The information and statistics set out in this section and other sections of this Document were extracted from a report prepared by CIC, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged CIC to prepare the CIC Report, an independent industry report, in connection with the [**REDACTED**]. *The information from official government sources has not been independently verified by us or any other parties involved in the* [**REDACTED**]*, or any of our or their respective directors, senior management, representatives, advisers or any other persons involved in the* [**REDACTED**]*, and no representation is given as to its accuracy, fairness and completeness. For a discussion of the risks relating to our industry, see "Risk Factors". Our Directors confirm that, after making reasonable enquiries, there is no adverse change in the market information since the date of the CIC Report that would qualify, contradict or have a material impact on the information in this section.*

GLOBAL TECH-ENABLED PERSONAL CREATIVE TOOL INDUSTRY

Overview

Creativity has been a core driving force behind the evolution of human civilization, deeply rooted in our fundamental needs for self-expression and the development of our material world. From the flourishing of craftsmanship during the Renaissance to the mechanical innovations of the Industrial Age, creative acts have consistently interwoven technological revolutions with social transformation, continually expanding the frontiers of human creativity. Throughout this evolution, creative tools have progressed from brushes and chisels to mechanized equipment and digitally controlled systems — each technological leap lowering the technical and operational barriers to creation.

Against this backdrop, creative activities have undergone a profound transformation. The traditional system — defined by centralized creativity, large-scale manufacturing, and one-way distribution to consumers — concentrated creative output in the hands of a small group of people. However, with the rapid advancement of automation technologies and artificial intelligence, creative activities are increasingly shifting toward a distributed model, where individual creators and SMBs are emerging as key contributors.

Just as computers evolved from specialized productivity tools in the mainframe era into personal computers (PCs) accessible to everyone — unlocking human creativity in the digital world — creative tools have become the core enablers of creativity in the physical world. Through intelligent design, multi-scenario adaptability, and user-friendly interfaces, these tools have transformed from large industrial equipment once limited to factories and professional institutions into affordable and easy-to-use devices for individuals.

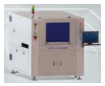
Classification of Tech-enabled Personal Creative Tools

Tech-enabled personal creative tools encompass a range of advanced technological equipment that enables individual creators and SMBs to transform creative ideas into tangible physical products through digital and intelligent means.

These tools include both consumer-grade and commercial-grade additive and non-additive equipment. Additive tools generally refer to 3D printers, while non-additive tools include: (i) laser-based tools such as laser engraver, laser cutter, and laser welder; (ii) material-printing tools that print on non-paper surfaces using inkjet, coating, or curing processes, such as DTF printers, DTG printers, and UV printers; and (iii) other tools such as CNC (Computerized Numerical Control) cutters and craft cutters.

The following diagram provides a comparison between additive and non-additive equipment, highlighting key differences in industry-grade tools and consumer and commercial-grade tools.

Additive Tech-enabled Personal Creative Tools vs. Non-additive Tech-enabled Personal Creative Tools

	Additive	Non-additive						
		Laser-based Personal Creative Tools		Material Printing Personal Creative Tools			Other Non-additive Personal Creative Tools	
	3D printer	Laser engraver and cutter	Laser welder	DTF printer	DTG printer	UV printer	CNC cutter	Craft Cutter
Definition	A device that creates 3-D objects by adding material layer upon layer	A machine that uses a laser beam to engrave, mark or cut the surface of a material	A portable device used for joining metal parts using a focused laser beam	A device that prints designs onto a film, which is then transferred to fabric using a heat press	A device that prints designs directly onto fabric using specialized inkjet technology that absorbs into the fibers.	A device that uses ultraviolet light to instantly cure ink printed onto various materials.	A device that uses a cutting tool to remove material from thick materials such as wood, metal, or thick plastics	A device that use a small blade to cut thin materials like paper, and cardstock
Industrial - grade Equipment	 • Processing Speed: 150 -500mm/s • Build Volume: ≥400×400×400 mm	 • Laser Power: 50–200W CO_2 or fiber • Working Area: ≥600×600 mm	 • Laser Power: 500-3,000W • Weld Speed: 0-120mm/s • Weld Thickness: 0.5-3mm	 • Print Speed: 16-24m²/h • Print Width: 600 mm+	 • Print Speed: 20-60s/shirt • Resolution: 1200x1200 dpi	 • Print Area: 600× 900 mm • UV Power: 100–300W	 • Rotation speed: 20,000rpm • Carving material: glass, steel, copper, leather, etc.	 • Working area: 1,300x1,300mm • Cutting Speed: 800-1,500 mm/s
Personal Creative Tools	 • Processing Speed: 50-200mm/s • Build Volume : ~250×250×250mm	 • Laser Power: 10-80W • Working Area: 915 mm × 458 mm	 • Laser Power: 800-1,200W • Weld Speed: 0-60mm/s • Weld Thickness: 0.5-2mm	 • Print Speed: 5–10 m²/h • Print Width: 300–350 mm	 • Print Speed: 40-80s/shirt • Resolution: 600x1200 dpi	 • Print Area: 300×300 mm • UV Power: 50-200W	 • Rotation speed: 10,000rpm • Carving material: aluminum, brass, etc.	 • Working Area: ~300×300 mm • Cutting Speed: 600-700 mm/s

Source: CIC

Industry Value Chain

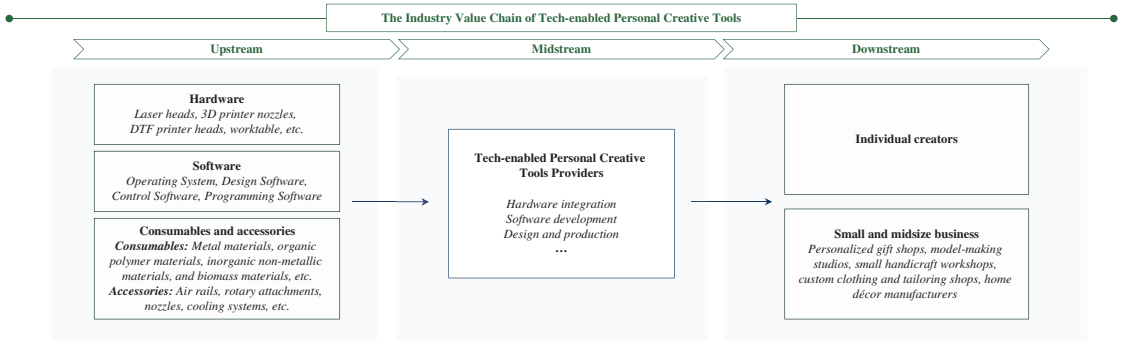
The ecosystem of tech-enabled personal creative tools is built around a well-defined industry value chain:

- ***Upstream suppliers***, the segment includes providers of core hardware components — such as laser, DTF printer head, worktable, etc. — as well as software developers for design and operating systems, and suppliers of consumables and accessories.

- ***Midstream product providers***, tech-enabled personal creative tool providers play a central role by identifying market needs, integrating upstream hardware and software, and delivering key products such as 3D printer, laser engraver and laser cutter, and DTF printer. Some technologically leading companies are also able to independently develop and iterate their own design software.

- ***Downstream users***, these products empower individual creators, SMBs and other users, enabling personalized manufacturing and innovation across a wide range of scenarios.

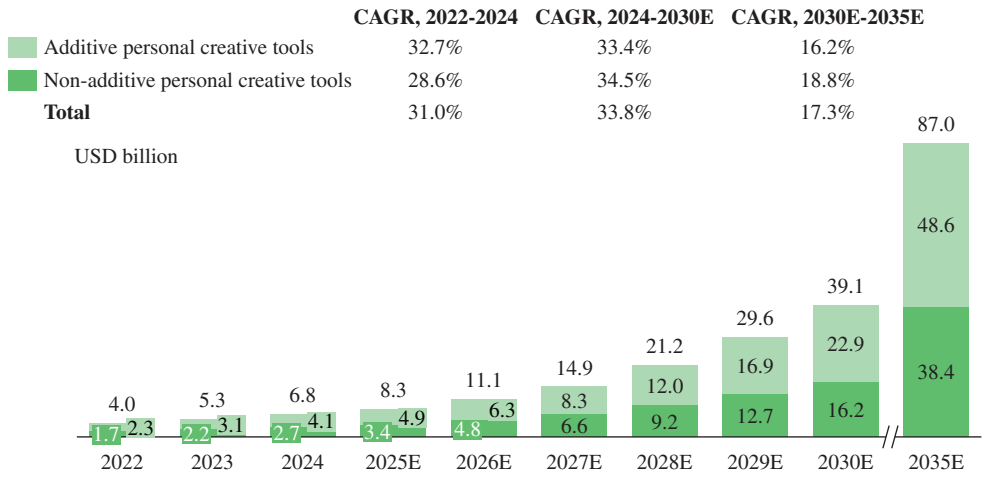
The following diagram illustrates the industry value chain of tech-enabled personal creative tools.



Source: CIC

The market size for global tech-enabled personal creative tools in terms of GMV has been growing rapidly, projected to expand from US$6.8 billion in 2024 to US$39.1 billion in 2030 with a CAGR of 33.8%, and further to US$87.0 billion in 2035 with a CAGR of 17.3%.

Market Size of Global Tech-Enabled Personal Creative Tools



Source: CIC

GLOBAL NON-ADDITIVE PERSONAL CREATIVE TOOL INDUSTRY

Development History

The non-additive personal creative tool industry has evolved from professional-led exploration to rapid consumer adoption and is now entering an AI-driven era of mass creation.

Professional-led Exploration Stage (before 2021)

Before 2021, non-additive personal creative tools, including laser engraver and laser cutter, DTF printer, and DTG printer, were still in the exploration and early formation stage. During this period, products primarily targeted industrial users, large studios, and technically skilled enthusiasts. The equipment featured complex operation procedures and high costs, with applications mainly concentrated in commercial customization, product prototyping, and professional art creation.

Diversified User Penetration and Market Expansion Stage (2021–2025)

Since 2021, the non-additive personal creative tools industry, represented by laser engraver and laser cutter, entered a rapid growth phase. With the maturation of e-commerce channels and the rising demand for personalized customization, personal creative tools began to reach general consumers and small-scale creative entrepreneurs. As technologies continued to mature and prices declined, the equipment became smaller, smarter, and easier to operate, significantly reducing the user threshold. During this stage, applications expanded beyond professional customization to encompass home creation, personalized product design, creative crafts, and small-batch production.

Mass Creation and Ecosystem Integration Stage (2025 and Beyond)

Looking beyond 2025, as laser engraving and cutting, DTF, DTG and UV technologies continue to advance in printing precision, portability, and intelligent interaction, the industry is expected to enter a new phase of "mass creation." Technological innovations such as automated design optimization, cloud-based collaboration, and AI-assisted design will accelerate the popularization of personal creative tools among wider audiences. These tools will increasingly serve as key enablers for personalization and emotional value consumption, unlocking significant market potential. At the same time, cross-domain integration will deepen — new application scenarios such as customized home decoration, personalized fashion, and creative marketing will continue to emerge.

Classification of Non-additive Personal Creative Tools

Non-additive personal creative tools can be broadly categorized into three groups. The first includes laser-based tools that use focused light for engraving, cutting, and welding, such as laser engraver and laser cutter, and laser welder. The second category comprises material-printing tools that print on non-paper surfaces, including textiles, plastics, and composite materials, using inkjet, coating, or UV-curing processes; representative examples include DTF, DTG, and UV printers. The third category encompasses other non-additive tools, such as CNC cutters and craft cutters.

Laser-based Personal Creative Tools

Laser-based personal creative tools refer to intelligent desktop or portable devices that use laser sources as an energy or processing medium to perform engraving, cutting, welding, marking, cleaning, and other creative fabrication functions on various materials.

- ***Laser Engraver and Laser Cutter***. Laser engraver and laser cutter refers to a personal creative fabrication device that uses a focused laser beam to etch, engrave, mark or cut materials with high precision. By controlling the laser's energy density and scanning path on different materials such as wood, leather, acrylic, metal, and glass, the device enables artistic outputs including patterns, text, reliefs, or through-cuts.

- ***Laser Welder***. Laser welder refers to a portable laser fabrication tool that uses a high-energy-density laser beam to join, repair, or process metals and other materials. Compared with traditional industrial welding machines, it features lightweight design, system integration, air cooling, low-power safety configuration, and multifunctional capabilities, such as welding, cutting, and cleaning.

Material Printing Personal Creative Tools

Material printing personal creative tools are digital printing devices designed specifically for individual creators and SMBs, capable of directly printing high-precision, full-color images on a wide range of non-paper materials.

- ***DTF Printing***. DTF printing is an emerging digital transfer technology. Its process involves printing the design onto a specialized PET film, applying a layer of hot-melt adhesive powder, and then transferring the pattern onto the target material through heat pressing. The core advantage of this technology lies in its exceptional material versatility — it is particularly suitable for various textiles, including cotton, polyester, and blended fabrics, and works equally well on light or dark materials, delivering vivid and highly saturated color effects. Moreover, DTF prints offer excellent wash and abrasion resistance while maintaining a soft hand feel. With its simplified workflow and high cost-efficiency for small-batch production, DTF technology is rapidly becoming the preferred solution for personalized apparel and creative product customization.

- ***DTG Printing***. DTG printing technology operates on a principle similar to that of traditional inkjet printer. It uses specialized water-based inks to spray designs directly onto pre-treated textiles. This technology is primarily suited for light-colored, absorbent fabrics such as cotton, enabling breathable, soft-to-the-touch, and highly detailed prints, which makes it widely popular in the market. However, when printing on dark garments, an additional step of applying a white underbase layer is required, which increases process complexity and time cost and may slightly affect the softness of the final print. Therefore, DTG technology remains one of the mainstream solutions for personalized printing on cotton apparel, such as light-colored T-shirts and sweatshirts.

- ***UV Printing***. UV printing is a versatile technology designed for rigid materials. Using a flatbed platform, the printer deposits UV-curable inks onto the surface of an object while curing and drying the ink instantly with ultraviolet light. The core strength of UV printing lies in its extraordinary compatibility with a wide range of rigid materials, including wood, metal, glass, acrylic, plastic, and even phone cases. UV prints feature instant curing, strong adhesion, scratch resistance, and corrosion resistance. By enabling on-demand, small-batch customization across signage, advertising displays, industrial panels, promotional gifts, and electronic product casings, UV printer serves as a key bridge between digital creativity and hard-material manufacturing.

Other Non-additive Personal Creative Tools

Other non-additive personal creative tools include innovative tools outside of laser-based or material printing, primarily applied in personalized customization, artistic creation, and precision manufacturing.

- ***CNC Cutter***. A CNC cutter refers to a computer numerically controlled machine tool that automatically moves cutting tools along one or more axes to cut, drill, mill, or shape material according to a digital program. It typically works on solid stock such as metal, wood, plastic, or composites, providing high precision, rigidity, and repeatability for producing parts, molds, and complex structures.

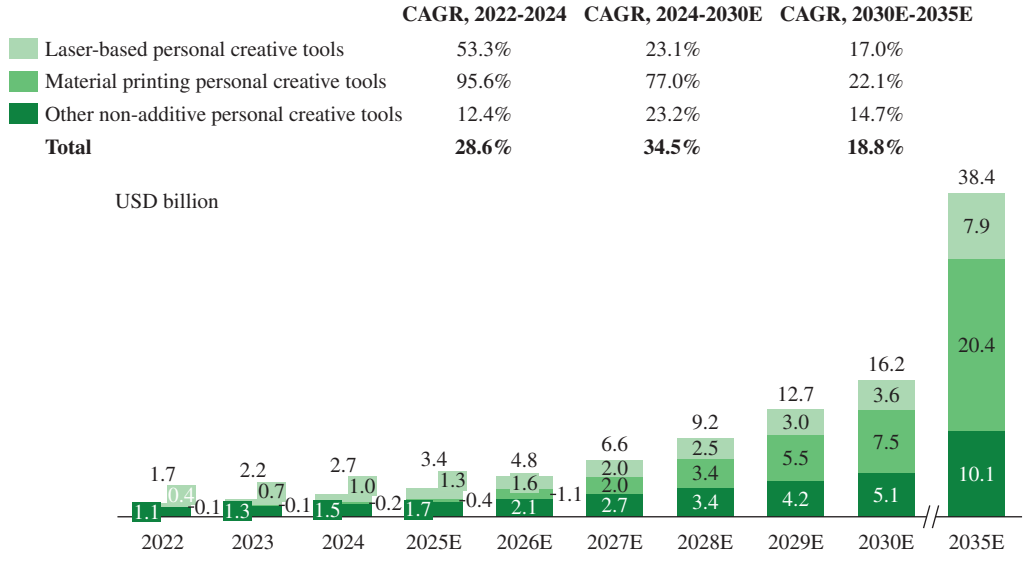
- ***Craft cutter***. A craft cutter uses small blades or tools to cut or score thin, usually flexible sheet materials along programmed paths. It is commonly used for non-metal substrates such as paper, vinyl, cardstock, fabric, leather, and cardboard in applications like crafts, signage, packaging, and customized decoration.

Market Size of Global Non-additive Personal Creative Tool Industry

The market size of global non-additive personal creative tool industry in terms of GMV is projected to experience substantial growth, expanding from US$1.7 billion in 2022 to US$38.4 billion by 2035. This expansion is primarily driven by material printing personal creative tools, which is expected to rise significantly from US$0.1 billion to an estimated US$20.4 billion by 2035. Laser-based personal creative tools, also show strong growth, increasing from US$0.4 billion in 2022 to US$7.9 billion in 2035.

The following chart illustrates the global market size of non-additive personal creative tools in terms of GMV by product category.

Market Size of Global Non-additive Personal Creative Tools



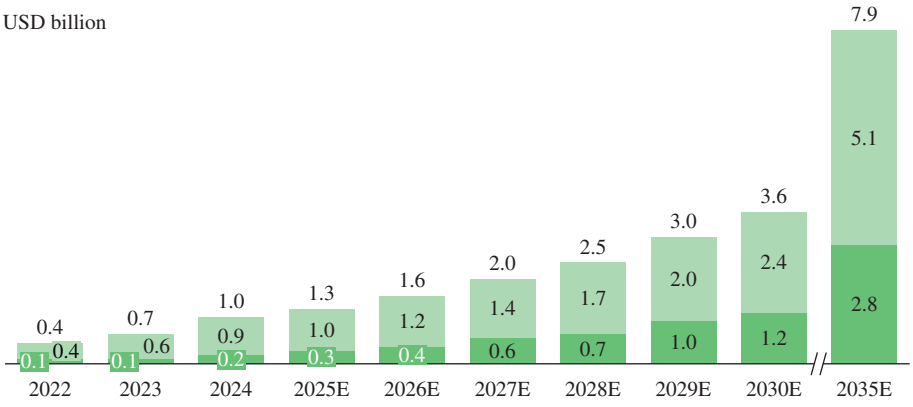
Source: CIC

Laser-based Personal Creative Tools

The global penetration rate of laser-based personal creative tools rose from approximately 11.2% in 2022 to approximately 15.3% in 2024. Driven by expanding market demand and ongoing technological advancements, this segment is poised for further growth in the coming years. The following chart illustrates the market size of global laser-based personal creative tools by product category in terms of GMV.

Market Size of Global Laser-based Personal Creative Tools

	CAGR, 2022-2024	CAGR, 2024-2030E	CAGR, 2030E-2035E
Laser engraver and cutter	55.6%	18.9%	16.3%
Laser welder	44.2%	36.5%	18.5%
Total	**53.3%**	**23.1%**	**17.0%**



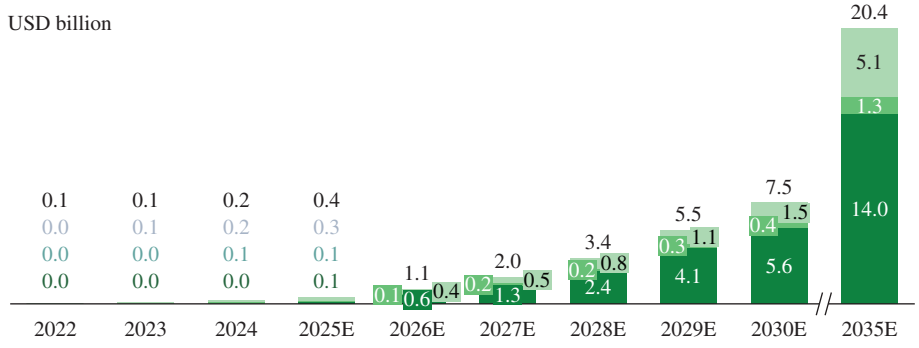
Source: CIC

Material Printing Personal Creative Tools

The global market for material printing personal creative tools is projected to experience extraordinary growth, rising from US$0.2 billion in 2024 to an estimated US$20.4 billion by 2035. This represents a CAGR of 77.0% between 2024 and 2030, and a CAGR of 22.1% from 2030 to 2035. Among these tools, UV printer demonstrates particularly strong expansion in the long term, with a notable CAGR of 169.6% from 2024 to 2030 and 20.0% from 2030 to 2035.

Market Size of Global Material Printing Personal Creative Tools

	CAGR, 2022-2024	CAGR, 2024-2030E	CAGR, 2030E-2035E
DTF printer	109.0%	44.3%	27.7%
DTG printer	64.0%	35.3%	27.8%
UV printer	143.9%	169.6%	20.0%
Total	**95.6%**	**77.0%**	**22.1%**



Source: CIC

Key Drivers for Market Growth

The growth of the global non-additive personal creative tools industry has been fueled by converging trends on both the demand side and the supply side.

Demand-side Drivers

- ***Rise of Personalization and Emotional Value Consumption***. Consumer demand is shifting from "fulfilling basic functional" to higher dimensions of self-expression and emotional satisfaction. Elements such as customization, unique design, limited editions, and handcrafted quality are becoming new purchasing drivers. Non-additive personal creative tools, by enabling personalized creation, custom design, and emotional resonance, are expected to further enhance their market penetration.

- ***Growth of Creative Economy***. Technological advancement has sparked a wave of entrepreneurship driven by creativity. The rise of online platforms enables individual creators to easily complete the full cycle from creation to monetization, achieving both income and flexibility while pursuing their passions. In the future, more users are expected to leverage personal creative tools to build independent businesses, evolving personal interests into sustainable ventures and forming an entrepreneurship ecosystem centered on creativity.

- ***Rise of Maker Culture and Social Media***. The rise of social media and short-video platforms has fostered maker culture, stimulating user creativity and participation and contributing to market expansion.

Supply-side Drivers

- ***AI and Other Technological Innovation***. The integration of AI enables real-time error detection, intelligent material alignment, and AI-generated content, significantly improving engraving precision while making the tools more accessible to non-professional users. Advances in automated control systems, computer vision, multi-laser technology, and fabric-compatible printing continue to enhance accuracy, efficiency, and ease of use — better fulfilling diverse creative needs.

- ***Digital Integration of Hardware-Software Ecosystem*s**. Digital tools have become an integral part of daily life, spanning creativity, production, and social interaction. The deep integration of hardware and software bridges the digital and physical worlds, enabling seamless connectivity across the entire process — from hardware control to design and creation — thereby lowering usage barriers and enhancing the user experience. The synergy between self-developed software iteration and hardware performance improvements also fosters a positive cycle of functional expansion and content ecosystem growth.

- ***Cost Reduction Through Domestic Supply Chain***. The domestically produced components in China have significantly reduced manufacturing costs. For instance, lasers with power below 2kW have almost achieved full domestic production. At the same time, operating and maintenance costs have been further lowered through algorithm optimization, control system upgrades, and component enhancements, which together have improved production efficiency. The rise of domestic component suppliers, combined with these efficiency gains, has reduced both the manufacturing and usage costs of tools, making them more competitively priced compared to products manufactured by foreign brands.

Sustainable Competitive Moat

Built on a foundation of technological innovation, integrated ecosystems, and resilient supply chains, leading players are constructing a sustainable competitive moat that fuels user loyalty, accelerates product iteration, and drives long-term growth. This advantage manifests across five core pillars:

- ***Product Competitiveness Through R&D Capabilities***. Continuous technological innovation and product iteration, such as high-precision visual positioning, automated creation systems, and advanced control algorithms, enable industry leaders to significantly reduce user learning curves, enhance processing accuracy, and elevate customer satisfaction. This technical excellence fosters strong brand loyalty and creates a clear market differentiation.

- ***Integrated Hardware-Software Ecosystem***. Most companies still lack the capability to independently develop and iterate their own design software. By developing proprietary hardware, control and design software, as well as applications and asset libraries, companies can deliver a full end-to-end experience through hardware–software integration. This cohesive ecosystem enhances user retention and repurchase, while subscription-based and value-added services further unlock new growth opportunities.

- ***Multi-channel Go-to-Market Strategy***. A DTC (Direct-to-Consumer)-centered channel strategy enables effective brand building and direct user insights, allowing companies to maintain close connections with end-users and strengthen customer loyalty to the brand. Partnerships with distributors and online e-commerce platforms serve as a complementary approach to broaden market coverage and accelerate scale.

- ***Community-driven User Ecosystem***. By cultivating vibrant user communities and content-sharing platforms, brands encourage creativity, interaction, and knowledge exchange among users. Such community engagement strengthens brand loyalty and creates a virtuous cycle that supports continuous product enhancement and user growth.

- ***Agile and Cost-Effective Supply Chain***. Strong partnerships with upstream suppliers secure stable access to critical components, such as laser sources, at competitive costs. These relationships also facilitate early adoption of cutting-edge technologies, enabling faster time-to-market and enhanced responsiveness to evolving customer needs.

Global Competitive Landscape

Laser-based Personal Creative Tools Industry

The global market for laser-based personal creative tools is relatively concentrated, with competition led by a small group of established brands including xTool. Market leaders benefit from strong product portfolios, integrated hardware–software ecosystems, and well-developed global sales channels. In 2024 and the first nine months of 2025, the top 10 brands collectively accounted for over 50% of GMV, underscoring the dominance of major players and the high barriers to entry for emerging competitors.

In terms of GMV in 2024 and the nine months ended September 30, 2025, we are the No. 1 global laser-based personal creative tool brand, with a market share of approximately 35% and 37%. The following chart illustrates the high level of market concentration in the laser-based personal creative tools industry.

Overview of The Top 5 Laser-based Personal Creative Tools Providers

Brand & Company	Launch year of the laser-based personal creative tools business	GMV, 2024, USD million	Share, %	Product Type	
				Laser Engraver and Cutter	Laser Welder
xTool	2021	~365	35.1%	√	√
Company A	2014	~60	5.8%	√	x
Company B	1990	~59	5.7%	x	√
Company C	2004	~39	3.8%	x	√
Company D	2021	~37	3.6%	√	x

Source: CIC

Note: Company A: Founded in 2008 and headquartered in Shanghai, China, Company A focuses on personal creative laser engraver and cutters for individual creators and small businesses

Company B: Founded in 1990 and headquartered in Massachusetts, USA, Company B develops and manufactures high-power fiber lasers and integrated systems for personal creative, industrial and scientific applications.

Company C: Founded in 2004 and headquartered in Shenzhen, China, Company C specializes in the R&D and production of fiber lasers and core optical components for applications such as cutting, welding, and cleaning.

Company D: Founded in 2020 and headquartered in Shenzhen, China, Company D is dedicated to providing personal creative laser engraver and cutters.

Laser Engraver and Laser Cutter Industry

The laser engraver and laser cutter segment is likewise highly concentrated, with the top five brands collectively accounting for about 60% of total GMV in 2024. In this segment, we ranked as the largest and fastest-growing global laser engraver and laser cutter brand in terms of GMV among Top 5 players in 2024 and nine months ended September 2025, with market shares of approximately 43% and 47%, respectively, surpassing the combined market share of brands ranked second through tenth. The following chart illustrates the high level of market concentration in the laser engraver and laser cutter industry.

Overview of The Top 5 Laser Engraver and Cutter Providers, 2024

Brand & Company	Starting year of the laser engraver and cutter business	GMV, 2024, USD million	Share, %	Key product categories	Price range	Sales channel
xTool	2021	~365	42.8%	Engravers, Cutters	$999~$6,999	Primarily direct sales
Company A	2014	~60	7.1%	Engravers, Cutters	$1,099-$9,499	Primarily direct sales
Company D	2021	~37	4.3%	Engravers, Cutters	$139~$3,799	Primarily through distributors
Company E	2022	~30	3.3%	Engravers	$599~$2,699	Primarily through distributors
Company F	2022	~20	2.4%	Engravers	$129~$1,569	Primarily through distributors

Source: CIC

Note: Company E: Founded in 2014 and headquartered in Shenzhen, China, Company E is dedicated to providing 3D printers, laser engravers, 3D scanners and accessories.

Company F: Founded in 2014 and headquartered in Shenzhen, China, Company F supplies personal creative 3D printer as well as laser engravers.

Summary of Consumer Survey

According to the consumer survey conducted in July 2025 with 200 respondents, our significant competitive advantages in user reputation and value creation are demonstrated by the following points:

- ***Market Enlightenment***. About 45% of respondents indicated that their first exposure to personal creative tools was through laser engraver and laser cutter, far higher than 3D printer and blade cutting machines, each at 7%. 50% of our users tried our products offline before making a purchase decision.

- ***Exceptional Loyalty***. We achieved a remarkable Net Promoter Score of 67%, indicating superior customer satisfaction and strong brand advocacy.

- ***High Usage Frequency***. Our users operate their devices more frequently than non-xTool users. In September 2025, each of our active devices recorded an average of 48 processing sessions per month, with an average monthly processing duration of 6 hours. Besides, 80% of users operate our machines at least monthly and 40% use them daily.

- ***Strong Repurchase Intent***. One-third of users plan to purchase another device, and among users owning multiple laser engravers and laser cutters, our users show a notably higher rate of multi-device penetration.

- ***Proven Business Impact***. Nearly 70% of surveyed SMB users reported growth in creative business, with our users operating at a significantly larger scale than non-xTool's users. 18% of our SMB users generate over 80% of their income from creative business.

DTF Printer Industry

In the nine months ended September 30, 2025, in terms of GMV, we are the No. 3 global DTF printer brand, with a market share of 12.7%. The following chart illustrates the high level of market concentration in the DTF printer industry.

Overview of The Top 5 DTF Printer Providers, Based on GMV for The Nine Months Ended September 30, 2025

Brand & Company	Starting year of the DTF printer business	GMV, 2025/9/30, USD million	Share, %
Company G	2023	~30.1	20.4%
Company H	2014	~19.1	13.1%
xTool	2025	~18.8	12.7%
Company I	2021	~10.3	6.9%
Company J	2010	~6.2	4.2%

Source: CIC

Note: Company G: Founded in 2018 and headquartered in Shenzhen, China, Company G specializes in designing and manufacturing material printers.

Company H: Founded in 1942 and headquartered in Japan, Company H is known for its innovations in inkjet printing, wearables, and robotics.

Company I: Founded in 2005 and headquartered in California, USA, Company I specialize in distributing and supplying material printing personal creative tools.

Company J: Founded in 2011 and headquartered in Guangzhou, China, Company J develops and manufactures DTF and UV printers.

UPSTREAM SUPPLY AND COST ANALYSIS

The laser head is the most critical and cost-intensive component of laser engraver, typically accounting for approximately 15% to 45% of the total product cost. Its pricing is primarily determined by type of light source and output power, with higher-power levels of the same light source type commanding significantly higher costs. Market prices vary widely, ranging from hundreds of RMB for entry-level low-power units to thousands of RMB for advanced models. As mass production of laser engraver scales up, the costs of laser head are steadily declining, supported by a maturing supply chain, standardized technology, and economies of scale.

SOURCE OF INFORMATION

We commissioned CIC to conduct an analysis of and to prepare a report on the major markets for which our global tech-enabled personal creative tools are positioned. We have contracted to pay RMB800,000 to CIC. Except as otherwise noted, all of the data and forecasts contained in this section are derived from the CIC Report. CIC's services include industry consulting, commercial due diligence, strategic consulting, etc. Its consulting team has been tracking the latest market trends across various industries, where it has relevant and insightful market intelligence.

The CIC Report was compiled based on the following assumptions: (i) the overall social, economic and political environment globally and in China is expected to remain stable during the forecast period; (ii) the economic and industrial development globally and in China is likely to maintain a steady growth trend over the next decade; (iii) related key industry drivers are likely to continue driving the growth of the market during the forecast period; and (iv) there is no extreme force majeure or industry regulation in which the market may be affected dramatically or fundamentally.

In compiling and preparing the CIC Report, CIC used the following key methodologies to collect multiple sources, validate the data and information collected, and cross-check each respondent's information and views against those of others: (i) secondary research, which involved reviewing published sources including national statistics, annual reports of listed companies, industry reports and data based on CIC's own research database; and (ii) primary research, which involved in-depth interviews with the industry participants.

CIC's projections are made based on various market determinants and their coefficients assigned to a market which indicate their relative importance. The market determinants represent both subjective assumptions and objective factors, therefore, the projected data may not be consistent with the real data.

Our Directors confirm that, after taking reasonable care, there has been no material adverse change in the market information since the date of the CIC Report that would materially qualify, contradict or impact such information.