Asia Leaders Conference 2026 Takeaways: CIG (603083.SS): High-speed optical modules ramp up; Vietnam and Mexico capacity in expansion

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We hosted CIG (603083.SS / 6166.HK, Not Covered) management during the Asia Leaders Conference (Aug 31 - Sep 2) in Hong Kong. Key discussions focused on (1) 800G/ 1.6T optical modules ramp up; (2) capacity expansion; and (3) NPO/ CPO opportunities.

Bottom line: Overall, management remains positive on the strong demand on 800G/ 1.6T optical modules, and the company continues to expand capacity in China, Mexico, and Vietnam. Considering the tight supply of laser, DSP chips etc., the company continues to work closely with industry partners to secure the upstream materials. Management expects the company's annual optical module capacity to reach no less than 6m units per year by the end of 2026E. Mgmt. notes the company continues to advance the mass production and customer certification of 1.6T and LPO products in 2H26, meanwhile expanding to ELSFP (External Laser Small Form Factor Pluggable), XPO and NPO solutions.

Read-across to Optical transceivers: Management's positive tone on high-speed optical module demand echoes our view on accelerated ramp up of 800G and above optical modules, riding on strong AI spending. In 2026/27/28E, we expect the global optical transceiver market to reach US$51bn/73bn/69bn, with 800G and above segment increasing at a +31% CAGR and reaching US$32bn/ 55bn/ 56bn (Report link).

Company profile: CIG was founded in 2005; it is a leading optical module supplier. The company's optical modules are mainly for brand customers (e.g. Cisco), and is expanding to CSPs (cloud services providers). The company's products include: high-speed optical transceivers, wireless and broadband access, carrier Ethernet, and edge computing, enabling next-generation telecom and data center networks. The company's affiliates are in the US, China, Japan, Malaysia, and Europe.

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Key Takeaways

High-speed optical module capacity expansion: CIG has multiple optical module production sites (China/ Vietnam/ Mexico in progress) in different regions to diversify the potential risks. For Mexico, mgmt. notes the trial production of broadband products was completed in 1H26, and targets to start optical modules production in early 2027E for US clients. For Vietnam, mgmt. states the production site has passed clients' verification, supporting the company's overseas capacity expansion. The company also has a manufacturing center in Zhejiang, with Phase II of the Jiashan plant having started operations from Mar 2026.

Disclosure Appendix

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