China AI Tour: Dongshan (002384.SZ): 200G EML and CW laser ramp up; 1.6T optical modules in expansion

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We hosted Dongshan Precision (002384.SZ, Not Covered) management on Sep 7 in Suzhou during our China AI Tour. Key discussions focused on (1) EML and CW laser ramp up, (2) 800G/ 1.6T and above optical module expansion, and (3) AI PCB capacity plan. The company has comprehensive product offerings across EML, CW laser, and optical modules, and benefits from the specification upgrade trend towards 200G/ 400G EML, 100mw/ 400mw CW laser, 1.6T and above optical transceivers, supported by its progress on new products and the capacity expansion plan in Mainland China and Thailand. Management is positive on the rising demand on high-speed solution and expects to see continuous penetration of new clients ahead.

Read across to optical networking: Management's positive tone echoes our positive view on optical networking, where we see strong market demand, and ongoing technology migration toward high speed, low power consumption, high density / bandwidth, and low latency supporting the industry specification upgrade and healthy competition. **Read more:** Global Optical Module TAM; **Buy:** Robotechnik (Chairman visits), Innolight (H-share initiation, Chairman visits), Eoptolink, Landmark, VPEC, FOCI, Largan, Luxshare (H-share initiation).

Company profile: Dongshan Precision (002384.SZ) offers products across PCBs, precision components, optical modules, touch panels and LCMs. The company's PCB products include FPC, RPCB, Rigid-Flex for consumer electronics, automotive, data centers and AI servers applications. The company also offers optical modules from 10G to 1.6T solution through Source Photonics (private), supported by its vertically integrated capabilities across optics chips and modules.

Key takeaways

1. 800G/ 1.6T Optical transceivers ramp up: Management expects to see continuous shipment ramp up of company's 800G/ 1.6T optical transceivers in 2H26/ 2027E, supported by in-house 100G/ 200G EML, CW lasers, and partnership with third-party suppliers to secure the supply. With growing scale of high-speed products and integrated product offerings, management is positive on company's continuous client expansion ahead. In Aug 2026 (Link), Dongshan announced to add US$5bn investment on optics chips and optical modules capacity expansion in Changzhou/ Thailand/ Yanchen, with total new investment reaching US$1.7bn to accelerate the scale expansion.

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2. EML and CW Laser in expansion: Dongshan has comprehensive product offerings including both EML and CW laser. The company has started shipment of 200G EML to clients, and management expects to see gradual ramp up ahead. Meanwhile, the company is also working on the 400G EML for 3.2T and above optical modules products. On CW laser, the company has started mass production of 100mw products, also has capability to develop 120mw/ 150mw CW lasers depending on clients' requirements. Management notes the company is also developing 400mw CW laser and plans to start sample shipment by end of 2026E.