管理合夥企業(有限合夥)), Shanghai Guangzhiyuan Xixi Enterprise Management Partnership (Limited Partnership) (上海光致遠西溪企業管理合夥企業(有限合夥)) and Shanghai Guangzhiyuan Haiyun Enterprise Management Partnership (Limited Partnership) (上海光致遠海韻企業管理合夥企業(有限合夥)), which are interested in Youguang Zhiyuan as to 51.54%, 6.61%, 8.65%, 16.51%, 8.38% and 8.10%, respectively. These are sub-employee shareholding platforms under Youguang Zhiyuan. Shanghai Youguang Yuning Enterprise Management Co., Ltd. (上海有光煜寧企業管理有限公司) is the general partner of all these entities. Dr. Shen, Dr. Meng Huaiyu and Mr. Zhang Hong are interested in Shanghai Guangzhiyuan Benyuan Origin Enterprise Management Partnership (Limited Partnership) (上海光致遠本源企業管理合夥企業(有限合夥)) as to 35.93%, 17.97% and 17.36%, respectively, as limited partners. Mr. Peng Bo, one of our Key R&D Staffs, and Mr. Zhang Hong are interested in Shanghai Guangzhiyuan Nanhe Enterprise Management Partnership (Limited Partnership) (上海光致遠南鶴企業管理合夥企業(有限合夥)) as to 58.88% and 0.31%, respectively, as limited partners.

Mr. Zhang Hong is interested in Shanghai Guangzhiyuan Shenhua Enterprise Management Partnership (Limited Partnership) (上海光致遠申華企業管理合夥企業(有限合夥)), Shanghai Guangzhiyuan Shenyun Enterprise Management Partnership (Limited Partnership) (上海光致遠申韻企業管理合夥企業(有限合夥)), Shanghai Guangzhiyuan Xixi Enterprise Management Partnership (Limited Partnership) (上海光致遠西溪企業管理合夥企業(有限合夥)) and Shanghai Guangzhiyuan Haiyun Enterprise Management Partnership (Limited Partnership) (上海光致遠海韻企業管理合夥企業(有限合夥)) as to 0.24%, 0.13%, 0.24% and 0.25%, respectively, as a limited partner.

Having considered, among others, (i) all limited partners are employees of the Company save as disclosed above, (ii) Youguang Zhiyuan is only interested in the Company as to 6.12% as of the Latest Practice Date, (iii) most of these sub-platforms do not hold material interests in Youguang Zhiyuan as disclosed above, and (iv) save as disclosed herein, none of the limited partners holds 30% or more partnership interests in each of the sub-platforms, the Company is of the view that the interests of the other limited partners are immaterial.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

None of the ultimate beneficial owners is interested in Youguang Zhiyuan as to 5% or more.

Save as disclosed in the section headed “Lock-up under Chapter 18C of the Listing Rules” below, none of the limited partners in the Share Incentive Platforms, including the sub-platforms of Youguang Zhiyuan, is subject to the lock-up restrictions under Rule 18C.14 of the Listing Rules.

As of the Latest Practicable Date, all options under the employee incentive plan have been granted and exercised and there are no outstanding options or share awards under the employee incentive plan.

Concert Party Agreements

In September 2024 and October 2024, Dr. Shen entered into concert party agreements, as amended from time to time, with LightAI EIP, Mach C and Youguang Zhiyuan, respectively, pursuant to which LightAI EIP, Mach C and Youguang Zhiyuan acknowledged that, among others, (i) they would act in concert with Dr. Shen in the board meetings and general meetings of the Company, and (ii) where consensus cannot be reached, Dr. Shen’s opinion shall prevail. The agreements remain valid unless terminated by Dr. Shen or until the three Share Incentive Platforms cease to have any shareholding in the Company respectively.

PRE-IPO INVESTMENTS

Overview

Details of the Pre-IPO Investments in our Group are set out below:

Round	Date of Last Investment Agreement	Date of the Last Payment of Consideration	Amount of Consideration Received	Implied Pre-money valuation	Implied Post-money valuation ⁽¹⁾	Cost per Share (approx.)	Discount to Offer Price ⁽²⁾
			(RMB)	(RMB)	(RMB)	(RMB)	
Series A	April 24, 2018	May 3, 2018	64,478,592	187,685,318	256,031,383	8.50 to 9.44	93.8% to 94.5%
Series A+ and A2	July 13, 2020	October 23, 2020	267,000,000	469,000,000	883,840,500	17.29 and 20.92	86.4% to 88.7%
Series B	February 10, 2021	July 30, 2021	310,558,018	2,312,289,002	2,622,908,676	47.49 to 48.48	68.4% to 69.0%
Series B+	April 15, 2021	April 15, 2021	97,051,500	3,137,998,500	3,235,050,000	57.92	62.2%
Series C1, C2 and C3.	March 4, 2024	September 29, 2024	1,264,606,100	4,457,670,000	6,278,851,732	66.77 to 87.56	42.9% to 56.4%
Series C4	April 24, 2025	April 28, 2025	300,000,000	7,500,000,000	7,800,000,000	99.78	34.9%

Notes:

- (1) The reasons for the fluctuations in valuation as compared to the immediate previous round of Pre-IPO Investment and the Global Offering were primarily (i) the release of our first photonic computing prototype in 2019 for series A to series A2, (ii) the launch of the PACE photonic computing processor in 2021 from series A2 to series B+, (iii) that PACE photonic computing processor secured its first customer and generated revenue in 2022, the announcement of OptiHummingbird in 2023 and the initial commercialization of our optical interconnect business in 2024, and (iv) the release of PACE 2 and the launch of LightSphere X in 2025 from series C3 to C4.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

- (2) The discount to the Offer Price is calculated based on the assumption that the Offer Price is the mid-point of the indicative Offer Price range and the exchange rates as disclosed in the section headed “Information about this Prospectus and the Global Offering — Exchange Rate Conversion”.

Other Principal Terms of the Pre-IPO Investments

Basis of determination of the valuation and consideration	The considerations for each round of the Pre-IPO Investments were determined based on arm’s length negotiations amongst the Pre-IPO Investors and our Group, as applicable after taking into consideration of the timing of the investments, our valuation at the time of execution of investment agreement, the operation of our business, the financial performance of our Group, and the prospects of our business.
Lock-up period	Pursuant to the PRC Company Law, Shares issued by our Company prior to the Global Offering (including those held by the Pre-IPO Investors) will be subject to a lock-up period of one year from the Listing Date. For lock-up period of our key persons and Pathfinder SIIIs pursuant to Rule 18C.14 of the Listing Rules, see the section headed “— Lock-up Periods” below.
Use of proceeds from the Pre-IPO Investments	We have utilized the proceeds from the Pre-IPO Investments for the principal business of our Group, including but not limited to research and development activities, and the growth and expansion of our Company’s business and general working capital purposes. As of the Latest Practicable Date, over 65% of the funds raised from the Pre-IPO Investments have been utilized.
Strategic benefits brought to our Company by the Pre-IPO Investors	At the time of the relevant Pre-IPO Investments, our Directors were of the view that our Group could benefit from the additional funds provided by the Pre-IPO Investments to our Group and the knowledge and experience of the Pre-IPO Investors in the technology industry. The Pre-IPO Investments demonstrated the Pre-IPO Investors’ confidence in the operations and development of our Group.

Special Rights of the Pre-IPO Investors

The Pre-IPO Investors have been granted certain special rights in relation to our Company, including, among others, liquidation rights, redemption rights, anti-dilution rights, director appointment rights and information rights. For details, please refer to Note 34 to Appendix I of this Prospectus. As of the Latest Practicable Date and to the best knowledge of the Company, none of the Shareholders is expected to exercise their anti-dilution rights before the Listing. All Pre-IPO Investors were granted redemption rights before the listing application of the Company, which have been suspended immediately prior to the first filing of the listing application. All special rights including the redemption rights and anti-dilution rights will be terminated upon Listing.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Compliance with Pre-IPO Investment Guidance

On the basis that (i) the consideration for the Pre-IPO Investments is expected to be irrevocably settled no less than 120 clear days before the Listing; and (ii) the special rights of the Pre-IPO Investors shall be terminated as disclosed in “— Special Rights of the Pre-IPO Investors” above, the Joint Sponsors confirm that the Pre-IPO Investments are in compliance with the guidance in Chapter 4.2 of the Guide for New Listing Applicants issued by the Stock Exchange.

Information About Our Pre-IPO Investors

Set out below is a description of our Sophisticated Independent Investors (as defined in Chapter 2.5 of the Guide for New Listing Applicants issued by the Stock Exchange). We have 10 Sophisticated Independent Shareholders, which are also our key Pre-IPO Investors, and four of which are our Pathfinder SIIs. Save for being a Shareholder, each of our Sophisticated Independent Investors and their respective ultimate beneficial owners is independent from and not connected with any Director, chief executive or substantial shareholder of our Company, its subsidiaries or any of their respective associates (within the meaning of the Listing Rules). Each of the Pre-IPO Investors is independent from each other.

Our Pathfinder SIIs

MPC V

Each of MPC V L.P. and MPC V-A L.P. (collectively, “MPC V”) is an exempted limited partnership incorporated under the laws of the Cayman Islands, of which the general partner is MPC Management V L.P.. The general partner of MPC Management V L.P. is MPC GPGP V Ltd., which is responsible for the investment decision making process. David Su is the controlling shareholder of MPC GPGP V Ltd.. No single limited partner holds 30% or more interests in MPC V, L.P. or MPC V-A L.P.. David Su is an Independent Third Party and the founding managing partner of MPC. He focuses on the investments of healthcare, manufacturing and consumer products and services. As of the date of 12 months prior to the date of the listing application, MPC V was interested in the Group as to approximately 5.1878% (on a fully diluted basis) through its wholly owned company and was directly interested in the Company as to approximately 4.9883% as of the date of the listing application. The signing date of the first definitive investment agreement between the Group and the affiliate of MPC V is December 24, 2019. MPC (經緯創投) is responsible for the investment decision making of MPC GPGP V Ltd. as MPC can control the board of MPC GPGP V Ltd. so that the board of MPC GPGP V Ltd. is responsible for the investment decision of itself. MPC is a venture capital firm with a long-term focus on early-stage and growth-stage investments. Its investments focus on areas such as new economy, deep technology, industrial digitalization, healthcare, frontier technology and new consumer sectors. Investment funds under management of MPC has invested in other technology or healthcare companies such as XPeng Inc. (stock code: 9868), Peijia Medical Limited (stock code: 9996), Beisen Holding Limited (stock code: 9669), and Qiniu Limited (stock code: 2567).

As at a date which is no more than six months prior to the date of signing of the definitive agreement for their investment in the Company (being June 30, 2019) and as at a date which is no more than six months prior to the date of the Company’s listing application (being June 30, 2025), the assets under management of MPC were both over HK\$15 billion.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Tencent

Tencent Mobility Limited is a company incorporated in Hong Kong and is principally engaged in the activities of development and operation of entertainment applications, provision of promotion activities for WeChat and investment holding. Tencent Mobility Limited is a wholly-owned subsidiary of Tencent Holdings Limited (“**Tencent**”), whose shares are listed on the Stock Exchange (stock code: HKEx: 00700 (HKD Counter) and 80700 (RMB Counter)). Tencent is principally engaged in the provision of communication, social, games, digital content, marketing, fintech and cloud services in the PRC. Tencent held approximately 4.3534% beneficial interests (on a fully diluted basis) in the Group through one of its wholly-owned subsidiaries as of the date of 12 months prior to the date of the listing application and approximately 4.1860% equity interests in the Company through Tencent Mobility Limited as of the date of the listing application. The signing date of the first definitive investment agreement between the Group and Tencent is April 8, 2021. As of 31 December 2020 and 30 June 2025, the investment portfolio of Tencent amounted to approximately RMB690,886 million and RMB948,262 million, respectively.

CM Shanghai Fund

Shanghai CM Digital Transformation Investment Fund, L.P. (上海中移數字轉型產業私募基金合夥企業(有限合夥), “**CM Shanghai Fund**”) is a limited partnership established under the laws of the PRC. 1.4676% of the partnership interest of CM Shanghai Fund is held by its general partner, Shanghai CM Digital Transformation Fund General Partner, L.P. (浦和創(上海)管理諮詢合夥企業(有限合夥), which is managed by China Mobile Equity Investment Management Company Limited (和創數字私募股權基金管理(北京)有限公司, “**CM Investment**”) as its general partner, which is held as to 40.00% of shares by China Mobile Capital Holding Co., Ltd. (中移資本控股有限責任公司), a company indirectly wholly owned by the State-Owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會). None of the remaining shareholders of CM Investment is interested in it as to more than 20%. CM Shanghai Fund has eight limited partners, with the largest limited partner being China Mobile Capital Holding Co., Ltd., holding a partnership interest of 43.7628%. Other than China Mobile Capital Holding Co., Ltd., none of the remaining limited partners of CM Shanghai Fund holds more than 15% of the interests therein. As of the date of 12 months prior to the date of the listing application and as of the date of the listing application, CM Shanghai Fund was interested in the Group as to approximately 3.9853% (on a fully diluted basis*) and in the Company as to 3.8320%, respectively. The signing date of the first definitive investment agreement between the Group and CM Shanghai Fund is December 31, 2023.

As at a date which is no more than six months prior to the date of signing of the definitive agreement for the investment in the Company (being June 30, 2023) and as at a date which is no more than six months prior to the date of the Company’s listing application (being June 30, 2025), the assets under management of CM Investment were over RMB7 billion and RMB14 billion, respectively, and

Note:

Shareholders in the Group held their interests through LightAI Ltd. before the reorganization started from the end of 2023. In October 12, 2024, the Group completed the reorganization and all shareholders held their interests in the Group through the Company. On September 30, 2024, being the date of 12 months prior to the listing application, given the reorganization was not completed, the shareholding shown in the register of members of neither LightAI Ltd. nor the Company was not able to reflect the agreed beneficial interests for each of the Shareholders in the Group based on existing investment agreements among the Shareholders and the Group. Therefore, since the shareholding percentages shown in the register of members of the Company as of September 30, 2024 will be further diluted shortly, relevant shareholding percentages herein refer to the beneficial interests of relevant shareholders to be registered in the registered of members of the Company based on and taking into account of existing agreements as of September 30, 2024.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

the value is primarily derived from Specialist Technology investments. The investments made by CM Investment mainly focus on the industries of artificial intelligence, communication technology and robots, and the companies invested by CM Investment include but not limited to Yushu Technology Group Co., Ltd. (宇樹科技股份有限公司), Moore Threads Technology Co. Ltd. (摩爾線程智能科技(北京)股份有限公司) and Kunlunxin (Beijing) Technology Co., Ltd. (崑崙芯(北京)科技有限公司).

China Guoxin

Hangzhou Yihong Equity Investment Partnership (Limited Partnership) (杭州毅鴻股權投資合夥企業(有限合夥), “**Hangzhou Yihong**”) is a limited partnership established under the laws of the PRC. China Venture Capital Innovation Private Fund Management Co., Ltd. (國風投創新私募基金管理有限公司) holds 0.0007% partnership interests as its general partner, which is held by China Guoxin Fund Management Co., Ltd. (中國國新基金管理公司, “**China Guoxin**”) as to 80%. China Guoxin is ultimately controlled by the State Council. China Venture Capital Innovation Investment Fund Co., Ltd. (國風投創新投資基金股份有限公司) holds 99.8974% partnership interests in Hangzhou Yihong, China Venture Capital Innovation Investment Fund Co., Ltd. is held by China State-owned Capital Venture Capital Fund Co., Ltd. (中國國有資本風險投資基金股份有限公司) as to 50% and other three shareholders holding no more than 21% each, all these four shareholders are state-owned companies. The rest shareholders of China Venture Capital Innovation Private Fund Management Co., Ltd. include (i) Shanghai Chengzhixin Enterprise Consulting Co., Ltd. (上海誠之鑫企業諮詢有限責任公司) holding 10% interests, (ii) Beijing Financial Street Capital Operation Group Co., Ltd. (北京金融街資本運營集團有限公司) holding 5% interests, and (iii) China National Building Materials United Investment Co., Ltd. (中建材聯合投資有限公司) holding 5% interests, which are all stated owned companies. Save as disclosed above, none of the ultimate beneficial owners of Hangzhou Yihong is interested in it as to more than 30% and all of them are state owned companies, professional investors and individuals. As of the date of 12 months prior to the date of the listing application and as of the date of the listing application, Hangzhou Yihong was interested in the Group by way of securities convertible into the Shares as to approximately 3.2066% (on a fully diluted basis) and in the Company by way of Shares as to approximately 3.0832%, respectively. The signing date of the first definitive investment agreement between the Group and Hangzhou Yihong is March 4, 2024.

As at a date which is no more than six months prior to the date of signing of the definitive agreement for their investment in the Company (being December 31, 2023) and as at a date which is no more than six months prior to the date of the Company’s listing application (being June 30, 2025), the assets under management of China Guoxin were over RMB50 billion and RMB50 billion, respectively. These assets are under the management of China Guoxin and the investment decision making of which is rest on China Guoxin. China Guoxin controls the investment decision making process of Hangzhou Yihong as it holds majority shares of the general partner, which is responsible for the management, major decision making and business operation of the fund. As such, the assets under management of China Guoxin shall be the most relevant factor to be considered for the sophistication of Hangzhou Yihong.

Our Other Sophisticated Independent Investors

Shanghai Guofu

Shanghai Guofu Linghang Investment Partnership (Limited Partnership) (上海國孚領航投資合夥企業(有限合夥), “**Shanghai Guofu**”) is a limited partnership established under the laws of the PRC. Shanghai State-owned Capital Investment Mother Fund Co., Ltd. (上海國有資本投資母基金有限公司)

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holds 99.94% of the partnership interests as its limited partner. The remaining 0.06% partnership interests are owned by its general partner Shanghai Fortera Capital Co., Ltd. (上海孚騰私募基金管理有限公司) and an Independent Third Party. The beneficial owners of Shanghai Fortera Capital Co., Ltd. include (i) a company controlled by Shanghai State-Owned Assets Supervision and Administration Commission (上海市國有資產監督管理委員會) holding 35% interests therein which is also the ultimate controller of Shanghai Fortera Capital Co., Ltd., and (ii) other nine shareholders each holding no more than 25% interests therein. The signing date of the definitive investment agreement between the Company and Shanghai Guofu is February 12, 2025.

As at a date which is no more than six months prior to the date of signing of the definitive agreement for their investment in the Company (being December 31, 2024) and as at a date which is no more than six months prior to the date of the Company's listing application (being June 30, 2025), the assets under management of Shanghai Guofu were both RMB20,500 million.

CICC Capital

CICC Culture and Consumption Industry Equity Investment Fund (Xiamen) Partnership (Limited Partnership) (中金文化消費產業股權投資基金(廈門)合夥企業(有限合夥)) is a limited partnership established under the laws of the PRC, and is owned by its general partner CICC Capital Operation Co., Ltd. (中金資本運營有限公司, “**CICC Capital**”) as to 0.8345%. The ultimate controller and beneficial owner of CICC Capital is China International Capital Corporation Limited (中國國際金融股份有限公司), a company listed on the Stock Exchange (stock code: 3908.hk) and Shanghai Stock Exchange (stock code: 601995.sh). The remaining partnership interest is owned by close to 20 limited partners, none of which holds more than 30% of the interest therein. The signing date of the definitive investment agreement between the Group and CICC Culture and Consumption Industry Equity Investment Fund (Xiamen) Partnership (Limited Partnership) is March 25, 2021.

As at a date which is no more than six months prior to the date of signing of the definitive agreement for their investment in the Company (being December 31, 2020) and as at a date which is no more than six months prior to the date of the Company's listing application (being June 30, 2025), the assets under management of CICC Capital were both over RMB270,000 million.

Vertex Ventures China

Vertex Ventures China IV, L.P. is an exempted limited partnership registered in the Cayman Islands on July 4, 2018. It is a venture capital fund that focuses on investing in high-growth innovative start-ups across Chinese mainland, covering the fields of semiconductor, robotics, AI, consumer technologies, medical technologies and devices, and other sectors applicable to technology. Its general partner is Vertex Ventures China GP IV L.P., whose general partner is Vertex China GP IV Ltd (“**Vertex Ventures China**”), with Tay Choon Chong, an Independent Third Party, as the sole ultimate beneficial owner. None of the ultimate beneficial owners of Vertex Ventures China IV, L.P. holds an interest of more than 30%. The signing date of the definitive investment agreement between the Group and Vertex Ventures China IV, L.P. is October 30, 2019.

As at a date which is no more than six months prior to the date of signing of the definitive agreement for their investment in the Company (being September 30, 2019) and as at a date which is no more than six months prior to the date of the Company's listing application (being June 30, 2025), the assets under management of Vertex Ventures China and its affiliates were over HK\$5 billion, where that value was derived primarily from Specialist Technology investments, and HK\$15 billion, respectively,

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which mainly focus on the industries of robotics, semiconductors and artificial intelligence, and such companies invested by Vertex Ventures China include but not limited to PlayNitride, Horizon Robotics, Geek+, Solidenergy (SES) and Smarter Microelectronics. The investments across all these affiliated funds are sourced, monitored and managed by the same investment team and the investment decision is made by respective investment committees. All the affiliated funds are managed by entities acting as general partners which are all controlled by the same individual, Tay Choon Chong, who is an Independent Third Party of the Company. Tay Choon Chong is the founding partner of Vertex Ventures China and he controls these affiliated funds and their general partners which have the right to appoint all the members of respective investment committees. Therefore, Tay Choon Chong can control the investment committees and also control the appointment of all members of the investment committees of all the funds. All the members of the investment committees of different affiliated funds are senior management team of Vertex Ventures China. In addition, Vertex Ventures China and its affiliated funds share the same investment processes including but not limited to investment proposal, review of the same recommending committee and final approval of the same investment committee. Therefore, the assets under management of the affiliates should be considered when determining Vertex Ventures China's sophistication.

CASSTAR

Each of Beijing Casstar Key & Core Technology Venture Capital Investment L.P. (北京中科創星硬科技創業投資合夥企業(有限合夥), “**Beijing CASSTAR**”) and Shaanxi Advanced OEIC Technologies L.P. (陝西先導光電集成科技投資合夥企業(有限合夥), “**Shaanxi Advanced OEIC**”) is a limited partnership established under the laws of the PRC. Beijing CASSTAR is managed by its general partner, Beijing CASSTAR Venture Capital Investment Management Partnership (Limited Partnership) (北京中科創星創業投資管理合夥企業(有限合夥)), whose general partner is Casstar Technology Venture Capital Co., Ltd. (中科創星科技投資有限公司, “**CASSTAR**”). None of the ultimate beneficial owners of Beijing CASSTAR is interested in it as to more than 30%. Shaanxi Advanced OEIC is owned as to 0.9901% by its general partner, Shaanxi Kemai Investment Management Partnership (Limited Partnership) (陝西科邁投資管理合夥企業(有限合夥)), which is managed by CASSTAR as its general partner. None of the remaining 16 limited partners of Shaanxi Advanced OEIC holds more than 30% of its partnership interest. CASSTAR is ultimately controlled by Mr. Mi Lei (米磊), an Independent Third Party. The signing date of the first definitive investment agreement among the Group, Beijing CASSTAR and Shaanxi Advanced OEIC is January 2, 2020.

As at a date which is no more than six months prior to the date of signing of the definitive agreement for their investment in the Company (being December 31, 2019) and as at a date which is no more than six months prior to the date of the Company's listing application (being June 30, 2025), the assets under management of CASSTAR were over HK\$5 billion and HK\$16.0 billion, respectively, where that value are derived primarily from Specialist Technology investments. The assets under management is under the management of CASSTAR as the general partner and the investment decision making of which is rest on CASSTAR. The investments made by CASSTAR mainly focus on the industries of new energy, artificial intelligence, semiconductor and new materials, and the companies invested by CASSTAR include but not limited to Shaanxi Yuanjie Semiconductor Technology Co., Ltd. (陝西源傑半導體科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688498), Zhongke Weizhi Technology Co., Ltd. (中科微至科技 股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688211), Beijing Zhipu Huazhang Technology Co., Ltd. (北京智譜華章科技股份有限公司) and Yusi Technology (Beijing) Co., Ltd. (馭勢科技(北京)股份有限公司).

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Xiamen Yaheng, Lumina Orbis, and Lumistar

Xiamen Yaheng Venture Capital Fund Partnership (Limited Partnership) (廈門雅恒創業投資基金合夥企業(有限合夥)), “**Xiamen Yaheng**”) is a limited partnership established under the laws of the PRC. 99.9857% of the partnership interest of Xiamen Yaheng is held by the sole limited partner Xiamen HongShan Peiheng Equity Investment Partnership (Limited Partnership) (廈門紅杉沛恆股權投資合夥企業(有限合夥)) (“**HongShan Peiheng**”) and the remaining 0.0143% of the partnership interest is owned by its general partner Xiamen HongShan Kunteng Investment Partnership (Limited Partnership) (廈門紅杉坤騰投資合夥企業(有限合夥)) (“**HongShan Kunteng**”). None of the ultimate beneficial owners of HongShan Peiheng holds more than 30% limited partnership interests therein.

Lumina Orbis (HK) Limited (“**Lumina Orbis**”) is a limited company incorporated in Hong Kong. Lumina Orbis is wholly owned by HongShan Capital Growth Fund VI, L.P., whose general partner is HSG Growth VI Management, L.P. Lumistar VI, L.P. (“**Lumistar**”) is an exempted limited partnership established in the Cayman Islands. The general partner of Lumistar is HSG Offshore Fund Management, L.P. None of the ultimate beneficial owners of Lumina Orbis or Lumistar holds more than 30% limited partnership interests therein.

Xiamen Yaheng, Lumina Orbis, and Lumistar are investment vehicles managed by HongShan. As at a date which is no more than six months prior to the date of signing of the definitive agreement for their investment in the Company (being December 31, 2021), the assets under management of HongShan was over HK\$15 billion across different products and affiliate funds. As at a date which is no more than six months prior to the date of the Company’s listing application (being June 30, 2025), the assets under management of HongShan was approximately US\$55 billion across different products and affiliate funds. The signing date of the first definitive investment agreement among the Group, Xiamen Yaheng, Lumina Orbis and Lumistar is February 22, 2022.

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Pudong Investment

Shanghai Pudong Pilot Zone Investment Fund (Limited Partnership) (上海浦東引領區投資中心(有限合夥)) is a limited partnership established under the laws of the PRC. 99.995% of the partnership interest is held by its sole limited partner, Shanghai Pudong Innovation Investment Development (Group) Co., Ltd. (上海浦東創新投資發展(集團)有限公司), which is wholly owned by State-owned Assets Supervision and Administration Commission of Pudong New District, Shanghai (上海市浦東新區國有資產監督管理委員會). The remaining 0.005% partnership interest is owned by its general partner, Shanghai Pudong Private Equity Fund Management Co., Ltd. (上海浦東私募基金管理有限公司, “**Pudong Investment**”), which is wholly owned by Shanghai Pudong Innovation Investment Development (Group) Co., Ltd.. The signing date of the definitive investment agreement between the Company and Shanghai Pudong Pilot Zone Investment Fund (Limited Partnership) is April 24, 2025.

As at a date which is no more than six months prior to the date of signing of the definitive agreement for their investment in the Company (being March 31, 2025) and as at a date which is no more than six months prior to the date of the Company’s listing application (being April 30, 2025), the assets under management of Pudong Investment were approximately RMB31.1 billion and RMB31.1 billion, respectively. The assets under management is under the management of Pudong Investment as a general partner, and the investment decision making of which is rest on Pudong Investment.

Meaningful Investment from Pathfinder SIIs and Sophisticated Independent Investors

We have received investments from four Pathfinder SIIs, each having invested in the Group for at least 12 months prior to the first submission of our Listing Application to the Stock Exchange, and which in aggregate hold more than 10% of the issued share capital of our Company as at the date of our listing application and throughout the 12-month period prior to the listing application. Further, each of the Pathfinder SIIs holds more than 3% of the issued share capital of the Company as at the date of our listing application and throughout the 12-month period prior to the listing application.

As of the Latest Practicable Date, our Sophisticated Independent Investors (as identified above) held, in aggregate, approximately 30.02% in the total issued share capital of our Company. At the Listing Date, such Sophisticated Independent Investors (taking into account the cornerstone investment made by CM Shanghai Fund as disclosed in the section headed “Cornerstone Investors” based on the Offering Price being the high end of the indicative Offer Price range) will hold, in aggregate, 26.19% of the total issued share capital of our Company (assuming the Over-allotment Option is not exercised). The Company, the Joint Sponsors and the Overall Coordinators confirm and undertake that the investments from all Sophisticated Independent Investors as defined under Chapter 2.5 of the Guide for New Listing Applicants issued by the Stock Exchange will meet 25% in the total issued share capital of our Company upon Listing, assuming that our expected market capitalization at the time of Listing will exceed HK\$8 billion but less than HK\$15 billion.

PUBLIC FLOAT AND FREE FLOAT

Following the conversion of the Unlisted Shares into H Shares and upon completion of the Global Offering (assuming that the Over-allotment Option is not exercised):

- (a) a total of 17,186,801 Unlisted Shares held by our Shareholders representing 18.69% of our issued share capital in aggregate will not be converted into H Shares and listed on the Stock Exchange, and therefore will not be counted as part of the public float;

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- (b) a total of 17,531,635 Unlisted Shares held by (i) Dr. Shen, our Single Largest Shareholder and executive Director, (ii) Youguang Yihui, a close associate of Dr. Shen, (iii) Youguang Zhiyuan, a close associate of Mr. Zhang Hong, one of our executive Director, and (iv) LightAI EIP and Mach C, our Share Incentive Platforms which entered into concert party agreement with Dr. Shen as described under the section headed “— Concert Party Agreements” above, representing 19.06% of our issued share capital in aggregate will be converted into H Shares and listed on the Stock Exchange, and therefore will not be counted as part of the public float; and
- (c) a total of 43,454,446 Unlisted Shares held by our Shareholders who are not our core connected persons (nor are they accustomed to take instructions from core connected persons of the Company in relation to the acquisition, disposal, voting or other disposition of their Shares, and their acquisitions of Shares were not financed directly or indirectly by core connected persons of the Company) representing 47.25% of our issued share capital in aggregate will be converted into H Shares and listed on the Stock Exchange, and therefore will be counted as part of the public float.

Immediately upon completion of the Global Offering and the full circulation and assuming the Over-allotment Option is not exercised, 57,249,661 Shares, representing approximately 62.25%. The prescribed percentage of H Shares required to be held in public hands shall be the higher of (i) the percentage that would result in the expected market value of such securities in public hands to be HK\$1.5 billion at the time of Listing, and (ii) 15%, under Rule 8.08(1). Under Chapter 3.6 of the Guide, the minimum prescribed public float percentage thresholds are 9.79%, 9.33% and 8.90% based on the low-end, mid-point and high-end of the indicative Offer Price range. Therefore, our Company will be able to meet the minimum public float requirements under Rules 8.08 (as amended and replaced by Rule 19A.13A) of the Listing Rules.

Under Rule 19A.13C(1)(b), where a new applicant is a PRC issuer with no other listed shares at the time of listing, the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), must have an expected market value at the time of listing of not less than HK\$600,000,000. Our Company will be able to satisfy the requirements under Rule 19A.13C(1)(b) of the Listing Rules.

LOCK-UP UNDER CHAPTER 18C OF THE LISTING RULES AND FREE FLOAT

Rule 18C.14 of the Listing Rules provides that certain persons and their respective close associates, as identified in the listing document of a Specialist Technology Company, must not, and must procure that the relevant registered holder(s) must not, in the period commencing on the Listing Date and ending on the applicable dates upon the expiry of the period as prescribed under Rule 18C.14 of the Listing Rules, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the shares (except as permitted under Chapter 18C of the Listing Rules). Details of the Shareholders which are subject to lock-up under Rules 18C.14 of the Listing Rules are as follows:

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Lock-up Period commencing on the date of this Prospectus and ending on the expiry of 24 months from the Listing Date⁽¹⁾

Name of Shareholder	Capacity	Number of Shares as of the Listing Date	Ownership Percentage as of the Listing Date
Dr. Shen	Founder, executive Director, senior management, Key R&D Staff and a Single Largest Shareholder	5,918,128	6.43%
LightAI EIP	A Single Largest Shareholder	4,350,056	4.73%
— Mr. Wang Long	Our executive Director, a member of the senior management and Key R&D Staff	a limited partner with interest of 28.24% in LightAI EIP	
— Dr. Ben Chen	A Key R&D Staff	a limited partner with interest of 0.51% in LightAI EIP	
Mach C	A Single Largest Shareholder	3,540,391	3.85%
— Mr. Wang Long	Our executive Directors, a member of the senior management and Key R&D Staff	a limited partner with interest of 9.68% in Mach C	
Youguang Yihui	Close associate of Dr. Shen and a Single Largest Shareholder	8,583,458	9.33%
— Dr. Shen	Founder, chairman of the Board, executive Director, chief executive officer, senior management, Key R&D Staff and a Single Largest Shareholder	Dr. Shen, Dr. Meng Huaiyu and Mr. Zhang Hong are limited partners with interest of 32.87%, 24.50% and 15.68%, respectively. Youguang Shuoran is the general partner of Youguang Yihui with a partnership interest of 0.001% and is held by Dr. Shen, Dr. Meng Huaiyu and Mr. Zhang Hong as to 80%, 10% and 10%, respectively.	
— Dr. Meng Huaiyu	Our executive Directors, a member of the senior management and Key R&D Staff		
— Mr. Zhang Hong	Our executive Director, senior management and a Single Largest Shareholder		
Youguang Zhiyuan	Close associate of Mr. Zhang Hong, one of our executive Directors and senior management and a Single Largest Shareholder	4,780,789	5.20%
— Dr. Shen	Founder, executive Director, senior management, Key R&D Staff and a Single Largest Shareholder	For details of relevant interests in Youguang Zhiyuan, please refer to the section headed “— Share Incentive Platforms” above.	
— Mr. Peng Bo	A Key R&D Staff		
— Dr. Meng Huaiyu	Our executive Directors, a member of the senior management and Key R&D Staff		
— Mr. Zhang Hong	Our executive Director, senior management and a Single Largest Shareholder		

Lock-up Period commencing on the date of this Prospectus and ending on the expiry of 12 months from the Listing Date

Name of Shareholder	Capacity	Number of Shares as of the Listing Date	Ownership Percentage as of the Listing Date
MPC V L.P	Pathfinder SII	3,532,177	3.84%
MPC V-A L.P	Pathfinder SII	367,334	0.40%
Tencent Mobility Limited	Pathfinder SII	3,272,298	3.56%
Shanghai CM Digital Transformation Investment Fund, L.P.	Pathfinder SII	2,995,570	3.26%
Hangzhou Yihong Equity Investment Partnership (Limited Partnership)	Pathfinder SII	2,410,263	2.62%

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Note:

- (1) In the event that upon the notification by the Stock Exchange that our Company will no longer be regarded as a Pre-Commercial Company after the Listing, the lock-up period will expire on the later of: (i) the date which is 12 months from the Listing Date; and (2) the date falling on the 30th day after the announcement on the removal of designation as a Pre-Commercial Company as required under Rule 18C.24 of the Listing Rules.

The Company believes that the relevant lock-up restrictions for indirect interests held through the Share Incentive Platforms will be strictly and effectively enforced through a combination of contractual, managerial, and administrative mechanisms. Specifically, such enforcement is guaranteed by: (i) binding contractual agreements among the Company, the Share Incentive Platforms, and the relevant personnel, which explicitly prohibit the transfer or disposal of indirect interests during the lock-up period and stipulate that all transfers must comply with applicable laws and regulations; (ii) the absolute control and management authority of the general partners of the respective Share Incentive Platforms. Pursuant to the relevant partnership agreements, any transfer of interests by a limited partner requires the mandatory prior approval of the respective general partner. The general partners and respective individuals including Dr. Shen, Ben Chen, Mr. Wang Long, Dr. Meng Huaiyu and Mr. Zhang Hong, have confirmed and undertaken that they will strictly uphold the lock-up restrictions and will not approve, authorize, or process any requests for the transfer or disposal of such interests during the lock-up period; and (iii) robust routine inspection and internal control measures implemented by the Company and the general partners to continuously track, monitor, and verify the beneficial owners of the interests, ensuring that no unauthorized changes in beneficial ownership can be registered or recognized.

CAPITALIZATION OF OUR COMPANY

The table below is a summary of the capitalization of our Company as of the Latest Practicable Date and the Listing Date (assuming the Over-Allotment Option is not exercised):

Shareholders	As of the Latest Practicable Date		Immediately Upon Completion of the Global Offering		
	Number of Shares	Approximate Ownership Percentage	Number of Unlisted Shares Held	Number of H Shares Held	Approximate Ownership Percentage
Dr. Shen	5,918,128	7.57%	2,959,064	2,959,064	6.43%
Youguang Yihui	8,583,458	10.98%	4,291,729	4,291,729	9.33%
Youguang Zhiyuan	4,780,789	6.12%	2,390,394	2,390,395	5.20%
LightAI EIP	4,350,056	5.56%	—	4,350,056	4.73%
Mach C.	3,540,391	4.53%	—	3,540,391	3.85%
Ha Wai Kwan Benjamin	3,045,519	3.90%	2,131,863	913,656	3.31%
Photon Technology Investment VI LPF	1,188,185	1.52%	—	1,188,185	1.29%
Subtotal	4,233,704	5.42%	2,131,863	2,101,841	4.60%
MPC V L.P.	3,532,177	4.52%	—	3,532,177	3.84%
MPC V-A L.P.	367,334	0.47%	—	367,334	0.40%
Subtotal	3,899,511	4.99%	—	3,899,511	4.24%
Tencent Mobility Limited	3,272,298	4.19%	—	3,272,298	3.56%

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Shareholders	As of the Latest Practicable Date		Immediately Upon Completion of the Global Offering		
	Number of Shares	Approximate Ownership Percentage	Number of Unlisted Shares Held	Number of H Shares Held	Approximate Ownership Percentage
Shanghai CM Digital Transformation Investment Fund, L.P. (上海中移數字轉型產業私募基金合夥企業(有限合夥))	2,995,570	3.83%	—	2,995,570	3.26%
Global Bridge Capital USD Fund I, L.P.	2,833,712	3.62%	—	2,833,712	3.08%
Huzhou Jingxin Equity Investment Partnership Enterprise (Limited Partnership) (湖州景鑫股權投資合夥企業(有限合夥))	2,579,630	3.30%	—	2,579,630	2.80%
Hangzhou Yihong Equity Investment Partnership (Limited Partnership) (杭州毅鴻股權投資合夥企業(有限合夥))	2,410,263	3.08%	—	2,410,263	2.62%
Lumina Orbis (HK) Limited	1,197,448	1.53%	—	1,197,448	1.30%
Lumistar VI, L.P.	399,149	0.51%	—	399,149	0.43%
Xiamen Yaheng Venture Capital Fund Partnership (Limited Partnership) (廈門雅恒創業投資基金合夥企業(有限合夥))	766,930	0.98%	—	766,930	0.83%
Subtotal	2,363,527	3.02%	—	2,363,527	2.57%
Beijing Casstar Key & Core Technology Venture Capital Investment L.P. (北京中科創星硬科技創業投資合夥企業(有限合夥))	1,240,590	1.59%	1,240,590	—	1.35%
Shaanxi Advanced OEIC Technologies L.P. (陝西先導光電集成科技投資合夥企業(有限合夥))	971,559	1.24%	971,559	—	1.06%
Subtotal	2,212,149	2.83%	2,212,149	—	2.41%
Shanghai Guofu Linghang Investment Partnership (Limited Partnership) (上海國孚領航投資合夥企業(有限合夥))	2,004,433	2.56%	1,002,216	1,002,217	2.18%
Hangzhou Yuanli Phase III Equity Investment Partnership Enterprise (Limited Partnership) (杭州元利三期股權投資合夥企業(有限合夥))	1,341,046	1.72%	—	1,341,046	1.46%
Chongqing Yuanhong Private Equity Investment Fund Partnership Enterprise (Limited Partnership) (重慶元弘私募股權投資基金合夥企業(有限合夥))	590,692	0.76%	—	590,692	0.64%
Subtotal	1,931,738	2.48%	—	1,931,738	2.10%
Nanjing Jiangbei Jiakang Technology Venture Capital Partnership (Limited Partnership) (南京江北佳康科技創業投資合夥企業(有限合夥))	1,860,674	2.38%	—	1,860,674	2.02%
CICC Culture and Consumption Industry Equity Investment Fund (Xiamen) Partnership (Limited Partnership) (中金文化消費產業股權投資基金(廈門)合夥企業(有限合夥))	1,686,673	2.16%	—	1,686,673	1.83%
Nanjing Heli Guoxin Zhixin Equity Investment Partnership Enterprise (Limited Partnership) (南京和利國信智芯股權投資合夥企業(有限合夥))	1,676,817	2.15%	—	1,676,817	1.82%
Vertex Ventures China IV, L.P.	1,619,264	2.07%	—	1,619,264	1.76%
Guanzi Equity Investment (Lishui) Partnership Enterprise (Limited Partnership) (關子股權投資(麗水)合夥企業(有限合夥))	1,596,598	2.04%	—	1,596,598	1.74%
P7 China Holdings PCC Limited (acting solely in respect of the P7CH Direct P7 I cell)	1,596,598	2.04%	—	1,596,598	1.74%

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	As of the Latest Practicable Date		Immediately Upon Completion of the Global Offering		
	Number of Shares	Approximate Ownership Percentage	Number of Unlisted Shares Held	Number of H Shares Held	Approximate Ownership Percentage
Shareholders					
Gongqingcheng Yachang Chenning Equity Investment Partnership Enterprise (Limited Partnership) (共青城亞昌辰檸股權投資合夥企業(有 限合夥))	344,880	0.44%	344,880	—	0.37%
Gongqingcheng Yachang Hongshuo Equity Investment Partnership Enterprise (Limited Partnership) (共青城亞昌宏碩股權投資合夥企業(有 限合夥))	344,880	0.44%	344,880	—	0.37%
Subtotal	689,760	0.88%	689,760	—	0.74%

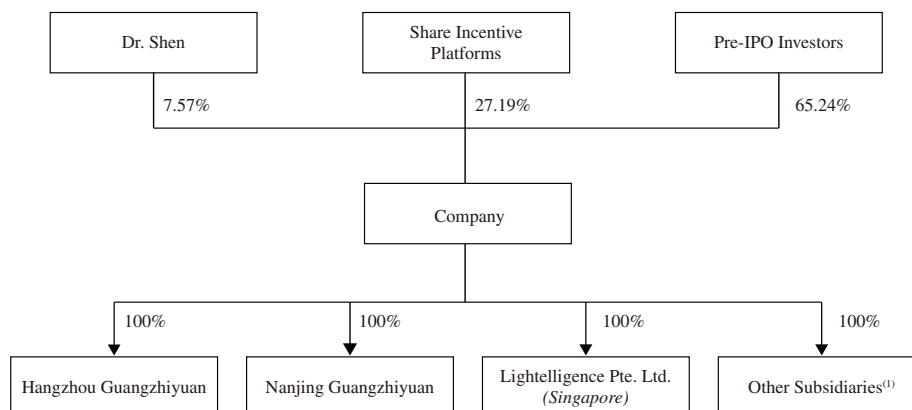
HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shareholders	As of the Latest Practicable Date		Immediately Upon Completion of the Global Offering		
	Number of Shares	Approximate Ownership Percentage	Number of Unlisted Shares Held	Number of H Shares Held	Approximate Ownership Percentage
Jiangsu Qianquan Yuanhe Origin Intelligence No. 3 Venture Capital Partnership Enterprise (Limited Partnership) ((江蘇惠泉元禾原點智能叁號創業投資合夥企業(有限合夥))).	1,195,098	1.53%	—	1,195,098	1.30%
Shanghai Sci-Tech Innovation Center Capital Fund I Partnership (Limited Partnership) (上海科創中心壹號股權投資基金合夥企業(有限合夥)) . .	1,089,826	1.39%	544,913	544,913	1.19%
Shanghai Pudong Pilot Zone Investment Fund (Limited Partnership) (上海浦東引領區投資中心(有限合夥)).	1,002,216	1.28%	—	1,002,216	1.09%
FreeS International Holdings (Hong Kong) Limited.	812,609	1.04%	—	812,609	0.88%
Beijing Biwei Original Innovation Consulting Center (L.P.) (北京百度畢威企業管理中心(有限合夥)).	791,028	1.01%	—	791,028	0.86%
Wuhan Changfei Science and Technology Innovation Industry Fund Partnership Enterprise (Limited Partnership) (武漢長飛科創產業基金合夥企業(有限合夥)).	706,954	0.90%	565,564	141,390	0.77%
Pi Holdings Limited	607,223	0.78%	—	607,223	0.66%
Zhen Partners IV (HK) Limited	485,821	0.62%	—	485,821	0.53%
Ginkgo Capital Global Fund SPC-XtalPi AI Fund SP.	286,196	0.37%	—	286,196	0.31%
Shenzhen Shengxingyu Investment Partnership Enterprise (Limited Partnership (深圳盛杏鈺投資合夥企業(有限合夥))).	198,016	0.25%	—	198,016	0.22%
Subtotal	484,212	0.62%	—	484,212	0.53%
Morningside TMT Holding IV Limited	434,223	0.56%	—	434,223	0.47%
JIANGSU HOTLAND INTELLIGENT VENTURE INVESTMENT FUND (L.P.) (江蘇惠泉紅土智能創業投資基金(有限合夥))	210,551	0.27%	—	210,551	0.23%
Shenzhen Capital Group Co., Ltd. (深圳市創新投資集團有限公司). . .	210,551	0.27%	—	210,551	0.23%
Subtotal	421,102	0.54%	—	421,102	0.46%
China Merchants Venture Capital Fund, L.P. (招商局創新投資基金有限合夥).	404,816	0.52%	—	404,816	0.44%
Shaanxi Chuangfa Chuangxing Photon Venture Capital Partnership Enterprise (Limited Partnership) (陝西川發創星光子創業投資合夥企業(有限合夥)).	399,149	0.51%	399,149	—	0.43%
Newlight Fund I LP	117,701	0.15%	—	117,701	0.13%
Tai You Fund I, LP	250,784	0.32%	—	250,784	0.27%
Subtotal	368,485	0.47%	—	368,485	0.40%
Shenzhen Dezhixi Information Consulting Co., LTD (深圳市德之曦信息諮詢有限公司)	334,379	0.43%	—	334,379	0.36%
Investors taking part in the Global Offering	—	—	—	13,795,215	15%
Total.	78,172,882	100%	17,186,801	74,781,296	100%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE STRUCTURE IMMEDIATELY BEFORE COMPLETION OF THE GLOBAL OFFERING

The chart below sets out the simplified corporate structure of our Group immediately before completion of the Global Offering:

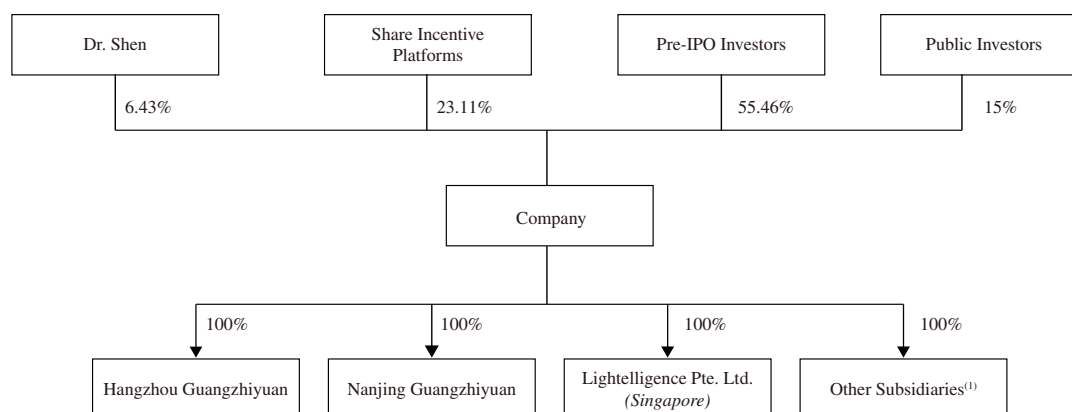


Note:

(1) include 5 subsidiaries in the PRC and Hong Kong.

CORPORATE STRUCTURE IMMEDIATELY FOLLOWING COMPLETION OF THE GLOBAL OFFERING

The chart below sets out the simplified corporate structure of our Group immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised):



Note: Please refer to the subsection headed “— Corporate Structure Immediately before Completion of the Global Offering” above.

About Us

We are dedicated to the field of optoelectronic computing, an innovative paradigm that combines the advantages of photonics and electronics. In 2017, *Nature Photonics* published a paper by our founder, Dr. Shen Yichen, which provided the first validation for using light to compute and supported subsequent technological development in this field. Carrying forward this scientific breakthrough, we have transformed cutting-edge research into engineering capability and product strength, and on this basis, we have developed multiple technologies and translated them into products and solutions. Since our establishment, we have built a product and solution portfolio centered on optical interconnect and optical computing, powered by our proprietary optoelectronic chip technologies, delivering scalable and cost-effective solutions. Our technologies offer low latency, high throughput, and low power consumption, with the aim of improving computing performance and advancing the next wave of innovation. According to Frost & Sullivan, we are the first company globally to achieve mass deployment of optoelectronic computing.

The era of artificial intelligence (AI) requires continuous breakthroughs in the performance and scale of computing power. According to Frost & Sullivan, global computing infrastructure remains dominated by electrical computing and electrical interconnects. Constrained by Moore's Law and other physical limits, the bottlenecks in cost, scalability, performance, and power consumption of traditional electrical systems are increasingly pronounced, exacerbating the shortage of computing power. Optoelectronic computing directly addresses this challenge by leveraging more efficient single-chip computing and optical interconnects to significantly reduce customers' computing costs. It has become a crucial direction for the evolution of computing infrastructure.

Against this backdrop, optical interconnect solutions have seen early adoption in computing infrastructure, linking widely deployed electrical computing chips to create a faster and more energy-efficient interconnect paradigm. Meanwhile, to meet rapidly growing demand for computing power, optical computing chips are expected to gain broader adoption over time. According to Frost & Sullivan, the market size of scale-up optical interconnect of China is projected to increase from RMB5.7 billion in 2025 to RMB180.5 billion in 2030, representing a CAGR of 99.6%. The optical computing products market of China is forecasted to grow from RMB63.7 million in 2025 to RMB1,461.6 million in 2030, achieving a CAGR of 87.2%. Over the longer timeframe from 2031 to 2036, the optical computing products market of China is further expected to expand from RMB2,546.3 million to RMB34,758.9 million, with a CAGR of 68.7%. The commercialization of optical computing products remains at an early stage, and broader market adoption will take time to materialize. We expect that, likely after 2035, optical computing and electrical computing products and solutions may coexist on a large scale.

Standing at the outset of a new era for the global computing power industry, our products and solutions provide advanced optical interconnect and optical computing solutions.

- **Our Optical Interconnect:** Empowered by our proprietary optoelectronic chip technologies, we provide a comprehensive solution connecting diverse computing devices—including GPUs, CPUs, xPUs, switches, and storage chips—using optical signals. Our optical interconnect solutions are used to increase the computational power within a single server or node (scale-up) or connecting multiple individual servers or nodes to form a large cluster (scale-out). The optical solutions provide lower latency, higher bandwidth and higher power efficiency compared to electric solutions. We jointly launched our optical circuit switch product LightSphere X in 2025, which is the world's first distributed optical circuit switch

BUSINESS

solution for the interconnect of GPU supernode, according to Frost & Sullivan. The solution improves Model FLOPs Utilization (MFU), a crucial efficiency metric used to measure how effectively a computing system utilizes its computing power, by over 50%, substantially reducing total cost of ownership for a certain amount of computing power generated.

- **Our Optical Computing:** By replacing electrons with photons for data processing, our optical computing processors use photonic linear computing units to accelerate operations. These units are less constrained by process nodes and offer low latency and high throughput, supporting improvements in computing performance boundaries and redefining the standards of chip performance. Our optical computing solutions have yielded notable products, including OptiHummingbird, the world's first oNOC-based optoelectronic computing card, and PACE 2, the world's first 3D TSV-packaged optoelectronic computing card, according to Frost & Sullivan.

Guided by global customer needs, we co-create the application ecosystem with our partners and continue to advance commercialization across the industry. As of the Latest Practicable Date:

- **Proven Deployments:** We have successfully deployed optical interconnect solutions to three thousand-GPU clusters, representing an important step in the commercialization of our technology and demonstrating that our products are ready for deployment in real-world systems at large scale. Delivering clusters of this scale requires integration across the entire value chain, from chip design to system deployment, demonstrating our capability to execute at scale and to lead the rollout of next-generation optoelectronic computing solutions.
- **Established Customer Relationships:** We have entered into over 15 design-in collaborations with GPU and server manufacturers, positioning us among the few companies in the industry capable of bringing cutting-edge solutions into commercial deployment, according to Frost & Sullivan. Because the customization process with chip manufacturers requires significant time and effort and is difficult to replicate, our solutions create stable customer relationships and long-term business continuity, establishing us as one of the fastest-moving companies in the field.
- **Mass Production Ready:** We have established strong collaborations with semiconductor foundries and secured priority capacity commitments and favorable terms. For example, we received priority manufacturing support from such suppliers within agreed order volumes due to our long-standing supplier partnerships and leadership in advanced optoelectronic computing. These arrangements provide us with stable and cost-advantaged supply, laying the foundation for scalable commercialization and mass production of our optical interconnect and optical computing product, although the pace of such commercialization remains subject to customer acceptance and evolving market demand.

Our strategic partnerships across the ecosystem fuel our continuous growth and reinforce our industry leadership, translating directly into substantial revenue growth. During the Track Record Period, our revenue increased from RMB38.2 million in 2023 to RMB106.4 million in 2025, representing a CAGR of 66.9%. Nevertheless, our commercialization remains at an early stage, particularly for our optical computing products, and market adoption or related revenue growth may take time to materialize.

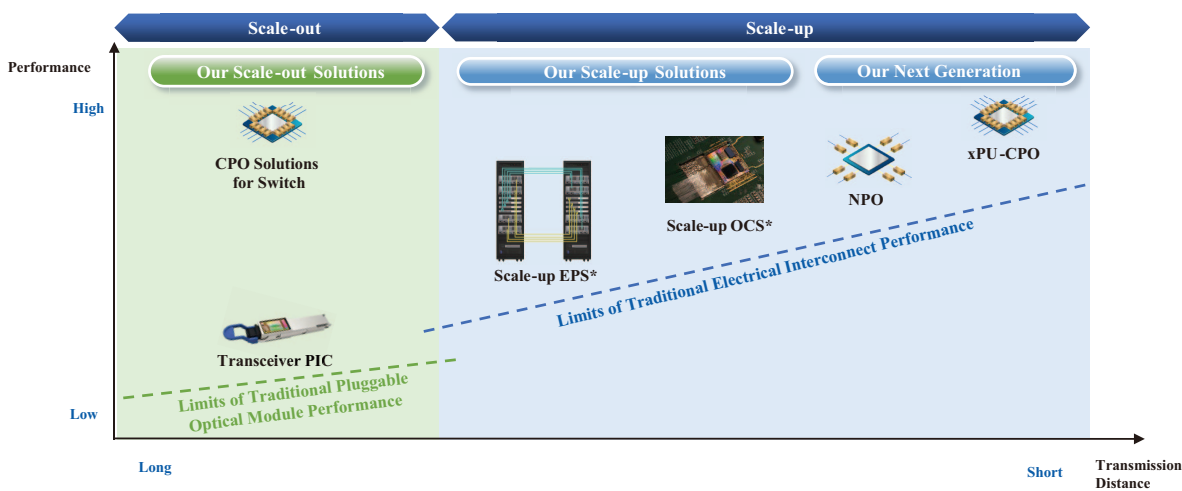
Our Global Market Opportunity

Rising Demand for Computing Power Driven by Rapid AI Development

The rapid development and adoption of generative AI are reshaping demand for computing power. Existing computing infrastructure, however, faces mounting performance bottlenecks driven by massive data growth, rising transmission rate requirements and expanding application scenarios, particularly with the rise of large language models. A new transition in computing power is underway.

Traditional Electrical Computing and Electrical Interconnects Have Reached Their Limits

Electrical computing, long aligned with Moore’s Law, now faces significant physical limits that constrain single-chip performance growth. As single-chip manufacturing processes have rapidly advanced, transistor scaling is approaching its physical boundary, and Moore’s Law is showing signs of slowing down, which limits the growth of single-chip computing capabilities. Bandwidth and power constraints further restrict the computational efficiency of a single chip, with challenges like the “Memory Wall” (the widening gap between processor speed and memory bandwidth) and “Power Wall” (thermal and energy limits on processor) becoming increasingly prominent.



* Except for products marked with an asterisk (*), the remaining have not yet achieved commercialization.

Copper Interconnects and Conventional Optical Modules Cannot Fully Overcome Industry Pain Points

To mitigate these constraints, the industry has turned to interconnecting multiple electrical computing chips using copper wires. However, the physical properties of the copper-based interconnects impose inherent limits on reach and bandwidth, resulting in “short-distance, low-bandwidth” transmission.

Conventional optical modules, another widely adopted alternative, primarily extend transmission distances between transmitters and receivers. While they address the reach issue, they struggle to overcome cost and latency issues, leading to “long-distance, high-cost, and high-latency” transmission. In cluster computing and supernode environments, where communication latency between chips is critical, optical modules fail to effectively reduce latency or increase chip utilization. Moreover, the

relatively high cost of optical modules makes them an even less ideal solution. As a result, conventional optical modules alone cannot fully resolve the industry's challenges or meet the demands of next-generation computing systems. Leading companies, such as Broadcom and NVIDIA, are already moving beyond conventional optical modules and exploring advanced optical interconnect technologies, including co-packaged optics, to break through these limitations and enhance computing power.

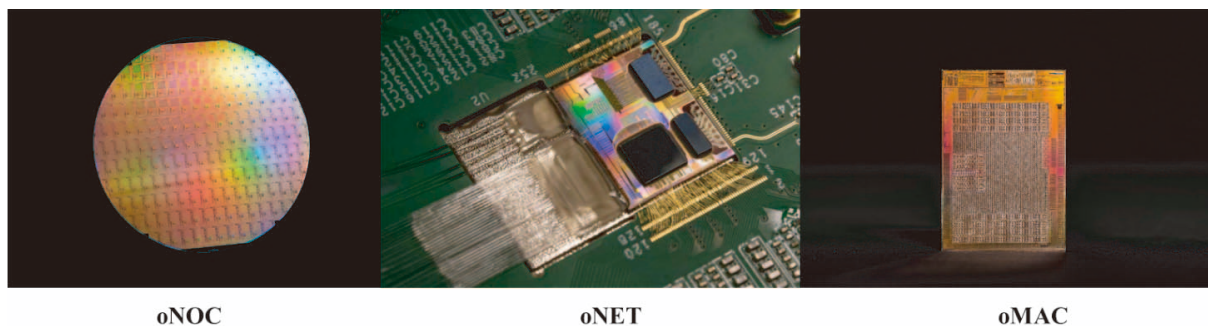
A Vast Market Opportunity for Optoelectronic Computing Products and Solutions

We have established deep collaborations with major enterprises and achieved commercial deployments across a wide range of downstream applications, including electronic design automation and AI-related tasks. According to Frost & Sullivan, the China markets for scale-up optical interconnect and optical computing are expected to reach RMB270.4 billion and 2,546.3 million, respectively, by 2031. Leveraging our optoelectronic computing products and solutions, we aim to overcome existing industry bottlenecks and pursue growth opportunities in this market.

We expect to capitalize on first-mover advantages in the global optoelectronic computing market. According to Frost & Sullivan, as of 2025, market penetration of optical computing chips in AI inference chips was less than 0.5% in China, and is projected to reach 20% by 2040. The Chinese market has emerged rapidly, setting a benchmark for the development of global computing power. We intend to drive continued increases in market penetration worldwide while actively expanding our market share, thereby reinforcing our market leadership position.

Our Core Optoelectronic Chip Technologies

Our optoelectronic computing products are based on three core chip technologies: oNOC (Optical Network on Chip), oNET (Optical Inter-chip Networking), and oMAC (Optical Multiply Accumulate). This delivers more efficient and cost-effective optoelectronic computing solutions, directly addressing industry development bottlenecks such as the “Memory Wall” and the “Power Wall.” Our optoelectronic chip technologies work efficiently with traditional electrical chips because optical interconnect is primarily protocol agnostic as it operates at the physical layer focusing on the transmission of light signals (photons) rather than interpreting specific logical data protocol which electrical interconnects are more tightly coupled with.



- oNOC (Optical Network on Chip): This technology enables high performance interconnect among multiple electrical chips by stacking them on a single photonic wafer. Because optical propagation is less sensitive to distance at on-chip and short-reach scales, the photonic chip can extend across a full wafer to create a wafer-level optical interconnect network. This

enables a larger-scale optical network that result in higher chip utilization. We currently deploy oNOC technology in our Scale-up OCS product within optical interconnect product line, as well as in our optical computing products including PACE Series.

- **oNET (Optical Inter-chip Networking):** this technology facilitates board-to-board interconnect by eliminating the traditional network interface card and connecting the computing chip directly to the electro-optical conversion module. Through innovations at the physical layer and in the interconnect protocol, oNET establishes a high-bandwidth, low-latency, and low-power-consumption optical network between chips. We currently deploy oNET technology in our scale-up interconnect products including Scale-up EPS and Scale-up OCS.
- **oMAC (Optical Multiply Accumulate):** To overcome the single-chip performance constraints of Moore's Law, oMAC utilizes photons instead of electrons for data processing and to accelerate linear operations. Because computation occurs at the speed of light across the chip, latency can be under one nanosecond, delivering significant advantages in low latency and high throughput. oMAC is the foundational technology of our optical computing product line.

For further details on how each of the three core chip technologies enables our products to achieve greater efficiency and higher performance, see Business — Our Core Technologies.

Our technological leadership is underscored by our extensive intellectual property portfolio. According to Frost & Sullivan, we hold one of the largest patent portfolios among companies in the global optoelectronic computing field. As of the Latest Practicable Date, we have accumulated 428 patents (including pending and issued patents). Crucially, over 50% of these patents and their underlying technologies apply to both optical interconnect and optical computing, providing a unified and robust foundation for the continued evolution of our products and solutions.

Our Product Matrix

Leveraging our R&D capabilities and core technologies, we have developed a comprehensive product matrix.

- **Optical Interconnect:** Our Scale-up and Scale-out series provide a comprehensive solution spanning from single chip to datacenter levels. Our Scale-up hardware and solutions enable the construction of high-performance supernodes, while our Scale-out hardware and solutions link multiple supernodes into large, distributed computing clusters. Compared to traditional technologies, our optical solutions can improve latency by 18.2 times, power efficiency by 5.4 times, and interconnect density by 12.2 times. This significantly improves computing efficiency, thereby increasing MFU by over 50% and directly addressing customers' cost challenges.
- **Optical Computing:** Our portfolio includes the flagship PACE series of optoelectronic computing products, the Gazelle development system, the OptiHummingbird accelerator card, and the LTSimulator. Compared with traditional electronic computing, optical computing offers inherently low latency and high throughput, enabling substantial gains in single-chip performance. For a matrix operation of a scale of 64 x 64, our oMAC technology reduces computation time from microseconds on traditional electronic chips to

approximately three nanoseconds, representing orders-of-magnitude improvement of performance. Optical computing is projected to significantly reduce the cost per token for large language models, delivering greater value to customers.

OUR COMPETITIVE STRENGTHS

A Technology and Commercialization Forerunner in Global Optoelectronic Computing

We are an early and established player in global optoelectronic computing. Since inception, we have leveraged our core silicon photonics technology to drive the industry's transformation from electrical to optical computing, continuously advancing innovation in both optical computing and optical interconnects. Our key technical milestones in the optical computing and optical interconnect fields include:

- June 2017: Our founder, Dr. Shen Yichen, as first author, published a cover article in *Nature Photonics* that first proposed a method for deep learning using coherent nanophotonic circuits, widely regarded as a breakthrough in optoelectronic computing.
- April 2019: We released our first photonic computing prototype, which successfully ran a Google TensorFlow model to process the MNIST dataset, validating our optical computing approach.
- December 2021: We launched the PACE photonic computing processor, supporting a 64×64 matrix operation, demonstrating computing speeds hundreds of times faster than contemporary high-end GPUs on specific algorithms. Related research was subsequently published in *Nature* in April 2025.
- August 2023: At Flash Memory Summit (FMS) 2023, we launched a data center optical interconnect product supporting both PCIe and CXL protocols. As our first product to achieve CXL memory expansion via optical interconnect, our product won the summit's highest honor, "Best of Show."
- August 2023: We announced OptiHummingbird, our first hardware product utilizing oNOC technology, at the Hot Chips Conference, one of the semiconductor industry's leading conferences on high-performance microprocessors and integrated circuits.
- March 2025: We released PACE 2, an optoelectronic computing card, integrating over 40,000 photonic devices and supporting a 128×128 matrix operation, marking the first application of our technology in complex commercial models.
- July 2025: We jointly launched LightSphere X, the world's first GPU supernode solution supporting fully by distributed optical interconnect and optical switching, according to Frost & Sullivan. The solution won the Superior AI Leader (SAIL) Award at the 2025 World Artificial Intelligence Conference (WAIC).
- July 2025: We jointly launched China's first xPU-CPO co-packaged optics prototype system, co-packaging the optical engine and computing chip on the same substrate to shorten transmission distance.

Beyond technology leadership, we are a global forerunner in commercialization. We have moved beyond pilot stage and have achieved deployment of our products and solutions in large-scale computing clusters. As of December 31, 2025, we had achieved commercial deployment with 44 customers, empowering multiple thousand-GPU clusters and delivering an average improvement in MFU of over 50%. According to Frost & Sullivan, based on our 2025 revenue, we ranked second in China's scale-up optical interconnect market and our cumulative shipment of optical computing chips also ranked first in the world.

Industry-Leading Capabilities in Complex Optoelectronic Chip Design

A cornerstone of our competitive strength lies in our accumulated expertise in designing and integrating highly complex optoelectronic chips. As an early mover in the field, and through years of research, development, and accumulation of know-how, we have built industry-leading capabilities in large-scale optoelectronic integration, enabling us to design chips with integrating tens of thousands of photonic devices. For example, our PACE optical computing processor, released in 2021, integrated approximately 16,000 photonic devices, while the core processor of our PACE 2 optoelectronic computing card integrated over 40,000 photonic devices, approximately 1,000 times more than a typical optical module chip, according to Frost & Sullivan. This ability to design and manufacture ultra-complex chips provides us with a decisive edge in meeting the stringent performance requirements of next-generation optical interconnect and optical computing.

Our unique strength lies in the combination of photonics integrated chip (PIC) and electronics integrated chip (EIC) design capabilities. Unlike most industry players that specialize in only one domain, we possess the ability to design and co-package both PICs and EICs. This integrated capability allows us to deliver highly complex co-packaged hardware and solutions, where optical and electronic chips are seamlessly combined to maximize performance. Leveraging our experience in designing ultra-complex optical computing processors for our optical computing products, we can more easily develop optical interconnect chips with higher channel counts and bandwidth capacities. These chips serve as the foundation of our optical interconnect business, powering both scale-up and scale-out hardware and solutions.

The industry recognition of our chip design capabilities has led to increasing collaboration with major chip manufacturers, cloud service providers, and hyperscale data centers operators. Our deep know-how not only distinguishes us from competitors but also enables us to address critical customer pain points, particularly in xPU-to-xPU interconnects, where our solutions create long-term lock-in effects and strengthen customer loyalty. This technological leadership in complex optoelectronic chip design makes our products difficult to replicate, creating a strong competitive moat. As AI infrastructure demands higher bandwidth, lower power consumption, and greater scalability, we believe our accumulated expertise in complex optoelectronic chip design will enable us to continuously capture market opportunities and reinforce our leadership position.

Our R&D Platform: The Foundation of Our Products and Capabilities

In addition to our industry-leading expertise in complex optoelectronic chip design, we have built a comprehensive R&D platform that covers all critical aspects of optoelectronic computing. Our in-house hardware capabilities span photonic chip design, electrical chip design, optical and electrical packaging, and system-level integration. This breadth of expertise across both photonic and electronic domains, together with advanced semiconductor packaging technologies, allows us to deliver differentiated products that few competitors can match. Built upon our R&D platform, we have

developed three proprietary chip technologies, oNET (Optical Inter-chip Networking), oNOC (Optical Network on Chip), and oMAC (Optical Multiply Accumulate), which together enable high-speed, low-latency, and energy-efficient data transmission and processing. These technologies form the foundation of our advanced chips and directly power our scale-up and scale-out product matrix.

Complementing our hardware expertise, we have developed robust software capabilities that enhance and extend the value of our product offerings. NexusBench, our proprietary cluster management and interconnect optimization software, supports the entire lifecycle of AI infrastructure from deployment to long-term operation, with features such as predictive maintenance. In addition, LTSimulator, our proprietary EDA and algorithm development software, accelerates the design, verification, and commercialization of optical computing by providing multi-scale simulation at the device, chip, and system levels.

Our R&D system allows us to timely seize industry trends and balance long-term transformative innovation with near-term market opportunities, thereby enhancing return on investment and supporting sustainable growth. For example, while our early research focused on optical computing, we leveraged our know-how of developing complex optoelectronic chips and strategically expanded investment in optical interconnect commercialization to capture near-term demand, establishing a dual-engine strategy across both optical interconnect and optical computing.

Cutting-Edge Products and Solutions with a Solid Foundation for Commercialization

Our R&D perspective enables products and solutions natively designed for ultra-large-scale computing clusters, with commercialization in focus from the outset:

- **Optical Interconnect:** We address bandwidth and scalability challenges of traditional electrical interconnects and centralized switching for large-scale computing clusters, creating a new paradigm for high-bandwidth, low-latency, and scalable computing clusters. According to our paper published at SIGCOMM 2025, the interconnect cost of a supernode built with our architecture centered on distributed optical switching modules is theoretically only 31% of comparable systems, with a GPU redundancy rate an order of magnitude lower.
- **Optical Computing:** We adopt a non-coherent chip architecture design, with significant advantages in system scalability and resistance to electromagnetic interference. The design synergistically co-packages an Optical Processing Unit (OPU) and a custom Application-Specific Integrated Circuit (ASIC), achieving a 1GHz clock speed and 8-bit output precision. Our resulting chip, PACE 2, with an area of 600 mm² and over 40,000 integrated photonic devices, supports a maximum matrix operation of 128 x 128. Furthermore, it offers significant adaptability and optimization by allowing users to freely configure computational matrix coefficients via an API.

We have achieved efficient R&D and iteration of our products and solutions:

- **Optical Interconnect:** We progressed from concept to deployment in a large-scale-GPU cluster, validating stability and performance. According to Frost & Sullivan, as of the Latest Practicable Date, we were among the few providers globally and one of the first providers in China with an optical interconnect supernode solution for accumulated more than 5,000-card cluster.

- **Optical Computing:** We released PACE in December 2021 and PACE 2 in March 2025, and we already have a release schedule for PACE 3, our next-generation optoelectronic computing product. Our product iteration speed is continuously accelerating, helping to drive the commercialization of the optical computing industry.

We place strong emphasis on intellectual property to secure independent control over core products and technologies. As of the Latest Practicable Date, we held 154 issued patents, approximately 80% of which were invention patents, and had 274 pending invention patent applications. Over half of these support both optical interconnect and optical computing, underscoring the versatility of our R&D outcomes. According to Frost & Sullivan, we hold one of the largest patent portfolios among startups in the global optoelectronic computing field. We also contribute to the development of industry standards and specifications. As of December 31, 2025, we have contributed to 13 industry standards, and remain committed to building a more standardized product and solution matrix.

Broad Compatibility and a Robust and Collaborative Ecosystem

We continuously collaborate with top-tier partners to build a vibrant ecosystem that strengthens our competitive advantages.

- **Optical Interconnect:** Our deep understanding and continuous technological investment in the optical interconnect technology allow us to keep up with the rapid iteration and technological innovation of various GPU products. Our expertise allows us to efficiently adopt to different providers' products, mitigating lock-in effect associated with proprietary protocols and establishing first-mover advantages. Furthermore, we collaborate across the value chain, from IP and server vendors to cloud computing providers and large language model developers, to accelerate the transformation of computing power.
- **Optical Computing:** We believe a robust software ecosystem serves as the decisive catalyst for computing chips to achieve market success. Our optical computing software stack includes a rich operator library and supports computer vision, large language models as well as Ising-type applications. Users can build applications with our in-house compiler and define custom operators to expand algorithmic flexibility. Customers can invoke optical and electrical matrix acceleration units through the software stack to accelerate and validate models and algorithms, or they can compile and deploy models for inference through our compilation framework. This flexibility enabled PACE 2 to run the ResNet50 and Llama 2 models, marking the first application of optoelectronic computing in commercial AI models.

We also partner with major foundries, packaging and testing providers, EDA software companies, and other upstream suppliers to build a robust and diversified supply chain. This ensures stable, large-scale shipments, and maintains our gross margin remains at a healthy level. Furthermore, we collaborate with more than 10 top universities and research institutes, including Peking University, Fudan University, and Zhejiang University, and we have continuously sponsored the "National University Student Optoelectronic Design Competition" to advance technology and cultivate talent.

As of the Latest Practicable Date, we had joined over 10 major industry alliances or associations, including the Open Compute Project (OCP) and the Advanced Computing Industry Development Alliance (ACIA), to promote ecosystem development.

An Accomplished Team in Technology Innovation and Large-Scale Commercialization

Our core team combines cutting-edge technology innovation and large-scale commercialization experience, guiding us from concept to scaled deployment.

Dr. Shen Yichen is our founder, chairman of the Board, executive Director, and chief executive officer. He holds a Ph.D. in Physics from MIT. During his doctoral studies, he published a paper as the first author in *Science* titled “Optical Broadband Angular Selectivity,” which for the first time achieved control over the direction of light propagation at the material scale. In 2017, Dr. Shen published a cover article as the first author in *Nature Photonics* titled “Deep learning with coherent nanophotonic circuits,” which first proposed a method for deep learning with coherent nanophotonic circuits and is widely regarded as a breakthrough in optoelectronic computing. Dr. Shen was also recognized as one of the “The 35 Innovators under 35” by the MIT Technology Review.

Dr. Meng Huaiyu is our co-founder, executive Director and chief technology officer. He holds a Ph.D. in Electrical Engineering from MIT, where he was a core member responsible for the development of several core devices in the world’s first on-chip optical interconnect project. This project was the first in the world to realize a microprocessor system with integrated silicon photonic data interconnect, addressing the communication bottleneck between CPU and memory. In 2018, Dr. Meng’s paper in *Nature* detailed the integration of photonics with silicon nanoelectronics for next-generation systems on a chip.

Complementing our founders who are dedicated to continuously expanding the boundaries of optoelectronic computing technology, our core management team averages more than 20 years of semiconductor industry experience. Team members have held key roles in world-renowned semiconductor technology companies such as NVIDIA, Qualcomm, UNISOC, and Graphcore, with previous management responsibilities spanning R&D, product development, marketing, sales, and supply chain management. This breadth and depth enable us to translate advanced concepts into deployable and scalable products and solutions.

OUR STRATEGIES

Focus on R&D and Innovation to Upgrade Our Technology

Our world-leading core technologies are keys to providing excellent products and maintaining our current market position. To strengthen this position, we will continuously upgrade our optoelectronic computing products and solutions by increasing R&D investment, enhancing the advantages of our three core technologies and reinforcing the foundation of our business.

- **Hardware:** We will advance the evolution of our optical interconnect and optical computing product lines. We will further develop core IP and processes, including integrated silicon photonics and advanced optoelectronic packaging, to improve key performance metrics like signal rate, computing power, and bandwidth density. We will continue to reduce system power consumption and cost while improving product reliability.
- **Algorithms and Software:** We will deepen our understanding of key use cases, such as large model inference and combinatorial optimization. We will improve our hardware-software co-simulation models and promote the co-design of software and hardware to translate

physical-layer advantages into tangible application-layer benefits for our customers. We will also closely monitor industry trends to align our hardware and software optimization with evolving applications.

Our optical interconnect and optical computing solutions will share core technological strengths, and we will prioritize applying advanced technologies to deliver more efficient and cost-effective solutions. We will also expand into additional application scenarios to serve a broader range of customers.

Upgrade Our Product Matrix and Increase Global Market Penetration

In optical interconnect, we will actively pursue collaboration with major companies, including top switch chip manufacturers, to produce a co-packaged optics (CPO) version of our product. In optical computing, we are developing our fourth-generation product, PACE 3, designed for large language model inference. With an upgraded product matrix, we aim to achieve deeper penetration in the global accelerated computing market.

With customer needs at our core, we will build a multi-dimensional global development system. By targeting market demand and adapting to diverse customer needs, we will expand our global footprint, integrate high-quality industry resources, and enhance commercialization to drive sustainable growth.

Deepen Collaboration with Our Partners and Cultivate the Ecosystem

We will deepen collaboration with partners across the value chain. For instance, we will work with IP vendors to encourage broader adoption by GPU manufacturers, helping guide the technological direction and reinforcing the leadership of our products. We will also partner with major cloud service and server providers to develop solutions and cultivate the industrial ecosystem.

As a leader in a rapidly evolving industry, we are committed to consolidating superior resources to shape its future direction and reduce inefficiencies. We will actively explore strategic opportunities, focusing on high-quality partners that are synergistic with our business and have deep technological strength and distinct competitive advantages.

We will also continue partnering with domestic and international enterprises to promote global adoption of our technologies, further expanding our addressable market. Our world-class technological strengths are expected to attract collaboration from renowned universities, providing access to the forefront of optoelectronic technology and empowering academic research.

Elevate Talent to Accelerate Innovation and Operational Excellence

Outstanding R&D and management talent are the foundation of our market advantage and the key driver of our long-term growth. As we scale, we will increase our focus on recruiting high-potential talent.

Our talent philosophy values both individual capability and professional background. Through our global talent development program, we provide a broad growth pathways for every employee. We will continue to optimize incentive mechanisms, strengthen long-term retention and loyalty initiatives, and refine management processes to enhance team execution, unlocking employee potential and providing a solid foundation for our sustained development.

OUR OPTICAL INTERCONNECT BUSINESS

Overview

The rapid growth of artificial intelligence, particularly large language models and generative AI, has created unprecedented demand for AI infrastructure. Traditional server designs can no longer efficiently handle these workloads, as the bottleneck has shifted from individual processors to the interconnects that link them together. To address this challenge, the industry relies on two complementary approaches:

- **Scale-up:** Scale-up increases the computing power of a single node by tightly coupling multiple GPUs so that they function as one larger processor. The core requirement of scale-up is a memory-coherent interconnect, which ensures that all processors share a consistent view of memory. Maintaining this coherence requires frequent GPU communication, and therefore the interconnect must provide very high bandwidth, low latency, and support for specialized hardware protocols. Scale-up architectures are critical for training large language models, where thousands of GPUs must exchange parameters rapidly and operate as a tightly synchronized unit.
- **Scale-out:** Scale-out expands computing capacity by linking many servers into large, distributed computing cluster. In this model, workloads are executed in parallel across thousands of nodes, forming the basis of modern distributed computing. Unlike scale-up, scale-out does not require strict memory coherence across the entire computing cluster, which reduces interconnect complexity but emphasizes scalability and coordination across clusters. Scale-out is widely used in AI infrastructure for large language model and hyperscale cloud environments, where massive numbers of tasks must be processed efficiently in parallel.

Existing electronic interconnects, though widely used, face inherent physical constraints: signal integrity degrades sharply over longer reaches, and power consumption rises significantly at higher speeds. These limitations create bottlenecks that restrict scalability, efficiency, and the cost-effectiveness of modern data centers.

Optical interconnect technology provides the pathway to overcome these barriers by transmitting data as light, delivering higher bandwidth over longer distances with lower energy consumption per bit. Our company is differentiated by its semiconductor design and packaging capabilities, particularly in developing photonic integrated circuits (PICs), electronic integrated circuits (EICs), and advanced semiconductor packaging technologies that form the core of our optical interconnect products. By co-designing and co-optimizing both of the photonic and electronic chips, and integrating them through advanced packaging techniques, we achieve higher levels of performance, energy efficiency, and scalability than solutions dependent on off-the-shelf components.

BUSINESS

This strength allows us to translate device-level innovations into system-level advantages across both scale-up and scale-out deployments. With our semiconductor design expertise, we have developed a portfolio of optical interconnect hardware and solutions tailored to these needs. Our Scale-up series of hardware and solutions enable the construction of high-performance supernodes. Complementing these, our scale-out hardware and solutions link multiple supernodes into large, distributed computing clusters. Together, these products demonstrate our ability to combine semiconductor innovation with system-level design, providing customers with solutions to build the next generation of AI infrastructure.

Category	Description	Status
Scale-up	Optical Interconnect with Electrical Packet Switch (Scale-up EPS)	Commercialized
	Optical Interconnect with Optical Circuit Switch (Scale-up OCS)	Commercialized
	Next generation: Near-Packaged Optics (NPO) and Co-Packaged Optics (CPO)	Under development
Scale-out	Smart Transceiver with NexusBench	Commercialized
	Transceiver Photonic Integrated Circuits (Transceiver PIC)	Under development
	Co-Packaged Optics Solutions for Switch	Under development

Our Scale-up Hardware and Solutions

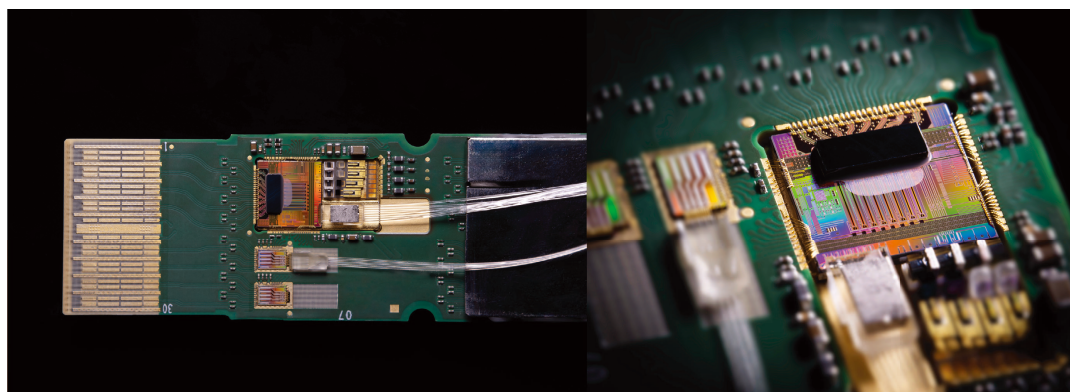
Our portfolio of Scale-up optical interconnect business is designed to enable the construction of supernodes: large, tightly interconnected groups of GPUs and other accelerators that function as a single computing unit. Supernodes are critical for training and inference for large language models, as they allow hundreds to thousands of processors to work together efficiently, with performance determined not only by compute capacity but also by the interconnect fabric that links them.

A supernode connects multiple GPU servers into a unified domain. Within each server, accelerators are connected locally through high-bandwidth links. Across servers, scale-up switches aggregate traffic and establish memory-semantic communication between GPUs. To extend connectivity beyond a single chassis or rack, optical interconnect modules are deployed to carry data over fiber with low latency and high reliability. Together, these switches and optical modules form the backbone of the supernode, enabling rack-to-rack expansion to dozens of servers and hundreds of accelerators that operate as one system for large-language model training and inference.

Scale-up EPS: Optical Interconnect with Electrical Packet Switch

Scale-up EPS combines linear-drive optical links with electrical switching to create tightly coupled supernodes across racks of servers. It consists of a family of scale-up hardware and software to create an open, high-performance super-node across multiple servers. The architecture delivers low latency, high bandwidth, and low power per bit while enabling long-reach, rack-to-rack connectivity — overcoming the distance and cabling limits of traditional copper and short-reach electrical backplanes.

Our Semiconductor Technology: Proprietary PIC and EIC



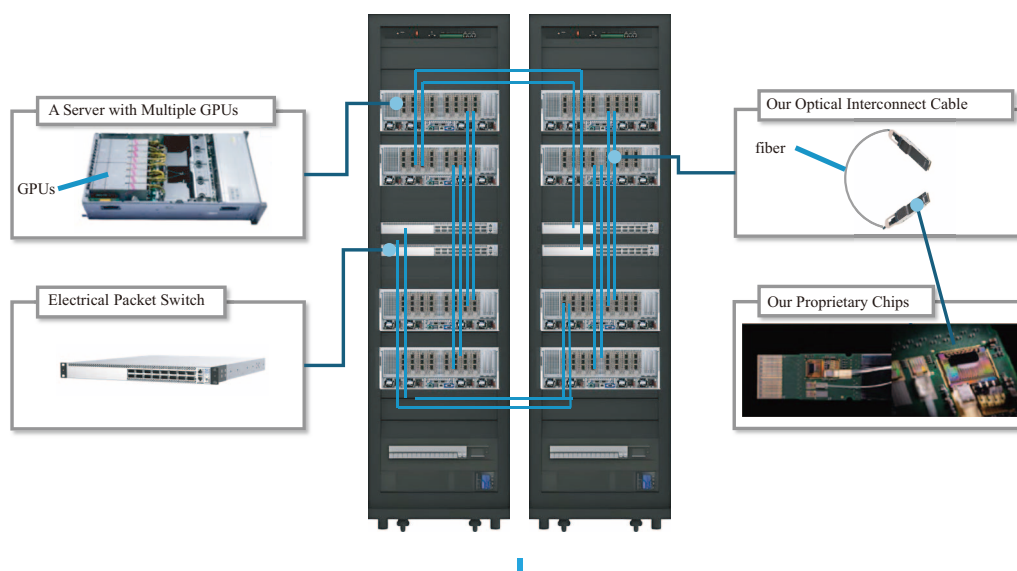
Note: The figure on the left illustrates the structure of our linear pluggable optics module. The figure on the right illustrates the company's PIC, co-packaged with an EIC layered on top of it.

Our current Scale-up series is built on Linear Pluggable Optics (LPO) technology, a new generation of optical interconnects tailored for advanced computing workloads. Unlike conventional pluggable optics, which depend on digital signal processors (DSP) to improve signal integrity, LPO employs a streamlined linear-drive architecture that shifts signal processing functions to the host system. Such architecture reduces latency, minimizes power consumption, and achieves cost efficiency within the widely adopted pluggable form factor.

Since 2023, we have invested heavily in the research and development of LPO technology, and the Scale-up series marks the commercialization of these efforts. Our strength lies in our semiconductor design capabilities, particularly the ability to independently design both PICs and EICs that serve as the core of our modules. This capability, rooted in expertise originally developed for optical computing, sets us apart from many conventional and traditional optical module manufacturers that rely on third-party components.

In addition, we have developed advanced packaging technologies that enable the holistic design and co-packaging of photonic and electronic integrated circuits. This integration improves signal integrity and enhances energy efficiency. For example, while current-generation modules support eight optical channels, we are developing next-generation PICs with more channels, which will significantly increase bandwidth per module. These innovations demonstrate how our semiconductor-level breakthroughs directly translate into system-level performance gains, providing us with a defensible competitive advantage and a high barrier to entry for competitors.

Key End Products under Scale-up EPS



A Supernode Interconnected by Scale-up EPS

Scale-up EPS is anchored by two core building blocks that translate our semiconductor-level innovations into deployable system solutions:

- **Optical Interconnect Cable:** Provides ultra-low-latency, high-bandwidth links between xPU compute cards and servers. It is based on one of the fastest open protocols and can achieve much longer transmission distances than copper cables. Each cable contains two optical modules embedding our proprietary PICs and EICs, the most critical elements of the product, enabling efficient linear-drive optical transmission while reducing power, weight, and cabling complexity.
- **Scale-up Switch:** A high-performance network switch designed to support the high-speed interconnection requirements of both contemporary mainstream and future hyperscale data centers. Paired with our optical interconnect cables, it creates a long-reach, low-latency fabric that tightly couples xPUs across servers while preserving memory-semantic traffic. This switch, together with our optical interconnect cables, forms a complete, modular, and standards-compliant Scale-up EPS hardware.

By delivering scalable, efficient, and standards-aligned hardware, Scale-up EPS provides customers with a practical and future-ready path to expand their AI infrastructure.

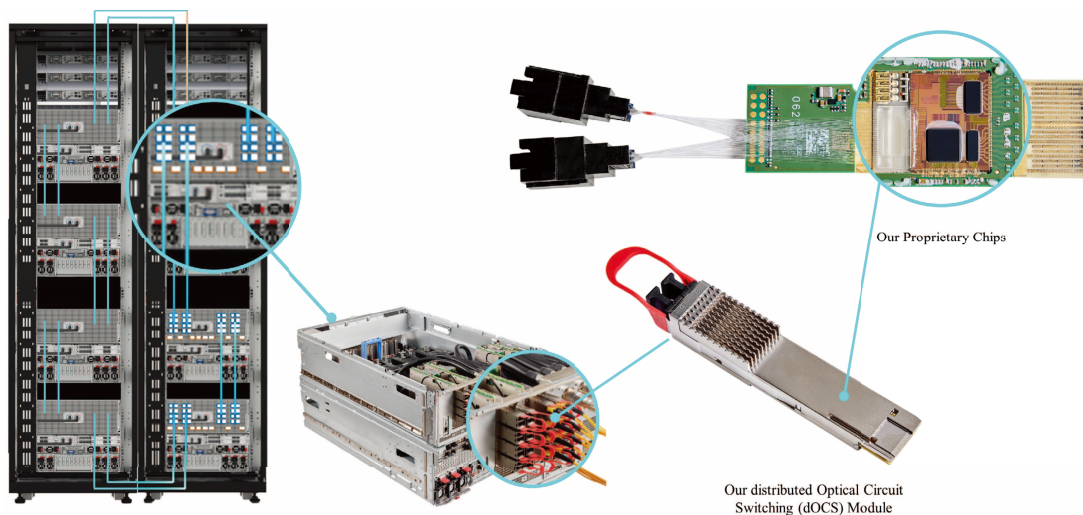
Case Study: 64 GPUs Supernode

Our Scale-up EPS hardware and solutions is capable of building a supernode architecture to consolidate at least eight servers and 64 xPUs into a single, tightly coupled supernode. Each server houses standard xPU cards connected via optical cables to the scale-up switch. The linear-drive optics

deliver sub-nanosecond component latency and rack-to-rack reach, while the switch aggregates at least 16 ports. This combination replaces short-reach copper with lightweight fiber, simplifying cabling and airflow, and creates deterministic, memory-semantic paths for peer-to-peer and collective traffic across all xPUs.

The deployment uses a modular topology: for example, within a server, xPUs form local fully connected groups. Pairs of servers are then interconnected, and finally four 16-card groups are aggregated through the switch layer to compose a 64-card super-node. Compared with the customer's previous copper-based expansion chassis, our Scale-up EPS solution increased effective bandwidth, reduced tail latency during training. Operationally, the customer reported faster computing cluster deployment, cleaner rack layouts, and lower power per bit, translating into higher xPU utilization for large-model training and inference and a clear path to expand additional supernodes using the same open, standards-aligned building blocks.

Scale-up OCS: Optical Interconnect with Optical Circuit Switch



Rather than relying on incremental improvements to conventional server clusters, we aim to build distributed computing constellations, in which multiple chassis or racks are interconnected through optical interconnect and switching. As of the Latest Practicable Date, we are at the early-stage of deploying our next-generation scale-up solution, Scale-up OCS, which integrates optical interconnect with optical circuit switch to construct larger and more flexible supernodes, while lowering operating costs and enhancing overall system performance.

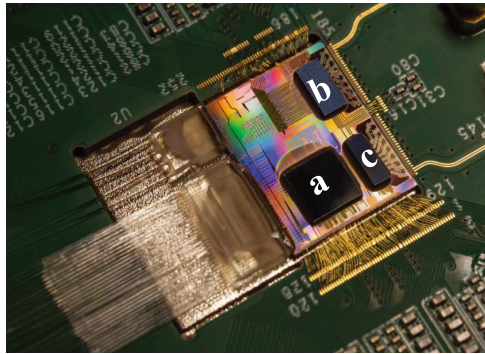
Supernodes built on centralized electrical switch application-specific integrated circuits (Switch ASICs) are costly, power-intensive, and constrained by power and scaling limits. Meanwhile, legacy OCS systems have seen limited adoption due to structural flaws: centralized architectures create broad failure domains, and per-port costs remain high.

Our Scale-up OCS addresses these challenges through a distributed optical switching architecture. Instead of concentrating switching into a large chassis, we embed compact silicon-photonics switching elements close to servers and xPU clusters. Integrated directly into modules that resemble standard optical engines, these elements keep data signals entirely optical from port to port. The advantages of Scale-up OCS include:

- **Cost-effectiveness and Efficiency:** By eliminating expensive electrical switch chips and reducing the number of optical modules required per connection, the architecture targets lower interconnect costs compared with comparable systems. It also enables dynamic resource allocation, with theoretical improvement on effective per-GPU utilization, supporting higher throughput for AI training and inference workloads.
- **Resilience and Availability:** The distributed design shrinks failure domains and enables millisecond-level failover. In the event of a GPU failure, the system can automatically substitute a hot-standby unit without manual intervention.
- **Protocol Agnostic:** Scale-up OCS is not tied to proprietary interconnect protocols, giving customers flexibility. Moreover, its core silicon photonics components can be fabricated using mature and widely available semiconductor processes, lessening reliance on advanced process nodes.

In summary, Scale-up OCS provides a distinct competitive advantage by directly addressing the critical bottlenecks of cost, efficiency, and resilience that constrain modern AI data centers. Combined with our optical cabling at the server edge, this architecture enables the modular construction of scalable supernodes with predictable performance, simplified wiring, and improved serviceability.

Our Semiconductor Technology: Silicon Photonics-based dOCS module



Note: The figures on top illustrate the appearance of our distributed Optical Circuit Switching (dOCS) module. The figure at the bottom illustrates the company's photonic integrated circuit (PIC), mounted on a printed circuit board (PCB). Layered on top of the PIC are three chips that enable optical switching and signal conversion: (a) the OCS controller chip (square block) manages the switching logic, directing optical signals between different GPUs within the same server chassis or across external connections; (b) the driver chip (top-right block) converts electrical signals into optical signals for transmission; and (c) the TIA (transimpedance amplifier) chip (bottom-right block) amplifies weak optical signals after they are converted back into electrical signals, ensuring reliable data reception.

The key hardware building block of Scale-up OCS is a compact optical interconnect module with integrated optical circuit switching. This device combines the functions of an optical interconnect transceiver and an on-module optical switch, enabling reconfigurable optical paths within a single module. At the heart of the compact optical interconnect transceiver are our silicon photonics PICs and proprietary controller and driver chips.

Case Study: LightSphere

In July 2025 and during the World Artificial Intelligence Conference, we jointly unveiled with our partners an optical-interconnect, optical-switching GPU super-node built on our dOCS technology. The solution integrates our optical interconnect and dOCS switching modules with a high-performance, liquid-cooled general-purpose GPU module based on an original architecture. The system is slated for deployment at a major intelligent-computing center in Shanghai, marking a milestone for large-scale, domestically controllable AI infrastructure.

LightSphere demonstrates the scalability, cost-efficiency, and reliability of Scale-up OCS as a foundation for next-generation AI infrastructure. Its distributed optical switching allows real-time topology reconfiguration (ring, mesh, dragonfly) based on workload demands, reduces redundancy needs through hot-standby substitution, and is capable of supporting elastic expansion to over 500 GPUs in a single logical domain. By combining switching and optics within compact modules, the system reduces the number of discrete optical engines required per connection and lowers reliance on large, centralized switches. This architecture enables expansion by simply adding racks, reducing retrofit requirements and accelerating time-to-value for large-scale AI data centers.

Scale-up Software: To complement our optical interconnect hardware, we provide a dedicated software stack composed of the Node Fabric Manager and the Cluster Fabric Manager. While our hardware can deliver ultra-low-latency optical links and the switch aggregates them into a high-performance domain, these software components ensure the hardware operates as a unified system.

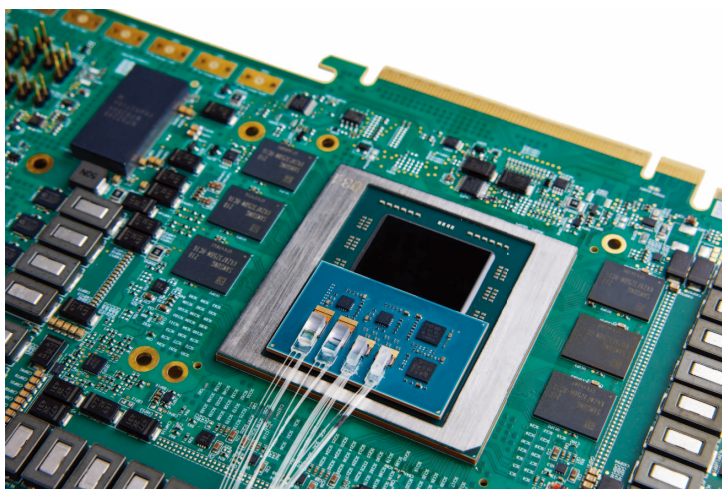
- **Node Fabric Manager:** Deployed on each GPU server within the cluster, Node Fabric Manager is responsible for managing and configuring the local optical circuit switch, maintaining its operational status, and collecting system messages and events. It receives and executes commands from the Cluster Fabric Manager, while providing event notifications and information feedback as required.
- **Cluster Fabric Manager:** This southbound cluster network management software is responsible for the provisioning and decommissioning of supernodes, maintaining the global network topology, and managing internal topologies within individual supernodes. It also handles the configuration and management of all optical circuit switch devices, facilitates system state and event collection, and maintains and propagates alarm information.

Next Generation: Near-Packaged Optics and Co-Packaged Optics

We believe optical interconnect technologies are evolving toward higher levels of integration to address challenges in power consumption, cost efficiency, and system reliability. Our company has defined a three-stage roadmap that reflects both industry trends and our own semiconductor design and integration capabilities. This progression — from linear pluggable optics to near-packaged optics, co-packaged optics, positions us to steadily enhance interconnect performance while supporting the long-term scaling of artificial intelligence computing clusters.

- **Near-Packaged Optics (NPO):** As the next step, NPO relocates optical modules from the server face plate to close proximity to GPU boards, reducing copper trace lengths from over one meter to approximately ten centimeters. This architecture eliminates the need for digital signal processing chips, reduces latency, and increases interconnect density by two to three times. We have initiated collaborations with leading ecosystem partners—including cloud service providers and GPU manufacturers—as well as upstream suppliers in fiber connectors and substrates. Our design teams have already completed initial chip tape-outs, and testing with industry partners is expected to begin in the near term. Broader deployment is targeted once validation milestones are achieved.
- **Co-Packaged Optics (CPO):** CPO integrates optical engines directly with GPUs or scale-up switch ASICs within the same package, reducing interconnect distances to the millimeter scale. This approach enables higher bandwidth and substantially lower latency compared with NPO. Given the technical complexity of CPO, including requirements in advanced optical packaging, electrical packaging, and co-design methodologies—we are advancing development in collaboration with top-tier chip manufacturers. As of the Latest Practicable Date, core semiconductor design activities are underway, supported by our strong capabilities in semiconductor design, photonic packaging, and electronic integration.

Case Study: xPU-CPO Prototype



Note: This picture shows a demo of a GPU with co-packaged optical interconnect. A silicon photonic-based optical engine is packaged side-by-side with a GPU die. The GPU and the optical engine communicate through a short reach electric interconnect. The optical engine is responsible for conversion between electric signals and optical signals, which are capable of traveling beyond 100 meters. Therefore, through the co-packaged optical engine, the GPU gains the capability of long distance communication.

To address the critical data transfer and power consumption bottlenecks in next-generation AI and high-performance computing, we are at the forefront of developing CPO technology. CPO represents a paradigm shift from traditional pluggable optical modules by co-packaging the optical engine directly with high-performance xPUs on the same substrate. This innovative architecture shortens the electrical path between the chip and the optical interface, yielding significant performance gains, including reduction in power consumption, lower latency, and substantially higher data bandwidth and signal integrity.

Together with one domestic GPU partner, we have jointly demonstrated the world’s first xPU-CPO prototype at the World Artificial Intelligence Conference in July 2025. This system, which achieves direct on-chip optical output from a xPU, was the first successful domestic application of CPO technology for advanced computing interconnects. This milestone not only proved the technical feasibility of our CPO solutions but also positioned us to capitalize on the growing demand for highly efficient, high-speed data center infrastructure.

Our Scale-out Hardware and Solutions

Scale-out Overview

Our scale-out offerings are designed to aggregate computing power across very large computing clusters. Unlike scale-up, which enhances the performance of a single server or supernode, scale-out involves linking thousands of servers to operate as a unified system. This approach enables massive parallel processing, distributing computational workloads across clusters that may comprise tens of thousands of GPUs.

To address these needs, we provide a comprehensive scale-out product suite that spans both commercialized products and solutions under development. Our commercialized products include smart transceivers, which integrate predictive diagnostics and monitoring to enhance system reliability, and NexusBench, our proprietary optical interconnect software for deployment, optimization, and lifecycle management of optical interconnect in large-scale clusters. Looking ahead, our products under development include transceiver PICs, the core optical chips for high-speed interconnects, as well as co-packaged optics solutions for switches, a next-generation switching architecture designed to reduce power consumption and improve bandwidth density in hyperscale environments.

Together, these offerings deliver a tightly integrated hardware-and-software solution for scale-out networking.

Smart Transceivers with NexusBench

Our current scale-out hardware and solutions combine smart transceivers with our NexusBench software to deliver an integrated hardware–software solution. The smart transceivers serve as intelligent optical modules that generate real-time performance and reliability indicator, while NexusBench aggregates and analyzes this information at the system level. Together, they enable predictive diagnostics and proactive maintenance across large-scale AI infrastructure, reducing downtime and improving efficiency.

- **Smart Transceivers:** Our smart transceivers integrate predictive diagnostics and advanced monitoring, going beyond conventional optical modules that provide only limited feedback. By continuously recording parameters such as bias current, voltage, temperature, and optical power, and assisting anomaly detection algorithms, these modules facilitate detection of potential failures and prior notice to operators in advance.

This predictive capability is critical in GPU-based computing clusters, where the failure of a single module can idle multiple GPUs and disrupt workloads. By supporting timely replacement and preventive maintenance, smart transceivers improve computing cluster reliability, reduce downtime, and lower the total cost of ownership in hyperscale and AI

infrastructure. Designed for cloud-native environments, they also integrate seamlessly with reliability management systems, enabling real-time predictive maintenance of AI infrastructure at scale.

Looking ahead, we plan to enhance our smart transceivers with in-house developed PICs, further strengthening performance and reliability.

- **NexusBench:** NexusBench is our cluster management and interconnect optimization software designed to support the full lifecycle of intelligent computing centers from deployment to operation and maintenance. It automates deployment tasks such as cabling checks, firmware matching, and link validation, and provides optimization features including optical link tuning, switch forwarding validation, and stress testing. During cluster operations, NexusBench is capable of proactively alerting AI infrastructure providers to potential workload failures, thereby enhancing system reliability and performance. For daily operations, NexusBench offers real-time monitoring of scale-out optical interconnect.

Development Roadmap of Our Scale-out Offerings

PIC for Transceivers

At the core of our Scale-out product roadmap are our proprietary PICs. By integrating functions such as modulation, detection, multiplexing, and coupling onto a single chip, PICs replace multiple discrete components, delivering higher bandwidth density. These attributes are essential for meeting the stringent performance and scaling requirements of hyperscale data centers and AI infrastructure.

We expect PIC-enabled transceivers will form the backbone of scale-out interconnects, linking devices such as network interface cards and switches. Beyond higher performance, PIC-based designs also improve reliability compared with conventional transceivers. Because the failure of a single optical module can idle multiple GPUs and disrupt workloads, enhanced reliability, together with support for timely replacement and preventive maintenance, reduces downtime and lowers the total cost of ownership in hyperscale clusters. Importantly, PIC-enabled transceivers achieve these benefits while maintaining cost levels comparable to existing offerings.

Our key differentiator lies in our ability to design and tape out PICs through process design kits PDKs co-developed with major domestic semiconductor foundries. These customized PDKs allow us to optimize device performance for large-scale production, shorten design-to-manufacturing cycles, and improve yield consistency. They also provide critical supply chain security and cost advantages by reducing reliance on foreign suppliers, a growing concern under tightening global export controls.

Looking ahead, we expect our PIC-enabled transceivers to support both today's 400G modules and the industry's migration to 800G and 1.6T modules. As hyperscale data centers and AI workloads continue to expand, we believe PICs will become a key driver of the optical transceiver market, particularly in the transition toward high-speed pluggables and next-generation architectures such as linear pluggable optics (LPO).

Co-Packaged Optics Solutions for Switches

Our co-packaged optics (CPO) solutions for switches represent a next-generation switching architecture in which optical engines are integrated in close proximity to switch application-specific integrated circuits (ASICs), replacing the traditional model of connecting external pluggable optical modules via electrical traces. By shortening the electrical interconnect distance to the millimeter scale, this architecture materially lowers power consumption, enhances bandwidth density and enables more efficient thermal management. We believe that CPO technology will become increasingly important for hyperscale data centers and AI computing clusters as the performance limits of pluggable optics are reached in the second half of this decade.

CPO is widely expected to be a key enabler for future network scaling, particularly in AI clusters where both power efficiency and bandwidth density are critical bottlenecks. Rather than manufacturing switches ourselves, we focus on developing the optical engines, optical integration processes, potentially one-stop CPO solution that allow switch ASIC providers to adopt co-packaged architectures.

We have initiated the research and development of CPO solutions. A proof-of-concept demonstration based on next-generation switch ASICs is currently under way, with initial results targeted for completion in 2026. The optical chiplets required for this project have already entered the tape-out stage and are expected to be returned for integration in the near term. Given the technical challenges of CPO, including the need for advanced optical packaging, electrical packaging and system-level co-design, we have invested in in-house capabilities across chip design, optical packaging and electrical packaging. Leveraging these capabilities, we are developing the integration processes required to assemble CPO switch systems. We expect that the demonstration and subsequent commercialization of our CPO solutions for switches will enable us to address emerging demand from hyperscale data centers and AI computing operators, while establishing our position as a key participant in the industry's transition toward co-packaged optics architectures.

OUR OPTICAL COMPUTING BUSINESS

Overview

We are an early and established player in the field of optical computing. Optical computing is a new type of computer built with photonics instead of electronics to address the fundamental limitations of traditional electronic computing as Moore's Law approaches its physical and economic barriers. Our technological foundation was established by our founder, Dr. Shen Yichen, whose cover-story paper in *Nature Photonics* in 2017 first demonstrated the feasibility of using optoelectronic computing for deep learning, laying the theoretical groundwork for this technological revolution.

Since our establishment, we have consistently translated this foundational research into a series of hardware products with the mission of leveraging the advantages offered by the combination of photonics and electronics and optimizing our products for AI workload. The PACE processor validated the performance advantages of optical computing, with related research published in *Nature* in April 2025. In March 2025, we launched our third-generation product, PACE 2, which quadrupled the optical matrix scale and demonstrated the application of our technology in complex commercial AI models.

BUSINESS

Our core commercial optical computing offering is the PACE product line, a proprietary, fully integrated optical processing unit (OPU) designed as a specialized accelerator for workloads dominated by matrix multiplication. Alongside our primary PACE series, we have also developed exploratory and complementary products, such as Gazelle and OptiHummingbird, which target specific technological challenges and research applications.

Name	Description	Status
PACE	A 2nd generation OPU with 64x64 optical matrix	Commercialized
PACE 2	The successor of PACE. PACE 2 is our 3rd-Gen OPU card with optical and electronic computing capabilities, 128x128 optical matrix, PIC & EIC/ASIC packaged with 3D TSV technology, supports ResNet 50 and Llama	Commercialized
PACE 3	The successor of PACE 2. PACE 3 is our 4th-Gen OPU card and system with combination of optical and electronic computing capabilities, 256x256 optical matrix, currently under development	Under development
Gazelle	OPU Evaluation Kit, 2x8 optical matrix, high accuracy, highly programmable	Commercialized
OptiHummingbird . . .	An OPU with oNOC technology	Commercialized

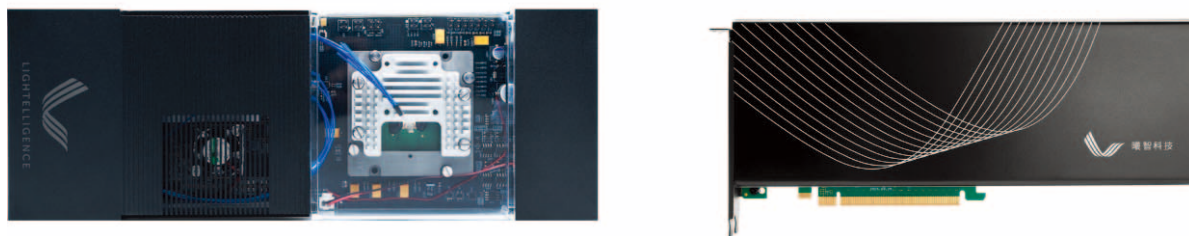
Optical Computing Commercialization Strategy and Implementation Plan

We expect PACE 3 to be the primary driver of long-term commercialization and revenue growth for our optical computing product line. Our commercialization strategy for PACE 3 focuses on two key initiatives:

- **Decoding-Focused Product Positioning:** We are concentrating on the decoding phase of large language model inference, a segment undergoing rapid growth. Recent industry developments show major industry participants launching separate prefill- and decoding-optimised accelerators targeting availability around 2026, which validates decoding-optimised architectures as a clear market direction. The decoding phase is highly latency-sensitive and throughput-intensive, making it an ideal use case for PACE 3. Designed to provide superior large language model decoding capabilities, PACE 3 targets superior latency and energy efficiency, positioning it to capture a meaningful share of this growing segment.
- **Ecosystem Development and Adoption:** We are also building an ecosystem around PACE 3 by working with developers, research partners and early adopters, and supporting them through toolchains, development kits and application enablement. Adoption in academic and research environments is expected to generate applications and reference use cases that can migrate into commercial deployments as PACE 3 becomes widely available. By combining a decoding-focused product strategy with ecosystem development, and given the performance

profile and commercial readiness timeline of PACE 3, we believe that larger-scale commercial deployment of our optical computing solutions will take place after PACE 3 is commercialized and delivered to customers.

PACE Series (PACE, PACE 2 and PACE 3)



Note: the figure on the left is PACE and the figure on the right is PACE 2.

Overview

The PACE series is our proprietary, fully integrated optical computing system hardware and the core of our optical computing product offering. The PACE series is engineered to meet the escalating demand for computational power driven by artificial intelligence, complex data analytics, and other data-intensive applications. To address such demands, we position PACE series as a specialized accelerator for workloads dominated by matrix multiplication (MatMul), a foundational operation in numerous algorithms.

We have released two products under the PACE series. The first generation of our PACE series-based product, PACE, was released in 2021 with an optical processing unit supporting the multiplication of 64x64 matrices. The successor of PACE, PACE 2, was released in 2025 with the ability to conduct multiplications of matrices at the size of 128x128.

Technology and System Architecture

The PACE series is powered by Optical Multiply Accumulate (oMAC), one of our core technologies that breaks the computing power limitation of traditional digital chips via an optical modality of MatMul. Conventional electronic computing architectures are encountering significant physical and economic barriers to continued performance scaling, often referred to as the limitations of Moore’s Law. These challenges include high power consumption, thermal constraints, and data movement bottlenecks. oMAC addresses these limitations by utilizing integrated silicon photonics to perform computation using light. This approach offers material advantages in speed, energy efficiency, and latency for specific classes of computational problems.

By using the transmission of optical signal arrays as the method for MatMul, oMAC takes advantage of the unique physical principles of optical signals and combines a silicon photonics module compatible with CMOS processes with our advanced co-packaging technologies. oMAC-powered hardware is well-suited for massively parallel operations, performing calculations on entire vectors of data simultaneously as they traverse the optical matrix. See “— Our Core Technologies — oMAC” for more details.

On the architecture level, the PACE series employs a hybrid system architecture, co-integrating advanced photonic and electronic circuits into a single, compact module to optimize performance and interoperability. The key components of the PACE series are:

- **Silicon Photonic Integrated Circuit (PIC):** Our proprietary PIC serves as the core computational engine, fabricated on a commercial silicon photonics module. Such PIC integrates more than 16,000 (in PACE) or 40,000 (in PACE 2) discrete photonic devices to form 64x64 or 128x128 optical matrices in PACE and PACE 2, respectively. The PIC is responsible for modulating input light, performing MatMul, and detecting the optical output.
- **CMOS Electronic Integrated Circuit (EIC):** EIC is the custom-designed companion chip, fabricated in a CMOS process, that provides essential control and interface functions.
- **Advanced Co-Packaging:** The PIC and EIC are integrated using a flip-chip assembly method, connecting them with thousands of high-density micro-bumps. This advanced co-packaging technique minimizes latency and power loss during data transfer between the chips, forming a cohesive System-in-Package (SiP).
- **System-Level Integration:** The entire SiP is mounted on a printed circuit board (PCB). This board also houses power management components and system I/O connectors, ensuring compatibility with existing server and data center infrastructure. External laser sources are coupled to the PIC via a high-precision fiber array.
- **Software Development Kits (SDK).** SDK is the software used by developers. The main building blocks of our SDK include an OPU runtime, an OPU compiler and high-performance libraries for AI and non-AI applications, with examples being ResNet and Ising.

Performance Advantages

The PACE series has demonstrated significant performance advantages on targeted workloads in a test environment: (i) for specific combinatorial optimization problems (such as the Max-Cut problem), the PACE demonstrator performed the core task more than 100 times faster in terms of total time-to-solution when compared against a comparable GPU. This speedup is primarily attributed to PACE's ultra-low per-iteration latency of approximately 5 ns, a direct result of its optical computing architecture; (ii) the passive MatMul process leads to substantial energy savings. Our study published in *Nature* reported an energy efficiency of approximately 2.38 tera-operations per second (TOPS) per watt, including the power consumption of the external lasers.

Application Scenarios

The unique advantages of our PACE series give rise to applications in the following fields: (i) Electronic Design Automation (EDA): Aiding in the design and verification of complex integrated circuits; (ii) Financial Engineering: Performing data analysis and financial product design; and (iii) AI-related Tasks: Performing imaging analysis, image identification and industrial quality inspection.

Development Roadmap: PACE 3

We are in the early-stage R&D process of PACE 3, our next-generation optical computing hardware, representing the “growth” phase of our optical computing product roadmap. PACE 3 is engineered to enable the larger-scale commercial deployment of our technology by addressing key bottlenecks in modern AI infrastructure. Building on the foundations of our previous PACE generations, PACE 3 is designed as a high-performance, low latency accelerator specifically optimized for large model inference. It combines enhanced optical and electrical computing capabilities to deliver a breakthrough solution for generative AI applications.

Technology and System Architecture

PACE 3 will fully integrate optoelectronic computing system that leverages a novel packaging technology to integrate memory with our advanced silicon photonics chip. The architecture is designed to overcome the primary challenges that have limited the mass deployment of optical computing: computational precision, memory bandwidth, and scalability. The key architectural components and features of PACE 3 are:

- **Enhanced Optoelectronic Computation.** PACE 3 strengthens both optical and electrical computing capabilities. Its core is an enlarged optical matrix (oMAC) with a scale of 256x256. Crucially, it introduces support for a wide range of data types, including BF16, FP8, FP4, INT8, and INT4, addressing the need for higher computational precision and supporting floating-point operations.
- **High-Bandwidth Memory System.** Acknowledging that memory access is a critical bottleneck in generative AI, PACE 3’s design prioritizes memory and I/O bandwidth. It incorporates an innovative memory technology engineered to provide the high-speed, low-latency, and high-capacity memory access required to efficiently process large language models.
- **Native Scalability with Optical Interconnects.** To support ever-growing model sizes, PACE 3 natively integrates our oNET (Optical Inter-chip Network) technology. This allows for the seamless, low-latency interconnection of multiple PACE 3 chips, enabling the construction of large, scalable clusters and powerful compute domains.
- **Architecture Optimized for LLM Inference:** The system is holistically designed to accelerate the token-by-token inference stage of large language model. This strategic focus ensures that the computational core, memory system, and interconnects work in concert to address the primary latency bottleneck in generative AI, positioning PACE 3 as a specialized solution for this critical workload.

Gazelle

Gazelle is among the world’s first full programmable, high precision optical computing evaluation hardware designed to perform matrix-related computing tasks. Gazelle supports multiple AI models such as RESNET10, RESNET50 and Llama2-7b while also being capable of solving quadratic unconstrained binary optimization (QUBO) problems, including Ising and max-cut problems. The flexibility and the precision of Gazelle empower its application in AI and non-AI scenarios.

Gazelle is optimized to suit the needs of education and scientific research. It serves as a teaching hardware for optical computing-related lectures, seminars and research projects, illustrating the underlying mechanism of optical computing to students and researchers.

OptiHummingbird

We have developed OptiHummingbird, the world's first optical Network-on-Chip (oNOC) processor designed to address the critical data movement bottlenecks in modern AI infrastructure. OptiHummingbird introduces a novel architecture for processor design by integrating photonics and electronics into a single package, enabling data to travel at the speed of light. This approach is engineered to be an alternative solution to today's NOC (network-on-chip), offering significant improvements in performance, power efficiency, and scalability for high-performance computing, particularly for AI and machine learning workloads.

To enable our customers to fully leverage the power of OptiHummingbird, we provide the Lightelligence Software Development Kit (SDK). The SDK provides the necessary tools and libraries for developers to optimize their AI and ML workloads for our unique oNOC architecture, ensuring a seamless transition and maximizing performance gains. Our SDK is designed to be compatible with standard machine learning frameworks such as TensorFlow.

LTSimulator

Overview

LTSimulator is our proprietary software-assisted EDA and algorithm development software, designed to accelerate the design, verification, and commercialization of optical computing. It provides a multi-scale, unified workflow covering device-, chip-, and system-level simulation, allowing users to evaluate architectural trade-offs, verify correctness, and measure performance, power, and latency before committing to hardware development. At the device level, LTSimulator models optical components, dynamics, and noise effects, with support for parameter tuning and component-level customisation. At the chip level, it supports modular architecture exploration, dynamic configuration, and device matching, while offering a software development kit (SDK) for rapid prototyping. At the system level, it enables host/I-O co-simulation, system debugging, and validation across heterogeneous computing environments.

LTSimulator is also equipped with a rich library of optical building blocks that users can freely combine to assemble photonic pipelines, develop algorithms, and test hardware-software co-design strategies. It bridges directly to our hardware roadmap, including PACE, PACE 2, and subsequent photonic acceleration hardware, so that virtual prototypes created in simulation can migrate seamlessly to evaluation boards and production-ready systems. LTSimulator plays a central role in our optical computing ecosystem. By shortening design cycles and de-risking hardware investment, it accelerates both internal hardware development and customer adoption. The software enables algorithm and hardware co-design, drives the adaptation of existing algorithms to new photonic paradigms, and fosters the development of new optical computing algorithms. Ultimately, LTSimulator advances the practical deployment of our optical computing solutions by linking software exploration directly to our commercial hardware roadmap.

Technology Development Services

During the Track Record Period, we also generated a portion of our revenue from technology development services under our optical computing business. As an academic and commercial pioneer in the field of optical computing, we have accumulated substantial expertise and experience in designing silicon photonics chips for optical computing and collaborating with semiconductor and silicon photonics manufacturers. Therefore, we are able to provide technology development services including consulting services, technical support, as well as materials and supplies, including chip samples, prototypes, software adaptation, technical documentation, and testing or validation reports, to customers that research into or conduct business in this field. Such customers include enterprises, research institutes and universities. In general, they are early adopters of our optical computing products and they purchase our products for algorithm study, application exploration, academic research and pilot deployment project. They require our technology development services especially software services to assist them in fully utilizing our products and adapting our products to best suite their applications. For certain customers, they are institutions specialized in the exploration of process and manufacturing technology of silicon photonic chips. They procured our technology development services, such as process development, validation and technical support, in order to develop and optimize their chip manufacturing, packaging and system integration workflows, given our optical computing chips involve advanced technologies techniques in these workflows. The technology development services are derived from our profound expertise and experience in the field and are aligned with the early stage of commercialization of our optical computing business. Through such technology development services, besides generating revenue, we also accumulated practical experience in applying our technology in more extensive business scenarios, gathered customer feedback and formed industry partnerships that are much needed for the iteration and commercialization of our optical computing product. For example, we received helpful customer feedback from a leading laboratory on our PACE 2 product on core functions relevant to AI workloads, based on which we optimized our software and hardware, which paved way for the future release of our next generation product, PACE 3.

As our optical computing business continues to mature, the proportion of revenue from product sales has increased, relative to revenue from technology development services, during the Track Record Period. We expect the future growth of our optical computing business to be driven primarily by product sales, rather than technology development services. During the Track Record Period, the majority of our revenue from technology development services was generated under our optical computing business line. To a lesser extent, we also generated revenue from technology development services relating to our optical interconnect business, primarily by providing technical support to facilitate the deployment and adaptation of our optical interconnect products and solutions.

OUR CORE TECHNOLOGIES

Since our foundation, we have successfully translated our technological breakthroughs published on reputable research journals such as *Nature Photonics* into our Specialist Technology Products and our solutions. Currently, our core technologies comprise (i) Optical Multiply Accumulate (oMAC), a new principle of disruptive computation, (ii) Optical Network on Chip (oNOC), a technology that enables high efficiency connection between chiplets, and (iii) Optical Inter-chip Networking (oNET), an optical, scale-out/scale-up interconnectivity solution.

oMAC

oMAC is our solution to break the computing power limitation of traditional digital chips via optical matrix multiplication (MatMul), a key process in deep learning and other AI-related tasks. As optical signals and devices follow unique physical principles, the interactions of optical signals with scattering mediums are typically linear and therefore can be mapped as linear calculations. oMAC takes advantage of the unique physical principles of optical signals and combines a silicon photonics module compatible with CMOS processes, optical-electrical co-design, and our advanced packaging solutions.

When an optical signal enters an oMAC-powered system, it is encoded by an array of optical modulators to form an input optical vector, which is a component of the matrix that is to be multiplied in the MatMul process. The input optical vector then enters a field of programmable optical scattering media, forming the matrix. After the input optical vector travels through the matrix, the output optical vector naturally represents the result of MatMul without the need for additional stages or hardware, minimizing latency and energy loss in the process. By using the transmission of optical signal arrays as the method for MatMul, oMAC is able to overcome the physical limits of traditional digital chips imposed by the CMOS transistor and achieve lower latency to lower than 1 ns. We believe that the latency advantages brought forth by oMAC-powered hardware, such as our PACE optical computing series, will support the continuous improvement of computing power, providing a new pathway for hardware infrastructure in the AI and digital economy era.

oNOC

oNOC is our solution to improving the connectivity between chiplets on a single chip. Under oNOC, chiplets are stacked on top of the silicon photonic chips through microbumps forming 2D arrays onto the interposer. Light is injected from the laser source into the routing waveguides, where electrical information in each electronic chiplet is translated into light intensity differences using micro ring modulators in the corresponding photonic chiplets. The modulated light then propagates through the waveguides in the interposer and arrives at photodetectors in a different photonic chiplet, where light is converted back to an electric signal received by the electronic chiplet.

We believe that oNOC, as applied in our OptiHummingbird and other products and solutions, enables flexible network topologies in computer system design. Moreover, oNOC can also provide high bandwidth and low latency on-chip interconnect infrastructure with polymorphic computing architecture for future AI accelerators. According to Frost & Sullivan, we are one of the two companies worldwide that possess the inter-chiplet optical interconnectivity technology.

oNET

oNET is our optical inter-chip interconnectivity technology that concentrates data that needs to be transmitted within a single packaging unit and connects it to other units via an optoelectronic conversion module. oNET manifests itself on hardware and protocol levels, ensuring seamless data transmission at every stage.

On the hardware level, oNET presents itself as units of 3D-packaged computing chips and optoelectronic conversion modules, with each unit interconnected through optical fibers. In oNET, after the computing chip finishes data processing, it will send an output electronic signal to the optoelectronic conversion module. The optoelectronic conversion module will translate the electronic signal to an optical signal, which can then be transmitted to other units via the optical fiber. This 3D

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packaging method shortens the distance between computing chips and optoelectronic conversion modules packed within a unit, minimizing signal degradation while reducing system power consumption and latency. We believe that our oNET products enable flexible scalability at wafer, package, module and board levels while allowing for multi-channel, low-latency, high-bandwidth, long-distance, and low-power transmission between chips.

OUR ORGANIZATION AND PEOPLE

Led by our visionary founder and CEO Dr. Shen Yichen, our organization is structured to support the continuous development and commercialization of advanced technologies. We bring together research and development, administrative and commercial functions in a coordinated manner, enabling us to translate technological advancements into practical products and solutions. Our team is comprised of professionals with diverse backgrounds and expertise. As of December 31, 2025, we employed a total of 257 full-time employees. Over half of our team are research and development personnel. The following table sets forth a breakdown of our employees by function as of December 31, 2025.

Function	Number of Employees
Research and Development	176
Management and General Administration	47
Sales and Marketing	34
Total	257

The substantial majority of our employees are based in China. We maintain good working relationships with our employees and have experienced no material labor disputes. We provide social insurance including pension insurance, maternity insurance, unemployment insurance, work-related injury insurance, and medical insurance for our employees based in China pursuant to PRC laws and regulations. We enter into standard employment contracts with our full-time employees, covering confidentiality, non-competition, intellectual property rights, business ethics and other terms.

We provide comprehensive onboarding, continuous training programs, mentorship support, and knowledge-sharing sessions to facilitate employee development. Our compensation structures are competitively designed to attract and retain top talent.

RESEARCH AND DEVELOPMENT

R&D rests at the core of our competitiveness, which we believe to be pivotal to our continued technological leadership and our commitment to achieving the new paradigm for optical-electrical hybrid computing power. During the Track Record Period, our research and development efforts are focused on our core technologies.

Our R&D Process

Our R&D process features the following stages: (i) *Project Concept Phase*. We conduct independent research of market demand and an analysis of customer needs. After settling on the general concept, we carry out product concept analysis, feasibility study and commercial analysis. We develop new products based on our findings and the review of our designated committee; (ii) *Project Development Phase*. We plan the translation of our concepts and plans into detailed technical

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specifications for our optical interconnect and computing products; (iii) *Production Ramp Phase*. We arrange sample testing, design and development verification, design and development validation and other activities necessary to ensure the seamless mass production of a product; (iv) *Project Closure Phase*. We will engage third-party manufacturers to mass produce the new product and continue to invest in the maintenance and after-sales services of the product.

In 2023, 2024 and 2025, we incurred research and development expenses of RMB279.8 million, RMB352.1 million, and RMB479.0 million, respectively, accounting for 731.8%, 584.9% and 450.4% of our revenue for the same years. Our research and development costs are charged to our statements of profit and loss as incurred. We expect our investment in research and development to continue at levels in line with our plans to develop new products and enhance our existing products. We did not capitalize our research and development expenses during the Track Record Period.

Our R&D Department

Our research and development department is led by Dr. Meng Huaiyu, our co-founder, executive Director and chief technology officer. As of the Latest Practicable Date, our R&D department consists of 171 employees, with 116 holding a graduate degree, making up 67.8% of our total workforce.

Our R&D process is characterized by our world-class, interdisciplinary R&D department pioneering in optoelectronic computing. Within our R&D department, research teams operate in agile, co-located teams merging photonics, electronics, and systems engineering. This fosters rapid prototype development and tight collaboration between research and product development, accelerating innovation from lab to market.

To sustain and advance such advantages, we will continue to attract researchers and industry experts to further enhance our technological advantage, while also investing in the growth and development of our in-house talent. We intend to retain these talents through competitive compensation packages and fostering an innovation-friendly environment that encourages candid discussion among peers, efficient cooperation in research, and bold attempts at novel research directions. In addition to talent recruitment, we also seek to invest in materials necessary for our research and development efforts.

The information below sets out the profiles of our core R&D team members:

Dr. Shen Yichen, our founder, chairman of the Board, executive Director and chief executive officer. He published more than 35 peer-reviewed journal papers in *Science*, *Nature Photonics*, *ICML* and other top academic journals. In 2017, Dr. Shen published a cover article on *Nature Photonics*, which for the first time a theory to use light to perform AI algorithms was proposed. With this breakthrough, he was named on MIT Technology Review's list of 35 Technology Innovators Under 35. Dr. Shen obtained his bachelor's degree from Johns Hopkins University in the United States in May 2011, majoring in physics with a double major in mathematics. He earned his doctorate degree in applied physics from Massachusetts Institute of Technology ("**MIT**") in the United States in June 2016.

Dr. Meng Huaiyu, our co-founder, executive Director and chief technology officer, has been focusing on the application of integrated photonics in electronic communications, data communications, biosensing, and other CMOS platforms for over 10 years. During his doctoral studies, he participated in the research and development of the world's first on-chip optical interconnectivity technology, which was published in *Nature*. Dr. Meng received his bachelor's degree in electric and electronic engineering

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with first class honor from Nanyang Technological University in Singapore in July 2011, and received his doctorate degree in electric engineering and computer science from MIT in the United States in August 2018.

Mr. Wang Long, our executive Director and chief operating officer, has extensive experience in engineering, software development, and team management. Prior to joining our Company, he held senior leadership and engineering roles at several leading technology companies. He formerly served as vice president at ZEKU and held R&D and technical management positions at UNISOC and Qualcomm. Mr. Wang received his bachelor's degree in mechanical engineering from Zhejiang University (浙江大學) in the PRC in June 1990 and his master's degree in mechanical engineering from Shanghai Jiao Tong University (上海交通大學) in the PRC in February 1995.

Dr. Chen Ben is our vice president of integration. He has more than 10 years of experience in silicon-based photonics integration and has a profound understanding of 2.5D/3D packaging technology and its application, including wafer-level bonding, stealth dicing, and the interposer concept. Prior to joining us, Dr. Chen has served as the CTO of Hengtong Rockley and technical management positions at Accelink Technologies and Hoya Xponent. Dr. Chen earned his Master of Science degree and his Ph.D. in Electrical Engineering from the Tokyo Institute of Technology.

Dr. Peng Bo is our chief scientist and a seasoned researcher in the field of silicon-optical integration. Prior to joining us, he served as a researcher at IBM where he participated in the development of silicon-optical integration technology. He also served as the researcher at GlobalFoundries where he led the development and commercialization of the silicon-optical platform. Dr. Peng earned his Bachelor of Science degree from the University of Science and Technology of China and his Ph.D. in Electrical Engineering from the Washington University in St. Louis.

Salient Terms of Service Agreement with Key Management and Technical Staff

We enter into employment agreements with management and R&D staff with the salient terms outlined: (i) Intellectual property. We typically retain the ownership over the intellectual properties created by our employees during their employment and within their scope of employment; (ii) Non-competition. Management and R&D employees are subject to non-competition clauses effective during employment and for no longer than 24 months post-employment; (iii) Confidentiality. Management and R&D employees are subject to confidentiality clauses effective during and after employment, under which the staff is obliged to keep confidential of our IP, trade secret, and other confidential or privileged information; (iv) Non-solicitation. In addition, our employees are subject to a non-solicitation clause typically effective for 24 months post-employment, under which they may not solicit our existing customers.

We have undertaken a set of measures to mitigate any potential disruption resulting from key employee departures and to reduce operational dependency on any individual employee. We have set forth and implemented comprehensive employee training programs and handover procedures. We strive to build a friendly and collaborative working environment. We also provide various trainings and outline clear career development paths to help our employees achieve further growth and success.

During the Track Record Period and up to the Latest Practicable Date, we have not faced any legal claims or proceedings that may have an influence on the research and development for any of our offerings. In addition, to our best knowledge, none of our executive Directors and all key R&D employees have violated any non-compete agreements with their previous employers.

Our OEM and ODM Providers

We engage reputable OEMs for chip packaging and the production of wafers and chips. We also engage ODMs for services such as chip verification. We set forth a summary of the salient terms of a typical agreement with OEMs: (i) Services provided. OEMs are obliged to provide chip packaging, manufacturing or designing services to our specifications. For example, for packaging service providers, we typically specify a maximum scrap rate that our OEMs must not exceed; (ii) Storage. OEMs such are required to store our products under suitable temperature and humidity to prevent product damage; (iii) Payment terms. We are typically required to render payment in full within a time period agreed upon by the parties; (iv) Warranty. OEMs and ODMs are typically responsible for product defects and design flaws within the agreed-upon warranty period; (v) Intellectual Property. We grant our OEMs and ODMs a limited license to our intellectual property, allowing them to use our intellectual property for, and only for, the purpose of fulfilling their contractual duties. Our OEMs and ODMs typically retain ownership over their intellectual property that was generated in the course of contract performance and independent of our intellectual properties; (vi) Termination. Either party may elect to terminate the contract in the event of the other party's material breach or force majeure events.

Outsourced or Collaborative R&D Arrangements

Overview

The Group's R&D activities for its Specialist Technology Products are organised along two main product lines: (i) optical computing product line and (ii) optical interconnect product line. The allocation of R&D resources between these two lines varies over time. As of December 31, 2025, based on headcount, approximately 60% of our R&D resources were devoted to the optical computing product line and approximately 40% to the optical interconnect product line.

For the optical computing product line, our current R&D work mainly relates to (i) the development of our next-generation optical computing chip PACE 3 and (ii) R&D relating to the system-level delivery of PACE 2. For PACE 3, we have adopted a hybrid R&D model. The overall system architecture, the division of labour between optical and electronic computation, and the design and implementation of the optical computing chip (in particular the fixed-point optical compute core) are all carried out entirely in-house by our team. To improve manufacturability and yield, we separate the optical and electronic computation into two chips. The optical computing chip is fully designed and developed internally, while certain implementation work for the accompanying electronic computing chip, based on our architecture and purchased IP cores, is undertaken by an external design company under our direction. On a headcount basis for the PACE 3 project, the ratio of internal to external R&D personnel is approximately 3:2, with the external team mainly assisting with hardware implementation of the electronic chip, and all core architecture and algorithms being owned and led by us. For PACE 2 and related system delivery work, the hardware and software development is carried out by our internal R&D team without outsourcing.

For the optical interconnect product line, all R&D is conducted in-house. Our internal team is responsible for the design and development of: (i) all silicon photonic chips (photonics), (ii) all associated electronic chips such as drivers, TIAs and OCS controllers, and (iii) the module-level packaging and integration for our scale-up EPS and OCS products. No external R&D resources are used for these optical interconnect products. In addition to our internal R&D efforts, we engage with potential customers in design-in collaborations, where we work closely on the architecture, specification, and module-level design of our optical interconnect solutions. These partnerships involve

defining system requirements, interface specifications, and integration needs, ensuring alignment on milestones and performance targets. By customizing our designs to meet specific customer contexts — such as data-centre architecture and AI training profiles — we validate our products in real-world scenarios. These collaborations help integrate our solutions early, reducing adoption risks and accelerating time-to-market, while enhancing value creation with our partners. In terms of R&D progress on key Specialist Technology Products, please refer to “Business — Commercialization of our Specialist Technology Products”

Detailed Outsourced and Collaborative R&D Arrangements and IP ownership

PACE 3. For the electronic computing chip within PACE 3, we collaborate with an external design partner specializing in System on a Chip (SoC) solutions. An SoC is a type of chip that integrates all the necessary components of a computer, such as processors and memory, into a single, compact and efficient unit. The partner has a highly experienced team with a background in SoC design and a proven track record in delivering millions of chips. The collaboration focuses on developing the electronic computing chip for PACE 3, where the external partner helps implement the chip under our architecture and specifications.

Under the collaboration agreement, we are responsible for purchasing the necessary IP cores, defining the overall chip architecture, and preparing the architectural documentation. The external partner’s team works on our servers to complete the design of various sub-modules, SoC-level integration, and chip implementation, from RTL to GDS. All software development for PACE 3 is handled internally by us. The intellectual property rights related to the design documents and implementation files are owned solely by us.

In summary, the external partner helps with hardware implementation while we retain full ownership of the core optical computing IP and lead the overall project, including architecture, software, and IP management.

LightSphere X. We jointly develop the LightSphere X system together with a major PRC server and system integrator (the server partner) and a major PRC GPU company (the GPU partner). The division of responsibilities is as follows: we are responsible for the R&D of the scale-up OCS solution used in LightSphere X, including the hardware (modules incorporating silicon-photonics OCS devices and the supporting adapter cards) and the associated software (hardware control, Fabric Manager and Node Manager). All such work is undertaken by our internal R&D team without outsourcing. The GPU partner is responsible for the GPU baseboard (UBB) hardware design and the adaptation of GPU communication operators and communication libraries. The server partner is responsible for the server hardware system development for LightSphere X and acts as the overall system integrator, integrating our scale-up OCS modules and the GPUs into a complete server system. In the LightSphere X collaboration, the parties have a clear division of labour and interfaces. From an IP perspective, each party retains ownership of the intellectual property relating to its own hardware and software contributions. Our OCS hardware and software IP remains solely owned by us and is not jointly owned with the other partners. Commercially, the server partner purchases our scale-up OCS solution and the GPUs, integrates them into the LightSphere X system and supplies the integrated system to end-customers.

xPU-CPO Prototype. The xPU-CPO co-packaged optics prototype system is primarily developed jointly by us and a PRC GPU and AI accelerator company (the xPU partner). Under this collaboration: the xPU partner provides its GPUs and relevant hardware interface information, software-related

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support, interface testing support and bring-up support; and we design the substrate carrying the optical engines, the optical packaging solution and the overall xPU-CPO system, and are responsible for system bring-up. All R&D work on our side for the xPU-CPO prototype is performed by our internal R&D team, without any outsourcing of our own R&D tasks. We retain ownership of the IP relating to our optical engines, packaging and system design, while the xPU partner retains IP in its GPUs and related software.

INTELLECTUAL PROPERTY

Intellectual property lies at the heart of our research, product development and commercial success. We safeguard our proprietary technologies through a layered strategy that combines (i) statutory protection under patent, trademark, copyright, trade-secret and unfair-competition laws in the PRC and other jurisdictions, and (ii) contractual safeguards such as confidentiality undertakings, invention-assignment covenants and license agreements. All employment and key commercial contracts expressly delineate ownership of, and obligations to protect, intellectual property created or used in the course of our business. During the Track Record Period, our core technologies were patented. Such patents are typically valid for 10 to 20 years.

As of the Latest Practicable Date, we had 74 patents registered with the National Intellectual Property Administration of the PRC and 80 patents registered in other jurisdictions including the United States, Hong Kong, the European Union and Taiwan, China, among other jurisdictions. As of the Latest Practicable Date, we have 274 pending patent applications in the PRC and other jurisdictions. As of the Latest Practicable Date, we had 174 trademarks registered in the PRC, and 9 trademarks registered with the United States Patent and Trademark Office by our Singaporean subsidiary. We have 38 software copyrights registered with the National Copyright Administration of the PRC. See “Appendix IV — Statutory and General Information — Further Information about our Business — Intellectual Property Rights” for a schedule of material intellectual property rights.

During the Track Record Period and up to the Latest Practicable Date, we were not involved in any material IP litigation, arbitration or administrative proceedings, nor have we received any material claim alleging infringement of third-party rights. We will continue to monitor the landscape and, where necessary, defend or enforce our rights vigorously. Notwithstanding the foregoing measures, we cannot rule out the possibility of future challenges to our IP or allegations of infringement against us. Enforcement actions may involve significant cost and management distraction. For a discussion of these and other related risks, please refer to “Risk Factors — Risks Related to Our Intellectual Properties.”

SALES AND MARKETING

We adopt a sales and marketing approach tailored to the evolving stage of the optoelectronic computing industry. Given the early-stage nature of the optical computing ecosystem and the technical complexity of our products, our model integrates hardware sales with solution support, enabling customers to lower adoption barriers and accelerate deployment. This phased strategy allows us to (i) validate technology feasibility through exploratory projects, (ii) foster ecosystem development by promoting standards-aligned products and collaborations, and (iii) expand toward mass production and large-scale product shipments. By combining direct engagement with customers, collaborations with ecosystem partners, and participation in industry platforms, we aim to strengthen market recognition, deepen customer relationships, and position ourselves for scalable commercialization.

Pricing Strategy

Our pricing strategy is mainly value-based, relying largely on benchmarking the performance and value of our offerings against market offerings. We have a pricing management mechanism in place, pursuant to which the product team and marketing strategy team make pricing decisions in close collaboration. We adopt cost-based pricing for products with clear production and R&D cost structures, demand-based pricing for customized projects and competitive pricing in tender scenarios. For our optical interconnect products and optical computing products, we price our products by units. To a lesser extent, we also provide technology development services and determine prices based on complexity of customer requirement and related costs.

Our pricing process considers multiple factors to establish competitive and customer- attractive offerings. We adopt diverse pricing strategies tailored specifically to different product types, customer categories, application scenarios, and strategic business objectives. For standard products, we generally adopt list pricing with possible discounts subject to OA approval and supply competitive bidding in tender scenarios. This internal approval process ensures consistent control and flexibility in project-specific pricing, while maintaining overall competitiveness. By benchmarking our products' performance within relevant market segments and deliberately positioning them to offer optimal cost-performance ratios, our pricing approach consistently enhances market competitiveness and provides compelling value propositions to our customers.

Our Sales Channel

During the Track Record Period, we engaged two distributors to distribute our products and facilitate our technical support services. We have a buyer-seller relationship with our distributors. In 2023, 2024 and 2025, our sales to distributors were RMB289.3 thousand, RMB2.2 million and RMB3.7 million, constituting 0.8%, 3.7% and 3.4% of the total revenue in the respective years. We regularly review the credit profile and recoverability of accounts receivables from distributors to make sure we collect the trade receivables on time. During the Track Record Period, both of our distributors were Independent Third Parties.

The salient terms of the agreement with our distributors are set forth below: (i) Duration. Typically one year; (ii) Minimal purchase requirement. We do not impose any minimal purchase requirement to our distributors; (iii) Subdistribution. Absent our explicit approval, our suppliers may not engage subdistributors. Our suppliers are obliged to manage any sub distributor they engage; (iv) Scope of distribution. Our distributors are obliged to distribute our products and solutions in, and only in, geographic regions designated by us. Our distributors must obtain our prior approval should they wish to promote or sale our offerings on online platforms; (v) Training. We periodically provide information of our offerings to familiarize our distributors with our offerings; (vi) Warranty and after-sales services. Our distributors are responsible for serving as the first point of contact with our end customers and informing us of all customer service requests. For our products furnished to our distributors, we typically offer a warranty period of one year; (vii) Product returns. Our distributors may not return our products for any reason other than product defect; (viii) Confidentiality. Our distributors are obliged not to disclose any information labeled as confidential to third parties without our explicit consent and approval. The duty of confidentiality typically survives the termination of the agreement for two years; (ix) Export control and sanction. The distributor agrees to carry out its operations in compliance with all applicable export control and sanction laws and regulations in all jurisdictions involved.

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During the Track Record Period and as of the Latest Practicable Date, we have not been, either individually or in aggregate, reliant on any single distributor or any group of distributors. Our distributors have little incentive to maintain an unreasonably high level of inventory because: (i) we do not have a minimum purchase requirement; (ii) we generally do not accept product return absent quality issues; and (iii) we allow distributors to place order frequently and conveniently. Therefore, the risk of channel stuffing by our distributors is low.

ECOSYSTEM OF PARTNERS

Our ecosystem of partners comprises suppliers, OEMs, customers and research collaborators. Our key suppliers include wafer foundries, packaging and testing service providers and board and system manufacturers, which manufacture our products. We also cooperate with server OEMs to deliver complete integrated solutions to end-customers, which is a model similar to that of mainstream GPU vendors. In addition, we actively collaborate with universities, research institutions and software/toolchain developers to build a broader optical computing and interconnect ecosystem.

We maintain a range of cooperation models with our partners. In selected circumstances, we enter into joint ventures with upstream and downstream enterprises to establish new companies, where profits and risks are shared proportionally among the parties. We also pursue supply chain collaborations with suppliers, manufacturers, distributors and other partners across the value chain to improve overall efficiency through information sharing and process optimization. In addition, as a fabless company, we adopt an ODM/OEM model, under which certain chip production is outsourced to major foundries, contract manufacturers and OEMs, while we focus on product design and solution development. We also place great emphasis on improving the sustainability of our ecosystem of partners by reaching beyond the scope of our business operations and empowering our partners with our research and development prowess. With our customers, we focus on designing joint solutions along the AIDC industry chain and support academic collaboration and developer community building. With OEMs, we provide integrated hardware and software solutions and work closely with our customers' R&D teams to accelerate product launch. With suppliers and other partners, we maintain long-term cooperation with global foundries, packaging and testing providers, EDA tool suppliers and system manufacturers to secure advanced technologies and stable capacity, while also collaborating with research institutions and independent design companies to explore frontier technologies and expand our application ecosystem.

Our Customers

Our customers primarily consist of research institutions, internet companies, GPU and server manufacturers, system integrators and AI infrastructure builders and operators. In 2023, 2024 and 2025, (i) the revenue generated from our largest customer of each year during the Track Record Period amounted to RMB11.9 million, RMB19.2 million, and RMB43.2 million, representing 31.1%, 31.8% and 40.6% of our total revenue, respectively; and (ii) the revenue generated from our five largest customers of each year during the Track Record Period amounted to RMB32.3 million, RMB52.3 million, and RMB83.9 million, representing 84.6%, 87.0% and 78.9% of our total revenue, respectively.

To the best knowledge of our Directors, (i) each of our five largest customers for each year during the Track Record Period is an Independent Third Party; and (ii) none of our Directors, their close associates or any Shareholders who owned more than 5% of the share capital of our Company as of the Latest Practicable Date had any interest (direct or indirect) in any of our five largest customers for each year during the Track Record Period. During the Track Record Period, a significant amount of our

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revenue was derived from a limited number of customers. According to Frost & Sullivan, such customer concentration is not uncommon in the optical interconnect and optical computing industry. In addition, as an early-stage company, we are still in the process of building our customer base. Between 2023 and 2025, we steadily increased the total cumulative number of customers served from 12 to 44, and diversified our customer portfolio. See “— Commercialization and Business Sustainability” for details. As we continue to develop more products, we expect to address a broader range of customer needs and expect our customer base to continue diversifying.

We set forth a summary of the salient terms of typical framework agreements with our customers below; (i) Products. We are obligated to provide the products as specified by the customer; (ii) Pricing. As agreed upon by the parties in subsequent purchasing orders or subsequent amendments to the agreement; (iii) Payment terms. The customer is obligated to render payment before the agreed-upon deadline, typically several days after confirming the receipt of the goods. The customer is responsible for a penalty of a percentage of the overdue amount for each day the payment is overdue; (iv) Intellectual property. Unless otherwise agreed upon between the parties, the sale of our products or solutions does not constitute the transfer of intellectual rights; (v) Transportation of goods. We are typically responsible for transferring the goods to the location designated by the customer, via transportation means of the customer’s choice; (vi) Insurance. We are typically required to purchase insurance covering the transportation of the goods; (vii) Warranty and after-sales services. During the agreed-upon warranty period (typically from one to five years depending on the customer), we are obligated to provide maintenance, repair or other services in the event of product defect. We are not required to provide such services to damaged products due to the customer’s misuse of products or force majeure events. For software, we shall ensure the normal operation of the software, and resolve any issues encountered by the customer during use and respond to the reasonable inquiries of the customer within 72 business hours; (viii) Termination. We are entitled to unilaterally terminate the agreement in the event of the customer’s default; if the combination of our offering and the customer’s software or hardware violated the intellectual property right of a third party; or if our offerings are used in a manner that violates applicable laws, regulations, or the purchase agreement. The following tables set forth the details of our five largest customers of each year during the Track Record Period:

Year ended December 31, 2023

Ranking	Customer	Products/Services Offered	Year of Commencement of Business Relationship	Credit Terms	Revenue Amount (RMB in thousands)	Percentage of Total Revenue
1	Customer A ⁽¹⁾	Optical computing business	2022	0-30 days	11,900	31.1%
2	Customer B ⁽²⁾	Optical computing business	2022	30-60 days	10,142	26.5%
3	Customer C ⁽³⁾	Optical computing business	2023	30-60 days	3,774	9.9%
4	Customer D ⁽⁴⁾	Optical computing business	2022	0-30 days	3,744	9.8%
5	Customer E ⁽⁵⁾	Optical computing business	2023	0-30 days	2,770	7.2%
Total					32,330	84.6%

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Year ended December 31, 2024

Ranking	Customer	Products/Services Offered	Year of Commencement of Business Relationship	Credit Terms	Revenue Amount (RMB in thousands)	Percentage of Total Revenue
1	Customer F ⁽⁶⁾	Optical interconnect business	2023	0-60 days	19,165	31.8%
2	Customer G ⁽⁷⁾	Optical interconnect business	2024	60-90 days	14,318	23.8%
3	Customer H ⁽⁸⁾	Optical interconnect business	2024	0-30 days	8,250	13.7%
4	Customer B ⁽²⁾	Optical computing business	2022	30-60 days	5,519	9.2%
5	Customer I ⁽⁹⁾ (Supplier L)	Optical interconnect business	2024	0-30 days	5,091	8.5%
Total					52,343	87.0%

Year ended December 31, 2025

Ranking	Customer	Products/Services Offered	Year of Commencement of Business Relationship	Credit Terms	Revenue Amount (RMB in thousands)	Percentage of Total Revenue
1	Customer J ⁽¹⁰⁾	Optical interconnect business	2025	120-180 days	43,176	40.6%
2	Customer K ⁽¹¹⁾	Optical interconnect and computing business	2025	120-180 days	16,770	15.8%
3	Customer L ⁽¹²⁾	Optical computing business	2025	60-90 days	11,855	11.1%
4	Customer G ⁽⁷⁾	Optical interconnect business	2024	60-90 days	6,991	6.6%
5	Customer M ⁽¹³⁾	Optical interconnect business	2025	60-90 days	5,111	4.8%
Total					83,903	78.9%

Notes:

(1) A technology company in the semiconductor value chain based in Shanghai; (2) a laboratory based in Shanghai; (3) a semiconductor research and development company based in Beijing; (4) a company develops advanced brain like chips and AI systems based in Shanghai; (5) an information system integration services-focused company headquartered in Shanghai; (6) an optical technology R&D institution based in Nanjing; (7) a digital and AI solutions-focused company headquartered in Beijing and Hangzhou; (8) a semiconductor developer headquartered in Shanghai; (9) a semiconductor company based in Shanghai; (10) A network and cloud computing company headquartered in Beijing. (11) a technology promotion and application services company based in Jiangsu; (12) an internet technology research institute based in Shanghai; (13) a telecommunications technology company based in Shanghai.

Our Suppliers

Our suppliers primarily consist of suppliers of EDA/IP, equipment, raw materials and third-party manufacturing services. In 2023, 2024 and 2025, (i) our purchases from our largest supplier in each year during the Track Record Period amounted to RMB20.8 million, RMB36.2 million, and RMB77.0 million, representing 17.2%, 14.1% and 19.8% of our total purchases, respectively; and (ii) our purchases from our five largest suppliers in each year during the Track Record Period amounted to RMB55.9 million, RMB105.8 million, and RMB170.7 million, representing 46.2%, 41.4% and 44.0% of our total purchases, respectively.

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The table below sets forth the breakdown of our total procurement amount by geographic locations during the Track Record Period.

Regions	For the year ended December 31,					
	2023	%	2024	%	2025	%
<i>(RMB in thousands, except percentages)</i>						
Asia ¹	72,153.3	59.6%	180,861.8	70.8%	277,801.2	71.5%
Europe ²	29,421.5	24.3%	48,413.5	18.9%	15,049.0	3.9%
North America ³	19,480.3	16.1%	26,335.3	10.3%	95,546.6	24.6% ⁴
Total	121,055.1	100.0%	255,610.6	100.0%	388,396.8	100.0%

Notes:

(1) Countries/regions in Asia from where we made procurement mainly include: mainland China, Hong Kong, China, Taiwan, China, Israel, South Korea, and Singapore; (2) Countries in Europe from where we made procurement mainly include: Ireland and Belgium; (3) Countries in North America from where we made procurement mainly include the U.S.; (4) The increase of RMB69.2 million from RMB26.3 million in 2024 to RMB95.5 million in 2025 in our procurement amount from the U.S. was primarily due to the increase in our purchase of EDA software and services from U.S.-based suppliers in 2025; and (5) Our procurement amount from mainland China accounted for an increasing proportion of our total procurement amount during the Track Record Period, reaching 65.1% in 2025, primarily attributable to our gradual substitution of overseas supply chain with domestic suppliers.

In the optical computing industry, critical materials, equipment and processes are often concentrated among a limited number of suppliers with leading technology and production capacity, according to Frost & Sullivan. As such, a relatively high level of supplier concentration is not uncommon in the industry, according to the same source. Our principal raw materials mainly comprise PCBs, optical and electrical components and optical fibres. We have established long-term and stable relationships with our large suppliers, who share mutual interests with us in terms of performance, delivery assurance and cost optimization, and we generally negotiate volume-based tiered pricing based on cumulative purchase orders (including through our contract manufacturers for certain materials). For critical raw materials, we typically qualify at least two, and in some cases three, suppliers and encourage our R&D team to explore domestic substitution solutions, while managing inventory levels based on actual yield rates and order visibility so as to secure timely delivery and minimise excessive stock. Our long-term and mutually beneficial cooperation with our supplies, together with these measures help us achieve stability and efficiency in supply chain management and mitigate the impact of raw material price fluctuations.

While the U.S. has imposed series of export control restrictions related to advanced computing in China, as advised by Hogan Lovells, our International Sanctions Legal Adviser, our Directors are of the view that current business activities, products and sourced raw materials are not subject to U.S. export license requirement under these applicable U.S. advanced computing regulations.

In the past, we engaged Supplier F as our primary fabrication partner, with the most recent tape-out services (PACE 2) completed in June 2024. In November 2024, the United States directed certain semiconductor factories to cease supplying certain advanced chips to Chinese customers. Public reports indicated that this action was driven by U.S. national security concerns, particularly the objective of preventing China from leveraging advanced semiconductors for artificial intelligence and military applications. Although these restrictions did not directly affect our collaboration with this fabrication partner in relation to the tape-outs of our projects (as the requested tape-out services for our products were completed by June 2024), the U.S. export licensing policies applicable to this partner remain subject to ongoing uncertainty as those policies continue to evolve.

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In 2024, we placed several test and product wafer orders with Supplier F in accordance with its standard tape-out ordering process, and the first batch of wafers was returned in June 2024 following Supplier F's completion of the wafer manufacturing services for certain chips used in our PACE 2 products. However, certain post-tape-out wafers remain at the partner's facilities pending our instructions for further handling. In light of the public reports in November 2024 concerning BIS restrictions applicable to this particular fabrication partner, as well as other developments in U.S. export control regulations affecting the semiconductor industry, we have continued discussions with this partner regarding the compliant retrieval of these remaining wafers from late 2024 through 2025. Although we cannot rule out the possibility of future collaboration with this fabrication partner, subject to full compliance with applicable laws, rules, and regulations, since June 2024, however, we have not engaged in any substantive follow-up collaboration with this fabrication partner, including any new tape-out activities. This fabrication partner agreed to release the remaining wafers to us after we obtained a Commodity Classification Automated Tracking System (CCATS) validation issued by the BIS for PACE 2 on December 12, 2025, and we have received such wafers in late December 2025. In our International Sanctions Legal Adviser's opinion, our Group's engagement with this fabrication partner from June 2024 through 2025 regarding the tape-out and release of the PACE 2 wafers is compliant with the EAR.

In response to these developments, and to further reduce our exposure to such restrictions, we have completed the transition to fabrication partners in mainland China. Since April 2023, we had already begun engaging alternative fabrication partners to enhance supply chain stability and resilience. By March 2025, based on the circumstances encountered during the release process of the PACE 2 wafers, the Company concluded that it was appropriate to transition subsequent projects to other domestic fabrication partners. While this shift may necessitate additional validation tape-outs, which are part of the ordinary qualification process for fabrication partners and have been factored into our development plans, the domestic fabrication partners have achieved a performance level comparable to that of Supplier F as a result of our close cooperation and technical oversight. These arrangements are expected to be capable of manufacturing all our products under development, including next-generation products. Accordingly, we do not consider such export control measures to have had, and we do not anticipate that they will have, a material adverse impact on our overall operations or progress in technology development and product offerings. After the transition, our manufacturing demand can be substantially and sustainably fulfilled by domestic fabrication partners, and we currently do not maintain active engagements or production activities with Supplier F and do not rely on Supplier F for our ongoing and future production needs.

In connection with our business operation, we procured Electronic Design Automation (EDA) tools. These tools are essential to our product design and development processes, and have long been under consideration for U.S. export licensing requirements when destined for China. Developing EDA tools require substantial amount of R&D resources and financial investment, and it is more cost-efficient to procure from third parties. According to Frost & Sullivan, it is typical in the semiconductor industry for fabless companies to procure EDA tools from third-party providers.

We have procured EDA tools from multiple leading EDA providers from China, Ireland and the U.S., and our license rights are valid till fourth quarter of 2026 or first quarter of 2027, pursuant to the different license agreements we entered into. Pursuant to the license agreements, we have full access to EDA tools during the term of our agreements. We plan to renew multi-year agreements with EDA providers in mid-2026 to ensure continued access beyond the current license terms, and do not foresee any obstacles in obtaining such renewal. In parallel, we are actively cooperating with domestic

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suppliers to further improve our overall supply chain resilience. According to Frost & Sullivan, there are various alternative products available in the market for EDA tools, and we believe we are able to find alternative EDA tool providers even if we terminate our collaborations with current suppliers.

If any of our primary EDA tool suppliers in the U.S. are prohibited from providing us with software updates or new licenses due to changes in U.S. export control laws or geopolitical tensions, we could be cut off from essential chip design tools and our ability to develop new products would be impaired. Any such disruption could lead to operational stagnation, increased risks of design flaws and increased operating costs. To preempt such adverse impact, we actively engage with our current EDA tool suppliers to renew license agreements, and explore alternative suppliers outside the U.S. for potential service procurement and have established a rigorous export compliance system to conduct periodic assessment to ensure ongoing regulatory compliance and minimize the risk of license revocation.

None of our EDA providers has ever notified us that any EDA software licensed to us would require an export licence for our use. Furthermore, throughout the period in which we utilised these EDA tools, no EDA provider advised us that it was unable to continue supplying EDA software or related services, nor did any provider request that we discontinue use of its EDA software due to EAR restrictions or any BIS informed-letter communication. To the best knowledge of our Directors, (i) each of our five largest suppliers for each year during the Track Record Period is an Independent Third Party; and (ii) none of our Directors, their close associates or any Shareholders who owned more than 5% of the share capital of our Company as of the Latest Practicable Date had any interest (direct or indirect) in any of our five largest suppliers for each year during the Track Record Period.

We set forth a summary of the salient terms of a typical framework agreement with suppliers below: (i) Products and services to be provided. As we typically enter into framework agreements with our suppliers, we typically specify the products and services to be provided in subsequent purchasing orders or subsequent amendments to the agreement; (ii) Pricing. As agreed upon by the parties in subsequent purchasing orders or subsequent amendments to the agreement; (iii) Payment terms. We are typically required to render payment within an agreed-upon period upon confirming the receipt of the goods; (iv) Transportation of goods. The supplier is typically responsible for transferring the goods to the location designated by us, via transportation means of our choice; (v) Warranty. We are typically granted a warranty period during which the supplier is responsible for defects and malfunctions caused by the supplier; (vi) Termination. Either party may elect to terminate the contract in the event of the other party's material breach or force majeure events; (vii) Export control and sanction. The supplier agrees to carry out its operations in compliance with all applicable export control and sanction laws and regulations in all jurisdictions involved.

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The following tables set forth the details of our five largest suppliers of each year during the Track Record Period:

Year ended December 31, 2023

Ranking	Supplier	Products/Services Provided	Year of Commencement of Business Relationship	Credit Terms	Purchase Amount (RMB in thousands)	Percentage of Total Purchase
1	Supplier A ⁽¹⁾	EDA	2021	0-30 days	20,812	17.2%
2	Supplier B ⁽²⁾	EDA	2023	0-30 days	14,946	12.3%
3	Supplier C ⁽³⁾	Licensing rights, wafers	2022	0-30 days	7,945	6.6%
4	Supplier D ⁽⁴⁾	Materials	2023	Delivery upon payment	7,836	6.5%
5	Supplier E ⁽⁵⁾	EDA	2021	0-30 days	4,354	3.6%
Total					55,893	46.2%

Year ended December 31, 2024

Ranking	Supplier	Products/Services Provided	Year of Commencement of Business Relationship	Credit Terms	Purchase Amount (RMB in thousands)	Percentage of Total Purchase
1	Supplier A ⁽¹⁾	EDA	2021	0-30 days	36,151	14.1%
2	Supplier F ⁽⁶⁾	Wafers	2022	100% prepayment	29,162	11.4%
3	Supplier G ⁽⁷⁾	Equipment	2023	0-30 days	13,780	5.4%
4	Supplier H ⁽⁸⁾	Equipment	2022	100% prepayment	13,520	5.3%
5	Supplier I ⁽⁹⁾	Materials	2023	100% prepayment	13,163	5.1%
Total					105,776	41.4%

Year ended December 31, 2025

Ranking	Supplier	Products/Services Provided	Year of Commencement of Business Relationship	Credit Terms	Purchase Amount (RMB in thousands)	Percentage of Total Purchase
1	Supplier A ⁽¹⁾	Licensing rights, EDA	2021	0-30 days	76,976	19.8%
2	Supplier J ⁽¹⁰⁾	Designing services	2025	Upon service delivery	25,219	6.5%
3	Supplier K ⁽¹¹⁾	IP	2025	Upon delivery	24,851	6.4%
4	Supplier L ⁽¹²⁾	Equipment	2024	0-30 days	23,968	6.2%
5	(Customer I)					
5	Supplier E ⁽⁵⁾	Fixed assets, IP	2021	Upon delivery	19,674	5.1%
Total					170,688	44.0%

Notes:

(1) An EDA and system design-focused company headquartered in Dublin; (2) a software developing company headquartered in Nanjing; (3) a non profit, international research and development company headquartered in Leuven; (4) a fiber communication and laser technology-focused company headquartered in Shenzhen; (5) a multinational electronic design automation company headquartered in California and listed on Nasdaq; (6) a global semiconductor company headquartered in Hsinchu and dual-listed on the Taiwan Stock Exchange and the New York Stock Exchange; (7) a chip researching and development company headquartered in Shanghai and dissolved in 2023; (8) an electronics test and measurement equipment and software manufacturing company headquartered in California and listed on the New York Stock Exchange; (9) a machine learning-focused company headquartered in Nanjing; (10) an integrated circuit manufacturing company based in Shenzhen; (11) a wireless connectivity and smart sensing IP company based in Herzliya, Israel; (12) a semiconductor company based in Shanghai.

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Overlapping of Suppliers and Customers

During the Track Record Period, certain parties acted as both our suppliers and our customers. In particular, Customer C, Customer G, Customer I (Supplier L), and Customer H each among our five largest customers of each year during the Track Record Period, also served as our suppliers during the relevant years. We procured products and services from these customers primarily for the purposes of purchasing necessary components for our projects to be delivered to end customers, research and development and the manufacture of our products. During the Track Record Period, Customer I (Supplier L) was the only party that was both a top five customer and a top five supplier. The overlap between our customers and suppliers arises from our business needs for both procurement and sells. Negotiations of the terms of our sales to and purchases from the overlapping customers and suppliers are conducted on a case-by-case basis. We set forth the amount and content of sales to and purchases from each of the aforementioned parties below:

Sales to Overlapping Parties

	For the year ended December 31,		
	2023	2024	2025
		<i>(RMB in thousands)</i>	
Customer C	3,773.6	3,773.6	1,886.8
— Gross profit margin ⁽¹⁾	76.6%	63.2%	70.9%
— Products and services sold	Optical computing business	Optical computing business	Optical computing business
Customer G	—	14,317.8	6,990.6
— Gross profit margin ⁽¹⁾	—	36.4%	23.4%
— Products and services sold	—	Optical interconnect business	Optical interconnect business
Customer I (Supplier L)	—	5,091.1	4,214.4
— Gross profit margin ⁽¹⁾	—	50.3%	40.7%
— Products and services sold	—	Optical interconnect business	Optical interconnect business
Customer H	—	8,249.6	655.1
— Gross profit margin	—	45.1%	36.5%
— Products and services sold	—	Optical interconnect business	Optical interconnect business

Note:

- (1) Gross margin for overlapping customers is calculated as revenue from such customers less the related cost of sales, divided by the relevant revenue. For technology development services and others, costs are allocated based on man-hours. For sales of products, costs mainly comprise externally procured materials and processing fees, plus a small portion of manufacturing overheads allocated based on man-hours.

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Purchases from Overlapping Parties

		For the year ended December 31,		
		2023	2024	2025
			<i>(RMB in thousands)</i>	
Customer C	—	4,213.0	722.4	
— Products and services supplied	—	Materials and development expenses	Development expenses	
Customer G	—	5,943.4	7,473.1	
— Products and services supplied	—	Design and development expenses	Materials and design and development expenses	
Customer I (Supplier L)	—	—	23,968.2	
— Products and services supplied	—	—	Equipment	
Customer H	—	—	708.0	
— Products and services supplied	—	—	Materials	

All such transactions were conducted on an arm's length basis and at prevailing market rates. While the revenue and purchase amounts attributable to Customer I (Supplier L) during the Track Record Period were significant in the context of our top five customers and suppliers, our Directors are of the view that these overlapping relationships have not resulted in any reliance on a single party for the provision of critical goods or services, nor have they compromised our operational independence.

COMMERCIALIZATION AND BUSINESS SUSTAINABILITY

Commercialization of our Specialist Technology Products

Our product portfolio addresses market demand caused by rapid expansion of artificial intelligence, particularly large-scale model training and deployment, through two complementary lines of innovation: (i) products and services of optical interconnect, which overcome the physical bottlenecks of traditional electronic interconnects by delivering scalable, low-latency, and power-efficient connectivity for both scale-up and scale-out architectures; and (ii) products and services of optical computing, which leverage the unique physical properties of light to break through the performance and efficiency limitations of conventional electronic processors. At the core of both product families are our proprietary semiconductor design capabilities, particularly the integrated development of photonic and electronic integrated circuits, which enables us to deliver differentiated performance, energy efficiency, and scalability.

All of the products and services of optical interconnect business and optical computing business are designated as Specialist Technology Products as defined under Chapter 18C of the Listing Rules. We confirm that all our Specialist Technology Products fall within the acceptable sector under the Listing Rules, and that all revenues generated during the Track Record Period were generated by the Specialist Technology Products. We further confirm that all our optical interconnect products and optical computing products have been internally developed, and we provide technology development services to enable companies and research institutions to conduct semiconductor design and related activities based on our core technology. We own the key IP rights associated to our Specialist Technology Products. As such, we affirm that we qualified as a Specialist Technology Company as defined in Rule 18C.01. For description of the ownership of our key IP rights, see “— Intellectual Property.”

We have adopted a transaction-based model for the sales of our Specialist Technology Products.

The following sections set forth a summary of commercialization status of our Specialist Technology Products and how all of our Specialist Technology Products fall within an acceptable sector of a Specialist Technology Industry as defined under Chapter 18C of the Listing Rules:

Our Commercialized Specialist Technology Products

Specialist Technology Products (Category)	Main Function Analysis	Major Customer Type and Customer Demand Drivers
Scale-up EPS (Advanced hardware and software — Semiconductors — Design)	Scale-up EPS combines linear-drive optical links with electrical switching to create tightly coupled super-nodes across racks of servers. It comprises a family of scale-up hardware and software that together form an open, high-performance super-node architecture across multiple servers. At the core of Scale-up EPS is Linear Pluggable Optics (LPO) technology, a new generation of optical interconnects designed for advanced computing workloads. The distinctiveness of Scale-up EPS lies in our semiconductor design expertise. Unlike many optical module manufacturers that depend on third-party chips, we independently design both the photonic integrated circuits (PICs) and the electronic integrated circuits (EICs) that form the core of each LPO module. This capability originates from the Company's deep foundation in optical computing and allows us to achieve integration at a level few competitors can replicate. Each LPO module integrated our in-house designed PIC with an in-house designed EIC using proprietary advanced packaging technologies. This holistic co-design ensures precise alignment between photonic and electronic domains, improving signal integrity, enhancing energy efficiency, and increasing channel density.	Major Customer Type: server manufacturer, server ODM manufacturer, and chip developer. Demand Drivers: The rapid growth of artificial intelligence, particularly large language models and generative AI, is driving an urgent need for AI infrastructure that can scale far beyond the limits of traditional servers. As the bottleneck has shifted from processors to the interconnects linking them, copper-based solutions face inherent reach, bandwidth, and power constraints, while conventional optical modules fail to deliver the low latency and high utilization required for large-scale AI training and inference. To overcome these limitations, the industry is moving toward scale-up architectures that consolidate thousands of GPUs and accelerators into tightly coupled "super-nodes," enabling them to function as a single computing unit. This shift creates strong demand for optical interconnect technologies that deliver higher bandwidth, lower latency, and greater energy efficiency across rack-to-rack distances, reducing total cost of ownership while supporting massive parallelism. Against this backdrop, the transition from linear pluggable optics to near-packaged optics and co-packaged optics reflects a clear technology roadmap aligned with the long-term scaling needs of AI infrastructure.
Scale-up OCS (Advanced hardware and software — Semiconductors — Design)	Rather than relying on incremental improvements to conventional server clusters, Scale-up is developed for building distributed computing constellations, in which multiple chassis or racks are interconnected through optical interconnect and switching. The key hardware building block of Scale-up OCS is a compact optical interconnect module with integrated optical circuit switching. This device combines the functions of an optical interconnect transceiver and an on-module optical switch, enabling reconfigurable optical paths within a single module. At the heart of the compact optical interconnect module are our silicon photonics PICs and proprietary controller and driver chips. In each module, the company's photonic integrated circuit (PIC) is mounted on a printed circuit board. Layered on top of the PIC are three chips designed by the company that enable optical switching and signal conversion: (a) the OCS controller chip manages the switching logic, directing optical signals between different GPUs within the same server chassis or across external connections; (b) the driver chip converts electrical signals into optical signals for transmission; and (c) the transimpedance amplifier chip amplifies weak optical signals after they are converted back into electrical signals, ensuring reliable data reception. These semiconductor-level breakthroughs translate directly into system-level advantages: lower latency and higher GPU utilization. Scale-up EPS therefore demonstrates how our accumulated expertise in complex optoelectronic chip design — spanning PICs, EICs, and advanced packaging — provides us with a defensible competitive advantage and creates a high barrier to entry for competitors.	Same as Scale-up EPS

Specialist Technology Products (Category)	Main Function Analysis	Major Customer Type and Customer Demand Drivers
Smart Transceiver with NexusBench (Next-generation information technology — Artificial intelligence Technology and infrastructure enabling AI)	We have developed our Smart Transceiver with NexusBench as a core AI-enabling technology. It is a purpose-built optical interconnect solution designed to support the deployment, operation and lifecycle management of large-scale GPU clusters. By embedding intelligence at the module level and enabling system-level orchestration, it improves the reliability, utilisation and cost efficiency of AI infrastructure and directly supports the technical foundation required for AI development. Our Smart Transceiver is an intelligent optical module that continuously records and analyses key telemetry data, including bias current, voltage, temperature and optical power, and applies anomaly-detection algorithms to identify potential faults and enable early intervention. NexusBench is our accompanying interconnect management platform that supports the full lifecycle management of Smart Transceivers, covering deployment (such as cabling inspection, firmware matching and link validation), optimisation (including optical tuning, forwarding validation and stress testing) and operations (real-time monitoring and proactive alerts for optical link-level issues). Together, our Smart Transceiver and NexusBench form an integrated hardware-software technology stack that enables predictive diagnostics, proactive maintenance and coordinated fleet-level management across AI data centres. Optical transceivers convert electrical signals into optical signals and back again, enabling high-speed, low-latency data transmission across GPU clusters. They are foundational to the data-fabric layer that underpins AI workloads because fibre-optic networks provide the bandwidth, stability and reach required for large-scale model training and inference, beyond what electrical links can practically support. In AI-scale environments, foundation model workloads generate massive data traffic between GPUs, and the efficiency of distributed computing depends on the performance and reliability of optical interconnects. If optical links degrade or fail, GPUs cannot synchronise efficiently, which reduces utilisation and extends training cycles. Conversely, reliable optical transceivers enable efficient distributed AI computing and are therefore key AI-enabling technologies within the broader AI infrastructure stack. Given the scale of modern GPU clusters, a single transceiver issue can cause multiple GPUs to idle, wasting compute capacity and increasing customer expenditure, particularly where GPU resources are billed on a time- or consumption-based basis. As a result, reliable, observable and maintainable optical links are critical to the effective operation of AI infrastructure. Our Smart Transceiver with NexusBench enhances the reliability, efficiency and scalability of AI infrastructure. In large-scale GPU clusters, the optical interconnect layer serves as the data-fabric backbone linking compute nodes, storage resources and high-performance switches, and the integrity of this data fabric directly affects cluster throughput, latency and availability. By providing continuous telemetry and real-time observability, our Smart Transceiver allows operators to detect early signs of link degradation. Combined with NexusBench's centralised analytics and orchestration capabilities, this enables predictive maintenance and reduces both mean time to detect and mean time to repair link-level faults. Proactively isolating or replacing failing modules helps prevent cascading failures and supports stable cluster operations. In distributed training and inference, GPUs require high-speed synchronisation across nodes. A degraded or failed optical link can lead to congestion, retransmissions or node isolation, resulting in idle GPU cycles and reduced effective throughput. Because GPU capacity is often billed on a time- or usage-based basis, reduced utilisation can translate directly into higher compute costs and longer time-to-result for customers. By adding intelligence, diagnostics and automated control to the interconnect layer, our Smart Transceiver with NexusBench transforms the optical link from a passive connectivity component into an active AI-enabling technology, helping GPU clusters operate with higher reliability, better utilisation and improved cost efficiency, and directly supporting the development and deployment of AI technologies. Accordingly, we consider our Smart Transceiver with NexusBench to be an AI-enabling technology rather than an application-layer product. By improving the observability, reliability and utilisation of the optical links that form the core data fabric of AI data centres, it strengthens the technical foundation on which AI systems are built.	Major Customer Type: (i) internet companies, telecommunications operators and other independent computing service providers operating AI computing clusters; (ii) technology enterprises, research institutions, and corporations in sectors such as finance and energy with proprietary AI computing clusters; and (iii) system integrators, network equipment manufacturers and data center hosting providers. Demand Drivers : The demand for Smart Transceivers with NexusBench is driven by the growing need of AI data centers to ensure operational efficiency and business continuity at scale. Traditional optical modules provide limited diagnostic feedback, making fault location and system recovery time-consuming, often measured in hours. By contrast, our Smart Transceivers, integrated with the NexusBench platform, enable real-time monitoring and predictive diagnostics that shorten issue detection from “hours-level location” to “minutes-level diagnosis,” significantly improving system maintainability. This capability directly reduces unplanned downtime of AI infrastructure, thereby lowering customers’ total cost of ownership. In addition, the solution provides visualized and granular health management of optical engines, empowering operators with precise insights into system status and enabling proactive maintenance. Together, these advantages make Smart Transceivers with NexusBench a critical demand driver for AI infrastructure operators seeking higher reliability, lower costs, and sustained performance.

Specialist Technology Products (Category)	Main Function Analysis	Major Customer Type and Customer Demand Drivers
PACE (Advanced hardware and software — Semiconductors — Design)	PACE is our 2nd generation optical processing unit (OPU) with a 64x64 optical matrix. Its computing abilities allows for usages in solving Ising problems and image recognition, two fundamental AI-related tasks utilized by AI models in different fields.	Major Customer Type: Our major customers for optical computing primarily comprise educational and research institutions, including those engaged in AI-related and business-oriented pre-research projects.
PACE 2 (Advanced hardware and software — Semiconductors — Design)	The successor of PACE; PACE 2 is a 3rd-Gen OPU card with optical and electronic computing capabilities, 128x128 optical matrix, PIC & EIC/ASIC packaged with 3D TSV technology and supports models of ResNet 50 and Llama while being capable of solving Ising problems.	Demand Drivers: The demand for our optical computing business is driven by the exponential growth of AI workloads and the limitations of traditional electronic architectures, which face rising power and memory bottlenecks. Optical computing addresses these challenges through parallelism, low latency and energy efficiency, enabling training and inference of increasingly large models. Industry trends toward hardware-software co-optimization and ecosystem standardization are further accelerating adoption, while advances in optical training architectures extend the technology beyond inference to the full AI lifecycle. As a result, optical computing is emerging as a cornerstone of next-generation AI infrastructure.
Gazelle (Advanced hardware and software — Semiconductors — Design)	An OPU evaluation kit featuring a 2x8 oMAC, high accuracy and high programmability.	
OptiHummingbird (Advanced hardware and software — Semiconductors — Design)	An OPU with oNOC technology with applications in running Resnet and other AI models.	

Our Specialist Technology Products in the Pipeline

Specialist Technology Products (Category)		Stage of R&D and Development Details	
Main Function Analysis		Major Customer Type and Customer Demand Drivers	
Next Generation Scale-up Solutions: Near-Packaged Optics (NPO) and Co-Packaged Optics (CPO) (Advanced hardware and software — Semiconductors — Design)	Our company has defined a three-stage roadmap that reflects both industry trends and our own semiconductor design and integration capabilities. This progression — from linear pluggable optics to near-packaged optics, co-packaged optics, positions us to steadily enhance interconnect performance while supporting the long-term scaling of artificial intelligence computing clusters.	Major Potential Customer Types: potential customers include enterprises that design their own supernodes or their designated chip suppliers, such as: (i) end customers, including internet companies and their designated computing chip manufacturers and (ii) independent computing chip manufacturers.	R&D Commencement: NPO: Q1, 2025 CPO: Q1, 2025 Latest Status: NPO: As of the Latest Practicable Date, we have signed pre-orders for the delivery of NPO solutions with customers and expect to begin providing hardware samples of next-generation scale-up solutions based on NPO technology in the first half of 2026. CPO: As of the Latest Practicable Date, we have conducted prototype proof-of-concept (POC) validation with GPU customers and showcased the solution at the World Artificial Intelligence Conference (WAIC) on 2025. The commercial solution is under development.
	Near-Packaged Optics (NPO): As the next step, we are developing NPO technology that relocates optical modules from the server face plate to close proximity to GPU boards, reducing copper trace lengths from over one meter to approximately ten centimeters. This architecture eliminates the need for digital signal processing chips, reduces latency, and increases interconnect density by two to three times.		
	Co-Packaged Optics (CPO): CPO integrates optical engines directly with GPUs or scale-up switch ASICs within the same package, reducing interconnect distances to the millimeter scale. This approach enables higher bandwidth and substantially lower latency compared with NPO.		
Transceiver PIC (Advanced hardware and software — Semiconductors — Design)	By integrating functions such as modulation, detection, multiplexing, and coupling onto a single chip, photonic integrated circuit designed for transceiver (Transceiver PIC) replace multiple discrete components, delivering higher bandwidth density. These attributes are essential for meeting the stringent performance and scaling requirements of hyperscale data centers and AI infrastructure.	Major Potential Customer Types: potential direct customers primarily comprise: (i) independent optical module manufacturers; and (ii) optical module manufacturers designated by internet companies, telecommunications operators, and communication system equipment providers.	R&D Commencement: Q2, 2025 Latest Status: As of the Latest Practicable Date, Transceiver PIC is under development. Customer validation is expected to begin in the first half of 2026, followed by small-batch deliveries in the second half of 2026.
	Beyond higher performance, PIC-based transceiver designs also improve reliability compared with conventional transceivers. Because the failure of a single optical module can idle multiple GPUs and disrupt workloads, enhanced reliability, together with support for timely replacement and preventive maintenance, reduces downtime and lowers the total cost of ownership in hyperscale clusters. Importantly, PIC-enabled transceivers achieve these benefits while maintaining cost levels comparable to existing offerings.		
	Demand Drivers: The demand for transceiver PICs is driven by customers' requirements for superior cost structures, higher levels of integration, consistent and stable performance, and assurance of a long-term, sustainable product roadmap. In addition, customers place high value on supply chain security, seeking partners that can provide stable and controllable delivery of critical optical components. Compared with discrete-component solutions, PIC-based transceivers offer material advantages in manufacturability, scalability, and energy efficiency, enabling customers to reduce costs while maintaining performance consistency at scale. These factors make transceiver PICs a key enabling technology for next-generation optical modules, and their adoption is expected to accelerate as hyperscale data centers and AI infrastructure providers pursue greater efficiency, reliability, and long-term supply assurance.		

Specialist Technology Products (Category)	Main Function Analysis	Major Customer Type and Customer Demand Drivers	Stage of R&D and Development Details
CPO Switch Solutions (Advanced hardware and software — Semiconductors — Design)	Our co-packaged optics (CPO) solutions for switches represent a next-generation switching chip architecture in which optical engines are integrated in close proximity to switch application-specific integrated circuits (ASICs), replacing the traditional model of connecting external pluggable optical modules via electrical traces. By shortening the electrical interconnect distance to the millimeter scale, this architecture materially lowers power consumption, enhances bandwidth density and enables more efficient thermal management. We believe that CPO technology will become increasingly important for hyperscale data centers and AI computing clusters as the performance limits of pluggable optics are reached in the second half of this decade.	Major Potential Customer Types: Potential customers primarily include (i) switch chip manufacturers designated by internet companies and other end customers; and (ii) independent switch chip manufacturers. Demand Driver: The demand for CPO switch solutions is driven by customers' requirements for next-generation data center interconnects. Key considerations include: (i) whether the solution delivers higher bandwidth density and lower power consumption; (ii) whether it ensures reliability and provides feasible maintenance options in the event of failures; and (iii) whether it enhances system-level signal integrity. These factors collectively reflect the industry's transition toward co-packaged optics as a core enabler of scalable, energy-efficient, and resilient AI infrastructure.	R&D Commencement: Q1, 2025 Latest Status: We have initiated the research and development of CPO solutions. A proof-of-concept demonstration based on next-generation switch ASICs is currently under way, with initial results targeted for completion in 2026. The optical chiplets required for this project have already entered the tape-out stage and are expected to be returned for integration in the near term.
PACE 3 (Advanced hardware and software — Semiconductors — Design)	PACE 3 is the successor of PACE 2. As our 4th-Gen OPU card and system with combination of optical and electronic computing capabilities and 256x256 optical matrix, PACE 3 is expected to see applications in AI-related tasks of large language model inference, computer vision and reinforcement learning. The unique capabilities of PACE 3 also permits its application in medical- and biotechnology-related AI tasks such as protein folding.	Major Potential Customer Types: (i) hyperscale internet companies and public cloud providers; (ii) leading large model developers; and (iii) leading AI for Science companies. The demand for PACE 3 is driven by the need to accelerate the generation speed of advanced models, including large language models, protein-folding models, and other generative AI applications. By delivering higher computational efficiency and reduced latency, PACE 3 directly addresses customers' requirements for faster model training and inference, enabling them to improve productivity and maintain competitiveness in data-intensive AI research and deployment.	R&D Commencement: Q1, 2025 First Tape-out: Q2, 2026 Latest Status: As of the Latest Practicable Date, PACE 3 is in front-end design and RTL coding phase, with tape-out expected in the first half of 2026 and engineering samples targeted for delivery to customers by first half of 2027.

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We are committed to the development and commercialization of scale-up optical interconnect business and optical computing business. The following chart illustrates the timeline of our commercialization of our Specialist Technology Products.

	PACE	OptiHummingbird	Scale-up EPS	PACE 2	Smart Transceiver with NexusBench/ Scale-up OCS
Commencement of Revenue Generation	2022	2022	2024	2025	2025

Early-Stage Commercialization and Business Sustainability

We are still at a nascent stage in terms of monetization and commercialization as historically we have been largely focused on developing our optoelectronic computing technologies. During the Track Record Period, we have moved beyond pilot stage and achieved deployment of our Specialist Technology Products. As of the Latest Practicable Date, we had achieved commercialization of: (i) Scale-up EPS, Scale-up OCS and Smart Transceiver with NexusBench under our optical interconnect product line; and (ii) PACE, OptiHummingbird and PACE 2 under our optical computing product line.

Our revenue profile to date, while limited, reflects our commercialization strategy as we focus on developing our products and establishing key customer relationships in this stage. It is also aligned with the common commercialization road-map of advanced products in the semiconductor hardware industry, beginning with R&D, moving into design-in and co-development with customers, progressing to pilot deployments, and ultimately scaling to full deployment. As a result, early revenue figures are not representative of long-term revenue potential as companies work through these stages, investing in product refinement and establishing key customer relationships.

We incurred net losses of RMB413.5 million, RMB735.3 million and RMB1,342.4 million in 2023, 2024 and 2025, respectively, due to significant initial investment in R&D of our Specialist Technology Products. The increase in net losses in 2025 primarily attribute to increased share-based compensation and listing expenses. We expect continued net losses in the foreseeable future when we remain largely as an R&D focused company operating in the frontier space of optoelectronics research and development.

During the Track Record Period, we funded our cash requirements primarily through capital contributions from shareholders and financing activities, including issuances of convertible preferred shares, convertible bond and financial instruments issued to investors with preference rights. See “History, Development and Corporate Structure — Pre-IPO Investments.” Our total cash balance is sufficient to cover our net cash flows used in operating activities and provide adequate liquidity for our expansion of business operations. As such, we believe that we possess sufficient working capital, including sufficient cash and liquidity assets, after taking into account the financial resources available to us.

We recorded adjusted net loss (non-IFRS measure) and net operating cash outflow during the Track Record Period, and we currently anticipate that these positions may persist until we achieve full-scale commercialization of both our optical interconnect business, and our optical computing business. We anticipate that we will continue to incur adjusted net loss (non-IFRS measure) and operating loss for the year ending December 31, 2025, primarily due to the expected substantial R&D expenses.

Path to the Commercialization of our Specialist Technology Products

Leveraging the Rapid Growth of AI Industry Demand for Our Products and Solutions

The rapid rise of generative AI and large language models has created rising demand for computing power. These AI models involve massive data processing, high transmission rates, and increasingly complex applications, pushing existing electronic computing infrastructure to its limits. Moore’s Law is slowing as transistor scaling nears physical boundaries, and fundamental bottlenecks — including the “Memory Wall” (the widening gap between processor speed and memory bandwidth) and the “Power Wall” (thermal and energy limits on processor) — have become increasingly prominent.

Our optoelectronic computing products directly addresses these challenges by enabling ultra-high-speed, low-latency, and energy-efficient data transmission and processing. Optical interconnect enhances the efficiency of large-scale distributed computing, while optical computing improves single-chip performance beyond the limits of Moore’s Law. Our commercialization strategy is therefore focused on leveraging our industry-leading optical interconnect and photonic computing technologies to capture and accelerate market demand.

Continuing to Maintain Technology Leadership and Developing New Technologies and Solutions

A cornerstone of our commercialization path is maintaining technology leadership. Our optoelectronic computing products are built on three core chip technologies: oMAC, oNOC, and oNET (see “Business—Our Core Technologies” for details). Our sustained R&D focus has enabled us to introduce novel products and solutions such as Lightsphere in optical interconnect and the PACE series in optical computing.

Looking ahead, we remain committed to advancing our leadership in optoelectronic computing technology through sustained investment in next-generation optical interconnect and optical computing products. We plan to launch successive versions of our optical interconnect technologies, including near-packaged optics (“**NPO**”) and co-packaged optics (“**CPO**”), to serve customers that are building and operating next-generation AI computing systems and therefore require materially higher bandwidth, improved power efficiency and denser integration than conventional interconnect solutions. In particular, our target customers are expected to include leading participants across the AI computing ecosystem who design high-performance computing chips and need optical interconnect solutions that can support their next-generation platform roadmaps, or deploy AI computing infrastructure and large-scale computing clusters and therefore seek reliable, high-performance interconnect technologies to enable system-level performance and scalability. Together with new generations of optical computing products such as PACE 3, which is engineered to enable the larger-scale commercial deployment of our optical computing technologies, these product launches are designed to meet increasingly sophisticated customer demands in the AI infrastructure industry, thereby driving broader adoption of our technologies.

Broadening the Offering of Our Optical Interconnect and Optical Computing Products

We have consistently advanced innovation in optical interconnect as well as optical computing and, having established industry-wide leadership, we have moved beyond the laboratory to support commercial deployment. Based on current customer needs and our assessment of future developments

in the AI infrastructure industry, we continue to broaden our product offerings to ensure strong product-to-market fit and to accelerate the commercialization of our optoelectronic computing technology.

For optical interconnect, our scale-up and scale-out hardware and solutions provide a comprehensive range of offerings and have demonstrated strong market appeal. Our scale-up hardware and solutions have already been successfully deployed in real-world scenarios. These hardware and solutions deliver measurable improvements in MFU, substantially reducing customers' total cost of ownership (TCO). As of the Latest Practicable Date, we had achieved commercial deployment of our scale-up solutions with 51 partners, empowering multiple thousand-GPU clusters. Complementing our scale-up offerings, our scale-out hardware and solutions provide AI-infrastructure-specific functionality—such as intelligent optical module health monitoring and fault localization, enhancing reliability in large-scale computing clusters.

In addition to our optical interconnect solutions, our optical computing products are positioning us for long-term commercialization and revenue growth. Although our initial optical computing products were developed primarily to validate technical feasibility and push the boundaries of our technologies, including oMAC, they have already generated meaningful revenue and prepared downstream users for broader adoption of our optical computing products. Starting from 2025, the proportion of revenue directly contributed by optical computing products steadily increased, compared with the proportion of revenue contributed by services associated with optical computing, reflecting both growing market adoption and stronger acceptance of our products. In addition to single-card sales, we have also made progress in delivering relatively large-scale orders. For example, since June 30, 2025, we successfully delivered our first optical computing cluster based on PACE 2 to a customer, generating RMB11.86 million in revenue from such order. Such optical computing cluster is a server system composed of multiple PACE 2 cards integrated and operated together, designed to enable parallel processing and high-throughput data handling capabilities within a single server. This marks a shift from traditional single-card sales to large-scale deliveries, which could lead to a more sustainable revenue model.

Looking ahead, while we expect our existing optical computing products to make a meaningful contribution to our revenue mix, we expect PACE 3 to represent a major inflection point for adoption. Currently in the middle of research and development, PACE 3 marks the “growth” phase of our optical computing roadmap. It is engineered for larger-scale commercial deployment by addressing key bottlenecks in AI infrastructure. Designed as a high-performance, energy-efficient accelerator optimized for large-model inference, PACE 3 integrates enhanced optical and electrical computing capabilities to deliver a breakthrough solution for generative AI applications. By continuously refining our technological capabilities, we aim to strengthen our competitive positioning, expand customer adoption, and drive sustainable long-term revenue growth.

Deepening Our Existing Collaborations and Scaling Our Customer Base

The path to commercialization of our Specialist Technology Products is closely tied to the deepening of relationships with existing customer and the expansion of our customer base for both of our optical interconnect business and optical computing business. Between 2023 and 2025, we steadily increased the total cumulative number of customers served from 12 to 44, including leading research institutions, semiconductor developer, AI infrastructure solution providers and large-scale data center operators. Due to the advanced nature of our Specialist Technology Products, customer acquisition often involves customization and integration. However, the technical sophistication of our products creates

strong lock-in effects, as we customize our solutions with customers based on our proprietary technologies. This dynamic creates high switching costs, fostering stable and long-term customer relationships.

Regarding our optical interconnect business, we pursue a two-pronged customer acquisition strategy for our optical interconnect products, covering both scale-up and scale-out solutions. For our scale-up hardware and solutions, we focus on maintaining close collaboration with existing customers while selectively targeting new accounts that are planning large-scale deployments of supernodes due to market demand. Our strategy is to leverage successful case studies to demonstrate the proven effectiveness of our optical interconnect business, which allows us to penetrate potential customers who also require supernode-ready infrastructure. For commercialized scale-out products, such as Smart Transceiver with NexusBench, our approach is to use these solutions as entry points into new customer relationships. These products are easier for customers to compare directly against existing off-the-shelf optical modules, and their superior performance for AI infrastructure related end use makes adoption more straightforward. Once customers gain confidence in our initial scale-out offerings, we are able to introduce our next-generation scale-out products and solutions such as transceivers empowered by our in-house developed PIC to maximize up-selling opportunities. In addition, we plan to promote our transceiver PIC and co-packaged optics solutions for switches, our next-generation scale-up hardware and solutions currently under development. To support this strategy, we have established dedicated business development teams targeting three main customer segments: cloud service providers, large-scale data centers, and AI infrastructure solution providers.

For optical computing business, customer acquisition remains exploratory but is steadily progressing, and we increasingly serving customers with diverse industry backgrounds and application needs. Our product strategy follows a three-phase roadmap: (i) PACE, which validates technological feasibility and supports customized projects; (ii) PACE 2, which focuses on ecosystem-building products designed to broaden adoption and strengthen the optical computing environment; and (iii) PACE 3, which is aimed at mass production and large-scale shipments. To attract new customers and collaborators, we leverage our strong reputation for technological innovation, built on years of R&D achievements, and supplement this with targeted marketing activities. These include participation in academic seminars, industry exhibitions, and conferences, where we showcase our leadership in optoelectronic computing. Our existing customer base serves as a validation of market demand and strengthens our brand, further driving customer acquisition.

We recognize that optical computing remains a frontier technology and its mass adoption may take time. Nonetheless, demand is showing a positive trajectory, with revenue generated from product shipments gradually exceeding optical computing related service revenues, underscoring customer interest in integrating our hardware products. Our optical computing products, particularly the PACE series, are already in the commercialization phase, as we have successfully shipped and deployed PACE 2 in real-world applications, including Electronic Design Automation (EDA) and AI-related tasks such as image analysis and industrial quality inspection. Although our shipment volume has been modest to date, these initial deployments demonstrate the commercial potential of the PACE series. In addition to single-card shipment for our PACE series products, we have also made progress in delivering relatively large-scale orders. For example, since June 30, 2025, we successfully delivered our first optical computing cluster based on PACE 2 to a customer in the blockchain R&D space, generating about RMB11.86 million in revenue from a single order. Such optical computing cluster is a server system composed of multiple PACE 2 cards integrated and operated together, designed to enable parallel processing and high-throughput data handling capabilities within a single server. This marks a shift from traditional single-card sales to larger-scale deliveries, which could support a more sustainable

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revenue model. Based on our existing foundation of commercialization of our optical computing products, we believe the launch of PACE 3 will be our next key milestone for the commercialization of our optical computing products, potentially catalyzing wider adoption.

Robust Revenue Pipeline

In the near term (0 - 2 years), we plan to focus on the commercial deployment of our Scale-up EPS and Scale-up OCS products, introduce and commercially deploy our NPO-based products within such timeframe, and continue supplementary commercialization of our scale-out PIC products, among others. In the medium term (3 - 5 years), we expect our CPO-based optical interconnect products and PACE-series optical computing products to enter more advanced commercialization phases and support further revenue scaling, while continuing to commercialise the products planned for the near term.

We have robust revenue pipeline and expect to experience continuous rapid growth in the near future. In particular, within Q4 2025, we secured multiple purchase orders of approximately RMB87.3 million for our Scale-up OCS solutions from (i) a major provider of communications equipment and ICT infrastructure in China, which includes about 8,200 Scale-up OCS modules and (ii) a developer of artificial intelligence computing chips, which includes about 2,000 Scale-up OCS modules. These purchase orders were initially delivered and accepted by the end of 2025, and are expected to be fully fulfilled in 2026. Based on the current delivery and acceptance schedule, 56% of the total contract value (VAT excluded) was recognised as revenue in 2025, with the remaining 44% expected to be recognised as revenue in 2026. These purchase orders are the culmination of our multi-year design-in collaboration with the relevant customers and testify our ability to commercialize our advanced optical-interconnect product at scale through design-in process to major industry players.

In addition, we have entered into multiple framework agreements and letters of intent for the purchase of our optical computing products and optical interconnect solutions (both scale-up and scale-out products) with certain reputable customers. Among these customers, at least five are publicly listed companies and the remainder are leading companies in their respective industries. All of the customers are reputable companies and independent third parties. According to these letters, the majority of the purchase amount are expected to be realized in 2026 and 2027 demonstrating strong momentum of our commercialization.

Customers	Products to be delivered	Anticipated purchase value in 2026 and 2027 (RMB in thousands)
A publicly listed precision intelligent manufacturing solution provider in China ⁽¹⁾	Scale-up EPS products	89,000
A publicly listed, leading AI chip company in China ⁽²⁾	Scale-up EPS products	50,000
A publicly listed, leading AI chip company in China ⁽³⁾	Scale-up OCS and Scale-up EPS products	128,000
A publicly listed, leading AI chip company in China ⁽⁴⁾	Scale-up OCS and Scale-up EPS products	73,000

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Customers	Products to be delivered	Anticipated purchase value in 2026 and 2027 (RMB in thousands)
A publicly listed data center and power device company in China ⁽⁵⁾ .	Optical interconnect products	50,000
A private intelligent computing infrastructure company in China ⁽⁶⁾ .	Scale-up OCS products and Smart Transceivers	35,000
A private AI infrastructure company ⁽⁷⁾	Optical computing cluster	20,000

Note: Set out below is summary background information for each: (1) listed on the Shenzhen Stock Exchange, ranked among the top solution providers in the global modules PIMS and consumer electronics components market, generated more than RMB200 billion revenue in 2024 and has a public market capitalization of more than RMB300 billion; (2) has a public market capitalization of more than RMB100 billion; (3) has a public market capitalization of more than HKD40 billion; (4) has a public market capitalization of more than HKD40 billion; (5) listed on the Shenzhen Stock Exchange, ranked among the top global vendors in the micro-module data center market in 2024, generated more than RMB5 billion revenue in 2024 and has a public market capitalization of more than RMB20 billion; (6) is a full-stack intelligent computing services provider focusing on AI computing infrastructure with announced strategic cooperation with major telecom operators in China; and (7) was certified among Shanghai's top algorithm enterprises in 2025. During the Track Record Period, we generated revenue from Customer (2) and Customer (4). All market capitalizations mentioned in this paragraph are as of the Latest Practicable Date. Rankings are based on third-party market research. The anticipated purchase value represents the indicative amounts set out in the relevant framework agreements or letters of intent.

We continue to invest in resources to cultivate relationships with these customers and put in our best efforts to enter into new framework agreements and letters of intent and to convert existing letters of intent into revenue generating contracts. Nonetheless, it is notable that certain letters of intent and framework agreements are legally non-binding in nature and do not constitute final agreements for the purchase of our products. The fulfilment of such purchase intents and the recognition of associated revenues are subject to the satisfaction of related assumptions and conditions including market conditions, R&D and delivery of our products and business needs of our customers in the future.

In addition, we have entered over 15 design-in engagements for our scale-up optical-interconnect product with a broad range of GPU manufacturer partners, without reliance on any single partner. The engagements are at different stages of maturity from initial exploration to mature execution phases. Specifically, we have completed hardware validation for the majority of these design-in engagements, and have proceeded to software-integration or communication-stack optimisation phases for some of these engagements. As we progress along the commercialization pathway, the status of our numerous design-in engagements confirms that our R&D efforts are translating into tangible customer partnerships, and it bridges the gap between innovation and market, de-risking our path and securing the customer commitments essential for our upcoming transition to pilot and scale deployment.

We have also built strategic collaboration with business partners along our industry value chain including AI chip manufacturers, system hardware and computing service providers which represent our extensive market base for both of our optical interconnect and optical computing solutions. Among these strategic partners, some of them have signed formal product contracts or purchase orders with us, some have entered design-in engagements with us, and some have entered into letters of intent or strategic cooperation agreements which set out the framework for future commercial collaboration with us. It is proven that we are effectively cultivating a pipeline of qualified future customers through such strategic partnerships and extending our commercialization strategy beyond immediate customer base.

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Maintaining Supply Chain Stability and Achieving R&D and Operational Efficiency

A stable and resilient supply chain is fundamental to sustaining our long-term commercialization strategy. Unlike many semiconductor companies that depend heavily on advanced process technologies, our optical interconnect and optical computing products are built on mature, widely adopted processes and readily available components: our optical computing products use photonic integrated circuits that do not require advanced process nodes and supporting electronic components that are sourced from established semiconductor supply chains, while our optical interconnect products are designed for deployment within existing AI infrastructure architectures using widely used semiconductor and optoelectronic components, supporting scalable manufacturing through established industry supply chains. This significantly reduces supply-side risks, including exposure to the volatility of advanced foundry capacity, which is often affected by geopolitical, technological, and pricing pressures. Over the years, we have developed a trusted and diversified supplier network, ensuring stable access to critical materials and components while maintaining consistent product quality and delivery reliability. As we continue to scale, our supply chain partners are well-positioned to expand production alongside us, enabling us to meet growing demand without compromising stability or delivery schedules.

Reflecting the pioneering nature of our products and solutions, we have made significant investments in research and development to establish our core technologies and product portfolio. In 2023, 2024, and 2025, our R&D expenses were RMB279.8 million, RMB352.1 million, and RMB479.0 million, respectively. These figures represented 731.8%, 584.9%, and 450.4% of our total revenue for the same years, which is characteristic of the foundational stage of our commercialization. At the same time, they reflect meaningful improvements in R&D efficiency as revenues have begun to scale. Going forward, we expect further gains in efficiency by reusing technological modules across multiple product lines and amortizing R&D expenses over a larger revenue base.

We believe our long-term commercial performance also depends on achieving greater operational efficiency and operating leverage. A key component of our strategy is our ongoing commitment to maintaining a lean yet highly effective workforce. By fostering a culture of execution and efficiency, we are able to sustain cost discipline while supporting the rapid expansion of our business. This approach has already yielded measurable results. Our operating expenses as a percentage of revenue decreased from 1083.2% in 2023 to 790.0% in 2024, and further declined to 686.4% in 2025. We believe that continued improvements in operating leverage will enable us to enhance margins and long-term profitability. We also plan to continue adopting an organic customer acquisition strategy, focusing on expanding our customer base primarily through technology leadership, product performance, and deep customer collaboration rather than relying on heavy brand promotion or large-scale sales and marketing expenditures. This strategy not only reduces upfront costs but also builds stronger, longer-term customer relationships grounded in product differentiation and technical capabilities.

Based on the above, we anticipate we will be able to qualify as a Commercial Company in 2027 by achieving the revenue requirement as set out in Rule 18C.03(4). Benefiting from the solid technological foundation we have built and the technological and market opportunities we continue to pursue, we believe that we are well-positioned to sustain and grow our business. However, our anticipation to qualify as a Commercial Company is subject to various uncertainties, and our ability to achieve commercial success depends on factors including, but not limited to, (i) our ability to develop and manufacture our products and solutions on a large scale, (ii) the degree of market acceptance and customer demand of our products and solutions, (iii) our ability to establish, expand, and optimize an effective sales network, and (iv) our ability to develop, enhance, adapt to new technologies and

methodologies. See “Risk Factors — Risks Related to Our Business and Industry” for a discussion of the relevant risks and potential impediments involved in estimating the timeframe for, and achieving, the revenue requirement under Rule 18C.03(4). Based on the foregoing, our Directors believe that our business is sustainable, and nothing has come to the Joint Sponsors’ attention that would cause them to cast reasonable doubt on the view of the Directors above.

Impediments to Commercialization and Related Measures

As we advance toward the commercialization of our Specialist Technology Products, we face several challenges that must be overcome to ensure the successful deployment and adoption of our optical interconnect and optical computing solutions.

Optical Interconnect

The optical interconnect market is at a critical inflection point, driven by the surge in demand from the development of large language models and supernode architectures, both of which require significantly higher computing performance. While the demand is robust, customers still need time to assess how effectively our optical interconnect solutions meet their strategic and technical requirements. Furthermore, after initial customer demand is identified, additional time is needed to ensure compatibility and stability of our solutions across hardware, software, and system clusters. Consequently, the adoption process is expected to be gradual, with widespread commercial deployment occurring over an extended timeline. Despite these challenges, we believe the customer adoption process is currently progressing on track. To accelerate this adoption we engaged in design-in collaborations and co-development initiatives across more than 15 engagements with a broad range of GPU manufacturer partners and server manufacturers. The engagements are at different stages of maturity from initial exploration to mature execution phases. Specifically, we have completed hardware validation for the majority of these design-in engagements, and have proceeded to software-integration or communication-stack optimisation phases for some of these engagements. As we progress along the commercialization pathway, the status of our numerous design-in engagements confirms that our R&D efforts are translating into tangible customer partnerships, and it bridges the gap between innovation and market, de-risking our path and securing the customer commitments essential for our upcoming transition to pilot and scale deployment. In parallel, we are collaborating with various industry partners along the value chain, including large language model developers, to demonstrate and optimize our product performance. These efforts, although time-consuming, are crucial in strengthening our customer relationships and reinforcing our competitive position in the market.

In addition, unlike highly mature products that have been fully commercialized for many years, we recognize that several of our products, including the Scale-up OCS product, are still in early-stage versions. Furthermore, our products are built on advanced technologies, which necessitate complex integration processes. As we move toward commercialization, we must continue refining and enhancing our products to meet the high-performance expectations of our sophisticated enterprise customers. This iterative process, required to upgrade technical specifications and improve product functionality, may pose an impediment to the speed at which we can fully commercialize our products. To address this potential barrier, we are committed to continuous R&D and product optimization. We are actively working to set industry standards in real time, leveraging the practical insights we gain from our proven deployments. Additionally, we are collaborating with customers and partners to ensure that their systems are compatible with our products. After completing major iterations through design-in, co-development, and pilot deployment phases with key customers, we expect our products to become fully mature and ready for widespread commercialization.

Optical Computing

As we progress toward the commercialization of PACE 3, we face several industry-wide challenges that must be addressed to ensure its successful deployment and broad adoption. One significant challenge is the immaturity of the software ecosystem. Optical computing, as an emerging technology, suffers from a limited software stack and a lack of developer familiarity with the technology. To mitigate this, we are developing software development kits and compilers, implementing structured developer training initiatives and forming strategic partnerships with academic institutions and industry leaders to foster a robust software ecosystem.

Another challenge we face is process integration and yield management. As we scale PACE 3 from the prototype stage to full production, ensuring manufacturability and reliability is crucial. A meaningful portion of the proceeds of the Global Offering will be allocated to invest in PACE 3 engineering, packaging and reliability validation to address the practical scaling issues that typically arise when moving from small-batch prototypes to volume production, and to optimise production costs. As a general matter, the unit cost of a chip-based product is heavily influenced by how many usable chips we can produce from each manufacturing batch (the “**yield**”) and how smoothly the chips can be packaged and tested at scale. If early yields are low or packaging and testing are unstable, the effective cost per usable chip can be significantly higher. Our planned investments will therefore focus on making PACE 3 easier to manufacture consistently, improving the efficiency and stability of packaging and testing, and conducting systematic reliability checks to identify issues earlier and refine the production process so that manufacturing becomes more predictable. As yield improves and production stabilises, fewer units are scrapped or reworked and unit economics become more efficient, which helps reduce the effective production cost as we scale. By prioritizing these areas, we are confident that PACE 3 will meet the high standards required for mass-market deployment, while remaining cost-competitive.

Lastly, customer adoption remains a challenge in the optical computing space. The transition from proof-of-concept to commercial orders can be slow, particularly in industries that are cautious about adopting new technologies. To accelerate this transition, the Company is leveraging its existing academic and research collaborations. These partnerships are providing valuable early-stage customer engagements, with many universities and research institutions already using PACE 3 in their applications. By continuing to nurture these early adopters, we intend to accelerate broader adoption by creating a critical mass of early users of PACE 3 who can validate real-world performance and help us iterate the product and supporting software more quickly. In practice, a larger and more diverse group of initial reference customers provides (i) more real usage scenarios that allow us to identify issues and edge cases earlier, refine the product and strengthen reliability, and (ii) actionable feedback on software and feature requirements, which is particularly important because high-performance computing products depend not only on hardware but also on the supporting software environment, tools and integrations. By incorporating these customer-driven requirements into our R&D roadmap and delivering a more complete, user-ready solution, we expect subsequent customer deployments to be smoother and faster, thereby reducing adoption friction and supporting wider commercial rollout of PACE 3.

DATA SECURITY AND PRIVACY

We have implemented a set of IT security policies to prevent the loss, theft and unintended disclosure of privileged and confidential information. Our IT policies outlined the scope of the personnel with data security responsibilities, confidentiality levels of information and account management, among other aspects of IT security management. We do not store sensitive personal information of our users in our network and IT system.

We strictly comply with the Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》), the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》), the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》), as well as the applicable data protection laws and regulations in the jurisdictions of our overseas operations, continuously improving our internal data compliance governance framework. Our IT department, in enforcing our IT policies, is constantly guided and consulted by our legal and compliance department to ensure the alignment of our data securities and privacy measures with currently applicable laws and regulations in all jurisdictions in which we operate.

To ensure compliance with relevant data security laws and regulations, we have implemented internal data security and protection protocols which provide for data management responsibilities, data protection and confidentiality procedures. Access to all the data is controlled by our working committee, a primary department designated by our CEO, to be responsible for information protection. No information, whether proprietary to us or obtained from third parties, may be disclosed to any external person or entity without the prior approval or authorization of the party from which such information was obtained. We implemented several detailed measures with respect to data protection.

- *Ensuring data transmission and storage security.* We implement a series of measures to safeguard the security and integrity of data throughout its life cycle. In particular, during the storage and transmission of information, we apply the principle of minimal disclosure and ensure that any transfer is carried out in a manner designed to provide adequate protection and minimise the risk of access or disclosure to any person other than the intended recipient.
- *Establishing data access control.* We implement strict access control policies to restrict unauthorised access to data and maintain comprehensive audit trails and activity logs to detect and respond to potential security incidents in a timely manner. In particular, all work areas where information is stored or maintained constitute restricted areas within our Group and are subject to controlled access, and only qualified employees with an appropriate business need are permitted to work in or enter restricted areas other than their usual workplace(s).
- *Conducting periodic IT system auditing.* We conduct periodic IT system audits, including regular inspections of operating systems, databases and network devices, and monitor system logs to identify errors or potential risks, with prompt corrective measures to safeguard system stability and security. In addition, our designated officers organize at least annual and ad hoc audits on employees' understanding of, and compliance with, our data security and confidentiality policies, covering, among others, policy communication and acknowledgement, classification and access control of trade secrets and other confidential information, IT and physical security measures, non-disclosure arrangements with third parties, training and incident response mechanisms, as well as ongoing compliance with applicable laws and regulations.

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During the Track Record Period and as of the Latest Practicable Date, we did not conduct any cross-border transmission of data. During the same period, we have not experienced any major data security event that led to the loss, theft and unintended disclosure of privileged and confidential information, nor have we been found responsible for any noncompliance with applicable data security laws and regulations.

COMPETITION

At present, China's scale-up optical interconnect market remains in its infancy. In 2025, market revenues and shipments were concentrated in internal testing and validation for supernode computing, without meaningful commercial deployment in servers. In this phase, the number of companies capable of delivering both solutions and products is extremely limited, resulting in a highly concentrated market. As supernodes gain wider adoption, GPU interconnect bandwidth continues to increase, and optical interconnect costs gradually decline, suppliers with system design and integration capabilities will be the first to benefit, securing differentiated competitive advantages and driving the broader market toward commercialization and expansion.

The global optical computing market is still in its exploratory and early commercialization stage. Only two companies, including us, have achieved commercial deployments; most players remain focused on R&D, with shipments concentrated in research use cases (e.g., labs and supercomputing centers). Market concentration is high, with the two leaders dominating, while other players remain in trial phases. As AI demand surges and optical performance improves, companies with comprehensive integration capabilities will lead the transition from testing to commercialization, reshaping the AI computing chip landscape. See "Industry Overview" for more details.

SOCIAL INSURANCE AND HOUSING PROVIDENT FUND

Pursuant to relevant PRC laws and regulations, we are required to pay social insurance and housing provident fund for our employees. During the Track Record Period and up to the Latest Practicable Date, we had paid the full amount of social insurance for all the employees and housing provident fund for all the domestic employees, in accordance with relevant regulations. As of the Latest Practicable Date, we had not been subject to any administrative penalties regarding the payment of employee social insurance or housing provident fund. We had also not received any significant complaints or reports from employees regarding such payments, nor any notifications from relevant authorities requesting us to make up payments, conduct investigations, or accept penalties.

Non-compliance in relation to the social insurance and housing provident fund

As of June 30, 2025, we had identified two minor instances of non-compliance, specifically: (i) two subsidiaries had engaged a third-party agency to make social insurance and housing provident fund contributions for three employees; and (ii) one subsidiary had not made social insurance contributions for one expatriate employee. All identified issues were fully rectified by September 30, 2025. Regarding the expatriate employee, the shortfall in social insurance contributions payable by the Company was RMB510,712.10. Regarding the matters involving third-party agency payments, although the relevant contributions were settled and the employees' benefits were not materially affected, this practice deviates from the statutory requirement that social insurance should be handled directly by the employing entity. For the above matters, we may be required to make up any shortfall and could be subject to various legal or administrative penalties, including but not limited to a maximum fine of up to three times the amount in arrears, plus applicable late fees. However, the relevant subsidiaries have

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subsequently obtained certificates from the local social insurance and housing provident fund management centers confirming no history of administrative penalties related to the social insurance or housing provident fund. Based on these certificates, the likelihood of any material penalties or sanctions being imposed by the regulatory authorities is considered low. Consequently, we have not made any provision in the financial statements in respect of the above matters.

INSURANCE

We maintain insurance policies to cover our properties, equipment, and inventories. Consistent with what we believe to be customary practice in our industry, we generally do not maintain any business interruption insurance. We believe that the existing insurance coverage of our business is adequate and is in line with the general industry practice. However, the insurance policies maintained by us may not be sufficient to cover claims in respect of personal injury or property or environmental damage arising from accidents on our properties or relating to our operations, or to cover business interruption risks. Such coverage is not mandatory according to the applicable laws and regulations.

PRODUCT RETURN AND WARRANTY

We have established a comprehensive set of policies, covering stages from the initiation of product return to the testing of returned products, that governs the product return process. Our sales team, working in conjunction with our Material Return Board, handles matters relating to customer-requested returns and product recalls. With regard to product warranty, we offer warranties in relation to the sale of certain products and the provision of services for general repairs of defects occurring during the agreed-upon warranty period. During the Track Record Period and up to the Latest Practicable Date, we have not recalled any of our products nor been subject to product return requests that had a materially adverse impact on the results of our operations.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

We recognize responsibilities in environmental, social, and governance (ESG) areas and commit to complying with the Appendix C2 Environmental, Social and Governance Reporting Code (《附錄C2環境、社會及管治報告守則》) and issuing ESG reports on a regular basis after our listing.

ESG Governance Structure

We have established an ESG governance system led by the Board of Directors, senior management, and functional departments. The Board of Directors has overall responsibility for the formation and establishment of our ESG mechanisms and policies, including the approval of ESG strategies and reports, the oversight of our ESG matters, the review of the progress against ESG targets, and the assessment, prioritization, and management of material ESG issues. The Board conducts the review of the progress on ESG targets on annual basis.

The senior management is responsible for coordinating ESG matters, developing ESG management strategies and targets, identifying and monitoring ESG risks and opportunities that may have a material impact on our business, supervising and reviewing the implementation of ESG measures, and reporting to the Board of Directors on ESG matters at least once a year, assisting the Board of Directors in the comprehensive management and supervision of ESG work. The senior management is tasked with evaluating targets, formulating and executing policies to enhance the Company's ESG performance, and assigning ESG-related tasks and responsibilities across various

departments. At the executive level, functional departments form a dedicated working group responsible for the implementation and execution of specific ESG tasks, including ongoing tracking of key performance indicators, and maintaining accurate, transparent records to support internal and external reporting. Functional departments establish mechanisms for achieving targets, develop annual ESG work plans, and ensure the effective implementation of policies.

ESG Materiality Assessment

In 2025, we conducted a materiality assessment to identify the material ESG topics. The specific process is as follows: *Step 1: Identification* — According to the Guide for New Listing Applicants (《新上市申請人指南》) and Appendix C2 Environmental, Social and Governance Reporting Code (《附錄C2 環境、社會及管治報告守則》), combined with our business characteristics and industry trends, we identified 16 potential ESG topics relevant to our business and stakeholders. *Step 2: Assessment* — We evaluated the importance of each identified ESG issue. *Step 3: Confirmation* — We reviewed the assessment results and confirmed the ESG topics that are material to our sustainable development.

Five Material ESG Topics, Potential Impacts and Measures

Product Quality: Any defects in our products could lead to significant remediate costs, and harm our reputation and business prospects. To address this, we strictly comply with all product quality regulations and maintain close collaboration with our production partners to ensure consistent product quality.

Innovation: We are making significant investments in research and development; however, these investments may not yield the results we anticipate. If we fail to develop, enhance, or adapt to new technologies and methodologies, our products and technologies could become obsolete, which would materially harm our business. Our technological capabilities and infrastructure are critical to our success. We have been investing heavily in our research and development efforts. As we drive innovation forward, we expect to incur substantial R&D and capital expenditure.

Intellectual Property Protection: If we fail to secure and maintain robust patent and intellectual property protection for our technologies and products, or if the scope of protection is insufficient, third parties could develop and commercialize similar or identical products, directly competing with us. This could adversely affect our ability to successfully commercialize our products. We protect our proprietary technologies through a multi-layered approach, including statutory protections (patents, trademarks, copyrights, trade secrets, and unfair competition laws) in China and other jurisdictions, as well as contractual safeguards (confidentiality agreements, invention assignment clauses, and licensing agreements). All employee and key commercial contracts clearly outline the ownership of intellectual property and the obligations to protect it.

Supply Chain Management: If the supply of key materials or services is insufficient or delayed, it may significantly impact operations. Reliance on third-party suppliers reduces our control over product quantity and quality, introducing potential risks. Our optical interconnect and optical computing products utilize mature processes and readily available components, effectively mitigating supply-side risks, including volatility in advanced manufacturing capacity caused by geopolitical, technological, and pricing pressures. Through a reliable and diversified supplier network established over the years, we ensure stable access to critical materials while maintaining consistent product quality and reliable delivery.

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Talent Attraction and Retention: Our business may be adversely impacted by the loss of key talent. We emphasize both professional competence and background in our talent approach, offering diverse growth opportunities through a global development program. We continuously refine our incentives and retention strategies to enhance team execution and support long-term growth.

Environmental Protection

We strictly comply with all applicable environmental laws and regulations in the regions where we operate. We have also established corresponding internal management systems, dedicated to reducing the negative environmental impact on our operations. During the Track Record Period, we were not subject to any material violations of environmental laws and regulations.

The table below lists the environmental performance during the Track Record Period:

Indicator	Unit	For the Year Ended December 31		
		2023	2024	2025
Electricity Consumption	MWh	749.84	1,164.10	1,975.70
Electricity Consumption Intensity	MWh per Headcount	3.44	5.02	7.69
Scope 2 GHG Emissions	tCO ₂ e	397.86	617.67	1,048.31
GHG Emission Intensity (Scope 2)	tCO ₂ e per Headcount	1.83	2.66	4.08
Scope 3 GHG Emissions	tCO ₂ e	130.91	202.76	343.41
GHG Emission Intensity (Scope 3)	tCO ₂ e per Headcount	0.60	0.87	1.34
Water Consumption	Cubic Meters	700.00	926.00	1,217.00
Water Intensity	Cubic Meters per Headcount	3.21	3.99	4.74
Non-hazardous Waste	Tons	55.92	64.66	76.39
Non-hazardous Waste Intensity	Tons per Headcount	0.26	0.28	0.30

Note:

1. The amount of Scope 1 GHG emissions is negligible, so it is not disclosed in this prospectus; 2. Scope 2 GHG emissions mainly come from the consumption of electricity purchased. The greenhouse gas data in the table are calculated according to the Greenhouse Gas Emission Accounting Methods and Reporting Guidelines for Public Building Operation Enterprises (Trial) (《公共建築運營企業溫室氣體排放核算方法與報告指南(試行)》) and the average carbon dioxide emission factor of the national electricity grid is from the Announcement on the Release of 2023 Carbon Dioxide Emission Factors for Electricity (《關於發佈2023年電力二氧化碳排放因子的公告》); 3. Scope 3 GHG emissions include emissions from Category 3 fuel- and energy-related activities and Category 5 waste generated in operations. We will enhance the coverage of our Scope 3 emissions in the future; 4. The amount of hazardous waste is negligible, so it is not disclosed in this prospectus.

Energy Management

Our energy consumption mainly comes from office electricity use, laboratory operations, and the server room. We are committed to achieving maximum operational efficiency with minimal energy consumption. To this end, we have set clear energy-saving targets from the FY24 base year: to reduce total electricity consumption intensity by 5% before 2027 and achieve a 15% reduction in total electricity consumption intensity by 2030. To achieve the targets, we have adopted a series of

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energy-saving measures, including upgrading equipment, optimizing server room and laboratory layouts, improving air conditioning efficiency, conducting regular equipment maintenance, and promoting employees' energy-saving awareness.

Water Management

We attach great importance to water conservation and comply with all applicable water-related laws and regulations in our operating regions. We aim to enhance overall water-use efficiency through water conservation initiatives. In our daily operations, we have implemented a series of specific measures to reduce water consumption, including facility upgrade, regular inspection, awareness promotion, and monitoring, recording, and analyzing water consumption on a regular basis.

Waste Management

We strictly comply with the waste management laws and regulations in the regions where we operate and manage our waste through various practical measures such as solid waste disposal and recycling to ensure that our business operations meet emission standards. The solid waste generated in our daily operations mainly consists of domestic waste and office waste. To mitigate our environmental impact, we have actively implemented waste management measures, including but not limited to source reduction, waste sorting, and employee engagement.

Climate Change

We actively identify and respond to climate-related risks and opportunities, while enhancing our resilience and adaptive capability to climate change. The table below lists our climate change-related risks and opportunities, along with the corresponding response measures:

Risk/Opportunity	Type	Response Measures
Physical Risk. . . .	Acute Risk	Climate change increases risks from extreme weather (e.g., heavy rain, typhoons), threatening safety, operations, and assets. We respond with emergency plans, advance inspections, stocked supplies, weather monitoring, multi-channel alerts, and flexible work adjustments (e.g., remote work).
	Chronic Risk	Rising temperatures in our operating regions may increase cooling demand and energy consumption, leading to higher operating costs. To address this, we strengthen energy management and enhance air conditioning efficiency to reduce energy use and costs, while optimizing temperature settings to lower server room energy consumption and improve Power Usage Effectiveness (PUE).

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Risk/Opportunity	Type	Response Measures
Transformation Risk.	Policy Risk	In line with China's "Dual Carbon" goals, we and our suppliers may face stricter regulations on resource utilization and greenhouse gas emissions, which could increase production and operating costs. To mitigate these risks, we will keep track of policy updates, adjust internal policies in a timely manner to ensure compliance, and strengthen green operations including energy and water management as well as green office initiatives.
	Reputation Risk	Failure to meet stakeholders' expectations on climate change may damage our reputation. We therefore enhance climate-related information disclosure to improve transparency and accuracy.
Opportunity		Growing social focus on climate change has raised customer demand for eco-friendly and low-carbon products. We will leverage our technological strengths to innovate and develop more sustainable and efficient products and solutions.

Product Quality

Guided by our Quality Management Manual (《質量管理手冊》), we strictly enforce quality control procedures throughout the entire process to ensure that our products and services meet both customer requirements and our internal quality standards. To uphold our commitment to high product quality, we have obtained ISO 9001 Quality Management System certification, and some of our products comply with EU Restriction of Hazardous Substances (RoHS) and Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) standards. During the Track Record Period, we did not experience any material product recall incidents, nor did we receive any material complaints related to product safety or quality.

Supply Chain Management

We have formulated and implemented the Supplier Management Procedure (《供應商管理程序》) to standardize the processes of supplier development, onboarding, evaluation, and elimination, ensuring systematic management after onboarding suppliers, and categorizing them into different levels. To screen high-quality suppliers, we comprehensively consider factors such as quality, price, delivery, and service requirements. We also assess suppliers' quality and environmental certification, including ISO 9001 Quality Management System and ISO 14001 Environmental Management System, ensuring they comply with quality standards and environmental laws and regulations. We encourage suppliers to respect human rights. We encourage suppliers to sign anti-corruption clauses in contracts with suppliers to ensure fair and transparent business transactions.

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Talent Attraction and Retention

We strictly comply with relevant labor laws and regulations in the regions where we operate, ensuring the protection of employees' legal rights. In accordance with the Employee Handbook (《員工手冊》), we oppose any form of discrimination or harassment based on race, ethnicity, color, creed, gender, marital status, age, religion, nationality, physical or intellectual disabilities, health status, or any other characteristic. During the Track Record Period, we did not engage in any forced labor and did not employ any minors below the legal minimum employment age.

Training and Development

We provide various training programs such as leadership training and management training for existing employees, improving the professional abilities of existing employees. And we provide training for new hires, helping new employees understand the company, industry trends, and business compliance. We have also designed various career advancement pathways for employees, including engineering and research, marketing, and functional tracks.

Occupational Health and Safety

We value the health and safety of our employees and invest resources to continuously improve health and safety management. We actively cooperate with the property management to conduct regular fire drills for employees. We inspect fire safety equipment and electrical systems daily and address safety risks promptly. In addition, we provide supplementary commercial medical insurance for all employees and organize annual health checkups to protect employee health and safety. During the Track Record Period, we complied with workplace safety laws and regulations and no occupational health and safety incidents occurred.

Anti-Corruption and Anti-Bribery

We strictly comply with laws and regulations related to anti-corruption and anti-bribery, conducting business activities in a manner that is ethical and transparent. We uphold the highest standards of integrity, with a zero-tolerance policy towards corruption and bribery, and regulate the professional conduct of all employees through our Anti-Corruption and Business Conduct Policy (《反腐敗和業務行為政策》) and Anti-Fraud and Whistleblowing System (《反舞弊與投訴舉報制度》), protecting the legitimate rights and interests of stakeholders.

We communicate the company's integrity system to all employees, including anti-corruption and anti-bribery provisions, and require them to sign the employee anti-corruption policy commitment upon joining. We have established a reporting email system to encourage employees to report any suspected corruption and bribery activities. Upon receiving a report, we initiate a formal investigation process and ensure the strict protection of the whistleblower's identity. Additionally, we conduct periodic training on anti-corruption and anti-bribery compliance to foster a culture of compliance.

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Social Welfare

We aim to further the advancement of education of adults and children, particularly in the field of computers, computer science and related subjects. We have launched public-oriented technology open day events, inviting university students to visit the company and engage in immersive experiences. We also actively make donations in the field of community education, providing students with diversified learning opportunities and resources.

PROPERTIES

To support our business operations, including research and development, engineering, and administration, we leased properties in four cities across mainland China, including Shanghai, Hangzhou, Beijing, and Nanjing. Our principal executive office is located in Shanghai, China. As of the Latest Practicable Date, we are leasing five properties with an aggregate gross floor area of approximately 8,790.4 sq.m., which are primarily used for office and research and development purposes. As of the Latest Practicable Date, four leases have been duly registered with the relevant PRC government authorities, while one lease agreement has not completed the lease registration and filing procedures. As advised by our PRC Legal Advisor, failure to register lease agreements with the relevant PRC governmental authorities does not affect the validity and enforceability of the relevant lease agreements. We will continue to make our best efforts to coordinate with our lessors to facilitate the registration of all unregistered lease agreements with the competent authorities and will continue to monitor compliance with applicable PRC property leasing laws and regulations. However, the relevant PRC government authorities may order us or the lessors to, within a prescribed time limit, register the lease agreements, and may impose a fine ranging from RMB1,000 to RMB10,000 for each unregistered lease agreement if we fail to complete such registration. As advised by our PRC Legal Advisor, our Directors are of the view that the unregistered leases will not individually or collectively have a material adverse impact on our business or financial conditions.

We do not own any real-estate properties. As of December 31, 2025, none of the properties leased by us had a carrying amount of 15% or more of our consolidated total assets. According to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this Prospectus is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance.

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any legal, arbitration or administrative proceedings that would have a material adverse effect on our business, results of operations, financial condition or reputation and compliance. As advised by our PRC Legal Advisers, we had not been and were not involved in any material noncompliance incidents that have led to fines, enforcement actions or other penalties that could, individually or in the aggregate have a material adverse effect on our business, financial condition and results of operations.

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LICENSES AND PERMITS

As advised by our PRC Legal Advisors, During the Track Record Period and up to the Latest Practicable Date, we have obtained all requisite licenses, approvals and permits from relevant authorities that are material for our operations in the PRC and such licenses, approvals and permits are valid and effective. The following table sets forth the details of the material licenses and permits necessary for the business operations in which we engaged in the PRC.

Licenses, permits, approvals or certifications	Holding entity	Issuing authority	Expiration date
Consignees or Consignors of Imported or Exported Goods (進出口貨物收發貨人)	The Company	Pudong Customs (浦東海關)	Permanent
Consignees or Consignors of Imported or Exported Goods (進出口貨物收發貨人)	Hangzhou Guangzhiyuan Technology Co., Ltd. (杭州光智元科技有限公司)	Yuhang Office of Qianjiang Customs (錢江海關駐余杭辦事處)	Permanent
Consignees or Consignors of Imported or Exported Goods (進出口貨物收發貨人)	Nanjing Guangzhixing Technology Co., Ltd. (南京光智星科技有限公司)	Jinling Customs (金陵海關)	Permanent

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management

To address risks associated with our business, we have established a comprehensive risk management mechanism covering risk identification, assessment and response, and gradually realizing the integrated operation of compliance and risk control. To achieve this, we have undertaken and will continue to undertake the following measures: we have established product-line specific risk control guidelines for both optical interconnect and optical computing business lines, which stipulate the risk assessment process and risk classification criteria for their respective fields; each internal department is responsible for the assessment of their department-specific, the formulation and implementation of corresponding measures to avoid or reduce such risks; we place emphasis on using IT methods to achieve process control and data tracking, enhancing our early risk-identification capabilities; we have incorporated major risk prevention and control into the performance evaluation of our employees to foster a culture that places emphasis on risk identification and prevention; and we also regularly organize internal training activities to enhance overall awareness of risks and response capabilities.

Internal Control

We have established an internal control system that features a three-tier framework, covering strategic, (such as investment decisions and business planning), operational (covering business processes like procurement, OEM/ODM/Fab management, sales, and research), and supporting levels (such as accounting, HR, IT, and compliance). Each tier can be further broken down into detailed subprocesses, SOPs, and forms, which are coordinated and supervised by our employees responsible for internal controls. We also have a dedicated legal and compliance team to ensure compliance with applicable laws and regulations in every stage of our operations.

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We have also formed the Audit Committee in accordance with our Articles of Association, applicable laws and regulations and the Listing Rules. The Audit Committee comprises no less than three non-executive Directors, and must at any time have a member who possess “professional qualifications or accounting or related financial management expertise” under Rule 3.10 (2) of the Listing Rules. The Audit Committee is responsible for conducting internal audits of the Company, overseeing internal control measures and selecting external auditors, among other responsibilities.

We place great emphasis on integrity in operations and have established a multi-tiered anti-bribery, anti-fraud, and anti-money laundering control mechanism. Specific measures include: establishing a multi-channel, anonymized communication platform to accept and address anti-bribery, anti-fraud and anti-money laundering concerns (such as email, phone, and physical mailbox); requiring all existing and incoming employees to sign affirmations that they will not engage in commercial bribery, fraud and deceit, money laundering, and other activities that violates applicable laws and regulations; and regularly promoting the awareness of compliance and anti-fraud matters.

Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, there have been no incidents of violation of our anti-bribery, anti-corruption, and anti-money laundering policies and procedures.

AWARDS AND RECOGNITION

As a testimony to our innovation and excellence of our hardware, solutions and products, we have received various awards and recognitions throughout our operations. The table below sets forth our major awards and recognitions received by the Company:

Year	Award and recognition	Issuing authority
2025	World Artificial Intelligence Conference SAIL Award	Organizing Committee of the 2025 World Artificial Intelligence Conference
2023	Second Prize, 2022 FinTech Development Awards (2022年度金融 科技發展獎二等獎)	People’s Bank of China (中國人民銀行)
2021	50 Smartest Companies	MIT Technology Review

DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Upon Listing, the Board will consist of nine Directors, including four executive Directors, two non-executive Directors, and three independent non-executive Directors. The following table sets forth certain information about our Directors:

Name	Age	Position/Title	Time of Joining our Group	Date of Appointment as a Director	Responsibilities
<i>Executive Directors</i>					
Dr. Shen Yichen (沈亦晨)	37	Founder, chairman of the Board, executive Director, and chief executive officer	October 2017	November 11, 2019	Oversee the overall management and business operation, board affairs, formulate strategies and operation plans, make major business decisions of our Group
Dr. Meng Huaiyu (孟懷宇)	37	Co-founder, executive Director, and chief technology officer	October 2017	January 2, 2020	Formulate the Company's technological development roadmap, manage the Company's core IP assets, oversee external major R&D projects undertaken by the Company
Mr. Wang Long . .	57	Executive Director and chief operating officer	September 2023	April 28, 2025	Lead the overall mass-production, projects, research and development, lead the project management, operation and quality control of mass -production products
Mr. Zhang Hong (張弘).	38	Executive Director and chief financial officer	June 2020	August 28, 2020	Responsible for overall financial strategic planning, capital markets, financial and accounting affairs
<i>Non-executive Directors</i>					
Mr. Yu Ze (俞澤) .	39	Non-executive Director	April 2025	April 28, 2025	Provide professional opinion and judgment to the Board
Mr. Zhang Kun (章錕).	46	Non-executive Director	April 2025	April 28, 2025	Provide professional opinion and judgment to the Board
<i>Independent Non-executive Directors</i>					
Dr. Huang Weiping	67	Independent non-executive Director	Listing Date	September 25, 2025	Provide independent opinion and judgment to the Board
Dr. Zhao Hang (趙行).	35	Independent non-executive Director	Listing Date	September 25, 2025	Provide independent opinion and judgment to the Board
Ms. Xu Lili (徐黎黎)	44	Independent non-executive Director	Listing Date	September 25, 2025	Provide independent opinion and judgment to the Board

DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Dr. Shen Yichen (沈亦晨), aged 37, is the founder, chairman of the Board, executive Director, and chief executive officer of our Company. He is primarily responsible for overseeing overall management and business operations, managing board affairs, formulating strategies and operational plans, and making major business decisions of the Group. Prior to founding the Company, Dr. Shen was a scientist focusing on physics and optical research. During his doctoral studies, he filed 7 US patents and published more than 35 peer-reviewed journal papers in Science, Nature Photonics, ICML and other top academic journals. In 2017, Dr. Shen published a cover article on Nature Photonics, which for the first time a theory to use light to perform AI algorithms was proposed. With this breakthrough, he was named on MIT Technology Review's list of 35 Technology Innovators Under 35.

Dr. Shen obtained his bachelor's degree from Johns Hopkins University in the United States in May 2011, majoring in physics with a double major in mathematics. He earned his doctorate degree in applied physics from Massachusetts Institute of Technology ("MIT") in the United States in June 2016.

Dr. Meng Huaiyu (孟懷宇), aged 37, is the co-founder and chief technology officer of our Company. He is primarily responsible for formulating the Company's technological development roadmap, managing the Company's core IP assets, and overseeing major external R&D projects undertaken by the Company. Dr. Meng has been focusing on the application of integrated photonics in electronic communications, data communications, biosensing, and other CMOS platforms for over 10 years. During his doctoral studies, he participated in the research and development of the world's first on-chip optical interconnect technology, which was published in Nature. He has published over 10 papers in top journals, applied for more than 130 global patents, and has been granted 20 patents. During his doctoral studies, he participated as a core member in the world's first on-chip optical interconnect project, responsible for the development of several key devices.

Dr. Meng received his bachelor's degree in electric and electronic engineering with first class honor from Nanyang Technological University in Singapore in July 2011, and received his doctorate degree in electric engineering and computer science from MIT in the United States in August 2018.

Mr. Wang Long, aged 57, is our executive Director and has been our chief operating officer since September 2023, being responsible for leading mass production, projects, research and development, as well as managing operations and quality control of mass-production products.

Mr. Wang has extensive experience in engineering, software development, and team management. Prior to joining our Company, he held senior leadership and engineering roles at several leading technology companies. From May 2020 to May 2023, he was vice president at Zeku Technology (Shanghai) Co., Ltd. (哲庫科技(上海)有限公司) and oversaw the research and development of baseband and connectivity chips. From January 2016 to March 2020, he served as executive vice president and general manager of the Connectivity Business Unit at Unisoc (Shanghai) Co., Ltd. (紫光展銳(上海)有限公司). Mr. Wang worked at Qualcomm Inc. as senior director of engineering from May 2011 to September 2015, at Atheros Communications Inc. as senior director of engineering from July 2003, and at PCTEL Inc. as staff engineer from May 1999 to July 2003. He also held engineering positions at Mediacom Technologies PTE LTD in the 1990s, focused on software development and engineering team management.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Wang received his bachelor's degree in mechanical engineering from Zhejiang University (浙江大學) in the PRC in June 1990 and his master's degree in mechanical engineering from Shanghai Jiao Tong University (上海交通大學) in the PRC in February 1995.

Mr. Zhang Hong (張弘), aged 38, is our executive Director and has been our chief financial officer since 2020. He is responsible for overall financial strategic planning, capital markets, and financial and accounting affairs. Mr. Zhang has extensive experience in finance and investment. He was an investment manager at Yunfeng Fund (雲鋒基金) from June 2018 to June 2020, an assistant vice president in investment banking department at Barclays Bank from July 2017 to June 2018, and an assistant fund manager at Topsperity Fund Management Co., Ltd. (德邦基金管理有限公司) from June 2012 to June 2015.

Mr. Zhang obtained his bachelor's degree in biological sciences from Fudan University (復旦大學) in the PRC in July 2010, a master's degree in biology from New York University in the United States in May 2012, and a master of business administration from MIT in June 2017. Mr. Zhang holds various professional qualifications, including the China Securities Industry Qualification and Fund Industry Qualification awarded in 2012 and the U.S. FINRA Series 63 and Series 79 qualifications awarded in 2017, and he is a Chartered Financial Analyst (CFA) holder accredited by the CFA Institute.

Non-executive Directors

Mr. Yu Ze (俞澤), aged 39, is our non-executive Director and is responsible for providing strategic advice on the development of the Company. Mr. Yu has been appointed as our Director since April 2025. He is responsible for providing professional opinions and judgment to the Board. Mr. Yu has extensive experience in investment. He has served as an executive director at China Mobile Equity Investment Management Company Limited (和創數字私募股權基金管理(北京)有限公司) from August 2022 to present, and he was an investment director at JIC Technology Investment Co., Ltd. (建投華科投資股份有限公司) from February 2018 to July 2022 and a senior business manager at China Jianyin Investment Co., Ltd. (中國建銀投資股份有限公司) from July 2011 to February 2018.

Mr. Yu obtained his bachelor's and master's degrees in journalism from the Communication University of China (中國傳媒大學) in the PRC in June 2009 and June 2011, respectively, and a master of business administration from The Chinese University of Hong Kong in November 2021.

Mr. Zhang Kun (章錕), aged 46, is our non-executive Director and is responsible for providing strategic advice on the development of the Company. Mr. Zhang has been appointed as our Director since April 2025. Mr. Zhang has extensive experience in private equity investment. He worked at Prax Capital Management (Shanghai) Co., Ltd. (普凱投資管理(上海)有限公司) and Prax Capital Equity Management Co., Ltd. (普凱股權投資管理(上海)有限公司) from April 2008 to August 2017 as a general manager. From January 2019 to June 2019, he worked at Guochuang Zhongding Investment Management Co., Ltd. (國創中鼎投資管理有限公司). He later served as the deputy general manager and executive director of Zhuhai Guanrui Private Equity Fund Management Co., Ltd. (珠海觀睿私募基金管理有限公司) (previously known as 航投觀睿(珠海)投資管理有限公司) from December 2019 to February 2022. Since February 2022, he has been employed at Shanghai Fortera Capital Co., Ltd. (上海孚騰私募基金管理有限公司).

DIRECTORS AND SENIOR MANAGEMENT

Mr. Zhang obtained a bachelor's degree in international accounting from Shanghai International Studies University (上海外國語大學) in the PRC in July 2000, a master's degree in financial management from the same university in March 2003, and a Master of Business Administration in finance and entrepreneurship from the Kellogg School of Management at Northwestern University in the United States in June 2020.

Independent Non-executive Directors

Dr. Huang Weiping, aged 67, was appointed as an independent non-executive Director with effect from Listing Date. He is responsible for providing independent opinion and judgment to the Board. Dr. Huang has over three decades of experience in optical communication field and is widely known for his contributions and expertise for photonic devices and integrated circuits. He has been working at Shandong University (山東大學) in the PRC since May 2013 and currently serves as a professor in school of information science and engineering where he served as dean for a period. From 1999 to 2013, Dr. Huang served as a professor at McMaster University in Canada. From September 1989 to December 1998, he worked in department of electrical and computer engineering at University of Waterloo in Canada, successively served as assistant professor, associate professor with tenure and professor.

Apart from his academic achievements, he founded Apollo Photonics Inc. in August 1995 where he developed and commercialized design and simulation software for photonic devices and integrated circuits. Apollo Photonics Inc. was acquired in 1999 by Nanovation Technologies Inc. in the United States.

Dr. Huang is a senior member of the IEEE and a member of MIT Electromagnetics Academy. He was also elected as a Cheung Kong Scholar by the Ministry of Education of the PRC and the Li Ka Shing Foundation in Hong Kong in 2000 and as a Taishan Scholar Overseas Distinguished Expert by the Shandong Provincial People's Government of the PRC in March 2012. In 2024, Dr. Huang was included in the list of the world's top 2% scientists published by Stanford University in the United States. Dr. Huang obtained a bachelor's degree in electronic engineering from Shandong University (山東大學) in the PRC in February 1982, a master's degree in fiber from the University of Science and Technology of China (中國科學技術大學) in the PRC in August 1984 and a doctorate degree in Electronic Engineering and Computer Science from MIT in the United States in September 1989.

Dr. Zhao Hang (趙行), aged 35, was appointed as an independent non-executive Director with effect from Listing Date. He is responsible for providing independent opinion and judgment to the Board.

Dr. Zhao has been working as an assistant professor and distinguished researcher at the Institute for Interdisciplinary Information Sciences (IIIS), Tsinghua University since December 2020. Previously, he worked at Waymo LLC as a research scientist, focusing on the research of algorithms on automatic driving from August 2018 to October 2020.

Dr. Zhao obtained a bachelor's degree in Information Engineering from Zhejiang University (浙江大學) in the PRC in July 2013 and a doctorate degree in Computer Science from MIT in the United States in June 2019.

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Ms. Xu Lili (徐黎黎), aged 44, was appointed as an independent non-executive Director with effect from Listing Date. She is responsible for providing independent opinion and judgment to the Board. Ms. Xu has more than 20 years experience in financial management. She is now the chief financial officer of ClouDr Group, China's largest SaaS-based digital chronic condition management solution provider. She is primarily responsible for overseeing the corporate finance, handling investor relationships, and overseeing all the investments and acquisitions of the group. From March 2014 to September 2020, she was appointed as the chief financial officer and executive director for Tongdao Liepin Group (HKEx: 6100). Prior to that, Ms. Xu held various roles at General Electric Company (NYSE: GE), with her last role as the chief financial officer of GE Power Generation Services China, from January 2005 to March 2014.

Ms. Xu also serves as the independent non-executive Director for MINISO Group Holding Limited (NYSE: MNSO, HKEx: 9896), Yalla Group Limited (NYSE: YALA) and Weilong Delicious Global Holdings Ltd (HKEx: 9985).

Ms. Xu received a bachelor's degree in international business from Nanjing University (南京大學) in the PRC in June 2003 and a master's degree in local economic development from the London School of Economics and Political Science in the UK in November 2004. In June 2023, Ms. Xu received a master's degree in business administration from Tsinghua University (清華大學) in the PRC. Ms. Xu is a public accountant certified by the Board of Accountancy of Washington State of the United States since June 2012. She is also a member of the American Institute of Certified Public Accountants.

SENIOR MANAGEMENT

The following table sets forth the key information about our senior management.

Name	Age	Position/Title	Time of Joining our Group	Time of Appointment as Our Senior Management	Responsibilities
Dr. Shen Yichen (沈亦晨)	37	Founder, chairman of the Board, executive Director and chief executive officer	October 2017	February 2018	Oversee overall management and business operations, manage board affairs, formulate strategies and operational plans, and make major business decisions of the Group
Dr. Meng Huaiyu (孟懷宇)	37	Co-founder, executive Director and chief technology officer	October 2017	July 2019	Formulate the Company's technological development roadmap, manage the Company's core IP assets, and oversee major external R&D projects undertaken by the Company
Mr. Wang Long . .	57	Executive Director and chief operating officer	September 2023	September 2023	Lead overall mass production, projects, research and development, and oversee project management, operations, and quality control of mass-production products

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position/Title	Time of Joining our Group	Time of Appointment as Our Senior Management	Responsibilities
Mr. Zhang Hong (張弘).	38	Executive Director and chief financial officer	June 2020	June 2020	Direct overall financial strategic planning, manage capital markets activities, and oversee financial and accounting affairs

For the biographical details of Dr. Shen, Dr. Meng, Mr. Wang and Mr. Zhang, see “— Board of Directors — Executive Directors”.

GENERAL

Save as disclosed above, none of the Directors or members of senior management of our Company has been a director of any public company the securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this Prospectus. None of the Directors or members of the senior management of our Company is related to any other Directors and members of the senior management of our Company. To the best knowledge, information and belief of our Directors having made all reasonable inquiries, there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of the Shareholders and there was no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules as of the Latest Practicable Date.

CONFIRMATION FROM OUR DIRECTORS

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, either directly or indirectly, with our Company’s business which would require disclosure under Rule 8.10 of the Listing Rules.

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in September 2025, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Each of the independent non-executive Directors has confirmed (i) his/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he/she has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointments.

JOINT COMPANY SECRETARIES

Ms. Lin Yifan (林一帆), aged 38, joined our Group in August 2020 and was appointed as our company secretary with effect from the Listing Date. She has been serving as an inhouse counsel in our Group since August 2020. Ms. Lin received a bachelor’s degree in law from Sun Yat-sen University (中山大學) in the PRC in June 2011 and a master’s degree in law from the University of Hong Kong in November 2013. In January 2014, she obtained a master’s degree in legal history from Peking University (北京大學) in the PRC. She further pursued studies in the United States, earning a master of

DIRECTORS AND SENIOR MANAGEMENT

degree in law from the University of Pennsylvania in May 2015 and a doctor of juridical science degree from the same university in August 2020. Ms. Lin is a qualified legal professional certified by the Ministry of Justice of the People's Republic of China (中華人民共和國司法部) since March 2012 and she has been admitted to the New York State Bar in the United States since December 2016.

Ms. Yeung Siu Wai Kitty (楊小慧), was appointed as the company secretary of the Company with effect from the Listing Date. Ms. Yeung is a senior manager of company secretarial services of Tricor Services Limited (a member of Vistra group). Ms. Yeung has over 15 years of experience in the corporate secretarial field. She has been providing professional corporate services to Hong Kong listed companies as well as private and offshore companies. Ms. Yeung is a chartered secretary, a chartered governance professional and an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. Yeung currently serves as the company secretary of Phancy Group Co., Ltd. (範式智能技術集團股份有限公司) (previously known as 北京第四範式智能技術股份有限公司) (HKEx: 6682), and the joint company secretary of each of Deepexi Technology Co., Ltd. (滴普科技股份有限公司) (HKEx: 1384), Shanghai Able Digital Science&Tech Co., Ltd. (上海卓越睿新數碼科技股份有限公司) (HKEx: 2687), and China Everbright Bank Company Limited (中國光大銀行股份有限公司) (HKEx: 6818).

Ms. Yeung received her bachelor's degree of social science in administration and public management from City University of Hong Kong (香港城市大學) in November 2006 and her master's degree in corporate governance from Hong Kong Metropolitan University (香港都會大學) (formerly known as The Open University of Hong Kong (香港公開大學)) in August 2017.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant laws and regulations and the Corporate Governance Code, our Company has formed four Board committees, namely the Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee and the Strategy Committee.

Audit Committee

We have established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the Corporate Governance Code. The Audit Committee consists of three Directors, namely Ms. Xu Lili (徐黎黎), Dr. Huang Weiping and Dr. Zhao Hang (趙行). Ms. Xu Lili (徐黎黎) has the appropriate professional qualifications or accounting or related financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules. Ms. Xu Lili (徐黎黎) serves as the chairman of the Audit Committee.

Remuneration and Appraisal Committee

We have established a Remuneration Committee with written terms of reference in compliance with paragraph E.1 of the Corporate Governance Code. The Remuneration Committee consists of three Directors, namely Dr. Shen Yichen (沈亦晨), Dr. Huang Weiping and Dr. Zhao Hang (趙行). Dr. Zhao Hang (趙行) serves as the chairman of the Remuneration Committee.

DIRECTORS AND SENIOR MANAGEMENT

Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with paragraph B.3 of the Corporate Governance Code. The Nomination Committee consists of three Directors, namely Dr. Shen Yichen (沈亦晨), Dr. Huang Weiping and Ms. Xu Lili (徐黎黎). Dr. Huang Weiping serves as the chairman of the Nomination Committee.

Strategy Committee

We have established a Strategy Committee with written terms of reference. The Strategy Committee consists of five Directors, namely Dr. Shen Yichen (沈亦晨), Dr. Huang Weiping, Dr. Meng Huaiyu (孟懷宇), Mr. Wang Long and Mr. Zhang Hong (張弘). Dr. Shen Yichen (沈亦晨) serves as the chairperson of the Strategy Committee.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors receive compensation in the form of fees, salaries, allowances, discretionary bonuses, share-based compensation, retirement benefit scheme contributions and other benefits in kind.

For the years ended December 31, 2023, 2024 and 2025, the aggregate amount of remuneration paid or payable to our Directors amounted to RMB6.1 million, RMB6.5 million and RMB107.3 million, respectively. Under the current compensation arrangement, we estimate the total compensation before taxation to be accrued to our Directors for the year ended December 31, 2026 to be approximately RMB35.3 million. The total emoluments for the remaining individuals among the five highest paid individuals amounted to RMB26.3 million, RMB37.9 million and RMB12.5 million for the years ended December 31, 2023, 2024 and 2025, respectively.

During the Track Record Period, no remuneration was paid by our Company to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining our Company or as compensation for loss of office in connection with the management positions of our Company or any of our subsidiaries. During the Track Record Period, none of our Directors waived any remuneration. Save as disclosed above, no other payments have been paid, or are payable, by our Company or any of our subsidiaries to our Directors or the five highest paid individuals during the Track Record Period.

CORPORATE GOVERNANCE

Pursuant to Code Provision C.2.1 of part 2 of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules, 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 officer should be separate and should not be performed by the same individual. We do not have a separate chairman and chief executive officer and Dr. Shen currently performs these two roles. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. Specifically, as the pioneering scientist who first proposed the theory of utilizing light to perform AI algorithms, Dr. Shen possesses the relevant technical expertise that forms the cornerstone of our research and development. His scientific background is indispensable for translating optical AI technologies into commercially viable products. As the founder of the Group, Dr. Shen's unified leadership ensures that our long-term strategic roadmap

DIRECTORS AND SENIOR MANAGEMENT

aligns with our specialized technological capabilities and future development goals. Having him serve as both chairman and chief executive officer bridges high-level board oversight with day-to-day operational execution, ensuring that our complex R&D milestones are rapidly and effectively commercialized. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively.

BOARD DIVERSITY POLICY

In order to enhance the effectiveness of our Board and to maintain the high standard of corporate governance, we have adopted the board diversity policy which sets out the objective and approach to achieve and maintain diversity of our Board. Pursuant to the board diversity policy, we seek to achieve board diversity through the consideration of a number of factors when selecting the candidates to our Board, including but not limited to gender, skills, age, professional experience, knowledge, cultural and educational background, and length of service. The ultimate decision of the appointment will be based on merit and the contribution which the selected candidates will bring to our Board.

Our Directors have a balanced mix of knowledge and skills, including overall management and strategic development, accounting and corporate governance in addition to industry experience. We have three independent non-executive Directors with different industry backgrounds, representing one-third of the members of our Board. Our Company has evaluated the structure, size and composition of our Board, and is of the opinion that the structure of our Board is reasonable, and the experience and skills of the Directors in various aspects and fields can enable our Company to maintain a high standard of operations.

Besides, we particularly recognize the importance of gender diversity. We have taken, and will continue to take, steps to promote gender diversity at all levels of our Company, including but without limitation to our Board and senior management levels. Going forward, we will continue to work to enhance gender diversity of our Board when selecting and recommending suitable candidates for Board appointments. Our Company also intends to promote gender diversity at the mid to senior level so that our Company can maintain a balanced gender ratio at different levels. Taking into account our existing business model and specific needs as well as the different background of our Directors, the composition of our Board satisfies our board diversity policy.

Our Nomination Committee is responsible for ensuring the diversity of our Board members. After the Listing, our Nomination Committee will examine the board diversity policy from time to time to ensure its continued effectiveness and we will disclose in our corporate governance report about the implementation of the board diversity policy on an annual basis.

COMPLIANCE ADVISER

We have appointed Rainbow Capital (HK) Limited as our Compliance Adviser pursuant to Rule 3A.19 of the Listing Rules. Our Compliance Adviser will provide us with guidance and advice as to compliance with the Listing Rules and applicable Hong Kong laws. Pursuant to Rule 3A.23 of the Listing Rules, our Compliance Adviser will advise our Company, among others, in the following circumstances: (a) before the publication of any regulatory announcement, circular or financial report; (b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues, sales or transfers of treasury shares and share repurchases; (c) where we propose to use the proceeds from the Global Offering in a manner different from that detailed in this Prospectus

DIRECTORS AND SENIOR MANAGEMENT

or where our business activities, developments or results deviate from any forecast, estimate or other information in this Prospectus; and (d) where the Stock Exchange makes an inquiry to our Company regarding unusual movements in the price or trading volume of its listed securities or any other matters in accordance with Rule 13.10 of the Listing Rules. The term of the Compliance Adviser's appointment will commence on the Listing Date and is expected to end on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing.

RELATIONSHIP WITH OUR SINGLE LARGEST SHAREHOLDERS

OUR SINGLE LARGEST SHAREHOLDERS

Immediately upon completion of the Global Offering, Dr. Shen will directly exercise approximately 6.43% voting rights in the Company and he will also control approximately 13.78% voting rights in the Company through concert party agreements with LightAI EIP, Mach C and Youguang Zhiyuan. For details, please refer to the section headed “History, Development and Corporate Structure — Concert Party Agreements”. In addition, Youguang Shuoran is the general partner of Youguang Yihui, one of our Share Incentive Platforms, and Youguang Shuoran is held by Dr. Shen as to 80%. Therefore, Dr. Shen will also control the voting rights of 9.33% in the Company of Youguang Yihui. As such, Dr. Shen will control an aggregate of 29.55% voting rights in the Company upon completion of the Global Offering and 34.76% voting rights in the Company as of the Latest Practicable Date, and Dr. Shen, LightAI EIP, Mach C, Youguang Zhiyuan, Youguang Shuoran and Youguang Yihui, together with Deep Harbor Limited, Foong Jun Zhe, Youguang Yuning and Mr. Zhang Hong, will be our Single Largest Shareholders upon Listing.

RULE 8.10 OF THE LISTING RULES

Each of our Single Largest Shareholders has confirmed that he or it or his or its respective close associates do not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, and which would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR SINGLE LARGEST SHAREHOLDER

Our Directors consider that we are capable of carrying on our business independently from our Single Largest Shareholders and their close associates after Listing, taking into consideration the factors below.

Management Independence

We are able to carry on our business independently from our Single Largest Shareholder from a management perspective. Our Board consists of eight Directors other than Dr. Shen, one of our Single Largest Shareholders, including three executive Directors, two non-executive Directors and three independent non-executive Directors.

- (a) each Director is aware of his/her fiduciary duties as a director which require, among other things, that he/she acts for the benefit and in the interest of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests;
- (b) our daily management and operations are carried out by a senior management team, apart from Dr. Shen, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Group. For details of the industry experience of our senior management team, see “Directors and Senior Management” in this Prospectus;
- (c) we have three independent non-executive Directors and certain matters of our Company must always be referred to the independent non-executive Directors for review;

RELATIONSHIP WITH OUR SINGLE LARGEST SHAREHOLDERS

- (d) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and a Director and/or his/her associate, he/she shall abstain from voting and shall not be counted towards the quorum for the voting; and
- (e) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and the Single Largest Shareholder which would support our independent management. For details, see the paragraph headed “— Corporate Governance” in this section.

Based on the above, our Directors believe that our Board as a whole and together with our senior management are able to perform the managerial role in our Group independently from the Single Largest Shareholder and his close associates after Listing.

Operational Independence

We do not rely on the Single Largest Shareholders and their close associates for our business development, staffing, administration, finance, internal audit, technology, sales and marketing, human resources or company secretarial functions. We have our own departments specializing in these respective areas which have been in operation and are expected to continue to operate separately and independently from the Single Largest Shareholders and their close associates.

We have independent access to suppliers and customers and an independent management team to handle our day-to-day operations. We are also in possession of all relevant licenses, certificates, facilities and intellectual property rights necessary to carry on and operate our principal businesses and we have sufficient operational capacity in terms of capital and employees to operate independently.

Based on the above, our Directors believe that we are able to operate independently of the Single Largest Shareholders and their close associates.

Financial Independence

We have an independent financial system and make financial decisions according to our Group's own business needs. We have internal control and accounting systems and an independent finance department for discharging the treasury function. We do not expect to rely on the Single Largest Shareholders and their close associates for financing after Listing as we expect that our working capital will be funded by cash flows generated from financings, bank loans as well as the proceeds from the Global Offering.

In addition, we are capable of obtaining financing from independent third parties without relying on any guarantee or security provided by our Single Largest Shareholders or their associates. As of the Latest Practicable Date, there was no outstanding loans or guarantees provided by or granted to the Single Largest Shareholders or their associates. During the Track Record Period and as of the Latest Practicable Date, we had received a series of Pre-IPO Investments from third party investors independently. For details of the Pre-IPO Investments, see “History, Development and Corporate Structure” in this Prospectus. Based on the above, our Directors believe that we do not place undue reliance on the Single Largest Shareholders upon Listing.

RELATIONSHIP WITH OUR SINGLE LARGEST SHAREHOLDERS

CORPORATE GOVERNANCE

Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules (the “**Corporate Governance Code**”), which sets out principles of good corporate governance. Our Directors recognize the importance of good corporate governance in protection of our Shareholders’ interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and the Single Largest Shareholders:

- (i) where a Shareholders’ meeting is to be held for considering proposed transactions in which the Single Largest Shareholders or any of their associates has a material interest, the Single Largest Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;
- (ii) our Company has established internal control mechanisms to identify connected transactions. Upon Listing, if our Company enters into connected transactions with a substantial shareholder or any of their associates, our Company will comply with the applicable Listing Rules;
- (iii) the independent non-executive Directors will review, on an annual basis, whether there is any conflict of interests between the Group and the Single Largest Shareholders (the “**Annual Review**”) and provide impartial and professional advice to protect the interests of our minority Shareholders;
- (iv) the Single Largest Shareholders will undertake to provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by the independent non-executive Directors for the Annual Review;
- (v) our Company will disclose decisions (with basis) on matters reviewed by the independent non-executive Directors either in its interim or annual reports or by way of announcements;
- (vi) where our Directors reasonably request the advice of independent professionals, such as financial advisers, the appointment of such independent professionals will be made at our Company’s expenses; and
- (vii) we have appointed Rainbow Capital (HK) Limited as our Compliance Adviser to provide advice and guidance to us in respect of compliance with the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Group and the Single Largest Shareholders, and to protect minority Shareholders’ interests after Listing.

SHARE CAPITAL

BEFORE THE GLOBAL OFFERING

As of the Latest Practicable Date, the registered capital of our Company was RMB78,172,882, comprising 78,172,882 Unlisted Shares of nominal value RMB1.00 each.

UPON COMPLETION OF THE GLOBAL OFFERING

Immediately following completion of the Global Offering, assuming the Over-allotment Option is not exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage to total share capital
		(%)
Unlisted Shares in issue	17,186,801	18.69%
Unlisted Shares to be converted to H Shares	60,986,081	66.31%
H Shares to be issued under the Global Offering	13,795,215	15.00%
Total	91,968,097	100.00%

Immediately following completion of the Global Offering, assuming the Over-allotment Option is fully exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage to total share capital
		(%)
Unlisted Shares in issue	17,186,801	18.28%
Unlisted Shares to be converted to H Shares	60,986,081	64.85%
H Shares to be issued under the Global Offering	15,864,495	16.87%
Total	94,037,377	100.00%

RANKING

Upon completion of the Global Offering, we would have only one class of Shares. H Shares and Unlisted Shares are all ordinary Shares in the share capital of our Company. However, apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed for by or traded between legal or natural persons of the PRC. Unlisted Shares and H Shares will rank *pari passu* with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this Prospectus. All dividends in respect of the H Shares are to be paid by us in Hong Kong dollars or in the form of H Shares.

SHARE CAPITAL

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

According to the regulations issued by the CSRC, the holders of our Unlisted Shares may, at their own option, authorize the Company to apply to the CSRC for conversion of their respective Unlisted Shares to H Shares, and such converted Shares may be listed and traded on an overseas stock exchange provided that the required filings with the securities regulatory authorities of the State Council for the conversion, listing and trading of such converted Shares have been completed. Additionally, such conversion, trading and listing shall meet any requirement of internal approval process and in all respects comply with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange. Save as disclosed in this Prospectus and to the best knowledge of our Directors, we are not aware of the intention of such existing Shareholders to convert their Unlisted Shares.

If any of the Unlisted Shares are to be converted, listed and traded as H Shares on the Stock Exchange, the filings with the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange are necessary for such conversion. Based on the procedures for the conversion of Unlisted Shares into H Shares as set forth below, we will apply for the listing of all or any portion of the Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed conversion after the Global Offering to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the H Share register. As the listing of additional Shares after the Listing on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it does not require such prior application for listing at the time of our listing in Hong Kong. No class Shareholder voting is required for the conversion of such Shares or the listing and trading of such converted Shares on an overseas stock exchange. Any application for listing of the converted shares on the Stock Exchange after our initial listing is subject to prior notification by way of announcement to inform our Shareholders and the public of any proposed conversion.

After all the requisite filings have been completed and approvals have been obtained, the relevant Unlisted Shares will be withdrawn from the Unlisted Share register, and our Company will re-register such Shares on the H Share register maintained in Hong Kong and instruct the H Share Registrar to issue H Share certificates. Registration on the H Share register of our Company will be on the conditions that (i) the H Share Registrar lodges with the Stock Exchange a letter confirming the entry of the relevant H Shares on the H Share register and the due dispatch of H Share certificates; and (ii) the admission of the H Shares to be traded on the Stock Exchange complies with the Listing Rules and the General Rules of HKSCC and the HKSCC Operational Procedures in force from time to time. Until the converted Shares are re-registered on the H Share register of our Company, such Shares would not be listed as H Shares.

RESTRICTIONS OF SHARE TRANSFER

Pursuant to the PRC Company Law, our Shares issued prior to the Listing shall not be transferred within one year from the Listing Date. Shares transferred by our Directors and members of the senior management each year during their term of office, such term being determined at the time of their taking office, shall not exceed 25% of their total respective shareholdings in our Company unless otherwise permitted by applicable laws and regulations. The Shares that the aforementioned persons hold in our Company cannot be transferred within half a year after they leave their positions as Directors and members of the senior management in our Company.

SHAREHOLDERS' GENERAL MEETING

For details of circumstances under which our Shareholders' general meeting is required, see "Appendix III — Summary of Articles of Association."

SUBSTANTIAL SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the Global Offering and the conversion of our Unlisted Shares to H Shares assuming the Over-allotment Option is not exercised, the following persons will have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be, directly or indirectly interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of Shareholder	Nature of interest	As of the Latest Practicable Date		Immediately following the Global Offering (assuming the Over-allotment Option is not exercised)		
		Number of Unlisted Shares	Approximate percentage of shareholder in our total share capital	Number of Shares	Approximate percentage of shareholding in Unlisted Shares/H Shares	Approximate percentage of shareholding in our total share capital
Shen Yichen (沈亦晨).	Beneficial Interest	5,918,128	7.57%	2,959,064	17.22%	6.43%
				(Unlisted Shares)		
	Interest in Controlled Corporation ⁽¹⁾⁽²⁾	13,364,247	17.10%	2,959,064	3.96%	
				(H Shares)		
Youguang Yihui	Beneficial Interest	8,583,458	10.98%	6,682,123	38.88%	14.53%
				(Unlisted Shares)		
	Interest in Controlled Corporation ⁽¹⁾	8,583,458	10.98%	6,682,123	8.94%	
				(H Shares)		
Youguang Shuoran	Beneficial Interest	4,291,729	5.74%	4,291,729	24.97%	9.33%
				(Unlisted Shares)		
	Interest in Controlled Corporation ⁽¹⁾	4,291,729	5.74%	4,291,729	24.97%	9.33%
				(H Shares)		
Youguang Zhiyuan	Beneficial Interest	4,780,789	6.12%	2,390,394	13.91%	5.20%
				(Unlisted Shares)		
	Interest in Controlled Corporation ⁽²⁾	4,780,789	6.12%	2,390,395	3.20%	
				(H Shares)		
Shanghai Youguang Yuning Enterprise Management Co., Ltd. (上海有光煜寧企業管理有限公司)	Beneficial Interest	4,780,789	6.12%	2,390,394	13.91%	5.20%
				(Unlisted Shares)		
	Interest in Controlled Corporation ⁽²⁾	4,780,789	6.12%	2,390,395	3.20%	
				(H Shares)		
Shanghai Guangzhiyuan Benyuan Origin Enterprise Management Partnership (Limited Partnership) (上海光致遠本源企業管理合夥企業(有限合夥))	Beneficial Interest	4,780,789	6.12%	2,390,394	13.91%	5.20%
				(Unlisted Shares)		
	Interest in Controlled Corporation ⁽²⁾	4,780,789	6.12%	2,390,395	3.20%	
				(H Shares)		
Zhang Hong (張弘)	Interest in Controlled Corporation ⁽²⁾	4,780,789	6.12%	2,390,394	13.91%	5.20%
				(Unlisted Shares)		

SUBSTANTIAL SHAREHOLDERS

Name of Shareholder	Nature of interest	As of the Latest Practicable Date		Immediately following the Global Offering (assuming the Over-allotment Option is not exercised)		
		Number of Unlisted Shares	Approximate percentage of shareholder in our total share capital	Number of Shares	Approximate percentage of shareholding in Unlisted Shares/H Shares	Approximate percentage of shareholding in our total share capital
				2,390,395 (H Shares)	3.20%	
LightAI EIP	Beneficial Interest	4,350,056	5.56%	4,350,056 (H Shares)	5.82%	4.73%
Deep Harbor Limited . . .	Interest in Controlled Corporation ⁽³⁾	4,350,056	5.56%	4,350,056 (H Shares)	5.82%	4.73%
Foong Jun Zhe, Benjamin .	Interest in Controlled Corporation ⁽³⁾	4,350,056	5.56%	4,350,056 (H Shares)	5.82%	4.73%
Ha Wai Kwan Benjamin . .	Beneficial Interest	3,045,519	3.90%	2,131,863 (Unlisted Shares)	12.40%	3.31%
				913,656 (H Shares)	1.22%	
MPC V L.P.	Beneficial Interest	3,532,177	4.52%	3,532,177 (H Shares)	4.72%	3.84%
MPC V-A L.P.	Beneficial Interest	367,334	0.47%	367,334 (H Shares)	0.49%	0.40%
MPC Management V L.P. .	Interest in Controlled Corporation ⁽⁴⁾	3,899,511	4.99%	3,899,511 (H Shares)	5.21%	4.24%
MPC GPGP V Ltd.	Interest in Controlled Corporation ⁽⁴⁾	3,899,511	4.99%	3,899,511 (H Shares)	5.21%	4.24%
David Su.	Interest in Controlled Corporation ⁽⁴⁾	3,899,511	4.99%	3,899,511 (H Shares)	5.21%	4.24%
Beijing Casstar Key & Core Technology Venture Capital Investment L.P. (北京中創星硬科技創業投資合夥企業(有限合夥))	Beneficial Interest	1,240,590	1.59%	1,240,590 (Unlisted Shares)	7.22%	1.35%
Beijing Science and Technology Innovation Fund (Limited Partnership) (北京市科技創新基金(有限合夥))	Interest in Controlled Corporation ⁽⁵⁾	1,240,590	1.59%	1,240,590 (Unlisted Shares)	7.22%	1.35%
Beijing Municipal Government Investment Guidance Fund (Limited Partnership) (北京市政府投資引導基金(有限合夥))	Interest in Controlled Corporation ⁽⁵⁾	1,240,590	1.59%	1,240,590 (Unlisted Shares)	7.22%	1.35%

SUBSTANTIAL SHAREHOLDERS

Name of Shareholder	Nature of interest	As of the Latest Practicable Date		Immediately following the Global Offering (assuming the Over-allotment Option is not exercised)		
		Number of Unlisted Shares	Approximate percentage of shareholder in our total share capital	Number of Shares	Approximate percentage of shareholding in Unlisted Shares/H Shares	Approximate percentage of shareholding in our total share capital
Beijing State-owned Capital Operation Management Co., Ltd. (北京市國有資本運營管理有限公司)	Interest in Controlled Corporation ⁽⁵⁾	1,240,590	1.59%	1,240,590 (Unlisted Shares)	7.22%	1.35%
Beijing Science and Technology Innovation Investment Management Co., Ltd. (北京科技創新投資管理有限公司)	Interest in Controlled Corporation ⁽⁵⁾	1,240,590	1.59%	1,240,590 (Unlisted Shares)	7.22%	1.35%
CICC Capital Operation Co., Ltd. (中金資本運營有限公司)	Interest in Controlled Corporation ⁽⁵⁾	1,240,590	1.59%	1,240,590 (Unlisted Shares)	7.22%	1.35%
China International Capital Corporation Limited (中國國際金融股份有限公司).	Interest in Controlled Corporation ⁽⁵⁾	1,240,590	1.59%	1,240,590 (Unlisted Shares)	7.22%	1.35%
Central Huijin Investment Ltd. (中央匯金投資有限公司)	Interest in Controlled Corporation ⁽⁵⁾	1,240,590	1.59%	1,240,590 (Unlisted Shares)	7.22%	1.35%
China Investment Co., Ltd. (中國投資有限責任公司).	Interest in Controlled Corporation ⁽⁵⁾	1,240,590	1.59%	1,240,590 (Unlisted Shares)	7.22%	1.35%
Beijing CASSTAR Venture Capital Investment Management Partnership (Limited Partnership) (北京中科創星創業投資管理合夥企業(有限合夥))	Interest in Controlled Corporation ⁽⁵⁾	1,240,590	1.59%	1,240,590 (Unlisted Shares)	7.22%	1.35%
Casstar Technology Venture Capital Co., Ltd. (中科創星科技投資有限公司)	Interest in Controlled Corporation ⁽⁵⁾⁽⁶⁾	2,212,149	2.83%	2,212,149 (Unlisted Shares)	12.87%	2.41%
Xi'an HuiKe Enterprise Management Consulting Co., Ltd. (西安慧科企業管理諮詢股份有限公司).	Interest in Controlled Corporation ⁽⁵⁾⁽⁶⁾	2,212,149	2.83%	2,212,149 (Unlisted Shares)	12.87%	2.41%
Mi Lei (米磊)	Interest in Controlled Corporation ⁽⁵⁾⁽⁶⁾	2,212,149	2.83%	2,212,149 (Unlisted Shares)	12.87%	2.41%
Li Hao (李浩)	Interest in Controlled Corporation ⁽⁵⁾⁽⁶⁾	2,212,149	2.83%	2,212,149 (Unlisted Shares)	12.87%	2.41%

SUBSTANTIAL SHAREHOLDERS

Name of Shareholder	Nature of interest	As of the Latest Practicable Date		Immediately following the Global Offering (assuming the Over-allotment Option is not exercised)		
		Number of Unlisted Shares	Approximate percentage of shareholder in our total share capital	Number of Shares	Approximate percentage of shareholding in Unlisted Shares/H Shares	Approximate percentage of shareholding in our total share capital
Shaanxi Advanced OEIC Technologies L.P. (陝西先導光電集成科技投資合夥企業(有限合夥)) . . .	Beneficial Interest	971,559	1.24%	971,559 (Unlisted Shares)	5.65%	1.06%
Shaanxi Kemai Investment Management Partnership (Limited Partnership) (陝西科邁投資管理合夥企業(有限合夥)).	Interest in Controlled Corporation ⁽⁶⁾	971,559	1.24%	971,559 (Unlisted Shares)	5.65%	1.06%
Shanghai Guofu Linghang Investment Partnership (Limited Partnership) (上海國孚領航投資合夥企業(有限合夥)).	Beneficial Interest	2,004,433	2.56%	1,002,216 (Unlisted Shares) 1,002,217 (H Shares)	5.83% 1.34%	2.18%
Shanghai State-owned Capital Investment Fund Company (上海國有資本投資母基金有限公司) . . .	Interest in Controlled Corporation ⁽⁷⁾	2,004,433	2.56%	1,002,216 (Unlisted Shares) 1,002,217 (H Shares)	5.83% 1.34%	2.18%
Shanghai Fortera Capital Co., Ltd. (上海孚騰私募基金管理有限公司) . . .	Interest in Controlled Corporation ⁽⁷⁾	2,004,433	2.56%	1,002,216 (Unlisted Shares) 1,002,217 (H Shares)	5.83% 1.34%	2.18%
Shanghai Guotou Capital Management Co., Ltd. (上海國投資本管理有限公司)	Interest in Controlled Corporation ⁽⁷⁾	2,004,433	2.56%	1,002,216 (Unlisted Shares) 1,002,217 (H Shares)	5.83% 1.34%	2.18%
Shanghai Guotu Capital Investment Co., Ltd. (上海國投資本投資有限公司).	Interest in Controlled Corporation ⁽⁷⁾	2,004,433	2.56%	1,002,216 (Unlisted Shares) 1,002,217 (H Shares)	5.83% 1.34%	2.18%

Notes:

- (1) The general partner of Youguang Yihui is Youguang Shuoran, who is held by Dr. Shen as to 80%. Therefore, each of Dr. Shen and Youguang Shuoran is deemed to be interested in the Shares held by Youguang Yihui.
- (2) The general partner of Youguang Zhiyuan is Shanghai Youguang Yuning Enterprise Management Co., Ltd. (上海有光煜寧企業管理有限公司), which is held by Mr. Zhang Hong as to 80%. Shanghai Guangzhiyuan Benyuan Origin Enterprise Management Partnership (Limited Partnership) (上海光致遠本源企業管理合夥企業(有限合夥)) is interested in Youguang Zhiyuan as to approximately 51.5383%, which is in turn held by Dr. Shen as to 35.9321% as limited partner and managed by Shanghai Youguang Yuning Enterprise Management Co., Ltd. (上海有光煜寧企業管理有限公司) as its general partner. Therefore, each of Shanghai Youguang Yuning Enterprise Management Co., Ltd. (上海有光煜寧企業管理有限公司), Mr. Zhang Hong, Shanghai Guangzhiyuan Benyuan Origin Enterprise Management Partnership (Limited Partnership) (上海光致遠本源企業管理合夥企業(有限合夥)) and Dr. Shen is deemed to be interested in the Shares held by Youguang Zhiyuan.

SUBSTANTIAL SHAREHOLDERS

- (3) The general partner of LightAI EIP is Deep Harbor Limited, which is in turn wholly owned by Foong Jun Zhe, Benjamin. As such, each of Deep Harbor Limited and Foong Jun Zhe, Benjamin is deemed to be interested in the Shares held by Light AI EIP.
- (4) The general partner of MPC V, L.P. and MPC V-A L.P. is MPC Management V L.P.. The general partner of MPC Management V L.P. is MPC GPGP V Ltd.. David Su is the controlling shareholder of MPC GPGP V Ltd.. Therefore, each of MPC Management V L.P., MPC GPGP V Ltd. and David Su is deemed to be interested in the Shares held by MPC V, L.P. and MPC V-A L.P..
- (5) Beijing Science and Technology Innovation Fund (Limited Partnership) (北京市科技創新基金(有限合夥)) is interested in Beijing Casstar Key & Core Technology Venture Capital Investment L.P. (北京中科創星硬科技創業投資合夥企業(有限合夥)), “Beijing CASSTAR”) as to 36.6447% as its limited partner and Beijing CASSTAR Venture Capital Investment Management Partnership (Limited Partnership) (北京中科創星創業投資管理合夥企業(有限合夥)) is its general partner. Beijing Science and Technology Innovation Fund (Limited Partnership) (北京市科技創新基金(有限合夥)) is held by Beijing Municipal Government Investment Guidance Fund (Limited Partnership) (北京市政府投資引導基金(有限合夥)) as to 49.1425% as its limited partner, which is in turn held by Beijing State-owned Capital Operation Management Co., Ltd. (北京市國有資本運營管理有限公司). The general partner of Beijing Science and Technology Innovation Fund (Limited Partnership) (北京市科技創新基金(有限合夥)) is Beijing Science and Technology Innovation Investment Management Co., Ltd. (北京科技創新投資管理有限公司), which is held by CICC Capital Operation Co., Ltd. (中金資本運營有限公司, “CICC Capital”) as to 51%, which is in turn wholly owned by China International Capital Corporation Limited (中國國際金融股份有限公司), which is held by Central Huijin Investment Ltd. (中央匯金投資有限公司) as to 40.11%. It is wholly owned by China Investment Co., Ltd. (中國投資有限責任公司). Beijing CASSTAR Venture Capital Investment Management Partnership (Limited Partnership) (北京中科創星創業投資管理合夥企業(有限合夥)) is managed by Casstar Technology Venture Capital Co., Ltd. (中科創星科技投資有限公司, “CASSTAR”) as general partner with a partnership interests of 99.9%. CASSTAR is held by Xi'an HuiKe Enterprise Management Consulting Co., Ltd. (西安慧科企業管理諮詢股份有限公司) as to 49.9271%, which is in turn held by Mi Lei and Li Hao as to 47.9866% and 34.9885%, respectively. As such, each of Beijing Science and Technology Innovation Fund (Limited Partnership) (北京市科技創新基金(有限合夥)), Beijing CASSTAR Venture Capital Investment Management Partnership (Limited Partnership) (北京中科創星創業投資管理合夥企業(有限合夥)), Beijing Municipal Government Investment Guidance Fund (Limited Partnership) (北京市政府投資引導基金(有限合夥)), Beijing State-owned Capital Operation Management Co., Ltd. (北京市國有資本運營管理有限公司), Beijing Science and Technology Innovation Investment Management Co., Ltd. (北京科技創新投資管理有限公司), CICC Capital, China International Capital Corporation Limited (中國國際金融股份有限公司), Central Huijin Investment Ltd. (中央匯金投資有限公司), China Investment Co., Ltd. (中國投資有限責任公司), CASSTAR, Xi'an HuiKe Enterprise Management Consulting Co., Ltd. (西安慧科企業管理諮詢股份有限公司), Mi Lei (米磊) and Li Hao (李浩) is deemed to be interested in the Shares held by Beijing CASSTAR.
- (6) The general partner of Shaanxi Advanced OEIC Technologies L.P. (陝西先導光電集成科技投資合夥企業(有限合夥)), “Shaanxi Advanced OEIC”) is Shaanxi Kemai Investment Management Partnership (Limited Partnership) (陝西科邁投資管理合夥企業(有限合夥)), which is managed by CASSTAR as general partner with a partnership interests of 82.33%. CASSTAR is held by Xi'an HuiKe Enterprise Management Consulting Co., Ltd. (西安慧科企業管理諮詢股份有限公司) as to 49.9271%, which is in turn held by Mi Lei and Li Hao as to 47.9866% and 34.9885%, respectively. As such, each of Shaanxi Kemai Investment Management Partnership (Limited Partnership) (陝西科邁投資管理合夥企業(有限合夥)), CASSTAR, Xi'an HuiKe Enterprise Management Consulting Co., Ltd. (西安慧科企業管理諮詢股份有限公司), Mi Lei (米磊) and Li Hao (李浩) is deemed to be interested in the Shares held by Shaanxi Advanced OEIC.
- (7) The general partner of Shanghai Guofu Linghang Investment Partnership (Limited Partnership) (上海國孚領航投資合夥企業(有限合夥)), “Shanghai Guofu”) is Shanghai Fortera Capital Co., Ltd. (上海孚騰私募基金管理有限公司), which is held by Shanghai Guotou Capital Management Co., Ltd. (上海國投資本管理有限公司) as to 35%, which is in turn wholly owned by Shanghai Guotu Capital Investment Co., Ltd. (上海國投資本投資有限公司). Shanghai State-owned Capital Investment Fund Company (上海國有資本投資母基金有限公司) is interested in Shanghai Guofu as its limited partner as to 99.94%. Therefore, each of Shanghai Fortera Capital Co., Ltd. (上海孚騰私募基金管理有限公司), Shanghai Guotou Capital Management Co., Ltd. (上海國投資本管理有限公司), Shanghai Guotu Capital Investment Co., Ltd. (上海國投資本投資有限公司) and Shanghai State-owned Capital Investment Fund Company (上海國有資本投資母基金有限公司) is deemed to be interested in the Shares held by Shanghai Guofu.

Save as disclosed herein and the section headed “Statutory and General Information — Further Information about our Directors, Senior Management and Substantial Shareholders — 2. Substantial Shareholders” in Appendix IV to this Prospectus, our Directors are not aware of any persons who will, immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised), have interests and/or short positions in Shares or underlying shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or who are, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company.

CORNERSTONE INVESTORS

THE CORNERSTONE PLACING

We have entered into cornerstone investment agreements (each a “**Cornerstone Investment Agreement**” and collectively, the “**Cornerstone Investment Agreements**”) with the cornerstone investors set out below (each a “**Cornerstone Investor**” and collectively, the “**Cornerstone Investors**”), pursuant to which the Cornerstone Investors have agreed to, subject to certain conditions, subscribe, or cause their designated entities to subscribe, at the Offer Price for such number of Offer Shares (rounded down to the nearest whole board lot of 15 H Shares) that may be purchased for an aggregate amount of US\$209.9 million (or approximately HK\$1,644.2 million, calculated based on the exchange rate set out in the section headed “Information about this Prospectus and the Global Offering — Exchange Rate Conversion” in this Prospectus) (the “**Cornerstone Placing**”). The aggregate amount of the investment contributed by the Cornerstone Investors does not include brokerage, SFC transaction levy, AFRC transaction levy and Hong Kong Stock Exchange trading fee which the Cornerstone Investors will pay in respect of the Offer Shares to be subscribed by them.

Based on the Offer Price of HK\$166.6 per H Share, being the low-end of the indicative Offer Price range, the total number of Offer Shares to be subscribed by the Cornerstone Investors would be 9,868,770 Offer Shares, representing approximately (i) 71.54% of the Offer Shares and 10.73% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised); and (ii) 62.21% of the Offer Shares and 10.49% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is fully exercised).

Based on the Offer Price of HK\$174.9 per H Share, being the midpoint of the indicative Offer Price range, the total number of Offer Shares to be subscribed by the Cornerstone Investors would be 9,400,455 Offer Shares, representing approximately (i) 68.14% of the Offer Shares and 10.22% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised); and (ii) 59.25% of the Offer Shares and 10.00% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is fully exercised).

Based on the Offer Price of HK\$183.2 per H Share, being the high-end of the indicative Offer Price range, the total number of Offer Shares to be subscribed by the Cornerstone Investors would be 8,974,575 Offer Shares, representing approximately (i) 65.06% of the Offer Shares and 9.76% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised); and (ii) 56.57% of the Offer Shares and 9.54% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is fully exercised).

Our Company is of the view that, (i) the Cornerstone Placing will ensure a reasonable size of solid commitment at the beginning of the marketing period of the Global Offering and will provide confidence to the market, and (ii) leveraging on the investment experience of the Cornerstone Investors, the Cornerstone Placing will help to raise the profile of our Company and signify that such investors have confidence in our business and prospects. Our Company became acquainted with each of the Cornerstone Investors during its ordinary course of operations, either through the Group’s business network or through introduction by the Company’s business partners or the Overall Coordinators.

CORNERSTONE INVESTORS

The Cornerstone Placing will form part of the International Offering, and save as otherwise consented to by the Stock Exchange, the Cornerstone Investors (and for ICBC Wealth and Ping An AM who will subscribe for our Offer Shares through qualified domestic institutional investors (“**QDII(s)**”), the QDIIs) and their respective close associates will not subscribe for any Offer Shares under the Global Offering other than pursuant to the Cornerstone Investment Agreements. The Offer Shares to be subscribed by the Cornerstone Investors (and for ICBC Wealth and Ping An AM who will subscribe for our Offer Shares through QDIIs, the QDIIs) will rank *pari passu* in all respects with the fully paid Shares in issue and all the H Shares to be subscribed by the Cornerstone Investors will be counted towards the public float for the purpose of Rule 8.08 (as amended and replaced by Rule 19A.13A) of the Listing Rules. Immediately following the completion of the Global Offering, the Cornerstone Investors or their close associates will not, by virtue of their cornerstone investments, have any Board representation in our Company; and none of the Cornerstone Investors and their close associates will become a substantial Shareholder of our Company. The Cornerstone Investors do not have any preferential rights in the Cornerstone Investment Agreements compared with other public Shareholders, other than a guaranteed allocation of the relevant Offer Shares at the Offer Price.

As confirmed by each of the Cornerstone Investors, there are no side arrangements or agreements between our Company and the Cornerstone Investors or any benefit, direct or indirect, conferred on the Cornerstone Investors by virtue of or in relation to the Listing, other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, following the principles as set out in Chapter 4.15 of the Guide for New Listing Applicants.

The Cornerstone Investors have agreed to pay for the relevant Offer Shares that they have subscribed before dealings in the Company’s H Shares commence on the Stock Exchange. There will be no deferred settlement of the Offer Shares to be subscribed by the Cornerstone Investors. Where delayed delivery takes place, each Cornerstone Investor that may be affected by such delayed delivery arrangement has agreed that it shall nevertheless pay for the relevant Offer Shares in full before the Listing. Such delayed delivery arrangement is in place to facilitate the over-allocation in the International Offering. There will be no delayed delivery if there is no over-allocation in the International Offering.

To the best of the knowledge, information and belief of our Company, save as disclosed in the section headed “Waivers”, (i) each of the Cornerstone Investors (and for ICBC Wealth and Ping An AM who will subscribe for our Offer Shares through QDIIs, the QDIIs) is an Independent Third Party; (ii) none of the Cornerstone Investors (and for ICBC Wealth and Ping An AM who will subscribe for our Offer Shares through QDIIs, the QDIIs) is accustomed to taking instructions from the Company, our Directors, chief executive, the Single Largest Shareholders, substantial shareholders, existing Shareholders or any of their subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Offer Shares registered in its name or otherwise held by it; and (iii) none of the subscription of the Offer Shares by the Cornerstone Investors (and for ICBC Wealth and Ping An AM who will subscribe for our Offer Shares through QDIIs, the QDIIs) is directly or indirectly financed by the Company, our Directors, chief executive, the Single Largest Shareholders, substantial shareholders, existing Shareholders or any of their subsidiaries or their respective close associates. To the best knowledge of our Company, the Cornerstone Investors will make their subscription under the Cornerstone Investment Agreements financed by their own internal resources. Each of the Cornerstone Investors has confirmed that all necessary approvals have been obtained with respect to the Cornerstone Placing, and that no specific approval from any stock exchange (if relevant) or its shareholders is required for their participation in the Cornerstone Placing. 9,182,325, 8,746,590 and 8,350,335 Offer Shares subscribed under the Cornerstone Investment

CORNERSTONE INVESTORS

Agreements are subscribed by Cornerstone Investors who are independent price setting investors as defined under paragraph 43 in Chapter 2.5 of the Guide for New Listing Applicants, representing 66.56%, 63.40% and 60.53% of the total Offer Shares (assuming the Over-allotment Option is not exercised) based on the low-end, mid-end and high end of the indicative Offer Price range, respectively.

Details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement of our Company to be published on or around Monday, April 27, 2026.

THE CORNERSTONE INVESTORS

The information about our Cornerstone Investors set forth below has been provided by our Cornerstone Investors in connection with the Cornerstone Placing.

Alibaba Investment

Alibaba Investment Limited (“**Alibaba Investment**”) is a limited liability company incorporated in the British Virgin Islands and a wholly owned subsidiary of Alibaba Group Holding Limited, a company listed on the New York Stock Exchange (symbol: BABA) and the Stock Exchange (stock code: HK.09988). Alibaba Investment is a holding company for Alibaba’s strategic investments.

GIC

GIC Private Limited (“**GIC**”) is a leading global investment firm established in 1981 to secure Singapore’s financial future. As the manager of Singapore’s foreign reserves, it takes a long-term, disciplined approach to investing. Its asset allocation strategy spans three asset groups – equities, fixed income, and real assets. These include investments in developed and emerging market equities, nominal and inflation-linked bonds, private equity, real estate, alternatives, and infrastructure. It is headquartered in Singapore, with a global presence including a talent force of over 2,300 people in 11 key financial cities and investments in over 40 countries. GIC seeks to add meaningful value to its investments and be an investor of choice by leveraging its long-term approach, multi-asset capabilities, and global connectivity.

Baillie Gifford

Baillie Gifford Overseas Limited and Baillie Gifford & Co (together “**Baillie Gifford**”) are both discretionary investment managers established in the United Kingdom and authorised by the UK Financial Conduct Authority. Baillie Gifford has agreed to participate as cornerstone investor in the Global Offering on behalf of: (i) Baillie Gifford Asia Ex Japan Fund, a sub-fund of Baillie Gifford Worldwide Funds plc; (ii) Baillie Gifford Pacific Fund, a sub-fund of Baillie Gifford Overseas Growth Funds ICVC; and (iii) Pacific Horizon Investment Trust plc. No single ultimate beneficial owner holds 30% or more interest in each of the above mentioned funds.

CORNERSTONE INVESTORS

BlackRock

Investment management subsidiaries of BlackRock, Inc. (“**BlackRock**”) have discretionary investment management authority over The 32 Capital Master Fund SPC Ltd., BlackRock Global Equity Market Neutral Fund of BlackRock Funds, All China Opportunities Fund, Emerging Markets Alpha Master Fund Ltd., Global Alpha Opportunities Master Fund Ltd., BLACKROCK STRATEGIC FUNDS — BlackRock Systematic Global Equity Absolute Return Fund, Pan Asia Opportunities Master Fund Ltd., BLACKROCK STRATEGIC FUNDS — BlackRock Systematic Asia Pacific Equity Absolute Return Fund, SAE Liquidity Fund LP, BlackRock Systematic China Absolute Return Master Fund Ltd., BlackRock Systematic Total Alpha Master Fund Ltd., Asia Alpha Advantage Fund Ltd., BlackRock Global Funds — China Fund and BlackRock Strategic Funds — BlackRock Asia Pacific Absolute Return Fund and certain separately managed accounts (as several, and not joint nor joint and several investors; each, a “**BlackRock Fund**”, and collectively the “**BlackRock Funds**”). BlackRock is listed on the New York Stock Exchange (stock code: BLK). As of March 31, 2026, the firm managed approximately US\$13.9 trillion in assets on behalf of investors worldwide. BlackRock’s shareholders’ and New York Stock Exchange’s approval are not required for BlackRock Funds’ subscription for the Offer Shares pursuant to the Cornerstone Investment Agreement.

In addition to the conditions precedent as set out in “— Closing Conditions”, the subscription obligation of the BlackRock Funds is subject to the respective representations, warranties, acknowledgements, undertakings and confirmations of the Company being accurate, true and complete in all material respects and not misleading and there being no material breach of the Cornerstone Investment Agreement on the part of the Company. Further, the BlackRock Funds are entitled to terminate the Cornerstone Investment Agreement in the event there is a material breach of the Cornerstone Investment Agreement by the Company or other contracting parties or it is prevented or delayed from performing its obligations under the Cornerstone Investment Agreement as a result of circumstances beyond its control.

Fidelity International

FIL Investment Management (Hong Kong) Limited has entered into a Cornerstone Investment Agreement with the Company and the Joint Sponsors in the capacity as fiduciary and agent for the following entities: Fidelity Emerging Markets Limited, sub-fund of Fidelity Active Strategy – Emerging Markets Fund, sub-fund of Fidelity Funds – Asian Special Situations, sub-fund of Fidelity Funds – China Consumer, sub-fund of Fidelity Funds – China Innovation, sub-fund of Fidelity Investment Funds – Fidelity Asia Fund (the “**Funds**”) all of which are advised or sub-advised on a discretionary basis by FIL Investment Management (Hong Kong) Limited and its related group of companies collectively known as Fidelity International.

Schroders

Schroder Investment Management (Singapore) Ltd (“**SIMSL**”), Schroder Investment Management (Hong Kong) Limited (“**SIMHK**”) and Schroder Investment Management Limited (“**SIML**”) (together, “**Schroders**”), each acting as a discretionary investment manager for and on behalf of certain funds and/or segregated accounts focusing on areas including but not limited to Asian Equities or global emerging markets, have entered into the cornerstone investment agreement with the Company.

To the best of Schroders’ knowledge, no single ultimate beneficial owner holds 30% or more interest in the participating accounts of such funds/accounts, and each of such fund/account is an Independent Third Party.

SIMSL is a company incorporated in Singapore. SIMHK is a company incorporated in Hong Kong. SIML is a company incorporated in England and Wales. Each of SIMSL, SIMHK and SIML is ultimately wholly owned by Schroders plc, whose ordinary shares are listed on the London Stock Exchange (LON: SDR).

CORNERSTONE INVESTORS

There is no individual person who is the “ultimate controlling shareholder” of Schroders plc. The interests of some members of the Schroder family, are spread across a number of parties, who are collectively known as the Principal Shareholder Group (PSG).

Temasek

Taibai Investments Pte. Ltd. is an indirect wholly owned subsidiary of Temasek Holdings (Private) Limited (“**Temasek**”). Temasek is a global investment company headquartered in Singapore, with a net portfolio value of S\$434 billion as at 31 March 2025. Temasek’s Purpose “So Every Generation Prospers” guides it to make a difference for today’s and future generations. Temasek seeks to build a resilient and forward-looking portfolio that will deliver sustainable returns over the long term. It has 13 offices in 9 countries around the world: Beijing, Hanoi, Mumbai, Shanghai, Shenzhen, and Singapore in Asia; and Brussels, London, Mexico City, New York, Paris, San Francisco, and Washington, DC outside Asia.

CM Shanghai Fund

For information with respect to Shanghai CM Digital Transformation Investment Fund, L.P. (上海中移數字轉型產業私募基金合夥企業(有限合夥), “**CM Shanghai Fund**”), please refer to the section headed “History, Development and Corporate Structure — Pre-IPO Investments — Information About Our Pre-IPO Investors”.

HHLRA FUNDS

HHLR Advisors, Ltd. (“**HHLRA**”), part of the Hillhouse Group, is an exempted company incorporated in the Cayman Islands that acts as the investment manager of investment funds (collectively the “**HHLRA Funds**”), which are limited partnerships formed under the laws of the Cayman Islands. There is no individual limited partner investor who holds an economic interest of 30% or more in the HHLRA Funds. HHLRA intends to hold the Offer Shares through one of the HHLRA Funds, namely HACE, L.P.

HHLRA collaborates with industry-defining enterprises, aiming to establish alignment with sustainable, forward-thinking companies across industrial, consumer, healthcare and business services sectors. HHLRA manages capital for global institutions, including non-profit foundations, endowments, and pensions. HHLRA is entering the cornerstone investment agreement with the Company in its capacity as an investment manager and on behalf of the HHLRA Funds.

UBS AM

UBS Asset Management (Singapore) Ltd. (“**UBS AM**”), a company incorporated in Singapore in December 1993, has entered into a cornerstone investment agreement with the Company and the Joint Sponsors, in its capacity as the investment manager for and on behalf of the following funds: (i) UBS (Lux) Equity Fund — Greater China (USD); (ii) UBS (Lux) Equity Fund — China Opportunity (USD); (iii) UBS (HK) Fund Series — China Opportunity Equity (USD); (iv) UBS (Lux) Equity SICAV — All China (USD); (v) UBS (CAY) China A Opportunity; and (vi) certain other segregated accounts and mandates. No single ultimate beneficial owner holds 30% or more interest in each of the abovementioned funds.

CORNERSTONE INVESTORS

UBS AM is a wholly owned subsidiary of UBS Asset Management AG, an investment management company, which is wholly ultimately owned by UBS Group AG, which is a company organized under Swiss law as a corporation that has issued shares of common stock to investors. UBS Group AG's shares are listed on the SIX Swiss Exchange (stock code: UBSG) and the New York Stock Exchange (stock code: UBS).

3W Fund

3W Fund Management Limited ("**3W Fund**") is incorporated in Hong Kong with limited liability and licensed by the SFC to carry out type 9 (asset management) regulated activity. 3W Fund has agreed to procure 3W Global Fund and 3W Rivus Fund, over which 3W Fund has discretionary investment management power, to subscribe for such number of the Offer Shares. 3W Global Fund and 3W Rivus Fund pursue to maximize absolute return and seek long-term capital growth primarily through fundamental investment principle with value approach. 3W Fund is wholly owned by Mr. Weiwei WU. No single investor holds 30% or more interests in 3W Global Fund or 3W Rivus Fund.

Aspex

Aspex Master Fund ("**Aspex**") is a company incorporated and registered as a mutual fund in the Cayman Islands. Aspex is managed by Aspex Management (HK) Limited ("**Aspex Management**"), a company incorporated in Hong Kong and licensed by the Securities and Futures Commission of Hong Kong to carry out type 9 (asset management) regulated activities in Hong Kong. Mr. Li Ho Kei, an Independent Third Party of the Company, is the ultimate beneficial owner of Aspex Management and controls the voting rights of Aspex, in each case through a holding entity. No other investor holds an ultimate beneficial ownership of 30% or more in Aspex or Aspex Management.

CPE Fir

CPE Fir Investment Limited ("**CPE Fir**") is a business company incorporated under the laws of the BVI and its primary business activity is investment holding. It is controlled by CPE Investment Holdings Limited, a business company incorporated under the laws of the BVI, which is directly and wholly owned by CPE Management International Limited, which is in turn wholly owned by CPE Management International II Limited, both of which are companies incorporated in the Cayman Islands with limited liability. CPE Management International II Limited is owned by a number of shareholders that are natural persons, none of whom holds 30% or more interests in CPE Management International II Limited. None of the shareholders holds, directly or indirectly, 30% or more interests in CPE Fir.

Greenwoods

HK Greenwoods

Greenwoods Asset Management Hong Kong Limited ("**HK Greenwoods**") is a private fund management company incorporated in Hong Kong with limited liability. Established in 2005, HK Greenwoods is one of the largest and earliest China-focused asset managers mainly specializing in investing into companies in the Greater China region. HK Greenwoods focuses on fundamental research, value investments, and local due diligence. Investors of funds and accounts managed by HK Greenwoods on a discretionary basis includes institutional investors and high-net-worth individuals professional investors. Mr. Jiang Jinzhi is the Chairman and an ultimate beneficial owner of HK Greenwoods.

CORNERSTONE INVESTORS

As confirmed by HK Greenwoods, the subscription of the Offer Shares as a cornerstone investor will be made by HK Greenwoods in its capacity as the investment manager of Greenwoods Value Income Fund. As of 28 February 2026, no single ultimate beneficial owner other than Mr. Yang Xianxiang holds 30% or more interest in the Greenwoods Value Income Fund. HK Greenwoods and Shanghai Greenwoods are affiliate of each other.

Shanghai Greenwoods and CICC FT (in connection with Greenwoods OTC Swaps)

CICC FT and China International Capital Corporation Limited will enter into a series of cross border delta-one OTC swap transactions (collectively, the “**Greenwoods OTC Swaps**”) with each other and the ultimate clients (the “**CICC FT Ultimate Clients (Greenwoods)**”), pursuant to which CICC FT will hold the Offer Shares on a non-discretionary basis to hedge the Greenwoods OTC Swaps while the economic risks and returns of the underlying Offer Shares are passed to the CICC FT Ultimate Clients (Greenwoods), subject to customary fees and commissions. The Greenwoods OTC Swaps will be fully funded by the CICC FT Ultimate Clients (Greenwoods). During the terms of the Greenwoods OTC Swaps, all economic returns of the Offer Shares subscribed by CICC FT will be passed to the CICC FT Ultimate Clients (Greenwoods) and all economic loss shall be borne by the CICC FT Ultimate Clients (Greenwoods) through the Greenwoods OTC Swaps, and CICC FT will not take part in any economic return or bear any economic loss in relation to the Offer Shares. The Greenwoods OTC Swaps are linked to the Offer Shares and the CICC FT Ultimate Clients (Greenwoods) may, after expiration of the lock-up period beginning from the date of the cornerstone agreement entered into between CICC FT and the Company and ending on the date which is six months from the Listing Date, request to early terminate the Greenwoods OTC Swaps at their own discretions, upon which CICC FT may dispose of the Offer Shares and settle the Greenwoods OTC Swaps in cash in accordance with the terms and conditions of the Greenwoods OTC Swaps. Despite that CICC FT will hold the legal title of the Offer Shares by itself, it will not exercise the voting rights attaching to the relevant Offer Shares during the terms of the Greenwoods OTC Swaps according to its internal policy. To the best of CICC FT’s knowledge having made all reasonable inquiries, each of the CICC FT Ultimate Clients (Greenwoods) is an independent third party of CICC FT, CICCHKS and the companies which are members of the same group of CICCHKS, and no single ultimate beneficial owner holds 30% or more interests in each of the CICC FT Ultimate Clients (Greenwoods).

CICC FT is a wholly-owned subsidiary of China International Capital Corporation Limited, of which its shares are listed on the Shanghai Stock Exchange (stock code: 601995) and the Stock Exchange (stock code: 3908). CICC FT is a connected client (as defined under Appendix F1 to the Listing Rules) of CICCHKS, holding securities on a non-discretionary basis on behalf of independent third parties. The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, its consent under paragraph 5(1) of Appendix F1 to the Listing Rules to permit us to allocate the Offer Shares to CICC FT. See “Waivers from Strict Compliance with Listing Rules — Consent in Respect of the Proposed Subscription of Shares by A Cornerstone Investor Who Is A Connected Client.”

The CICC FT Ultimate Clients (Greenwoods) are certain domestic private funds (including 景林景泰豐收私募證券投資基金, 景林豐收2號基金, 景林豐收3號私募基金 and 景林豐收6號私募證券投資基金) managed by Shanghai Greenwoods Asset Management Co., Ltd (上海景林資產管理有限公司) (“**Shanghai Greenwoods**”) on a discretionary basis. Shanghai Greenwoods Asset Management Co., Ltd is a private fund management company with the registration under AMAC. Shanghai Greenwoods is one of the largest and earliest PRC domestic asset managers mainly specializing in investing into companies in the Greater China region. Shanghai Greenwoods focuses on fundamental research, value investments, and local due diligence. Investors of funds managed by Shanghai Greenwoods include institutional

CORNERSTONE INVESTORS

investors and high-net-worth individuals professional investors. Mr. Jiang Jinzhi is the Chairman and an ultimate beneficial owner of Shanghai Greenwoods. As confirmed by Shanghai Greenwoods, the subscription of the Offer Shares as cornerstone investor will be made by Shanghai Greenwoods in its capacity as the fund manager of domestic private funds through TRS mechanism.

GF Fund

GF Management Co., Ltd. (廣發基金管理有限公司) (“**GF Fund Management**”) and GF International Investment Management Limited (廣發國際資產管理有限公司)(“**GF Fund HK**”, together with GF Fund Management, “**GF Fund**”) have, respectively, entered into Cornerstone Investment Agreement with our Company. GF Fund Management was established on August 5, 2003. As of December 31, 2025, GF Fund Management’s assets under management exceeded RMB2 trillion with comprehensive product lines, and covering active equity, bonds, currencies, overseas investment, passive investments, FOF, quantitative hedging, etc., in order to meet the diversified investment needs of domestic and foreign clients. The controlling shareholder of GF Fund Management is GF Securities Co., Ltd. (廣發証券股份有限公司)(“**GF Securities**”), a limited company listed on the Stock Exchange (stock code: 1776) and Shenzhen Stock Exchange (stock code: 000776), which owns 54.53% shareholding in GF Fund Management. Apart from GF Securities, no other shareholder has a 30% or more shareholding in GF Fund Management. GF Fund HK is a wholly-owned subsidiary of GF Fund Management. GF Fund HK (central number in the Hong Kong Securities and Futures Commission license: AXL121) was incorporated in Hong Kong in December 2010. GF Fund HK is licensed by SFC to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities in Hong Kong. GF Fund HK serves as the global investment and business platform for its parent company, GF Fund Management. As GF Fund Management’s window company overseas, GF Fund HK strategically connects China and the overseas market. GF Fund HK capitalizes the investment and research capabilities of GF Fund Management and its competitive advantage in the overseas market to provide comprehensive quality service to its clients. The subscription of the Offer Shares as a Cornerstone Investor will be made by GF Fund Management and GF Fund HK in their capacity as the discretionary investment manager of certain funds under their management. Based on the best knowledge of GF Fund Management and GF Fund HK, each fund is an Independent Third Party, and no ultimate beneficial owner holds more than 30% interest.

Lenovo

Lenovo Group Limited (“**Lenovo**”) is a leading global technology powerhouse and the world’s largest PC manufacturer, with US\$69 billion in annual revenue, ranked #196 on the Fortune Global 500, and serving customers in over 180 markets worldwide. Headquartered in Beijing, China, with principal operations in Morrisville, North Carolina, and listed on the Hong Kong Stock Exchange (stock code: 992.hk), the company designs, develops, manufactures, and markets a full portfolio of intelligent devices (PCs, workstations, Motorola smartphones, tablets), infrastructure solutions (servers, storage, edge, HPC, and AI systems), and software/services through its Intelligent Devices Group (IDG), Infrastructure Solutions Group (ISG), and Solutions & Services Group (SSG). Lenovo maintains dominant PC market leadership while executing a strong Hybrid AI strategy, driving significant growth in AI-enabled devices, AI infrastructure, and services, with non-PC revenue forming a growing share of its diversified and resilient business.

CORNERSTONE INVESTORS

Mirae Asset Securities HK

Mirae Asset Securities (HK) Limited (“**Mirae Asset Securities HK**”), a wholly owned subsidiary of Mirae Asset Securities Co., Ltd. (“**Mirae Asset Securities**”), was established in Hong Kong in July 2005 and is licensed by the SFC to carry on type 9 (asset management) regulated activity. Mirae Asset Securities is one of the largest investment banks in the Republic of Korea, providing a comprehensive range of financial services, including brokerage, wealth management, investment banking, sales & trading, and principal investments. It is ultimately controlled by Mirae Asset Capital Co., Ltd., a financial investment company in the Republic of Korea. Mirae Asset Securities is listed on the Korea Exchange under stock code 006800.KS. Mirae Asset Securities HK is the fund manager of, and subscribe for the Offer Shares on behalf of, a discretionary fund, Mirae Asset Visionary X Fund. All of the investors in such fund are independent third parties and none of the investors hold 30% or more interest in the fund.

ZTE HK

ZTE (H.K.) Limited (“**ZTE HK**”) is incorporated in Hong Kong with limited liability and mainly engages in information technology business. It is a wholly-owned subsidiary of ZTE Corporation, a company listed on the Shenzhen Stock Exchange (stock code: 000063.SZ) and on the Stock Exchange (stock code: 00763.HK).

ICBC WEALTH

ICBC Wealth Management Co., Ltd. (“**ICBC Wealth**”) was established in May 2019 in Beijing, with a registered capital of RMB16 billion. It is a wholly-owned subsidiary of Industrial and Commercial Bank of China Limited, a company listed on the Shanghai Stock Exchange (stock code: 601398) and the Hong Kong Stock Exchange (stock code: 1398). The business scope of ICBC Wealth is public issuance of wealth management products to the general public, investment and management of entrusted assets for investors; non-public issuance of wealth management products to qualified investors, investment and management of entrusted assets for investors; wealth management advisory and consulting services; and other businesses as approved by the banking regulatory authority under the State Council.

As confirmed by ICBC Wealth, the subscription of the Offer Shares as a cornerstone investor will be made by ICBC Wealth in its capacity as the investment manager of certain wealth management products under its discretionary management, and no single ultimate beneficial owner holds 30% or more interests in such products.

Ping An AM

Ping An of China Asset Management (Hong Kong) Company Limited (“**Ping An AM**”) is the investment manager of Ping An Life Insurance Company of China, Ltd. (中國平安人壽保險股份有限公司). Ping An AM is a wholly owned subsidiary of, and Ping An Life Insurance Company of China, Ltd. (中國平安人壽保險股份有限公司) is a subsidiary of Ping An Insurance (Group) Company of China, Ltd, a company listed on the Stock Exchange (stock code: 2318 (HKD counter) and 82318 (RMB counter); debt stock code: 5131) and the Shanghai Stock Exchange (stock code: 601318). Ping An of China Asset Management (Hong Kong) Company Limited is licensed by the SFC in Hong Kong for types 1 (dealing in securities), 4 (advising on securities) and 9 (asset management) regulated activities under the Securities and Futures Ordinance (Central Entity Number: AOD938).

CORNERSTONE INVESTORS

Set out below is the details of the Cornerstone Placing assuming there is no other change made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date (or the date of exercise of Over-allotment Option (where applicable)):

Based on the Offer Price of HK\$166.6 (being the low-end of the indicative Offer Price range)

Cornerstone Investor	Investment amount ⁽¹⁾	Number of Offer Shares ⁽²⁾	Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised	
			Approximate % of the Offer Shares	Approximate % of our total issued share capital	Approximate % of the Offer Shares	Approximate % of our total issued share capital
	(US\$ in millions)					
Alibaba Investment . . .	26.00 ⁽³⁾	1,222,440	8.86%	1.33%	7.71%	1.30%
GIC	20.00	940,335	6.82%	1.02%	5.93%	1.00%
Baillie Gifford	15.00	705,255	5.11%	0.77%	4.45%	0.75%
BlackRock	15.00	705,255	5.11%	0.77%	4.45%	0.75%
Fidelity International . .	15.00	705,255	5.11%	0.77%	4.45%	0.75%
Schroders	15.00	705,255	5.11%	0.77%	4.45%	0.75%
Temasek	15.00	705,255	5.11%	0.77%	4.45%	0.75%
CM Shanghai Fund . . .	14.60	686,445	4.98%	0.75%	4.33%	0.73%
HHLRA FUNDS	10.00	470,160	3.41%	0.51%	2.96%	0.50%
UBS AM	10.00	470,160	3.41%	0.51%	2.96%	0.50%
3W Fund	10.00	470,160	3.41%	0.51%	2.96%	0.50%
Aspex	10.00	470,160	3.41%	0.51%	2.96%	0.50%
CPE Fir	5.00	235,080	1.70%	0.26%	1.48%	0.25%
Greenwoods	5.00	235,080	1.70%	0.26%	1.48%	0.25%
GF Fund	5.00	235,065	1.70%	0.26%	1.48%	0.25%
Lenovo	5.00	235,080	1.70%	0.26%	1.48%	0.25%
Mirae Asset Securities						
HK	5.00	235,080	1.70%	0.26%	1.48%	0.25%
ZTE HK	4.30 ⁽⁴⁾	202,170	1.47%	0.22%	1.27%	0.21%
ICBC Wealth	2.50	117,540	0.85%	0.13%	0.74%	0.12%
Ping An AM	2.50	117,540	0.85%	0.13%	0.74%	0.12%
Total	209.90	9,868,770	71.54%	10.73%	62.21%	10.49%

CORNERSTONE INVESTORS

Based on the Offer Price of HK\$174.9 (being the midpoint of the indicative Offer Price range)

Cornerstone Investor	Investment amount ⁽¹⁾	Number of Offer Shares ⁽²⁾	Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised	
			Approximate % of the Offer Shares	Approximate % of our total issued share capital	Approximate % of the Offer Shares	Approximate % of our total issued share capital
	(US\$ in millions)					
Alibaba Investment . . .	26.00 ⁽³⁾	1,164,435	8.44%	1.27%	7.34%	1.24%
GIC	20.00	895,710	6.49%	0.97%	5.65%	0.95%
Baillie Gifford	15.00	671,790	4.87%	0.73%	4.23%	0.71%
BlackRock	15.00	671,790	4.87%	0.73%	4.23%	0.71%
Fidelity International . .	15.00	671,790	4.87%	0.73%	4.23%	0.71%
Schroders	15.00	671,790	4.87%	0.73%	4.23%	0.71%
Temasek	15.00	671,790	4.87%	0.73%	4.23%	0.71%
CM Shanghai Fund . . .	14.60	653,865	4.74%	0.71%	4.12%	0.70%
HHLRA FUNDS	10.00	447,855	3.25%	0.49%	2.82%	0.48%
UBS AM	10.00	447,855	3.25%	0.49%	2.82%	0.48%
3W Fund	10.00	447,855	3.25%	0.49%	2.82%	0.48%
Aspex	10.00	447,855	3.25%	0.49%	2.82%	0.48%
CPE Fir	5.00	223,920	1.62%	0.24%	1.41%	0.24%
Greenwoods	5.00	223,905	1.62%	0.24%	1.41%	0.24%
GF Fund	5.00	223,920	1.62%	0.24%	1.41%	0.24%
Lenovo	5.00	223,920	1.62%	0.24%	1.41%	0.24%
Mirae Asset Securities						
HK	5.00	223,920	1.62%	0.24%	1.41%	0.24%
ZTE HK	4.30 ⁽⁴⁾	192,570	1.40%	0.21%	1.21%	0.20%
ICBC Wealth	2.50	111,960	0.81%	0.12%	0.71%	0.12%
Ping An AM	2.50	111,960	0.81%	0.12%	0.71%	0.12%
Total	209.90	9,400,455	68.14%	10.22%	59.25%	10.00%

CORNERSTONE INVESTORS

Based on the Offer Price of HK\$183.2 (being the high-end of the indicative Offer Price range)

Cornerstone Investor	Investment amount ⁽¹⁾	Number of Offer Shares ⁽²⁾	Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised	
			Approximate % of the Offer Shares	Approximate % of our total issued share capital	Approximate % of the Offer Shares	Approximate % of our total issued share capital
	(US\$ in millions)					
Alibaba Investment . . .	26.00 ⁽³⁾	1,111,680	8.06%	1.21%	7.01%	1.18%
GIC	20.00	855,135	6.20%	0.93%	5.39%	0.91%
Baillie Gifford	15.00	641,355	4.65%	0.70%	4.04%	0.68%
BlackRock	15.00	641,355	4.65%	0.70%	4.04%	0.68%
Fidelity International . .	15.00	641,355	4.65%	0.70%	4.04%	0.68%
Schroders	15.00	641,355	4.65%	0.70%	4.04%	0.68%
Temasek	15.00	641,355	4.65%	0.70%	4.04%	0.68%
CM Shanghai Fund . . .	14.60	624,240	4.53%	0.68%	3.93%	0.66%
HHLRA FUNDS	10.00	427,560	3.10%	0.46%	2.70%	0.45%
UBS AM	10.00	427,560	3.10%	0.46%	2.70%	0.45%
3W Fund	10.00	427,560	3.10%	0.46%	2.70%	0.45%
Aspex	10.00	427,560	3.10%	0.46%	2.70%	0.45%
CPE Fir	5.00	213,780	1.55%	0.23%	1.35%	0.23%
Greenwoods	5.00	213,765	1.55%	0.23%	1.35%	0.23%
GF Fund	5.00	213,765	1.55%	0.23%	1.35%	0.23%
Lenovo	5.00	213,780	1.55%	0.23%	1.35%	0.23%
Mirae Asset Securities						
HK	5.00	213,780	1.55%	0.23%	1.35%	0.23%
ZTE HK	4.30 ⁽⁴⁾	183,855	1.33%	0.20%	1.16%	0.20%
ICBC Wealth	2.50	106,890	0.77%	0.12%	0.67%	0.11%
Ping An AM	2.50	106,890	0.77%	0.12%	0.67%	0.11%
Total	209.90	8,974,575	65.06%	9.76%	56.57%	9.54%

Notes:

- (1) Assuming that the investment amount excludes brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee, and is calculated based on the exchange rate set out in the section headed “Information about this Prospectus and the Global Offering — Exchange Rate Conversion” in this Prospectus.
- (2) Rounded down to the nearest whole board lot of 15 H Shares, and is calculated based on the exchange rate set out in the section headed “Information about this Prospectus and the Global Offering — Exchange Rate Conversion” in this Prospectus.
- (3) Equivalent to HK\$203,660,600.00 based on the relevant Cornerstone Investment Agreement.
- (4) Equivalent to HK\$33,682,330.00 based on the relevant Cornerstone Investment Agreement.

CORNERSTONE INVESTORS

CLOSING CONDITIONS

The obligation of each of the Cornerstone Investors to subscribe for the Offer Shares under their respective Cornerstone Investment Agreement is subject to, among other things, the following closing conditions:

- (i) the Hong Kong Underwriting Agreement and the International Underwriting Agreement being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Hong Kong Underwriting Agreement and the International Underwriting Agreement, and neither the Hong Kong Underwriting Agreement nor the International Underwriting Agreement having been terminated;
- (ii) the Offer Price having been agreed upon between our Company and the Overall Coordinators (for themselves and on behalf of the underwriters of the Global Offering);
- (iii) the Listing Committee having granted the approval for the listing of, and permission to deal in, the H Shares (including the H Shares under the Cornerstone Placing) as well as other applicable waivers and approvals and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the H Shares on the Stock Exchange;
- (iv) no laws having been enacted or promulgated by any governmental authority which prohibits the consummation of the transactions contemplated in the Global Offering or each Cornerstone Investment Agreement, and there being no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and
- (v) the respective representations, warranties, acknowledgements, undertakings, and confirmations of the Cornerstone Investors under their respective Cornerstone Investment Agreement are (as of the date of the respective Cornerstone Investment Agreement) and will be (as of the Listing Date) accurate, true and complete in all material respects and not misleading or deceptive and that there is no material breach of the respective Cornerstone Investment Agreement on the part of the relevant Cornerstone Investor.

RESTRICTIONS ON THE CORNERSTONE INVESTORS

Each Cornerstone Investor has agreed that without the prior written consent of our Company, the Joint Sponsors and the Overall Coordinators, it will not, whether directly or indirectly, at any time during the period of six months after the Listing Date (the “**Lock-up Period**”), dispose of, in any way, any of the Offer Shares it has purchased, pursuant to their respective Cornerstone Investment Agreement, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of the Cornerstone Investor, including the Lock-up Period restriction.

FINANCIAL INFORMATION

You should read this discussion and analysis together with our consolidated financial information and notes in the Accountant's Report in Appendix I. Our consolidated financial statements are prepared under IFRS, which may differ from accounting principles in other jurisdictions. This section contains forward-looking statements based on our current views, assumptions and analysis, subject to risks and uncertainties beyond our control. Actual results may differ materially. In evaluating our business, you should carefully consider this prospectus, including "Risk Factors" and "Business." References to 2023, 2024 and 2025 are to our financial years ended December 31, and all financial information is presented on a consolidated basis unless otherwise stated.

OVERVIEW

We are dedicated to the field of optoelectronic computing, an innovative paradigm that combines the advantages of photonics and electronics. In 2017, *Nature Photonics* published a paper by our founder, Dr. Shen Yichen, which provided the first validation for using light to compute and supported subsequent technological development in this field. Carrying forward this scientific breakthrough, we have transformed cutting-edge research into engineering capability and product strength, and on this basis, we have developed multiple technologies and translated them into products and solutions. Since our establishment, we have built a product and solution portfolio centered on optical interconnect and optical computing, powered by our proprietary optoelectronic chip technologies, delivering scalable and cost-effective solutions.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Industry demand for our products and solutions

Demand for our products is directly linked to the rapid growth of AI and large language models, which require massive data processing, high transmission rates and increasing computing power. At the same time, traditional electrical computing infrastructure faces growing bottlenecks, including the "Memory Wall" and the "Power Wall." Copper interconnects can only partly mitigate these constraints because their physical limits restrict reach and bandwidth, while conventional optical modules primarily extend transmission distance without materially improving chip utilization or MFU. Our optical interconnect and optical computing products are designed to address these bottlenecks by enabling high-speed, low-latency data transmission and enhanced processing capacity, thereby improving bandwidth, chip utilization and MFU and reducing customers' total cost of ownership. As AI infrastructure continues to scale, we expect demand for our products and solutions to continue to increase.

Our ability to maintain technology leadership and continuously develop new technologies and solutions

Our financial performance depends on our ability to maintain technology leadership in the rapidly evolving optoelectronic computing field. We have established a product and solution portfolio spanning optical interconnect and optical computing products, supported by our three core chip technologies: oMAC, oNOC and oNET. We believe our continued ability to develop and upgrade these technologies is critical to enhancing our offerings and driving long-term growth.

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We have devoted, and will continue to devote, significant resources to R&D. In 2023, 2024 and 2025, our R&D expenses were RMB279.8 million, RMB352.1 million and RMB479.0 million, respectively. While this level of investment reflects the foundational stage of our commercialization, as our business scales, we expect to improve R&D efficiency by leveraging reusable technological modules across product lines and amortizing development costs over a larger revenue base.

Our ability to enhance and diversify pipeline of our products and solutions

Our ability to enhance and diversify our product pipeline is a key driver of sustainable growth. Continuous technology upgrades and successive product generations help us address evolving AI infrastructure requirements, expand our addressable market and strengthen recurring revenue opportunities. We have strategically evolved from early optical computing offerings to a broader portfolio centered on both optical interconnect and optical computing. While optical computing at scale requires further industry maturation, our increased investment in optical interconnect has accelerated commercialization and enabled us to monetize core technologies earlier while continuing to build capabilities and customer relationships for future optical computing adoption. Our optical interconnect portfolio includes scale-up and scale-out hardware and solutions, and we are also advancing next-generation scale-out hardware, including PIC chips and CPO switches. These initiatives contributed to our recent revenue growth, and our optical interconnect business generated RMB47.0 million in 2024, the debut year of this business. In optical computing, early products were developed to validate technical feasibility, while our next-generation device, PACE 3, marks the “growth” phase of our commercialization roadmap and targets larger-scale commercial deployment.

Our ability to deepen our collaborations with existing customers and grow our customer base

Our financial performance depends on our ability to expand our customer base and deepen relationships with existing customers across both our optical interconnect business and optical computing business. Our customer base increased from 1 customer in 2022 to 22 customers by the end of 2024, and further to 44 customers as of December 31, 2025. We attract new customers and collaborators primarily through targeted business development and our industry reputation, which is built on our R&D achievements, product performance and deep customer collaboration. Because our products and solutions often involve customization and integration based on our proprietary technologies, they can create strong lock-in effects and high switching costs, supporting stable and long-term customer relationships.

Our ability to manage supply chain and achieve R&D and operational efficiency

Our ability to manage supply chain is central to our long-term financial performance. Costs for our products and solutions are associated with component costs and manufacturing expenses. We have built long-term partnerships and a diversified network for key materials and components, enabling stable capacity allocation, reservation and production scheduling. As demand for optical interconnect and optical computing scales, close collaboration with production partners supports process co-optimization, yield improvement and cost-down roadmaps, while also helping us maintain consistent quality, on-time delivery and predictable unit economics.

FINANCIAL INFORMATION

Our financial performance also depends on achieving greater operational efficiency and operating leverage. We intend to further optimize efficiency by refining our organizational structure, streamlining workflows and strengthening internal engineering processes. Our operating expenses as a percentage of revenue decreased from 1,083.2% in 2023 to 790.0% in 2024, and further to 686.4% in 2025. We believe continued improvements in operating leverage will help enhance margins and support long-term profitability. See “Summary — Key Operating Data” for details.

BASIS OF PRESENTATION AND PREPARATION

We underwent a reorganization and several changes in our group structure during the Track Record Period. For details, please refer to Note 1.2 to the Accountant’s Report set out in Appendix I to this Prospectus. The Historical Financial Information represented the consolidated results and financial position of us as if the current group structure had been in existence throughout the Track Record Period and as if the listing business was transferred to us at the beginning of the earliest period presented or when such business was established, whichever is the shorter period. For details, please refer to Note 1.3 to the Accountant’s Report set out in Appendix I to this Prospectus.

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (“**IFRS Accounting Standards**”). The Historical Financial Information has been prepared under the historical cost convention, except that certain financial assets/liabilities are carried at fair value.

MATERIAL ACCOUNTING POLICY INFORMATION AND ESTIMATES

The preparation of the financial information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying our accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information. See Note 4 to the Accountant’s Report set out in Appendix I to this Prospectus. All effective standards, amendments to standards and interpretations, which are mandatory for the financial year beginning on January 1, 2025, are consistently applied to us throughout the Track Record Period. These amendments did not have significant impact throughout the Track Record Period.

FINANCIAL INFORMATION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

The following table sets forth a summary of our consolidated statements of comprehensive loss, in absolute amounts and as a percentage of our total revenue, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	<i>(in thousands, except for percentages)</i>					
Revenue	38,235	100.0	60,191	100.0	106,368	100.0
Cost of sales	(15,032)	(39.3)	(27,978)	(46.5)	(64,900)	(61.0)
Gross profit	23,203	60.7	32,213	53.5	41,468	39.0
Selling and marketing expenses	(19,604)	(51.3)	(24,109)	(40.1)	(63,677)	(59.9)
General and administrative expenses	(114,746)	(300.1)	(99,320)	(165.0)	(187,363)	(176.1)
Research and development expenses	(279,822)	(731.8)	(352,063)	(584.9)	(479,041)	(450.4)
Net impairment losses on financial assets . . .	(95)	(0.2)	(660)	(1.1)	(972)	(0.9)
Other income	13,862	36.3	72,447	120.4	191,653	180.2
Other gains/(losses) — net	18,081	47.3	9,939	16.5	(4,116)	(3.9)
Operating loss	(359,121)	(939.2)	(361,553)	(600.7)	(502,048)	(472.0)
Finance income	4,649	12.2	8,270	13.7	6,335	6.0
Finance costs	(2,292)	(6.0)	(3,181)	(5.3)	(3,198)	(3.0)
Finance income — net	2,357	6.2	5,089	8.5	3,137	2.9
Fair value changes of financial instruments						
issued to investors	(56,612)	(148.1)	(378,816)	(629.4)	(843,465)	(793.0)
Loss before income tax	(413,376)	(1,081.1)	(735,280)	(1,221.6)	(1,342,376)	(1,262.0)
Income tax expenses	(127)	(0.3)	—	—	—	—
Loss for the year	(413,503)	(1,081.5)	(735,280)	(1,221.6)	(1,342,376)	(1,262.0)

NON-IFRS FINANCIAL MEASURE

We use adjusted net loss (non-IFRS measure), which is a non-IFRS financial measure, in evaluating our operating results and for financial and operational decision-making purposes. We believe that adjusted net loss (non-IFRS measure) helps identify underlying trends in our business and provides useful information about our results of operations, enhances the overall understanding of our past performance and future prospects and allows for greater visibility with respect to key metrics used by our management in its financial and operational decision-making.

Adjusted net loss (non-IFRS measure) should not be considered in isolation or construed as an alternative to net loss or any other measure of performance or as an indicator of our operating performance. Investors are encouraged to review adjusted net loss (non-IFRS measure). Adjusted net loss (non-IFRS measure) presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data. We encourage investors and others to review our financial information in its entirety and not rely on a single financial measure.

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We define our adjusted net loss (non-IFRS measure) as net loss adjusted by adding back (i) share-based payment expenses, which includes share-based payment to employees, consultants and an investor, (ii) fair value changes of financial instruments issued to investors, and (iii) listing expenses. Share-based payment is non-cash in nature. All the financial instruments issued to investors will be re-classified from financial liabilities to equity as a result of the automatic conversion into our Shares upon the Listing. Listing expense primarily relates to the expense incurred in relation to this Listing.

The following table presents our non-IFRS financial measure for the years ended December 31, 2023, 2024 and 2025.

	For the year ended December 31,		
	2023	2024	2025
	RMB	RMB (in thousands)	RMB
Net loss for the year	(413,503)	(735,280)	(1,342,376)
Add:			
Share-based payment expenses	92,842	60,092	204,972
Fair value changes of financial instruments issued to investors.	56,612	378,816	843,465
Listing expenses	—	—	22,465
Adjusted net loss for the year (non-IFRS measure)	(264,049)	(296,372)	(271,474)

We incurred net losses of RMB413.5 million, RMB735.3 million and RMB1,342.4 million in 2023, 2024 and 2025, respectively. Our net loss increased from 2023 to 2024 primarily due to a significant increase in the fair value changes of financial instruments issued to investors, which rose from RMB56.6 million in 2023 to RMB378.8 million in 2024, as well as continued substantial R&D expenses incurred in connection with the advancement of our Specialist Technology Products. Our net loss further increased from 2024 to 2025 primarily due to a further increase in the fair value changes of financial instruments issued to investors, which rose to RMB843.5 million in 2025, as well as increases in R&D expenses, selling and marketing expenses, general and administrative expenses and share-based payment expenses in line with the expansion of our business and continued investment in commercialization and corporate development.

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

Our revenue is derived from two primary sources: (i) optical interconnect business and (ii) optical computing business. During the Track Record Period, substantially all of our revenue is generated in the China market. The following table sets forth the breakdown of our revenue by segment, in absolute amounts and as a percentage of our total revenue, for the years indicated.

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For the year ended December 31,						
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
<i>(in thousands, except for percentages)</i>						
Optical interconnect business						
Sale of products						
— <i>Scale-up products</i>	—	—	47,019	78.1	75,582	71.0
— <i>Scale-out products</i>	—	—	—	—	5,111	4.8
Technology development services and others .	—	—	—	—	3,584	3.4
Subtotal of optical interconnect business . .	—	—	47,019	78.1	84,277	79.2
Optical computing business						
Sale of products	4,631	12.1	2,974	4.9	20,204	19.0
Technology development services and others .	33,604	87.9	10,198	16.9	1,887	1.8
Subtotal of optical computing business . . .	38,235	100.0	13,172	21.9	22,091	20.8
Total Revenue.	38,235	100.0	60,191	100.0	106,368	100.0
Total of technology development services and others.	33,604	87.9	10,198	16.9	5,471	5.2

Optical interconnect business. We generate revenue primarily from sales of our Scale-up and Scale-out products.

Scale-up products. In 2025, the revenue from sales of Scale-up products increased to RMB75.6 million from RMB47.0 million in 2024 mainly because the Company intentionally redirected the resources in certain product towards launching our new product, Scale-up OCS, which achieved mass production in 2025 and was subsequently delivered to our customers with revenue recognized accordingly. Scale-up OCS has proven to better align with evolving market needs and offer improved profitability, and has become a main driver of the Company’s revenue growth of 2025.

Scale-out products. The Company started to sell scale-out products in 2025 supplementary to our Scale-up products. This initiative provides more comprehensive product options to our customers and meanwhile enhance our scope and volume of procurement and achieve economies of scale given Scale-up and Scale-out products share the same raw materials, consumables and outsourcing costs.

Optical computing business. We generate revenue primarily from (i) sales of our PACE series, optical computing cluster based on PACE 2 (a server system composed of multiple PACE 2 cards integrated and operated together, designed to enable parallel processing and high-throughput data handling capabilities within a single server), LTSimulator, Gazelle and OptiHummingbird and (ii) providing technology and development services to research institutions and companies. In 2025, the revenue model of our optical computing business successfully transitioned from technology development service focused to product sales focused, an important milestone towards mass commercialization of our optical computing business.

Technology-development services. We generate revenue from technology-development services conducted for enterprises, research institutes and universities. Such services include consulting services, technical support, chip samples, prototypes, software adaptation, technical documentation, and testing or validation reports. They are generally provided to early adopters of our optical computing products for algorithm study, application exploration, academic research and pilot deployment project. These

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activities are closely related to our Specialist Technology Products as they require the application of our proprietary optical computing chip design and engineering expertise. In addition, providing such technology-development services advance the R&D of our optical computing products through real-world development and validation work. Our revenue from technology development services and others decreased from RMB33.6 million in 2023 to RMB10.2 million in 2024, and further to RMB5.5 million in 2025, primarily due to the evolving trajectory of our optical computing business, which is increasingly focused on hardware product sales. Further information about the movement of our revenue during the Track Record Period is set forth in “— Year-to-Year Comparison of Results of Operations.”

Revenue by Geographic Location

The following table sets forth a breakdown of our revenue by geographic location of our customers, in absolute amounts and as percentages of total revenue, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(in thousands, except for percentages)</i>					
Mainland China	37,475	98.0	60,103	99.9	103,968	97.7
Overseas ⁽¹⁾	760	2.0	88	0.1	2,400	2.3
Total revenue	38,235	100.0	60,191	100.0	106,368	100.0

Note:

(1) Mainly include the U.S.

Cost of Sales

The table below sets forth a breakdown of our cost of sales by nature, in absolute amounts and percentages, for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	<i>(in thousands, except for percentages)</i>					
Employee benefits expenses	11,311	75.2	3,020	10.8	2,179	3.4
Raw materials and others.	1,843	12.3	15,872	56.7	41,396	63.8
Outsourcing cost	—	—	7,741	27.7	18,379	28.3
Depreciation and amortisation	716	4.8	231	0.8	498	0.8
Other ⁽¹⁾	1,162	7.7	1,114	4.0	2,448	3.7
Total	15,032	100.0	27,978	100.0	64,900	100.0

Note:

(1) Primarily consist of general provision for inventories, utility expenses and other miscellaneous costs.

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Our cost of sales are primarily affected by the products or services we offer and corresponding expenses of human resources as well as raw materials and outsourcing costs. Our outsourcing costs increased significantly from RMB7.7 million in 2024 to RMB18.4 million in 2025. This rise was primarily driven by business expansion and the increased sales of our Scale-up OCS optical modules in the fourth quarter of 2025. The substantial production volume and the complex processing requirements of these optical modules contributed to the higher outsourcing expenses. The following table sets out a breakdown of our cost of sales by segment, in absolute amounts and as a percentage of our total cost of sales, for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
<i>(in thousands, except for percentages)</i>						
Optical interconnect business						
Sale of products	—	—	23,913	85.5	53,658	82.7
Technology development services and others	—	—	—	—	1,061	1.6
Subtotal of optical interconnect business	—	—	23,913	85.5	54,719	84.3
Optical computing business						
Sale of products	2,025	13.5	288	1.0	9,632	14.9
Technology development services and others	13,007	86.5	3,777	13.5	549	0.8
Subtotal of optical computing business	15,032	100.0	4,065	14.5	10,181	15.7
Total	15,032	100.0	27,978	100.0	64,900	100.0

Gross Profit

The following table sets forth a breakdown of our gross profit and gross profit margin by revenue source for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB	%	RMB	%	RMB	%
<i>(in thousands, except for percentages)</i>						
Optical interconnect business						
Sale of products	—	—	23,106	49.1	27,035	33.5
Technology development services and others	—	—	—	—	2,523	70.4
Subtotal of optical interconnect business	—	—	23,106	49.1	29,558	35.1
Optical computing business						
Sale of products	2,606	56.3	2,686	90.3	10,572	52.3
Technology development services and others	20,597	61.3	6,421	63.0	1,338	70.9
Subtotal of optical computing business	23,203	60.7	9,107	69.1	11,910	53.9
Total	23,203	60.7	32,213	53.5	41,468	39.0

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Our gross profit margin for the optical computing business decreased from 69.1% in 2024 to 53.9% in 2025, while the gross profit margin for sales of optical computing products decreased from 90.3% to 52.3%. This was primarily because, in 2025, we began offering optical computing clusters as part of our optical computing product portfolio, and components of such clusters other than PACE 2 generally carried lower gross profit margins, which in turn reduced the overall gross profit margin of our optical computing business and the gross profit margin for sales of optical computing products, respectively. Further information about the movement of our gross profit during the Track Record Period is set forth in “— Year-to-Year Comparison of Results of Operations.”

Selling and Marketing Expenses

The following table sets forth a breakdown of our selling and marketing expenses, in absolute amounts and as a percentage of our total selling and marketing expenses, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	<i>(in thousands, except for percentages)</i>					
Employee benefits expenses	13,370	68.2	17,132	71.1	54,891	86.2
Office expenses	2,706	13.8	590	2.4	726	1.1
Marketing and promotion expenses	2,101	10.7	3,497	14.5	2,839	4.5
Travelling expenses	852	4.3	1,173	4.9	1,474	2.3
Depreciation and amortization	504	2.6	842	3.5	1,460	2.3
Other expenses	71	0.4	875	3.6	2,287	3.6
Total	19,604	100.0	24,109	100.0	63,677	100.0

General and Administrative Expenses

The following table sets forth a breakdown of our general and administrative expenses, in absolute amounts and as a percentage of our total general and administrative expenses, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	<i>(in thousands, except for percentages)</i>					
Employee benefits expenses	38,802	33.8	45,656	46.0	115,090	61.4
Share based compensation expense to external parties	49,193	42.9	11,538	11.6	5,953	3.2
Professional service expenses	13,684	11.9	24,969	25.1	27,719	14.8
Office and travelling expenses	4,125	3.6	4,798	4.8	5,057	2.7
Depreciation and amortization	3,118	2.7	7,732	7.8	3,957	2.1
Listing expenses	—	—	—	—	22,465	12.0
Other expenses	5,824	5.1	4,627	4.7	7,122	3.9
Total	114,746	100.0	99,320	100.0	187,363	100.0

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During the Track Record Period, we recognized share-based compensation expenses related to external consultants and an investor. Specifically, we granted share-based compensation to several external consultants in recognition of their contributions during the early stages of our development. Their support included guidance in areas such as corporate strategy, investment and financing advice, industry analysis, and technology development. Regarding the share-based compensation expenses to an investor, we granted a contingent forward agreement to an investor during the Series C3 round of financing in December 2023. Under this agreement, the investor agreed to purchase financial instruments with preference rights in the Company at a predetermined fixed consideration lower than the fair value, contingent upon certain conditions being met. The discount of RMB38,188,000 provided to the investor has been recognized as a cash-settled share-based compensation expense, which was credited to other payables. As the conditions were met, the contingent forward agreement was converted into financial instruments with preference rights issued to investors as of December 31, 2024. The fair value changes arising from the contingent forward agreement and the share-based compensation, totaling RMB38,760,000, were included in the carrying amount of the financial instruments issued to investors as of the conversion date.

Research and Development Expenses

The following table sets forth the breakdown of our research and development expenses, in absolute amounts and as a percentage of our total research and development expenses, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	<i>(in thousands, except for percentages)</i>					
Employee benefits expenses	169,718	60.7	184,706	52.5	249,343	52.1
Intellectual property license expenses	17,560	6.3	9,736	2.8	49,005	10.2
Design and development expenses	30,084	10.8	83,497	23.7	74,470	15.5
Depreciation and amortization	32,496	11.6	46,006	13.1	81,496	17.0
Raw materials, consumables used and outsourcing costs	13,862	5.0	15,912	4.5	15,018	3.1
Other expenses	16,102	5.6	12,206	3.4	9,709	2.1
Total	279,822	100.0	352,063	100.0	479,041	100.0

Net impairment losses on financial assets

Our net impairment losses on financial assets primarily related to our trade receivables, other receivables, amounts due from related parties and amounts due from investors and finance lease receivables. We perform impairment assessment under the expected credit loss (“ECL”) model on financial assets at amortized cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition. See Note 3 to Accountant’s Report set forth in Appendix I to this Prospectus for details.

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Other Income

Our other income primarily comprises of government grants. During the Track Record Period, we received government grants from government authorities in PRC as supports on operation, research and development expenditure relating to our innovation activities. We recognized the government grants we received as deferred income. These government grants were transferred from “deferred income” to “other income” when related expenses incurred or over the useful lives of the relevant assets.

Other Gains/(Losses) — Net

The following table sets forth the breakdown of our other gains/(losses) — net for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
	RMB	RMB	RMB
	<i>(in thousands)</i>		
Fair value gains on short-term investments measured at fair value through profit or loss	3,746	1,209	8,439
Losses on disposal of property, plant and equipment	(6)	(2,114)	—
Losses on disposal of right-of-use assets	—	(4,898)	—
Net foreign exchange gains/(losses)	14,409	15,253	(12,602)
Others	(68)	489	47
Total	18,081	9,939	(4,116)

Finance income

Our finance income consists of (i) interest income on cash and cash equivalents and bank deposits and (ii) interest income from finance lease represents lease payment we received. We recorded finance income of RMB4.6 million, RMB8.3 million and RMB6.3 million in 2023, 2024 and 2025, respectively.

Finance Costs

Our finance costs consist of (i) interest expenses from short term borrowings and (ii) interest expenses on lease liabilities which represents our lease payment. We recorded finance costs of RMB2.3 million, RMB3.2 million, and RMB3.2 million in 2023, 2024 and 2025, respectively.

Fair Value Changes of Financial Instruments Issued to Investors

Our fair value changes of financial instruments issued to investors consist of (i) preferred shares, (ii) convertible debentures, (iii) contingent forward issued to certain investors, and (iv) financial instruments issued to investors with preference rights in us. We recorded fair value loss of financial instruments issued to investors of RMB56.6 million, RMB378.8 million, and RMB843.5 million in 2023, 2024 and 2025, respectively. See Note 34 to the Accountant’s Report set forth in the Appendix I to this Prospectus for details.

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Income Tax Expenses

We recorded income tax expenses of RMB127 thousand, nil and nil in 2023, 2024 and 2025, respectively. During the Track Record Period, we have incurred net accumulated operating losses for income tax purposes and except for interest income in one subsidiary in 2023, no income tax provisions are recorded.

Loss for the Year

As a result of foregoing, we recorded RMB413.5 million, RMB735.3 million, and RMB1,342.4 million in loss for the year in 2023, 2024 and 2025, respectively.

YEAR-TO-YEAR COMPARISON OF RESULTS OF OPERATIONS

Year Ended December 31, 2025 Compared with Year Ended December 31, 2024

Revenue

Our revenue increased by 76.7% from RMB60.2 million for 2024 to RMB106.4 million for 2025.

Optical interconnect business. Our revenue increased significantly by 79.2% from RMB47.0 million in 2024 to RMB84.3 million in 2025, primarily due to an increase in sales of products. Our revenue from sale of products increased by 71.6% from RMB47.0 million in 2024 to RMB80.7 million in 2025. The increase in revenue during the Track Record Period was primarily driven by (i) higher sales of our Scale-up product line, particularly the Scale-up OCS, and (ii) newly generated revenue from our Scale-out product line. The growth in Scale-up revenue reflects the scaled mass production of Scale-up OCS, with revenue recognized progressively upon delivery to customers, making it a key contributor to overall product revenue in 2025. We recognized revenue from technology development services and others of RMB3.6 million in 2025, primarily in connection with customized services provided to our customers.

Optical computing business. Revenue generated from our optical computing business increased from RMB13.2 million in 2024 to RMB22.1 million in 2025, primarily due to an increase in sales of products. Our revenue from sale of products increased from RMB3.0 million in 2024 to RMB20.2 million in 2025, primarily driven by the increase in our sale of PACE series, our first deployment of an optical computing cluster based on PACE 2 (a server system composed of multiple PACE 2 cards integrated and operated together, designed to enable parallel processing and high-throughput data handling capabilities within a single server), and the launch and increased sales of LTSimulator. The increased sales of products evidenced our transition from the exploring and building-up stage towards a scaling-up stage. Going forward, we expect to continue improving our sales of PACE series and offerings of optical computing clusters. Due to its large-scale deployment, we believe offering of optical computing cluster will effectively help us expand revenue. Maintaining the existing product portfolio will help our optical computing business secure stable cash flow before achieving PACE 3 commercialization. Our revenue from technology development services and others decreased from RMB10.2 million in 2024 to RMB1.9 million in 2025, as we have performed our on-going services to customers and focused our business on sales of products.

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Cost of Sales; Gross profit

Our cost of sales increased by 132.0% from RMB28.0 million in 2024 to RMB64.9 million in 2025.

Optical interconnect business. Cost of sales used in optical interconnect business increased by 128.8% from RMB23.9 million in 2024 to RMB54.7 million in 2025. Our cost of sales used in sale of products increased by 124.4% from RMB23.9 million in 2024 to RMB53.7 million in 2025, primarily because the raw materials, consumables used and outsourcing costs required for Scale-up EPS and Smart Transceiver with NexusBench delivered in 2025 were different from and generally more costly than those used for the early-stage Scale-up products sold in 2024. Specifically, compared with our 2024 product offerings, the Scale-up EPS not only requires the same optical interconnect modules, but also includes customized switches and design to integrate with our supernode solutions. In addition, these products must be tested and validated with our self-developed software associated with supernode solutions before delivery. Together, these factors contributed to higher costs. We recognized cost of sales used in technology development services and others of RMB1.1 million in 2025.

As a result of the foregoing, our gross profit of optical interconnect business increased from RMB23.1 million in 2024 to RMB29.6 million in 2025, but our gross profit margin of optical interconnect business decreased from 49.1% in 2024 to 35.1% in 2025. We plan to enhance gross profit through product mix optimization and scale effects. Following the commencement of mass production of Scale-up OCS in Q4 2025, we expect this product line to contribute increasingly to our revenue mix. As disclosed in “Business — Commercialization and Business Sustainability,” our Scale-up OCS has attracted customer validation and commercial interest, including through signed purchase orders and letters of intent, reflecting market recognition of its advanced architecture, performance and stability. As production scales up and our manufacturing processes continue to mature, including through further process refinement and yield improvement, we expect the total unit cost of Scale-up OCS to decrease, which is expected to support an improvement in the gross profit margin of our optical interconnect business.

Optical computing business. Cost of sales used in optical computing business increased from RMB4.1 million in 2024 to RMB10.2 million in 2025. Our cost of sales used in sale of products increased from RMB0.3 million in 2024 to RMB9.6 million in 2025, which primarily consisted of costs in developing our PACE and optical computing cluster. The cost of cluster is relatively higher because it integrates multiple components, such as servers and software, to constitute a turnkey product for customers. Our cost of sales used in technology development services and others decreased from RMB3.8 million in 2024 to RMB0.5 million in 2025, which was in line with the changes of revenue.

Our gross profit of optical computing business increased from RMB9.1 million in 2024 to RMB11.9 million in 2025, due to sales of our PACE 2-based optical computing cluster, a server system comprising multiple PACE 2 cards integrated and operated together to enable parallel processing and high-throughput data handling within a single server. Our gross profit margin of optical computing business decreased from 69.1% in 2024 to 53.9% in 2025. This was primarily because, in 2025, we began to offer optical computing clusters as part of our optical computing product portfolio, and components of such optical computing clusters other than PACE 2 generally carried a lower gross profit margin, thereby lowering the overall gross profit margin of our optical computing business. As a result of the foregoing, our gross profit increased from RMB32.2 million in 2024 to RMB41.5 million in 2025. Our gross profit margin decreased from 53.5% in 2024 to 39.0% in 2025.

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Selling and Marketing Expenses

Our selling and marketing expenses increased by 164.1% from RMB24.1 million in 2024 to RMB63.7 million in 2025. This increase was primarily driven by (i) an increase of employee benefits expenses, which was in turn due to an increase in the number of our sales and marketing employees; and (ii) the expansion of the company's business, partially offset by a decrease in marketing and promotion expenses, primarily due to our cost management measures resulting in lower advertising and event spending in 2025 compared to 2024.

General and Administrative Expenses

Our general and administrative expenses increased by 88.6% from RMB99.3 million in 2024 to RMB187.4 million in 2025, mainly driven by (i) the increase in employee benefits expenses due to expanding of our business, (ii) an increase in professional service fees in connection with our financing activities, and (iii) the increase in listing expenses.

Research and Development Expenses

Our research and development expenses increased by 36.1% from RMB352.1 million in 2024 to RMB479.0 million in 2025, mainly attributed to (i) an increase in IP license expenses, especially for PACE 3 products and others, in line with our business strategy, and (ii) an increase in depreciation and amortization, in connection with our purchase of equipment and software, partially offset by a decrease in our design and development expenses.

Net impairment losses on financial assets

We recorded net impairment loss of RMB660 thousand in 2024, primarily in connection with our trade receivables and other receivables. We recorded net impairment losses of RMB972 thousand in 2025, primarily due to an increase in trade receivables. See Note 3 of the Accountant's Report set forth in Appendix I included in this Prospectus.

Other Income

Our other income increased by 164.5% from RMB72.4 million in 2024 to RMB191.7 million in 2025, as we received more government grants as a support on operation, research and development expenditure relating to innovation activities.

Other Gains/(Losses) — Net

We recorded other losses of RMB4.1 million in 2025, as compared to other gains of RMB9.9 million in 2024, due to foreign exchange loss arisen from amounts due from related parties denominated in USD.

Finance Income

Our finance income remained stable at RMB6.3 million in 2025, compared to RMB8.3 million in 2024.

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Finance Costs

Our finance costs remained stable at RMB3.2 million in 2024 and 2025.

Fair Value Changes of Financial Instruments Issued to Investors

Our fair value changes of financial instruments issued to investors increased by 122.7% from RMB378.8 million in 2024 to RMB843.5 million in 2025, primarily as a result of increase in the valuation of us.

Loss for the Year

As a result of the foregoing, our loss for the year increased by 82.6% from RMB735.3 million in 2024 to RMB1,342.4 million in 2025.

Year Ended December 31, 2024 Compared with Year Ended December 31, 2023

Revenue

Our revenue increased by 57.4% from RMB38.2 million in 2023 to RMB60.2 million in 2024.

Optical interconnect business. We recorded revenue of RMB47.0 million in 2024, which was all contributed by our sales of products as we achieved mass production of a Scale-up product.

Optical computing business. Revenue from our optical computing business decreased by 65.4% from RMB38.2 million in 2023 to RMB13.2 million in 2024. Prior to 2025, we were at an exploring and building-up stage and primarily derived revenue from tailored services to different customers. As a result, our revenue, cost and gross profit margin largely depended on the features and complexity of different services.

Cost of Sales; Gross Profit

Our cost of sales increased by 86.7% from RMB15.0 million in 2023 to RMB28.0 million in 2024.

Optical interconnect business. All of our costs of optical interconnect business comprise of costs of sales of products. We recorded cost of sales used in optical interconnect business of RMB23.9 million in 2024, primarily comprise of costs of raw materials, consumables used and outsourcing costs. We recorded gross profit of optical interconnect hardware of RMB23.1 million with a gross profit margin of 49.1% in 2024.

Optical computing business. Cost of sales used in optical computing business decreased by 72.7% from RMB15.0 million in 2023 to RMB4.1 million in 2024, which in line with the changes of our revenue. As a result, our gross profit of optical computing business decreased from RMB23.2 million in 2023 to RMB9.1 million in 2024. Our gross profit margin of optical computing business increased from 60.7% in 2023 to 69.1% in 2024. The improvement in gross profit margin for our optical computing business was primarily driven by (i) a strategic shift from technology-development services to product sales since 2024, which reduced the relative impact of service revenue on overall margins while technology-development service margins remained stable; and (ii) higher gross margin from Gazelle in 2024. Developed alongside the PACE series, Gazelle shared certain underlying technologies with our PACE series products, which reduced the associated labor costs and contributed

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to its higher gross profit margin. Its gross margin was higher than that of OptiHummingbird, which accounted for most sales in 2023, contributing to overall margin improvement in 2024. As a result of the foregoing, our gross profit increased from RMB23.2 million in 2023 to RMB32.2 million in 2024. Our gross profit margin decreased from 60.7% in 2023 to 53.5% in 2024.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 23.0% from RMB19.6 million in 2023 to RMB24.1 million in 2024. This increase was primarily driven by an increase in employee benefits expenses as we expanded our sales team to support our business growth. To a lesser extent, we also incurred higher marketing and promotion expenses, in connection with our customer acquisition initiatives.

General and Administrative Expenses

Our general and administrative expenses decreased by 13.4% from RMB114.7 million in 2023 to RMB99.3 million in 2024, mainly because we recognized share-based payment to an investor of RMB38.2 million in 2023, representing the difference between the pre-determined fixed consideration paid by an investor of Series C3 financing and the fair value of our preferred shares issued to the investor. See Note 34 to the Accountant's Report set forth in Appendix I to this Prospectus for details.

Research and Development Expenses

Our research and development expenses increased by 25.8% from RMB279.8 million in 2023 to RMB352.1 million in 2024, mainly attributed to (i) higher design and development expenses arising from engaging third parties for supplemental services to support our product development; specifically, we develop the overall architecture, technical roadmap and solution design in-house and outsource only certain execution tasks to third parties in accordance with our directions for future testing. (ii) an increase in employee benefits expenses due to an increase in our R&D employees and (iii) increased depreciation and amortization as we purchased more equipment and software, partially offset by a decrease in intellectual property license expenses, which was in line with the specific needs of different products.

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets increased from RMB95 thousand in 2023 to RMB660 thousand in 2024, primarily due to an increase in trade receivables, amounts due from related parties and amounts due from investors.

Other Income

Our other income increased by 420.9% from RMB13.9 million in 2023 to RMB72.4 million in 2024, because we received more government grants as a support on operation, research and development expenses relating to innovation activities. Government grants comprised the financial subsidies received from various government authorities in the Chinese Mainland. Certain government grants were related to assets and amortised during the useful life of the related assets.

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Other Gains — Net

Our net other gains decreased by 45.3% from RMB18.1 million in 2023 to RMB9.9 million in 2024. This decrease was primarily attributable to (i) a decrease in fair value gains on short-term investments measured at fair value through profit or loss, as our structured deposits was held for shorter period in 2024 compared with the previous year and (ii) the losses on disposal of property, plant and equipment relating to the sales of certain fixed assets and equipment that were no longer in use, partially offset by an increase in net foreign exchange gains as a result of fluctuations in exchange rates.

Finance Income

Our finance income increased by 80.4% from RMB4.6 million in 2023 to RMB8.3 million in 2024, primarily due to higher interest income on cash and cash equivalents and bank deposits.

Finance Costs

Our finance costs increased by 39.1% from RMB2.3 million in 2023 to RMB3.2 million in 2024, primarily due to an increase in interest expenses on lease liabilities, as we leased more properties for office space.

Fair Value Changes of Financial Instruments Issued to Investors

Our fair value changes of financial instruments issued to investors increased by 569.3% from RMB56.6 million in 2023 to RMB378.8 million in 2024, primarily as a result of increase in the valuation of us.

Loss for the Year

As a result of the foregoing, our loss for the period increased by 77.8% from RMB413.5 million in 2023 to RMB735.3 million in 2024.

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DISCUSSION OF CERTAIN KEY ITEMS FROM OUR CONSOLIDATED BALANCE SHEETS

The table below sets forth information from our consolidated balance sheets as of the dates indicated, which has been extracted from our consolidated financial statements included in Appendix I to this Prospectus.

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Assets			
Non-Current Assets			
Property, plant and equipment	23,091	63,784	183,700
Right-of-use assets	24,625	18,694	11,257
Intangible assets	28,102	62,487	46,804
Finance lease receivables	—	10,001	6,872
Prepayment, other receivables and other assets	3,903	13,877	23,445
Bank deposits	—	—	20,025
Total Non-Current Assets	79,721	168,843	292,103
Total Current Assets	790,458	1,014,360	845,729
Total Assets	870,179	1,183,203	1,137,832
Deficit			
Deficit Attributable To Owners Of The Company			
Paid-in capital/share capital	10,000	69,728	78,173
Reserves	108,970	158,724	(1,419,136)
Accumulated deficits	(2,545,988)	(3,281,325)	(2,906,889)
Total Deficit/Net Liabilities	(2,427,018)	(3,052,873)	(4,247,852)
Liabilities			
Non-Current Liabilities			
Lease liabilities	21,214	26,297	13,320
Deferred income	94,322	66,387	146,295
Long-term payables	—	1,515	—
Total Non-Current Liabilities	115,536	94,199	159,615
Total Current Liabilities	3,181,661	4,141,877	5,226,069
Total Liabilities	3,297,197	4,236,076	5,385,684
Total Deficit and Liabilities	870,179	1,183,203	1,137,832
Net Current Liabilities	(2,391,203)	(3,127,517)	(4,380,340)

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Net Current Liabilities

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

	As of December 31,			As of February 28,
	2023	2024	2025	2026
				(unaudited)
	(RMB in thousands)			
CURRENT ASSETS				
Inventories	15,056	27,839	28,541	30,192
Trade receivables	5,159	19,189	87,218	86,829
Finance lease receivables	—	1,379	2,907	2,903
Prepayments, other receivables and other assets	52,232	45,845	110,703	105,445
Amounts due from related parties	374,815	25,154	—	—
Amounts due from investors	—	495,386	—	—
Financial assets at fair value through profit or loss	11,024	—	324,965	246,572
Restricted cash	—	759	137	116
Bank deposits	42,088	50,473	82,200	82,200
Cash and cash equivalents	290,084	348,336	209,058	164,571
Total Current Assets	790,458	1,014,360	845,729	718,828
Total Assets	870,179	1,183,203	1,137,832	1,025,488
CURRENT LIABILITIES				
Trade payables	941	6,130	6,735	19,164
Other payables and accruals	102,810	102,438	78,044	54,219
Amount due to a related party	—	74,345	—	—
Contract liabilities	8,091	106	21,622	21,622
Deferred income	10,530	124,418	182,137	135,058
Lease liabilities	7,332	12,729	13,380	13,946
Financial instruments issued to investors	3,051,957	3,821,711	4,924,151	5,172,324
Total Current Liabilities	3,181,661	4,141,877	5,226,069	5,416,333
Net Current Liabilities	(2,391,203)	(3,127,517)	(4,380,340)	(4,697,505)

As of February 28, 2026, the Company's net current liabilities were primarily influenced by financial instruments issued to investors. These instruments, including preferred shares, and financial instruments to investors with preference rights in the Company, represent a substantial portion of the liabilities on our balance sheet. Under the financing agreement, the Company has an obligation to redeem the investment funds under certain triggering events including no qualified IPO by December 31, 2028. However, pursuant to the shareholder resolution passed on September 25, 2025, this liability is expected to be extinguished upon the successful completion of Global Offering, at which point the financial instruments will automatically convert into ordinary shares. This conversion will significantly reduce our financial liabilities and improve our net current liabilities position, turning what are currently liabilities into equity.

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In addition to the IPO-driven conversion of these financial instruments, we expect further improvements in our net current liabilities position through the effective management of working capital, such as the reduction of trade payables and the better collection of trade receivables as our commercial operations continue to scale. Additionally, we are focused on optimizing inventory management, which will improve cash flow and further reduce short-term liabilities. These efforts may help alleviate the pressure on our current liabilities and improve our liquidity position. Furthermore, the successful execution of our commercialization plans, particularly with the expected mass production and sale of our Scale-up OCS products, is anticipated to significantly boost revenue and improve cash flows. As these products reach critical mass in terms of customer adoption, the influx of cash from these sales will further enhance our ability to reduce liabilities and strengthen our balance sheet.

ASSETS

Property, Plant and Equipment

As of December, 31, 2023, 2024 and 2025, we recorded property, plant and equipment of RMB23.1 million, RMB63.8 million and RMB183.7 million, respectively. The increase during the Track Record Period was primarily because we leased more properties and purchased more electronic equipment and laboratory equipment to support our business growth. The following table sets forth a breakdown of our property, plant and equipment as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Leasehold improvements	2,142	6,919	4,363
Furniture	1,392	1,771	1,030
Electronic equipment	7,145	7,174	6,038
Laboratory equipment	12,412	47,920	172,269
Total	23,091	63,784	183,700

Right-of-Use Assets

Our right-of-use assets primarily consist of leased office premises. Our right-of-use assets decreased from RMB24.6 million as of December 31, 2023 to RMB18.7 million as of December 31, 2024, primarily due to depreciation of existing leases, partially offset by our new leases used for office space. The decrease from December 31, 2024 to December 31, 2025 was primarily due to depreciation of existing leases.

Intangible Assets

Our intangible assets primarily consist of electronics design automation (“EDA”) and software. Our intangible assets increased from RMB28.1 million as of December 31, 2023 to RMB62.5 million as of December 31, 2024, primarily because we licensed more EDA tools from third parties to support our business operations. Our intangible assets decreased to RMB46.8 million as of December 31, 2025, primarily due to amortization of software and EDA tools.

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Prepayments, Other Receivables and Other Assets

Our prepayments, other receivables and other assets mainly consist of deposits, prepayments for equipment purchase and software licensing, other receivables, prepayments, and input VAT to be deducted and others.

Our prepayments, other receivables and other assets increased from RMB56.1 million as of December 31, 2023 to RMB59.7 million as of December 31, 2024, driven by an increase in input VAT to be deducted to RMB21.6 million. Our prepayments, other receivables and other assets further increased to RMB134.1 million as of December 31, 2025, primarily due to an increase in prepayment for purchasing raw materials and tape-out service.

Inventories

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

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Raw materials	12,963	21,395	9,778
Work in progress	60	1,588	9,079
Finished goods	2,033	5,339	12,727
	15,056	28,322	31,584
Less: provision for impairment of inventories.	—	(483)	(3,043)
Total	15,056	27,839	28,541

Our inventories increased from RMB15.1 million as of December 31, 2023 to RMB27.8 million as of December 31, 2024 and further to RMB28.5 million as of December 31, 2025, which was in line with our shipment volume. We source inventory based on product demand and market-trend analysis to align purchases with real needs. We also regularly track SKUs and monitor inventory-turnover days so replenishment is timely and visibility is high.

The following table sets forth an aging analysis of our inventories, based on the receipt date as of the years indicated.

	Year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Within 1 year	15,056	25,820	25,982
1 to 2 years	—	2,502	4,637
2 to 3 years	—	—	965
Total	15,056	28,322	31,584

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The following table sets forth turnover days of our inventory for the years indicated.

	Year ended December 31,		
	2023	2024	2025
		(days)	
Inventory turnover days*	187	281	159

Note:

* Inventory turnover days for each year is calculated as the average inventory balance, derived from the beginning and ending inventory balances of the year, divided by the cost of sales for the same corresponding year, and then multiplied by the number of days in that year. For 2023, 2024 and 2025, the number of days was 365, 366 and 365, respectively.

With respect to the changes in our inventory turnover days during the Track Record Period, the increase from 2023 to 2024 was primarily due to the growth in our inventory level as we achieved mass production of our Optical Interconnect hardware and solutions in 2024 and recorded higher shipment volume in our optical computing products. In 2024, we also purchased certain raw materials in advance for potential product development and research purposes. The prolonged holding of these materials further contributed to the increase in inventories from the end of 2024 to the end of 2025. The decrease in inventory turnover days from 281 days in 2024 to 159 days in 2025 was primarily because we exercised more effective control over supply chain procurement, production scheduling and inventory management, and because our Scale-up OCS and Scale-up EPS series products were progressively delivered and accepted during 2025, which improved inventory utilisation.

We believe the provisions for inventories were sufficient as of the end of each year of the Track Record Period. The provision was made based on the Company's inventory write-down policy, primarily with reference to the net realizable value and aging of inventories. In particular, as of the Latest Practicable Date, except for certain inventories aged over one year that are covered by existing sales orders and for which the estimated net realizable value is expected to exceed their costs (and therefore no provision has been made), we have generally provided for inventories aged over one year at a rate of 50%. We have not identified any other indicators of significant impairment risk. For details, please refer to Note 20, page I-63 to the Accountant's Report set forth in Appendix I to this Prospectus.

As of February 28, 2026, RMB2.7 million, or 8.7% of our inventories as of December 31, 2025 had been subsequently utilized or sold. Such low level of subsequent inventory settlement was primarily attributable to the impact of Chinese holidays as settlement activities have gradually normalized since March 2026. Furthermore, there are no material indicators of impairment in respect of inventories. Based on the inventory write-down policy, adequate provisions were made as of December 31, 2025, and no additional provision was required up to the Latest Practicable Date. Accordingly, no material impairment issue exists in respect of inventories, and sufficient inventory write-down provisions have been made.

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Trade Receivables

The following table sets forth a breakdown of our trade receivables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
		<i>(RMB in thousands)</i>	
Due from third parties	5,240	19,424	88,940
Less: Provision for impairment	(81)	(235)	(1,722)
Net trade receivables	<u>5,159</u>	<u>19,189</u>	<u>87,218</u>

Our trade receivables increased from RMB5.2 million as of December 31, 2023 to RMB19.2 million as of December 31, 2024, primarily due to an increase in our revenue and business development. Our trade receivables further increased to RMB87.2 million as of December 31, 2025, attributable to the significant increase in revenue in the fourth quarter of 2025. As a substantial portion of the relevant sales was recorded in the fourth quarter of 2025 and the related receivables remained within credit terms as of December 31, 2025, our net trade receivables balance increased accordingly.

We typically grant credit periods of 30 to 180 days, and we seek to maintain strict control over our outstanding receivables and has a credit control process to minimize the credit risks. The following table sets forth an aging analysis of our trade receivables, based on the invoice date, as of the dates indicated.

	As of December 31,		
	2023	2024	2025
		<i>(RMB in thousands)</i>	
Within 1 year	5,240	19,424	88,818
1 to 2 years	—	—	122
Total	<u>5,240</u>	<u>19,424</u>	<u>88,940</u>

The following table sets forth our trade receivables turnover days during the years indicated.

	For the year ended December 31,		
	2023	2024	2025
		<i>(days)</i>	
Trade receivables turnover days ⁽¹⁾	27	74	183

Note:

- (1) Trade receivables turnover days for a year are calculated as the average of the opening and closing trade receivables balances divided by the revenue for the relevant year, and then multiplied by the number of days in that year.

We grant customers different credit terms based on our business relationship and evaluation of the customers' financial condition and creditability, including the review of the customer profiles, the assessment of the likelihood of collection, and the consideration of any subsequent settlement. In line with our revenue growth and increased customer base, our trade receivables have increased during the Track Record Period, which led to an increase in our trade receivables turnover days. In particular, the

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increase in trade receivables turnover days in 2025 was primarily attributable to the fact that a substantial portion of our revenue was generated in the fourth quarter of 2025, and the related receivables remained within credit terms as of December 31, 2025. As a result, our trade receivables balance as of the end of 2025 increased, which in turn led to higher trade receivables turnover days for the whole year.

There were no ongoing disputes or potential disputes with customers from whom the trade receivables provision was made, and we measure loss allowances for such receivables at an amount equal to lifetime expected credit losses (“ECLs”). Sufficient loss allowance provisions for trade receivables were made in accordance with IFRS Accounting Standards to reflect uncertainties associated with the outstanding amount and we would continue to make sufficient provisions to account for any potential write-offs.

We measure loss allowances at an amount equal to lifetime ECL based on historical settlement records and forward-looking information. We adopted certain expected loss rate based on the age of trade receivables. These rates are adjusted to reflect differences between economic conditions during the year over which the historic data has been collected, current conditions and our view of economic conditions over the expected lives of the receivables. As of December 31, 2023, 2024 and 2025, we recorded loss allowances for trade receivables of RMB0.1 million, RMB0.2 million and RMB1.7 million, respectively. The following table provides information about our exposure to credit risk and ECLs for trade receivables:

	Gross carrying amount	ECL rate	ECL	Loss allowance
	<i>RMB'000</i>		<i>RMB'000</i>	<i>RMB'000</i>
As of December 31, 2023				
Within 1 year	5,240	1.55%	(81)	(81)
As of December 31, 2024				
Within 1 year	19,424	1.21%	(235)	(235)
As of December 31, 2025				
Within 1 year	88,818	1.93%	(1,710)	(1,710)
1 to 2 years	122	9.84%	(12)	(12)
Total⁽¹⁾	88,940	1.94%	(1,722)	(1,722)

Note:

(1) Represent the aggregate amount of trade receivables within one year and one to two years as of December 31, 2025.

As of February 28, 2026, RMB0.9 million, or 1.0% of our trade receivables outstanding as of December 31, 2025 had been subsequently settled. Most of the remaining balances remain within the agreed payment terms. As of March 23, 2026, RMB42.0 million, or 47.3% of our trade receivables outstanding as of December 31, 2025 had been subsequently settled. The overall collection rhythm has been affected by the timing of Chinese holidays, which is normal and within the Company’s control. We expect the remaining amounts to be collected according to plan, and there is no material risk of non-recovery. When assessing the recoverability of our trade receivables, we evaluate changes in the credit quality of each receivable from the time credit is granted to the reporting date. We also estimate the recoverable amount by reference to our historical credit loss experience, adjusted for debtor-specific factors and our assessment of prevailing and expected general economic conditions at the reporting date, in line with our IFRS 9 expected credit loss methodology. Based on our assessment, we confirm

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that we do not identify any material recoverability issues in respect of our trade receivables. In reaching this view, we reviewed customer profiles, assessed collection likelihood, and examined subsequent settlement activities. Although certain aged balances remained outstanding as of January 31, 2026, these balances mainly relate to long-standing cooperative customers. We typically provide extended payment terms to customers with strong credit histories and solid reputations, as part of our commercial arrangements to support key customer relationships and align with their business needs.

We also maintain a proactive and accountable receivables collection mechanism to safeguard cash flow and manage credit risk. Our collection efforts include (i) close monitoring of receivable status, (ii) periodic internal meetings on receivables, and (iii) timely communications with relevant parties through various channels to remind customers of payments. Collection follow-ups are carried out by our sales personnel together with sales management at different levels, with issues escalated as necessary. This hands-on approach allows us to stay on top of collections and address potential issues promptly. Looking ahead, we plan to further enhance our collection efforts by adopting more targeted strategies, including using data-driven insights to identify potential risks earlier and dedicating managers to support key customers, while applying more rigorous credit standards to both new and existing customers and refining our customer base toward those with sustainable growth.

Consistent with the above, as of December 31, 2025, for the remaining customers with large outstanding trade receivables who had not yet made payments, we continued to maintain timely communications through email, phone calls and other means. We did not experience any disagreements with such customers in these communications. Accordingly, we are of the view that there is no material recoverability issue for our trade receivables.

In addition, we consider these trade receivables to be recoverable because (i) based on invoice date, substantially all of the trade receivables outstanding as of December 31, 2025 were aged within one year, with a large portion incurred in the fourth quarter that are still in the credit period; and (ii) we primarily grant credit terms to reputable customers with strong credit profiles, based on our assessment of their financial condition, creditworthiness and historical settlement track record. Taken together with our IFRS 9 expected credit loss assessment and our disciplined collection management mechanism with clear accountability assigned to responsible personnel, we believe the extended turnover period reflects commercial arrangements and settlement cycles rather than heightened credit risk.

Amounts due from related parties

Our amounts due from related parties primarily consist of mainly represented receivable for capital contributions due from related parties for series of financing. All the outstanding receivable balances were subsequently settled in cash in September 2025.

Financial Assets at Fair Value through Profit or Loss

Our financial assets at fair value through profit or loss primarily consist of short-term investment that do not qualify for measurement at either amortized cost or FVOCI. We recorded financial assets at fair value through profit or loss of RMB11.0 million as of December 31, 2023, mainly due to our investments in structured deposits. This balance decreased to nil as of December 31, 2024, reflecting full redemption of structured deposits. Our financial assets at fair value through profit or loss further increased to RMB325.0 million as of December 31, 2025, primarily due to new purchases of short-term investments.

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Our investments classified as financial assets at FVTPL will comply with Chapter 14 of the Listing Rules after the Listing. In particular, any investment or disposal we make following the Listing will be assessed against the relevant percentage ratios to determine whether it constitutes a notifiable transaction under the Listing Rules, and we will ensure that all necessary disclosures, announcements, and approvals are made in a timely manner.

Our investment strategy prioritizes liquidity, safety, and reasonable returns, with the objective of preserving capital and ensuring the availability of funds to support business operations, while maintaining a conservative risk profile. During the Track Record Period, we primarily allocated surplus cash to structured deposits and short-term investments. These instruments are considered to have low credit risk because they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. We only transact with state-owned or reputable financial institutions in Mainland China and reputable international financial institutions outside of Mainland China. There has been no recent history of default in relation to these financial institutions. To ensure prudent management of surplus funds, we follow a centralized investment management approach under the supervision of the finance department and senior management, which reviews investment allocation on a regular basis in light of market conditions, liquidity needs and capital planning.

We have established a comprehensive internal control system governing our investment management activities. We conduct due diligence on counterparties before entering into any investment arrangement, and our finance department performs regular performance and risk reviews on existing investments. In accordance with our internal policies, the purchase of low-risk wealth management products using our surplus cash in an amount of RMB50.0 million or below (inclusive) is subject to approval by our senior finance manager, while other wealth management investment must be reviewed by our CFO prior to execution. Any proposed investment (other than the aforementioned low-risk wealth management products) exceeding RMB30.0 million must be submitted to our Board of Directors for review and approval. Any acquisition or disposal of material assets by us or our subsidiaries within a one-year period that exceeds 30% of our latest audited total assets shall be subject to approval by the Shareholders' meeting. Any material deviation from approved parameters or significant market fluctuation will trigger an immediate reassessment and adjustment of the portfolio. Our board of directors and senior management are actively involved in our investment oversight. The board reviews and approves material investment proposals, policy updates, and risk management reports on a regular basis. The board also periodically reviews the adequacy and effectiveness of our internal controls and risk management systems over investment activities to ensure compliance with our internal policies and external regulatory requirements. The members of our finance department have expertise in investment, financial, and accounting affairs. See "Directors and Senior Management." Their professional judgment ensures that investment decisions are consistent with our overall risk appetite, capital needs, and business development strategies.

Cash and Cash Equivalents

We had cash and cash equivalents of RMB290.1 million, RMB348.3 million and RMB209.1 million as of December 31, 2023, 2024 and 2025, respectively. The fluctuation of our cash and cash equivalents positions at each year end was primarily due to proceeds from financing activities. See "—Liquidity and Capital Resources — Cash Flow Analysis."

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LIABILITIES

Lease Liabilities

Our lease liabilities represent obligations under office lease. Our lease liabilities increased from RMB28.5 million as of December 31, 2023 to RMB39.0 million as of December 31, 2024, primarily due to new lease agreements entered. Our lease liabilities decreased to RMB26.7 million as of December 31, 2025, mainly due to our lease payment.

Deferred Income

Our deferred income represents government grants we received as supports on operation, research and development expenditure relating to our innovation activities. These government grants were transferred from deferred income to other income as we performed the services under the relevant government contracts. During the Track Record Period, our deferred income amounted to RMB104.9 million, RMB190.8 million and RMB328.4 million, respectively.

Financial Instruments Issued to Investors

Our financial instruments issued to investors consist of preferred shares, convertible debentures and contingent forward. Our financial instruments issued to investors increased from RMB3,052.0 million as of December 31, 2023 to RMB3,821.7 million and RMB4,924.2 million as of December 31, 2024 and 2025, respectively, primarily due to our financing activities.

Amounts Due to a Related Party

The amounts due to a related party as of December 31, 2024 represent a net payable position of the transactions arising from the reorganization steps. See Note 39 to the Accountant's Report set out in the Appendix I in this Prospectus for details.

Long-term Payables

Our other long-term payables were related to purchase of certain software according to the payment term in the respective purchase contracts. We recorded long-term payable of RMB1.5 million as of December 31, 2024.

Trade Payables

Our trade payables are not interest-bearing. Our credit terms are typically within 30 days or as agreed by us and our suppliers.

	As of December 31,		
	2023	2024	2025
		<i>(RMB in thousands)</i>	
Payables for raw materials purchased.	822	5,280	6,637
Payables for other service fee	119	850	98
Total	941	6,130	6,735

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Our trade payables increased from RMB0.9 million as of December 31, 2023 to RMB6.1 million as of December 31, 2024, mainly driven by increased payables for raw materials purchased. Our trade payables further increased to RMB6.7 million as of December 31, 2025, primarily due to additional procurement for raw materials. The following table sets forth the aging analysis of our trade payables based on the invoice date as of the dates indicated.

	As of December 31,		
	2023	2024	2025
		<i>(RMB in thousands)</i>	
Within 1 year	941	6,130	6,735

The following table sets forth our trade payables turnover days for the years indicated.

	As of December 31,		
	2023	2024	2025
		<i>(days)</i>	
Trade payables turnover days ⁽¹⁾	27	46	36

Note:

- (1) Trade payables turnover days for a year are calculated as the average of the opening and closing trade payables balances divided by total count of cost of sales for the relevant year, and then multiplied by the number of days in that year.

The change of our trade payables turnover days was generally in line with the changes of our trade payables, as we engaged more suppliers to support our business growth. As of February 28, 2026, RMB0.7 million, or 10.8% of our trade payables outstanding as of December 31, 2025 had been subsequently settled. The remaining payables will be settled in accordance with the existing contract terms.

Other Payables and Accruals

The following table sets forth the details of our other payables and accruals as of the dates indicated.

	As of December 31,		
	2023	2024	2025
		<i>(RMB in thousands)</i>	
Salaries and benefits payables	29,515	39,104	50,586
Tax payables	7,510	8,211	5,653
Payables for purchase of EDA	18,848	40,728	—
Payables for purchase of IP	1,587	—	3,536
Purchase of software	2	2	1,517
Payables for technical services	1,820	5,921	2,183
Payables for purchase of property, plant and equipment	—	33	824
Cash settled share-based compensation to an investor	38,188	—	—
Payables for listing expense	—	—	8,122
Others	5,340	8,439	5,623
Total	102,810	102,438	78,044

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Our other payables, and accruals decreased from RMB102.8 million as of December 31, 2023 to RMB102.4 million as of December 31, 2024, primarily due to the decrease of cash settled share-based compensation to an investor while offsetting by increased purchase of EDA tools. Our other payables and accruals subsequently decreased to RMB78.0 million as of December 31, 2025, primarily due to (i) decreased EDA purchase payables, and (ii) decreased technical services payables, partially offset by increased salaries and benefits payables.

Contract Liabilities

Our contract liabilities primarily consist of advance payments made by customers. Our contract liabilities amounted to RMB8.1 million, RMB106 thousand and RMB21.6 million as of December 31, 2023, 2024 and 2025, respectively. Our contract liabilities primarily depend on our contract terms with different customers. As of February 28, 2026, as the relevant contracts are still in the process of performance, such contract liabilities have not yet been recognized as revenue.

KEY FINANCIAL RATIOS

	For the year ended December 31,		
	2023	2024	2025
Revenue Growth	801.3%	57.4%	76.7%
Gross Margin	60.7%	53.5%	39.0%

LIQUIDITY AND CAPITAL RESOURCES

We have historically funded our cash requirements mainly from cash generated from cash received from financing activities and income derived from our products and services. After the Global Offering, we intend to finance our future capital requirements through cash generated from our business operations and the net proceeds from the Global Offering. We currently do not anticipate any changes to the availability of financing to fund our operations in the near future. We had cash and cash equivalents, current bank deposits and financial assets at fair value through profit and loss of RMB343.2 million, RMB398.8 million and RMB616.2 million as of December 31, 2023, 2024 and 2025, respectively.

Cash Flow Analysis

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

	For the year ended December 31,		
	2023	2024	2025
		<i>(RMB in thousands)</i>	
Net cash flows used in operating activities . . .	(176,306)	(181,800)	(361,099)
Net cash flows generated from/(used in) investing activities	154,414	(89,350)	(396,174)
Net cash flows generated from financing activities	212,752	331,942	622,883
Net increase/(decrease) in cash and cash equivalents	190,860	60,792	(134,390)
Cash and cash equivalents at the beginning of the year	98,930	290,084	348,336
Effect of foreign exchange rates change	294	(2,540)	(4,888)
Cash and cash equivalents at the end of the year	290,084	348,336	209,058

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Net Cash Flows Used in Operating Activities

Net cash flows used in operating activities in 2025 was RMB361.1 million, which primarily consists of loss before tax of RMB1,342.4 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily include (i) fair value changes on financial instruments issued to investors of RMB843.5 million, (ii) share-based compensation expenses of RMB205.0 million, (iii) depreciation of property, plant and equipment of RMB43.4 million, (iv) amortization of intangible asset of RMB35.8 million, (v) net foreign exchange losses of RMB12.6 million and (vi) depreciation of right-of-use assets of RMB8.2 million. The amount was further adjusted by changes in working capital, primarily including (i) an increase in trade receivables of RMB69.5 million, (ii) a decrease in deferred income of RMB64.2 million, and (iii) an increase in prepayments, other receivables and other assets of RMB62.6 million.

Net cash flows used in operating activities in 2024 was RMB181.8 million, which primarily consists of loss before tax of RMB735.3 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily include (i) fair value changes on financial instruments issued to investors of RMB378.8 million, (ii) share-based compensation expenses of RMB60.1 million, (iii) amortization of intangible asset of RMB27.8 million, (iv) net foreign exchange gains of RMB15.3 million, and (v) finance income of RMB8.3 million. The amount was further adjusted by changes in working capital, primarily including (i) an increase in deferred income of RMB86.0 million, (ii) an increase in other payables and accruals of RMB18.7 million, and (iii) an increase in trade receivables of RMB14.2 million.

Net cash flows used in operating activities in 2023 was RMB176.3 million, which consists primarily of loss before tax of RMB413.4 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily include (i) share-based compensation expenses of RMB92.8 million, (ii) fair value changes on financial instruments issued to investors of RMB56.6 million, (iii) amortization of intangible asset of RMB18.7 million, (iv) net foreign exchange gains of RMB14.4 million, and (v) depreciation of right-of-use assets of RMB9.5 million. The amount was further adjusted by changes in working capital, primarily including (i) an increase in deferred income of RMB96.5 million, (ii) an increase in prepayments, other receivables and other assets of RMB20.2 million, and (iii) an increase in inventories of RMB14.7 million.

To improve our net operating cash outflows, we will implement the following strategies: First, we will focus on enhancing the efficiency of our research and development (R&D) expenditures, which have been a significant source of outflows. This may involve exploring strategic collaborations or partnerships for co-funded R&D, thereby reducing our upfront financial burden. Additionally, we will optimize our capital expenditures, particularly in relation to property, plant, and equipment purchases, to better manage cash flow. Another key focus will be improving working capital management by enhancing the utilization of existing resources, such as inventories and receivables. Specifically, we will expedite the collection of trade receivables and reduce the level of prepayments or other receivables, which will improve our cash inflows. Finally, the Company will implement strict annual budget management for operating expenses, ensuring that all expenditures remain within reasonable and controllable limits.

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Net Cash Flows Generated from/(Used in) Investing Activities

Net cash flows used in investing activities in 2025 was RMB396.2 million, which consists primarily of (i) purchase of short-term investments measured at fair value through profit or loss of RMB2,055.0 million, (ii) purchase of property, plant and equipment and intangible assets of RMB236.0 million, and (iii) placement of bank deposits of RMB162.3 million, partially offset by (i) proceeds from disposal of short-term investments measured at fair value through profit or loss of RMB1,737.0 million, (ii) government grants received related to assets of RMB201.8 million, and (iii) redemption of bank deposits of RMB110.0 million.

Net cash flows used in investing activities in 2024 was RMB89.4 million, which consists primarily of (i) purchases of short-term investments measured at fair value through profit or loss of RMB615.0 million, (ii) placement of bank deposits of RMB50.0 million, and (iii) purchase of property, plant and equipment and intangible assets of RMB101.6 million, partially offset by (i) proceeds from disposal of short-term investments measured at fair value through profit or loss of RMB627.2 million and (ii) redemption of bank deposits of RMB41.9 million.

Net cash flows generated from investing activities in 2023 was RMB154.4 million, which consists primarily of (i) proceeds from disposal of short-term investments measured at fair value through profit or loss of RMB1,064.5 million and (ii) redemption of bank deposits of RMB41.5 million, partially offset by (i) purchase of short-term investments measured at fair value through profit or loss of RMB871.0 million, (ii) purchase of property, plant and equipment and intangible assets of RMB43.2 million, and (iii) placement of bank deposits of RMB42.3 million.

Net Cash Flows Generated from Financing Activities

Net cash flows generated from financing activities in 2025 was RMB622.9 million, which consists primarily of (i) cash received from the preferred shareholders to flipping down their equity interests from Youguang Cayman of RMB595.8 million, (ii) proceeds from issuance of financial instruments to investors with preference rights by us of RMB300.0 million, and (iii) net cash settled related to amounts due from Youguang Cayman arising from the issuance of preferred shares of RMB136.7 million, partially offset by cash paid to Youguang Cayman for acquisition of offshore operating entity pursuant to the reorganisation of RMB375.5 million.

Net cash flows generated from financing activities in 2024 was RMB331.9 million, which consists primarily of (i) cash received from the preferred shareholders to flipping down their equity interests from LightAI Ltd. to us of RMB508.0 million, (ii) proceeds from issuance of financial instruments to investors by us of RMB400.0 million, and (iii) cash received from convertible debentures investors pursuant to reorganisation of RMB352.1 million, partially offset by (i) cash paid to LightAI Ltd. for acquisition of offshore operating entity pursuant to the reorganisation of RMB499.9 million and (ii) repayment to convertible debentures investors pursuant to reorganisation of RMB352.1 million.

Net cash flows generated from financing activities in 2023 was RMB212.8 million, which consists primarily of (i) net cash settled related to amounts due from LightAI Ltd. arising from the issuance of preferred shares of RMB170.5 million and (ii) proceeds from issuance of convertible debentures to investors of RMB54.2 million, partially offset by lease payments of RMB12.3 million.

FINANCIAL INFORMATION

CASH OPERATING COSTS

The following table sets forth key information relating to our cash operating costs for the years indicated:

	For the year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Workforce employment ⁽¹⁾	184,685	190,616	216,754
R&D costs ⁽²⁾	100,042	145,379	274,024
Direct service and production costs, including materials ⁽³⁾	16,604	41,952	66,474
Service/solution marketing ⁽⁴⁾	2,101	3,497	2,839
Non-income taxes and other charges	65	140	491
Total	303,497	381,584	560,582

Notes:

(1) Cash operating costs relating to workforce employment represent the sum of employee benefit expenses under R&D expenses, general and administrative expenses, cost of sales and selling and marketing expenses (excluding share-based compensation which is non-cash in nature), adjusted for changes in working capital relating to employee benefit expenses as of previous and current year end under the above operating expenses; (2) R&D costs under cash operating costs represent R&D expenses (excluding employee benefit expenses and non-cash items under R&D expenses), adjusted for changes in working capital relating to R&D activities as of previous and current year end; (3) Cash operating costs relating to direct service and production costs, including materials represent cost of sales (excluding employee benefit expenses and non-cash items under cost of sales), adjusted for changes in working capital relating to cost of sales as of previous and current year end. (4) Cash operating costs relating to marketing represent selling and marketing expenses (excluding employee benefit expenses and non-cash items under selling and marketing expenses), adjusted for changes in working capital relating to sales and marketing activities as of previous and current year end.

INDEBTEDNESS

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

	As of December 31,			As of February 28,
	2023	2024	2025	2026
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>
Current				
Financial instruments issued to investors	3,051,957	3,821,711	4,924,151	5,172,324
Lease liabilities	7,332	12,729	13,380	13,946
Amounts due to a related party	—	74,345	—	—
Non-current				
Lease liabilities	21,214	26,297	13,320	10,556
Total	3,080,503	3,935,082	4,950,851	5,196,826

FINANCIAL INFORMATION

For details of our lease liabilities and financial instruments issued to investors during the Track Record Period, see “— Discussion of Certain Key Items from Our Consolidated Balance Sheets”. As of February 28, 2026, our unutilized bank facilities amounted to RMB380.0 million. Such bank facilities were all committed facilities, meaning that, subject to the satisfaction of the relevant drawdown conditions and in the absence of any event of default, the lenders are required to make the relevant loan amounts available to us. During the Track Record Period and up to the date of this Prospectus, we did not have any material contingent liabilities.

Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we did not experience any difficulties in obtaining credit facilities, nor any withdrawal of facilities or requests for early repayment that would result in material liquidity issue.

Except as otherwise disclosed under the sections titled “— Indebtedness” and “— Contractual Obligations,” as of February 28, 2026, the latest practicable date for determining our indebtedness, we did not have any material bank overdrafts, loans, or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, other recognized lease liabilities, guarantees, or other material contingent liabilities. Our Directors confirm that there have been no material changes in our indebtedness since February 28, 2026 and up to the date of this Prospectus.

RESEARCH AND DEVELOPMENT EXPENDITURE AND TOTAL OPERATING EXPENDITURE

During the Track Record Period, our R&D expenditure primarily consisted of R&D expenses adjusted by (i) intangible assets acquired from third parties and capitalized and (ii) amortisation expense of capitalized intangible assets included in Research and development expenses. The following table sets forth our R&D expenditure for the years indicated and our total R&D expenditure for the three financial years prior to Listing:

	For the year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Research and development expenses	279,822	352,063	479,041
Adjustments:			
Add: Intangible assets acquired from third parties and capitalized	11,435	62,192	20,147
Less: Amortisation expense of capitalized intangible assets included in Research and development expenses	(18,631)	(27,010)	(34,298)
Total research and development expenditure	272,626	387,245	464,890

FINANCIAL INFORMATION

The following table sets forth our operating expenditure for the years indicated and our total operating expenditure for the three financial years prior to Listing:

	For the year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Research and development expenses	279,822	352,063	479,041
Selling and distribution expenses	19,604	24,109	63,677
Administrative expenses	114,746	99,320	187,363
Adjustments:			
Add: Capitalized intangible assets purchased from third party	11,435	62,192	20,147
Less: Amortization of intangible assets recorded in Research and development expenses	(18,631)	(27,010)	(34,298)
Total operating expenditure	406,976	510,674	715,930

The following table sets forth our annual research and development expenditure ratio and total research and development expenditure ratio for the years indicated:

	For the year ended December 31,		
	2023	2024	2025
Annual research and development expenditure ratio ⁽¹⁾	67.0%	75.8%	64.9%
Total research and development expenditure ratio ⁽²⁾	68.9%	68.9%	68.9%

Notes:

- (1) Calculated by dividing annual research and development expenditure by annual total operating expenditure.
- (2) Calculated by dividing total research and development expenditure for the three financial years prior to the Global Offering by total operating expenditure for the three financial years prior to the Global Offering.

CAPITAL EXPENDITURES

Our historical capital expenditures primarily consist of expenditures for property, plant and equipment, intangible assets and right-of-use assets. The following table sets forth our capital expenditures for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Increase in property, plant and equipment . . .	11,678	56,923	163,378
Increase in intangible assets	11,435	62,192	20,147
Increase in right-of-use assets	—	22,992	737
Total	23,113	142,107	184,262

FINANCIAL INFORMATION

We will continue to make capital expenditures to support the expected growth of our business and our expansion plans. For details, see “Future Plans and Use of Proceeds — Use of Proceeds.” We intend to fund these future capital expenditures with financial resources available to us, including our existing cash and bank balances, bank deposits and financial assets at fair value through profit or loss and net proceeds from the Global Offering.

CONTRACTUAL OBLIGATIONS

Capital Commitments

Our capital expenditure commitments primarily consist of commitments to procure property, plant and equipment, and intangible assets. The following table sets forth our capital expenditure commitments for the years indicated.

	As at December 31,		
	2023	2024	2025
		<i>(RMB in thousands)</i>	
Property plant and equipment	15,088	9,364	40,355
Intangible assets	—	1,544	1,025
	<u>15,088</u>	<u>10,908</u>	<u>41,380</u>

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. For details of our related party transactions, see Note 39 to the Accountant’s Report included in Appendix I to this Prospectus. Our Directors are of the view that each of the related party transactions set out in Note 39 to the Accountant’s Report included in Appendix I to this Prospectus was conducted in the ordinary course of business on an arm’s length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or cause our historical results to become non-reflective of our future performance.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, except as disclosed in Note 39 b(vi) to the Accountant’s Report set forth in Appendix I to this Prospectus, we had not entered into any off-balance sheet transactions.

FINANCIAL RISKS DISCLOSURE

Our activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our consolidated financial performance. Risk management is carried out by the senior management of us. See Note 3 to the Accountant’s Report set out in Appendix I to this Prospectus for details of our exposure to financial risk.

FINANCIAL INFORMATION

DIVIDENDS

No dividend was paid or declared by us or any of our subsidiaries since our incorporation. After the Track Record Period and up to the date of this Prospectus, we did not declare any dividends to our Shareholders.

As of the Latest Practicable Date, we did not have a formal dividend policy or a fixed dividend distribution ratio. PRC laws require that dividends be paid only out of our distributable profits. Distributable profits are our after-tax profits, less appropriations to statutory and other reserves that we are required to make. Pursuant to our Articles of Association, our Board may declare dividends in the future after taking into account our results of operations, financial conditions, cash requirements and availability, and other factors as it may deem relevant at such time. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents, applicable PRC laws and approval by our Shareholders. As advised by our PRC Legal Adviser, based on our Articles of Association and the Company Law of the People's Republic of China (Revised in 2023), we can pay dividends despite accumulated losses, except when the accumulative amount of our statutory reserve is not sufficient to cover accumulated losses, in which case the current year's profits shall first be used to make up for the losses. After the Global Offering, we may declare and pay dividends mainly by cash or by stock that we consider appropriate. Decisions to declare or to pay any dividends in the future will depend on, among other things, our profitability, operations and development plans, external financing environment, costs of capital, our cash flows, and other factors that our Directors may consider relevant. Our ability to distribute dividends in the future also depends on whether we can receive dividends from our subsidiaries.

WORKING CAPITAL SUFFICIENCY

Our Directors are of the opinion that, taking into account the estimated net proceeds from the Global Offering and other financial resources available to us, including cash and cash equivalents, bank deposits, financial assets at fair value through profit or loss, we have sufficient working capital to cover 125% of our costs, including research and development expenses, selling and marketing expenses, general and administrative expenses and other operating costs, for the next 12 months from the date of this prospectus. In addition, as of February 28, 2026, we have entered into banking facility agreement with several commercial banks which grant us banking facilities of up to RMB380.0 million. We believe this will further strengthen our working capital sufficiency.

Our cash burn rate refers to the average monthly aggregate amount of (i) net cash used in operating activities, (ii) purchases of property, plant and equipment, (iii) payments for intangible assets, (iv) principal payments of lease liabilities, (v) interest paid for lease liabilities, and (vi) deducting the amount of government grants received related to assets. Our historical cash burn rate was RMB19.3 million, RMB24.9 million and RMB34.2 million in 2023, 2024 and 2025, respectively. The changes of our cash burn rate during the Track Record Period was primarily due to changes in net cash used in operating activities, purchases of property, plant and equipment and intangible assets and payments related to lease liabilities. See “— Liquidity and Capital Resources.”

FINANCIAL INFORMATION

We had cash and cash equivalents, financial assets at fair value through profit and loss and current bank deposits of RMB616.2 million in aggregate as of December 31, 2025. We estimate that we will receive net proceeds of RMB1,890.6 million, after deducting the underwriting commissions and other estimated offering expenses payable by us in connection with the Global Offering, assuming that the Over-allotment Option is not exercised and based on the low-end Offer Price of HK\$166.6 per Offer Share.

Our average monthly cash burn in 2025 was RMB34.2 million, which was higher than that in 2024 and 2023, because we completed the front-end R&D work for PACE 3 in 2025, which was in line with the relevant stage of our R&D cycle. PACE 3 is expected to tape out in the first half of 2026.

Assuming an average future monthly cash burn of RMB39.3 million, representing approximately 1.15 times our average monthly cash burn for the twelve months ended December 31, 2025, and based on the following principal assumptions: (i) we have reached a relatively stable team size, and our headcount, particularly R&D headcount, will not increase materially, (ii) our capital expenditure is expected to remain broadly stable, and (iii) part of the expected increase in future production and R&D costs will be offset by cash inflows generated from sales of our Specialist Technology Products, we estimate that our cash balance as of December 31, 2025 would be sufficient for us to operate for approximately 16 months, or approximately 64 months after taking into account the estimated IPO proceeds.

DISTRIBUTABLE RESERVES

As of December 31, 2025, our deficit was RMB4,247.9 million, which represented no distributable reserve as of the same date.

LISTING EXPENSES

Our listing expenses mainly include (i) underwriting-related expenses, such as underwriting fees and commissions, and (ii) non-underwriting-related expenses, comprising professional fees paid to our legal advisors and reporting accountants for their services rendered in relation to the Listing and the Global Offering, and other fees and expenses. Assuming full payment of the discretionary incentive fee, the estimated total listing expenses (based on the mid-point of the Offer Price range and assuming that the Over-allotment Option is not exercised) for the Global Offering are approximately HK\$145.8 million, accounting for approximately 6.0% of our gross proceeds. Among such estimated total listing expenses, we expect to pay underwriting-related expenses of HK\$96.7 million, professional fees for our legal advisors and reporting accountants of HK\$28.4 million and other fees and expenses of HK\$20.7 million. An estimated amount of HK\$41.7 million for our listing expenses, accounting for approximately 1.7% of our gross proceeds, is expected to be expensed through the statement of profit or loss and an estimated amount of HK\$104.1 million is expected to be recognized directly as a deduction from equity upon the Listing. As of December 31, 2025, we incurred listing expenses of RMB27.0 million, among which RMB22.5 million was recognized in general and administrative expenses in the statement of profit or loss, and RMB4.5 million was recorded in prepayments, other receivables and other assets and will be recognized directly as a deduction from equity upon Listing.

UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

Please refer to “Appendix II — Unaudited Pro Forma Financial Information” for further details.

FINANCIAL INFORMATION

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the date of the Prospectus, there had been no material adverse change in our financial, operational or trading position, indebtedness, contingent liabilities or prospects since December 31, 2025, being the end date of the years reported on in the Accountant's Report set out in Appendix I to this Prospectus, and there had been no event since December 31, 2025, that would materially affect the information shown in the Accountant's Report set out in Appendix I to this Prospectus.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, except for the amounts due from related parties as disclosed in this section, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

See the section headed “Business — Our Strategies” for a detailed description of our future plans.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$2,266.9 million, after deducting underwriting commissions, fees and estimated expenses payable by us in connection with the Global Offering, assuming no Over-allotment Option is exercised and an Offer Price of HK\$174.9 per Offer Share, being the midpoint of the indicative Offer Price range stated in this Prospectus.

- Approximately 70.0% (HK\$1,586.8 million) of the net proceeds will be used for research and development over the next five years, including the continued development of our optical interconnect hardware and solutions and optical computing products. In line with our strategies, we intend to deploy the proceeds as follows, subject to adjustment in light of evolving business needs and market conditions:
 - o **Research and Development of Our Optical Interconnect Hardware and Solutions.** To reinforce our technological leadership, we plan to allocate approximately 35.0% (HK\$793.4 million) of the net proceeds to the development of our optical interconnect hardware and solutions, with a particular focus on semiconductor design capabilities.
 - **Development of chip design technology:** Approximately 25.0% (HK\$566.7 million) will be invested in advancing semiconductor design for our interconnect business line. The development of proprietary interconnect chips underpins our competitive advantage, enabling differentiated performance and improved energy efficiency.

Our roadmap for the development of chip design technology is structured around several progressive stages from the currently commercialized linear pluggable optics (LPO) technologies to the more advanced near-packaged optics (NPO) and co-packaged optics (CPO) technologies, targeting shorter electrical signal path, lower power consumption, better performance and scalability.

Specifically, for our Scale-up EPS, we expect to: (i) continue our existing development of PICs for Scale-up EPS and establish a new PIC project to be launched in the near term; and (ii) develop next-generation chips to support our Scale-up EPS product line, with a mid-to-long-term commercialization target.

For Scale-up OCS, we expect to develop next-generation high-density NPO-based Scale-up OCS solutions capable of supporting significantly larger-scale architectures.

For our Scale-out technologies, we will continue to fund the ongoing research and development of our next-generation PICs that support CPO solutions for switch.

To sustain and expand our research and development efforts, we will continue to allocate resources to strengthen our optical interconnect semiconductor development team. Additional optical interconnect R&D personnel will focus on high-speed PIC design, TIA/Driver chip R&D, and related hardware design and computing-related software development.

FUTURE PLANS AND USE OF PROCEEDS

- **Product Improvement and Commercialization:** Approximately 10.0% (HK\$226.7 million) will be allocated to enhancing our existing optical interconnect portfolio and accelerating commercialization of next-generation commercial offerings. For our scale-up solutions, we will continue upgrading commercialized LPO-based hardware and solutions to improve performance, while developing next-generation platforms that combine optical interconnect with optical switching to construct larger and more flexible AI super-nodes. For our scale-out product line, we will continue to improve and commercialize our smart transceiver product leveraging our self-developed PICs. These initiatives will position us at the forefront of the industry's transition from pluggable optics to co-packaged architectures, broadening the commercialization potential of our optical interconnect products.
- o **Research and Development of Our Optical Computing Products.** We plan to allocate approximately 35.0%, or HK\$793.4 million, of the net proceeds over the next five years to the continued research and development of our optical computing products.
- **Research and Development of PACE 3 and Future Generation OPUs:** We will allocate substantial all of the net proceeds allocated to our optical computing product line to the research and development of PACE 3, which anchors our optical computing product line and our commercialization roadmap, and potential future generation OPUs. PACE 3 will apply our latest proprietary optoelectronic architecture to overcome the performance and energy bottlenecks of traditional chips and deliver specialized acceleration for AI workloads. PACE 3 is designed with a substantially enlarged optical matrix and an integrated high-bandwidth memory system to target the most demanding workloads in generative AI. We will allocate our internal research and development resources in designing chip architecture that emphasizes higher computational precision, seamless integration of memory and compute, and native scalability across processor clusters. To support development, we will use part of the net proceeds to procure engineering design, verification and packaging services, accelerating the R&D timeline of PACE 3. We will also use part of the proceeds to procure services for engineering design, verification, and packaging to accelerate development of the PACE 3 optical computing chip. In addition, once PACE 3 reaches commercialization, we may allocate internal R&D resources to future-generation OPUs, enabling us to maintain technological leadership and support long-term commercialization. By continuously investing in cutting-edge technology, we aim to uphold our leadership position in the field of optical computing and accelerate the advancement of our commercialization roadmap.

To support our optical computing research and development activities, we will continue allocate resources on expanding our team of scientists and engineers dedicated to optical computing. Recruitment will focus on experts in semiconductor design, software engineering, system design and AI applications, while also strengthening our global and in-house talent pool. These efforts will support the advancement of the optical computing product line and ensure continuity of our long-term innovation pipeline.

- Approximately 20.0%, or HK\$453.4 million of the net proceeds will be used for our commercialization efforts. In line with our strategies, we intend to use the net proceeds for the following purposes, subject to changes in light of our evolving business needs and changing market conditions:

FUTURE PLANS AND USE OF PROCEEDS

- o **Expansion of Our Product Development Team.** Approximately 10.0% (HK\$226.7 million) of the net proceeds will be allocated to support our product development and commercialization efforts. In particular, we plan to strengthen our internal product development team to accelerate the commercialization of both our optical interconnect and optical computing product lines. Our commercialization strategy requires not only continued technological breakthroughs at the chip and system levels but also robust engineering and deployment capabilities to adapt products to the diverse needs of hyperscale data centers and AI infrastructure operators. By investing in a stronger product development team, we aim to shorten time-to-market, ensure product reliability in commercial deployments, and support the scaling of our dual product engines, optical interconnect and optical computing, into broader customer adoption.
- o **Expansion of Our Sales and Marketing Team.** Approximately 10.0% (HK\$226.7 million) will be allocated to expand our sales and marketing team to support the commercialization of our products. As we build our team, we will closely align with our two-pronged customer acquisition strategy for our optical interconnect products, covering both scale-up and scale-out solutions, and our phased roadmap for optical computing products aiming at ecosystem building and the eventual mass commercialization. The vast majority of the proceeds will be allocated to domestic sales and marketing team for domestic market, while a small portion of proceeds will be allocated to international team for our exploration of overseas markets initially focused on North America. We acknowledge that overseas markets present unique challenges and that demand drivers, customer requirements, and use cases in these regions may differ significantly from those in our domestic markets. For instance, the adoption of optical interconnect solutions among North American customers may require different configurations or performance specifications compared to our current offerings. These solutions include, but are not limited to, CXL-based architectures for CPU and memory scale-up. At this stage, the specifics regarding customer bases, revenue targets, and timelines for each overseas market remain flexible. Overall, our overseas expansion will follow a phased and disciplined approach and will remain a relatively small component of our growth strategy compared to our expansion in the domestic market. We will continue to evaluate and refine our approach as we develop a deeper understanding of customer needs and the competitive landscape in each region.
- Approximately 10.0%, or HK\$226.7 million of the net proceeds will be allocated to working capital and general corporate purposes.

To the extent that the net proceeds from the Global Offering are not immediately required for the above purposes and to the extent permitted by the relevant laws and regulations, we will only place the net proceeds from the Global Offering in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions as defined under the Securities and Futures Ordinance or applicable laws in the relevant jurisdictions. We will make an appropriate announcement if there is any change to the above proposed use of proceeds.

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HONG KONG UNDERWRITERS

China International Capital Corporation Hong Kong Securities Limited
Haitong International Securities Company Limited
The Hongkong and Shanghai Banking Corporation Limited
Futu Securities International (Hong Kong) Limited
Shenwan Hongyuan Securities (H.K.) Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, our Company has agreed to offer the Hong Kong Offer Shares for subscription by the public in Hong Kong on and subject to the terms and conditions of the Hong Kong Underwriting Agreement and this prospectus.

Subject to (a) the Stock Exchange granting approval for the listing of, and permission to deal in, our H Shares in issue and to be issued pursuant to the Global Offering on the Main Board (including any additional H Shares which may be issued pursuant to the exercise of the Over-allotment Option) and such approval not having been withdrawn; and (b) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed, severally but not jointly, to subscribe, or procure subscribers to subscribe, for their respective applicable proportions of the Hong Kong Offer Shares being offered but are not taken up under the Hong Kong Public Offering on the terms and conditions set out in this prospectus and the Hong Kong Underwriting Agreement. The Hong Kong Underwriting Agreement is conditional on and subject to, among other things, the International Underwriting Agreement having been executed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for Termination

The Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters), may, in their sole and absolute discretion, upon giving notice in writing to the Company, terminate the Hong Kong Underwriting Agreement with immediate effect if at any time prior to 8:00 a.m. on the Listing Date:

- (1) there develops, occurs, exists or comes into force:
 - (a) any new law or regulation or any change or development involving a prospective change or any event or series of events or circumstances likely to result in a change or a development involving a prospective change in existing laws or regulations, or the interpretation or application thereof by any court or any competent authority in or affecting Hong Kong, the PRC, the United States, the United Kingdom, the European Union (or any member thereof), Japan, Singapore or other jurisdictions relevant to our Group or the Global Offering (and each a “**Relevant Jurisdiction**” and collectively, the “**Relevant Jurisdictions**”); or
 - (b) any change or development involving a prospective change, or any event or series of events or circumstances likely to result in a change or prospective change, in any local, national, regional or international financial, political, military, industrial, economic,

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fiscal, legal, regulatory, currency, credit or market conditions or sentiments, taxation, equity securities or currency exchange rate or controls or any monetary or trading settlement system, or foreign investment regulations (including, without limitation, a devaluation of the Hong Kong dollar, United States dollar or Renminbi against any foreign currencies, a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar or the Renminbi is linked to any foreign currency or currencies) or other financial markets (including, without limitation conditions and sentiments in stock and bond markets, money and foreign exchange markets, the inter-bank markets and credit markets) in or affecting any Relevant Jurisdictions, or affecting an investment in the Offer Shares; or

- (c) any event or series of events, or circumstances in the nature of force majeure (including, without limitation, any acts of government, declaration of a regional, national or international emergency or war, calamity, crisis, economic sanctions, strikes, labor disputes, other industrial actions, lock-outs, fire, explosion, flooding, tsunami, earthquake, volcanic eruption, civil commotion, riots, rebellion, public disorder, paralysis in government operations, acts of war, epidemic, pandemic, outbreak or escalation, mutation or aggravation of diseases, accident or interruption or delay in transportation, local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared), act of God or act of terrorism (whether or not responsibility has been claimed)) in or affecting any of the Relevant Jurisdictions; or
- (d) the imposition or declaration of any moratorium, suspension or limitation (including without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) on (i) the trading in shares or securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange, the Singapore Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market or the London Stock Exchange; or (ii) the trading in any securities of the Company listed or quoted on a stock exchange or an over-the-counter market; or
- (e) the imposition or declaration of any general moratorium on banking activities in or affecting any of the Relevant Jurisdictions or any disruption in commercial banking or foreign exchange trading or securities settlement or clearing services, procedures or matters in or affecting any of the Relevant Jurisdictions; or
- (f) other than with the prior written consent of the Overall Coordinators, the issue or requirement to issue by the Company of a supplement or amendment to this prospectus or other documents in connection with the offer and sale of the Offer Shares pursuant to the Companies (Winding up and Miscellaneous Provisions) Ordinance or the Listing Rules or upon any requirement or request of the Stock Exchange and/or the SFC; or
- (g) the commencement by any authority or other regulatory or political body or organization of any public action or investigation against a member of the Group or a director or a senior management member of any member of the Group or announcing an intention to take any such action; or

UNDERWRITING

- (h) the imposition of sanctions or export controls in whatever form, directly or indirectly, on any member of the Group or any of the Single Largest Shareholders or by or on any Relevant Jurisdiction, or the withdrawal of trading privileges which existed on the date of this Agreement, in whatever form, directly or indirectly, by, or for, any Relevant Jurisdiction; or
- (i) any valid demand by creditors for payment or repayment of indebtedness of any member of the Group or in respect of which any member of the Group is liable prior to its stated maturity; or
- (j) any non-compliance of this prospectus (or any other documents used in connection with the contemplated offering, allotment, issue, subscription or sale of any of the Offer Shares), the CSRC filings or any aspect of the Global Offering with the Listing Rules or any other applicable Laws; or
- (k) any litigation, dispute, legal action or claim or regulatory or administrative investigation or action being threatened, instigated or announced against any member of the Group or any Single Largest Shareholder or any Director or senior management members as named in this prospectus; or
- (l) any contravention by any member of the Group or any Director of the Listing Rules or applicable Laws; or
- (m) any change or prospective change, or a materialization of, any of the risks set out in the section headed “Risk Factors” in this prospectus,

which, in any such case individually or in the aggregate, in the sole and absolute opinion of the Joint Sponsors and/or the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters): (1) has or will or may have a material adverse effect; (2) has or will or may have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of indications of interest under the International Offering; or (3) makes or will make or may make it impracticable, inadvisable, inexpedient or incapable for any material part of the Hong Kong Underwriting Agreement, the Hong Kong Public Offering or the Global Offering to be performed or implemented as envisaged, or for the Hong Kong Public Offering and/or the Global Offering to proceed, or to market the Global Offering to proceed, or to market the Global Offering, or the delivery or distribution of the Offer Shares on the terms and in the manner contemplated by the Offering Documents; or (4) has or will or may have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

- (2) there has come to the notice of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) that:
 - (a) any statement contained in any of the Offering Documents, the CSRC filings and/or any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of the Company in connection with the Global Offering (including any supplement or amendment thereto) (the “**Global Offering Documents**”) was, when it was issued, or has become untrue, incorrect, inaccurate or incomplete in

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- any material respect or misleading; or that any estimate, forecast, expression of opinion, intention or expectation contained in any such documents, was, when it was issued, or has become unfair or misleading in any respect or based on untrue, dishonest or unreasonable assumptions or given in bad faith; or
- (b) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, constitute a material omission or misstatement in any Global Offering Document; or
 - (c) any breach of, or any event or circumstance rendering untrue or incorrect or incomplete or misleading in any respect, any of the representations, warranties and undertakings given by the Company or the Single Largest Shareholders in the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or
 - (d) any event, act or omission which gives rise or is likely to give rise to any liability of any of the Indemnifying Parties (as defined in the Hong Kong Underwriting Agreement) pursuant to the indemnities in the Hong Kong Underwriting Agreement or the International Underwriting Agreement (including any supplement or amendment thereto), as applicable; or
 - (e) any breach of any of the obligations or undertakings imposed upon the Company or any member of the Single Largest Shareholders or any cornerstone investor (as applicable) to the Hong Kong Underwriting Agreement, the International Underwriting Agreement or the Cornerstone Investment Agreements (as defined in the Hong Kong Underwriting Agreement); or
 - (f) there is any change or development involving a prospective change, constituting or having a material adverse effect; or
 - (g) that the Chairman of the Board, any Director or any member of the senior management of the Company named in this prospectus seeks to retire, or is removed from office or vacating his/her office; or
 - (h) any Director or any member of the senior management of the Company named in this prospectus is being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management or taking directorship of a company; or
 - (i) the Company withdraws this prospectus (and/or any other documents used in connection with the subscription or sale of any of the Offer Shares pursuant to the Global Offering) or the Global Offering; or
 - (j) that the approval by the Listing Committee of the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including pursuant to any exercise of the Over-allotment Option) is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, cancelled, qualified (other than by customary conditions), revoked or withheld; or

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- (k) any person (other than any of the Joint Sponsors) has withdrawn its consent to the issue of this prospectus with the inclusion of its reports, letters and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears; or
- (l) any prohibition on the Company for whatever reason from offering, allotting, issuing or selling any of the Offer Shares pursuant to the terms of the Global Offering; or
- (m) any person (other than the Joint Sponsors and the Overall Coordinators) has withdrawn or sought to withdraw its consent to being named in any of the Offering Documents or to the issue of any of the Offering Documents; or
- (n) an order or petition is presented for the winding-up or liquidation of any member of the Group, or any member of the Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of the Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurs in respect of any member of the Group; or
- (o) (A) the notice of acceptance of the CSRC filings issued by the CSRC and/or the results of the CSRC filings published on the website of the CSRC is rejected, withdrawn, revoked or invalidated; or (B) other than with the prior written consent of the Overall Coordinators, the issue or requirement to issue by the Company of a supplement or amendment to the CSRC filings pursuant to the CSRC rules or upon any requirement or request of the CSRC; or (C) any non-compliance of the CSRC filings with the CSRC rules or any other applicable Laws; or
- (p) that (i) a material portion of the orders placed or confirmed in the bookbuilding process or (ii) any investment commitment made by any cornerstone investors under the Cornerstone Investment Agreements (as defined in the Hong Kong Underwriting Agreement) signed with such cornerstone investors, have been withdrawn, terminated or cancelled, or with respect to which the payment of the relevant orders and/or investment commitment has not been received or settled in the stipulated time and manner or otherwise,

then, in each case, the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) may, in their sole and absolute discretion and upon giving notice in writing to the Company, terminate the Hong Kong Underwriting Agreement with immediate effect.

Undertakings given to the Stock Exchange pursuant to the Listing Rules

Undertakings by our Company

We have undertaken to the Stock Exchange that no further Shares or securities convertible into equity securities of our Company (including warrants or other convertible securities) (whether or not of a class already listed) may be issued or sold or transferred out of treasury or form the subject of any agreement to such an issue, or sale or transfer out of treasury by our Company within six months from the Listing Date (whether or not such issue of Shares or securities of our Company, or sale or transfer of shares out of treasury will be completed within six months from the Listing Date), except (a) pursuant to the Global Offering and the exercise of the Over-allotment Option; or (b) under any of the circumstances provided under Rule 10.08 of the Listing Rules.

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By our Single Largest Shareholders

Pursuant to Rules 10.07 and 18C.13 of the Listing Rules, each of our Single Largest Shareholders has undertaken to us and to the Stock Exchange that except pursuant to the Global Offering, or the Over-allotment Option, it/he shall not and shall procure that the relevant registered Shareholder(s) controlled by it/him shall not, in the period commencing on the date by reference to which disclosure of its/his shareholdings in our Company is made in this prospectus and ending on the date which is 24 months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances (save as pursuant to a pledge or charge as security in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan) in respect of, any of our securities that it/he is shown to beneficially own in this prospectus.

Each of our Single Largest Shareholders has further undertaken to us and the Stock Exchange that, within the period commencing on the date by reference to which disclosure of its/his shareholdings in our Company is made in this prospectus and ending on the date which is 24 months from the Listing Date, it/he will: (a) when it/he pledges or charges any securities in our Company beneficially owned by it/him in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan pursuant to Note (2) to Rule 10.07(2) of the Listing Rules, immediately inform us in writing of such pledge or charge together with the number of our securities so pledged or charged; and (b) when it/he receives indications, either verbal or written, from the pledgee or chargee that any of our pledged or charged securities beneficially owned by it/him will be disposed of, immediately inform us in writing of such indications.

We will also inform the Stock Exchange as soon as we have been informed of the matters mentioned in the paragraphs (a) and (b) above by any of our Single Largest Shareholders and make a public disclosure in relation to such information by way of an announcement in accordance with the Listing Rules.

By the Key Persons

Pursuant to Rule 18C.14(1) of the Listing Rules, each of the key persons and their close associates (the “**Key Persons**”), comprising Dr. Shen, Dr. Huaiyu Meng, Mr. Wang Long, Dr. Ben Chen and Dr. Bo Peng, has irrevocably and unconditionally undertaken to us and to the Stock Exchange that except pursuant to the Global Offering, or the Over-allotment Option, it/he/she shall not and shall procure that its/his/her respective close associates and the relevant registered Shareholder(s) controlled by it/him/her shall not, in the period commencing on the date by reference to which disclosure of its/his/her shareholdings (or its/his/her respective close associate’s shareholdings, if applicable) in our Company is made in this prospectus and ending on the date which is 24 months from the Listing Date, dispose of, or enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances (save as (i) pursuant to a pledge or charge as security in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan, or (ii) disposing any interest in such securities of our Company in the circumstances provided under Rule 18C.15 of the Listing Rules) in respect of, any of our securities that it/he/she (or its/his/her respective close associate, if applicable) is shown to beneficially own in this prospectus.

In accordance with Note 2 to Rule 18C.14 of the Listing Rules, each of the Key Persons has further undertaken to us and the Stock Exchange, and shall procure its/his/her respective close associates, that within the period commencing on the date by reference to which disclosure of

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its/his/her shareholdings (or its/his/her respective close associate's shareholdings, if applicable) in our Company is made in this prospectus and ending on the date which is 24 months from the Listing Date, it/he/she will: (a) when it/he/she (or its/his/her respective close associate) pledges or charges any securities in our Company beneficially owned by it/him/her (or by its/his/her respective close associate) in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)), immediately inform us in writing of such pledge or charge together with the number of our securities so pledged or charged; and (b) when it/he/she (or its/his/her respective close associate) receives indications, either verbal or written, from the pledgee or chargee that any of our pledged or charged securities beneficially owned by it/him/her (or by its/his/her respective close associate) will be disposed of, immediately inform us in writing of such indications.

We will also inform the Stock Exchange as soon as we have been informed of the matters mentioned in the paragraphs (a) and (b) above by any of the Key Persons and make a public disclosure in relation to such information by way of an announcement in accordance with the Listing Rules.

By Pathfinder SIIs

Pursuant to Rule 18C.14(2) of the Listing Rules, each of the Pathfinder SIIs has irrevocably and unconditionally undertaken to us and to the Stock Exchange that except pursuant to the Global Offering, or the Over-allotment Option, it shall not, and shall procure that the relevant registered holder(s) shall not, in the period commencing on the date by reference to which disclosure of its shareholdings in our Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances (save as (i) pursuant to a pledge or charge as security in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan, or (ii) disposing any interest in such securities of our Company in the circumstances provided under Rule 18C.15 of the Listing Rules) in respect of, any of our securities that it is shown to beneficially own in this prospectus.

In accordance with Note 2 to Rule 18C.14 of the Listing Rules, each of the Pathfinder SIIs has further irrevocably and unconditionally undertaken to us and the Stock Exchange that, within the period commencing on the date by reference to which disclosure of its shareholdings in our Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, it will: (a) when it pledges or charges any securities in our Company beneficially owned by it in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)), immediately inform us in writing of such pledge or charge together with the number of our securities so pledged or charged; and (b) when it receives indications, either verbal or written, from the pledgee or chargee that any of our pledged or charged securities beneficially owned by it will be disposed of, immediately inform us in writing of such indications.

We will also inform the Stock Exchange as soon as we have been informed of the matters mentioned in the paragraphs (a) and (b) above and make a public disclosure in relation to such information by way of an announcement in accordance with the Listing Rules.

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Undertakings given to the Hong Kong Underwriters

Undertakings by our Company

Our Company has undertaken to each of the Joint Sponsors, the Sponsor-OC, the Overall Coordinators, the Joint Global Coordinators, the CMI's, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that except pursuant to the Global Offering (including pursuant to the Over-allotment Option), at any time after the date of the Hong Kong Underwriting Agreement up to, and including the date falling six months after the Listing Date (the **"First Six Month Period"**), we will not, without the prior written consent of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

- (a) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, assign, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, or repurchase, any legal or beneficial interest in the share capital, any H Shares or any other securities of the Company or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase any share capital, H Shares or other securities of the Company, as applicable), or deposit any share capital, H Shares or other securities of the Company, as applicable, with a depositary in connection with the issue of depositary receipts; or
- (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of the H Shares or any other securities of our Company, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares); or
- (c) enter into any transaction with the same economic effect as any transaction specified in (a) or (b) above; or
- (d) offer to or agree to do any of the foregoing specified in (a), (b) or (c) above or announce any intention to do so;

in each case, whether any of the foregoing transactions is to be settled by delivery of share capital, H Shares or such other securities, in cash or otherwise (whether or not the issue of such share capital or other securities will be completed within the First Six Month Period). The Company further agrees that, in the event the Company is allowed to enter into any of the transactions described in (a), (b) or (c) above or offers to or agrees to or announces any intention to effect any such transaction during the period of six months commencing on the date on which the First Six Month Period expires (the **"Second Six Month Period"**), it will take all reasonable steps to ensure that such an issue or disposal will not, and no other act of the Company will, create a disorderly or false market for any H Shares or other securities of our Company.

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The Single Largest Shareholders undertake to each of the Joint Sponsors, the Sponsor-OC, the Overall Coordinators, the Joint Global Coordinators, the CMIs, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that it/he shall procure our Company to comply with the undertakings in the Hong Kong Underwriting Agreement.

By our Single Largest Shareholders

Each of our Single Largest Shareholder (as defined in the Hong Kong Underwriting Agreement) has undertaken to each of our Company, the Joint Sponsors, the Sponsor-OC, the Overall Coordinators, the Joint Global Coordinators, the CMIs, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that, without the prior written consent of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters), at any time during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including, the date that is 24 months after the Listing Date (the “**24-Months Period**”) and unless in compliance with the requirements of the Listing Rules,

- (a) it/he will not, and will procure that the relevant registered holder(s), any nominee or trustee holding on trust for it/him and the companies controlled by it/him/her will not, sell, offer to sell, accept subscription for, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an encumbrance, over, or agree to transfer or dispose of or create an Encumbrance over, either directly or indirectly, conditionally or unconditionally, any H Shares or any other securities of our Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any H Shares, or any such other securities, as applicable or any interest in any of the foregoing, or deposit any H Shares or other equity securities of our Company with a depository in connection with the issue of depository receipts, or
- (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of any Shares or other securities of the Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or any such other securities, as applicable or any interest in any of the foregoing), or
- (c) enter into any transaction with the same economic effect as any transaction specified in (a) above or (b) above or offer to or agree to or announce any intention to effect any transaction specified in (a) above or (b) above; or
- (d) offer to or agree to or announce any intention to effect any transaction specified in (a), (b) or (c) above, in each case, whether any of the transactions specified in (a), (b) or (c) above is to be settled by delivery of H Shares or other securities of our Company, or in cash or otherwise (whether or not the transactions will be completed within 24-Month Period (the “**Single Largest Shareholders Locked-up Securities**”)).

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Until the expiry of the 24-Month Period, in the event that any of the Single Largest Shareholders enters into any of the transactions specified above or offer to or agrees to or contract to or publicly announce any intention to effect any such transaction, it/he will take all reasonable steps to ensure that such a disposal will not create a disorderly or false market in the securities of our Company.

The restrictions above shall not prevent the Single Largest Shareholders from (i) purchasing additional H Shares or other securities of our Company and disposing of such additional H Shares or securities of our Company in accordance with the Listing Rules, provided that any such purchase or disposal does not contravene the lock-up arrangements with the Single Largest Shareholders or the compliance by our Company with the minimum public float requirement, (ii) disposing of any interest of the Single Largest Shareholders Locked-up Securities in the circumstances provided under Rule 18C.15 of the Listing Rules; and (iii) using the H Shares or other securities of our Company or any interest therein beneficially owned by them as security (including a charge or a pledge) in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan in accordance with Note (2) to Rule 10.07(2) of the Listing Rules, provided that, within 24-Month Period, (a) the relevant Single Largest Shareholder will immediately inform our Company and the Overall Coordinators in writing of such pledge or charge together with the number of H Shares or other securities of our Company so pledged or charged if and when it/he or the relevant registered holder(s) pledges or charges any H Shares or other securities of our Company beneficially owned by it/him, and (b) when the relevant Single Largest Shareholder receives indications, either verbal or written, from the pledgee or chargee of any Shares that any of the pledged or charged H Shares or other securities of our Company will be disposed of, it/he will immediately inform our Company and the Overall Coordinators of such indications.

Our Company hereby undertakes to the Joint Sponsors, the Sponsor-OC, the Overall Coordinators, the Joint Global Coordinators, the CMIs, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that upon receiving such information in writing from the Single Largest Shareholders, it will, as soon as practicable and if required pursuant to the Listing Rules, the SFO and/or any other applicable Law, notify the Stock Exchange and/or other relevant Authorities, and make a public disclosure in relation to such information by way of an announcement.

In the event that upon the notification by the Stock Exchange that our Company will no longer be regarded as a Pre-Commercial Company (as defined in the Listing Rules) after the Listing, the lock-up period will expire on the later of: (i) the date which is 12 months from the Listing Date; and (ii) the date falling on the 30th day after the announcement on the removal of designation as a Pre-Commercial Company as required under Rule 18C.24 of the Listing Rules.

Underwriters' interest in our Group

Save for their respective obligations under the Hong Kong Underwriting Agreement and the International Underwriting Agreement and as disclosed in this prospectus, as of the Latest Practicable Date, none of the Underwriters was interested directly or indirectly in any of our Shares or securities or any shares or securities of any other member of our Group or had any right or option (whether legally enforceable or not) to subscribe for, or to nominate persons to subscribe for, any of our Shares or securities or any shares or securities of any other member of our Group.

Following the completion of the Global Offering, the Underwriters and their affiliated companies may hold a certain portion of our H Shares as a result of fulfilling their respective obligations under the Hong Kong Underwriting Agreement and International Underwriting Agreement.

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The Joint Sponsors' Independence

CICC Cultural Consumption Industry Equity Investment Fund (Xiamen) Partnership Enterprise (Limited Partnership) (中金文化消費產業股權投資基金(廈門)合夥企業(有限合夥)) (“**CICC Cultural Consumption Fund**”) and Global Bridge Capital USD Fund I, L.P. (“**GBC**”) are Pre-IPO Investors and our Shareholders with respective 2.16% and 3.62% shareholding interest immediately prior to the Listing. CICC Cultural Consumption Fund is managed by its general partner, CICC Capital Management Co., Ltd., which is wholly owned by China International Capital Corporation Limited* (中國國際金融股份有限公司) (“**CICC**”), a joint stock company incorporated in the PRC whose shares are listed on the Shanghai Stock Exchange (stock code: 601995) and the Hong Kong Stock Exchange (stock code: 3908) and a holding company of China International Capital Corporation Hong Kong Securities Limited* (中國國際金融香港證券有限公司) (“**CICC HK Securities**”), one of our Joint Sponsors, Overall Coordinators and Underwriters. GBC is managed by its general partner, Global Bridge Capital I GP, LLC, which is jointly controlled by each of CICC and certain other companies. Further details of the ultimate beneficial owner of CICC Cultural Consumption Fund and GBC are set forth in “History, Development and Corporate Structure — Corporate Development and Major Shareholding Changes — Pre-IPO Investors” in this prospectus. Although CICC Listco does not outright control Global Bridge Capital I GP, LLC, GBC is treated as a close associate of CICC group, CICC Cultural Consumption Fund and GBC and CICC HK Securities are therefore deemed members of the CICC Group, i.e., the “sponsor group” for the purposes of Rule 3A.01(9). As the aggregated shareholding of CICC Cultural Consumption Fund and GBC in the Company is more than 5% under Rule 3A.07(1), we do not consider CICC HK Securities to be independent from our Company under Rule 3A.07(1) of the Listing Rules.

Haitong International Capital Limited satisfies the independence criteria set out in Rule 3A.07 of the Listing Rules.

The International Offering

International Underwriting Agreement

In connection with the International Offering, we expect to enter into the International Underwriting Agreement on the Price Determination Date with, among others, the International Underwriters. Under the International Underwriting Agreement, the International Underwriters would, subject to certain conditions, severally and not jointly, agree to purchase the International Offer Shares or procure purchasers for the International Offer Shares initially being offered pursuant to the International Offering. See “Structure and Conditions of the Global Offering — The International Offering” in this prospectus.

Over-allotment Option

Under the International Underwriting Agreement, we intend to grant to the International Underwriters the Over-Allotment Option, exercisable in whole or in part at one or more times, at the sole and absolute discretion of the Overall Coordinators (for themselves and on behalf of the International Underwriters) from the Listing Date until 30 days from the last day for the lodging of applications under the Hong Kong Public Offering to require us to issue and allot up to an aggregate of 2,069,280 additional Offer Shares, representing 15.0% of the Offer Shares initially available under the Global Offering and at the Offer Price, to cover, among other things, any over-allocations in the International Offering, if any.

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Total Commission and Expenses

The Underwriters will receive an underwriting commission equal to 1.6% of the aggregate Offer Price of all the Offer Shares, including Offer Shares to be issued pursuant to the Over-Allotment Option (the “**Fixed Fees**”). Our Company may, at our sole and absolute discretion, pay to all the Underwriters an incentive fee not exceeding 2.4% of the Offer Price of all the Offer Shares (including Offer Shares to be issued pursuant to the Over-Allotment Option) (collectively, the “**Discretionary Fees**”).

The ratio of Fixed Fees and Discretionary Fees payable to all Underwriters is therefore approximately 40%:60%. For unsubscribed Hong Kong Offer Shares reallocated to the International Offering, we will pay an underwriting commission at the rate applicable to the International Offering and such commission will be paid to the relevant International Underwriters (and not the Hong Kong Underwriters). No additional fee will be payable by our Company to the Underwriters. The Joint Sponsors will, in addition, receive a fee acting as the sponsor to the Listing and will be reimbursed for their expenses.

Assuming the Over-Allotment Option, if any, is not exercised, full payment of the discretionary incentive fee and based on an Offer Price of HK\$174.9 (being the mid-point of the stated range of the Offer Price between HK\$166.6 and HK\$183.2), the aggregate commissions and estimated expenses, together with the Stock Exchange listing fee, SFC transaction levy, AFRC transaction levy, Stock Exchange trading fee, legal and other professional fees, printing and other fees and expenses, payable by our Company relating to the Global Offering, are estimated to amount in aggregate to HK\$145.8 million in total and are payable by us.

Indemnity

We have undertaken to indemnify and keep indemnified on demand (on an after-tax basis) and hold harmless each of the Joint Sponsors, the Overall Coordinators and the Hong Kong Underwriters (for themselves and on trust for its directors, supervisors, officers, employees, agents, assignees and affiliates) from and against certain losses which they may suffer, including liabilities under the U.S. Securities Act, losses arising from their performance of their obligations under the Underwriting Agreements and any breach by us of the Underwriting Agreements, as the case may be.

Restrictions on the Offer Shares

No action has been taken to permit a public offering of the Offer Shares, other than in Hong Kong, or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation.

Over-Allotment and Stabilization

Details of the arrangements relating to the stabilization and Over-allotment Option, if any, are set forth in “Structure and Conditions of the Global Offering — Stabilization,” and “Structure and Conditions of the Global Offering — Over-allotment Option.”

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Activities by Syndicate Members

The Hong Kong Underwriters and the International Underwriters (together, the “**Syndicate Members**”) and their respective affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting or stabilizing process.

The Syndicate Members and their respective affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In the ordinary course of their business activities, the Syndicate Members or their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. Such activities may involve or relate to assets, securities and/or instruments of our Company and/or persons and entities in relation with our Company and may also include swaps and other financial instruments entered into for hedging purposes in connection with our Group’s loans and other debt.

In relation to the H Shares, the activities of the Syndicate Members or their respective affiliates could include acting as agent for buyers and sellers of the H Shares, entering into transactions with those buyers and sellers in a principal capacity, including as a lender to initial purchasers of the H Shares (the financing of which may be secured by the H Shares) in the Global Offering, proprietary trading in the H Shares, and entering into over the counter or listed derivative transactions or listed or unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including the H Shares. Such transactions may be carried out as bilateral agreements or trades with selected counterparties. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the H Shares, which may have a negative impact on the trading price of the H Shares. All such activities could occur in Hong Kong and/or elsewhere and may cause the Syndicate Members or their affiliates to hold long and/or short positions in the H Shares, in baskets of securities or indices including the H Shares, in units of funds that may purchase the H Shares, or in derivatives related to any of the foregoing.

In relation to issues by the Syndicate Members or their respective affiliates of any listed securities having the H Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the stock exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the H Shares in most cases.

All such activities may occur both during and after the end of the stabilizing period as described in the section headed “Structure and Conditions of the Global Offering” in this prospectus. Such activities may affect the market price or value of the H Shares, the liquidity or trading volume in the H Shares and the volatility of the price of the H Shares, and the extent to which this occurs from day to day cannot be estimated.

UNDERWRITING

It should be noted that when engaging in any of these activities, the Syndicate Members or their respective affiliates will be subject to certain restrictions, including the following:

- (a) the Syndicate Members or their respective affiliates (other than the Stabilizing Manager or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and
- (b) the Syndicate Members or their respective affiliates must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO which includes the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

The Syndicate Members or their respective affiliates have provided from time to time, and expect to provide in the future, investment banking, derivative and other services to us and our affiliates, for which the Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

STRUCTURE OF THE GLOBAL OFFERING

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering comprises:

- the Hong Kong Public Offering of initially 689,775 Offer Shares (subject to reallocation as mentioned below) in Hong Kong as described below in the paragraph headed “The Hong Kong Public Offering”; and
- the International Offering of initially 13,105,440 Offer Shares (subject to reallocation, and the Over-Allotment Option as described below) (i) in the United States solely to QIBs in reliance on Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and (ii) outside the United States (including to professional, institutional and corporate investors and other investors anticipated to have a sizeable demand for the Offer Shares in Hong Kong) in offshore transactions in reliance on Regulation S as described below in the paragraph headed “The International Offering.”

Investors may apply for the Hong Kong Offer Shares under the Hong Kong Public Offering or indicate an interest, if qualified to do so, for the International Offer Shares under the International Offering, but may not do both.

The 13,795,215 Offer Shares in the Global Offering will represent approximately 15% of our enlarged share capital immediately after the completion of the Global Offering, without taking into account the exercise of the Over-allotment Option. If the Over-allotment Option is exercised in full, the Offer Shares will represent approximately 16.87% of our enlarged share capital immediately following the completion of the Global Offering. References to applications, application monies or procedure for applications relate solely to the Hong Kong Public Offering.

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares initially offered

We are initially offering for subscription by the public in Hong Kong 689,775 Offer Shares, representing approximately 5.0% of the total number of Offer Shares initially available under the Global Offering. Subject to the reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, the number of Offer Shares offered under the Hong Kong Public Offering will represent approximately 0.75% of our enlarged issued share capital immediately after completion of the Global Offering, assuming the Over-allotment Option is not exercised.

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions as set forth below in “— Conditions of the Global Offering.”

STRUCTURE OF THE GLOBAL OFFERING

Allocation

Allocation of Hong Kong Offer Shares to investors under the Hong Kong Public Offering will be based on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary depending on the number of Hong Kong Offer Shares validly applied for by applicants. We may, if necessary, allocate the Hong Kong Offer Shares on the basis of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

For allocation purposes only, the total number of Hong Kong Offer Shares available under the Hong Kong Public Offering (after taking into account any reallocation referred to below) will be divided equally into two pools: Pool A and Pool B with any odd lots being allocated to Pool A. The Hong Kong Offer Shares in Pool A will be allocated on an equitable basis to valid applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of HK\$5 million (excluding the brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy payable) or less. The Hong Kong Offer Shares in Pool B will be allocated on an equitable basis to valid applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of more than HK\$5 million (excluding the brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy payable) and up to the total value in Pool B.

Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If the Hong Kong Offer Shares in one (but not both) of the pools are under-subscribed, the surplus Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in the pool and be allocated accordingly. For the purpose of this subsection only, the “subscription price” for the Hong Kong Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B but not from both pools. Multiple or suspected multiple applications under the Hong Kong Public Offering will be rejected.

Reallocation

The allocation of Offer Shares between the Hong Kong Public Offering and the International Offering is subject to reallocation under the Listing Rules. Paragraph 4.2 of Practice Note 18 of the Listing Rules (as modified by Rule 18C.09 of the Listing Rules) requires a clawback mechanism to be put in place which would have the effect of increasing the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering if the International Offer Shares are fully subscribed or over-subscribed and certain prescribed total demand levels are reached. In accordance with paragraph 4.2 of Practice Note 18 of the Listing Rules (as modified by Rule 18C.09 of the Listing Rules), if the number of Shares validly applied for under the Hong Kong Public Offering represents (i) 10 times or more but less than 50 times, and (ii) 50 times or more, of the number of Offer Shares initially available under the Hong Kong Public Offering, the total number of Offer Shares available under the Hong Kong Public Offering will be increased to 1,379,535 Offer Shares and 2,759,055 Offer Shares, respectively, representing approximately 10.0% (in the case of (i)) and approximately 20.0% (in the case of (ii)), respectively, of the total number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option). In each case, the number of Offer Shares to be allocated to the International Offering will be correspondingly reduced and the additional Offer Shares will be allocated between Pool A and Pool B in such manner as the Overall Coordinators deem appropriate.

STRUCTURE OF THE GLOBAL OFFERING

The Overall Coordinators may, at their discretion, reallocate Offer Shares initially allocated for the International Offering to the Hong Kong Public Offering to satisfy valid applications in Pool A and Pool B in accordance with Chapter 4.14 of the Guide as follows: if (i) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times; or (ii) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are oversubscribed by less than 10 times of the number of Offer Shares initially available under the Hong Kong Public Offering, provided that the Offer Price would be fixed at HK\$166.6 per Offer Share, the low-end of the Offer Price range stated in this Prospectus, up to 689,775 Offer Shares may be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of the Offer Shares available under the Hong Kong Public Offering will be increased to 1,379,550 Offer Shares, representing double of the number of the Offer Shares initially available under the Hong Kong Public Offering.

The Offer Shares to be offered in the Hong Kong Public Offering and the International Offering may be reallocated as between these offerings at the discretion of the Overall Coordinators (for themselves and on behalf of the Underwriters). The Overall Coordinators may reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering, in such proportions as the Overall Coordinators may, in their sole and absolute discretion, determine, subject to the requirements under Chapter 4.14 of the Guide.

If the Hong Kong Public Offering is not fully subscribed, the Overall Coordinators may reallocate all or any unsubscribed Hong Kong Offer Shares to the International Offering, in such proportions as the Overall Coordinators may, in their sole and absolute discretion, determine.

Where the International Offer Shares are undersubscribed, if the Hong Kong Offer Shares are also undersubscribed, the Global Offering will not proceed unless the Underwriters subscribe or procure subscribers for their respective applicable proportions of the Offer Shares being offered which are not taken up under the Global Offering on the terms and conditions of this Prospectus and the Underwriting Agreements.

Applications

Each applicant under the Hong Kong Public Offering will be required to give an undertaking and confirmation in the application submitted by him that he and any person(s) for whose benefit he is making the application has not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Offer Shares under the International Offering, and such applicant's application under the International Offering is liable to be rejected if such undertaking and/or confirmation is/are breached and/or untrue (as the case may be).

Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channels), maximum price of HK\$183.2 per Offer Share in addition to brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee on each Offer Share, amounting to a total of HK\$2,775.71 for one board lot of 15 H Shares. If the Offer Price, as finally determined on the Price Determination Date in the manner as described below in “— Pricing and Allocation,” is less than the maximum price of HK\$183.2 per Offer Share, appropriate refund payments (including brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee attributable to the surplus application monies) will be made to successful applicants (subject to application channels), without interest. For further details, see “How to Apply for Hong Kong Offer Shares”.

STRUCTURE OF THE GLOBAL OFFERING

THE INTERNATIONAL OFFERING

Number of Offer Shares Initially Offered

We will be initially offering for subscription under the International Offering 13,105,440 Offer Shares, representing approximately 95.0% of the Offer Shares under the Global Offering. Subject to the reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, the number of Offer Shares offered under the International Offering will represent approximately 14.25% of our enlarged issued share capital immediately after completion of the Global Offering, assuming the Over-allotment Option is not exercised.

Allocation

The International Offering will include selective marketing of Offer Shares to QIBs in the United States as well as institutional and professional investors and other investors anticipated to have a sizeable demand for such Offer Shares in Hong Kong and other jurisdictions outside the United States in reliance on Regulation S. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities. Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the “book-building” process described in “— Pricing and Allocation” below and based on a number of factors, including the level and timing of demand, the total size of the relevant investor’s invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Shares and/or hold or sell its Shares after the Listing. Such allocation is intended to result in a distribution of the Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of the Group and the Shareholders as a whole.

Reallocation

The total number of Offer Shares to be issued pursuant to the International Offering may change as a result of the clawback arrangement as described above in “— The Hong Kong Public Offering — Reallocation”, or the Over-allotment Option in whole or in part and/or any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering.

OVER-ALLOTMENT OPTION

In connection with the Global Offering, it is expected that we will grant the Over-allotment Option to the International Underwriters. Pursuant to the Over-allotment Option, the International Underwriters will have the right, exercisable by the Overall Coordinators and the Joint Global Coordinators (for themselves and on behalf of the International Underwriters) at any time from the Listing Date until 30 days after the last day for lodging applications under the Hong Kong Public Offering, to require the Company to issue up to 2,069,280 H Shares, representing approximately 15.0% of the Offer Shares initially available under the Global Offering, at the Offer Price under the International Offering to, among other things (such as effecting the permitted stabilizing actions as set out in the section headed “Stabilization” below), cover over-allocations in the International Offering, if any.

STRUCTURE OF THE GLOBAL OFFERING

If the Over-allotment Option is exercised in full, the additional H Shares to be issued pursuant thereto will represent approximately 2.20% of our enlarged issued share capital immediately following the completion of the Global Offering. In the event that the Over-allotment Option is exercised, an announcement will be made.

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the securities in the secondary market, during a specified period of time, to retard and, if possible, prevent a decline in the initial public market price of the securities below the offer price. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including those of Hong Kong. In Hong Kong, the price at which stabilization is effected is not permitted to exceed the offer price.

In connection with the Global Offering, the Stabilizing Manager (or its affiliates or any person acting for it), on behalf of the Underwriters, may over-allocate or effect transactions with a view to stabilizing or supporting the market price of our H Shares at a level higher than that which might otherwise prevail in the open market for a limited period after the Listing Date. However, there is no obligation on the Stabilizing Manager (or its affiliates or any person acting for it) to conduct any such stabilizing action. Such stabilizing action, if taken, (a) will be conducted at the absolute discretion of the Stabilizing Manager (or its affiliates or any person acting for it) and in what the Stabilization Manager reasonably regards as the best interest of our Company, (b) may be discontinued at any time, and (c) is required to be brought to an end within 30 days of the last day for lodging applications under the Hong Kong Public Offering.

Stabilization action permitted in Hong Kong under the Securities and Futures (Price Stabilizing) Rules of the SFO includes (i) over-allocating for the purpose of preventing or minimizing any reduction in the market price of our H Shares, (ii) selling or agreeing to sell our H Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price of our H Shares, (iii) purchasing, or agreeing to purchase, our H Shares pursuant to the Over-allotment Option in order to close out any position established under (i) or (ii) above, (iv) purchasing, or agreeing to purchase, any of our H Shares for the sole purpose of preventing or minimizing any reduction in the market price of our H Shares, (v) selling or agreeing to sell any H Shares in order to liquidate any position established as a result of those purchases, and (vi) offering or attempting to do anything as described in (ii), (iii), (iv) or (v) above.

Specifically, prospective applicants for and investors in H Shares should note that:

- the Stabilizing Manager (or its affiliates or any person acting for it) may, in connection with the stabilizing action, maintain a long position in the H Shares;
- there is no certainty as to the extent to which and the time or period for which the Stabilizing Manager (or its affiliates or any person acting for it) will maintain such a long position;
- liquidation of any such long position by the Stabilizing Manager (or its affiliates or any person acting for it) and selling in the open market may have an adverse impact on the market price of the H Shares;

STRUCTURE OF THE GLOBAL OFFERING

- no stabilizing action can be taken to support the price of the H Shares for longer than the stabilizing period, which will begin on the Listing Date and is expected to expire on Saturday, May 23, 2026, being the 30th day after the last day for lodging applications under the Hong Kong Public Offering. After this date, when no further action may be taken to support the price of the H Shares, demand for the H Shares, and therefore the price of the H Shares, could fall;
- the price of the H Shares cannot be assured to stay at or above the Offer Price by the taking of any stabilizing action; and
- stabilizing bids or transactions effected in the course of the stabilizing action may be made at any price at or below the Offer Price, which means that stabilizing bids or transactions effected may be made at a price below the price paid by applicants for, or investors in, the Offer Shares.

The delayed delivery arrangements (if specifically agreed by an investor) relate only to the delay in the delivery of the Offer Shares to such investor and the Offer Price for the Offer Shares allocated to such investor will be fully paid before the Listing Date.

Our Company will ensure or procure that an announcement in compliance with the Securities and Futures (Price Stabilizing) Rules of the SFO will be made within seven days of the expiration of the stabilization period.

OVER-ALLOCATION

Following any over-allocation of H Shares in connection with the Global Offering, the Stabilizing Manager (or any person acting for it) may cover such over-allocations by (among other methods) exercising the Over-allotment Option in full or in part, using H Shares purchased by the Stabilizing Manager (or any person acting for it) in the secondary market at prices that do not exceed the Offer Price.

PRICING AND ALLOCATION

Our Company, the Overall Coordinators and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) will determine the Offer Price and sign an agreement on the Price Determination Date, when market demand for the Offer Shares will be determined. The Price Determination Date is expected to be on or around Friday, April 24, 2026.

The Offer Price will not be more than HK\$183.2 per Offer Share and is expected to be not less than HK\$166.6 per Offer Share, unless otherwise announced, as further explained below. If you apply for the Offer Shares under the Hong Kong Public Offering, you may be required to pay the maximum price of HK\$183.2 per Offer Share (subject to application channels), plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%, amounting to a total of HK\$2,775.71 for one board lot of 15 H Shares. Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the indicative Offer Price range stated in this prospectus.

STRUCTURE OF THE GLOBAL OFFERING

The International Underwriters will be soliciting from prospective investors indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as “book-building”, is expected to continue up to, and to cease on or around, the last day for lodging applications under the Hong Kong Public Offering.

The Overall Coordinators and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) may, where considered appropriate, based on the level of interest expressed by prospective professional, institutional and other investors during the book-building process, and with the consent of our Company, reduce the number of Offer Shares and/or the Offer Price range below that stated in this prospectus at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offering and publish an announcement or supplemental prospectus on the website of the Stock Exchange at www.hkexnews.hk and our websites at www.xztech.ai (the contents of the websites do not form a part of this prospectus). Upon issue of such an announcement, the revised number of Offer Shares and/or offer price range will be final and conclusive and the Offer Price, if agreed upon by us, will be fixed within such revised offer price range. Our Company will also, as soon as practicable following the decision to make such change, issue a supplemental prospectus updating investors of the change in the number of Offer Shares being offered under the Global Offering and/or the Offer Price. The Global Offering must first be canceled and subsequently relaunched on FINI pursuant to the supplemental prospectus.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares and/or the Offer Price range may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offering. Such notice will also confirm or revise, as appropriate, the working capital statement, the use of proceeds, the Global Offering statistics as currently set out in “Summary”, and any other financial information which may change as a result of such reduction. In the absence of any such notice so published, the number of Offer Shares will not be reduced and the Offer Price, if agreed upon with the Company, the Overall Coordinators and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) will under no circumstances be set outside the Offer Price range as stated in this prospectus.

If you have already submitted an application for the Hong Kong Offer Shares before the last day for lodging applications under the Hong Kong Public Offering, you will not be allowed to subsequently withdraw your application.

The final Offer Price, the level of indication of interest in the International Offering, the basis of allotment of Offer Shares available under the Hong Kong Public Offering and the Hong Kong identification document numbers of successful applicants under the Hong Kong Public Offering are expected to be made available in a variety of channels in the manner described in “How to Apply for Hong Kong Offer Shares — B. Publication of Results”.

STRUCTURE OF THE GLOBAL OFFERING

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares is conditional on:

- the Listing Committee granting approval for the listing of, and permission to deal in our H Shares in issue and to be issued as described in this prospectus (including the Offer Shares which may be issued pursuant to the exercise of the Over-allotment Option);
- the Offer Price having been agreed between us, the Overall Coordinators and the Joint Global Coordinators (for themselves and on behalf the Underwriters);
- the execution and delivery of the International Underwriting Agreement on or about the Price Determination Date; and
- the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters under the International Underwriting Agreement becoming unconditional and not having been terminated in accordance with the terms of the respective agreements,

in each case on or before the dates and times specified in the Hong Kong Underwriting Agreement and/or the International Underwriting Agreement, as the case may be (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event not later than the 30th day after the date of this prospectus.

If, for any reason, the Offer Price is not agreed between the Overall Coordinators and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and us at or before 12:00 noon on Friday, April 24, 2026, the Global Offering will not proceed and will lapse.

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, each other offering becoming unconditional and not having been terminated in accordance with its respective terms. If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published by the Company on the website of the Stock Exchange at www.hkexnews.hk and our websites at www.xztech.ai on the next day following such lapse. In such an event, all application monies will be returned, without interest, on the terms set out in “How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies”. In the meantime, all application monies will be held in separate bank account(s) with the receiving bank or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

DEALING ARRANGEMENTS

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Tuesday, April 28, 2026, it is expected that dealings in our H Shares on the Stock Exchange will commence at 9:00 a.m. on Tuesday, April 28, 2026.

The H Shares will be traded in board lots of 15 H Shares each.

HOW TO APPLY FOR HONG KONG OFFER SHARES

IMPORTANT NOTICE TO INVESTORS OF HONG KONG OFFER SHARES

FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering and below are the procedures for application.

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the “HKExnews > New Listings > New Listing Information” section, and our website at www.xztech.ai.

The contents of this prospectus are identical to the prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

A. APPLICATION FOR HONG KONG OFFER SHARES

1. Who Can Apply

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are 18 years of age or older; and
- have a Hong Kong address (*for the **HK eIPO White Form** service only*).

Unless permitted by the Listing Rules or a waiver and/or consent has been granted by the Stock Exchange to us, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are an existing Shareholder or its close associates; or
- are a Director or a Supervisor, or any of his/her close associates.

HOW TO APPLY FOR HONG KONG OFFER SHARES

2. Application Channels

The Hong Kong Public Offering period will begin at 9:00 a.m. on Monday, April 20, 2026 and end at 12:00 noon on Thursday, April 23, 2026 (Hong Kong time).

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

Application Channel	Platform	Target Investors	Application Time
HK eIPO White Form service	www.hkeipo.hk	Investors who would like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9: 00 a.m. on Monday, April 20, 2026 to 11: 30 a.m. on Thursday, April 23, 2026, Hong Kong time. The latest time for completing full payment of application monies will be 12: 00 noon on Thursday, April 23, 2026, Hong Kong time.
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit a HKSCC EIPO application on your behalf through HKSCC's FINI system in accordance with your instruction.	Investors who would not like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian .

The **HK eIPO White Form** service and the **HKSCC EIPO** channel are facilities subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day of the application period to apply for Hong Kong Offer Shares.

For those applying through the **HK eIPO White Form** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **HK eIPO White Form** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the **electronic application instructions** are given, you shall be deemed to have declared that only one set of **electronic application instructions** has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of **electronic application instructions** for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under the **HK eIPO White Form** service more than once and obtaining different payment reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

HOW TO APPLY FOR HONG KONG OFFER SHARES

If you apply through the **HK eIPO White Form** service, you are deemed to have authorized the **HK eIPO White Form** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **HK eIPO White Form** service.

By instructing your **broker** or **custodian** to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** Channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this prospectus and any supplement to it.

For those applying through **HKSCC EIPO** channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offering.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this prospectus.

3. Information Required to Apply

You must provide the following information with your application:

For Individual Applicants	For Corporate Applicants
• Full name(s)² as shown on your identity document • Identity document's issuing country or jurisdiction • Identity document type, with order of priority: i. HKID card; or ii. National identification document; or iii. Passport; and • Identity document number	• Full name(s)² as shown on your identity document • Identity document's issuing country or jurisdiction. • Identity document type, with order of priority: i. LEI registration document; or ii. Certificate of incorporation; or iii. Business registration certificate; or iv. Other equivalent document; and • Identity document number

Notes:

1. If you are applying through the **HK eIPO White Form** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card. The number of joint applicants may not exceed four. If you are a firm, the applicant must be in the individual members' names.

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2. The applicant's full name as shown on their identity document must be used and the surname, given name, middle and other names (if any). If an applicant's identity document contains both an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID card (including both Hong Kong Residents and Hong Kong Permanent Residents), the HKID number must be used when making an application to subscribe for shares in a public offer. Similarly for corporate applicants, a LEI number must be used if an entity has a LEI certificate.
3. If the applicant is a trustee, the client identification data ("CID") of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.
4. The maximum number of joint account holders on FINI is capped at four¹ in accordance with market practice.
5. If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), the identity document's issuing country or jurisdiction, the identity document type; and (ii), the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.
6. If you are applying as an unlisted company and (i) the principal business of that company is dealing in securities; and (ii) you exercise statutory control over that company, then the application will be treated as being for your benefit and you should provide the required information in your application as stated above.

"Unlisted company" means a company with no equity securities listed on the Stock Exchange or any other stock exchange.

"Statutory control" means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

¹ Subject to change, if the Company's Articles of Incorporation and applicable company law prescribe a lower cap.

For those applying through **HKSCC EIPO** channel, and making an application under a power of attorney, we and the Joint Representatives, as our agent, have discretion to consider whether to accept it on any conditions we think fit, including evidence of the attorney's authority.

Failing to provide any required information may result in your application being rejected.

4. Permitted Number of Hong Kong Offer Shares for Application

Board lot size : 15 H Shares

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Permitted number of Hong Kong Offer Shares for application and amount payable on application/successful allotment : Hong Kong Offer Shares are available for application in specified board lot sizes only. Please refer to the amount payable associated with each specified board lot size in the table below.

The maximum Offer Price is HK\$183.2 per H Share.

If you are applying through the **HKSCC EIPO** channel, your broker or custodian may require you to pre-fund your application, in such amount as determined by the broker or custodian, based on the applicable laws and regulations in Hong Kong. You are responsible for complying with any such pre-funding requirement imposed by your broker or custodian with respect to the Hong Kong Offer Shares you applied for.

By instructing your **broker** or **custodian** to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** Channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the final Offer Price, brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the designated bank for your **broker** or **custodian**.

If you are applying through the **HK eIPO White Form** service, you may refer to the table below for the amount payable for the number of Shares you have selected. You must pay the respective maximum amount payable on application in full upon application for Hong Kong Offer Shares.

No. of Hong Kong Offer Shares applied for	Maximum Amount payable ⁽²⁾ on application/successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable ⁽²⁾ on application/successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable ⁽²⁾ on application/successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable ⁽²⁾ on application/successful allotment
	HK\$		HK\$		HK\$		HK\$
15	2,775.71	450	83,271.41	7,500	1,387,856.79	105,000	19,429,995.05
30	5,551.43	600	111,028.54	9,000	1,665,428.15	120,000	22,205,708.65
45	8,327.14	750	138,785.68	10,500	1,942,999.51	135,000	24,981,422.22
60	11,102.86	900	166,542.82	12,000	2,220,570.87	150,000	27,757,135.80
75	13,878.57	1,050	194,299.95	13,500	2,498,142.23	300,000	55,514,271.60
90	16,654.28	1,200	222,057.09	15,000	2,775,713.58	344,880 ⁽¹⁾	63,819,206.62
105	19,430.00	1,350	249,814.22	30,000	5,551,427.15		
120	22,205.70	1,500	277,571.36	45,000	8,327,140.75		
135	24,981.43	3,000	555,142.71	60,000	11,102,854.32		
150	27,757.13	4,500	832,714.08	75,000	13,878,567.90		
300	55,514.27	6,000	1,110,285.43	90,000	16,654,281.48		

Notes:

- (1) Maximum number of Hong Kong Offer Shares you may apply for and this is approximately 50% of the Hong Kong Offer Shares initially offered.

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- (2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the **HK eIPO White Form** Service Provider (for applications made through the application channel of the **HK eIPO White Form** service) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under the paragraph headed “— A. Application for Hong Kong Offer Shares — 3. Information Required to Apply” in this section. If you are suspected of submitting or cause to submit more than one application, all of your applications will be rejected.

Multiple applications made either through (i) the **HK eIPO White Form** service, (ii) **HKSCC EIPO** channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **HK eIPO White Form** service or **HKSCC EIPO** channel, you or the person(s) for whose benefit you have made the application shall not apply further for any Offer Shares. The H Share Registrar would record all applications into its system and identify suspected multiple applications with identical names and identification document numbers according to the Best Practice Note on Treatment of Multiple / Suspected Multiple Applications (“Best Practice Note”) issued by the Federation of Share Registrars Limited. Since applications are subject to personal information collection statements, identification document numbers displayed are redacted.

6. Terms and Conditions of An Application

By applying for Hong Kong Offer Shares through the **HK eIPO White Form** service or **HKSCC EIPO** channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

- (i) undertake to execute all relevant documents and instruct and authorize us and/or the Joint Representatives, as our agent, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association, and (if you are applying through the **HKSCC EIPO** channel) to deposit the allotted Hong Kong Offer Shares directly into CCASS for the credit of your designated HKSCC Participant’s stock account on your behalf;
- (ii) confirm that you have read and understand the terms and conditions and application procedures set out in this prospectus and the designated website of the **HK eIPO White Form** service (or as the case may be, the agreement you entered into with your **broker** or **custodian**), and agree to be bound by them;
- (iii) (if you are applying through the **HKSCC EIPO** channel) agree to the arrangements, undertakings and warranties under the participant agreement between your **broker** or **custodian** and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares;

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- (iv) confirm that you are aware of the restrictions on offers and sales of shares set out in this prospectus and they do not apply to you, or the person(s) for whose benefit you have made the application;
- (v) confirm that you have read this prospectus and any supplement to it and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made) and will not rely on any other information or representations;
- (vi) agree that our Company, the Joint Sponsors, the Joint Representatives, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries, and any of their or our Company's respective directors, officers, employees, partners, agents, advisors, and representatives, and any other parties involved in the Global Offering (collectively, the **"Relevant Persons"**), the H Share Registrar and HKSCC will not be liable for any information and representations not in this prospectus and any supplement to it;
- (vii) agree to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to us, the Relevant Persons, the H Share Registrar, HKSCC, HKSCC Nominees, the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, for the purposes under the paragraph headed "— G. Personal Data — 3. Purposes" and "4. Transfer of personal data" in this section;
- (viii) agree (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees' application) has been accepted) that you will not rescind it because of an innocent misrepresentation;
- (ix) agree that subject to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the H Share Registrar by way of publication of the results at the time and in the manner as specified in the paragraph headed "— B. Publication of Results" in this section;
- (x) confirm that you are aware of the situations specified in the paragraph headed "— C. Circumstances In Which You Will Not Be Allocated Hong Kong Offer Shares" in this section;
- (xi) agree that your application or HKSCC Nominees' application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;
- (xii) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Articles of Association and laws of any place outside Hong Kong that apply to your application and that neither we nor the Relevant

HOW TO APPLY FOR HONG KONG OFFER SHARES

Persons will breach any law inside and/or outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus;

- (xiii) confirm that (a) your application or HKSCC Nominees' application on your behalf is not financed directly or indirectly by our Company, any of the directors, chief executives, substantial Shareholder(s) or existing shareholder(s) of our Company or any of our subsidiaries or any of their respective close associates; and (b) you are not accustomed or will not be accustomed to taking instructions from our Company, any of the directors, chief executives, substantial shareholder(s) or existing shareholder(s) of our Company or any of our subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the H Shares registered in your name or otherwise held by you;
- (xiv) warrant that the information you have provided is true and accurate;
- (xv) confirm that you understand that we and the Joint Representatives will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;
- (xvi) agree to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;
- (xvii) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;
- (xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving **electronic application instructions** to HKSCC directly or indirectly or through the application channel of the **HK eIPO White Form** service or by any one as your agent or by any other person; and
- (xix) (if you are making the application as an agent for the benefit of another person) warrant that (1) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving **electronic application instructions** to HKSCC or the **HK eIPO White Form** Service Provider and (2) you have due authority to give **electronic application instructions** on behalf of that other person as its agent.

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B. PUBLICATION OF RESULTS

Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

Platform	Date/Time
Applying through the HK eIPO White Form service or HKSCC EIPO channel:	
Website From the “Allotment Results” page at www.hkeipo.hk/IPOResult or www.tricor.com.hk/ipo/result with a “search by ID” function.	24 hours, from 11:00 p.m. on Monday, April 27, 2026 to 12:00 midnight on Sunday, May 3, 2026 (Hong Kong time).
The full list of (i) wholly or partially successful applicants using the HK eIPO White Form service and HKSCC EIPO channel; and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed at www.hkeipo.hk/IPOResult or www.tricor.com.hk/ipo/result. The Stock Exchange’s website at www.hkexnews.hk and our website at www.xztech.ai which will provide links to the above mentioned websites of the H Share Registrar.	No later than 11:00 p.m. on Monday, April 27, 2026 (Hong Kong time).
Telephone +852 3691 8488 — the allocation results telephone enquiry line provided by the H Share Registrar.	Between 9:00 a.m. and 6:00 p.m., from Tuesday, April 28, 2026 to Monday, May 4, 2026 (Hong Kong time) on a business day.

For those applying through **HKSCC EIPO** channel, you may also check with your **broker** or **custodian** from 6:00 p.m. on Friday, April 24, 2026 (Hong Kong time), HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Friday, April 24, 2026 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

Allocation Announcement

We expect to announce the results of the final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocations of Hong Kong Offer Shares on the Stock Exchange’s website at www.hkexnews.hk and our website at www.xztech.ai by no later than 11:00 p.m. on Monday, April 27, 2026 (Hong Kong time).

HOW TO APPLY FOR HONG KONG OFFER SHARES

C. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which Hong Kong Offer Shares will not be allocated to you or the person(s) for whose benefit you are applying for:

1. If your application is revoked:

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

2. If we or our agents exercise our discretion to reject your application:

We, the Joint Representatives, the H Share Registrar and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

3. If the allocation of Hong Kong Offer Shares is void:

The allocation of Hong Kong Offer Shares will be void if the Stock Exchange does not grant permission to list the H Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Stock Exchange notifies us of that longer period within three weeks of the closing date of the application lists.

4. If:

- you make multiple applications or suspected multiple applications. You may refer to the paragraph headed “— A. Application for Hong Kong Offer Shares — 5. Multiple Applications Prohibited” in this section on what constitutes multiple applications;
- your application instruction is incomplete;
- your payment (or confirmation of funds, as the case may be) is not made correctly;
- the Underwriting Agreements do not become unconditional or are terminated;
- we or the Joint Representatives believe that by accepting your application, it or we would violate applicable securities or other laws, rules or regulations.

5. If there is money settlement failure for allotted H Shares:

Based on the arrangements between HKSCC Participants and HKSCC, HKSCC Participants will be required to hold sufficient application funds on deposit with their designated bank before balloting. After balloting of Hong Kong Offer Shares, the Receiving Bank will collect the portion of these funds required to settle each HKSCC Participant's actual Hong Kong Offer Share allotment from their designated bank.

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There is a risk of money settlement failure. In the extreme event of money settlement failure by a HKSCC Participant (or its designated bank), who is acting on your behalf in settling payment for your allotted H Shares, HKSCC will contact the defaulting HKSCC Participant and its designated bank to determine the cause of failure and request such defaulting HKSCC Participant to rectify or procure to rectify the failure.

However, if it is determined that such settlement obligation cannot be met, the affected Hong Kong Offer Shares will be reallocated to the International Offering. Hong Kong Offer Shares applied for by you through the **broker** or **custodian** may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Offer Shares due to the money settlement failure by such HKSCC Participant. None of us, the Relevant Persons, the H Share Registrar and HKSCC is or will be liable if Hong Kong Offer Shares are not allocated to you due to the money settlement failure.

D. DESPATCH/COLLECTION OF H SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one H Share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the **HKSCC EIPO** channel where the H Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the H Shares. No receipt will be issued for sums paid on application.

H Share certificates will only become valid at 8:00 a.m. on the Listing Date, provided that the Global Offering has become unconditional and the right of termination described in the section headed “Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination” has not been exercised. Investors who trade the H Shares on the basis of publicly available allocation details prior to the receipt of H Share certificates or prior to the H Share certificates becoming valid evidence of title do so entirely at their own risk.

The right is reserved to retain any H Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

The following sets out the relevant procedures and time:

	HK eIPO White Form service	HKSCC EIPO channel
Dispatch/collection of H Share certificate¹		
For application of 100,000 Hong Kong Offer Shares or more	Collection in person at the H Share Registrar, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.	H Share certificate(s) will be issued in the name of HKSCC Nominees, deposited into CCASS and credited to your designated HKSCC Participant’s stock account.

HOW TO APPLY FOR HONG KONG OFFER SHARES

HK eIPO White Form service

HKSCC EIPO channel

Time: from 9:00 a.m. to 1:00 p.m. on Tuesday, April 28, 2026 (Hong Kong time).

No action by you is required.

If you are an individual, you must not authorize any other person to collect for you. If you are a corporate applicant, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation's chop.

Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the H Share Registrar.

Note: If you do not collect your H Share certificate(s) personally within the time above, it/they will be sent to the address specified in your application instructions by ordinary post at your own risk.

For application of less than 100,000 Hong Kong Offer Shares. .

Your H Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk.

Date: Monday, April 27, 2026.

Refund mechanism for surplus application monies paid by you

Date Tuesday, April 28, 2026

Subject to the arrangement between you and your **broker or custodian**.

Responsible party H Share Registrar.

Your **broker or custodian**.

Application monies paid through single bank account **HK eIPO White Form** e-Auto Refund payment instructions to your designated bank account.

Your **broker or custodian** will arrange refund to your designated bank account subject to the arrangement between you and it.

Application monies paid through multiple bank accounts. Refund cheque(s) will be despatched to the address as specified in your application instructions by ordinary post at your own risk.

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1. Except in the event of a tropical cyclone warning signal number 8 or above, a black rainstorm warning and/or Extreme Conditions in the morning on Monday, April 27, 2026 rendering it impossible for the relevant H Share certificates to be dispatched to HKSCC in a timely manner, the Company shall procure the H Share Registrar to arrange for delivery of the supporting documents and H Share certificates in accordance with the contingency arrangements as agreed between them. You may refer to “— E. Severe Weather Arrangements” in this section.

E. SEVERE WEATHER ARRANGEMENTS

The Opening and Closing of the Application Lists

The application lists will not open or close on Thursday, April 23, 2026 if, there is/are: (a) a tropical cyclone warning signal number 8 or above; (b) a black rainstorm warning; and/or (c) Extreme Conditions, (collectively, “**Severe Weather Signals**”), in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, April 23, 2026.

Instead they will open between 11:45 a.m. and 12:00 noon and/or close at 12:00 noon on the next business day which does not have **Severe Weather Signals** in force at any time between 9:00 a.m. and 12:00 noon.

Prospective investors should be aware that a postponement of the opening/closing of the application lists may result in a delay in the listing date. Should there be any changes to the dates mentioned in the section headed “Expected Timetable” in this prospectus, an announcement will be made and published on the Stock Exchange’s website at www.hkexnews.hk and our website at www.xztech.ai of the revised timetable.

If a **Severe Weather Signal** is hoisted on Monday, April 27, 2026, the H Share Registrar will make appropriate arrangements for the delivery of the H Share certificates to the HKSCC Depository’s service counter so that they would be available for trading on Tuesday, April 28, 2026.

If a **Severe Weather Signal** is hoisted on Monday, April 27, 2026, for application of less than 100,000 Offer Shares, the dispatch of physical H Share certificates will be made by ordinary post when the post office re-opens after the **Severe Weather Signal** is lowered or cancelled (e.g. in the afternoon of Monday, April 27, 2026 or on Tuesday, April 28, 2026).

If a **Severe Weather Signal** is hoisted on Tuesday, April 28, 2026, for application of 100,000 Offer Shares or more, the physical H Share certificates will be available for collection in person at the H Share Registrar’s office after the **Severe Weather Signal** is lowered or cancelled (e.g. in the afternoon of Tuesday, April 28, 2026 or on Wednesday, April 29, 2026).

Prospective investors should be aware that if they choose to receive physical H Share certificates issued in their own name, there may be a delay in receiving the H Share certificates.

F. ADMISSION OF THE H SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the H Shares on the Stock Exchange and we comply with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants is required to take place in CCASS on the second settlement day after any trading day.

HOW TO APPLY FOR HONG KONG OFFER SHARES

All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

You should seek the advice of your broker or other professional advisor for details of the settlement arrangement as such arrangements may affect your rights and interests.

G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by our Company, the H Share Registrar, the receiving bank and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. This personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agree to all of the terms of the Personal Information Collection Statement below.

1. Personal Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of our Company and the H Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

2. Reasons for the collection of your personal data

It is necessary for applicants and registered holders of Hong Kong Offer Shares to ensure that personal data supplied to our Company or its agents and the H Share Registrar is accurate and up-to-date when applying for Hong Kong Offer Shares or transferring Hong Kong Offer Shares into or out of their names or in procuring the services of the H Share Registrar.

Failure to supply the requested data or supplying inaccurate data may result in your application for Hong Kong Offer Shares being rejected, or in the delay or the inability of our Company or the H Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of Hong Kong Offer Shares which you have successfully applied for and/or the dispatch of H Share certificate(s) to which you are entitled.

It is important that applicants for and holders of Hong Kong Offer Shares inform our Company and the H Share Registrar immediately of any inaccuracies in the personal data supplied.

3. Purposes

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund cheque and **HK eIPO White Form** e-Auto Refund payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of Hong Kong Offer Shares;
- compliance with applicable laws and regulations in Hong Kong and elsewhere;

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- registering new issues or transfers into or out of the names of the holders of the H Shares including, where applicable, HKSCC Nominees;
- maintaining or updating the register of members of our Company;
- verifying identities of applicants for and holders of the H Shares and identifying any duplicate applications for the Shares;
- facilitating Hong Kong Offer Shares balloting;
- establishing benefit entitlements of holders of the H Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from our Company and our subsidiaries;
- compiling statistical information and profiles of the holder of the H Shares;
- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable our Company and the H Share Registrar to discharge their obligations to applicants and holders of the H Shares and/or regulators and/or any other purposes to which applicants and holders of the H Shares may from time to time agree.

4. Transfer of personal data

Personal data held by our Company and the H Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential but our Company and the H Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- our Company's appointed agents such as financial advisors, receiving bank and overseas principal share registrar;
- HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the H Share Registrar, in each case for the purposes of providing its services or facilities or performing its functions in accordance with its rules or procedures and operating FINI and CCASS (including where applicants for the Hong Kong Offer Shares request a deposit into CCASS);
- any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to our Company or the H Share Registrar in connection with their respective business operation;
- the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, including for the purpose of the Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and
- any persons or institutions with which the holders of Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or brokers etc.

HOW TO APPLY FOR HONG KONG OFFER SHARES

5. Retention of personal data

Our Company and the H Share Registrar will keep the personal data of the applicants and holders of Hong Kong Offer Shares for as long as necessary to fulfill the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

6. Access to and correction of personal data

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether our Company or the H Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. Our Company and the H Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to our Company and the H Share Registrar, at their registered address disclosed in the section headed “Corporate information” in this prospectus or as notified from time to time, for the attention of our joint company secretaries, or the H Share Registrar for the attention of the privacy compliance officer.

The following is the text of a report set out on pages I-1 to I-2, received from the Company's reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus. It is prepared and addressed to the directors of the Company and to the Joint Sponsors pursuant to the requirements of HKSIR 200, Accountants' Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.



ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SHANGHAI XIZHI TECHNOLOGY CO., LTD. AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED AND HAITONG INTERNATIONAL CAPITAL LIMITED

Introduction

We report on the historical financial information of Shanghai Xizhi Technology Co., Ltd. (上海曦智科技股份有限公司, the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages I-3 to I-112, which comprises the consolidated balance sheets as at 31 December 2023, 2024 and 2025, the balance sheets of the Company as at 31 December 2023, 2024 and 2025, and the consolidated statements of comprehensive loss, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended 31 December 2023, 2024 and 2025 (the “**Track Record Period**”) and material accounting policy information and other explanatory information (together, the “**Historical Financial Information**”). The Historical Financial Information set out on pages I-3 to I-112 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 20 April 2026 (the “**Prospectus**”) in connection with the initial listing of the H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation sets out in Notes 1.3 and 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountant's responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, Accountants' Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountant's judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountant considers internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountant's report, a true and fair view of the financial position of the Company as at 31 December 2023, 2024 and 2025 and the consolidated financial position of the Group as at 31 December 2023, 2024 and 2025 and of its consolidated financial performance and its consolidated cash flows for the Track Record Period in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Companies (Winding Up and Miscellaneous Provisions) Ordinance***Adjustments***

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to Note 15 to the Historical Financial Information which states that no dividends have been paid by Shanghai Xizhi Technology Co., Ltd. in respect of the Track Record Period.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong
20 April 2026

I HISTORICAL FINANCIAL INFORMATION OF THE GROUP**Preparation of Historical Financial Information**

Set out below is the Historical Financial Information which forms an integral part of this accountant's report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by PricewaterhouseCoopers in accordance with International Standards on Auditing issued by the IAASB ("**Underlying Financial Statements**").

The Historical Financial Information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

Consolidated statements of comprehensive loss

	Note	Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Revenue	6	38,235	60,191	106,368
Cost of sales	7	(15,032)	(27,978)	(64,900)
Gross profit		23,203	32,213	41,468
Selling and marketing expenses	7	(19,604)	(24,109)	(63,677)
General and administrative expenses	7	(114,746)	(99,320)	(187,363)
Research and development expenses	7	(279,822)	(352,063)	(479,041)
Net impairment losses on financial assets. . .		(95)	(660)	(972)
Other income	9	13,862	72,447	191,653
Other gains/(losses) — net	10	18,081	9,939	(4,116)
Operating loss		(359,121)	(361,553)	(502,048)
Finance income	11	4,649	8,270	6,335
Finance costs	11	(2,292)	(3,181)	(3,198)
Finance income — net	11	2,357	5,089	3,137
Fair value changes of financial instruments issued to investors.	34	(56,612)	(378,816)	(843,465)
Loss before income tax		(413,376)	(735,280)	(1,342,376)
Income tax expenses	13	(127)	—	—
Loss for the year		(413,503)	(735,280)	(1,342,376)
Other comprehensive (loss)/gain				
<i>Item that may be reclassified to profit or loss</i>				
Exchange differences on translation of foreign operations		(6,603)	(9,109)	7,984
<i>Item that may not be reclassified to profit or loss</i>				
Change in fair value attributable to credit risk change		(334)	(9,407)	(13,137)
Other comprehensive loss, net of tax		(6,937)	(18,516)	(5,153)
Total comprehensive loss for the year		(420,440)	(753,796)	(1,347,529)
Loss per share attributable to the owners of the Company				
Basic and diluted loss per share (RMB)	14	(41.35)	(52.08)	(46.10)

Consolidated balance sheets

		As at 31 December		
	Note	2023	2024	2025
		RMB'000	RMB'000	RMB'000
Assets				
Non-current assets				
Property, plant and equipment	16	23,091	63,784	183,700
Right-of-use assets	17	24,625	18,694	11,257
Intangible assets	18	28,102	62,487	46,804
Finance lease receivables	24	—	10,001	6,872
Prepayments, other receivables and other assets	23	3,903	13,877	23,445
Bank deposits	27	—	—	20,025
Total non-current assets		79,721	168,843	292,103
Current assets				
Inventories	20	15,056	27,839	28,541
Trade receivables	22	5,159	19,189	87,218
Finance lease receivables	24	—	1,379	2,907
Prepayments, other receivables and other assets	23	52,232	45,845	110,703
Amounts due from related parties	39	374,815	25,154	—
Amounts due from investors	25	—	495,386	—
Financial assets at fair value through profit or loss	26	11,024	—	324,965
Restricted cash	28	—	759	137
Bank deposits	27	42,088	50,473	82,200
Cash and cash equivalents	28	290,084	348,336	209,058
Total current assets		790,458	1,014,360	845,729
Total assets		870,179	1,183,203	1,137,832
Deficit				
Deficit attributable to owners of the Company				
Paid-in capital/share capital	29	10,000	69,728	78,173
Reserves	30	108,970	158,724	(1,419,136)
Accumulated deficits		(2,545,988)	(3,281,325)	(2,906,889)
Total deficit.		(2,427,018)	(3,052,873)	(4,247,852)

	<i>Note</i>	As at 31 December		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Liabilities				
Non-current liabilities				
Lease liabilities	17	21,214	26,297	13,320
Deferred income	35	94,322	66,387	146,295
Long-term payables	36	—	1,515	—
Total non-current liabilities		115,536	94,199	159,615
Current liabilities				
Trade payables	32	941	6,130	6,735
Other payables and accruals	33	102,810	102,438	78,044
Contract liabilities	6(a)	8,091	106	21,622
Amounts due to a related party	39	—	74,345	—
Deferred income	35	10,530	124,418	182,137
Lease liabilities	17	7,332	12,729	13,380
Financial instruments issued to investors . . .	34	3,051,957	3,821,711	4,924,151
Total current liabilities		3,181,661	4,141,877	5,226,069
Total liabilities		3,297,197	4,236,076	5,385,684
Total deficit and liabilities		870,179	1,183,203	1,137,832
Net current liabilities		(2,391,203)	(3,127,517)	(4,380,340)

Balance sheets of the Company

	Note	As at 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Assets				
Non-current assets				
Investments in subsidiaries	12(b)	54,490	54,490	54,490
Property, plant and equipment	16	7,524	56,123	178,709
Right-of-use assets	17	1,021	14,148	8,336
Intangible assets	18	10,841	60,728	42,035
Prepayments, other receivables and other assets	23	2,272	5,697	14,924
Bank deposits	27	—	—	20,025
Total non-current assets		76,148	191,186	318,519
Current assets				
Inventories	20	10,282	27,378	28,030
Trade receivables	22	2,425	18,927	82,872
Prepayments, other receivables and other assets	23	22,474	28,225	88,510
Amounts due from related parties	39	1,088,934	604,079	—
Amounts due from investors	25	—	495,386	—
Amounts due from subsidiaries	23	619,025	145,858	420
Financial assets at fair value through profit or loss	26	—	—	180,572
Restricted cash	28	—	150	137
Bank deposits	27	—	50,473	82,200
Cash and cash equivalents	28	106,189	276,934	177,790
Total current assets		1,849,329	1,647,410	640,531
Total assets		1,925,477	1,838,596	959,050
Deficit				
Paid-in capital/share capital	29	10,000	69,728	78,173
Reserves	30	16,560	57,308	(1,629,458)
Accumulated deficits		(1,637,137)	(2,461,348)	(2,846,037)
Total deficit		(1,610,577)	(2,334,312)	(4,397,322)

	<i>Note</i>	As at 31 December		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Liabilities				
Non-current liabilities				
Lease liabilities	17	—	8,325	1,908
Deferred income	35	74,761	35,204	109,390
Long-term payables	36	—	1,515	—
Total non-current liabilities		74,761	45,044	111,298
Current liabilities				
Trade payables	32	6	5,722	6,733
Other payables and accruals	33	64,847	83,940	60,290
Contract liabilities	6(a)	8,091	—	21,622
Amounts due to subsidiaries		325,531	88,625	50,012
Deferred income	35	10,530	121,571	175,111
Lease liabilities	17	331	6,295	7,155
Financial instruments issued to investors . . .	34	3,051,957	3,821,711	4,924,151
Total current liabilities		3,461,293	4,127,864	5,245,074
Total liabilities		3,536,054	4,172,908	5,356,372
Total deficit and liabilities		1,925,477	1,838,596	959,050
Net current liabilities		(1,611,964)	(2,480,454)	(4,604,543)

Consolidated statements of changes in equity

	Note	Deficit attributable to owners of the Company			
		Paid-in capital/ share capital	Reserves	Accumulated deficits	Total
		RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2023		10,000	61,253	(2,132,485)	(2,061,232)
Comprehensive loss					
Loss for the year		—	—	(413,503)	(413,503)
Change in fair value attributable to credit risk change		—	(334)	—	(334)
Exchange differences on translation of foreign operations		—	(6,603)	—	(6,603)
Total comprehensive loss		—	(6,937)	(413,503)	(420,440)
Transactions with owners in their capacity as owners					
Equity-settled share-based payments	31	—	54,654	—	54,654
As at 31 December 2023		10,000	108,970	(2,545,988)	(2,427,018)
As at 1 January 2024		10,000	108,970	(2,545,988)	(2,427,018)
Comprehensive loss					
Loss for the year		—	—	(735,280)	(735,280)
Change in fair value attributable to credit risk change		—	(9,407)	—	(9,407)
Exchange differences on translation of foreign operations		—	(9,109)	—	(9,109)
Total comprehensive loss		—	(18,516)	(735,280)	(753,796)
Transactions with owners in their capacity as owners					
Capital contributions by investors without preference rights	29, 30	19,044	48,805	—	67,849
Recognition of financial instruments issued to investors	29, 30	40,684	(40,684)	—	—
Transfer of credit risk of financial instruments issued to investors on disposal to accumulate deficit, net of tax		—	57	(57)	—
Equity-settled share-based payments	31	—	60,092	—	60,092
Total transactions with owners		59,728	68,270	(57)	127,941
As at 31 December 2024		69,728	158,724	(3,281,325)	(3,052,873)

		Deficit attributable to owners of the Company			
	Note	Paid-in capital/ share capital	Reserves	Accumulated deficits	Total
		RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2025		69,728	158,724	(3,281,325)	(3,052,873)
Comprehensive loss					
Loss for the year		—	—	(1,342,376)	(1,342,376)
Change in fair value attributable to credit risk change		—	(13,137)	—	(13,137)
Exchange differences on translation of foreign operations		—	7,984	—	7,984
Total comprehensive loss		—	(5,153)	(1,342,376)	(1,347,529)
Transactions with owners in their capacity as owners					
Capital contributions by investors without preference rights	29, 30	223	14,190	—	14,413
Recognition of financial instruments issued to investors	29, 30	8,222	(8,222)	—	—
Transfer of credit risk of financial instruments issued to investors on disposal to accumulated deficit, net of tax	30	—	689	(689)	—
Conversion into a joint stock company	29, 30	—	(1,717,501)	1,717,501	—
Deemed distributions to related parties	30	—	(66,835)	—	(66,835)
Equity-settled share-based payments	31	—	204,972	—	204,972
Total transactions with owners		8,445	(1,572,707)	1,716,812	152,550
As at 31 December 2025		78,173	(1,419,136)	(2,906,889)	(4,247,852)

Consolidated statements of cash flows

	Note	Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Cash flows used in operating activities				
Cash used in operations	37(a)	(176,306)	(181,800)	(361,099)
Cash flows generated from/(used in)				
investing activities				
Purchase of property, plant and equipment and intangible assets		(43,234)	(101,611)	(236,020)
Proceeds from disposal of property, plant and equipment.		150	55	53
Government grants related to assets received		—	—	201,820
Placement of bank deposits		(42,343)	(50,000)	(162,300)
Redemption of bank deposits.		41,468	41,921	110,000
Interests received from cash and cash equivalents and bank deposits		4,879	7,987	6,251
Purchase of short-term investments measured at fair value through profit or loss	3.3(a)(iii)	(871,024)	(615,000)	(2,054,975)
Proceeds from disposal of short-term investments measured at fair value through profit or loss.	3.3(a)(iii)	1,064,518	627,233	1,737,026
Proceeds from sub-lease of office space. . . .	24	—	65	1,971
Net cash generated from/(used in)				
investing activities		154,414	(89,350)	(396,174)

APPENDIX I

ACCOUNTANT'S REPORT

		Year ended 31 December		
	Note	2023	2024	2025
		RMB'000	RMB'000	RMB'000
Cash flows generated from financing activities				
Proceeds from increase in equity without preference rights by the Company	1.2(d)(f)	—	21,695	39,911
Proceeds from issuance of financial instruments to investors with preference rights by the Company	37(d), 1.2(i)	—	200,000	300,000
Proceeds from issuance of convertible debentures to investors	37(d)	54,162	200,000	—
Repayment of convertible debentures to investors	37(d)	—	(13,977)	(54,162)
Cash paid to Youguang Cayman for acquisition of offshore operating entity pursuant to the Reorganisation	1.2(e)	—	(499,881)	(375,540)
Cash received from the preferred shareholders to flipping down their equity interests from Youguang Cayman to the Company	1.2(g)	—	508,048	595,780
Cash received from convertible debentures investors pursuant to Reorganisation	1.2(h)	—	352,146	81,151
Repayment to convertible debentures investors pursuant to Reorganisation	1.2(h)	—	(352,146)	(81,151)
Net cash settled related to amounts due from Youguang Cayman arising from the issuance of preferred shares	39(b)(ii)	170,461	(68,363)	136,667
Option exercise deposits received from employees on behalf of Youguang Cayman	39(b)(iii)	415	466	560
Repayment for option exercise deposit received from employees on behalf of Youguang Cayman	39(b)(iv)	—	—	(1,570)
Payments for listing expenses		—	—	(2,939)
Lease payments	37(d)	(12,286)	(15,819)	(15,049)
Proceeds from bank borrowings		—	47,470	121,094
Repayment of bank borrowings		—	(47,470)	(121,094)
Interest paid for bank borrowings	37(d)	—	(227)	(775)
Net cash generated from financing activities		212,752	331,942	622,883
Net increase/(decrease) in cash and cash equivalents		190,860	60,792	(134,390)
Cash and cash equivalents at beginning of year		98,930	290,084	348,336
Effect of foreign exchange rates changes . . .		294	(2,540)	(4,888)
Cash and cash equivalents at end of year .		290,084	348,336	209,058

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 General information, reorganization and basis of presentation

1.1 General information

Shanghai Xizhi Technology Co., Ltd. (the “**Company**”) was incorporated in the People’s Republic of China (the “**PRC**”) on 27 February 2018. The address of the Company’s registered office is No. 111, 125 and 139 Bo Xia Road, Pilot Free Trade Zone, Shanghai, PRC.

On 23 July 2025, the Company convened a general meeting and passed related resolutions approving the conversion of the Company from a limited liability company into a joint stock limited company and changed the name of the Company to Shanghai Xizhi Technology Co., Ltd. (“**上海曦智科技股份有限公司**”, the former Chinese name is “**上海曦智科技有限公司**”).

The principal activities of the Company and its subsidiaries (the “**Group**”) are the sales of optical interconnect and optical computing hardware, solutions and related services dedicated to enhancing computing efficiency, as well as research and development activities in relation to optical interconnect and optical computing business (“**Listing Business**”) mainly in the People’s Republic of China (the “**PRC**”) and other geographical areas during the Track Record Period.

Dr. Shen Yichen (沈亦晨博士) is the founder, executive director, chief executive officer and one of the single largest shareholders of the Group.

As at the date of this report, the Company’s principal subsidiaries during the Track Record Period are set out in Note 12.

1.2 Reorganisation and changes in group structure

Prior to the completion of the reorganisation (“**Reorganisation**”), as defined below, the Company and its subsidiaries together with the Listing Business were under control of LightAI Ltd. (“**Youguang Cayman**”), which was incorporated in the Cayman Islands on 1 December 2019. The Listing Business was carried out primarily through the Company and its subsidiaries (the “**Operating Subsidiaries**”) (collectively, the “**Operating Entities**”).

In preparation for the listing, the Group underwent a Reorganisation pursuant to which the beneficial interests in the Operating Subsidiaries were transferred to the Company. The Reorganisation mainly involved the following steps:

- (a) Prior to the Reorganisation, the Company was previously 100% wholly owned by Lightelligence Limited (有光科技有限公司, hereafter referred to as “**Youguang HK**”). The registered capital of the Company was RMB10,000,000 which was fully paid by Youguang HK on 5 March 2024.
- (b) Through November 2023 to December 2023, the Company acquired 100% of the equity of Hangzhou Guangzhiyuan Technology Co., Ltd. (杭州光智元科技有限公司), Nanjing Guangzhiyuan Technology Co., Ltd. (南京光智元科技有限公司), Shanghai Guangzhiyuan Technology Co., Ltd. (上海光智元科技有限公司), and Beijing Guangzhiyuan Technology Co., Ltd. (北京光智元科技有限公司, collectively, referred to as the “**PRC Operating Entities**”) wholly owned by Youguang HK with a cash consideration of USD2,000,000

(equivalent to RMB13,860,800), USD6,000,000 (equivalent to RMB40,628,900), RMB1 and RMB1, respectively. After completion of these transactions, the PRC Operating Entities became wholly-owned subsidiaries of the Company.

- (c) On 2 July 2024, Shanghai Youguang Yihui Enterprise Management Partnership (Limited Partnership) (上海有光耀輝企業管理合夥企業(有限合夥), hereafter referred to as “**Youguang Yihui**”) and Shanghai Youguang Zhiyuan Enterprise Management Partnership (Limited Partnership) (上海有光致遠企業管理合夥企業(有限合夥), hereafter referred to as “**Youguang Zhiyuan**”) were set up to hold the equity interests of the Company which will be further granted to the PRC employees of the Group. Youguang Yihui was also set up as an investment vehicle for certain ordinary shareholders of Youguang Cayman.
- (d) On 25 July 2024, Dr. Shen Yichen, the founder and shareholder of the Group, Mach C L.P. (“**Mach C**”), an investment holding company of Youguang Cayman for investors and consultants, and Youguang Yihui acquired the total equity interests in the Company from Youguang HK for a cash consideration of RMB3. Youguang Yihui, Youguang Zhiyuan, LightAI EIP Holdings LP (“**LightAI EIP**”), an investment holding company of Youguang Cayman for the oversea employees of the Group, and Mach C made capital contributions to the Company with a total cash amount of RMB25,242,000 (Note 39(b)(v)), including RMB18,078,000 recorded as paid in capital and RMB7,164,000 recorded as capital reserve of the Company;
- (e) On 11 September 2024, the Company acquired 100% equity interests in Lightelligence Pte. Ltd. from Youguang Cayman with a cash consideration of USD122,000,000 (equivalent to RMB875,421,000). On 4 December 2024, Lightelligence Pte. Ltd. acquired 100% equity interests in Youguang HK from Youguang Cayman with nil consideration. Lightelligence, Inc. was closed and deregistered in December 2024. After completion of these transactions, the offshore Operating Entities became wholly-owned subsidiaries of the Company;
- (f) From November 2024 to September 2025, the remaining ordinary shareholders originally invested in Youguang Cayman flipped down their equity interests from Youguang Cayman to the Company by subscribing for the equity interests without preference rights of the Company for a total cash consideration of RMB36,364,000, including RMB921,000 recorded as paid in capital and RMB35,443,000 recorded as capital reserve of the Company. Certain convertible debenture investors originally invested in the Group’s PRC subsidiaries converted their interests into the Company’s equity interests without preference rights by using their then fair value of RMB20,656,000 (Note 34(d)), including RMB268,000 recorded as paid in capital and RMB20,388,000 recorded as capital reserve of the Company;
- (g) From November 2024 to September 2025, majority of the preferred shareholders originally invested in Youguang Cayman flipped down their equity interests from Youguang Cayman to the Company by subscribing for the equity interests with preference rights of the Company for a total cash consideration of USD153,614,000 (equivalent to RMB1,103,828,000), including RMB28,953,000 recorded as paid in capital and remaining amount recorded as financial instruments at the then fair value;
- (h) From November 2024 to April 2025, majority of the convertible debenture investors originally invested in the Group’s PRC subsidiaries converted their interests into the Company’s equity interests with preference rights either for a total cash consideration of

RMB633,297,000 or through a direct transfer of convertible debenture, including RMB13,951,000 recorded as paid in capital and remaining amount recorded as financial instruments at the then fair value;

- (i) From September 2024 and April 2025, new investors subscribed for the financial instruments with preference rights issued by the Company for a total cash consideration of RMB500,000,000, including RMB6,002,000 recorded as paid in capital and remaining amount recorded as financial instruments.

Upon completion of the Reorganisation and as at the date of this report, the Company's direct or indirect interests in the subsidiaries are set out in Note 12.

1.3 Basis of presentation

Immediately prior to and after the Reorganisation, the Listing Business was carried out by the Operating Entities, including the entity incorporated in US which was deregistered in December 2024 (Note 1.2(e)).

Youguang Cayman acts as the financing vehicle only and has not been involved in any operation of the Listing Business prior to the Reorganisation and will be closed and deregistered after the Reorganisation. Youguang Cayman does not meet the definition of a business and was not included in the Company's consolidated scope after the Reorganisation, and therefore was not included in the presentation throughout the Track Record Period. The Reorganisation does not result in any changes in business substance, management or the majority shareholders of the Listing Business. Accordingly, the Group resulting from the Reorganisation is regarded as a continuation of the Listing Business conducted by Operating Entities. The Historical Financial Information of the Group is presented using the carrying value of Listing Business for all years presented.

The Historical Financial Information represents the consolidated results and financial position of the Group as if the current group structure had been in existence throughout the Track Record Period and as if the Listing Business was transferred to the Group at the beginning of the earliest period presented or when such businesses were established, whichever is the shorter period.

The financing activities of the Group during the Track Record Period was presented in the Historical Financial Information as follows:

- (a) The investments by the ordinary shareholders originally invested in Youguang Cayman were recorded as share capital and capital reserve of the Company when the shareholders flipped down their equity interests from Youguang Cayman to the Company and became the shareholders of the Company;
- (b) Pursuant to the agreement between Youguang Cayman and the Group together with the reorganisation arrangement, all cash received by Youguang Cayman through the financing activities should be remitted or transferred to the Group in full. Except for the investment income from wealth management products and transaction fee of financing activities of Youguang Cayman, the Operating Entities bear the same obligations as Youguang Cayman to investors. Preferred shareholders of Youguang Cayman have the option to convert the principal amount either to Youguang Cayman's shares or the Group's PRC subsidiaries' equity interests, depending on the determination of listing entity and approval from all the

then shareholders. Therefore, although Youguang Cayman was not included in the presentation of the Historical Financial Information, all the preferred shares issued by Youguang Cayman was included in the Group's consolidated financial statements by debiting amounts due from Youguang Cayman. The investments by the preferred shareholders originally invested in Youguang Cayman during the Track Record Period was debited as "amounts due from related parties" (Note 39(c)) and credited as "preferred shares" in financial instruments issued to investors (Note 34) when the investors became the preferred shareholders of Youguang Cayman;

- (c) The investments by the convertible debenture investors originally invested in the Group's PRC subsidiaries during the Track Record Period were recorded as "convertible debentures" when the investors became the convertible debenture investors of the respective PRC subsidiaries (Note 34);
- (d) The financial instruments to investors with preference rights directly issued by the Company were recorded as "financial instruments issued to investors with preference rights in the Company" when preferred shareholders flipped down their equity interest in Youguang Cayman to the Company, and convertible debenture investors converted their investment in respective PRC subsidiaries to the Company since the rights and obligations were substantially the same and the fair value of the financial instruments issued to investors was the same before and after the Reorganisation (Note 34);
- (e) As at 31 December 2025, the balance between Youguang Cayman and the Company was nil after amount of RMB66,835,000 settled as "deemed distributions to related parties" (Note 30).

Inter-company transactions, balances and unrealised gains/losses on transactions between group companies are eliminated on combination.

2 Basis of preparation

The principal accounting policies applied in the preparation of the Historical Financial Information are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board ("**IFRS Accounting Standards**"). IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards;
- IAS Standards; and
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

The Historical Financial Information has been prepared under the historical cost convention, except that certain financial assets/liabilities are carried at fair value.

The preparation of the Historical Financial Information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information, are disclosed in Note 4.

All effective standards, amendments to standards and interpretations, which are mandatory for the financial year beginning on 1 January 2025, are consistently applied to the Group throughout the Track Record Period. These amendments did not have significant impact throughout the Track Record Period.

The Group was at a relatively early stage of commercialization of its products and the loss was approximately RMB413,503,000, RMB735,280,000 and RMB1,342,376,000 for the three years ended 31 December 2023, 2024 and 2025, respectively. In addition to the loss, the Group's net liabilities were approximately RMB2,427,018,000, RMB3,052,873,000 and RMB4,247,852,000 as at 31 December 2023, 2024 and 2025 and the Group's net current liabilities were approximately RMB2,391,203,000, RMB3,127,517,000 and RMB4,380,340,000 as at 31 December 2023, 2024 and 2025, respectively. These net liabilities and net current liabilities were mainly due to the financial instruments issued to investors during the Track Record Period which were classified as current liabilities according to IAS 1.

According to the investment agreements and further amendments in September 2025 (Note 34), the redemption rights will not be triggered unless the Company fails to achieve a qualified IPO by 31 December 2028. Therefore, the directors consider that the redemption rights will not have any substantial cash flow impact to the Group in the next twelve months from 31 December 2025, in any situation.

Taking into account the due date of the redemption rights as mentioned above and together with cashflow forecast covering not less than twelve months from 31 December 2025 prepared by management of the Group, the directors are of the opinion that the Group and the Company will have sufficient cash resources to satisfy its future working capital in the next twelve months from 31 December 2025. Accordingly, the directors consider that it is appropriate that the Historical Financial Information is prepared on a going concern basis.

New standards and interpretations not yet adopted

The followings are new standards, amendments to existing standards and new interpretations that have been issued but are not effective for the Track Record Period, and have not been early adopted. The Group plans to adopt these new standards, amendments to standards and new interpretations when they become effective:

Standards and amendments	Effective for accounting periods beginning on or after
Amendments to the Classification and Measurement of Financial Instruments — Amendments to IFRS 9 and IFRS 7	1 January 2026
Contracts Referencing Nature-dependent Electricity — Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual Improvements to IFRS Accounting Standards — Volume 11	1 January 2027

Standards and amendments	Effective for accounting periods beginning on or after
IFRS 18 Presentation and Disclosure in Financial Statement	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures.	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate — Amendments to IFRS 10 and IAS 28	To be determined
Translation to a Hyperinflationary Presentation Currency — Amendments to IAS 21	1 January 2027

According to the assessment made by the directors of the Company, these new and amended standards are either not relevant to the Group or not significant to the financial performance and positions of the Group when they become effective, except for IFRS 18 which will mainly impact the presentation of the consolidated statements of comprehensive loss.

IFRS 18 will replace IAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

Impact on consolidated statements of comprehensive loss:

Although the adoption of IFRS 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the income statement into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following items might potentially impact operating profit:

- Foreign exchange differences

Foreign exchange differences currently aggregated in the line item "other gains/(losses) — net" in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit, unless doing so would involve undue cost or effort.

- Gain or loss of investments measured at fair value through profit or loss

The gain or loss of investments measured at fair value through profit or loss currently aggregated in the line item "other gains/(losses) — net" in operating profit and will be presented below operating profit.

Impact on consolidated balance sheets:

The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.

Impact on disclosures:

The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

- For the first annual period of application of IFRS 18, a reconciliation for each line item in the income statement between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's consolidated financial performance. Risk management is carried out by the senior management of the Group.

(a) Market risk

(i) Foreign exchange risk

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the group entities' functional currency. The Company's functional currency is RMB. The Company's subsidiaries were incorporated in Chinese Mainland, Singapore, United States and Hong Kong SAR and these subsidiaries considered RMB, US dollars ("**USD**"), USD, USD and as their functional currencies, respectively.

The Group is primarily exposed to changes in RMB/USD exchange rates. As at 31 December 2023, 2024 and 2025, if USD had strengthened/weakened by 5% against RMB with all other variables held constant, the Group's net loss for the year would have been RMB53,698,000, RMB52,449,000 and

RMB4,210,000 lower/higher as a result of foreign exchange gains/losses on translation of USD denominated cash and cash equivalents, long-term payables, trade payables, other payables, amounts due from related parties and amounts due from investors.

(ii) Cash flow and fair value interest rate risk

Except for structured deposits (Note 26), money market funds (Note 26), bank deposits (Note 27), restricted cash (Note 28(b)), cash and cash equivalents (Note 28(a)) and finance lease receivables (Note 24), the Group has no significant interest-bearing assets. The Group's income and operating cash flows are substantially independent of changes in market interest rates.

The finance lease receivables of the Group carried at fixed rates expose the Group to fair value interest risk.

(iii) Price risk

The Group is exposed to price risk in respect of the structured deposits and money market funds (Note 26) held by the Group.

The Group is not exposed to commodity price risk. To manage its price risk arising from the investments, the Group diversifies its portfolio. The investments are managed by management one by one, either for strategic purposes, or for the purpose of achieving investment yield and balancing the Group's liquidity level simultaneously. The sensitivity analysis is performed by management, see Note 3.3 for details.

(b) *Credit risk*

The Group is exposed to credit risk in relation to its cash and cash equivalents, restricted cash, bank deposits, financial assets at fair value through profit or loss, trade receivables, other receivables, amounts due from related parties, amounts due from investors and finance lease receivables. The carrying amounts of each class of the above financial assets represent the Group's maximum exposure to credit risk in relation to financial assets.

Risk Management

To manage risk arising from cash and cash equivalents, restricted cash, bank deposits, financial assets at fair value through profit or loss, the Group only transacts with state-owned or reputable financial institutions. There has been no recent history of default in relation to these financial institutions.

To manage risk arising from trade receivables, the Group has policies in place to ensure that sales with credit terms are made to counterparties with an appropriate credit history and the management performs ongoing credit evaluations of its counterparties. The credit period granted to the customers is usually no more than 180 days and the credit quality of these customers are assessed by taking into account their financial position, past experience and other factors.

For other receivables, amounts due from related parties, amounts due from investors and finance lease receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of these receivables based on historical settlement records, past experiences and

forward looking information. In view of the history of cooperation with debtors and the sound collection history as well as the understanding of current and forward situation of counterparty, management believes that the credit risk inherent in the Group's outstanding other receivables, amounts due from related parties and amounts due from investors and finance lease receivables balances is low.

Impairment of financial assets

The Group performs impairment assessment under the expected credit loss ("ECL") model on financial assets at amortised cost (mainly including trade receivables, other receivables, amounts due from related parties, amounts due from investors and finance lease receivables). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

- (i) Cash and cash equivalents, restricted cash, bank deposits and financial assets at fair value through profit or loss

To manage risk arising from cash and cash equivalents, restricted cash, bank deposits and financial assets at fair value through profit or loss, the Group only transacts with state-owned or reputable financial institutions in Chinese Mainland and reputable international financial institutions outside of Chinese Mainland. There has been no recent history of default in relation to these financial institutions. These instruments are considered to have low credit risk because they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. Cash and cash equivalents, restricted cash and bank deposits are also subject to the impairment requirements of IFRS 9, while the identified impairment loss was immaterial.

- (ii) Trade receivables

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the trade receivables. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics, credit rating and aging periods. The determination of the expected loss rates is based on the probability of default and the loss given the default with reference to the credit quality of the counterparties at the end of each reporting period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the gross domestic product (GDP) and consumer price index (CPI) in which it provides services to be the relevant factors, and accordingly adjusts the loss rates based on expected changes in those factors.

The main exposure to credit risk at each of the reporting dates is the carrying value of the Group's trade receivables. On that basis, the loss allowance as at 31 December 2023, 2024 and 2025 was determined as follows for trade receivables:

As at 31 December 2023				
	Up to 1 year	1 to 2 years	Over 2 years	Total
ECL rate	1.55%	—	—	1.55%
Gross carrying amount — trade receivables (RMB'000)	5,240	—	—	5,240
Loss allowance (RMB'000)	(81)	—	—	(81)
As at 31 December 2024				
	Up to 1 year	1 to 2 years	Over 2 years	Total
ECL rate	1.21%	—	—	1.21%
Gross carrying amount — trade receivables (RMB'000)	19,424	—	—	19,424
Loss allowance (RMB'000)	(235)	—	—	(235)
As at 31 December 2025				
	Up to 1 year	1 to 2 years	Over 2 years	Total
ECL rate	1.93%	9.84%	—	1.94%
Gross carrying amount — trade receivables (RMB'000)	88,818	122	—	88,940
Loss allowance (RMB'000)	(1,710)	(12)	—	(1,722)

(iii) Other receivables, amounts due from related parties, amounts due from investors and finance lease receivables

Other receivables mainly include deposits (Note 23). Finance lease receivables are due from third party lessees (Note 24). For other receivables, amounts due from related parties, amounts due from investors, and finance lease receivables, management makes periodic collective assessments as well as individual assessment on the recoverability based on historical settlement records, past experience and forward-looking information on macroeconomic factors affecting the ability of the customers or employees to settle the receivables.

The Group assesses the credit losses of finance lease receivables individually and believes that the credit risk inherent in the group of outstanding finance receivables balance is quite low.

The Group measures credit risk of other receivables, amounts due from related parties, amounts due from investors and finance lease receivables using probability of default, exposure at default and loss given default.

- Financial instruments that are not credit-impaired on initial recognition are classified in 'Stage 1' and have their credit risk continuously monitored by the Group. The ECL is measured on a 12-month basis.
- If a significant increase in credit risk (specifically, when the debtor is more than 30 days past due on its contractual payments) since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired. The ECL is measured on lifetime basis.
- If the financial instrument is credit-impaired (specifically, when the debtor is more than 90 days past due on its contractual payments), the financial instrument is then moved to 'Stage 3'. The ECL is measured on lifetime basis.

As there has been no significant increase in credit risk since initial recognition, all of the Group's other receivables, amounts due from related parties, amounts due from investors and finance lease receivables as at 31 December 2023, 2024 and 2025 were classified in Stage 1 and their ECL were measured on a 12-month basis.

The following tables explain the changes in the loss allowance for other receivables and amounts due from related parties, amounts due from investors between the beginning and the end of the years:

	As at 31 December		
	2023	2024	2025
ECL rate			
— Amounts due from related parties	0.01%	0.43%	—
— Amounts due from investors	—	0.08%	—
— Other receivables	0.94%	0.71%	0.92%
Gross carrying amount (<i>RMB'000</i>)			
— Amounts due from related parties	374,856	25,262	—
— Amounts due from investors	—	495,796	—
— Other receivables	5,648	11,618	9,087
Loss allowance (<i>RMB'000</i>)			
— Amounts due from related parties	(41)	(108)	—
— Amounts due from investors	—	(410)	—
— Other receivables	(53)	(82)	(84)

Details of the analysis refer to Note 22 for trade receivables, Note 23 for other receivables, Note 24 for finance lease receivables, Note 25 for amounts due from investors, Note 39 for amounts due from related parties.

The movement of loss allowance for trade receivables, other receivables, amounts due from related parties and amounts due from investors during the years ended 31 December 2023, 2024 and 2025 are as below:

	Trade receivables	Other receivables	Amounts due from related parties	Amounts due from investors	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Opening loss allowance as at					
1 January 2023.	(6)	(36)	(40)	—	(82)
Increase in loss allowance recognised in profit or loss during the year.	(76)	(18)	(1)	—	(95)
Foreign currency exchange.	1	1	—	—	2
As at 31 December 2023	<u>(81)</u>	<u>(53)</u>	<u>(41)</u>	<u>—</u>	<u>(175)</u>
Increase in loss allowance recognised in profit or loss during the year.	(154)	(29)	(67)	(410)	(660)
As at 31 December 2024	<u>(235)</u>	<u>(82)</u>	<u>(108)</u>	<u>(410)</u>	<u>(835)</u>
(Increase)/decrease in loss allowance recognised in profit or loss during the year.	(1,488)	(2)	108	410	(972)
Foreign currency exchange.	1	—	—	—	1
As at 31 December 2025	<u>(1,722)</u>	<u>(84)</u>	<u>—</u>	<u>—</u>	<u>(1,806)</u>

Write-off policy

Financial assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include ceasing enforcement activity. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

(c) Liquidity risk

Due to the dynamic nature of the underlying businesses, the policy of the Group is to regularly monitor the Group's liquidity risk and to maintain adequate cash and cash equivalents to meet the Group's liquidity requirements.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at each balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2023				
Lease liabilities	8,874	7,837	15,593	32,304
Trade payables	941	—	—	941
Financial liabilities included in other payables (excluding tax payables, salaries and benefits payables and cash-settled share-based compensation to an investor).	27,597	—	—	27,597
	<u>37,412</u>	<u>7,837</u>	<u>15,593</u>	<u>60,842</u>
At 31 December 2024				
Lease liabilities	15,170	14,597	13,686	43,453
Trade payables	6,130	—	—	6,130
Amounts due to a related party	74,345	—	—	74,345
Financial liabilities included in other payables (excluding tax payables, salaries and benefits payables and warranty provision).	54,701	—	—	54,701
Long-term payables	—	1,515	—	1,515
	<u>150,346</u>	<u>16,112</u>	<u>13,686</u>	<u>180,144</u>
At 31 December 2025				
Lease liabilities	15,948	8,162	5,826	29,936
Trade payables	6,735	—	—	6,735
Financial liabilities included in other payables (excluding tax payables, salaries and benefits payables).	21,805	—	—	21,805
	<u>44,488</u>	<u>8,162</u>	<u>5,826</u>	<u>58,476</u>

Please note that the Group did not include the financial instruments issued to investors which are measured at fair value and classified as current liabilities throughout the Track Record Period in the above table as these rights are subject to certain conditions and scenarios. Details refer to Note 34.

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to enhance shareholders' value in the long-term.

The Group monitors capital by regularly reviewing the capital structure. As a part of this review, the Group considers the cost of capital and the risks associated with the issued share capital. The Group may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares or repurchase the Company's shares. In the opinion of the directors of the Company, the Group's capital risk is low. As a result, capital risk is not significant for the Group and measurement of capital management is not a tool currently used in the internal management reporting procedures of the Group.

3.3 Fair value estimation

(a) Financial assets and liabilities

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2023				
Financial assets:				
Short-term investments measured at fair value through profit or loss:				
— Structured deposits	—	—	5,414	5,414
— Money market funds	—	—	5,610	5,610
	—	—	11,024	11,024
Financial liabilities				
Financial instruments issued to investors	—	—	3,051,957	3,051,957
At 31 December 2024				
Financial liabilities:				
Financial instruments issued to investors	—	—	3,821,711	3,821,711

	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2025				
Financial assets:				
Short-term investments measured at fair value through profit or loss:				
— Structured deposits	—	—	230,750	230,750
— Money market funds	—	—	94,215	94,215
	—	—	324,965	324,965
Financial liabilities:				
Financial instruments issued to investors				
	—	—	4,924,151	4,924,151

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for financial liabilities at fair value through profit or loss (FVPL).

(ii) Valuation techniques used to determine fair values

The Group's finance team manages the valuation of level 3 instruments for financial reporting purposes. The team manages the valuation exercise of the investments on a case by case basis. At least once a year, the team uses valuation techniques to determine the fair value of the Group's level 3 instruments. External valuers will be involved when necessary.

As these instruments are not traded in an active market, their fair values have been determined by using various applicable valuation techniques, including:

- expected rate of return;
- the discounted cash flow model and unobservable inputs mainly including assumptions of expected future cash flows and discount rate;
- the backsolve method using the latest round financing, i.e. the prior transaction price or the third-party pricing information. Discounted cash flow model will be used if no recent transaction or third-party pricing information is available as at respective balance sheet date.

(iii) Fair value measurements using significant unobservable inputs (level 3)

There are no transfers of financial assets or liabilities between levels 2 and 3 during the Track Record Period.

The following table presents the changes in level 3 instruments of financial assets measured at fair value through profit or loss for the three years ended 31 December 2023, 2024 and 2025.

Financial assets at fair value through profit or loss

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At the beginning of the year	200,772	11,024	—
Additions	871,024	615,000	2,054,975
Disposal	(1,064,518)	(627,233)	(1,737,026)
Fair value changes through profit or loss			
<i>(Note 10)</i>	3,746	1,209	8,439
Currency translation differences	—	—	(1,423)
At the end of the year	<u>11,024</u>	<u>—</u>	<u>324,965</u>

For financial instruments issued to investors, please refer to Note 34 for details.

The following table summarises the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements.

Description	Key assumptions	Range of inputs			Relationship of key assumptions to fair value
		At 31 December			
		2023	2024	2025	
Financial assets at fair value through profit or loss	Expected rate of return	1.85%–3.10%	1.70%–2.55%	1.65-4.46%	The higher the expected rate of return, the higher the fair value

At 31 December 2023

Description	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Fair value of financial instruments issued to investors	Expected volatility	56.39%	The higher the expected volatility, the lower the fair value

At 31 December 2024

Description	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Fair value of financial instruments issued to investors	Discount rate	15.00%	The higher the discount rate, the lower the fair value
	Discount of lack of marketability (“DLOM”)	21.00%	The higher the DLOM, the lower the fair value
	Expected volatility	57.15%	The higher the expected volatility, the lower the fair value

At 31 December 2025

Description	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Fair value of financial instruments issued to investors	Discount rate	15.00%	The higher the discount rate, the lower the fair value
	DLOM	9.00%	The higher the DLOM, the lower the fair value
	Expected volatility	63.86%	The higher the expected volatility, the lower the fair value

As at 31 December 2023, the fair values of the financial instruments issued to investors were determined using the backsolve method, as this date was close to the Series C3 round financing date. As at 31 December 2024 and 2025, the fair values of the same category of financial liabilities were determined using the discounted cash flow model, because no comparable financing transactions were available as of the respective balance sheet dates.

(iv) Valuation process

Financial assets at fair value through profit or loss

The Group entered into contracts in respect of structured deposits with expected but not guaranteed rates of return ranging as shown above. The Group managed and evaluated the performance of these investments on a fair value basis, in accordance with the Group's risk management and investment strategy and hence they are designated as financial assets at FVPL. If the expected rate of return of investments held by the Group be 10% higher/lower as at 31 December 2023 and 2025, loss before income tax for the years ended 31 December 2023 and 2025 would be approximately RMB1,000 lower/higher and RMB117,000 lower/higher, respectively.

Financial instruments issued to investors — Convertible debentures, preferred shares and financial instruments issued to investors with preference rights in the Company

The discounted cash flow method and backsolve method are used to determine the total equity value of the Company, the option-pricing method and equity allocation model were adopted to determine the fair value of the financial instruments issued to investors. Key assumptions included discount rate, DLOM and expected volatility.

Discount rate was estimated by weighted average cost of capital as of each valuation date. DLOM was estimated based on the option-pricing method. Under option-pricing method, the cost of put option, which can hedge the price change before the private held share can be sold, was considered as a basis to determine the lack of marketability discount. Expected volatility was estimated at the valuation dates based on average of historical volatilities of the comparable companies in the same industry for a period from the respective valuation dates to expected liquidation/redemption date. In addition to the assumptions adopted above, the Company's projections of future performance were also factored into the determination of the fair value of the financial instruments issued to investors on applicable valuation date.

The Company performed sensitivity test to changes in unobservable inputs in determining the fair value of the financial instruments issued to investors issued by the Company. The changes in unobservable inputs including discount rate, DLOM and expected volatility will result in a significantly higher or lower fair value measurement. The increase in the fair value of the financial instruments issued to investors would increase the loss of fair value change in the consolidated statements of comprehensive loss. When performing the sensitivity test, management applied an increase or decrease to each unobservable input, which represents management's assessment of reasonably possible change to these unobservable inputs.

If the Company's key valuation assumptions used to determine the fair value of the financial instruments issued to investors had increased/decreased by 10% with all other variables held constant, the estimated fair value changes from carrying amount are listed in below table (assuming the change of key factors would not have significant impact on fair value change attributable to credit risk):

		As at 31 December 2023		
Fair value of the financial instruments issued to investors		Expected volatility		
		RMB'000		
Increase 10%				(3,110)
Decrease 10%.				1,677
		As at 31 December 2024		
Fair value of the financial instruments issued to investors		Discount rate	DLOM	Expected volatility
		RMB'000	RMB'000	RMB'000
Increase 10%		(661,544)	(92,095)	(1,338)
Decrease 10%.		866,670	92,089	270

As at 31 December 2025

Fair value of the financial instruments issued to investors	Discount rate	DLOM	Expected volatility
	RMB'000	RMB'000	RMB'000
Increase 10%	(808,611)	(44,601)	(581)
Decrease 10%	1,050,204	44,601	26

4 Critical accounting estimates and judgements

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

4.1 Fair value of financial instruments issued to investors

The financial instruments issue to investors are not traded in an active market and the respective fair value are determined by using valuation techniques (Note 3.3(a)(ii)). The discounted cash flow method and the backsolve method were used to determine the total equity value of the Company, the option-pricing method, equity allocation model and forward pricing model were adopted to determine the fair value of the financial instruments. Key assumptions such as discount rate, DLOM and expected volatility based on the Group's best estimates are disclosed in Note 3.3.

4.2 Share-based compensation expenses

As mentioned in Note 31, the Company has adopted 2020 equity incentive plan and Pre-IPO restricted share units plan (the "**Pre-IPO RSU Plan**") for the Group's employees and consultants. The Company has engaged an independent valuer to determine the grant date fair value of the share options and restricted share units ("**RSUs**") to the Group's employees and service-rendered-date fair value of the share options to consultants using the binomial option pricing model and the equity allocation model respectively, which are to be expensed over the vesting period. Various assumptions are involved in the model and significant estimate on assumptions is required to be made by the management, including risk-free interest rates, expected volatility, dividend yields and option term. The management applies judgements and estimate on those significant assumptions in determining the fair value of the share options to the Group's employees and consultants.

At the end of each reporting period, the Group reassesses estimated number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in consolidated statements of comprehensive loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payment reserve.

4.3 Impairment of non-financial assets

At each balance sheet date, the Group reviews internal and external sources of information to identify indications that the non-financial assets may be impaired. If an indication of impairment is identified, such information is further subject to an exercise that requires the Group to estimate the recoverable amount, representing the greater of the fair value less cost of disposal of such asset or its value in use. Depending on the Group's assessment of complexity of deriving reasonable estimates of the recoverable amount, the Group may perform such assessment utilising internal resources or the Group may engage external advisors to counsel the Group in making this assessment. Regardless of the resources utilised, the Group is required to make assumptions for this assessment, including the cash flows to be generated, appropriate market discount rates and the projected market and regulatory conditions. Changes in any of these assumptions could result in a material change to future estimates of the recoverable value of the asset. Please refer to Note 16(b) for details.

4.4 Current and deferred income tax

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and taxation charges in the period in which such estimate is changed.

5 Segment information

The Group's business activities are sales of optical interconnect and optical computing and provision of application development and other services mainly in the PRC.

The Group's chief operating decision-maker ("CODM") has been identified as the directors, who reviews consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable segment. The Group does not distinguish between markets or segments for the purpose of internal reports. As substantially all of the Group's non-current assets are all located in the PRC and substantially all of the Group's revenue are derived from the PRC, no geographical information is presented.

The following illustrates the revenue from customers which contributing over 10% of the total revenue of the Group:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Customer I	11,900	*	*
Customer II	10,142	*	*
Customer III	*	19,165	*
Customer IV	*	14,318	*
Customer V	*	8,250	*
Customer VI	*	*	43,176
Customer VII	*	*	16,770
Customer VIII	*	*	11,855

* Less than 10%

Except for customers listed above, no other customer contributed over 10% of the total revenue of the Group for the three years ended 31 December 2023, 2024 and 2025.

6 Revenue

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Optical interconnect business			
— <i>Sale of products</i>	—	47,019	80,693
— <i>Technology development services</i>	—	—	3,584
Subtotal of optical interconnect business	—	47,019	84,277
Optical computing business			
— <i>Sale of products</i>	4,631	2,974	20,204
— <i>Technology development services and others</i>	33,604	10,198	1,887
Subtotal of optical computing business	38,235	13,172	22,091
Total revenue	<u>38,235</u>	<u>60,191</u>	<u>106,368</u>

The Group derives revenue from the transfer of products, services and others at a point in time as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Point in time	38,235	60,191	105,349
Over time.	—	—	1,019
	<u>38,235</u>	<u>60,191</u>	<u>106,368</u>

The following table shows unsatisfied performance obligations resulting from contracts that are partially or fully unsatisfied:

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Aggregate amount of the transaction price allocated to a long-term contract that are partially or fully unsatisfied, to be recognized:			
— Within 1 year.	5,519	6,321	6,321
— After 1 year but less than 3 years	6,321	—	—
	<u>11,840</u>	<u>6,321</u>	<u>6,321</u>

Except for the unsatisfied performance obligations resulting from certain long-term technology development contract disclosed above, other unsatisfied or partially unsatisfied performance obligations are expected to be recognized in the following year and are not disclosed separately.

(a) Contract liabilities

The Group

The Group has recognized the following liabilities related to contracts with customers:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Current portion.	<u>8,091</u>	<u>106</u>	<u>21,622</u>

Contract liabilities of the Group mainly arise from the advance payments made by customers while the underlying products are yet to be delivered, or underlying services are yet to be provided.

The following table shows the revenue recognized in the Track Record Period related to carried-forward contract liabilities:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue recognized that was included in the contract liabilities at the beginning of the year	<u>—</u>	<u>8,091</u>	<u>106</u>

The Company

The Company has recognized the following liabilities related to contracts with customers:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current portion.	8,091	—	21,622
	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue recognized that was included in the contract liabilities at the beginning of the year	—	8,091	—

(b) Assets recognised from costs to fulfil a contract

In addition to the contract balances disclosed above, the Group has also recognised an asset in relation to costs to fulfil a long-term contract. This asset is presented within prepayments, other receivables and other assets (Note 23) in the consolidated balance sheets:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current portion.	—	1,374	2,670
Loss allowance.	—	—	—
	—	1,374	2,670

The accounting policy for the Group's principal revenue sources*Optical interconnect and optical computing business*

The Group is primarily engaged in optical interconnect and optical computing business. The Group provides a wide range of products mainly include optical interconnect hardware, solutions and optical computing device and systems.

(i) Sale of products

Revenue generated from sales of products is recognised at the point in time when control of products is transferred to customers, generally when the products are accepted by customers.

Contracts with customers may include multiple performance obligations. For such arrangements, the Group allocates revenue to each performance obligation based on its relative standalone selling price. The Group generally determines standalone selling prices based on the prices charged to customers. If the standalone selling price is not directly observable, it is estimated using expected cost

plus a margin or adjusted market assessment approach, depending on the availability of observable information. Assumptions and estimations have been made in estimating the relative selling price of each distinct performance obligation, and changes in judgments on these assumptions and estimates may impact the revenue recognition.

In the arrangements when the Group provides integrated solutions to its customers, a single performance obligation is identified as the Group integrates its products and its services into a bundled solution.

The transaction price in the contract reflects the amount of consideration that the Group expects to be entitled.

In cases when the Group acts as an agent during certain transactions of selling hardware, because the Group does not obtain the control of the hardware before the hardware are delivered to buyers. Revenue is recognised on a net basis when the control of the products has been transferred from the suppliers to the buyers according to the arrangement, generally upon the acceptance of the hardware. During the Track Record Period, the transaction recognised on a net basis is not material to the Group.

(ii) Rendering of technology development services

Revenue from providing technology development services is recognised at the point in time when services are rendered and the deliverables such as reports and samples are accepted by the customers, when customers do not receive and consume benefits as the Company performs, and the Company does not have right to payment for performance completed to date.

(iii) Others

Other revenue is mainly derived from (1) transfer of patents and intellectual properties (“IP”) and relevant revenue is recognized at the point of time when the patents and IP are accepted by the customers, (2) service revenue, which is recognised overtime when customers receive and consume benefits as the Company performs.

7 Expenses by nature

The expenses charged to cost of sales, selling and marketing expenses, general and administrative expenses and research and development expenses are analysed below:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Employee benefit expenses (<i>Note 8</i>)	233,200	250,514	421,503
Raw materials, consumables used and outsourcing costs	17,797	45,094	91,727
Changes in inventories of work in progress and finished goods	(2,093)	(4,834)	(14,879)
Depreciation of property, plant and equipment (<i>Note 16</i>)	8,664	14,121	43,407
Intangible asset amortisation (<i>Note 18</i>)	18,667	27,807	35,830
Depreciation of right-of-use assets (<i>Note 17</i>)	9,502	12,882	8,174
Design and development expenses	30,084	83,497	74,470
Office expenses	2,855	3,599	4,271
Travelling expenses	5,942	5,653	6,259
Short-term lease expenses (<i>Note 17</i>)	6,119	4,019	3,905
IP license expenses	17,560	9,736	49,005
Marketing and promotion expenses	2,101	3,497	2,839
Provision for inventories (<i>Note 20</i>)	—	483	2,560
Share-based compensation expenses to consultants (<i>Note 31</i>)	11,004	11,538	5,953
Share-based compensation expenses to an investor (<i>Note 31</i>)	38,188	—	—
Professional service fees	22,212	29,118	27,514
Auditor's remuneration	99	202	311
Listing expenses	—	—	22,465
Miscellaneous	7,303	6,544	9,667
	<u>429,204</u>	<u>503,470</u>	<u>794,981</u>

8 Employee benefit expenses

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Wages, salaries and bonuses	167,443	175,476	193,928
Contributions to pension plan (<i>a</i>)	11,291	12,299	12,909
Housing fund, medical insurance and other social insurance (<i>a</i>)	9,627	13,130	15,251
Share-based compensation expenses (<i>Note 31</i>)	43,650	48,554	199,019
Other employee benefits	1,189	1,055	396
	<u>233,200</u>	<u>250,514</u>	<u>421,503</u>

*(a) Pension obligations and other social welfare benefits**Policy on Chinese Mainland employees*

Full-time employees of the Group in Chinese Mainland are entitled to staff welfare benefits including pension, work-related injury benefits, maternity insurances, medical insurances, unemployment benefits and housing fund plans through a PRC government-mandated defined contribution plan. Chinese labour regulation requires that the Group make contributions to the government for these benefits based on certain percentage of the employees' salaries, up to a maximum amount specified by the local government. The Group has no legal obligation for the benefits beyond the required contributions. No forfeited contributions are available to reduce contributions payable in the future.

Policy on mandatory provident fund scheme

The Group has arranged for its Hong Kong SAR employees to join the Mandatory Provident Fund Scheme (the “**MPF Scheme**”), a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, the Group and its employees make monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. Both the Group's and the employees' contributions were subject to a cap of HKD1,500 per month and contributions thereafter are voluntary. No forfeited contributions are available to reduce contributions payable in the future.

Policy on Singapore employees

The Group has arranged for its Singapore employees to participate in the Central Provident Fund Scheme (the “**CPF Scheme**”), a defined-contribution social-security scheme administered by the Central Provident Fund Board.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the three years ended 31 December 2023, 2024 and 2025, include 1, 2 and 4 directors respectively, where emoluments are disclosed in Note 40. The emoluments payable to the remaining 4, 3 and 1 individuals during the three years ended 31 December 2023, 2024 and 2025 are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Wages, salaries and bonuses	8,967	8,381	2,316
Contributions to pension plan	301	268	35
Housing fund, medical insurance and other social insurance.	288	472	38
Share-based compensation expenses.	16,738	28,726	10,138
Other employee benefits	30	12	—
	<u>26,324</u>	<u>37,859</u>	<u>12,527</u>

The emoluments of the 4, 3 and 1 individuals fell within the following bands:

	Year ended 31 December		
	2023	2024	2025
Emoluments bands:			
HKD3,000,001 to HKD3,500,000	—	1	—
HKD4,000,001 to HKD4,500,000	—	1	—
HKD5,500,001 to HKD6,000,000	1	—	—
HKD6,000,001 to HKD6,500,000	1	—	—
HKD6,500,001 to HKD7,000,000	1	—	—
HKD10,500,001 to HKD11,000,000	1	—	—
HKD13,500,001 to HKD14,000,000	—	—	1
HKD34,000,001 to HKD34,500,000	—	1	—
	<u>4</u>	<u>3</u>	<u>1</u>

9 Other income

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Government grants			
— Financial subsidies (a)	13,662	71,924	191,260
— Others	200	523	393
	<u>13,862</u>	<u>72,447</u>	<u>191,653</u>

(a) Government grants received during the three years ended 31 December 2023, 2024 and 2025 primarily comprised the financial subsidies received from various government authorities in the Chinese Mainland. Certain government grants were related to assets and amortised during the useful life of the related assets.

10 Other gains/(losses) — net

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Fair value gains on short-term investments measured at fair value through profit or loss (<i>Note 26(a)</i>)	3,746	1,209	8,439
Losses on disposal of property, plant and equipment	(6)	(2,114)	—
Losses on disposal of right-of-use assets	—	(4,898)	—
Net foreign exchange gains/(losses)	14,409	15,253	(12,602)
Others	(68)	489	47
	<u>18,081</u>	<u>9,939</u>	<u>(4,116)</u>

11 Finance income — net

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Finance income			
Interest income on cash and cash equivalents and bank deposits	4,649	8,159	5,703
Interest income from finance lease receivables	—	111	632
	4,649	8,270	6,335
Finance costs			
Interest expenses from short term borrowings.	—	(227)	(775)
Interest expenses on lease liabilities.	(2,292)	(2,954)	(2,423)
	(2,292)	(3,181)	(3,198)
Finance income — net.	2,357	5,089	3,137

12 Subsidiaries

(a) Subsidiaries of the Group

The Company's subsidiaries during the Track Record Period are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The countries/regions of incorporation or registration are also their principal places of business.

Name of entities	Effective interest held in terms of %			As of report date	Date of establishment/ incorporation	Registered capital/ paid in capital	Principal activities, place of operation and kind of legal entity	Note
	As at 31 December							
	2023	2024	2025					
Directly held by the Company:								
Hangzhou Guangzhiyuan Technology Co., Ltd.	100%	100%	100%	100%	5 November 2019	RMB73,000,000/ RMB13,860,800	Research, development and sales of hardware and software products and provision of related services, the PRC, limited liability company	(a)
Nanjing Guangzhiyuan Technology Co., Ltd.	100%	100%	100%	100%	18 September 2020	RMB73,000,000/ RMB40,628,900	Research, development and sales of hardware and software products and provision of related services, the PRC, limited liability company	(b)
Shanghai Guangzhiyuan Technology Co., Ltd..	100%	100%	100%	100%	10 November 2022	RMB1,000,000/ Nil	No business activities, the PRC, limited liability company	(d)

Name of entities	Effective interest held in terms of %				Date of establishment/ incorporation	Registered capital/ paid in capital	Principal activities, place of operation and kind of legal entity	Note
	As at 31 December			As of report date				
	2023	2024	2025					
Beijing Guangzhiyuan Technology Co., Ltd.	100%	100%	100%	100%	27 April 2023	RMB10,000,000/ Nil	Research, development and sales of hardware and software products and provision of related services, the PRC, limited liability company	(d)
Lightelligence Pte. Ltd.	100%	100%	100%	100%	2 November 2020	SGD1	Research, development and sales of hardware and software products and provision of related services, Singapore, private limited company	(c)
Indirectly held by the Company:								
Youguang HK.	100%	100%	100%	100%	11 April 2018	Nil	Management operations, Hong Kong SAR, private limited company	(d)
Nanjing Guangzhixing Technology Co., Ltd.	100%	100%	100%	100%	23 July 2021	RMB1,000,000/ Nil	No business activities, the PRC, limited liability company	(d)
Hangzhou Xizhi Technology Co., Ltd.*	100%	100%	N/A*	N/A*	12 August 2019	RMB2,011,781/ RMB11,781	No business activities, the PRC, limited liability company	(d)
Hangzhou Huanzhang Technology Co., Ltd..	N/A	N/A	100%	100%	26 August 2025	RMB1,000,000/ Nil	No business activities, the PRC, limited liability company	(d)

(a) The statutory financial statements of Hangzhou Guangzhixing Technology Co., Ltd. were audited by Zhejiang Zhongzi Certified Public Accounts Co., Ltd. (“浙江中孜會計師事務所有限公司”) for the year ended 31 December 2023, and audited by Hangzhou Hansheng Accounting Firm Co., Ltd. (“杭州瀚盛會計師事務所有限公司”) for the year ended 31 December 2024. Up to the date of the report, no audited financial statements have been issued for the year ended 31 December 2025.

(b) The statutory financial statements of Nanjing Guangzhixing Technology Co., Ltd. were audited by Nanjing Xinhong Certified Public Accountants Co., Ltd. (“南京新鴻會計師事務所”) for the two years ended 31 December 2023 and 2024. Up to the date of the report, no audited financial statements have been issued for the year ended 31 December 2025.

(c) The statutory financial statements of Lightelligence Pte. Ltd. were audited by Precursor Assurance LLP for the two years ended 31 December 2023 and 2024. Up to the date of the report, no audited financial statements have been issued for the year ended 31 December 2025.

(d) No audited financial statements were issued for these companies as they are not required to issue audited financial statements under the statutory requirements of their respective places of incorporation.

* Hangzhou Xizhi Technology Co., Ltd., a subsidiary controlled through contractual arrangements was subsequently deregistered and closed in August 2025. This subsidiary did not carry out any operation during the Track Record Period.

(b) Investment in subsidiaries — the Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Investments in subsidiaries	54,490	54,490	54,490
Less: allowance for impairment of investment in subsidiaries	—	—	—
	<u>54,490</u>	<u>54,490</u>	<u>54,490</u>

13 Income tax expenses

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current income tax	127	—	—
Deferred income tax (<i>Note 19</i>)	—	—	—
Income tax expenses	<u>127</u>	<u>—</u>	<u>—</u>

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Loss before income tax	(413,376)	(735,280)	(1,342,376)
Tax calculated at statutory income tax rate applicable in principal countries/places of business (a), (b), (c), (d)	(109,490)	(186,421)	(329,430)
Tax effects of:			
Preferential income tax rate applicable to subsidiaries (e)	23,934	67,479	126,529
Super deduction for research and development expenses (f)	(24,333)	(23,456)	(19,468)
Expenses not deductible for tax purpose (g) . .	25,399	65,914	158,085
Tax losses for which no deferred income tax asset was recognised (h)	82,619	74,817	60,236
Other temporary difference for which no deferred income tax asset was recognised . .	1,998	1,667	4,048
Income tax expenses	<u>127</u>	<u>—</u>	<u>—</u>

(a) Corporate income tax in Chinese Mainland (“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 respective year presented, based on the existing legislation, interpretations and practices in respect thereof.

(b) Singapore income tax

The entity incorporated in Singapore is subject to Singapore income tax at a rate of 17% for taxable income earned in Singapore.

No provision for Singapore income tax was made as the Group had no estimated assessable profit that was subject to Singapore income tax during the Track Record Period.

(c) Hong Kong SAR income tax

The entity incorporated in Hong Kong SAR is subject to Hong Kong SAR profits tax at a rate of 8.25% on assessable profits up to HKD2 million and 16.5% on any part of assessable profits over HKD2 million for the years presented.

(d) United States of America

The Group's business in the United States is subject to Federal income tax at a rate of 21%, California state income tax at a rate of 8.84%, and Massachusetts state income tax at a rate of 8%. Operations in the United States of America have incurred net accumulated operating losses for income tax purposes and no income tax provisions are recorded during the Track Record Period.

(e) Preferential income tax rate

The Company and certain subsidiaries of the Company in the PRC have been approved as High and New Technology Enterprises ("HNTÉ") under relevant tax rules and regulations, and accordingly, are subject to a preferential CIT rate of 15% during the Track Record Period.

Certain subsidiaries of the Company in the PRC have been approved as Small and Micro Enterprises ("SME") under relevant tax rules and regulations, and accordingly, are subjected to a preferential CIT rate of 20% during the Track Record Period.

(f) Super Deduction for research and development expenses

The State Taxation Administration of the People's Republic of China announced in September 2018 that enterprises engaging in research and development activities would entitle to claim 175% of their research and development expenses ("**Super Deduction**") from 1 January 2018 to 31 December 2020, and announced in March 2021 to extend this preferential claim percentage to 31 December 2023. As announced in March 2022 and September 2022, technology-based small and medium-sized enterprises would entitle to claim 200% of their research and development expenses from 1 January 2022 and other enterprises would entitle to claim 200% of their research and development expenses from 1 October 2022 to 31 December 2022. In March 2023, The State Taxation Administration of the People's Republic of China announced that enterprises would entitle to claim 200% of their research and development expenses from 1 January 2023.

The Group has made its best estimate for the Super Deduction to be claimed for the Group's entities in ascertaining their assessable profits during the Track Record Period.

(g) Expenses not deductible for tax purposes

Expenses not deductible for tax purposes mainly represented business entertainment expenses and share-based compensation expenses incurred in the Group's subsidiaries which are not deductible according to the relevant laws and regulations promulgated by the State Tax Bureau of the PRC.

(h) Tax losses for which no deferred income tax asset was recognised

Deferred income tax assets are recognized for deductible temporary differences and tax losses to the extent that the realization of the related tax benefits through future taxable profits is probable.

As at 31 December 2023, 2024 and 2025, the Group did not recognise deferred income tax assets in respect of losses of RMB724,789,000, RMB1,074,580,000 and RMB1,469,741,000, respectively. The tax losses incurred from the Company and its subsidiaries in Chinese Mainland that are not recognised as deferred tax assets will expire from 2025 to 2035. Tax losses of the Group's subsidiaries incorporated in Hong Kong SAR and Singapore will be carried forward indefinitely. Deductible losses that are not recognized for deferred income tax assets will expire as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
2025	2,127	8	—
2026	24,452	28	—
2027	121,139	276	276
2028	79,869	1,096	1,096
2029	1,324	2,329	2,328
2030	16,484	18,602	21,987
2031	103,817	128,241	128,241
2032	115,847	236,710	236,710
2033	206,412	285,185	285,185
2034	—	365,370	365,370
2035	—	—	351,496
Indefinitely	53,318	36,735	77,052
	<u>724,789</u>	<u>1,074,580</u>	<u>1,469,741</u>

14 Loss per share

On 29 August 2025, the Company was converted into a joint stock company with limited liabilities and total 76,831,836 ordinary shares with par value of RMB1.0 each were issued and allotted to the respective owners of the Company according to the share capital registered under these equity holders on that day. For the purpose of computation of basic and diluted losses per share, the weighted average number of ordinary shares in issue without preference rights before the conversion into a joint stock limited company was determined assuming the share capital had been fully converted into ordinary share without preference rights deemed in issue at the same conversion ratio of 1:1 as upon conversion into joint stock limited company.

(a) Basic loss per share

The basic loss per share during the Track Record Period is calculated by dividing the loss attributable to owners of the Company by the weighted average number of share capital registered without preference rights, taking into the effects of conversion the Company into a joint stock limited company as mentioned above.

	Year ended 31 December		
	2023	2024	2025
Loss attributable to owners of the Company (RMB'000)	(413,503)	(735,280)	(1,342,376)
Weighted average number of ordinary shares deemed in issue.	10,000,000	14,119,560	29,116,381
Basic loss per share for loss attributable to owners of the Company (expressed in RMB per share)	<u>(41.35)</u>	<u>(52.08)</u>	<u>(46.10)</u>

(b) Diluted loss per share

Diluted loss per share is calculated by adjusting the weighted average number of share capital registered with and without preference rights to assume termination of all preference rights granted to investors. As the Group incurred losses for the three years ended 31 December 2023, 2024 and 2025, those share capital fully paid and registered with preference rights during the Track Record Period, i.e. financial instruments issued to investors were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the three years ended 31 December 2023, 2024 and 2025 are the same as basic loss per share of the respective years.

15 Dividends

No dividend had been declared or paid by the Company during the Track Record Period.

16 Property, plant and equipment**The Group**

	Leasehold improvement	Furniture	Electronic equipment	Laboratory equipment	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023					
Cost	6,743	3,112	9,347	8,875	28,077
Accumulated depreciation	(2,720)	(1,331)	(2,990)	(866)	(7,907)
Net book amount	4,023	1,781	6,357	8,009	20,170
Year ended 31 December 2023					
Opening net book amount	4,023	1,781	6,357	8,009	20,170
Additions	338	194	3,929	7,217	11,678
Depreciation charge (<i>Note 7</i>)	(2,247)	(604)	(2,993)	(2,820)	(8,664)
Disposal	—	—	(162)	—	(162)
Currency translation differences	28	21	14	6	69
Closing net book amount	2,142	1,392	7,145	12,412	23,091
At 31 December 2023					
Cost	7,121	3,318	13,046	16,099	39,584
Accumulated depreciation	(4,979)	(1,926)	(5,901)	(3,687)	(16,493)
Net book amount	2,142	1,392	7,145	12,412	23,091
At 1 January 2024					
Cost	7,121	3,318	13,046	16,099	39,584
Accumulated depreciation	(4,979)	(1,926)	(5,901)	(3,687)	(16,493)
Net book amount	2,142	1,392	7,145	12,412	23,091
Year ended 31 December 2024					
Opening net book amount	2,142	1,392	7,145	12,412	23,091
Additions	7,888	1,994	4,680	42,361	56,923
Depreciation charge (<i>Note 7</i>)	(3,132)	(708)	(3,837)	(6,444)	(14,121)
Disposal	—	(911)	(843)	(415)	(2,169)
Currency translation differences	21	4	29	6	60
Closing net book amount	6,919	1,771	7,174	47,920	63,784
At 31 December 2024					
Cost	14,993	3,459	15,375	57,840	91,667
Accumulated depreciation	(8,074)	(1,688)	(8,201)	(9,920)	(27,883)
Net book amount	6,919	1,771	7,174	47,920	63,784
At 1 January 2025					
Cost	14,993	3,459	15,375	57,840	91,667
Accumulated depreciation	(8,074)	(1,688)	(8,201)	(9,920)	(27,883)
Net book amount	6,919	1,771	7,174	47,920	63,784

APPENDIX I

ACCOUNTANT'S REPORT

	Leasehold improvement	Furniture	Electronic equipment	Laboratory equipment	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2025					
Opening net book amount	6,919	1,771	7,174	47,920	63,784
Additions	694	187	3,007	159,490	163,378
Depreciation charge (<i>Note 7</i>)	(3,250)	(926)	(4,090)	(35,141)	(43,407)
Disposals	—	—	(51)	—	(51)
Currency translation differences	—	(2)	(2)	—	(4)
Closing net book amount	4,363	1,030	6,038	172,269	183,700
At 31 December 2025					
Cost	15,687	3,644	18,320	217,330	254,981
Accumulated depreciation	(11,324)	(2,614)	(12,282)	(45,061)	(71,281)
Net book amount	4,363	1,030	6,038	172,269	183,700

- (a) During the Track Record Period, the amounts of depreciation expense charged to research and development expenses, general and administrative expenses, selling and marketing expenses and cost of sales are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Depreciation of property, plant and equipment			
— Research and development expenses	6,600	11,436	41,506
— General and administrative expenses	1,566	2,325	948
— Selling and marketing expenses	203	306	487
— Cost of sales	295	54	466
	8,664	14,121	43,407

- (b) Impairment assessment of non-financial assets

Impairment tests for property, plant and equipment, right-of-use assets and intangible assets:

According to IAS 36 “Impairment of assets”, non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of impairment review, the recoverable amount of each CGU is determined based on the higher amount of the fair value less cost of disposal (“FVLCD”) and value-in-use (“VIU”) calculations. Given the Group was loss-making throughout the Track Record Period, there was an impairment indicator of non-financial assets. Impairment assessments have been conducted by management of the Company with the assistance of an independent valuer as at 31 December 2023, 2024 and 2025.

The Company outsources its production to manufacturers. As at 31 December 2023, 2024 and 2025, non-financial assets mainly include leased offices buildings, leasehold improvement, furniture, electronic equipment, laboratory equipment, software and EDA tools held for research and development, and daily operations. The management considered all the non-financial assets as one cash-generating unit (“CGU”) because the Group operates in one business as a whole, focusing on the sales of optical interconnect and optical computing products and rendering of technology development

services as well as research and development activities in relation to the optical interconnect business and optical computing business. As at 31 December 2023, 2024 and 2025, the recoverable amount of the CGU was determined based on VIU calculations, using cash flow projections based on business plan for the purpose of impairment reviews.

Based on the results of the abovementioned assessments as conducted by management and the independent external valuer, there was no impairment loss of the CGU as the three years ended 31 December 2023, 2024 and 2025. The headroom of the CGU is about 1.6, 6.5 and 8.2 times of the carrying amount, respectively.

The key assumptions used for VIU calculations and recoverable amount of the CGU are as follows:

	As at 31 December		
	2023	2024	2025
Pre-tax discount rate	15.8%	15.9%	16.2%
Recoverable amount (RMB'000)	198,104	1,090,245	2,224,758

The Company

	Leasehold improvement	Furniture	Electronic equipment	Laboratory equipment	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023					
Cost	3,029	840	1,337	696	5,902
Accumulated depreciation	(1,430)	(270)	(507)	(147)	(2,354)
Net book amount	1,599	570	830	549	3,548
Year ended 31 December 2023					
Opening net book amount	1,599	570	830	549	3,548
Additions	132	147	1,155	5,552	6,986
Depreciation charge	(1,313)	(215)	(440)	(1,029)	(2,997)
Disposal	—	—	(13)	—	(13)
Closing net book amount	418	502	1,532	5,072	7,524
At 31 December 2023					
Cost	3,161	987	2,479	6,248	12,875
Accumulated depreciation	(2,743)	(485)	(947)	(1,176)	(5,351)
Net book amount	418	502	1,532	5,072	7,524
At 1 January 2024					
Cost	3,161	987	2,479	6,248	12,875
Accumulated depreciation	(2,743)	(485)	(947)	(1,176)	(5,351)
Net book amount	418	502	1,532	5,072	7,524

	Leasehold improvement	Furniture	Electronic equipment	Laboratory equipment	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2024					
Opening net book amount	418	502	1,532	5,072	7,524
Additions	7,888	1,940	4,599	42,093	56,520
Depreciation charge	(1,470)	(414)	(1,225)	(4,788)	(7,897)
Disposal	—	(24)	—	—	(24)
Closing net book amount	6,836	2,004	4,906	42,377	56,123
At 31 December 2024					
Cost	11,049	2,864	7,052	48,339	69,304
Accumulated depreciation	(4,213)	(860)	(2,146)	(5,962)	(13,181)
Net book amount	6,836	2,004	4,906	42,377	56,123
At 1 January 2025					
Cost	11,049	2,864	7,052	48,339	69,304
Accumulated depreciation	(4,213)	(860)	(2,146)	(5,962)	(13,181)
Net book amount	6,836	2,004	4,906	42,377	56,123
Year ended 31 December 2025					
Opening net book amount	6,836	2,004	4,906	42,377	56,123
Additions	694	48	2,605	159,275	162,622
Depreciation charge	(3,181)	(814)	(2,396)	(33,645)	(40,036)
Closing net book amount	4,349	1,238	5,115	168,007	178,709
At 31 December 2025					
Cost	11,743	2,912	9,657	207,614	231,926
Accumulated depreciation	(7,394)	(1,674)	(4,542)	(39,607)	(53,217)
Net book amount	4,349	1,238	5,115	168,007	178,709

Accounting policies of property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statements of comprehensive loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values, over their estimated useful lives or, in the case of leasehold improvements, the shorter lease term as follows:

Leasehold improvement	Shorter of the lease terms or 3 years
Furniture	3-5 years
Electronic equipment	3 years
Laboratory equipment	3-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each year.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 42.4).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other gains/(losses) — net" in the consolidated statements of comprehensive loss.

17 Right-of-use assets and lease liabilities

The Group

Right-of-use assets includes leased office building.

(i) Amounts recognised in the consolidated balance sheets

The consolidated balance sheets show the following amounts relating to leases:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Right-of-use assets			
Leased office buildings	24,625	18,694	11,257
Lease liabilities			
Current	(7,332)	(12,729)	(13,380)
Non-current	(21,214)	(26,297)	(13,320)
	(28,546)	(39,026)	(26,700)

(ii) Amounts recognised in the consolidated statements of comprehensive loss

The consolidated statements of comprehensive loss show the following amounts relating to leases:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Depreciation charge of right-of-use assets			
Leased office buildings	9,502	12,882	8,174
Interest expense (included in finance costs) (Note 11)	2,292	2,954	2,423
Expense relating to short-term leases (Note 7)	6,119	4,019	3,905

The total cash outflow for leases including short-term leases for the three years ended 31 December 2023, 2024 and 2025 were RMB18,405,000, RMB19,838,000 and RMB18,955,000 respectively.

(iii) The Group's leasing activities and how these are accounted for:

The Group leases various offices buildings and electronic equipment. Rental contracts are typically made for fixed periods of 3 years to 8 years with no extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

(iv) The movement in right-of-use assets in the consolidated balance sheets are as follows:

	Leased office buildings
	RMB'000
At 1 January 2023	
Cost	52,988
Accumulated depreciation	(19,138)
Net book amount	33,850
Year ended 31 December 2023	
Opening net book amount	33,850
Depreciation charge (Note 7)	(9,502)
Currency translation differences	277
Closing net book amount	24,625
At 31 December 2023	
Cost	53,431
Accumulated depreciation	(28,806)
Net book amount	24,625

	Leased office buildings
	<i>RMB'000</i>
Year ended 31 December 2024	
Opening net book amount	24,625
Additions	22,992
Disposal due to sublease (<i>Note 24</i>)	(16,230)
Depreciation charge (<i>Note 7</i>)	(12,882)
Currency translation differences	189
Closing net book amount	18,694
At 31 December 2024	
Cost	34,197
Accumulated depreciation	(15,503)
Net book amount	18,694
Year ended 31 December 2025	
Opening net book amount	18,694
Additions	737
Depreciation charge (<i>Note 7</i>)	(8,174)
Closing net book amount	11,257
At 31 December 2025	
Cost	29,405
Accumulated depreciation	(18,148)
Net book amount	11,257

- (a) During the Track Record Period, the amounts of depreciation expense charged to research and development expenses, general and administrative expenses, selling and marketing expenses and cost of sales are as follows:

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Depreciation of right-of-use assets			
— Research and development expenses	7,264	7,560	5,692
— General and administrative expenses	1,516	4,607	1,633
— Selling and marketing expenses	301	538	817
— Cost of sales	421	177	32
	9,502	12,882	8,174

The Company

The Company balance sheets show the following amounts relating to leases:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Right-of-use assets			
Leased office buildings	1,021	14,148	8,336
Lease liabilities			
Current	(331)	(6,295)	(7,155)
Non-current	—	(8,325)	(1,908)
	<u>(331)</u>	<u>(14,620)</u>	<u>(9,063)</u>

The movement in right-of-use assets in the Company's balance sheets are as follows:

	Leased office buildings
	<i>RMB'000</i>
At 1 January 2023	
Cost	9,443
Accumulated depreciation	<u>(5,359)</u>
Net book amount	<u>4,084</u>
Year ended 31 December 2023	
Opening net book amount	4,084
Depreciation charge	<u>(3,063)</u>
Closing net book amount	<u>1,021</u>
At 31 December 2023	
Cost	9,443
Accumulated depreciation	<u>(8,422)</u>
Net book amount	<u>1,021</u>
Year ended 31 December 2024	
Opening net book amount	1,021
Additions	20,415
Depreciation charge	<u>(7,288)</u>
Closing net book amount	<u>14,148</u>
At 31 December 2024	
Cost	19,590
Accumulated depreciation	<u>(5,442)</u>
Net book amount	<u>14,148</u>

	Leased office buildings
	<i>RMB'000</i>
Year ended 31 December 2025	
Opening net book amount	14,148
Additions	737
Depreciation charge	(6,549)
Closing net book amount	8,336
At 31 December 2025	
Cost.	20,327
Accumulated depreciation	(11,991)
Net book amount	8,336

Accounting policies of leases

The Group as the lessee

The Group assesses whether a contract is or contains a lease at inception of a contract. Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

18 Intangible assets

The Group

	Software	Electronics Design Automation ("EDA") tools	Total
	RMB'000	RMB'000	RMB'000
At 1 January 2023			
Cost.	2,493	51,572	54,065
Accumulated amortisation	(602)	(18,129)	(18,731)
Net book amount	1,891	33,443	35,334
Year ended 31 December 2023			
Opening net book amount	1,891	33,443	35,334
Additions	2,087	9,348	11,435
Amortisation charge (<i>Note 7</i>)	(476)	(18,191)	(18,667)
Closing net book amount	3,502	24,600	28,102
At 31 December 2023			
Cost.	4,580	60,920	65,500
Accumulated amortisation	(1,078)	(36,320)	(37,398)
Net book amount	3,502	24,600	28,102
Year ended 31 December 2024			
Opening net book amount	3,502	24,600	28,102
Additions	5,120	57,072	62,192
Amortisation charge (<i>Note 7</i>)	(1,461)	(26,346)	(27,807)
Closing net book amount	7,161	55,326	62,487
At 31 December 2024			
Cost.	9,700	117,992	127,692
Accumulated amortisation	(2,539)	(62,666)	(65,205)
Net book amount	7,161	55,326	62,487
Year ended 31 December 2025			
Opening net book amount	7,161	55,326	62,487
Additions	4,574	15,573	20,147
Amortisation charge (<i>Note 7</i>)	(2,899)	(32,931)	(35,830)
Closing net book amount	8,836	37,968	46,804
At 31 December 2025			
Cost.	14,274	133,565	147,839
Accumulated amortisation	(5,438)	(95,597)	(101,035)
Net book amount	8,836	37,968	46,804

During the Track Record Period, the amounts of amortisation expense charged to research and development expenses, general and administrative expenses and selling and marketing expenses are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Amortisation of intangible assets			
— Research and development expenses	18,631	27,010	34,298
— General and administrative expenses	36	774	1,376
— Selling and marketing expenses	—	23	156
	<u>18,667</u>	<u>27,807</u>	<u>35,830</u>

The Company

	Software	EDA tools	Total
	RMB'000	RMB'000	RMB'000
At 1 January 2023			
Cost.	—	1,572	1,572
Accumulated amortisation	—	(104)	(104)
Net book amount	<u>—</u>	<u>1,468</u>	<u>1,468</u>
Year ended 31 December 2023			
Opening net book amount	—	1,468	1,468
Additions	1,696	9,348	11,044
Amortisation charge	(85)	(1,586)	(1,671)
Closing net book amount	<u>1,611</u>	<u>9,230</u>	<u>10,841</u>
At 31 December 2023			
Cost.	1,696	10,920	12,616
Accumulated amortisation	(85)	(1,690)	(1,775)
Net book amount	<u>1,611</u>	<u>9,230</u>	<u>10,841</u>
Year ended 31 December 2024			
Opening net book amount	1,611	9,230	10,841
Additions	5,120	69,777	74,897
Amortisation charge	(1,168)	(23,842)	(25,010)
Closing net book amount	<u>5,563</u>	<u>55,165</u>	<u>60,728</u>
At 31 December 2024			
Cost.	6,816	80,697	87,513
Accumulated amortisation	(1,253)	(25,532)	(26,785)
Net book amount	<u>5,563</u>	<u>55,165</u>	<u>60,728</u>

	Software	EDA tools	Total
	RMB'000	RMB'000	RMB'000
Year ended 31 December 2025			
Opening net book amount	5,563	55,165	60,728
Additions	503	15,573	16,076
Amortisation charge	(1,864)	(32,905)	(34,769)
Closing net book amount	4,202	37,833	42,035
At 31 December 2025			
Cost.	7,319	96,270	103,589
Accumulated amortisation	(3,117)	(58,437)	(61,554)
Net book amount	4,202	37,833	42,035

Accounting policies of intangible assets

(a) Research and development expenditure

Research expenditure is recognised as an expense as incurred. Development cost is capitalized only if all of the following criteria are satisfied:

- It is technically feasible to complete the research and development project so that it will be available for use;
- Management intends to complete the research and development project and use or sell it;
- There is an ability to use or sell the research and development project;
- It can be demonstrated how the research and development project will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the research and development project are available; and
- The expenditure attributable to the research and development project during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred.

(b) Software

Separately acquired software licenses are shown at historical cost. They are amortised using the straight-line method over their estimated finite useful life ranged from 2 to 10 years and are subsequently carried at cost less accumulated amortisation and impairment losses.

(c) EDA tools

Separately acquired EDA tools licenses are shown at historical cost. They are amortised using the straight-line method over their estimated finite useful life ranged from 1 to 3 years and are subsequently carried at cost less accumulated amortisation and impairment losses.

(d) Useful life

When determining the useful life, the Directors has taken into the account the (i) estimated period that can bring economic benefits to the Group; (ii) the useful life estimated by the comparable companies in the market.

The Group amortises intangible assets with a limited useful life, using the straight-line method over the following periods:

Software. 2-10 years

EDA tools. 1-3 years

The intangible assets' useful lives are reviewed, and adjusted if appropriate, at the end of each year.

19 Deferred income tax**The Group**

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Deferred income tax assets:			
— to be recovered within 12 months	1,738	2,040	1,750
— to be recovered after more than 12 months	4,836	3,960	1,604
Offset by deferred income tax liabilities. . . .	(6,574)	(6,000)	(3,354)
Net deferred income tax assets	—	—	—
Deferred tax liabilities:			
— to be recovered within 12 months	(1,738)	(2,040)	(1,750)
— to be recovered after more than 12 months	(4,836)	(3,960)	(1,604)
Offset by deferred income tax assets	6,574	6,000	3,354
Net deferred income tax liabilities.	—	—	—

(i) The movement on the gross deferred income tax assets is as follows:

	Lease liabilities
	<i>RMB'000</i>
At 1 January 2023	9,582
Charged to consolidated statements of comprehensive loss	(3,008)
At 31 December 2023	<u>6,574</u>
At 1 January 2024	6,574
Charged to consolidated statements of comprehensive loss	(574)
At 31 December 2024	<u>6,000</u>
At 1 January 2025	6,000
Charged to consolidated statements of comprehensive loss	(2,646)
At 31 December 2025	<u>3,354</u>

(ii) The movement on the gross deferred income tax liabilities is as follows:

	Right-of-use assets
	<i>RMB'000</i>
At 1 January 2023	(9,582)
Credited to consolidated statements of comprehensive loss	3,008
At 31 December 2023	<u>(6,574)</u>
At 1 January 2024	(6,574)
Credited to consolidated statements of comprehensive loss	574
At 31 December 2024	<u>(6,000)</u>
At 1 January 2025	(6,000)
Credited to consolidated statements of comprehensive loss	2,646
At 31 December 2025	<u>(3,354)</u>

The Company

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Deferred income tax assets:			
— to be recovered within 12 months	153	980	1,016
— to be recovered after more than 12 months	—	1,143	237
Offset by deferred income tax liabilities	(153)	(2,123)	(1,253)
Net deferred income tax assets	<u>—</u>	<u>—</u>	<u>—</u>
Deferred tax liabilities:			
— to be recovered within 12 months	(153)	(980)	(1,016)
— to be recovered after more than 12 months	—	(1,143)	(237)
Offset by deferred income tax assets	153	2,123	1,253
Net deferred income tax liabilities	<u>—</u>	<u>—</u>	<u>—</u>

(i) The movement on the gross deferred income tax assets is as follows:

	Lease liabilities
	<i>RMB'000</i>
At 1 January 2023	1,021
Charged to statements of comprehensive loss	(868)
At 31 December 2023	<u>153</u>
At 1 January 2024	153
Credited to statements of comprehensive loss	1,970
At 31 December 2024	<u>2,123</u>
At 1 January 2025	2,123
Charged to statements of comprehensive loss	(870)
At 31 December 2025	<u><u>1,253</u></u>

(ii) The movement on the gross deferred income tax liabilities is as follows:

	Right-of-use assets
	<i>RMB'000</i>
At 1 January 2023	(1,021)
Credited to statements of comprehensive loss	868
At 31 December 2023	<u>(153)</u>
At 1 January 2024	(153)
Charged to statements of comprehensive loss	(1,970)
At 31 December 2024	<u>(2,123)</u>
At 1 January 2025	(2,123)
Credited to statements of comprehensive loss	870
At 31 December 2025	<u><u>(1,253)</u></u>

Accounting policies of current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries, operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(b) Deferred income tax

Inside basis differences

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred income tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognized.

Deferred income tax assets are recognized on deductible temporary differences arising from investments in subsidiaries, associates and joint ventures only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

Current and deferred tax is recognised in consolidated statements of comprehensive loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

20 Inventories**The Group**

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Raw materials	12,963	21,395	9,778
Work in progress	60	1,588	9,079
Finished goods	2,033	5,339	12,727
	15,056	28,322	31,584
Less: provision for impairment of inventories.	—	(483)	(3,043)
	15,056	27,839	28,541

During three years ended 31 December 2023, 2024 and 2025, inventories recognised as cost of sales amounted to RMB1,843,000, RMB23,613,000 and RMB59,775,000 respectively, and provision for impairment of inventories of RMB483,000 and RMB2,560,000 is charged to cost of sales in the year ended 31 December 2024 and 2025.

The Company

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Raw materials	8,685	20,451	8,813
Work in progress	60	1,588	9,027
Finished goods	1,537	5,339	12,509
	10,282	27,378	30,349
Less: provision for impairment of inventories.	—	—	(2,319)
	10,282	27,378	28,030

Accounting policies of inventories

Inventories are referred to raw materials, work in progress and finished goods. Inventories are stated at the lower of cost and net realisable value. Cost is determined on weighted average basis. The cost of finished goods comprises raw materials, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

21 Financial instruments by category**The Group**

The Group holds the following financial instruments:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Financial assets:			
<i>Financial assets at fair value through profit or loss:</i>			
— Structured deposits (Note 26)	5,414	—	230,750
— Money market funds (Note 26)	5,610	—	94,215
<i>Financial assets at amortised cost:</i>			
— Amounts due from related parties (Note 39)	374,815	25,154	—
— Amounts due from investors (Note 25)	—	495,386	—
— Trade receivables (Note 22)	5,159	19,189	87,218
— Other receivables (Note 23)	5,595	11,536	9,003
— Finance lease receivables (Note 24)	—	11,380	9,779
— Restricted cash (Note 28)	—	759	137
— Bank deposits (Note 27)	42,088	50,473	102,225
— Cash and cash equivalents (Note 28)	290,084	348,336	209,058
	<u>728,765</u>	<u>962,213</u>	<u>742,385</u>
	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Financial liabilities:			
<i>Financial liabilities at fair value through profit or loss:</i>			
— Financial instruments issued to investors (Note 34)	3,051,957	3,821,711	4,924,151
<i>Financial liabilities at amortised cost:</i>			
— Amounts due to a related party (Note 39)	—	74,345	—
— Lease liabilities (Note 17)	28,546	39,026	26,700
— Trade payables (Note 32)	941	6,130	6,735
— Other payables (Note 33)	27,597	54,701	21,805
— Long-term payables (Note 36)	—	1,515	—
	<u>3,109,041</u>	<u>3,997,428</u>	<u>4,979,391</u>

The Company

The Company holds the following financial instruments:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Financial assets:			
<i>Financial assets at fair value through profit or loss:</i>			
— Structured deposits (Note 26)	—	—	180,572
<i>Financial assets at amortised cost:</i>			
— Amounts due from related parties	1,088,934	604,079	—
— Amounts due from investors (Note 25)	—	495,386	—
— Amounts due from subsidiaries (Note 23)	619,025	145,858	420
— Trade receivables (Note 22)	2,425	18,927	82,872
— Other receivables (Note 23)	3,415	2,541	2,600
— Restricted cash (Note 28)	—	150	137
— Bank deposits (Note 27)	—	50,473	102,225
— Cash and cash equivalents (Note 28)	106,189	276,934	177,790
	<u>1,819,988</u>	<u>1,594,348</u>	<u>546,616</u>
	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Financial liabilities:			
<i>Financial liabilities at fair value through profit or loss:</i>			
— Financial instruments issued to investors (Note 34)	3,051,957	3,821,711	4,924,151
<i>Financial liabilities at amortised cost:</i>			
— Amounts due to subsidiaries	325,531	88,625	50,012
— Lease liabilities (Note 17)	331	14,620	9,063
— Trade payables (Note 32)	6	5,722	6,733
— Other payables (Note 33)	3,709	51,552	20,282
— Long-term payables (Note 36)	—	1,515	—
	<u>3,381,534</u>	<u>3,983,745</u>	<u>5,010,241</u>

22 Trade receivables

The Group

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Due from third parties	5,240	19,424	88,940
Gross trade receivables	5,240	19,424	88,940
Less: provision for impairment	(81)	(235)	(1,722)
Net trade receivables	5,159	19,189	87,218

The carrying amounts of the Group's trade receivables excluding provision for impairment, are denominated in the following currencies:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
RMB	5,240	19,381	87,432
USD	—	43	1,508
	5,240	19,424	88,940

The credit terms given to trade customers are determined on an individual basis with normal credit period ranged from 30-180 days. The aging analysis of the trade receivables based on date of revenue recognition is as follows:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Up to 1 year.	5,240	19,424	88,818
1 to 2 years	—	—	122
	5,240	19,424	88,940

Due to the short-term nature of the trade receivables, their carrying amounts are considered to be approximately the same as their fair values.

The Group does not hold any collateral as security over these debtors.

The impairment and risk exposure please refer to Note 3.1(b).

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Due from third parties	2,474	19,158	84,423
Gross trade receivables	2,474	19,158	84,423
Less: provision for impairment	(49)	(231)	(1,551)
Net trade receivables	2,425	18,927	82,872

The carrying amounts of the Company's trade receivables excluding provision for impairment, are denominated RMB.

Accounting policies of trade receivables

Trade receivables are amounts due from customers for products sold or services rendered in the ordinary course of business. If collection of trade receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 3.1(b) for description of the Group's impairment assessment.

23 Prepayments, other receivables and other assets**The Group**

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Non-current			
Other receivables:			
— Long-term deposits	3,689	10,523	8,285
Less: provision for impairment	(34)	(70)	(78)
Net other receivables	3,655	10,453	8,207
Prepayments for purchase of long-term assets.	248	3,424	15,238
Total prepayments, other receivables and other assets in non-current assets	3,903	13,877	23,445

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current			
Other receivables:			
— Short-term other receivables	1,959	1,095	802
Less: provision for impairment	(19)	(12)	(6)
Net other receivables	1,940	1,083	796
Prepayments for purchase of inventories and services	35,176	21,742	81,807
Contract cost (<i>Note 6</i>).	—	1,374	2,670
Prepaid listing expenses	—	—	4,483
Input value-added tax (“VAT”) to be deducted	15,116	21,646	20,947
Total prepayments, other receivables and other assets in current assets	52,232	45,845	110,703
Total prepayments, other receivables and other assets	56,135	59,722	134,148

As at 31 December 2023, 2024 and 2025, the fair value of prepayments, other receivables and other assets of the Group, except for the prepayments and input VAT to be deducted which are not financial assets, approximated to their carrying amounts.

The carrying amounts of the Group's other receivables excluding provision for impairment, are denominated in the following currencies:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
USD	391	7,584	4,998
RMB	5,257	4,034	4,089
	5,648	11,618	9,087

The Company

(a) Prepayments, other receivables and other assets

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Non-current			
Other receivables:			
— Long-term deposits and guarantees	2,293	2,294	2,289
Less: provision for impairment	(21)	(21)	(21)
Net other receivables	2,272	2,273	2,268
Prepayments	—	3,424	12,656
Total prepayments, other receivables and other assets in non-current assets	2,272	5,697	14,924
Current			
Other receivables:			
— Short-term other receivables	1,154	271	335
Less: provision for impairment	(11)	(3)	(3)
Net other receivables	1,143	268	332
Prepayments	14,302	13,081	69,228
Contract cost (Note 6)	—	1,374	2,670
Prepaid listing expenses	—	—	4,483
Input VAT to be deducted	7,029	13,502	11,797
Total prepayments, other receivables and other assets in current assets	22,474	28,225	88,510
Total prepayments, other receivables and other assets	24,746	33,922	103,434

(b) Amounts due from subsidiaries

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Amounts due from subsidiaries (trade)	168	154	425
Amounts due from subsidiaries (non-trade)	618,857	369,162	373,053
	619,025	369,316	373,478
Less: provision for impairment	—	(223,458)	(373,058)
Net amounts due from subsidiaries	619,025	145,858	420

Amounts due from subsidiaries are mainly due from Nanjing Guangzhiyuan Technology Co., Ltd., Hangzhou Guangzhiyuan Technology Co., Ltd., and Hangzhou Xizhi Technology Co., Ltd., which were mostly arisen from the funds received by these entities due to issuance of convertible debentures to investors. Since the Company bears the same obligations as these subsidiaries to its convertible

debenture investors, these convertible debentures are recorded in the Company's financial statements by debiting amounts due from subsidiaries. The Company recognized impairment provision of amounts due from subsidiaries to the extent it believes can be settled.

Accounting policies of other receivables

Majority of other receivables is deposit. If collection of other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the other receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 3.1(b) for a description of the Group's impairment assessment.

24 Finance lease receivables

The Group

The Group entered into a ten-year lease of office space from October 2020 to January 2029 for research and development purpose. In November 2024, the office space was subleased to third parties due to change in the Group's operating strategy. Finance lease receivables are denominated in USD. The detailed breakdown of financial lease receivables was set forth below.

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Finance lease receivables due from third parties	—	11,380	9,779
Less: due within one year	—	(1,379)	(2,907)
Non-current finance lease receivables	—	10,001	6,872
	Minimum lease receivables		
	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	—	2,016	3,409
Over 1 year but less than 2 years	—	3,486	3,477
Over 2 years but less than 5 years	—	7,492	3,848
Over 5 years	—	—	—
Less: unearned finance income	—	(1,614)	(955)
Present value of minimum lease receivables . .	—	11,380	9,779

The interest rates inherent in the leases are fixed at the contract date for the entire lease terms of ten years. As at 31 December 2024 and 2025, the weighted average effective interest rate is approximately 6.1% and 6.1% per annum, respectively.

The Group assesses the credit losses of finance lease receivables individually and believes that the credit risk inherent in the group of outstanding finance receivables balance is quite low.

Finance lease receivables were neither past due nor impaired. The directors of the Group considered that the carrying amount of the finance lease receivables approximated to their fair value as at 31 December 2024 and 2025.

Accounting policies for sublease

A sublease is a transaction for which an underlying asset is re-leased by a lessee ('intermediate lessor') to a third party, and the lease ('head lease') between the head lessor and lessee remains in effect. An intermediate lessor evaluates a sublease with reference to the right-of-use asset rather than the leased asset. A sublease is classified as a financing lease if it transfers substantially all of the risks and rewards of the right-of-use asset. The intermediate party de-recognises the right-of-use asset (to the extent that it is subject to the sub-lease) and recognises a lease receivable. If the sub-lease is classified as an operating lease, the intermediate party continues to recognise the right-of-use asset. Revenue from the sub-lease is recognised over the term of the sub-lease.

25 Amounts due from investors

The Group and the Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Amounts due from investors (non-trade) (a) . .	—	495,796	—
Less: provision for impairment	—	(410)	—
	—	495,386	—

- (a) In the year ended 31 December 2024, the Group conducted a Reorganisation (Note 1.2). During the Reorganisation in 2024, certain investors obtained the economic rights and voting power as shareholders of the Company in 2024 and the capital contributions were completed as at 31 December 2025. Accordingly, the capital contributions were recorded as amounts due from investors as at 31 December 2024. None of these amounts due from investors are balances with related parties. These amounts due from investors are denominated in USD. For details, please refer to Note 29.

26 Financial assets at fair value through profit or loss

The Group

(i) *Classification of financial assets at fair value through profit or loss*

During the Track Record Period, the Group classified its financial assets through profit or loss (FVPL) due to all its short-term investment do not qualify for measurement at either amortized cost or FVOCI.

Financial assets mandatorily measured at FVPL include the following:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current assets			
Short-term investments (a)			
— Structured deposits	5,414	—	230,750
— Money market funds	5,610	—	94,215
	11,024	—	324,965

(a) *Short-term investments*

Short-term investments represented the structured deposits issued by reputable banks in Chinese Mainland and money market funds overseas. The maturity of the structured deposits and money market funds were less than 1 year.

Short-term investments are all denominated in:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
— RMB	—	—	230,750
— USD	11,024	—	94,215
	11,024	—	324,965

The movement of the structured deposits and money market funds during the Track Record Period are as follows.

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At beginning of the year	200,772	11,024	—
Additions	871,024	615,000	2,054,975
Disposals	(1,064,518)	(627,233)	(1,737,026)
Fair value changes	3,746	1,209	8,439
Currency translation differences	—	—	(1,423)
At end of the year	11,024	—	324,965

The fair values of the structured deposits and money market funds are measured using a valuation technique with unobservable inputs. The major assumptions used in the valuation refer to Note 3.3.

Unrealised gains recognised for the three years ended 31 December 2023, 2024 and 2025 are RMB1,000, nil and RMB1,496,000.

(b) Risk exposure and fair value measurements

Information about the Group's exposure to financial risk and information about the methods and assumptions used in determining fair value are set out in Note 3.3.

The Company

During the Track Record Period, financial assets classified as FVPL include the following:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current assets			
Short-term investments			
— Structured deposits.	—	—	180,572

27 Bank deposits**The Group**

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Non-Current:			
Bank deposits.	—	—	20,025
Current:			
Bank deposits.	42,088	50,473	82,200
Total bank deposits.	42,088	50,473	102,225

(a) Bank deposits with original maturities of over three months are dominated in:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
— RMB.	—	50,473	102,225
— USD.	42,088	—	—
	42,088	50,473	102,225

Bank deposits with original maturities of over three months were neither past due nor impaired. The interest rates were 5.39% ranged from 1.75% to 1.85%, and ranged from 1.20% to 1.75% for the three years ended 31 December 2023, 2024 and 2025. The directors of the Company considered that the carrying amount of the bank deposits with original maturities of over three months approximated to their fair value as at 31 December 2023, 2024 and 2025.

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Non-Current:			
Bank deposits	—	—	20,025
Current:			
Bank deposits	—	50,473	82,200
Total bank deposits	—	50,473	102,225

(a) Bank deposits with original maturities of over three months are all denominated in RMB:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
— RMB	—	50,473	102,225

28 Cash and cash equivalents and restricted cash

The Group

(a) Cash and cash equivalents

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash at banks	332,172	399,568	311,420
Less: bank deposits with original maturities of over three months (Note 27)	(42,088)	(50,473)	(102,225)
restricted cash (b)	—	(759)	(137)
Cash and cash equivalents	290,084	348,336	209,058

Cash and cash equivalents are denominated in:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
— RMB	178,446	334,254	104,626
— USD	111,600	10,978	103,009
— HKD	—	—	877
— SGD	38	3,104	546
	290,084	348,336	209,058

(b) Restricted cash

Restricted cash are denominated in:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
— RMB.	—	759	137

Restricted cash mainly represented security deposit for credit card and banker's letter of guarantee deposit.

The Company**(a) Cash and cash equivalents**

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash at banks.	106,189	327,557	280,152
Less: bank deposits with original maturities of over three months (<i>Note 27</i>)	—	(50,473)	(102,225)
restricted cash (b)	—	(150)	(137)
Cash and cash equivalents.	106,189	276,934	177,790

Cash and cash equivalents are denominated in:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
— USD	—	823	89,904
— RMB.	106,189	276,111	87,886
	106,189	276,934	177,790

(b) Restricted cash

Restricted cash are denominated in RMB. Restricted cash mainly represented security deposit for credit card and banker's letter of guarantee deposit.

Accounting policies of cash and cash equivalents and restricted cash

For the purpose of presentation in the consolidated statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank deposits with original maturities of over three months were included in the bank deposits with original maturities of over three months on the consolidated balance sheets.

Cash that is restricted from withdrawal, from use or from being pledged as security is reported separately on the face of the consolidated balance sheets, and is not included in the total cash and cash equivalents in the consolidated statements of cash flows.

29 Paid-in capital/share capital

The Group and the Company

A summary of movements in the Company's issued and fully paid paid-in capital is as follows:

(a) Paid-in capital

	without preference rights (Note (i))	with preference rights (Note (ii))	Total
	RMB'000	RMB'000	RMB'000
At 1 January 2023 and 31 December 2023 .	10,000	—	10,000
Capital contributions by investors (i)	19,044	—	19,044
Recognition of financial instruments issued to investors (ii)	—	40,684	40,684
At 31 December 2024	29,044	40,684	69,728
Recognition of financial instruments issued to investors (ii)	—	7,104	7,104
Conversion into a joint stock company (b)(i) .	(29,044)	(47,788)	(76,832)
At 31 December 2025	—	—	—

- (i) Before the Reorganisation (Note 1.2), the Company was 100% held by Youguang HK with registered capital of RMB10,000,000. The registered capital was fully paid by Youguang HK in March 2024. Subsequently in July 2024, Youguang HK transferred all its equity interests in the Company to Dr. Shen Yichen, Mach C and Youguang Yihui with a cash consideration of RMB3.

During the year ended 31 December 2024, Youguang Yihui, Youguang Zhiyuan, LightAI EIP and Mach C made capital contributions to the Company with a total cash amount of RMB25,242,000 (Note 39(b)(v)), including RMB18,078,000 recorded as paid in capital and RMB7,164,000 recorded as capital reserve of the Company (Note 30).

During the year ended 31 December 2024, the ordinary shareholders originally invested in Youguang Cayman flipped down their equity interests from Youguang Cayman to the Company by subscribing for the equity interests without preference rights of the Company for a total cash consideration of RMB21,951,000, including RMB698,000 recorded as paid in capital and RMB21,253,000 recorded as capital reserve of the Company (Note 30). Certain convertible debenture investors originally invested in the Group's PRC subsidiary converted their interests into the Company's equity interests without preference rights by using their then fair value of RMB20,656,000 (Note 34(d)), including RMB268,000 recorded as paid in capital and RMB20,388,000 recorded as capital reserve of the Company (Note 30).

- (ii) As a part of the Reorganisation (Note 1.2), majority of the preferred shareholders and convertible debenture holders converted their equity interests in Youguang Cayman or other group subsidiaries into the Company's equity interests with preference rights from November 2024 to September 2025. RMB40,684,000 and RMB7,104,000 was recorded as the Company's paid-in capital for the year ended 31 December 2024 and 2025, respectively. Since all these investments granted the investors certain preference rights and did not qualify for an equity, a credit entry with the same amount was booked in other reserve of the Company (Note 30).

(b) Share capital

	Share capital			
	Number of shares	without preference rights	with preference rights	Total
		(Note (i))	(Note (ii))	
	'000	RMB'000	RMB'000	RMB'000
At 1 January 2025	—	—	—	—
Conversion into a joint stock company with limited liability (i)	76,832	29,044	47,788	76,832
Capital contributions by an investor (ii) ..	223	223	—	223
Recognition of financial instruments issued to investors (ii)	1,118	—	1,118	1,118
At 31 December 2025	<u>78,173</u>	<u>29,267</u>	<u>48,906</u>	<u>78,173</u>

(i) On 29 August 2025, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The paid-in-capital of the Company as at the conversion base date were converted into 76,831,836 ordinary shares at RMB1.0 each, the difference of net assets converted over nominal value of the share capital was included in the Company's capital reserve.

(ii) In September 2025, the remaining one shareholder originally invested in Youguang Cayman flipped down its equity interests from Youguang Cayman to the Company by subscribing for the ordinary shares without preference rights of the Company for a total cash consideration of RMB14,413,000, including RMB223,000 recorded as share capital and RMB14,190,000 recorded as capital reserve of the Company, and subscribing for share capital with preference rights of the Company of RMB1,118,000. After completion of this transaction, the Reorganisation was completed.

Accounting policies of paid-in capital and share capital

Ordinary shares and paid-in capital (with or without preference rights) are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

30 Reserves

The Group

	Reserves				
	Capital reserve	Share-based payment	Currency translation reserve	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	—	120,782	(39,757)	(19,772)	61,253
Share-based payments (<i>Note 31</i>).	—	54,654	—	—	54,654
Change in fair value attributable to credit risk change	—	—	—	(334)	(334)
Currency translation differences	—	—	(6,603)	—	(6,603)
As at 31 December 2023	—	175,436	(46,360)	(20,106)	108,970
At 1 January 2024	—	175,436	(46,360)	(20,106)	108,970
Capital contributions by investors without preference rights (<i>Note 29</i>)	48,805	—	—	—	48,805
Recognition of financial instruments issued to investors (<i>Note 29</i>)	—	—	—	(40,684)	(40,684)
Share-based payments (<i>Note 31</i>).	—	60,092	—	—	60,092
Change in fair value attributable to credit risk change	—	—	—	(9,407)	(9,407)
Transfer of credit risk of financial instruments issued to investors on disposal to accumulated deficit, net of tax	—	—	—	57	57
Currency translation differences	—	—	(9,109)	—	(9,109)
At 31 December 2024	48,805	235,528	(55,469)	(70,140)	158,724
At 1 January 2025	48,805	235,528	(55,469)	(70,140)	158,724
Capital contributions by investors without preference rights (<i>Note 29</i>)	14,190	—	—	—	14,190
Recognition of financial instruments issued to investors (<i>Note 29</i>)	—	—	—	(8,222)	(8,222)
Deemed distribution to related parties (a)	—	—	—	(66,835)	(66,835)
Share-based payments (<i>Note 31</i>).	—	204,972	—	—	204,972
Conversion into a joint stock company with limited liability (<i>Note 29(b)(i)</i>)	(1,717,501)	—	—	—	(1,717,501)
Change in fair value attributable to credit risk change	—	—	—	(13,137)	(13,137)
Transfer of credit risk of financial instruments issued to investors on disposal to accumulated deficit, net of tax	—	—	—	689	689
Currency translation differences	—	—	7,984	—	7,984
As at 31 December 2025	(1,654,506)	440,500	(47,485)	(157,645)	(1,419,136)

- (a) Pursuant to the agreement between Youguang Cayman and the Group in September 2025, the Group waived the amounts due from Youguang Cayman at USD9,336,000 (equivalent to RMB66,835,000) based on the outstanding balance as at 30 June 2025. This transaction was recorded as a deemed distribution to Youguang Cayman in equity. In September 2025, Youguang Cayman remitted all the remaining cash and cash equivalents to the Group and amounts due from Youguang Cayman was settled.

The Company

	Reserves			
	Capital reserve	Share-based payment	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	—	8,010	(9,773)	(1,763)
Share-based payments	—	18,657	—	18,657
Change in fair value attributable to credit risk change	—	—	(334)	(334)
As at 31 December 2023	—	26,667	(10,107)	16,560
At 1 January 2024	—	26,667	(10,107)	16,560
Capital contributions by investors without preference rights (<i>Note 29</i>) ..	48,805	—	—	48,805
Recognition of financial instruments issued to investors (<i>Note 29</i>)	—	—	(40,684)	(40,684)
Share-based payments	—	41,977	—	41,977
Change in fair value attributable to credit risk change	—	—	(9,407)	(9,407)
Transfer of credit risk of financial instruments issued to investors on disposal to accumulated deficit, net of tax	—	—	57	57
As at 31 December 2024	48,805	68,644	(60,141)	57,308
At 1 January 2025	48,805	68,644	(60,141)	57,308
Capital contributions by investors without preference rights (<i>Note 29</i>) ..	14,190	—	—	14,190
Recognition of financial instruments issued to investors (<i>Note 29</i>)	—	—	(8,222)	(8,222)
Change in fair value attributable to credit risk change	—	—	(13,137)	(13,137)
Deemed distribution to related parties ..	—	—	(66,835)	(66,835)
Converted into a joint stock company with limited liability	(1,717,501)	—	—	(1,717,501)
Transfer of credit risk of financial instruments issued to investors on disposal to accumulated deficit, net of tax	—	—	689	689
Share-based payments	—	104,050	—	104,050
As at 31 December 2025	(1,654,506)	172,694	(147,646)	(1,629,458)

31 Share-based compensation plans

The table below sets out the details of the share-based compensation plan in the Track Record Period.

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Equity settled share-based compensation for employees (a)	43,650	48,554	199,019
Equity settled share-based compensation for consultants (a).	11,004	11,538	5,953
Cash settled share-based compensation to an investor (<i>Note 34</i>)	38,188	—	—
	<u>92,842</u>	<u>60,092</u>	<u>204,972</u>

(a) 2020 Equity Incentive Plan

In recognition of the contributions from employees and consultants and to incentivize them for the further development in the Group, Youguang Cayman adopted a share option plan as approved by the board of directors on 2 January 2020 (“**2020 Equity Incentive Plan**”). The 2020 Equity Incentive Plan are generally subject to a four or five years’ service schedule or other vesting conditions. The terms and conditions of the share option grants are as follows:

- Type (i) 25% of the total granted share options shall become vested one year from the vesting commencement date and the remaining 75% vested on each year thereafter over each of the months in the next three years;
- Type (ii) total granted share options shall become vested equally each month over a four-year period at the end of each full calendar month;
- Type (iii) total granted share options shall become vested after meeting certain performance targets;
- Type (iv) total granted share options shall become vested upon the success listing of the Company.

Movements in the number of share options granted and their related weighted average exercise price during the Track Record Period are as follows:

	Year ended 31 December					
	2023		2024		2025	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
	(USD)		(USD)		(USD)	
At beginning of the year	0.0150	569,463,166	0.0196	687,024,623	0.0198	647,175,531
Granted	0.0351	172,150,000	0.0359	14,583,579	0.0359	112,250,000
Exercised	0.0097	(8,304,164)	0.0115	(21,171,407)	0.0038	(17,441,860)
Forfeited	0.0216	(46,284,379)	0.0283	(33,261,264)	0.0132	(13,364,882)
Cancelled	—	—	—	—	0.0357	(950,000)
Unexercised option converted into						
Pre-IPO RSU plan	—	—	—	—	0.0223	(727,668,789)
At end of the year	0.0196	687,024,623	0.0198	647,175,531	—	—

No options expired during the three years ended 31 December 2023, 2024 and 2025.

During the year ended 31 December 2025, the Group cancelled 950,000 share options and the cancellation was accounted for as an acceleration of vesting, and therefore recognised share-based compensation expense of RMB368,000 immediately.

As at 31 December 2023, 2024 and 2025, 402,172,104, 466,103,204 and nil options were vested but not exercised.

Share options outstanding at the end of the three years ended 31 December 2023, 2024 and 2025 have the following expiry date and exercise prices:

Grant year	Expiry year	Exercise price	Number of share options	
			31 December 2023	31 December 2024
		(USD)		
2019	2029	0.0038	172,500,000	166,774,000
2020	2030	0.0051, 0.0070	67,720,833	54,423,958
2021	2031	0.0070, 0.0191, 0.0241, 0.0395	252,986,082	244,297,538
2022	2032	0.0051, 0.0241, 0.0335	31,464,583	19,935,416
2023	2033	0.0335, 0.0354	162,353,125	147,211,040
2024	2034	0.0359	—	14,533,579
			687,024,623	647,175,531

During the year ended 31 December 2025, the exercise price of share options granted to employees of the Group is USD0.0359. There are no outstanding options as at 31 December 2025 as they were converted to Pre-IPO RSU plan.

The weighted-average remaining contractual life for outstanding share options was 7.5 years and 6.5 years as at 31 December 2023 and 2024, respectively.

The Group has estimated the expected retention rate at the end of the vesting periods of the share options in order to determine the amount of share-based compensation expenses charged to the consolidated statements of comprehensive loss. As at 31 December 2023 and 2024, the expected retention rate of the Group had been assessed to be no lower than 90% and 90%, respectively.

Based on fair value of the ordinary shares of the Youguang Cayman, the Group has used binomial model to determine the fair value of the share options as at each of the measurement date. Key assumptions are set as below:

	Year ended 31 December		
	2023	2024	2025
Fair value per ordinary share (<i>USD</i>)	0.10-0.13	0.11-0.15	0.13-0.18
Risk-free interest rates	3.94%-4.12%	3.94%-4.79%	3.78%-4.82%
Dividend yield	0.0%	0.0%	0.0%
Expected volatility	53.88%-57.23%	54.17%-59.41%	55.58%-61.13%
Option terms	6–10 years	5–10 years	5–10 years

(b) Pre-IPO RSU Plan

On 29 August 2025, pursuant to the resolutions of the shareholders of the Company, the Company adopted a Pre-IPO RSU Plan as a replacement of the original plan with substantially same terms and conditions of the 2020 Equity Incentive Plan. Under this plan, the Group's employees and consultants are required to acquire the respective equity interests in certain ESOP platforms at their exercise price before the date of submission of the listing application for all the restricted share units (including the vested awards and the unvested awards). If the employees and consultants fail to fulfil the vesting conditions with the Group as agreed in the Pre-IPO RSU Plan, the general partner of ESOP platforms has the right to acquire the equity interest held by this personnel at the price determined in the grant letter.

One RSU shall represent one share of the Company held by the ESOP platform. Pursuant to the modification of share-based compensation plan, for the participants who converted their options under 2020 Equity Incentive Plan to participate in the Pre-IPO RSU plan, the conversion ratio of share option to RSU is of the same proportion, representing pro-rata shareholding in the listing vehicle before and after the conversion. Upon conversion, the Company made certain modifications, including reduction of exercise price and extension of service period subject to IPO condition. If a modification increases the fair value of the equity instruments granted, the incremental fair value granted was included in the measurement of the amount recognised for the services received over the remainder of the vesting period.

During the year ended 31 December 2025, 6,756,602 RSUs were newly granted to the Group's management and employees at the price of RMB1.95 per share unit under the Pre-IPO RSU Plan, which are all subject to IPO condition.

The terms and conditions for the newly granted RSUs are as below:

- Type (i) 25% of the total granted RSUs shall become vested one year from the vesting commencement date and the remaining 75% vested on each year thereafter over each of the months in the next three years;
- Type (ii) 10% of the total granted RSUs shall become vested one year from the vesting commencement date, 20%, 30% and 40% of the total granted RSUs shall become vested monthly during the second, third and fourth year from the vesting commencement date;
- Type (iii) 10% of the total granted RSUs shall become vested one year after the successful listing of the Company, 20%, 30% and 40% of the total granted RSUs shall become vested monthly during the second, third and fourth year after the success listing of the company;
- Type (iv) total granted RSUs shall become vested after meeting certain non-market performance vesting conditions;
- Type (v) total granted RSUs shall become vested after meeting certain market performance vesting conditions.

Movement in the number of RSU during the Tracking Record Period are as follows:

	Year ended 31 December
	2025
At the beginning of the year	—
Conversion from 2020 Equity Incentive Plan	10,705,942
Granted	6,756,602
Vested	(1,181,984)
Forfeited	(28,691)
At the end of the year.	<u>16,251,869</u>

As of 31 December 2025, all the cash consideration for subscription of the equity interests in ESOP platforms were received from employees and consultants of the Group.

Key assumptions to determine the fair value of the RSUs as at the grant date are set as below:

	Year ended 31 December
	2025
Expected volatility	60.00%
Risk-free interest rate	1.50%

(c) Share-based compensation expenses recorded during the Track Record Period

During the Track Record Period, the amounts of share-based compensation expenses charged to research and development expenses, general and administrative expenses, selling and marketing expenses, and cost of sales are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Research and development expenses	31,543	40,928	103,763
General and administrative expenses	58,178	15,326	70,327
Selling and marketing expenses	3,081	3,738	30,775
Cost of sales	40	100	107
	<u>92,842</u>	<u>60,092</u>	<u>204,972</u>

*Accounting policies of share-based compensation expenses**(a) Equity-settled share-based payment transactions*

The Group operates an equity incentive plan and Pre-IPO RSU plan, under which it receives services from employees or consultants as consideration for equity instruments (including share options) of Youguang Cayman or of the Company. As such, considering the Group has no obligation to settle the share-based payment transaction, the Group receiving the services measure the services received as equity-settled share-based payment transaction. The fair value of the services received in exchange for the grant of the equity instruments is recognized as an expense on the consolidated statements of comprehensive loss with a corresponding increase in equity.

(i) Options/RSUs granted to employees

In terms of the options and RSUs awarded to employees, the total amount to be expensed is determined by reference to the fair value of the options and RSUs granted:

- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

Service and non-marketing performance vesting conditions are included in calculation of the number of options and RSUs that are expected to vest. The total amount expensed is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting period, the Group revises its estimates of the number of options and RSUs that are expected to vest based on the service and non-marketing vesting performance conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

In some circumstances, employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognizing the expense during the period between service commencement period and grant date.

If a grant of equity instruments is cancelled during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), the Group shall account for the cancellation or settlement as an acceleration of vesting and shall therefore recognise immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period.

(ii) Options/RSUs granted to consultants

When the equity instruments are granted to consultants, it is presumed that the fair value of goods or services can be measured reliably. Otherwise, the fair value is measured indirectly by reference to the fair value of the equity instruments granted as consideration when goods are received or services are rendered.

(b) *Modifications*

Where there is any modification of terms and conditions which increases the fair value of the equity instruments granted, the Group includes the incremental fair value granted due to the modification beneficial to counterparties in the measurement of the amount recognised for the services received over the remainder of the vesting period. The incremental fair value is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of the modification. An expense based on the incremental fair value is recognised over the period from the modification date to the date when the modified equity instruments vest in addition to any amount in respect of the original instrument, which should continue to be recognised over the remainder of the original vesting period. Furthermore, if the entity modifies the terms or conditions of the equity instruments granted in a manner that reduces the total fair value of the share-based payment arrangement, or is not otherwise beneficial to the employee, the entity shall nevertheless continue to account for the services received as consideration for the equity instruments granted as if that modification had not occurred (other than a cancellation of some or all the equity instruments granted).

32 Trade payables

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Payables for inventories	822	5,280	6,637
Payables for service fee	119	850	98
	941	6,130	6,735

Aging analysis of the trade payables were as follows:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Less than 1 year	941	6,130	6,735

The carrying amounts of trade payables are considered to be approximated to their fair values, due to their short-term nature.

Trade payables are denominated in:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
— RMB	6	5,945	6,712
— USD	935	185	23
	941	6,130	6,735

The Company

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Payables for inventories	6	4,962	6,635
Payables for service fee	—	760	98
	6	5,722	6,733

Aging analysis of the trade payables were as follows:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Less than 1 year	6	5,722	6,733

The carrying amounts of trade payables are considered to be approximated to their fair values, due to their short-term nature.

Trade payables are denominated in:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
— RMB	6	5,722	6,710
— USD	—	—	23
	<u>6</u>	<u>5,722</u>	<u>6,733</u>

33 Other payables and accruals

The Group

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Salaries and benefits payables	29,515	39,104	50,586
Accrued taxes other than income tax	7,510	8,211	5,653
Payables for purchase of intangible assets . . .	18,850	40,730	1,517
Payables for purchase of IP licenses	1,587	—	3,536
Payables for technical services	1,820	5,921	2,183
Payables for purchase of property, plant and equipment	—	33	824
Cash settled share-based compensation to an investor (<i>Note 34</i>)	38,188	—	—
Payables for listing expenses	—	—	8,122
Others	5,340	8,439	5,623
	<u>102,810</u>	<u>102,438</u>	<u>78,044</u>

Other payables and accruals are denominated in:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
RMB	81,256	61,112	71,923
USD	19,966	41,326	5,721
HKD	—	—	318
EUR	1,588	—	—
SGD	—	—	82
	<u>102,810</u>	<u>102,438</u>	<u>78,044</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries and benefits payables	17,727	25,728	34,918
Accrued taxes other than income tax	5,223	6,238	5,090
Payables for purchase of intangible assets . . .	2	40,730	1,517
Payables for technical services	1,485	5,297	2,183
Payables for purchase of property, plant and equipment.	—	33	824
Cash settled share-based compensation to an investor (<i>Note 34</i>)	38,188	—	—
Payables for purchase of IP licenses	—	—	3,536
Payables for listing expenses.	—	—	8,122
Others	2,222	5,914	4,100
	<u>64,847</u>	<u>83,940</u>	<u>60,290</u>

34 Financial instruments issued to investors**The Group and the Company**

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current liabilities			
Preferred shares (a).	2,101,632	99,972	—
Convertible debentures (a)	950,325	412,186	—
Contingent forward (b)	—	—	—
Financial instruments issued to investors with preference rights in the Company (c)	—	3,309,553	4,924,151
Total financial instruments issued to investors.	<u>3,051,957</u>	<u>3,821,711</u>	<u>4,924,151</u>

(a) Preferred shares and convertible debentures

Since its corporation on 23 August 2019, Youguang Cayman issued preferred shares to its Series A, Series A+, Series A2, Series B, Series B+, Series C1 and Series C2 round investors (*Note 1.2*). During the same period, the Group's PRC subsidiaries issued convertible debentures to certain Chinese investors (*Note 1.2*).

Pursuant to the agreement between Youguang Cayman and the Group together with the Reorganisation arrangement, preferred shareholders in Youguang Cayman and the convertible debenture investors in the Group's PRC subsidiaries have the option to convert the principal amount either to Youguang Cayman's shares or the Group's PRC subsidiaries' equity interests, as agreed upon by the majority of the preferred shareholders and convertible debenture investors, on the determination of

listing entity. During the Reorganisation (Note 1.2), majority of the preferred shares holders and convertible debenture holders converted their respective shares or interests in the Group into the Company's financial instruments with preference rights (Note 34(c)).

The preferred shareholders in Youguang Cayman and the convertible debenture investors in the Group's PRC subsidiaries has multiple preference rights including conversion rights which do not meet fix-to-fix criteria, redemption rights and anti-dilution rights. Accordingly, these investments were accounted for as financial liabilities measured at fair value through profit or loss. Except for certain preferred shareholder and convertible debenture investors whose investments were repurchased and certain convertible debenture investor who converted its investment into ordinary shares, all other investors converted their investments into financial instruments issued to investors with preference rights in the Company.

(b) Contingent forward

In December 2023, the Group granted a contingent forward to an investor of Series C3 round financing, pursuant to which, the investor agreed to purchase the financial instruments with preference rights in the Company at a pre-determined fixed consideration lower than fair value when certain conditions are met. The discount of RMB38,188,000 provided to the investor is recognized as a cash-settled share-based compensation expenses by crediting other payable (Note 31, Note 33). The contingent forward was converted to financial instruments issued to investors with preference rights in the Company as at 31 December 2024 as the conditions were met. The fair value changes arising from the contingent forward and the share-based compensation recognised with a total amount of RMB38,760,000 was included in the carrying amount of financial instruments issued to investors at the conversion date.

(c) Financial instruments issued to investors with preference rights in the Company

As aforementioned, starting from the date of Reorganisation (Note 1.2), the Company gradually issued its own equity interests to majority of the preferred investors in Youguang Cayman and convertible debenture investors in the Group's PRC subsidiaries, including Series A, Series A+, Series A2, Series B, Series B+, Series C1 and Series C2 round investors. The rights of the investors are substantially the same before and after the Reorganisation. The Company also issued its own equity interests to certain new investors, i.e. the Series C3 and Series C4 round investors.

The key terms of these financial instruments issued to investors with preference rights in the Company are as follows:

Liquidation preference

In the event of any of the following occurs: (a) liquidation, dissolution or winding up of the Company, or (b) deemed liquidation event ("**Deemed Liquidation Events**"), after paying liquidation expenses, employees' salaries, social insurance premiums and statutory compensation in accordance with applicable laws, settling outstanding taxes, and discharging the Company's debts, the remaining assets of the Company and/or the distributable assets under the Deemed Liquidation Event shall be distributed in the sequence as stipulated in the shareholders' agreement.

The Deemed Liquidation Events of the Company shall include the following events:

- Any form of acquisition, merger, reorganization, etc., transaction that results in a change of control of the Company;
- Sale or transfer of more than 50% of the Company's equity interests;
- Transfer or sale of more than 50% of the Group's assets; and
- Assignment or exclusive license of all or more than 50% of the IP of the Group.

Anti-dilution rights

From the date of investors holding the Company's shareholding rights, if the Company increases its share at a price lower than the price paid by the investors on a per share basis, the investors have a right to subscribe for the Company's capital increase at zero consideration to effect the price adjustment.

Redemption rights

The redemption amount is the redemption amount equivalent to the original investment amount plus annual simple interest rate of 10% and plus any dividend declared but not received in previous year (if any). The redemption rights will be triggered by certain events, including but not limited to failure to achieve a qualified IPO by 31 December 2028, occurrence of certain non-compliance matters, change in control and resignation of the founder.

Amendments on certain redemption rights in September 2025

Pursuant to the preference rights termination agreement as entered into by the Company with the investors in September 2025, the redemption rights triggered by occurrence of certain non-compliance matters, change in control and resignation of the founder shall be automatically terminated immediately before the Company submits the application documents for H-share listing to the Stock Exchange of Hong Kong, which are subject to the reinstatement under certain events included but not limited to the listing has not been completed within certain period or approved by relevant authorities. All the preference rights shall be irretrievably terminated upon successful completion of the listing.

For the redemption right, if the Company's H-share listing application is not approved by the relevant competent approval authority within 24 months since the Company submits the application documents for H-share listing to the Stock Exchange of Hong Kong or other periods agreed upon by all parties, the clauses and arrangements agreed in this agreement to be automatically terminated before the submission of the H-share listing application documents shall automatically reinstate their effectiveness and such resumption shall be retroactive. Therefore, the derecognition criteria of financial liabilities is not met. Since there are no substantive changes in the rights held by investor before and after Reorganisation, financial instruments issued to investors are recognized as financial liabilities measured at FVPL throughout the Track Record Period.

(d) The movement for the financial instruments issued to investors during the Track Record Period

	Before Reorganisation (Note 1.2)				Financial instruments issued to investors with preference rights by the Company(c)	Total
	Preferred shares(a)	Convertible debentures(a)	Contingent forward(b)	Subtotal		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2023	2,059,582	881,267	—	2,940,849	—	2,940,849
Issuance of financial instruments . . .	—	54,162	—	54,162	—	54,162
Changes in fair value through profit or loss	41,736	14,876	—	56,612	—	56,612
Changes in fair value due to own credit risk	314	20	—	334	—	334
As at 31 December 2023	2,101,632	950,325	—	3,051,957	—	3,051,957
Issuance of financial instruments . . .	—	200,000	(572)	199,428	238,760	438,188
Changes in fair value through profit or loss	252,584	103,332	572	356,488	22,328	378,816
Changes in fair value due to own credit risk	2,748	5,819	—	8,567	840	9,407
Conversion into financial instruments issued to investors with preference rights in the Company	(2,234,968)	(812,657)	—	(3,047,625)	3,047,625	—
Conversion into equity interest without preference rights of the Company	—	(20,656)	—	(20,656)	—	(20,656)
Repayment of convertible debenture . . .	—	(13,977)	—	(13,977)	—	(13,977)
Repurchase of preferred shares	(22,024)	—	—	(22,024)	—	(22,024)
As at 31 December 2024	99,972	412,186	—	512,158	3,309,553	3,821,711
Issuance of financial instruments . . .	—	—	—	—	300,000	300,000
Changes in fair value through profit or loss	6,382	13,044	—	19,426	824,039	843,465
Changes in fair value due to own credit risk	769	1,058	—	1,827	11,310	13,137
Conversion into financial instruments issued to investors with preference rights in the Company	(107,123)	(372,126)	—	(479,249)	479,249	—
Repayment of convertible debenture . . .	—	(54,162)	—	(54,162)	—	(54,162)
As at 31 December 2025	—	—	—	—	4,924,151	4,924,151

Accounting policy of financial instruments issued to investors

- (i) *Convertible debentures, preferred shares and financial instruments issued to investors with preference rights in the Company*

The Group designated the convertible debentures, preferred shares and financial instruments issued to investors with preference rights in the Company at fair value through profit or loss. They are initially recognised at fair value. Any directly attributable transaction costs are recognised as finance costs in profit or loss. The component of fair value changes relating to the Company's own credit risk is recognised in OCI. Amounts recorded in OCI related to credit risk are not subject to recycling in profit or loss, but are transferred to retained earnings when realised. Other fair value changes relating to market risk are recognised in profit or loss.

Convertible debentures, preferred shares and financial instruments issued to investors with preference rights in the Company were classified as current liabilities as they may be converted at any time at the option of the investors and the conversion feature does not meet the criteria for equity instrument under IAS 32.

- (ii) *Contingent forward*

Contingent forward is initially recognised at fair value on the date a forward contract is entered into and is subsequently re-measured to fair value at the end of each reporting period. The Group's contingent forward liabilities were classified as current liabilities, as the forward will be exercised when certain conditions are met which is out of the Company's control.

35 Deferred income**The Group**

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Government grants (i)			
— Non-current	94,322	66,387	146,295
— Current	10,530	124,418	182,137
	<u>104,852</u>	<u>190,805</u>	<u>328,432</u>

- (i) The Group received government grants from governments in PRC as support on operation, research and development expenditure relating to innovation activities, these government grants were transferred from "deferred income" to "other income" when related expenses incurred or over the useful lives of the relevant assets.

The amount of amortisation charged in other income was shown as follow:

	For the year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Amortisation charged to other income (Note 9)	623	58,277	171,246

The Company

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Government grants			
— Non-current	74,761	35,204	109,390
— Current	10,530	121,571	175,111
	85,291	156,775	284,501

36 Long-term payables

The Group and the Company

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Long-term payables	—	1,515	—

Long-term payables were related to purchase of certain software according to the payment term in the respective purchase contracts.

As at 31 December 2024, the carrying amounts of long-term payables were approximated their fair values as the discounting impact was not material.

Long-term payables as at 31 December 2024 are denominated in RMB.

37 Cash flow information

(a) Cash used in operations

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Loss for the year	(413,503)	(735,280)	(1,342,376)
Adjustments for:			
— Depreciation of property, plant and equipment (<i>Note 16</i>)	8,664	14,121	43,407
— Amortisation of intangible assets (<i>Note 18</i>)	18,667	27,807	35,830
— Depreciation of right-of-use assets (<i>Note 17</i>)	9,502	12,882	8,174
— Provision for impairment of financial assets (<i>Note 3.1(b)</i>)	95	660	972
— Provision for inventories (<i>Note 20</i>)	—	483	2,560
— Share-based compensation expenses (<i>Note 31</i>)	92,842	60,092	204,972
— Finance costs (<i>Note 11</i>)	2,292	3,181	3,198
— Finance income (<i>Note 11</i>)	(4,649)	(8,270)	(6,335)
— Fair value changes on financial instruments issued to investors	56,612	378,816	843,465
— Fair value gains on short-term investments measured at fair value through profit or loss (<i>Note 10</i>)	(3,746)	(1,209)	(8,439)
— Losses on disposal of non-current assets	6	7,012	—
— Net foreign exchange (gains)/losses (<i>Note 10</i>)	(14,409)	(15,253)	12,602
Changes in working capital			
— Increase in trade receivables	(4,740)	(14,184)	(69,515)
— Increase in prepayments, other receivables and other assets	(20,199)	(441)	(62,612)
— Increase in inventories	(14,745)	(13,266)	(3,262)
— (Increase)/decrease in restricted cash	—	(759)	621
— (Decrease)/increase in trade payables	(347)	5,189	605
— Increase in other payables and accruals	6,806	18,651	17,710
— Increase/(decrease) in contract liabilities	8,091	(7,985)	21,516
— Increase/(decrease) in deferred income	96,455	85,953	(64,192)
Net cash used in operations	(176,306)	(181,800)	(361,099)

(b) Material non-cash financing activities

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Exercise of contingent forward (<i>Note 34(b)</i>) . .	—	38,760	—
Repurchase of preferred shares by Youguang Cayman (<i>Note 34(d)</i>)	—	22,024	—
Conversion of convertible debenture to equity interests without preference rights of the Company (<i>Note 34(d)</i>)	—	20,656	—
Flip down of preferred shares of Youguang Cayman to financial instruments with preference rights in the Company	—	1,726,920	—
Conversion of convertible debentures to financial instruments with preference rights in the Company	—	460,511	290,975
Increase in right-of-use assets (<i>Note 17</i>)	—	22,992	737
Disposal of right-of-use assets (<i>Note 17</i>)	—	16,230	—

(c) Net debt reconciliation

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash and cash equivalents (<i>Note 28</i>)	290,084	348,336	209,058
Lease liabilities (<i>Note 17</i>)	(28,546)	(39,026)	(26,700)
Financial instruments issued to investors (<i>Note 34</i>)	(3,051,957)	(3,821,711)	(4,924,151)
Net debt.	<u>(2,790,419)</u>	<u>(3,512,401)</u>	<u>(4,741,793)</u>

	Liabilities from financing activities				
	Cash and cash equivalents	Lease liabilities	Financial instruments issued to investors	Borrowings	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net debt as at 1 January 2023	98,930	(38,090)	(2,940,849)	—	(2,880,009)
Cash flows	190,860	12,286	(54,162)	—	148,984
Fair value changes	—	—	(56,946)	—	(56,946)
Interest expenses	—	(2,292)	—	—	(2,292)
Foreign exchange adjustments	294	(450)	—	—	(156)
Other changes	—	—	—	—	—
Net debt as at 31 December 2023	290,084	(28,546)	(3,051,957)	—	(2,790,419)
Cash flows*	60,792	15,819	(386,023)	227	(309,185)
Additions	—	(22,992)	—	—	(22,992)
Fair value changes	—	—	(388,223)	—	(388,223)
Interest expenses	—	(2,954)	—	(227)	(3,181)
Foreign exchange adjustments	(2,540)	(353)	—	—	(2,893)
Other changes	—	—	4,492	—	4,492
Net debt as at 31 December 2024	348,336	(39,026)	(3,821,711)	—	(3,512,401)
Cash flows*	(134,390)	15,049	(245,838)	775	(364,404)
Addition	—	(737)	—	—	(737)
Fair value change	—	—	(856,602)	—	(856,602)
Interest expenses	—	(2,423)	—	(775)	(3,198)
Foreign exchange adjustments	(4,888)	437	—	—	(4,451)
Net debt as at 31 December 2025	209,058	(26,700)	(4,924,151)	—	(4,741,793)

* Cash flows from financial instruments issued to investors included cash flows from issuance of financial instruments offsetting by repayments of the financial instruments.

38 Capital Commitments

Significant capital expenditure commitments are set out below:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Property plant and equipment	15,088	9,364	40,355
Intangible assets	—	1,544	1,025
	15,088	10,908	41,380

39 Related party transactions

The founder of the Group is Dr. Shen Yichen.

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or joint control.

(a) Relationship with related parties:

Save as disclosed elsewhere in this report, the directors of the Company are of the view that the following parties/companies were related parties that had transactions or balances with the Group:

Name of related parties	Relationship with the Group
Dr. Shen Yichen	Founder, executive director, chief executive officer and one of the single largest shareholders of the Company
Youguang Cayman	Ultimate parent company of the Group before Reorganisation
Youguang Yihui	One of the single largest shareholders of the Company and controlled by the founder
Youguang Zhiyuan	One of the single largest shareholders of the Company and act in concert with the founder
LightAI EIP	One of the single largest shareholders of the Company and act in concert with the founder
Mach C	One of the single largest shareholders of the Company and act in concert with the founder

(b) Transactions with related parties:

Save as disclosed elsewhere in this report, below are the transactions with related parties in the Track Record Period.

(i) Key management compensations

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Wages, salaries and bonuses	5,852	9,372	9,349
Pension costs — defined contribution plans . .	207	226	271
Other social security costs, housing benefits and other employee benefits.	276	357	328
Share-based compensation expenses.	18,487	31,546	99,854
	<u>24,822</u>	<u>41,501</u>	<u>109,802</u>

(ii) *Net cash settled related to amounts due from Youguang Cayman arising from the issuance of preferred shares*

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Youguang Cayman	170,461	(68,363)	136,667

(iii) *Option exercise deposit received from employees on behalf of Youguang Cayman*

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Youguang Cayman	415	466	560

(iv) *Repayment for option exercise deposit received from employees on behalf of Youguang Cayman*

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Youguang Cayman	—	—	1,570

(v) *Proceeds received from related parties for capital contribution*

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Youguang Yihui	—	—	7,290
Youguang Zhiyuan	—	—	4,431
LightAI EIP	—	—	4,431
Mach C	—	—	9,090
	—	—	25,242

(vi) *Guarantee provided to related parties*

The information about the guarantee or security provided to certain controlled body corporates and connected entities of the Group in respect of their loan is as follows:

For the year ended 31 December 2025

Name of the borrower	Nature of guarantee or security	Individually in aggregate at the beginning of the year	Individually in aggregate at the end of the year	During the year	Aggregate amounts incurred during the year for the purpose of fulfilling the guarantee
		RMB'000	RMB'000	RMB'000	RMB'000
Youguang Yihui and Youguang Zhiyuan	Guarantee	—	—	14,185	—

During the year ended 31 December 2025, Hangzhou Guangzhiyuan Technology Co., Ltd., a subsidiary of the Company, provided a guarantee in the aggregate principal amount of RMB14,185,000 to Shanghai Science and Innovation Bank Limited (“上海科創銀行有限公司”) for the benefit of Youguang Zhiyuan and Youguang Yihui (the “**Guarantee**”). The Guarantee period is from 29 April 2025 to 28 October 2026. The obligors maintain satisfactory credit profiles, with no history of past-due payments or defaults under the relevant facilities. Accordingly, the Company has not recognized any provision for the contingent liability arising from the Guarantee. In September 2025, the guarantee was released.

Save as disclosed herein, the Company has no other material external guarantee obligations requiring disclosure under applicable reporting standards.

(c) *Balances with related parties in non-trade nature:*(i) *Amounts due from related parties (non-trade)*

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Youguang Cayman (aa)	374,856	—	—
Youguang Yihui (bb)	—	7,290	—
Youguang Zhiyuan (bb)	—	4,431	—
LightAI EIP (bb)	—	4,431	—
Mach C (bb)	—	9,110	—
	374,856	25,262	—
Less: provision for impairment	(41)	(108)	—
	374,815	25,154	—

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Youguang Cayman (aa)	1,088,976	578,925	—
Youguang Yihui (bb)	—	7,290	—
Youguang Zhiyuan (bb)	—	4,431	—
LightAI EIP (bb)	—	4,431	—
Mach C (bb)	—	9,110	—
	1,088,976	604,187	—
Less: Provision for impairment	(42)	(108)	—
	1,088,934	604,079	—

Amounts due from related parties mainly represented receivable for capital contributions due from related parties for series of financing. The balance is demonstrated in USD. All the outstanding receivable balances were settled in cash in 2025.

(aa) The outstanding balance represented a net impact of: the proceeds from issuance of preferred shares by Youguang Cayman which has not been remitted to the Company, and the consideration paid/payable for acquisition of offshore Operating Entities under the Reorganisation. The outstanding balances were fully settled in cash in September 2025 (Note 1.3(e)).

(bb) Amounts due from other related parties represented receivables for capital contributions from these parties which were settled in cash during the year ended 31 December 2025.

(ii) *Amounts due to a related party (non-trade)*

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Youguang Cayman	—	74,345	—

The amounts due to Youguang Cayman as of 31 December 2024 represents a net payable position of the transactions arising from the Reorganisation steps as described in Note 1.2.

40 Benefits and interests of directors

The remuneration of every director for the years ended 31 December 2023, 2024 and 2025 were set out below:

For the year ended 31 December 2023

Name of Directors	Wages and salaries	Discretionary bonuses	Share-based compensation expenses	Contributions to pension plan	Housing fund, medical insurance, other social insurance and other employee benefits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<i>Executive Directors:</i>						
Dr. Shen Yichen (沈亦晨) (i)	1,656	—	4,282	38	82	6,058
Dr. Meng Huaiyu (孟懷宇) (ii)	—	—	—	—	—	—
Mr. Zhang Hong (張弘) (iii)	—	—	—	—	—	—
Mr. Wang Long (iv)	—	—	—	—	—	—
	1,656	—	4,282	38	82	6,058
<i>Non- executive Director:</i>						
Mr. Yu Ze (俞澤) (v)	—	—	—	—	—	—
Mr. Zhang Kun (章錕) (vi)	—	—	—	—	—	—
Mr. Zuo Lingye (左凌燁) (vii)	—	—	—	—	—	—
	—	—	—	—	—	—
<i>Independent Non-executive Directors:</i>						
Dr. Huang Weiping (viii)	—	—	—	—	—	—
Dr. Zhao Hang (趙行) (ix)	—	—	—	—	—	—
Ms. Xu Lili (徐黎黎) (x)	—	—	—	—	—	—
	—	—	—	—	—	—
Total remuneration of directors	1,656	—	4,282	38	82	6,058

For the year ended 31 December 2024

Name of Directors	Wages and salaries	Discretionary bonuses	Share-based compensation expenses	Contributions to pension plan	Housing fund, medical insurance, other social insurance and other employee benefits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive Directors:						
Dr. Shen Yichen (沈亦晨) (i)	1,806	—	1,871	43	86	3,806
Dr. Meng Huaiyu (孟懷宇) (ii)	774	300	143	20	37	1,274
Mr. Zhang Hong (張弘) (iii)	665	—	704	22	34	1,425
Mr. Wang Long (iv)	—	—	—	—	—	—
	3,245	300	2,718	85	157	6,505
Non- executive Director:						
Mr. Yu Ze (俞澤) (v)	—	—	—	—	—	—
Mr. Zhang Kun (章錕) (vi)	—	—	—	—	—	—
Mr. Zuo Lingye (左凌燁) (vii)	—	—	—	—	—	—
	—	—	—	—	—	—
Independent Non-executive Directors:						
Dr. Huang Weiping (viii)	—	—	—	—	—	—
Dr. Zhao Hang (趙行) (ix)	—	—	—	—	—	—
Ms. Xu Lili (徐黎黎) (x)	—	—	—	—	—	—
	—	—	—	—	—	—
Total remuneration of directors	3,245	300	2,718	85	157	6,505

For the year ended 31 December 2025

Name of Directors	Wages and salaries	Discretionary bonuses	Share-based compensation expenses	Contributions to pension plan	Housing fund, medical insurance, other social insurance and other employee benefits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive Directors:						
Dr. Shen Yichen (沈亦晨) (i)	1,785	—	39,939	62	89	41,875
Dr. Meng Huaiyu (孟懷宇) (ii)	1,773	638	15,250	49	89	17,799
Mr. Zhang Hong (張弘) (iii)	1,553	—	18,052	88	75	19,768
Mr. Wang Long (iv)	2,849	—	24,876	56	59	27,840
	7,960	638	98,117	255	312	107,282
Non-executive Director:						
Mr. Yu Ze (俞澤) (v)	—	—	—	—	—	—
Mr. Zhang Kun (章錕) (vi)	—	—	—	—	—	—
Mr. Zuo Lingye (左凌燁) (vii)	—	—	—	—	—	—
	—	—	—	—	—	—
Independent Non-executive Directors:						
Dr. Huang Weiping (viii)	—	—	—	—	—	—
Dr. Zhao Hang (趙行) (ix)	—	—	—	—	—	—
Ms. Xu Lili (徐黎黎) (x)	—	—	—	—	—	—
	—	—	—	—	—	—
Total remuneration of directors	7,960	638	98,117	255	312	107,282

- (i) Dr. Shen Yichen (沈亦晨) was appointed as executive director since November 2021 and re-designated as an executive director of the Company with effect from the listing date.
- (ii) Dr. Meng Huaiyu (孟懷宇) was appointed as executive director since July 2024 and re-designated as an executive director of the Company with effect from the listing date.
- (iii) Mr. Zhang Hong (張弘) was appointed as executive director since July 2024 and re-designated as an executive director of the Company with effect from the listing date.
- (iv) Mr. Wang Long was appointed as executive director since March 2025 and re-designated as an executive director of the Company with effect from the listing date.
- (v) Mr. Yu Ze (俞澤) was appointed as a non-executive director in March 2025 and was re-designated as a non-executive director with effect from the listing date.
- (vi) Mr. Zhang Kun (章錕) was appointed as a non-executive director in March 2025 and was re-designated as a non-executive director with effect from the listing date.
- (vii) Mr. Zuo Lingye (左凌燁) was appointed as a non-executive director in March 2025 and resigned in September 2025.
- (viii) Dr. Huang Weiping was appointed as independent non-executive director in September 2025 with effect upon the listing date.

- (ix) Dr. Zhao Hang (趙行) was appointed as independent non-executive director in September 2025 with effect upon the listing date.
- (x) Ms. Xu Lili (徐黎黎) was appointed as independent non-executive director in September 2025 with effect upon the listing date.

(a) Directors' retirement and termination benefits

No retirement or termination benefits have been paid to the Company's directors for the years ended 31 December 2023, 2024 and 2025.

(b) Consideration provided to third parties for making available directors' services

No consideration was provided to third parties for making available directors' services during the years ended 31 December 2023, 2024 and 2025.

(c) Information about loans, quasi-loans or other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

No loans, quasi-loans or other dealings were entered into by the Company in favour of directors, controlled bodies corporate by and connected entities with such directors except for the disclosure in the Note 39(b)(vi) during the years ended 31 December 2023, 2024 and 2025.

(d) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the years or at any time during the years ended 31 December 2023, 2024 and 2025.

41 Contingencies

As at 31 December 2023, 2024 and 2025, there was no significant contingency item for the Group and the Company.

42 Summary of other accounting policies

42.1 Principles of consolidation

(a) Subsidiaries

Subsidiaries are entities over which the Group has control, including the subsidiary controlled through contractual arrangement which was closed and deregistered in August 2025 (Note 12(a)). The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intra-group transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(i) Business combinations

The acquisition method of accounting is used to account for all business combinations, other than business combination under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognized in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss, unless the previous held investment is equity investment designated as FVOCI.

(ii) Business combinations under common control

The Historical Financial Information incorporates the financial statement of the entities in which the common control combination occurs as if they had been consolidated from the date when the entities or businesses first came under the control of the controlling party. The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognized in consideration for goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated statements of comprehensive loss include the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where there is a shorter period, regardless of the date of the common control combination. A uniform set of accounting policies is adopted by those entities. All inter-company transactions, balances and unrealized gains on transactions between combining entities or business are eliminated on consolidation.

(b) Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive loss of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

42.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the directors that makes strategic decisions.

42.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates. As the major operations of the Group are within Chinese Mainland, the Group determined to present the Historical Financial Information in RMB, which is the Company's functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statements of comprehensive loss, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statements of comprehensive loss on a net basis within “other (losses)/gains — net”.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(c) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of comprehensive loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting currency translation differences are recognised in other comprehensive income (“OCI”).

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income.

42.4 Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets are reviewed for possible reversal of the impairment at the end of each reporting period.

42.5 Investments and other financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised

directly in profit or loss and presented in “other gains/losses, net”, together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statements of comprehensive loss.

- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the consolidated statements of comprehensive loss within other gains/losses, net in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in the consolidated statements of comprehensive loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(d) Impairment

The Group assesses on a forward-looking basis for the ECL on financial assets (including trade receivables, other receivables, term bank deposits, restricted cash and cash and cash equivalents), which is subject to impairment under IFRS 9. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables, see Note 3.1(b) for details.

For others, it is measured as either 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime ECL.

42.6 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The Group has also entered into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

42.7 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Majority of other payables are payroll payables, payables for purchase of property, plant and equipment, intangible assets, technical services, and other taxes payables etc. Trade and other payables are classified as current liabilities if payment is due within one year (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

42.8 Interest income

Interest income from financial assets at FVTPL is included in the net fair value gains/(losses) on these assets, see Note 11 above. Interest income on financial assets at amortised cost and financial assets at FVOCI calculated using the effective interest method is recognised in profit or loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes, see Note 11 for details. Any other interest income is included in "other income".

42.9 Provision

Provisions for products and service warranties are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

42.10 Dividend income

Dividend income is recognized as other income in profit or loss when the right to receive payment is established.

42.11 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs and expenses are deferred and recognised in the profit or loss over the period necessary to match them with the costs and expenses that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

42.12 Employee benefits**(a) Bonus plans**

The expected cost of bonuses is recognized as a liability when the Group has a present legal or constructive obligation for payment of bonus as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonus plans are expected to be settled within 1 year and are measured at the amounts expected to be paid when they are settled.

(b) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

42.13 Loss per share**(i) Basic loss per share**

Basic loss per share is calculated by dividing:

- the loss attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares; and
- by the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted loss per share

Diluted loss per share adjusts the figures used in the determination of basic loss per share to take into account:

- the after-income tax effect of fair value gain or loss associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

42.14 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

43 Subsequent events

There are no material subsequent events after 31 December 2025.

III SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of the companies now comprising the Group in respect of any period subsequent to 31 December 2025 and up to the date of this report. No dividend or distribution has been declared or made by the Company or any of the companies now comprising the Group in respect of any period subsequent to 31 December 2025.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

The information set out in this Appendix II does not form part of the Accountant's Report from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, the reporting accountant of the Company, as set out in Appendix I to this prospectus, and is included herein for illustrative purpose only.

The unaudited pro forma financial information should be read in conjunction with the section entitled "Financial Information" in this prospectus and the Accountant's Report set out in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

The following is an illustrative and pro forma statement of adjusted net tangible assets of the Group prepared in accordance with Rule 4.29 of the Listing Rules for illustrative purposes only, and is set out below to illustrate the effect of the Global Offering on the consolidated net tangible liabilities of the Group attributable to the owners of the Company as at 31 December 2025 as if the Global Offering had taken place on 31 December 2025.

The unaudited pro forma statement of adjusted net tangible assets has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group had the Global Offering been completed as of 31 December 2025 or any future date. It is prepared based on the consolidated net tangible liabilities of the Group attributable to the owners of the Company as at 31 December 2025 as derived from the Accountant's Report, set out in Appendix I to this prospectus and adjusted as described below.

	Audited Consolidated Net Tangible Liabilities of the Group Attributable to Owners of the Company as at 31 December 2025	Estimated Impact Related to the Termination of Preference Rights upon the Global Offering	Estimated Net Proceeds from the Global Offering	Unaudited Pro Forma Adjusted Net Tangible Assets Attributable to Owners of the Company as at 31 December 2025	Unaudited Pro Forma Adjusted Net Tangible Assets per Share	
	Note 1 RMB'000	Note 2 RMB'000	Note 3 RMB'000	RMB'000	Note 4 RMB	Note 5 HK\$
Based on an Offer Price of HK\$166.6 per Share	(4,294,656)	4,924,151	1,913,109	2,542,604	27.65	31.55
Based on an Offer Price of HK\$183.2 per Share	(4,294,656)	4,924,151	2,105,782	2,735,277	29.74	33.93

Notes:

1. The audited consolidated net tangible liabilities attributable to owners of the Company as at 31 December 2025 is extracted from the historical financial information contained in the Accountant's Report set forth in Appendix I to this prospectus, which is based on the audited consolidated net liabilities of the Group attributable to the owners of the Company as at 31 December 2025 of approximately RMB4,247,852,000 with an adjustment for the intangible assets attributable to owners of the Company as at 31 December 2025 of approximately RMB46,804,000.
2. Preference rights granted to certain investors shall be irretrievably terminated upon the completion of the Global Offering. Accordingly, the carrying amounts recognized on the consolidated balance sheets of the Group of RMB4,924,151,000 would have been derecognized and credited to the equity attributed to the owners of the Company as at 31 December 2025.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

3. The estimated net proceeds from the Global Offering are based on 13,795,215 new offer shares and the indicative Offer Price range of HK\$166.6 per share and HK\$183.2 per share after deduction of the estimated underwriting fees and other related expenses paid/payable by the Company (excluding listing expenses of RMB22,465,000 which have been accounted for in the consolidated statements of comprehensive loss prior to 31 December 2025). It does not take into account (i) any shares which may be issued upon the exercise of the Over-allotment Option and (ii) any Shares which may be allotted and issued or repurchased by the Company under the general mandate to repurchase shares.
4. The unaudited pro forma adjusted consolidated net tangible assets per share is determined after the adjustments as described in Note 2 above and on the basis that 91,968,097 shares are in issue, assuming the Global Offering had been completed on 31 December 2025, without taking into account (i) any shares which may fall to be issued upon the exercise of the Over-Allotment Option and (ii) any Shares which may be allotted and issued or repurchased by the Company under the general mandate to repurchase shares.
5. For the purpose of this unaudited pro forma adjusted net tangible assets, the balances stated in Renminbi are converted into Hong Kong dollars at a rate of HK\$1.00 to RMB0.8765. No representation is made that Renminbi amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.
6. No adjustment has been made to the unaudited pro forma adjusted net tangible assets of the Group to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2025.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.



INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the directors of Shanghai Xizhi Technology Co., Ltd.

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Shanghai Xizhi Technology Co., Ltd. (the **"Company"**) and its subsidiaries (collectively the **"Group"**) by the directors of the Company (the **"Directors"**) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 31 December 2025, and related notes (the **"Unaudited Pro Forma Financial Information"**) as set out on pages II-1 to II-2 of the Company's prospectus dated 20 April 2026, in connection with the proposed initial public offering of the H shares of the Company (the **"Prospectus"**). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages II-1 to II-2 of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed initial public offering on the Group's financial position as at 31 December 2025 as if the proposed initial public offering had taken place at 31 December 2025. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial information for the year ended 31 December 2025, on which an accountant's report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **"Listing Rules"**) and with reference to Accounting Guideline 7, Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars (**"AG7"**) issued by the Hong Kong Institute of Certified Public Accountants (**"HKICPA"**).

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the proposed initial public offering at 31 December 2025 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

Our work has not been carried out in accordance with auditing standards or other standards and practices generally accepted in the United States of America or auditing standards of the Public Company Accounting Oversight Board (United States) or standards and practices of any professional body in any other overseas jurisdiction and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 20 April 2026

SUMMARY OF THE ARTICLES OF ASSOCIATION

This Appendix contains a summary of the principal provisions of the Company's Articles of Association adopted on 25 September 2025, which will take effect on the date of listing of the H Shares on the Stock Exchange. The major objective of this Appendix is to provide potential investors with an overview of the Company's Articles of Association, and therefore it may not contain all the information that may be important to potential investors.

ISSUANCE OF SHARES

The shares of the Company shall take the registered form of share certificates.

The shares of the Company shall be issued in accordance with the principles of openness, fairness and impartiality. Each share of the same class shall carry the same rights.

For shares of the same class and in the same issuance, each share shall be issued on the same conditions and at the same price. For shares purchased by subscribers, the same price shall be paid for each share.

The par value of the shares issued by the Company are denominated in RMB with a par value of RMB1 per share.

INCREASE, REDUCTION AND REPURCHASE OF SHARES

Based on its operation and development needs, in accordance with the laws and regulations, and subject to the special resolutions of the Shareholders' meeting, the Company may increase its capital by any of the following ways:

- (1) issuing shares to unspecified targets;
- (2) issuing shares to specific targets;
- (3) distribution of bonus shares to existing Shareholders;
- (4) conversion of capital reserve into share capital;
- (5) other means stipulated by laws and administrative regulations, and approved by the CSRC, the Hong Kong Listing Rules and the securities regulatory authority of the place where the Company's shares are listed.

The Company may reduce its registered capital. The reduction of registered capital shall comply with the procedures stipulated in the Company Law and other relevant regulations as well as the Articles of Association.

The Company may not purchase its own shares except under any of the following circumstances:

- (1) where the Company's registered capital is reduced;
- (2) where it merges with another company holding its shares;

- (3) where its shares are used for employee stock ownership plan or equity incentive;
- (4) where any Shareholder, who raises objections to the resolution of the Shareholders' meeting on the merger or split-up of the Company, requests the Company to purchase its shares;
- (5) where its shares are used for converting the corporate bonds into convertible stock issued by the Company;
- (6) it is necessary for the Company to maintain its company value and its Shareholders' equity.

The Company may purchase its own shares through public centralized trading or other methods permitted by laws, administrative regulations and the CSRC, Hong Kong Listing Rules and securities regulatory authority of the place where the Company's shares are listed.

In the event that the Company acquires shares of the Company under the circumstances set forth in items (3), (5) and (6) above, such acquisition shall be conducted through public centralized trading.

The acquisition of the Company's shares by the Company pursuant to the circumstances as stipulated in items (1) and (2) above shall be subject to a resolution of the Shareholders' meeting; in the case of acquisition of shares of the Company under the circumstances specified in items (3), (5) and (6) above, a resolution may be passed at a Board meeting attended by two-thirds or more of the directors.

After the Company has acquired its own shares in accordance with aforementioned provisions, if the shares are acquired under the circumstances specified in item (1), such shares shall be cancelled within 10 days from the date of acquisition; if the shares are acquired under the circumstances specified in items (2) and (4), such shares shall be transferred or cancelled within six months; if the shares are acquired under the circumstances specified in items (3), (5) and (6), the number of the Company's shares held by the Company in aggregate shall not exceed 10% of the total issued shares of the Company, and shall be transferred or cancelled within three years.

TRANSFER OF SHARES

The shares issued before the Company makes a public offering of shares shall not be transferred within 1 year as of the day when the stocks of the Company are listed and traded on the stock exchange.

The directors and senior management of the Company shall declare to the Company the shares they hold and the changes thereof. During their term of office, the shares transferred each year shall not exceed 25% of the total shares they hold of the Company. The shares of the Company held by them shall not be transferred within 1 year as of the day when the stocks of the Company are listed and traded on the stock exchange. Any of the aforesaid persons shall not transfer the shares of the Company held within six months after he/she leaves the position in the Company.

RIGHTS AND OBLIGATIONS OF THE SHAREHOLDERS**Shareholders**

The Company shall establish a register of members with the evidence provided by the securities registration authority. The register of members shall be sufficient evidence of the holding of the shares of the Company by the Shareholders. Shareholders shall enjoy the rights and assume the obligations according to the class of the shares they hold. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations. The branch register of members in Hong Kong shall be open for inspection by members but the Company may close the register on terms equivalent to section 632 of the Hong Kong Companies Ordinance.

Any Shareholder whose name is recorded on the register of members, or any person whose name is required to be entered on the register of members, in the event of loss of share certificate, may apply to the Company for a replacement share certificate for such shares. Application by a holder of domestic-invested shares, who has lost his/her/its share certificate, for a replacement share certificate shall be dealt with in accordance with the relevant provisions of the Company Law. Application by a holder of overseas-listed foreign invested shares, who has lost his/her/its share certificate, for a replacement share certificate may be dealt with in accordance with the law of the place where the original register of Shareholders for holders of overseas-listed foreign invested shares is maintained, the rules of the stock exchange or other relevant regulations.

Rights and Obligations of The Shareholders

Shareholders of the Company shall enjoy the following rights:

- (1) to receive dividends and other distributions in proportion to the shares they hold;
- (2) to request the convening of, summon, hold, attend or appoint a proxy to attend an Shareholders' meeting and exercise the corresponding voting rights in accordance with laws;
- (3) to supervise, present suggestions on or make inquiries about the operations of the Company;
- (4) to transfer, gift or pledge the shares it holds in accordance with laws, administrative regulations and the Articles of Association;
- (5) to inspect and duplicate the Articles of Association, register of Shareholders, minutes of the Shareholders' meetings, resolutions of the board meetings, and financial accounting reports; Shareholders who individually or collectively hold more than 3% of the Company's shares for more than one hundred and eighty (180) consecutive days may inspect the Company's accounting books and certificates. If an Shareholder request to access the Company's accounting books and certificates, they shall submit a written request to the Company and explain the purpose. If the Company has reasonable grounds to believe that the purpose of the Shareholder's access to the accounting books and certificates is illegitimate, and the legitimate interests of the Company may be prejudiced, it may refuse to provide access, and shall reply to the Shareholder in writing and explain the reasons;

- (6) in the event of termination or liquidation of the Company, to participate in the distribution of the remaining property of the Company in proportion with the number of shares held by them;
- (7) to require the Company to purchase their shares in the event of objection to the resolutions of the Shareholders' meeting on merger or division of the Company;
- (8) to enjoy other rights stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, relevant provisions of the securities regulatory authority and stock exchange of the place where the securities of the Company are listed or the Articles of Association.

Shareholders of the Company shall assume the following obligations:

- (1) to abide by the laws, administrative regulations and the Articles of Association.
- (2) to pay subscription monies as per the shares subscribed for and the method of subscription;
- (3) not to withdraw the share capitals unless prescribed otherwise in laws and administrative regulations;
- (4) not to abuse Shareholders' rights to impair the interests of the Company or other Shareholders; not to abuse the independent status of legal person or Shareholders' limited liabilities to impair the interests of the creditors of the Company;
- (5) to assume other obligations prescribed by the laws, administrative regulations, the Hong Kong Listing Rules, securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

Shareholders of the Company who abuse their Shareholders' rights and thereby cause loss on the Company or other Shareholders shall be liable for loss compensation according to the laws. Where Shareholders of the Company abuse the Company's position as an independent legal person and the limited liabilities of Shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such Shareholders shall be jointly and severally liable for the debts owed by the Company.

CONTROLLING SHAREHOLDERS AND ACTUAL CONTROLLERS

The controlling Shareholders and actual controllers of the Company shall exercise their rights and perform their obligations in accordance with the provisions of laws, administrative regulations, the CSRC and relevant regulatory authority of the place where the Company's shares are listed, and shall safeguard the interests of the listed Company.

Controlling Shareholders and actual controllers of the Company shall comply with the following provisions:

- (1) exercise Shareholder rights in accordance with the law, and shall not abuse control rights or exploit related-party relationships to the detriment of the legitimate rights and interests of the Company or other Shareholders;

- (2) strictly fulfil any public statements and commitments made, and shall not alter or waive them without authorization;
- (3) strictly comply with relevant regulations in fulfilling information disclosure obligations, actively cooperate with the Company in disclosing information, and promptly inform the Company of any material events that have occurred or are expected to occur;
- (4) shall not occupy or misappropriate the Company's funds in any manner;
- (5) shall not compel, instruct, or require the Company or its relevant personnel to provide guarantees in violation of laws and regulations;
- (6) shall not use the Company's undisclosed material information for personal gain, disclose any undisclosed material information related to the Company by any means, or engage in insider trading, short-swing trading, market manipulation, or other illegal or non-compliant activities;
- (7) shall not harm the legitimate rights and interests of the Company and other Shareholders through unfair related-party transactions, profit distribution, asset restructuring, external investment, or any other means;
- (8) shall ensure the Company's asset integrity, personnel independence, financial independence, organizational independence, and business independence, and shall not affect the Company's independence in any manner;
- (9) comply with other provisions stipulated by laws, administrative regulations, the CSRC, Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Where a controlling Shareholder or de facto controller of the Company does not act as a director of the Company but actually carries out the affairs of the Company, the provisions of the Articles of Association relating to the duties of loyalty and diligence of directors shall apply.

Where the controlling Shareholder or actual controller of the Company instructs any director or senior management personnel to engage in acts that are detrimental to the interests of the Company or its Shareholders, such controlling Shareholder or actual controller shall bear joint and several liability together with the relevant director or senior management personnel.

SHAREHOLDERS' MEETINGS

General Provisions for Shareholders' Meetings

The company's Shareholders' meeting is composed of all Shareholders. The Shareholders' meeting is the organ of authority of the Company and shall exercise the following duties and powers in accordance with laws:

- (1) to elect and replace directors who are not served by non-employee representatives and to determine matters relating to the remuneration of the directors;

- (2) to consider and approve the reports of the Board;
- (3) to consider and approve the profit distribution plan and loss recovery plans of the Company;
- (4) to resolve on the increase or reduction of the registered capital of the Company;
- (5) to resolve on the issue of corporate bonds;
- (6) to resolve on the merger, division, dissolution, liquidation or change in corporate form of the Company;
- (7) to amend the Articles of Association;
- (8) to resolve on the appointment and dismissal of accounting firm engaged to conduct the Company's audit;
- (9) to consider and approve the guarantee matters specified in the Articles of Association;
- (10) to consider matters relating to the purchase and sale by the Company within 1 year of material assets valued at more than 30% of the audited total assets of the Company as at the most recent period;
- (11) to consider and approve matters relating to changes in the use of proceeds;
- (12) to consider share incentive scheme and employee stock ownership scheme;
- (13) to consider other matters to be resolved by the Shareholders' meeting as required by laws, administrative regulations, departmental rules, or the Articles of Association.

The Shareholder's meetings may authorize the Board to resolve on the issue of corporate bonds.

The following external guarantees of the Company shall be considered and approved at the Shareholders' meeting:

- (1) any guarantee provided after the total amount of external guarantees by the Company and its controlled subsidiaries exceeds 50% of the latest audited net assets;
- (2) any guarantee provided after the total amount of external guarantees by the Company exceeds 30% of the latest audited total assets;
- (3) any guarantee to other persons by the Company within one year with guaranteed amount in excess of 30% of the latest audited total assets of the Company;
- (4) any guarantee with a single guaranteed amount in excess of 25% of the latest audited net assets;
- (5) other guarantees that shall be determined by the Shareholders' meeting as stipulated by the laws, administrative regulations and securities regulatory rules of the place where the Company's shares are listed.

When a transaction of the Company (except for provision of guarantees and financial assistance) meets one of the following criteria, it shall be submitted to the Shareholders' meeting for consideration and approval:

- (1) the total assets involved in the transaction (the higher of the book value and the assessed value as the case may be) account for more than 50% of the Company's latest audited total assets;
- (2) the concluded transaction amount accounts for more than 50% of the Company's valuation;
- (3) the net assets of the transaction subject (such as equity) in the most recent accounting year accounts for more than 50% of the Company's valuation;
- (4) the related operating income of the transaction subject (such as equity) in the most recent accounting year accounts for more than 50% of the audited operating income of the Company in such accounting year, with the amount of more than RMB50 million;
- (5) the profits from the transaction account for more than 50% of the audited net profit of the Company in the latest accounting year, with an amount exceeds RMB5 million;
- (6) the net profit related to the transaction subject (such as equity) for the latest accounting year accounts for more than 50% of the Company's audited net profit for the latest accounting year, with an amount exceeding RMB5 million;
- (7) the transaction amount between the Company and related parties (except for guarantees provided) accounts for more than 1% of the Company's latest audited total assets or valuation, with the amount exceeds RMB30 million;
- (8) transactions which should be determined by the Shareholders' meeting under the relevant securities regulatory rules of the place where the Company's shares are listed (including but not limited to Chapter 14 and Chapter 14A of the Hong Kong Listing Rules).

The Shareholders' meetings are classified into annual Shareholders' meetings and interim Shareholders' meetings. The annual Shareholders' meeting shall be convened once every accounting year within six months from the end of the previous accounting year.

The Company shall convene an interim Shareholders' meeting within two months from the date of occurrence of any of the following circumstances:

- (1) where the number of directors is less than the number as provided by the Company Law or two thirds of the number as provided by the Articles of Association;
- (2) when the uncovered loss of the Company reaches one-third of its total share capital;
- (3) upon request(s) by Shareholder(s) individually or collectively holding 10% or above of the shares of the Company (excluding treasury shares);
- (4) when the Board deems it necessary;

- (5) when the Audit Committee proposes such a meeting be held;
- (6) other circumstances required by the laws, administrative regulations, departmental rules or the Articles of Association.

The number of shares held by the Shareholders specified in item (3) above shall be based on the number of shares of the Company held on the date of written request by the Shareholders.

NOTICE OF SHAREHOLDERS' MEETINGS

The Board shall convene the Shareholders' meeting in a timely manner within the prescribed period.

With consent of a majority of all independent non-executive Directors, the independent non-executive directors shall have the right to propose to the Board to convene an interim Shareholders' meeting. In response to a proposal by an independent non-executive director to convene an interim Shareholders' meeting, the Board shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, give a written response as to whether or not it agrees to convene an interim Shareholders' meeting within ten days upon receipt of such proposal. Where the Board agrees to hold an interim Shareholders' meeting, a notice of the Shareholders' meeting shall be given within five days after the resolution of the Board is made; where the Board does not agree to hold such a meeting, its reasons shall be given, and an announcement shall be made.

When the Audit Committee propose to the Board to convene an interim Shareholders' meeting and such proposal shall be made to the Board in writing. The Board shall give a written response as to whether or not it agrees to convene such an interim Shareholders' meeting within ten days upon receipt of the proposal in accordance with the requirements of the laws, administrative regulations and the Articles of Association. Where the Board agrees to hold an interim Shareholders' meeting, a notice of the Shareholders' meeting shall be given within five days after the resolution of the Board is made. Any change to the original proposal in the notice shall be subject to approval from the Audit Committee. Where the Board does not agree to hold an interim Shareholders' meeting or fails to give a reply within ten days upon receipt of the proposal, it shall be deemed that the Board is unable or fails to perform its duty of convening a Shareholders' meeting. In such a case, the Audit Committee may convene and preside over the meeting on its own.

Shareholder(s) individually or collectively holding 10% or more of the shares of the Company shall request the Board to convene an interim Shareholders' meeting and such request shall be made to the Board in writing. The Board shall give a written response as to whether or not it agrees to convene such an interim Shareholders' meeting within ten days upon receipt of the request in accordance with the requirements of the laws, administrative regulations and the Articles of Association. Where the Board agrees to hold an interim Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within five days after the resolution is made. Any change to the original request in the notice shall be subject to the approval from the relevant Shareholders. Where the Board does not agree to hold an interim Shareholders' meeting or fails to give a reply within ten days upon receipt of the request, Shareholders who individually or together hold 10% or more of the shares of the Company shall submit a proposal to the Audit Committee on holding an interim Shareholders' meeting and such request shall be made in writing. Where the Audit Committee agrees to hold an interim Shareholders' meeting, it shall issue a notice of Shareholders' meeting within five days after receiving the request. Any changes to the original request in the notice shall be approved by the relevant Shareholders. Where the Audit

Committee fails to give the notice of the Shareholders' meeting within the specified time limit, it shall be deemed that the Audit Committee does not convene or preside over the Shareholders' meeting, in which case, Shareholders who individually or together hold 10% or more of the shares of the Company for 90 or more consecutive days may convene and preside over the meeting on their own.

The convener shall notify the shareholders by announcement twenty days prior to the annual Shareholders' meetings, and shall notify the shareholders by announcement fifteen days prior to the interim Shareholders' meetings.

When calculating the aforementioned starting period, the company does not include the day when the meeting is held.

The notice of a Shareholders' meeting shall include the following details:

- (1) The means, time, address and duration of the meeting;
- (2) The matters and proposals submitted to be deliberated at the meeting;
- (3) A prominent written statement that all shareholders are entitled to attend the Shareholders' meetings and may appoint a proxy in writing to attend and vote at the meeting. The proxy may not be a shareholder of the Company;
- (4) The date of registration of shareholdings of shareholders who are entitled to attend the Shareholders' meetings;
- (5) The name and telephone number of the permanent contact person concerning meeting matters;
- (6) The time and procedure for voting through internet or other means;
- (7) Other requirements stipulated by laws, regulations, the Hong Kong Listing Rules, the securities regulatory rules of the places where the shares of the Company are listed and the Articles of Association.

The notice and supplementary notice of the Shareholders' meetings shall fully and completely disclose all the specific contents of all of the proposals.

Holding of Shareholders' meetings

All shareholders registered on the record date or their proxies shall be entitled to attend the Shareholders' meetings, and shall exercise their voting rights in accordance with relevant laws, regulations, department rules, and the Articles of Association.

Shareholders may attend the Shareholders' meetings in person and may also appoint proxies to attend and vote on his/her behalf. Every shareholder shall be entitled to appoint a proxy, but the proxy does not need to be a shareholder of the Company; if the shareholder is a legal person, a proxy may be appointed to attend and vote at any Shareholders' meeting of the Company, and such legal person shall be deemed to be present in person if a proxy so authorized is present thereat. A legal person may execute a form of proxy under the hand of a duly authorized officer.

An individual shareholder who attends the meeting in person should present his/her ID card or other valid documents or certificates that can prove his/her identity; a proxy who attends the meeting upon entrustment by a shareholder should present his/her valid ID card and the power of attorney of the shareholder.

A corporate shareholder shall attend the meeting by legal representatives or authorized representatives (the same below for overseas entities) or proxies entrusted by the above entities. The legal representatives or authorized representatives attending the meeting shall present their identity cards and valid proof of their capacities as legal representatives or authorized representatives; proxies attending the meeting shall present their identity cards and the written power of attorney issued by the legal representatives or authorized representatives of the corporate shareholder in accordance with the laws.

The power of attorney issued by a shareholder to appoint a proxy to attend the Shareholders' meetings shall specify:

- (1) The name or title of the principal, the type and number of shares held by the company;
- (2) The name or title of the proxy;
- (3) The specific instructions of the shareholder, including instructions as to whether to cast affirmative, negative or abstention votes on each review issue listed on the agenda of the Shareholders' meetings;
- (4) The issuing date and validity period of the power of proxy;
- (5) The signature (or seal) of the principal; If the principal is a corporate shareholder or partnership shareholder, the seal of the legal person entity or the partnership shall be affixed.

If the power of attorney for voting is signed by other personnel authorized by consignor, the power of attorney for authorized signature or other authorization documents should be certified by a notary. The power of attorney for voting, together with the power of attorney or other authorization documents upon notarized shall be placed at the domicile of the Company or such other location as specified in the notice of the meeting.

The register of the persons attending the meeting shall be prepared by the Company. The register shall state the names (or names of the corporations), identification card number, the number of shares held or representing voting rights, names of the principals (or names of the corporations) and so on.

The convener shall verify the qualification of the shareholders according to the register of shareholders provided by the securities registration and clearing organization, and register the name (or title) of each shareholder and the number of shares with voting rights he/she holds. If an on-site meeting is involved, the meeting registration shall be terminated by the time the presider of the meeting announces the number of shareholders and proxies present at the meeting as well as the total number of shares with voting rights they hold.

If the Shareholders' meetings requires Directors and senior management to attend the meeting, the Directors and senior management shall attend the meeting and answer questions of the shareholders.

The Shareholders' meetings shall be presided over by the chairman of the Board. Where the chairman cannot or fails to fulfill the duties thereof, more than half of the Directors shall jointly elect a Director to preside.

The Shareholders' meetings convened by the audit committee on its own shall be presided over by the convener of the audit committee. When the convener of the audit committee cannot or fails to fulfill his/her duty, the meeting shall be presided over by a member of the audit committee jointly elected by more than half of the members of the audit committee.

The Shareholders' meetings convened by shareholders on their own shall be presided over by the convener(s) or a representative elected by convener(s).

When convening a Shareholders' meeting, the presider of the meeting violates the rules of procedure and makes it impossible to continue the meeting, with the consent of more than half of the shareholders at the meeting with voting rights, the shareholders' meeting may elect a person to serve as the presider of the meeting and continue the meeting.

The Company shall formulate the rules of procedure for the Shareholders' meetings, defining in details the holding, convening and voting procedure of the Shareholders' meetings, covering notification, registration, consideration of proposal, voting, counting of votes, announcement of voting results, formation of resolution, meeting minutes and signing and announcement thereof, and the principle for authorization by the Shareholders' meetings to the Board. The contents of the authorization shall be clear and specific. The rules of procedure for the Shareholders' meetings shall be an appendix to the Articles of Association and shall be formulated by the Board and approved at the Shareholders' meetings.

The Board shall report their work in the preceding year at the annual Shareholders' meetings. Every independent director shall also make his/her work report.

Directors and senior management member shall make explanations and illustrations on shareholders' inquiries and suggestions at the Shareholders' meetings.

If an on-site meeting is involved, the presider of the meeting shall, prior to voting, announce the number of shareholders and proxies attending the meeting as well as the total number of their shares carrying voting rights, which shall be the number of shareholders and proxies attending the meeting in person and the total number of their shares carrying voting rights as indicated in the meeting's registration record.

Minutes of Shareholders' meetings shall be recorded by the Secretary to the Board. The minutes of the meeting shall specify the following:

- (1) time, place, agenda of meeting and the name of the convener;
- (2) names of the holder of the meeting, Directors and senior management members present at the meeting;
- (3) number of shareholders and proxies attending the meeting, total number of the shares carrying voting rights held by them, and the percentage of shares carrying voting rights held by them to the total number of shares of the Company;

- (4) process of consideration, key points of the speech and voting results for each proposal;
- (5) shareholders' enquiries or recommendations and respective answers or explanations;
- (6) names of the vote counter and the scrutinizer;
- (7) other matters which shall be recorded in the meeting minutes pursuant to the Articles of Association.

The convener of the meeting shall ensure the truthfulness, accuracy and completeness of the meeting minutes. Directors and Secretary to the Board who attend or present at the meeting, the convener of the meeting or his representative and the chairman of the meeting shall sign on the meeting minutes. The meeting minutes should be maintained with the signature book of attending shareholders and letters of attorney of their proxies and valid information on voting via internet and other means for a period not less than ten years.

The convener shall ensure that the Shareholders' meetings is being conducted continuously until resolutions have been resulted. If the Shareholders' meetings is adjourned or fails to reach any resolution due to force majeure or other special reasons, the convener shall take necessary measures to resume the Shareholders' meetings as soon as possible or directly terminate the Shareholders' meetings and make a responsive announcement and report in accordance with relevant regulations of laws, regulations, the Hong Kong Listing Rules and the securities regulatory rules of the places where the shares of the Company are listed.

Resolutions of Shareholders' meetings

Resolutions of Shareholders' meetings are divided into ordinary resolutions and special resolutions.

An ordinary resolution of the Shareholders' meetings shall be passed with the approval of a majority of the voting rights represented by all the shareholders present at the meeting.

A special resolution of the Shareholders' meetings shall be passed with the approval of more than two thirds of the voting rights represented by all the shareholders (excluding treasury shares, if any) present at the meeting.

The following matters shall be adopted by way of ordinary resolutions at the Shareholders' meetings:

- (1) work reports of the Board;
- (2) the profit distribution plans and loss recovery plans prepared by the Board;
- (3) appointment and dismissal of the members of the Board, their remunerations and the method of payment thereof;
- (4) other matters than those that should be passed by special resolutions pursuant to laws, the regulations of administrative regulations and the Articles of Association.

The following matters shall be approved by special resolutions at the Shareholders' meetings:

- (1) increase or decrease of the registered capital of the Company;
- (2) the division, merger, dissolution and liquidation or change of corporate form of the Company;
- (3) amendments to the Articles of Association;
- (4) the share option schemes;
- (5) other matters required by the laws, administrative regulations, the Hong Kong Listing Rules, the regulations of the Articles of Association or the securities regulatory rules of the place where the Company's shares are listed, and matters considered in an ordinary resolution adopted at the Shareholders' meetings having a material impact on the Company, and thus in need of approval by a special resolution.

Shareholders shall exercise their voting rights as per the voting shares they represent. Each share carries the right to one vote.

The Company has no voting right for the shares it holds, and such part of shares shall be excluded from the total number of voting shares represented by the shareholders attending the Shareholders' meetings.

When a connected transaction is considered at the Shareholders' meetings, connected shareholders shall not vote, and the voting shares they represent shall not be counted in the total number of valid voting shares; the announcement of any resolution made at the Shareholders' meetings shall adequately disclose information relating to voting by non-connected shareholders.

Unless the Company is in a crisis or any special circumstance, the Company may not enter into any contract with anyone other than a director, senior management officer to have all or significant part of the Company's business in the care of the said person, unless with the approval by special resolutions at the Shareholders' meetings.

The list of candidates for directors is submitted to the Shareholders' meetings for voting by way of proposal.

As to voting for the election of Directors at the Shareholders' meetings, cumulative voting system shall be adopted according to the regulations of the Articles of Association or the resolution of the Shareholders' meetings.

The Shareholders' meetings shall adopt the cumulative voting system if more than two independent non-executive directors are to be elected.

The cumulative voting system mentioned in the preceding paragraph means that when directors are being elected at the Shareholders' meetings, each share has as many voting rights as the number of candidates for directors, and the shareholders' voting rights may be used in a concentrated manner.

Save for the cumulative voting system, the Shareholders' meetings shall resolve on all the proposals separately; in the event of several proposals for the same matter, such proposals shall be voted on and resolved in the order of time at which they are submitted. Except for special reasons such as force majeure causing suspension of the Shareholders' meetings or failure to reach a resolution, the Shareholders' meetings shall not set aside any proposal or have any proposal not voted.

No amendment shall be made to a proposal when it is considered at the Shareholders' meetings, otherwise, the relevant amendment shall be deemed as a new proposal and shall not be voted on at the Shareholders' meetings.

The same voting right can only be exercised in only one form: onsite, over the network, or otherwise. Where the same voting right is exercised more than once, the voting result of the first time shall prevail.

Shareholders shall be entitled to (1) make a speech at the Shareholders' meetings and (2) vote at Shareholders' meetings (unless individual shareholders are required to abstain from voting on individual matters under the Hong Kong Listing Rules). The voting at the Shareholders' meetings shall be taken by way of registered poll.

Before the relevant proposal is voted on at a Shareholders' meeting, two representatives of the shareholders shall be elected for counting the votes and scrutinizing the poll. Any shareholder who is interested in the matter under consideration and his/her proxy shall not take part in counting the votes or scrutinizing the poll.

Before the relevant proposal is voted on at a Shareholders' meeting, the representatives of shareholders shall be responsible for counting the votes and scrutinizing the poll, and the voting result shall be announced at the meeting. The voting results relating to such proposed resolution shall be recorded in the minutes of meeting.

Shareholders of the Company or their proxies, who have cast their votes by online voting or by other means, have the right to check their voting results through the respective voting system.

If an on-site meeting is involved, the on-site Shareholders' meetings shall end earlier than the online meeting or meeting delivered through other means. The chairman of the meeting shall announce the voting status and voting result for each proposal and announce whether a resolution is passed according to the voting result.

Before the voting result is officially announced, the Company, counter, scrutineer, substantial shareholders, network services provider and other related parties involved in the on-site shareholders' meeting, online meeting or meeting delivered through other means shall keep in confidential the voting result.

Shareholders who attend the Shareholders' meetings shall take one of the following stances when a proposal is put forward for voting: to vote for, vote against or abstain from voting. except for securities registration and clearing institutions which serve as the nominal holders of stocks traded in the stock markets of the Mainland and Hong Kong under the stock connect mechanism, or recognized clearing houses, as defined in the relevant regulations in force from time to time under the laws of Hong Kong, or their agents which serve as the nominal holders, and make declarations according to the intention of the actual holders.

If Hong Kong Listing Rules or any applicable laws and regulations stipulate that any shareholder must waive its voting right on a specific matter to be resolved, or limit any shareholder to voting for (against) a specific matter to be resolved, and the shareholder violates such stipulation or limitation, the votes cast by the shareholder or proxy thereof shall not be counted.

Blank, wrong, illegible or uncast votes shall be deemed as the voters' waiver of their voting rights, and the voting results representing the shares held by such voters shall be counted as "abstention".

If the presider has any doubt as to the result of a resolution which has been put to vote at the Shareholders' meetings, he/she may have the votes counted. If the presider has not counted the votes, any shareholder who is present in person or by proxy and who objects to the result announced by the presider may, immediately after the declaration of the result, demand that the votes be counted and the presider shall have the votes counted immediately.

Resolutions of the Shareholders' meetings shall be announced in due time. The announcement shall specify the number of attending shareholders and their proxies, the total number of voting shares they represent and the proportion of these shares to the total number of the voting shares of the Company, the voting method, the voting result for every proposal and the details of each of the resolutions passed. When issuing domestic-listed foreign investment shares, details of the attendance by the holders of domestic investment shares and holders of foreign investment shares and how they voted shall be accounted for separately and published in the announcement.

Where the proposed resolution is not passed, or the Shareholders' meetings alters the resolution(s) passed at the previous Shareholders' meetings, a special note shall be made in the announcement of the resolutions of the Shareholders' meetings.

Where proposed resolutions in relation to the election of Directors are passed at a Shareholders' meeting, the term of office for the new Directors shall take effect upon the date of passing such resolutions at the Shareholders' meetings.

Where a proposed resolution in relation to the payment of cash dividends, the issue of bonus shares or the capitalisation of capital reserves has been passed at a Shareholders' meeting, the Company shall implement the specific plans within two months after the conclusion of such Shareholders' meetings. Where laws, regulations, the Hong Kong Listing Rules and the securities regulatory rules of the place where the Company's shares are listed otherwise require in respect of the foregoing matters, such regulations shall prevail.

Directors and Board of Directors

Directors

Directors of the Company are natural persons. None of the following persons may serve as a director of the Company:

- (1) persons without capacity or with limited capacity for civil acts;

- (2) persons who were sentenced to criminal punishment for the crime of corruption, bribery, misappropriation of property or diversion of property or for disrupting the order of the socialist market economy, or persons who were deprived of their political rights for committing a crime, where not more than five years have elapsed since the expiration of the period of deprivation, or in case of a probation, less than two years have elapsed since the expiration of the probation period;
- (3) persons who served as directors, or factory directors or managers, who bear personal liability for the bankruptcy liquidation of their companies or enterprises, where not more than three years have elapsed since the date of completion of the bankruptcy liquidation;
- (4) persons who served as the legal representatives of companies or enterprises that had their business licenses revoked for breaking the law, where such representatives bear individual liability therefor and not more than three years have elapsed since the date of revocation of the business license;
- (5) persons who have been listed by the people's court as a judgement defaulter due to comparatively large debts that have fallen due but have not been settled;
- (6) persons who have been subjected to a securities market entry ban by the CSRC, and the ban period has not yet expired;
- (7) persons who have been publicly determined by the stock exchange to be unfit to serve as directors, senior management personnel of a listed company, and the period of such determination has not expired;
- (8) other circumstances stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules or the securities regulatory rules of the place where the company's shares are listed.

If a director is elected or appointed in violation of this below election, such election, appointment or engagement shall be invalid. If a director, during his/her term of office, falls under the below circumstances, the Company shall remove him/her from his/her position and cease his/her performance of duties.

Directors shall be elected or replaced by the shareholders' meeting, and can be dismissed by the shareholders' meeting before expiry of the current term of office. The directors shall serve terms of three years, and may continue to serve as such if re-elected upon expiration of their terms.

The term of a director shall start from the date on which the said director assumes office to the expiry of the current Board. If the term of office of a director expires but re-election is not made responsively, the said director shall continue fulfilling the duties as director pursuant to laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and the Articles of Association until a new director is elected.

A director may serve concurrently as senior management officers, but the directors serving concurrently as such and directors who are employee representatives shall not be more than half of the directors of the Company.

Directors shall comply with laws, administrative regulations, the Hong Kong Listing Rules and the Articles of Association, fulfil their obligations of honesty to the Company, take measures to avoid conflicts between their own interests and the interests of the Company and shall not exploit his/her position to seek illegitimate benefits:

In particular, directors shall fulfil the following obligations of honesty to the Company:

- (1) not to expropriate the Company's assets and embezzle monies of the Company;
- (2) not to open in their own names or in others' names any bank account for the purpose of depositing any of the Company's assets or monies;
- (3) not to abuse his official powers to accept bribes or other unlawful income;
- (4) not to directly or conclude any contract or conduct any transaction with the Company without reporting to the Board or the Shareholders' meetings and being approved by the Shareholders' meetings or the Shareholders' meetings by way of resolution pursuant to provisions of the Articles of Association;
- (5) not to take advantage of their positions to seek for themselves or others any business opportunities that are due to the Company, unless such business opportunities have been reported to the Board or the Shareholders' meetings and approved by the Shareholders' meetings by way of resolution, or the Company is prohibited from utilizing such business opportunities pursuant to provisions of the laws, administrative legislations or the Articles of Association;
- (6) not to conduct for themselves or others any businesses similar to those of the Company without reporting to the Board or the Shareholder's meetings and being approved by the Shareholder's meetings by way of resolution;
- (7) not to take as their own any commission for any transaction between the Company and others;
- (8) not to disclose any secret of the Company without permission;
- (9) not to use their connected relations to damage the interests of the Company;
- (10) to fulfil other obligations of honesty stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, securities regulatory rules of the place where the stocks of the Company are listed, and the Articles of Association.

Earnings obtained by directors counter to the above provisions shall belong to the Company, and shall be liable for compensation for any loss incurred to the Company.

When close relatives of directors and members of the senior management, enterprises directly or indirectly controlled by directors, members of the senior management or their close relatives, and other related parties having other affiliations with directors or members of the senior management enter into contracts or conduct transactions with the Company, the provisions of item (4) above shall apply.

Directors shall observe laws, administrative regulations and the Articles of Association, fulfill their obligations of diligence to the Company, and exercise reasonable care as a manager for the best interests of the Company when performing their duties.

- (1) shall exercise the rights conferred by the Company with due discretion, care and diligence to ensure the business operations of the Company comply with State laws, administrative regulations and economic policies, not beyond the business scope specified in the business license of the Company;
- (2) shall treat all shareholders impartially;
- (3) to keep informed of the business operations and management of the Company;
- (4) shall sign written confirmations of the regular reports issued by the Company and to ensure the information disclosed by the Company is true, accurate and complete;
- (5) to fulfill other obligations of diligence stipulated by laws, administrative regulations, departmental rules and the Articles of Association.

If any director fails to attend Board meetings in person or by proxy for two consecutive times, the said director shall be deemed incapable of performing his duties, and the Board shall suggest that the Shareholder's meetings dismiss the said director.

A director may resign from his office prior to the expiry of his term of office. The directors who resign shall tender a written resignation to the Company. The resignation shall take effect on the date the Company receives the written resignation, and the Company shall disclose relevant information within two trading days. If any director resigns so that the membership of the Board falls short of the quorum or fails to comply with the requirements of the Hong Kong Listing Rules or the securities regulatory rules in the place where the stocks of the Company are listed, the said director shall continue fulfilling the duties as director pursuant to laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and the Articles of Association until a new director is elected.

The Company shall establish a director post-resignation management system, clarifying safeguard measures for pursuing liability and compensation concerning unfulfilled public commitments and other outstanding matters. If the resignation of a director takes effect or the term of office expires, such director shall complete all turnover procedures with the Board of Directors and his faithful obligations to the Company and the shareholders shall not be released after the term of office expires, which shall still be effective within twelve months after the end of his term of office. The responsibilities that directors should bear for performing their duties during their term of office shall not be exempted or terminated due to their resignation.

The Shareholder's meetings may resolve to dismiss a director. The dismissal shall take effect on the date when the resolution is adopted.

If the directors is dismissed before the expiration of their term without justifiable reason, the director may demand compensation from the Company. Unless otherwise provided by applicable laws and regulations, shareholders shall have the right to remove (including the chairman or other executive director) by ordinary resolution at the Shareholders' meeting before the expiration of his term of office, but such removal shall not affect the director's claims for damages pursuant to any contract.

Save as specified in the Articles of Association or properly authorized by the Board, no director shall act on behalf of the Company or the Board in his personal name. If a director acts in his own name but a third party may reasonably think the said director is acting on behalf of the Company or the Board, the said director shall make a prior statement of his standpoint and capacity.

If a director causes damage to others in performing his/her duties in the Company, the Company shall be liable for compensation; if the director acts with intentional or gross negligence, he/she shall also be liable for compensation.

If any director violates the laws, administrative regulations and departmental rules, the Hong Kong Listing Rules or the Articles of Association in fulfilling his duties, thereby incurring any loss of the Company, the said director shall be liable for compensation.

The Board of Directors

The Company shall establish a Board of Directors, the Board shall comprise nine directors, including four executive directors, two non-executive directors and three independent non-executive directors. The Board shall have one chairman. The chairman is elected by the board of directors by a majority of all directors. The directors of the company are divided into executive directors, non-executive directors and independent non-executive directors, among which non-executive directors refer to directors who do not hold management positions in the Company.

The Board shall exercise the following functions and powers:

- (1) to convene the Shareholder's meetings and report on its work to the Shareholder's meetings;
- (2) to implement resolutions passed at the Shareholder's meetings;
- (3) to resolve on the Company's annual business plans and investment plans;
- (4) to formulate the Company's profit distribution proposals and loss recovery proposals;
- (5) to formulate the proposals for increase or decrease of the Company's registered capital, and proposals for issue of bonds, other securities and listing;
- (6) to formulate proposals for material acquisitions, purchase of stocks of the Company, merger, division, dissolution or transformation of the Company;
- (7) to decide on the external investment, purchase and disposal of assets, asset mortgage, external guarantee, consigned financial management, connected transactions, donations etc. within the authority granted by the Shareholder's meetings;
- (8) to decide on the establishment of the Company's internal management bodies;
- (9) to decide on the appointment or dismissal of the Company's general manager, secretary of the Board and other senior management personnel, and decide on their remuneration, rewards and punishments; According to the nomination of the general manager, decide to appoint or dismiss the Company's financial controller and other senior management personnel, and decide on their remuneration, rewards and punishments;

- (10) to formulate the Company's fundamental management system;
- (11) to formulate the proposals for any amendment to the Articles of Association;
- (12) to manage matters relating to information disclosure of the Company;
- (13) to propose to the Shareholder's meetings the appointment or change of the accounting firm acting as the auditors of the Company;
- (14) to receive the work report of the general manager of the Company and examine the work of general manager;
- (15) to exercise other functions and powers as stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, the securities regulatory rules in the place where the stocks of the Company are listed, the Articles of Association or conferred by the Shareholder's meetings.

Transactions of the Company meeting any of the following standards shall be submitted to the Shareholder's meetings for consideration:

- (1) the total asset value involved in the transaction (if there are both book value and the assessed value, whichever is higher) accounts for more than 10% of the latest audited total assets of the Company;
- (2) the concluded transaction amount accounts for more than 10% of the Company's valuation;
- (3) the net assets of the transaction subject (e.g. equity) accounted for over 10% of the Company's valuation in the latest accounting year;
- (4) the business income of the transaction subject (such as equity) accounts for over 10% of the audited business income of the Company in the latest accounting year, and exceeds RMB10 million;
- (5) the profits generated from the transaction account for more than 10% of the audited net profit of the Company in the latest accounting year, and exceed RMB1 million;
- (6) the net profit of transaction subject (such as equity) accounts for more than 10% of the audited net profit of the Company in the latest accounting year, and exceeds RMB1 million;
- (7) the transaction amount between the Company and connected persons accounts for more than 0.1% of the Company's latest audited total assets or valuation and exceeds RMB3 million.
- (8) transactions that should be submitted to the Board for consideration according to the relevant securities regulatory rules of the place where the Company's stocks are listed.

Matters within the scope of authority of the Board in the preceding paragraph, such as laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, securities regulatory rules of the place where the Company's stocks are listed and the Articles of Association, must be submitted to the Shareholders' meeting for review and approval, and must be implemented in accordance with laws, regulations and normative documents.

Unless otherwise stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, securities regulatory rules of the place where the Company's stocks are listed and the Articles of Association, transactions below the above the Board review standards shall be approved by the general manager of the Company.

Except as explicitly agreed above, the above transaction matters are consistent with the definition in the preceding paragraph.

The chairman of the Board shall exercise the following functions and powers:

- (1) to preside over Shareholder's meetings and to convene and preside over Board meetings;
- (2) to supervise and inspect the implementation of resolutions passed by the Board;
- (3) to exercise other functions and powers conferred by the Board.

The meetings of the Board are divided into regular meetings and interim meetings. Regular meetings shall be held at least four times each year, on a quarterly basis.

Shareholders representing one-tenth or more of the voting rights, one-third or more of the directors or the audit committee may propose to convene an interim meeting of the Board. The chairman of the Board shall convene the meeting of the Board within ten days from the receipt of the proposal, and preside over such meeting.

To hold a regular meeting, the Board of Directors shall send a 14-day prior notice in writing; to hold an interim meeting, the Board of Directors shall send a 5-day prior notice in writing. If the directors attending the meeting have no objection or the matter is urgent, it is not limited by the above notice period, and the meeting can be convened at any time, but the convener shall make an explanation at the meeting.

The notice of a Board meeting shall specify:

- (1) the date and venue of the meeting;
- (2) duration of the meeting;
- (3) reason and issues;
- (4) date on which the notice is sent.

The Board meeting shall be attended by more than half of the directors. Resolutions made by the Board shall be approved by more than half of all the directors.

Resolutions of the Board shall be voted on as per “one person, one vote” system.

If any director has connection with the enterprise or individuals involved in the resolution made at a Board meeting, the said director shall promptly report in writing to the Board, and any director who has a connected relationship shall not vote on the said resolution for himself or on behalf of other directors. A Board meeting may be held when more than half of the non-connected directors attend the meeting. The resolution made at the Board meeting shall be passed by more than half of the non-connected directors. If the number of non-connected directors attending the Board meetings is less than 3, the issue shall be submitted to the Shareholder’s meetings for deliberation.

Voting on Board meetings may be conducted by open ballot or by a show of hands. The Board meetings may be convened and the voting can be made by electronic means of communication such as telephone, video, fax, e-mail, internet, etc. and signed by the participating directors, provided that the directors’ opinions are fully expressed.

Directors shall attend the Board meeting in person. Where a director is unable to attend a meeting for any reason, he/she may, by a written power of attorney, appoint another director to attend the meeting on his/her behalf. The name of the proxy, the subject which the proxy is related to, the scope of authorization and valid period shall be stated in the power of attorney, which shall be signed or sealed by the appointor. The director who attends the meeting on behalf of others shall exercises the rights of the directors within the scope of the authorization. Director who does not attend the Board meeting and does not appoint a proxy to attend on his/her behalf shall be deemed as forgoing his/her rights of voting at that meeting.

The Board of Directors shall make minutes of its decisions on the matters discussed at the meeting and the directors present at the meeting shall sign the minutes.

The minutes of Board meetings shall be kept as the Company’s record for a period of not less than 10 years.

The minutes of the Board meeting shall include:

- (1) convening date, place and the convener’s name of the meeting;
- (2) names of directors present and names of directors (proxy(ies)) being appointed to attend the meeting on other’s behalf;
- (3) agenda of the meeting;
- (4) key points of speeches of the directors;
- (5) the voting method and the results of each resolution (the number of votes in favor, against or abstain shall all be clearly indicated).

The directors shall sign and be responsible for the resolutions passed at Board meetings. If any resolution of the Board meetings runs counter to the laws, administrative regulations or the Articles of Association, thereby incurring losses to the Company, the directors adopting the said resolution shall be

liable for compensating the Company. However, if a director has been proved as having expressed dissenting opinions on the resolution during the voting and such opinions are recorded in the meeting minutes, he may be exempt from liability.

Independent Non-executive Directors

The independent non-executive directors shall diligently perform their duties in accordance with the laws, administrative regulations, the provisions of the CSRC, the Hong Kong Listing Rules, securities regulatory rules of the place where the Company's stocks are listed and the Articles of Association. They shall play the roles in the Board by participating in the decision-making, supervising, checking and balancing, and professional consulting, safeguard the interests of the Company as a whole, and protect the lawful rights and interests of minority shareholders.

Independent non-executive directors shall maintain their independence, and the following persons shall not serve as independent non-executive directors:

- (1) persons working for the Company or its subsidiaries and their spouses;
- (2) persons who work for shareholders who directly or indirectly hold more than 5% of the Company's issued shares;
- (3) persons serving in the subsidiaries of the Company's controlling shareholders and de facto controllers and their spouses;
- (4) persons who have significant business dealings with the Company, its controlling shareholders, de facto controllers or their respective subsidiaries, or who serve in entities with which they have significant business dealings and their controlling shareholders or de facto controllers;
- (5) persons providing financial, legal, consulting and sponsorship and other services to the Company, its controlling shareholders, de facto controllers or their respective subsidiaries; including, but not limited to, all members of the project team of the intermediaries providing the services, reviewers at all levels, persons signing the report, partners, directors, senior management and principals;
- (6) other personnel who are not independent as stipulated in laws, administrative regulations, the provisions of the CSRC, the Hong Kong Listing Rules (including but not limited to Article 3.13), securities regulatory rules of the place where the Company's stocks are listed and the Articles of Association.

The subsidiaries of the Company's controlling shareholder and de facto controller as referred to in items (3) to (5) above do not include those companies which are controlled by the same state-owned asset administration institution and the Company does and do not have a connected relationship with the Company in accordance with the relevant regulations.

The independent non-executive directors shall conduct self-inspection on the independence every year and submit the self-inspection results to the Board. The Board shall evaluate the independence of the incumbent independent non-executive directors and issue special opinions every year, which shall be disclosed together with the annual report (if applicable).

A person to serve as an independent non-executive director of the Company shall meet the following conditions:

- (1) being qualified to serve as the director of listed companies in accordance with laws, administrative regulations, securities regulatory rules of the place where the Company's stocks are listed and other relevant provisions;
- (2) meeting the independence requirements stipulated in the Articles of Association;
- (3) having basic knowledge of the operation of listed companies and being familiar with relevant laws, regulations and rules;
- (4) having legal, accounting or economic work experience necessary to perform the duties of an independent non-executive director;
- (5) having good personal morality, with no bad record such as major dishonesty, etc.;
- (6) other conditions stipulated by laws, administrative regulations, the provisions of the CSRC, securities regulatory rules of the place where the Company's stocks are listed and the Articles of Association.

As members of the Board, the independent non-executive Directors owe fiduciary duties and diligence to the Company and all shareholders, and prudently fulfill the following duties:

- (1) to involve in the decision-making of the Board and provide explicit opinions on the matters discussed;
- (2) to supervise matters that indicate potential material conflict of interest between the Company and its controlling shareholders, de facto controllers, Directors and senior management members so as to protect the legitimate interests of minority shareholders;
- (3) to provide professional and objective advice on the Company's operation and development, thereby facilitating improvement in the standard of the decisions of the Board;
- (4) other duties stipulated by laws, administrative regulations, the requirements of the CSRC, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The independent non-executive Directors exercise the following special functions and powers:

- (1) independently engage intermediaries to audit, provide consultation on or verify specific matters of the Company;
- (2) proposing to the Board with respect to the convening of interim Shareholders' meeting;
- (3) proposing the convening of Board meetings;
- (4) openly soliciting shareholders' rights in accordance with the law;

- (5) expressing independent opinions on matters that may harm the interests of the Company or its minority shareholders;
- (6) other powers and functions as provided by laws, administrative regulations, the requirements of the CSRC, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Any exercise of the powers as referred to in items (1) to (3) of this article above by the independent non-executive Directors shall be approved by a majority of all the independent non-executive Directors.

Special Committees under the Board

The Board shall establish an Audit Committee to exercise the powers of the Supervisory Committee as prescribed by the Company Law.

Members of the Audit Committee shall be directors who do not hold senior management positions in the Company, and there shall be three members, including two independent non-executive directors. The convener shall be independent non-executive director with professional expertise in accounting.

The Audit Committee is responsible for reviewing the Company's financial information and disclosure thereof, supervising and evaluating internal and external audit work and internal controls. The following matters shall be submitted to the Board for review after being approved by a majority of all members of the Audit Committee:

- (1) disclosure of financial information in financial accounting reports and periodic reports, as well as internal control evaluation reports;
- (2) appointing or dismissing accounting firms engaged in auditing of the Company;
- (3) appointing or dismissing the financial officer of the Company;
- (4) making changes to accounting policies and accounting estimates for reasons other than changes in accounting standards, or making corrections of material accounting errors;
- (5) other matters prescribed by laws, administrative regulations, the requirements of the CSRC, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The Audit Committee shall meet at least once every quarter. An extraordinary meeting may be convened upon the request of two or more members or when deemed necessary by the convener. A meeting of the Audit Committee shall be held only when more than two-thirds of the members are present.

Resolutions of the Audit Committee shall be adopted by a majority vote of the members of the Audit Committee.

Voting on resolutions of the Audit Committee shall be conducted on a one-vote-for-one-person basis.

Resolutions of the Audit Committee shall be properly recorded in form of minutes in accordance with relevant provisions, and members of the Audit Committee attending the meeting shall sign the minutes.

The rules of procedure for the Audit Committee shall be established by the Board.

The Board shall establish the Strategy Committee, the Nomination Committee and the Remuneration and Evaluation Committee, which shall perform their duties in accordance with the Articles of Association and the authorization of the Board. Proposals from special committees shall be submitted to the Board for review and decision. The rules of procedure for special committees shall be developed by the Board.

The independent non-executive directors shall comprise more than half of the Nomination committee, the convener shall be independent non-executive director. The Nomination Committee shall be responsible for establishing the criteria and procedures for selecting directors and senior management members, screening and reviewing candidates for directors and senior management members and their qualifications, and making recommendations to the Board on the following matters:

- (1) nominating or removing directors;
- (2) appointing or dismissing senior management members;
- (3) other matters prescribed by laws, administrative regulations and the Articles of Association.

If the Board does not adopt or fully adopt the recommendations from the Nomination Committee, it shall record the advice of the Nomination Committee and the specific reasons for non-adoption in the Board's resolution, and make disclosure accordingly.

The independent non-executive directors shall comprise more than half of the Remuneration and Evaluation Committee, the convener shall be independent non-executive director. The Remuneration and Evaluation Committee is responsible for establishing evaluation standards for directors and senior management members and conducting evaluations, as well as formulating and reviewing remuneration policies and plans for directors and senior management members regarding remuneration determination system, decision-making process, payment arrangement and stop-payment recourse arrangement. The Remuneration and Evaluation Committee shall also make recommendations to the Board on the following matters:

- (1) compensation of directors and senior management members;
- (2) establishing or amending equity incentive plans and employee stock ownership plan, including the achievement of conditions for the grant and exercise of benefits by incentive grantees;
- (3) shareholding plans for directors and senior management members in the proposed spin-off of subsidiaries;
- (4) other matters prescribed by laws, administrative regulations and the Articles of Association.

If the Board does not adopt or fully adopt the recommendations from the Remuneration and Evaluation Committee, it shall record the advice of the Remuneration and Evaluation Committee and the specific reasons for non-adoption in the Board's resolution, and make disclosure accordingly.

The convener of the Strategy Committee shall be the Chairman of the Board; responsible for studying and making suggestions on the company's long-term development strategy and major investment decisions.

If the Board does not adopt or fully adopt the recommendations of the Strategy Committee, it shall record the advice of the Strategy Committee and the specific reasons for non-adoption in the Board's resolution.

SENIOR MANAGEMENT MEMBERS

The Company shall have one general manager, who shall be appointed or dismissed by the Board.

The provisions regarding situations in which persons shall not act as directors and the resignation management system as specified in the Articles of Association, shall also apply to senior management members.

The provisions on directors' obligations of honesty and of diligence under the Articles of Association shall also apply to senior management members.

Members of staff of the controlling shareholders of the Company who serve administrative positions other than director and supervisor shall not serve as senior management member of the Company.

The senior management members shall be only entitled to salaries paid by the Company, and the controlling shareholders shall not pay the salaries on behalf of the Company.

The general manager shall serve a term of three years and may serve consecutive terms upon reappointment.

The general manager is accountable to the Board and exercises the following functions and powers:

- (1) to manage the business operations of the Company, organize execution of the Board's resolutions, and report to the Board;
- (2) to organize to execute the annual business plans and investment plans of the Company;
- (3) to prepare the plan for the internal management setup of the Company;
- (4) to formulate the Company's fundamental management system;
- (5) to formulate the specific rules of the Company;
- (6) to propose to the Board to appoint or dismiss the deputy general manager and the financial officer of the Company;

- (7) to decide to appoint or dismiss executives other than those to be appointed or dismissed by the Board;
- (8) to exercise other functions and powers conferred in the Articles of Association and by the Board.

The general manager may attend Board meetings.

The general manager shall formulate working rules, which shall be implemented upon approval by the Board.

The working rules of the general manager shall specify:

- (1) the conditions and procedure for holding the general manager's meetings, and attendees;
- (2) duties and division of labor of the general manager and other senior management members;
- (3) use of funds and assets of the Company, right to conclude important contracts, and the system to report to the Board;
- (4) other matters deemed necessary by the Board.

The general manager may resign from his office prior to the expiry of his term of office. The procedure and rules for resignation of the general manager shall be specified in the labor contract between the general manager and the Company.

The Company shall have a secretary to the Board, the secretary to the Board shall be responsible for the preparations for Shareholders' meetings and the Board meetings, keeping of documentation and shareholders' data, information disclosure and other matters of the Company, etc.

The secretary to the Board shall observe the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and the Articles of Association.

Where senior management members cause any damage to others in the course of performing his/her duties, the Company shall be liable for compensation; where there is any intentionality or gross negligence, he/she shall also be liable for compensation.

If any senior management member violates the laws, administrative regulations, departmental rules or the Articles of Association, thereby incurring any loss of the Company, the said senior management member shall be liable for compensation.

The senior management of the Company shall perform their duties faithfully, and protect the best interests of the Company and all shareholders. If the senior management of the Company fails to perform their duties faithfully or violates their fiduciary duties, causing damage to the interests of the Company and public shareholders, they shall be liable for compensation according to law.

FINANCIAL AND ACCOUNTING SYSTEM

The Company shall formulate its financial and accounting system in accordance with the laws, administrative regulations, the Hong Kong Listing Rules, securities regulatory rules of the place where the Company's shares are listed and the provisions of the relevant authorities of the state.

The Company shall prepare annual financial and accounting reports within four months from the end of each fiscal year.

The aforesaid annual financial and accounting reports shall be prepared in accordance with relevant laws, administrative regulations, the Hong Kong Listing Rules and securities regulatory rules of the place where the Company's shares are listed.

The Company shall not establish account books other than the statutory account books. The assets of the Company shall not be deposited in any personal account.

The Company shall withdraw 10% of the annual after-tax profits as the statutory reserve of the Company, and such withdrawal may be stopped when the statutory reserve of the Company has accumulated to over 50% of the registered capital of the Company.

If the statutory reserve of the Company is insufficient to recover the losses of the preceding year, the profits of the current year shall first be used to recover the said losses before any statutory reserve is withdrawn as per the preceding paragraph.

After statutory reserve is withdrawn out of the after-tax profits, discretionary reserve may also be withdrawn out of the same as per a resolution made at a Shareholders' meeting.

The after-tax profits remaining after recovery of losses and withdrawal of reserve may be distributed to the shareholders in proportion to their shareholding percentages, except those that are not distributed according to the proportion of shares as stipulated in the Articles of Association.

If the Shareholders' meeting, in violation of the Company Law, distributes profits to shareholders, the profits thus distributed shall be returned to the Company; where such distribution causes losses to the Company, the shareholders and responsible directors, senior management members shall be liable for compensation.

The shares of the Company held by the Company shall not be subject to profit distribution.

The Company implements a sustainable and stable profit distribution policy. The specific profit distribution method shall be determined based on the Company's profit realization condition, cash flow condition and capital scale.

The Company shall distribute dividends in the form of cash, shares, a combination of cash and shares or other ways approved by laws and regulations. In the case of meeting the conditions for cash dividends, the Company shall prioritize the use of cash dividends for profit distribution.

The reserve of the Company shall be used to recover the losses, enhance the operating scale or increase the capital of the Company.

In case of making up of losses out of reserve, the discretionary reserve and the statutory reserve shall be applied first; if insufficient, the capital reserve may be used according to relevant provisions.

When statutory reserve is converted into increased registered capital, the remainder of the reserve shall not be less than 25% of the registered capital of the Company before such conversion.

After the Shareholders' meeting of the Company makes a resolution on the profit distribution plan, the Board of the Company must complete the distribution of dividends (or shares) within 2 months after the Shareholders' meeting is held.

DISSOLUTION AND LIQUIDATION

Where the Company declares bankrupt according to law, bankruptcy liquidation shall be conducted pursuant to laws on bankruptcy of enterprises.

The Company may be dissolved for the following reasons:

- (1) The expiration of the business period stipulated in the Articles of Association or circumstance for dissolution specified in the Articles of Association arises;
- (2) the Shareholders' meeting has resolved to dissolve the Company;
- (3) merger or division of the Company entails dissolution;
- (4) the business license is revoked according to law, or the Company is ordered to close or is cancelled;
- (5) if the Company gets into serious trouble in operations and management and continuation may incur material losses of the interests of the shareholders, and no solution can be found through any other channel, the shareholders holding more than 10% of the voting rights of the Company may request the people's court to dissolve the Company.

The Company shall, within ten days of the occurrence of the reasons for dissolution as stipulated in the preceding paragraph, disclose the reasons for dissolution on the National Enterprise Credit Information Publicity System.

In the circumstance set out in paragraph (1) or (2) above and has not distributed any property to shareholders, the Company may continue to subsist by amending the Articles of Association or by resolution of the Shareholders' meeting.

The amendments to the Articles of Association or resolutions made at the Shareholders' meeting in accordance with the preceding paragraph shall be approved by two thirds or more of the voting rights held by the shareholders attending the Shareholders' meeting.

Where the Company is dissolved pursuant to Items (1), (2), (4) and (5) above, the Company shall be liquidated. The Directors, who are the liquidation obligors of the Company, shall form a liquidation committee to carry out liquidation within fifteen days after the dissolution circumstance arises.

The members of the liquidation committee shall be directors, unless otherwise stipulated in the Articles of Association or otherwise selected by a resolution of the Shareholders' meeting.

Where the liquidation obligors fail to fulfil their liquidation obligations in a timely manner and cause losses to the Company or creditors, they shall be liable for compensation.

During liquidation, the liquidation committee shall exercise the following functions and powers:

- (1) to examine and take possession of the assets of the Company and prepare the balance sheet and a property inventory;
- (2) to inform creditors by notice or announcement;
- (3) to deal with the outstanding businesses of the Company relating to liquidation;
- (4) to pay off outstanding taxes as well as taxes arising in the course of liquidation;
- (5) to settle credits and debts;
- (6) to allocate of the remaining assets of the Company after repayment of debts;
- (7) to represent the Company in civil proceedings.

The liquidation committee shall notify all creditors within ten days after its establishment and shall make announcements in newspapers or the National Enterprise Credit Information Publicity System within sixty days. The creditors shall declare their rights to the liquidation committee within thirty days after receipt of the notice or within forty-five days after announcement if the creditors haven't received the notice.

The creditors shall explain matters relating to their rights and provide relevant evidential documents. The liquidation committee shall register the creditors' rights.

In the creditors' rights declaration period, the liquidation committee shall not make repayment to the creditors.

After the liquidation committee has examined and taken possession of the assets of the Company and prepared a balance sheet and a property inventory, it shall formulate a liquidation proposal and submit it to the Shareholders' meeting or the people's court for confirmation.

The Company shall, according to the proportion of the shares held by the shareholders, distribute the properties of the Company remaining after payment of the liquidation expenses, employees' salaries, social insurance expenses and statutory compensations, outstanding taxes, and the Company's debts.

The Company shall subsist in the course of liquidation but shall not conduct any business operations unrelated to liquidation.

Before liquidation as specified in the preceding paragraphs, the assets of the Company shall not be distributed to shareholders.

After the liquidation committee has examined and taken possession of the assets of the Company and prepared a balance sheet and a property inventory, if it discovers that the Company's assets are insufficient to repay its debts in full, it shall apply to the people's court for bankruptcy liquidation of the Company according to law.

Upon the Company's bankruptcy application is accepted by the people's court, the liquidation committee shall transfer to the people's court all matters relating to the liquidation to the bankruptcy administrator designated by the people's court.

Upon completion of liquidation, the liquidation committee shall prepare a liquidation report and submit the same to the Shareholders' meeting or the people's court for confirmation, and submit to the company registration authority, apply for deregistration of the Company.

Any member of the liquidation committee shall fulfill their obligations of liquidation with duties of loyalty and diligence.

Members of the liquidation committee shall bear the liability for damages suffered by the Company due to their negligence in performing the obligations of liquidation; where any member of the liquidation committee causes any loss to the creditors with will or serious negligence, the said member shall be liable for compensation.

Where the Company is declared bankrupt according to law, bankruptcy liquidation shall be conducted pursuant to laws on bankruptcy of enterprises.

AMENDMENT TO ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association in any of the following circumstances:

- (1) after amendments are made to the Company Law, the Hong Kong Listing Rules, securities regulatory rules of the place where the Company's shares are listed or other relevant laws and administrative regulations, the Articles of Association run counter to the said amendments;
- (2) the conditions of the Company have changed, and such change is not covered in the Articles of Association;
- (3) the Shareholders' meeting has resolved to amend the Articles of Association.

Any amendment approved by the Shareholders' meeting to the Articles of Association shall be submitted to the competent authorities for approval where necessary; if the company registration matters are involved, the change registration shall be handled according to law.

The Board shall amend the Articles of Association in accordance with the resolution of the Shareholders' meeting on amendment to the Articles of Association and the examination and approval opinions from relevant competent authorities.

Where the amendments to the Articles of Association involve matters requiring disclosure by law and regulations, the amendments shall be announced as required.

FURTHER INFORMATION ABOUT OUR COMPANY**Incorporation**

Our Company was established as a limited liability company in the PRC on February 27, 2018 and was converted into a joint stock limited company on August 29, 2025 under the laws of the PRC. As of the Latest Practicable Date, the registered share capital of our Company was RMB78,172,882.

Our Company has established a place of business in Hong Kong at Room 1910, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong and has been registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance. Ms. Yeung Siu Wai Kitty has been appointed as our authorized representative in Hong Kong and agent for the acceptance of service of process in Hong Kong whose correspondence address is the same as our place of business.

As we are established in the PRC, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in the section headed “Summary of Articles of Association” in Appendix III to this Prospectus.

Changes in Share Capital of Our Company

Save as disclosed in the section headed “History, Development and Corporate Structure”, there has been no other alteration in the share capital of our Company during the two years immediately preceding the date of this Prospectus.

Changes in Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries as at December 31, 2025 are set out in the Accountant’s Report in Appendix I.

Save as disclosed in the section headed “History, Development and Corporate Structure” and above, there has been no other alteration in the share capital of our subsidiaries during the two years immediately preceding the date of this Prospectus.

Resolutions of Our Shareholders

Pursuant to a general meeting held on September 25, 2025, among other things, our Shareholders resolved that:

- (a) the issuance by our Company of the H Shares of nominal value of RMB1 each and such H Shares being listed on the Hong Kong Stock Exchange;
- (b) the number of H Shares to be issued shall not be more than 30% of the total issued share capital of our Company as enlarged by the Global Offering, and the grant to the Underwriters (or their representatives) of the Over-allotment Option of not more than 15% of the number of H Shares issued pursuant to the Global Offering;
- (c) authorization of the Board to handle all matters relating to, among other things, the Global Offering, the issue and listing of the H Shares; and

- (d) subject to the completion of the Global Offering, the conditional adoption of the Articles of Association, which shall become effective on the Listing Date and the authorization of the Board to amend the Articles of Association in accordance with relevant laws and regulations and upon the request from the Stock Exchange and relevant PRC regulatory authorities.

FURTHER INFORMATION ABOUT OUR BUSINESS

Summary of Material Contracts

We have entered into the following contracts (not being a contract entered into in the ordinary course of business) within the two years immediately preceding the date of this Prospectus that is or may be material:

- (a) the cornerstone investment agreement dated April 16, 2026 entered into among the Company, Alibaba Investment Limited, China International Capital Corporation Hong Kong Securities Limited, Haitong International Capital Limited and Haitong International Securities Company Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of HK\$203,660,600;
- (b) the cornerstone investment agreement dated April 16, 2026 entered into among the Company, GIC Private Limited, China International Capital Corporation Hong Kong Securities Limited, Haitong International Capital Limited and Haitong International Securities Company Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$20,000,000;
- (c) the cornerstone investment agreement dated April 16, 2026 entered into among the Company, Baillie Gifford Overseas Limited (for itself and as agent for and on behalf of the relevant investors), Baillie Gifford & Co (for itself and as agent for and on behalf of the relevant investors), China International Capital Corporation Hong Kong Securities Limited, Haitong International Capital Limited and Haitong International Securities Company Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$15,000,000;
- (d) the cornerstone investment agreement dated April 16, 2026 entered into among the Company, The 32 Capital Master Fund SPC Ltd., BlackRock Global Equity Market Neutral Fund of BlackRock Funds, Public Sector Pension Investment Board, All China Opportunities Fund, Emerging Markets Alpha Master Fund Ltd., EMN BNH Fund, LP, Global Alpha Opportunities Master Fund Ltd., BLACKROCK STRATEGIC FUNDS — BlackRock Systematic Global Equity Absolute Return Fund, National Pension Service, Republic of Korea, Baldr Bayes Fund Inc., Pan Asia Opportunities Master Fund Ltd., BLACKROCK STRATEGIC FUNDS — BlackRock Systematic Asia Pacific Equity Absolute Return Fund, Government Employees Pension Fund, SAE Liquidity Fund LP, BlackRock Systematic China Absolute Return Master Fund Ltd., BlackRock Systematic Total Alpha Master Fund Ltd., Asia Alpha Advantage Fund Ltd., IBERCAJA EMERGENTES, FI, BlackRock Global Funds — China Fund, BlackRock Strategic Funds — BlackRock Asia Pacific Absolute Return Fund, China International Capital Corporation Hong Kong Securities Limited, Haitong International Capital Limited and Haitong International Securities Company Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$15,000,000;

- (e) the cornerstone investment agreement dated April 16, 2026 entered into among the Company, FIL Investment Management (Hong Kong) Limited (as agent and fiduciary for certain funds and accounts), China International Capital Corporation Hong Kong Securities Limited, Haitong International Capital Limited and Haitong International Securities Company Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$15,000,000;
- (f) the cornerstone investment agreement dated April 16, 2026 entered into among the Company, Schroder Investment Management (Singapore) Ltd, Schroder Investment Management (Hong Kong) Limited, Schroder Investment Management Limited, China International Capital Corporation Hong Kong Securities Limited, Haitong International Capital Limited and Haitong International Securities Company Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$15,000,000;
- (g) the cornerstone investment agreement dated April 16, 2026 entered into among the Company, Taibai Investments Pte. Ltd., China International Capital Corporation Hong Kong Securities Limited, Haitong International Capital Limited and Haitong International Securities Company Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$15,000,000;
- (h) the cornerstone investment agreement dated April 16, 2026 entered into among the Company, Shanghai CM Digital Transformation Investment Fund, L.P., China International Capital Corporation Hong Kong Securities Limited, Haitong International Capital Limited and Haitong International Securities Company Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$14,600,000;
- (i) the cornerstone investment agreement dated April 16, 2026 entered into among the Company, HHLR Advisors, Ltd., China International Capital Corporation Hong Kong Securities Limited, Haitong International Capital Limited and Haitong International Securities Company Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$10,000,000;
- (j) the cornerstone investment agreement dated April 16, 2026 entered into among the Company, UBS Asset Management (Singapore) Ltd. (as the delegate of the investment manager for and on behalf of certain investors), China International Capital Corporation Hong Kong Securities Limited, Haitong International Capital Limited and Haitong International Securities Company Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$10,000,000;
- (k) the cornerstone investment agreement dated April 16, 2026 entered into among the Company, 3W Fund Management Limited, China International Capital Corporation Hong Kong Securities Limited, Haitong International Capital Limited and Haitong International Securities Company Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$10,000,000;

- (l) the cornerstone investment agreement dated April 16, 2026 entered into among the Company, Aspex Master Fund, China International Capital Corporation Hong Kong Securities Limited, Haitong International Capital Limited and Haitong International Securities Company Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$10,000,000;
- (m) the cornerstone investment agreement dated April 16, 2026 entered into among the Company, CPE Fir Investment Limited, China International Capital Corporation Hong Kong Securities Limited, Haitong International Capital Limited and Haitong International Securities Company Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$5,000,000;
- (n) the cornerstone investment agreement dated April 16, 2026 entered into among the Company, Greenwoods Asset Management Hong Kong Limited, China International Capital Corporation Hong Kong Securities Limited, Haitong International Capital Limited and Haitong International Securities Company Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$801,438.6;
- (o) the cornerstone investment agreement dated April 16, 2026 entered into among the Company, CICC Financial Trading Limited, China International Capital Corporation Hong Kong Securities Limited, Haitong International Capital Limited, Haitong International Securities Company Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$4,198,561.4;
- (p) the cornerstone investment agreement dated April 16, 2026 entered into among the Company, GF Management Co., Ltd., China International Capital Corporation Hong Kong Securities Limited, Haitong International Capital Limited and Haitong International Securities Company Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$1,100,000;
- (q) the cornerstone investment agreement dated April 16, 2026 entered into among the Company, GF International Investment Management Limited, China International Capital Corporation Hong Kong Securities Limited, Haitong International Capital Limited and Haitong International Securities Company Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$3,900,000;
- (r) the cornerstone investment agreement dated April 16, 2026 entered into among the Company, Lenovo Group Limited, China International Capital Corporation Hong Kong Securities Limited, Haitong International Capital Limited, Haitong International Securities Company Limited and the Hongkong and Shanghai Banking Corporation Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$5,000,000;

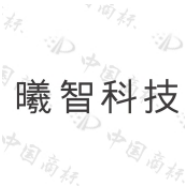
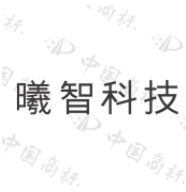
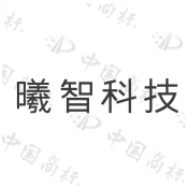
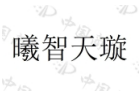
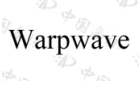
- (s) the cornerstone investment agreement dated April 16, 2026 entered into among the Company, Mirae Asset Securities (HK) Limited, China International Capital Corporation Hong Kong Securities Limited, Haitong International Capital Limited and Haitong International Securities Company Limited with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$5,000,000;
- (t) the cornerstone investment agreement dated April 16, 2026 entered into among the Company, ZTE (H.K.) Limited, China International Capital Corporation Hong Kong Securities Limited, Haitong International Capital Limited and Haitong International Securities Company Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of HK\$33,682,330;
- (u) the cornerstone investment agreement dated April 16, 2026 entered into among the Company, ICBC Wealth Management Co., Ltd., China International Capital Corporation Hong Kong Securities Limited, Haitong International Capital Limited and Haitong International Securities Company Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$2,500,000;
- (v) the cornerstone investment agreement dated April 16, 2026 entered into among the Company, Ping An of China Asset Management (Hong Kong) Company Limited being the investment manager of Ping An Life Insurance Company of China, Ltd., China International Capital Corporation Hong Kong Securities Limited, Haitong International Capital Limited and Haitong International Securities Company Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$2,500,000; and
- (w) the Hong Kong Underwriting Agreement.

Intellectual Property Rights

Trademarks

As of the Latest Practicable Date, we have registered the following material trademarks which we consider to be or may be material to our business:

No.	Trademark	Class	Registered Owner	Registration Number	Place of Registration
1.	Gazelle	9	Company	69187751	PRC
2.	Lightelligence	35	Company	65543622A	PRC
3.	Lightelligence	41	Company	65545693	PRC
4.	Lightelligence	9	Lightelligence PTE. Ltd.	7327595	U.S.

No.	Trademark	Class	Registered Owner	Registration Number	Place of Registration
5.	LTSimulator	9	Company	77378566	PRC
6.	PACE	9	Company	61535717A	PRC
7.	oNet	9	Company	65520992A	PRC
8.		9	Company	79924054	PRC
9.		41	Company	79918054	PRC
10.		42	Company	79927490	PRC
11.	曦智科技	35	Company	65532553A	PRC
12.	(A)  LIGHTELLIGENCE 曦智科技	9, 35, 41 and 42	Company	307043562	Hong Kong
	(B)  LIGHTELLIGENCE 曦智科技 (as a series of marks)				
13.		9	Company	84452945	PRC
14.		9	Company	83511124	PRC
15.		9	Company	83524670	PRC

No.	Trademark	Class	Registered Owner	Registration Number	Place of Registration
16.	 Risewave	9	Company	83530632	PRC
17.	 Propawave	9	Company	83530629	PRC

Patents

As of the Latest Practicable Date, we had registered the ownership of and/or had the right to use the following patents which we consider to be or may be material to our business:

No.	Patent Description	Registered Owner	Patent Number	Place of Registration
1.	Method and system for determining a guided random data sampling	Company	US12298801B2	U.S.
2.	Optical structure, optical coupling method, and photonic integrated circuit chip	Nanjing Guangzhiyuan	US12259588B2	U.S.
3.	Photonic semiconductor devices and methods for manufacturing the same	Nanjing Guangzhiyuan	US11853870B2	U.S.
4.	Three-dimensional packaging method and package structure of photonic-electronic chip	Hangzhou Guangzhiyuan	US11789218B2	U.S.
5.	Testing device (測試裝置)	Company	CN217467263U	PRC
6.	Chip packaging box (晶片封裝箱)	Company	CN307326489S	PRC
7.	Chip package (晶片封裝)	Company	CN222379919U	PRC
8.	Semiconductor package and data transmission method of semiconductor package (半導體封裝以及半導體封裝的資料傳輸方法)	Company	CN117438419B	PRC
9.	Packaging structure (封裝結構)	Company	CN216248441U	PRC
10.	Testing device (測試裝置)	Company	CN217443591U	PRC
11.	Optical modulator and optical integrated system (光學調製器和光學集成系統)	Company	CN113176676B	PRC

APPENDIX IV**STATUTORY AND GENERAL INFORMATION**

No.	Patent Description	Registered Owner	Patent Number	Place of Registration
12.	Semiconductor device and method for manufacturing the same (半導體裝置及其製造方法)	Company	CN113764292B	PRC
13.	Packaging structure and packaging method thereof (封裝結構及其封裝方法)	Company	CN116299902B	PRC
14.	Chip packaging structure and optical computing device (晶片封裝結構以及光計算設備)	Company	CN113376767B	PRC
15.	Manufacturing method of packaging structure (封裝結構的製作方法)	Company	CN114647048B	PRC
16.	Packaging structure and packaging method thereof (封裝結構及其封裝方法)	Company	CN113514923B	PRC
17.	Testing device for optical chip (一種光晶片的測試裝置)	Company	CN215640059U	PRC
18.	3dB bandwidth testing device (3dB頻寬測試裝置)	Company	CN219304837U	PRC
19.	Semiconductor device with a semiconductor device having a plurality of semiconductor chips (半導體裝置)	Company	CN114063229B	PRC
20.	Method for producing a photonic semiconductor device (光子半導體裝置的製造方法)	Company	CN113204082B	PRC
21.	Manufacturing method of packaging structure and packaging structure (封裝結構的製作方法及封裝結構)	Company	CN114639639B	PRC
22.	3dB bandwidth testing device (3dB頻寬測試裝置)	Company	CN218941095U	PRC
23.	Chip packaging structure, control method and optical computing device (晶片封裝結構、控制方法以及光計算設備)	Company	CN113620234B	PRC
24.	Test structure and method of photoelectric detector and related chip and wafer (光電探测器的測試結構和方法以及相關晶片和晶圓)	Nanjing Guangzhiyuan	CN116202747B	PRC

No.	Patent Description	Registered Owner	Patent Number	Place of Registration
25.	Test device and test method (測試裝置及測試方法)	Nanjing Guangzhiyuan	CN113504462B	PRC
26.	Chip and testing method thereof (晶片及其測試方法)	Nanjing Guangzhiyuan	CN115980090B	PRC
27.	Prism, method for mounting prism, and optical device (稜鏡及其安裝方法、光學裝置)	Nanjing Guangzhiyuan	CN113253372B	PRC
28.	Optical structure, optical coupling method and photonic integrated circuit chip (光學結構、光耦合方法和光子積體電路晶片)	Nanjing Guangzhiyuan	CN113625391B	PRC
29.	Clock signal transmission device, manufacturing method thereof and optical clock balancing device (時鐘信號傳輸裝置及其製造方法、光學時鐘平衡裝置)	Nanjing Guangzhiyuan	CN115085852B	PRC
30.	Packaging method and packaging structure (封裝方法及封裝結構)	Hangzhou Guangzhiyuan	CN114613685B	PRC
31.	Semiconductor device and manufacturing method thereof (一種半導體器件及其製作方法)	Hangzhou Guangzhiyuan	CN115185038B	PRC
32.	Semiconductor device and method for manufacturing the same (半導體裝置及其製造方法)	Hangzhou Guangzhiyuan	CN113035858B	PRC
33.	Manufacturing method of packaging structure and packaging structure (封裝結構的製作方法及封裝結構)	Hangzhou Guangzhiyuan	CN113960715B	PRC
34.	Chip packaging structure, chip packaging method and optical computing equipment (晶片封裝結構、晶片封裝方法及光計算設備)	Hangzhou Guangzhiyuan	CN113613380B	PRC
35.	Three-dimensional packaging method and packaging structure of photoelectric chip (光電晶片的三維封裝方法及封裝結構)	Hangzhou Guangzhiyuan	CN113241329B	PRC
36.	Clamp and clamping device (夾具以及夾持裝置)	Hangzhou Guangzhiyuan	CN113334282B	PRC

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

No.	Patent Description	Registered Owner	Patent Number	Place of Registration
37.	Semiconductor device, chip, package thereof, and optical computing device (半導體器件、晶片及其封裝以及光計算設備)	Beijing Guangzhiyuan Technology Co., Ltd.	CN220474654U	PRC
38.	Photonic integrated circuit chip package (光子積體電路晶片封裝)	Beijing Guangzhiyuan Technology Co., Ltd.	CN220399690U	PRC
39.	Photoelectric detector and chip (光電探測器、晶片)	Beijing Guangzhiyuan Technology Co., Ltd.	CN222396002U	PRC
40.	Test device (測試裝置)	Beijing Guangzhiyuan Technology Co., Ltd.	CN221976999U	PRC
41.	Packaging structure of photon integrated circuit chip (一種光子積體電路晶片的封裝結構)	Beijing Guangzhiyuan Technology Co., Ltd.	CN221303644U	PRC
42.	Silicon-based optical modulator traveling wave electrode terminal impedance matching system and silicon-based optical modulator (矽基光調製器行波電極終端阻抗匹配系統、矽基光調製器)	Beijing Guangzhiyuan Technology Co., Ltd.	CN222636416U	PRC
43.	Packaging structure of semiconductor chip and computing device (半導體晶片的封裝結構和計算設備)	Beijing Guangzhiyuan Technology Co., Ltd.	CN220774804U	PRC
44.	Plasma etching apparatus (等離子體蝕刻設備)	Beijing Guangzhiyuan Technology Co., Ltd.	CN221486422U	PRC
45.	Integrated chemical vapor deposition system and semiconductor integrated equipment (集成式化學氣相沉積系統、半導體集成設備)	Beijing Guangzhiyuan Technology Co., Ltd.	CN221421279U	PRC
46.	Packaging structure (一種封裝結構)	Beijing Guangzhiyuan Technology Co., Ltd.	CN219873494U	PRC
47.	Testing device for optical chip (一種光晶片的測試裝置)	Beijing Guangzhiyuan Technology Co., Ltd.	CN219870235U	PRC
48.	Semiconductor packaging structure and heat dissipation device thereof (半導體封裝結構及其散熱裝置)	Beijing Guangzhiyuan Technology Co., Ltd.	CN222581158U	PRC
49.	Connecting device and testing device (連接裝置及測試裝置)	Beijing Guangzhiyuan Technology Co., Ltd.	CN222636201U	PRC

APPENDIX IV**STATUTORY AND GENERAL INFORMATION**

No.	Patent Description	Registered Owner	Patent Number	Place of Registration
50.	Response testing device for built-in silicon optical device of optical chip (一種光晶片內置矽光器件的響應測試裝置)	Beijing Guangzhiyuan Technology Co., Ltd.	CN220960544U	PRC
51.	Coupling device (耦合裝置)	Beijing Guangzhiyuan Technology Co., Ltd.	CN221841243U	PRC
52.	Test device (測試裝置)	Beijing Guangzhiyuan Technology Co., Ltd.	CN222125389U	PRC
53.	Packaging structure of photon integrated circuit chip and computing device (光子積體電路晶片的封裝結構和計算設備)	Beijing Guangzhiyuan Technology Co., Ltd.	CN221507195U	PRC
54.	Test device (測試裝置)	Beijing Guangzhiyuan Technology Co., Ltd.	CN222167172U	PRC
55.	Semiconductor structure and method for manufacturing the same (半導體結構及其製造方法)	Company	TWI896053B	Taiwan, China
56.	WAVEGUIDE STRUCTURE AND METHOD FOR FABRICATING SAME, AND PHOTONIC INTEGRATED CIRCUIT AND METHOD FOR FABRICATING SAME (波導結構及其製造方法、光子積體電路及其製造方法)	Company	TWI876241B	Taiwan, China
57.	SEMICONDUCTOR DEVICE (半導體裝置)	Company	TWI872375B	Taiwan, China
58.	OPTICAL INTERCONNECTION DEVICE AND FABRICATION METHOD THEREOF (光互連裝置及其製造方法)	Company	TWI855456B	Taiwan, China
59.	Semiconductor structure and method for manufacturing the same (半導體結構及其製造方法)	Company	TWI879509B	Taiwan, China
60.	OPTICAL INTERCONNECTION DEVICE AND MANUFACTURING METHOD THEREOF AND COMPUTING DEVICE (光互連裝置及其製造方法、計算裝置)	Company	TWI832609B	Taiwan, China

No.	Patent Description	Registered Owner	Patent Number	Place of Registration
61.	ON-CHIP OPTICAL INTERCONNECT STRUCTURE AND METHOD OF MANUFACTURING THE SAME (片上光互連結構及其製作方法)	Company	TWI882392B	Taiwan, China
62.	PHOTONIC COMPUTING SYSTEM (光子計算系統)	Company	TWI832681B	Taiwan, China
63.	Optical Modulators and Optical Integrated Systems (光學調製器和光學集成系統)	Company	TWI802365B	Taiwan, China
64.	SEMICONDUCTOR PACKAGING AND METHOD OF TRANSMITTING DATA IN THE SEMICONDUCTOR PACKAGING (半導體封裝以及半導體封裝的資料傳輸方法)	Company	TWI881371B	Taiwan, China
65.	PACKAGING STRUCTURE AND MANUFACTURING METHOD THEREOF, AS WELL AS PHOTONIC INTEGRATED CIRCUIT CHIP (封裝結構及其製造方法以及光子積體電路晶片)	Company	TWI838144B	Taiwan, China
66.	Electro-optical modulator and method of manufacturing same (電光調製器及其製造方法)	Company	TWI849801B	Taiwan, China
67.	SEMICONDUCTOR DEVICE (半導體裝置)	Company	TWI897786B	Taiwan, China
68.	OPTOELECTRONIC COMPUTING SYSTEM AND A DATA PROCESSING METHOD (光電計算系統及資料處理方法)	Company	TWI897376B	Taiwan, China
69.	COMPUTING APPARATUS, COMPUTING SYSTEMS AND OPTICAL MODULES (計算裝置、計算系統以及光模組)	Company	TWI891521B	Taiwan, China

No.	Patent Description	Registered Owner	Patent Number	Place of Registration
70.	Optical devices, electronic systems, optical processors, manufacturing methods of optical modulators, and methods of modulating light waves (光學裝置、電子系統、光學處理器、光學調變器的製造方法、以及調變光波的方法)	Company	TWI860552B	Taiwan, China
71.	Integrated photonic equipment, manufacturing method of integrated photonic equipment, optical device, electronic system, and optical processor (積體光子設備、積體光子設備的製造方法、光學裝置、電子系統、以及光學處理器)	Company	TWI860553B	Taiwan, China
72.	PACKAGING STRUCTURE AND MANUFACTURING METHOD THEREOF (封裝結構及其製作方法)	Nanjing Guangzhiyuan	TWI889060B	Taiwan, China
73.	PACKAGING STRUCTURE AND MANUFACTURING METHOD THEREOF (封裝結構及其製作方法)	Nanjing Guangzhiyuan	TWI893563B	Taiwan, China
74.	COMPUTING SYSTEM AND METHOD OF PROCESSING PHOTONIC COMPUTING RESULTS (計算系統及處理光子計算結果的方法)	Nanjing Guangzhiyuan	TWI876417B	Taiwan, China
75.	TEST METHOD FOR A PHOTONIC COMPUTING SYSTEM (光子計算系統的測試方法)	Nanjing Guangzhiyuan	TWI881405B	Taiwan, China
76.	OPTICAL STRUCTURE, METHOD FOR OPTICAL COUPLING, AND PHOTONIC INTEGRATED CIRCUIT CHIP (光學結構、光耦合方法和光子積體電路晶片)	Nanjing Guangzhiyuan	TWI848320B	Taiwan, China
77.	Photonic semiconductor device and manufacturing method thereof (光子半導體裝置及其製造方法)	Nanjing Guangzhiyuan	TWI821997B	Taiwan, China
78.	Optoelectronic packaging structures and photonic computing systems (光電封裝結構和光子計算系統)	Nanjing Guangzhiyuan	TWI867610B	Taiwan, China

APPENDIX IV**STATUTORY AND GENERAL INFORMATION**

No.	Patent Description	Registered Owner	Patent Number	Place of Registration
79.	Semiconductor device and manufacturing method thereof (半導體裝置及其製造方法)	Hangzhou Guangzhiyuan	TWI856321B	Taiwan, China
80.	THREE-DIMENSIONAL PACKAGING METHOD AND PACKAGE STRUCTURE OF PHOTONIC-ELECTRONIC CHIP (光電晶片的三維封裝方法及封裝結構)	Hangzhou Guangzhiyuan	TWI882223B	Taiwan, China
81.	Photoelectric Computing Platform (光電計算平台)	Lightelligence PTE. Ltd.	CN114158277B	PRC
82.	Processing matrix operations for rate limited systems	Lightelligence, Inc.	US11657262B2	U.S.
83.	Optoelectronic computing platform	Lightelligence, Inc.	US11686955B2	U.S.
84.	Processing matrix operations for rate limited systems	Lightelligence, Inc.	US11526737B2	U.S.
85.	Optical modulation for optoelectronic processing	Lightelligence, Inc.	US11719963B2	U.S.
86.	Optoelectronic computing systems	Lightelligence PTE. Ltd.	US11734555B2	U.S.
87.	Optoelectronic computing systems	Lightelligence PTE. Ltd.	US11783172B2	U.S.
88.	Optoelectronic computing systems	Lightelligence PTE. Ltd.	US12001946B2	U.S.
89.	OPTOELECTRONIC COMPUTING SYSTEMS	Lightelligence PTE. Ltd.	EP3803710B1	EU
90.	OPTOELECTRONIC COMPUTING SYSTEMS	Lightelligence PTE. Ltd.	EP3912096B1	EU
91.	Optical modulation for optoelectronic processing	Lightelligence PTE. Ltd.	US12025862B2	U.S.
92.	Optoelectronic computing systems	Lightelligence PTE. Ltd.	US11281972B2	U.S.
93.	Optoelectronic computing systems	Lightelligence PTE. Ltd.	AU2019282632B2	Australia
94.	Optoelectronic computing systems	Lightelligence PTE. Ltd.	US12210964B2	U.S.
95.	Optoelectronic computing systems	Lightelligence PTE. Ltd.	US11734556B2	U.S.
96.	Optoelectronic computing systems	Lightelligence PTE. Ltd.	US11907832B2	U.S.
97.	Optoelectronic computing systems	Lightelligence PTE. Ltd.	US11507818B2	U.S.

APPENDIX IV**STATUTORY AND GENERAL INFORMATION**

No.	Patent Description	Registered Owner	Patent Number	Place of Registration
98.	Optoelectronic computing systems	Lightelligence PTE. Ltd.	US12073315B2	U.S.
99.	Optoelectronic computing systems	Lightelligence PTE. Ltd.	US11687767B2	U.S.
100.	Optoelectronic computing systems	Lightelligence PTE. Ltd.	US12293282B2	U.S.
101.	Optoelectronic computing systems	Lightelligence PTE. Ltd.	US11853871B2	U.S.
102.	optoelectronic computing system	Lightelligence PTE. Ltd.	KR102589616B1	South Korea
103.	COMPUTING SYSTEM, COMPUTING APPARATUS, AND OPERATING METHOD OF COMPUTING SYSTEM (計算系統、計算裝置及計算系統的操作方法)	Lightelligence PTE. Ltd.	TWI741533B	Taiwan, China
104.	OPTOELECTRONIC COMPUTING SYSTEMS	Lightelligence PTE. Ltd.	IN546051B	India
105.	OPTOELECTRONIC COMPUTING SYSTEMS	Lightelligence PTE. Ltd.	SG11202011824PB	Singapore
106.	COMPUTING SYSTEM (計算系統)	Lightelligence PTE. Ltd.	TWI735886B	Taiwan, China
107.	OPTOELECTRONIC COMPUTING SYSTEM (光電計算系統)	Lightelligence PTE. Ltd.	TWI819368B	Taiwan, China
108.	OPTOELECTRONIC PROCESSING SYSTEM (光電處理系統)	Lightelligence PTE. Ltd.	TWI758994B	Taiwan, China
109.	COMPUTING SYSTEM, COMPUTING APPARATUS, AND OPERATING METHOD OF COMPUTING SYSTEM (計算系統、計算裝置及計算系統的操作方法)	Lightelligence PTE. Ltd.	TWI777108B	Taiwan, China
110.	Photoelectric computing system (光電計算系統)	Lightelligence PTE. Ltd.	CN113496281B	PRC
111.	Photoelectric computing system (光電計算系統)	Lightelligence PTE. Ltd.	CN112823359B	PRC
112.	Photoelectric computing system (光電計算系統)	Lightelligence PTE. Ltd.	CN113159305B	PRC
113.	Photoelectric computing system (光電計算系統)	Lightelligence PTE. Ltd.	CN112912900B	PRC

No.	Patent Description	Registered Owner	Patent Number	Place of Registration
114.	Optoelectronic processing apparatus, system and method (光電處理設備、系統和方法)	Lightelligence PTE. Ltd.	CN113568470B	PRC
115.	Photoelectric computing device (光電計算裝置)	Lightelligence PTE. Ltd.	CN113159304B	PRC
116.	OPTOELECTRONIC PROCESSING APPARATUS, SYSTEM AND METHOD (光電處理設備、系統及方法)	Lightelligence PTE. Ltd.	TWI806042B	Taiwan, China
117.	OPTOELECTRONIC COMPUTING SYSTEM (光電計算系統)	Lightelligence PTE. Ltd.	TWI825452B	Taiwan, China
118.	Photoelectric processing system (光電計算系統)	Lightelligence PTE. Ltd.	CN113570051B	PRC
119.	Photoelectric computing system (光電計算系統)	Lightelligence PTE. Ltd.	CN113159307B	PRC
120.	Photoelectric computing platform (光電計算平台)	Lightelligence PTE. Ltd.	CN113900276B	PRC
121.	Photoelectric computing system (光電計算系統)	Lightelligence PTE. Ltd.	CN113159306B	PRC
122.	OPTOELECTRONIC PROCESSING SYSTEM (光電計算系統)	Lightelligence PTE. Ltd.	TWI767877B	Taiwan, China
123.	OPTOELECTRONIC COMPUTING SYSTEMS (光電計算系統)	Lightelligence PTE. Ltd.	HK40054300A	Hong Kong
124.	OPTOELECTRONIC COMPUTING SYSTEMS (光電計算系統)	Lightelligence PTE. Ltd.	HK40057876A	Hong Kong
125.	OPTOELECTRONIC COMPUTING SYSTEMS (光電計算系統)	Lightelligence PTE. Ltd.	HK40059115A	Hong Kong
126.	OPTOELECTRONIC COMPUTING DEVICE (光電計算裝置)	Lightelligence PTE. Ltd.	HK40057878A	Hong Kong
127.	OPTOELECTRONIC COMPUTING SYSTEMS (光電計算系統)	Lightelligence PTE. Ltd.	HK40056770A	Hong Kong

Copyrights

As of the Latest Practicable Date, we have registered the following copyrights which we consider to be or may be material to our business:

No.	Copyright	Registered Owner	Registration Number	Place of Registration
1.	AI stack user state driver software (AI stack 使用者狀態驅動程式軟體)	Company	2021SR2108598	PRC
2.	Artificial intelligence driven software (人工智慧驅動軟體)	Company	2022SR0415231	PRC
3.	Test data analysis software (Version 1.1) (測試資料分析軟體)V1.1版))	Company	2022SR0977509	PRC
4.	Test data analysis software (Version 1.2) (測試資料分析軟體(V1.2版))	Company	2022SR1004857	PRC
5.	Test data processing software (Version 1.0) (測試資料處理軟體(V1.0版))	Company	2022SR0977558	PRC
6.	Test data processing software (Version 1.6) (測試資料處理軟體(V1.6版))	Company	2022SR1121500	PRC
7.	Face recognition system software based on photonic integrated circuit AI inference chip (基於光子積體電路AI推理晶片的人臉識別系統軟體)	Hangzhou Guangzhiyuan	2022SR0992106	PRC
8.	Computational effect demonstration software (計算效果演示軟體)	Hangzhou Guangzhiyuan	2022SR1434399	PRC
9.	Backend server software for web page demonstration (用於網頁演示的後端伺服器軟體)	Hangzhou Guangzhiyuan	2022SR1415409	PRC
10.	Iterative calculation software (反覆運算計算軟體)	Hangzhou Guangzhiyuan	2022SR1440287	PRC
11.	Test result statistics software (測試結果統計軟體)	Hangzhou Guangzhiyuan	2022SR1545498	PRC
12.	Photonic integrated circuit wafer auxiliary analysis software (光子積體電路晶圓輔助分析軟體)	Hangzhou Guangzhiyuan	2022SR1545440	PRC
13.	Artificial intelligence board driver software (人工智慧板卡驅動軟體)	Hangzhou Guangzhiyuan	2022SR1556494	PRC

No.	Copyright	Registered Owner	Registration Number	Place of Registration
14.	Subgraph cutting program software for AI model heterogeneous computing system (AI模型異構計算系統的子圖切割程式軟體)	Hangzhou Guangzhiyuan	2022SR1556495	PRC
15.	Artificial intelligence computing chip interface software (人工智慧計算晶片介面軟體)	Hangzhou Guangzhiyuan	2022SR1554878	PRC
16.	AI chip optical module optimization firmware program software (AI晶片光模組優化固件程式軟體)	Company	2022SR1456196	PRC
17.	Natural language understanding software (自然語言理解軟體)	Company	2022SR1519537	PRC
18.	Matrix-vector multiplication simulator software based on photonic computing (基於光子計算的矩陣向量乘法模擬器軟體)	Company	2022SR1523734	PRC
19.	AI chip architecture performance automatic analysis scanning program software (AI晶片架構性能自動分析掃描程式軟體)	Company	2022SR1456195	PRC
20.	AI model conversion program software (AI模型轉換件程式軟體)	Company	2022SR1461808	PRC
21.	Operator testing framework software (運算元測試框架軟體)	Nanjing Guangzhiyuan	2022SR1553800	PRC
22.	Software integration testing platform software (軟體集成測試平臺軟體)	Nanjing Guangzhiyuan	2022SR1554840	PRC
23.	AI model training platform software based on photonic computing simulator (基於光子計算模擬器的AI模型訓練平臺軟體)	Nanjing Guangzhiyuan	2023SR0209418	PRC
24.	Distributed data processing and analysis software (分散式資料處理分析軟體)	Nanjing Guangzhiyuan	2022SR1553798	PRC
25.	RVV vector operator software (RVV向量運算元軟體)	Nanjing Guangzhiyuan	2022SR1589401	PRC
26.	AI chip program voice translation program software (AI晶片程式語音轉譯程式軟體)	Nanjing Guangzhiyuan	2022SR1589463	PRC

No.	Copyright	Registered Owner	Registration Number	Place of Registration
27.	AI chip computing performance evaluation program software (AI晶片計算性能評估程式軟體)	Nanjing Guangzhiyuan	2022SR1554879	PRC
28.	AI chip optical module evaluation program software (AI晶片光模組評估程式軟體)	Nanjing Guangzhiyuan	2023SR0209215	PRC
29.	PCIe device software based on QEMU virtualization (基於QEMU虛擬的PCIe設備軟體)	Nanjing Guangzhiyuan	2022SR1588264	PRC
30.	AI chip file format conversion program software (AI晶片的檔案格式轉換程式軟體)	Nanjing Guangzhiyuan	2022SR1589464	PRC
31.	DLRM model performance benchmark program software (DLRM模型性能基準程式軟體)	Nanjing Guangzhiyuan	2022SR1589403	PRC
32.	DLRM model performance analysis program software (DLRM模型性能分析程式軟體)	Nanjing Guangzhiyuan	2022SR1589305	PRC
33.	AI chip register reading software (AI晶片寄存器讀取軟體)	Nanjing Guangzhiyuan	2022SR1588374	PRC
34.	AI chip format conversion software (AI晶片格式轉換軟體)	Nanjing Guangzhiyuan	2022SR1625866	PRC
35.	Optoelectronic hybrid computing chip performance simulator software (光電混合計算晶片性能模擬器軟體)	Hangzhou Guangzhiyuan	2022SR1626347	PRC
36.	Optoelectronic computing automatic test platform software (光電計算自動化測試平臺軟體)	Company	2024SR0161392	PRC
37.	Computing system operation authority management software (計算系統運行許可權管理軟體)	Company	2024SR0285072	PRC
38.	Computing system simulator software (計算系統模擬器軟體)	Company	2025SR0221407	PRC

Domain Names

As of the Latest Practicable Date, we have registered the following internet domain names which we consider to be or may be material to our business:

No.	Domain Name	Registered Owner	Expiry Date
1.	photonera.com	Nanjing Guangzhiyuan	July 26, 2028
2.	xizhitech.com.cn	Nanjing Guangzhiyuan	March 1, 2027
3.	xizhitech.cn	Nanjing Guangzhiyuan	March 1, 2027
4.	guangzhiyuan.com.cn	Nanjing Guangzhiyuan	February 24, 2027
5.	lightelligence.ai	Company	October 16, 2027
6.	xztech.ai	Company	April 22, 2028
7.	lightelligence.co	Company	January 15, 2029

Save as disclosed in this section, as of the Latest Practicable Date, there were no other intellectual property rights which were material to our business.

FURTHER INFORMATION ABOUT OUR DIRECTORS, SENIOR MANAGEMENT AND SUBSTANTIAL SHAREHOLDERS

Interests and short positions of our Directors and chief executives of our Company in the Shares, underlying Shares and debentures of our Company and our associated corporations

Save as disclosed in the section headed “Substantial Shareholder”, immediately following the completion of the Global Offering (assuming that the Over-allotment Option is not exercised), so far as our Directors are aware, none of our Directors or chief executives has any interests or short positions in our Shares, underlying shares and debentures of our Company or any associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

Interests of the substantial shareholders in the Shares

Save as disclosed in “Substantial Shareholders”, immediately following the completion of the Global Offering and without taking into account any H Shares which may be issued pursuant to the exercise of the Over-allotment Option, our Directors are not aware of any other person who will have an interest or short position in our Shares or the underlying Shares which would fall to be disclosed to us and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting shares of our Company.

Interests of the substantial shareholders in other members of our Group

As of the Latest Practicable Date, our Directors are not aware of any persons who would, immediately following the completion of the Global Offering, be directly or indirectly interested in 10% or more of the issued voting shares of the other members of our Group (other than our Company).

Particulars of Directors' Service Contracts and Appointment Letters

Each of the Directors has entered into a service contract or a letter of appointment with our Company.

Save as disclosed above, we have not entered, and do not propose to enter, into any service contracts with any of our Directors in their respective capacities as Directors (other than contracts expiring or determinable by the employer within one year without any payment of compensation (other than statutory compensation)).

Director's Remuneration

Save as disclosed in "Directors and Senior Management" and Note 41 of the Accountant's Report in in Appendix I to this Prospectus, for the three financial years ended December 31, 2023, 2024 and 2025, none of our Directors received other remunerations or benefits in kind from us.

OTHER INFORMATION**Disclaimers**

Saved as disclosed in this Prospectus:

- (a) none of our Directors or any of the parties listed in "Qualification of Experts" of this Appendix is:
 - (i) interested in our promotion, or in any assets which, within the two years immediately preceding the date of this Prospectus, have been acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to our Company;
 - (ii) materially interested in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to our business;
- (b) save in connection with the Hong Kong Underwriting Agreement and the International Underwriting Agreement, none of the parties listed in "Qualification of Experts" of this Appendix:
 - (i) is interested legally or beneficially in any shares in any member of our Group; or
 - (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of our Group;

- (c) none of our Directors or their close associates or any shareholders of our Company who to the knowledge of our Directors owns more than 5% of our issued share capital has any interest in our top five customers or suppliers; and
- (d) none of our Directors is a director or employee of a company that has an interest in the share capital of our Company which, once the H Shares are listed on the Hong Kong Stock Exchange, would have to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO.

Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to impose on our Company or our subsidiary.

Litigation

As of the Latest Practicable Date, no member of our Group was involved in any litigation, arbitration, administrative proceedings or claims of material importance, and, so far as we are aware, no litigation, arbitration, administrative proceedings or claims of material importance are pending or threatened against any member of our Group.

Joint Sponsors

The Joint Sponsors have made an application on our behalf to the Listing Committee for the listing of, and permission to deal in, our H Shares. All necessary arrangements have been made to enable the securities to be admitted into CCASS.

Save as disclosed in the section headed “Underwriting — Underwriting Arrangements and Expenses — The Joint Sponsors’ Independence”, the Joint Sponsors satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. The Joint Sponsors will be paid by the Company a total fee of US\$1,000,000 to act as the sponsors in connection with the Listing.

Preliminary Expenses

Our Company did not incur any material preliminary expenses.

Qualification of Experts

The qualifications of the experts who have given opinions or advice in this Prospectus are as follows:

Name	Qualification
China International Capital Corporation Hong Kong Securities Limited	A licensed corporation to conduct for type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 5 (advising on futures contracts) and type 6 (advising on corporate finance) of the regulated activities as defined under the SFO

Name	Qualification
Haitong International Capital Limited	A licensed corporation to conduct for type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
Zhong Lun Law Firm	Legal advisers to our Company as to PRC law
Haiwen & Partners	Legal advisers to our Company as to PRC law
Hogan Lovells International LLP	Legal advisers to our Company as to international sanctions laws
PricewaterhouseCoopers	Certified Public Accountants under Professional Accountants Ordinance (Cap. 50 of the Laws of Hong Kong)
	Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Cap. 588 of the Laws of Hong Kong)
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant

Consents of Experts

Each of the experts referred to in “Qualification of Experts” in this Appendix has given and has not withdrawn its respective written consent to the issue of this Prospectus with the inclusion of certificates, letters, opinions or reports and the references to its name included herein in the form and context in which it is respectively included.

None of the experts named above has any of our shareholding interests or rights (whether legally enforceable or not) or any of our members to subscribe for or to nominate persons to subscribe for our securities or any of our member.

Compliance Adviser

We have appointed Rainbow Capital (HK) Limited as our Compliance Adviser upon the Listing in compliance with Rule 3A.19 of the Hong Kong Listing Rules.

Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares registered with our Hong Kong branch register of members will be subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and seller is 0.1% of the consideration of or, if higher, of the fair value of our Shares being sold or transferred.

No Material Adverse Change

Our Directors confirm that, as of the date of this Prospectus, there has been no material adverse change in our financial position or prospects since December 31, 2025 and there has been no event that materially and adversely affected the data set out in the Accountant's Report in Appendix I to this Prospectus since December 31, 2025.

Binding Effect

This Prospectus shall have the effect, if any application is made pursuant hereto, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

Miscellaneous

Save as disclosed in this Prospectus:

- (a) within the two years preceding the date of this Prospectus: (i) we have not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash; and (ii) no commissions, discounts, brokerage fee or other special terms have been granted in connection with the issue or sale of any shares of our Company;
- (b) no share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option;
- (c) we have not issued nor agreed to issue any founder shares, management shares or deferred shares;
- (d) there are no arrangements under which future dividends are waived or agreed to be waived;
- (e) there are no procedures for the exercise of any right of pre-emption or transferability of subscription rights;
- (f) there are no contracts for hire or hire purchase of plant to or by us for a period of over one year which are substantial in relation to our business;
- (g) there have been no interruptions in our business which may have or have had a significant effect on our financial position in the last 12 months;
- (h) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;
- (i) no part of the equity or debt securities of our Company, if any, is currently listed on or dealt in on any stock exchange or trading system, and no such listing or permission to list on any stock exchange other than the Hong Kong Stock Exchange is currently being or agreed to be sought;
- (j) our Company has no outstanding convertible debt securities or debentures;

- (k) our Company is a joint stock limited company and is subject to the PRC Company Law; and
- (l) our Company has adopted a code of conduct regarding Directors' securities transactions on terms as required under the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules.

Restrictions on Share Repurchases

For details, see the section headed "Summary of Articles of Association" in Appendix III to this Prospectus.

Bilingual Prospectus

The English language and Chinese language versions of this Prospectus are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

Promoters

The promoters of our Company are all of the then Shareholders of our Company before our conversion into a joint stock limited liability company. Save as disclosed in this Prospectus, within the two years immediately preceding the date of this Prospectus, no cash, securities or benefit has been paid, allotted or given, or is proposed to be paid, allotted or given to the promoters named above in connection with the Global Offering or the related transactions described in this Prospectus.

APPENDIX V DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG AND AVAILABLE ON DISPLAY

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this Prospectus delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) the written consents referred to in “Appendix IV — Statutory and General Information — Other Information — Consents of Experts”; and
- (b) copies of the material contracts referred to in “Appendix IV — Statutory and General Information — Further Information about our Business — Summary of Material Contracts”.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at www.hkexnews.hk and our website at <https://www.xztech.ai/> during a period of 14 days from the date of this Prospectus:

- (a) the Articles of Association;
- (b) the Accountant’s Report from PricewaterhouseCoopers on the historical financial information of our Group for each of the years ended 31 December 2023, 2024 and 2025 the text of which is set forth in Appendix I to this Prospectus;
- (c) the audited consolidated financial statements of our Group for the three financial years ended December 31, 2023, 2024 and 2025;
- (d) the report on the unaudited pro forma financial information of our Group from PricewaterhouseCoopers, the text of which is set forth in Appendix II to this Prospectus;
- (e) the material contracts referred to in “Statutory and General Information — Further Information about our Business — Summary of Material Contracts” in Appendix IV to this Prospectus;
- (f) the written consents referred to in “Statutory and General Information — Other Information — Consents of Experts” in Appendix IV to this Prospectus;
- (g) the service contracts and letters of appointment referred to in “Statutory and General Information — Further Information about our Directors, Senior Management and Substantial Shareholders — 3. Service Contracts” in Appendix IV to this Prospectus;
- (h) the legal opinions issued by Zhong Lun Law Firm and Haiwen & Partners, our PRC Legal Advisers, in respect of, among other things, the general corporate matters and property interests of our Group under PRC law;
- (i) the memorandum of advice prepared by Hogan Lovells International LLP, our legal advisor as to international sanctions laws, summarizing the legal advice in respect of international sanctions laws;

**APPENDIX V DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN
HONG KONG AND AVAILABLE ON DISPLAY**

- (j) the industry report issued by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.;
- (k) a copy of the following PRC laws, together with unofficial English translations:
 - (i) the PRC Company Law;
 - (ii) the PRC Securities Law; and
 - (iii) the Overseas Listing Trial Measures.



LIGHTELLIGENCE
曦智科技

Shanghai Xizhi Technology Co., Ltd.

上海曦智科技股份有限公司

April 20, 2026

The Board of Directors

Shanghai Xizhi Technology Co., Ltd.

(上海曦智科技股份有限公司)

Nos. 111, 125 and 139 Boxia Road
China (Shanghai) Pilot Free Trade Zone
Pudong New District
Shanghai
PRC

Dear Sirs,

Re: Consent to the Issue of the Prospectus of Shanghai Xizhi Technology Co., Ltd. (上海曦智科技股份有限公司) (the “Company”) in connection with the Global Offering

We, Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., refer to the proposed global offering and listing of the H shares of the Company (the “**Global Offering**”) on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the prospectus of the Company dated April 20 , 2026 (the “**Prospectus**”) in connection with the Global Offering.

We hereby give, and confirm that we have not withdrawn, our written consent (i) to the issue of the Prospectus; (ii) to the inclusion of all references to the industry report dated April 20 , 2026 prepared by us (the “**Industry Report**”) and any information extracted therefrom; and (iii) to the inclusion of all references to our name, qualifications and opinions in the Prospectus, in the form and context in which they are respectively included.

We hereby consent to a copy of this letter being released to the Registrar of Companies in Hong Kong and the Stock Exchange for the purpose of the registration of the Prospectus.

We also hereby consent to copies of our Industry Report and this letter being made available on display as described in the section headed “Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display” in Appendix V to the Prospectus.

[Signature page to follow]

Yours faithfully,

For and on behalf of
**Frost & Sullivan (Beijing) Inc.,
Shanghai Branch Co.**



Name: Terry Tse
Title: Consulting Director