

INDUSTRY OVERVIEW

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OVERVIEW OF GLOBAL PRECISION INTELLIGENT MANUFACTURING SOLUTION INDUSTRY

Definition and Classification of the Precision Intelligent Manufacturing Solution (“PIMS”)

PIMS refer to client-centric, technology-driven manufacturing services that integrate advanced processing technologies, rapid prototyping, automation control, and intelligent systems to deliver high-precision components, functional modules, and system integration. These solutions extend beyond standardized production—they are deeply customized and designed to transform ambitious product concepts into mass-producible and technically demanding outcomes. The products are widely applied in high-tech and innovation-driven fields such as advanced consumer electronics, intelligent vehicles, and communication and data center.

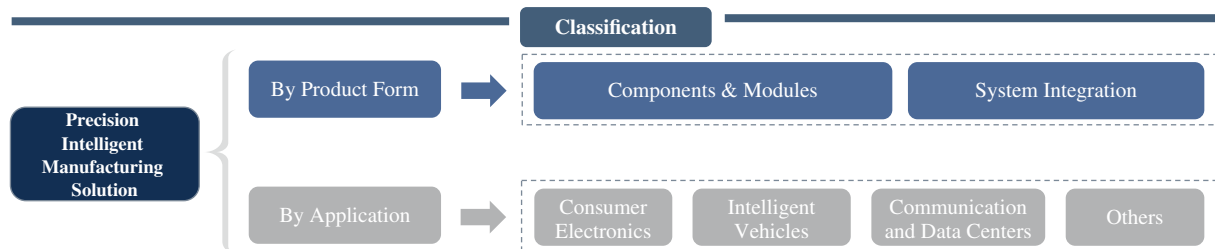


Fig 1. The Classification of PIMS

Source: Frost & Sullivan

Market Size of Global Precision Intelligent Manufacturing Solution

The market of global PIMS industry involves components, modules and system integration, whereby the components and modules segment are of greater strategic importance due to its higher technological complexity.

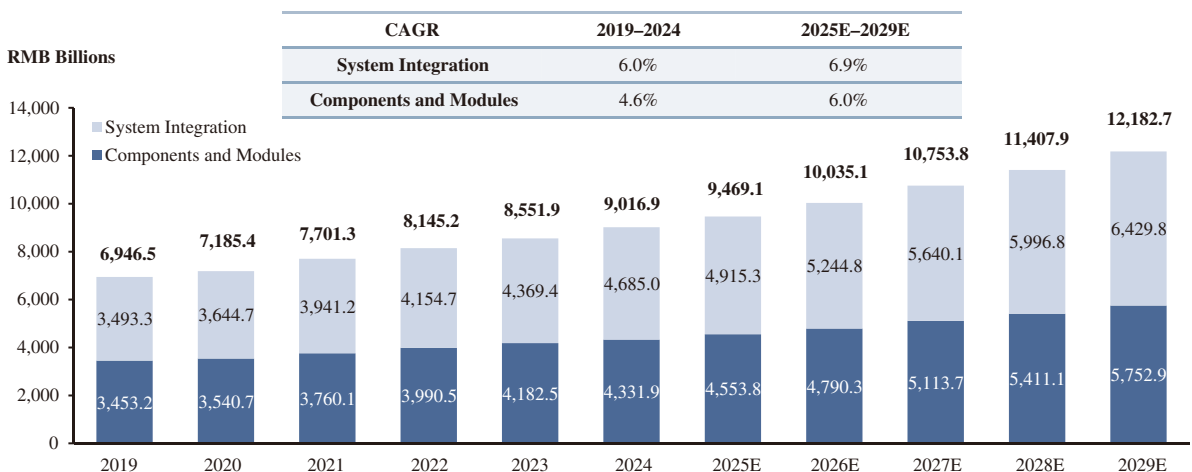


Fig 2. The Market Size of Global PIMS (By Revenue)

Source: Frost & Sullivan; Interviews with Industry Experts

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Competitive Landscape of Global Precision Intelligent Manufacturing Solution Market

According to global market share by revenue in 2024, Our Group is the 4th-ranked PIMS provider globally and the highest-ranked PIMS provider headquartered in Chinese Mainland. In the global PIMS market, the top five players in 2024 were Company A, Company B, Company HH, our Group, and Company C, holding market shares of 17.1%, 5.0%, 3.5%, 3.0%, and 2.8%, respectively. The comparable companies are the leading players within the global PIMS industry, which share generally comparable business structures for benchmarking. Our Group ranks the top tier in key metrics such as capability of Application Scenarios, Innovation Input, Top Clients Coverage, Historical Growth and Profitability—demonstrating strong precision intelligent manufacturing capabilities across consumer electronics sectors, automotive, communication and data center, revealing a wide-ranging application scenario.

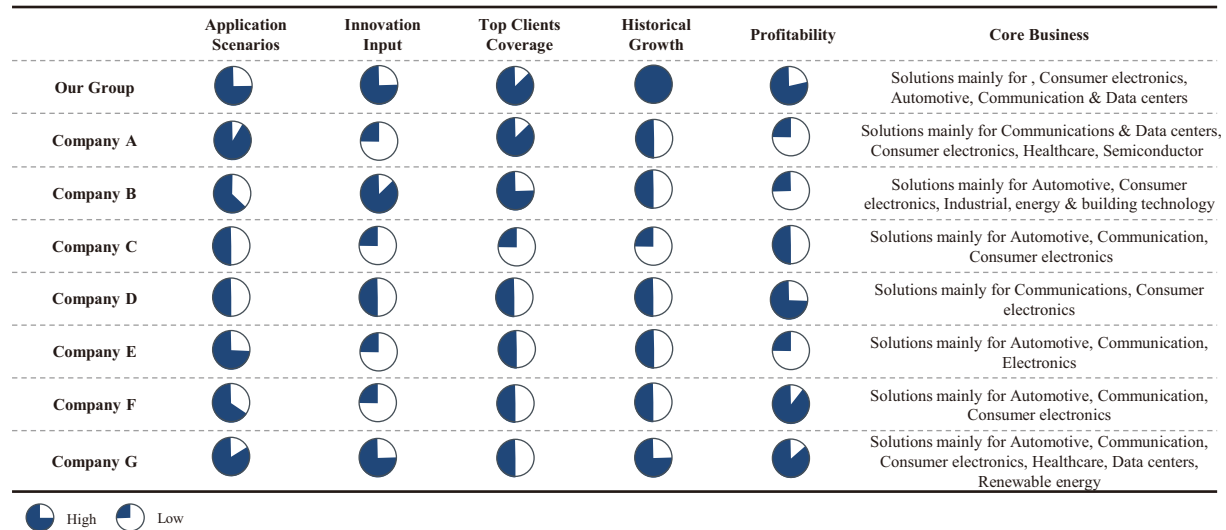


Fig 3. Competitive Analysis of Global PIMS Industry

(*Notes: Company A was founded in 1974, headquartered in Taiwan, China, and is listed on the Taiwan Stock Exchange, primarily engaged in the manufacturing of electronics.

Company B was founded in 1886, headquartered in Germany, mainly focusing on research, development and manufacturing in automation, electrification, digitalization, connectivity.

Company C was established in 2008, headquartered in Taiwan, China, and has been listed on the Taiwan Stock Exchange since 2010, mainly engaging in the development and manufacturing of consumer electronics, automotive, communication.

Company D was founded in 2001, headquartered in Taiwan, China, and is listed on the Taiwan Stock Exchange, providing ICT products, service solutions, and systems to top-branded companies worldwide.

Company E was founded in 1897, headquartered in Japan, and has been listed on the Tokyo Stock Exchange, mainly engaging in the development and manufacturing of electronics, automotive, communication, environment & energy, and industrial materials.

Company F was founded in 1966, headquartered in the U.S., and is listed on the New York Stock Exchange, providing development and manufacturing solutions of consumer electronics, automotive, and communication.

Company G was founded in 1932, headquartered in the U.S., and is listed on the New York Stock Exchange, mainly engaging in designing and manufacturing in high-technology interconnect, sensor and antenna solutions.

The application scenarios metric in this ranking is ranked by the range of scenarios in which the companies product can be applied; innovation input metric is ranked by the companies R&D expenditure as a percentage of revenue; top clients coverage metric is ranked by the client coverage rate among Fortune Global 500; historical growth metric is ranked by the companies 10-year revenue CAGR; profitability metric is ranked by the companies 6-year average ROE, the issuer’s ROE data is sourced from its periodic reports filed in the A-share market.)

Source: Frost & Sullivan; Annual reports/financial statements of each company

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OVERVIEW OF GLOBAL CONSUMER ELECTRONICS PRECISION INTELLIGENT MANUFACTURING SOLUTION INDUSTRY

Overview of the Development of Global Consumer Electronics Market

Consumer electronics refer to intelligent electronic products used in consumers’ daily lives. These products are typically small in size, lightweight, easy to operate, and feature connectivity and portability. They include smartphones, tablets, laptops, smart wearables (like AI glasses/XR devices, smart watches and smart bracelets), intelligent acoustic terminals (like TWS earphones), smart home devices (like smart speakers and floor cleaning robots), outdoor electronics (action cameras, consumer-grade drones).

Driven by the strong demand for AI technology, the overall shipment volume of smart wearables (including AI glasses/XR devices, smart watches and smart bracelets) saw a significant year-on-year increase, exceeding 169.3 million units in 2024. Benefiting from the deep integration of technologies such as AI and the IoT with emerging consumer electronic products, intelligent acoustic terminals, smart home devices, outdoor electronics have demonstrated huge development potential with advantages such as functional expansion, upgraded interaction experience, interconnection and interoperability, and enhanced intelligent functions. In 2024, their shipment volumes reached 330.0 million, 903.2 million and 58.2 million units respectively. It is anticipated that the integration of innovative consumer electronics product designs and AI applications will drive further iterations of these products.

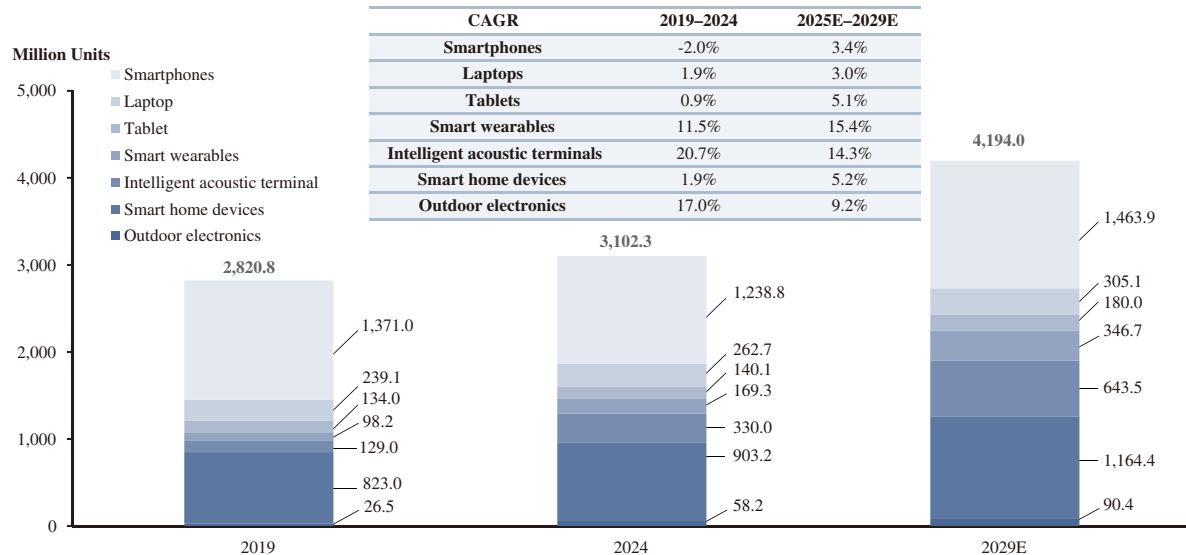


Fig 4. The Shipment Volume of Global Major Consumer Electronics, 2019, 2024 & 2029E

Source: Frost & Sullivan; Interviews with Industry Experts

Definition and Market Size of Global Consumer Electronics Precision Intelligent Manufacturing Solution

The Consumer Electronics PIMS refers to providing solution for the design and manufacturing of consumer electronic products, from components, modules to system integration, by integrating high-precision manufacturing, automatic control, intelligence and digitalization and other related technologies. It usually involves miniaturization, lightweight, and multi-material composite processing. The core lies in achieving the ultimate control of product dimensional accuracy (micrometer level) and performance stability through “precision manufacturing”, and enhancing production efficiency, optimizing costs and responding flexibly to the market demands of the consumer electronics industry for high precision, flawless aesthetics, thinness, multi-functionality and rapid iteration through “intelligent manufacturing”. The market for consumer electronics PIMS can be classified from the perspective of product form: components (including structural components, functional components, electronic components) and modules, system integration (mainly refers to the assembly of complete consumer electronic products).

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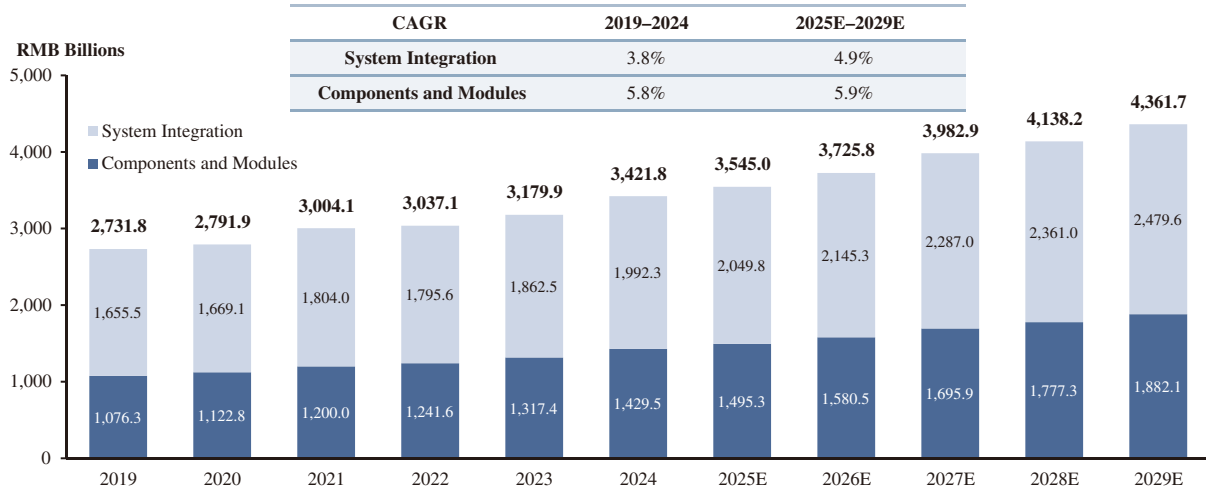


Fig 5. The Market Size of Global Consumer Electronics PIMS (By Revenue)

Source: Frost & Sullivan; Interviews with Industry Experts

Industrial Chain of Global Consumer Electronics Precision Intelligent Manufacturing Solution Market

Precision manufacturing and processing belong to the midstream of the industrial chain. Through relevant production equipment, various raw materials are processed through different techniques to obtain components with specific functions, as well as system integration.

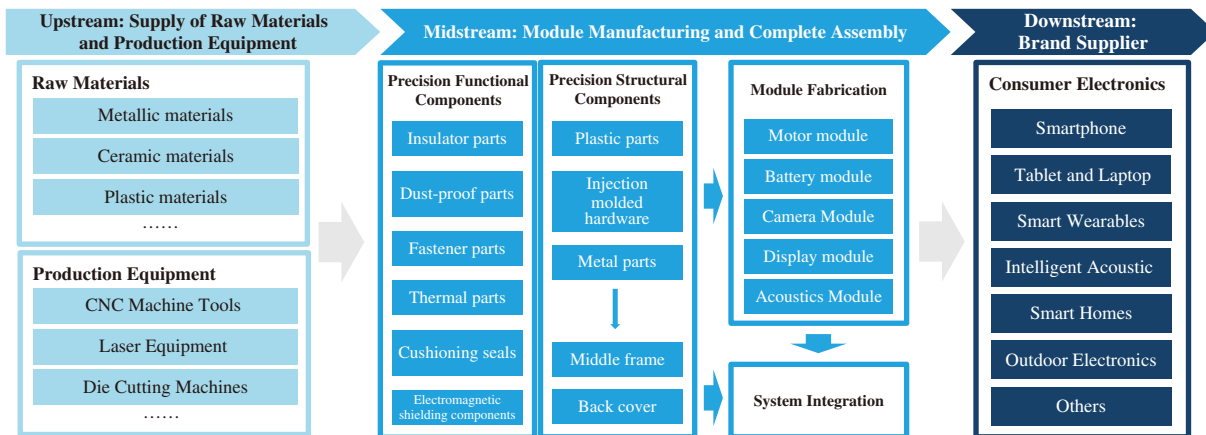


Fig 6. Industrial Chain of Consumer Electronics Precision Intelligent Manufacturing Solution Market

Source: Frost & Sullivan

Key Drivers of Global Consumer Electronics Precision Intelligent Manufacturing Solution Market

The driving factors promoting the development of the global consumer electronics PIMS market include continuous technological progress, the growth of market demand, environmental protection, sustainable development, and policy support from governments of various countries.

Continuous Technological Progress: The new generation of information technology, such as AI and big data, has empowered the precision intelligent manufacturing of consumer electronics, achieving intelligent design, production and quality control, optimizing processes, reducing costs and improving quality. Advancements in manufacturing technology, such as precision machining and 3D Printing, have enhanced the accuracy, efficiency, and quality consistency of components. Interdisciplinary technology integration promotes innovation and meets the demands of consumer electronic products for miniaturization, thinness, and high performance.

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The Growth of Market Demand: The demand for consumer electronics continues to grow. With the popularity and upgrade of consumer electronic products like smartphones, consumers’ demands for performance, functions and appearance are increasing. The advent of 5G mobile phones has further intensified the need for precision components and complex structural designs, while emerging markets are generating new OEM demands for localized models, which has increased the demand for PIMS. Products such as AI robots and XR devices, characterized by their compact size, high performance, and sophisticated designs, have a higher reliance on PIMS. As the market consumption upgrades, the demand for high-end and intelligent products is increasing, further driving enterprises to adopt advanced PIMS.

Policy Support from Governments of Various Countries: The government actively encourages enterprises to increase investment and innovation in the field of intelligent manufacturing by introducing various policies. For instance, China’s *Implementation Plan for Digital Transformation of the Electronic Information Manufacturing Industry* (《電子信息製造業數字化轉型實施方案》) clearly promotes the application of advanced computing and AI large models in smart terminals (such as wearable devices and VR/AR); The US-Mexico-Canada Agreement promotes trade liberalization and supply chain integration. The governments of Australia, Japan and India have launched the Supply Chain Resilience Initiative (SCRI) to enhance the resilience of supply chains in key manufacturing industries, including consumer electronics. Many countries in the European Union, Southeast Asia and other regions have also issued policies to promote the precision and intelligent manufacturing of consumer electronics.

Future Trends of Global Consumer Electronics Precision Intelligent Manufacturing Solution Market

From the current development status of precision intelligent manufacturing in global consumer electronics, the possible future development trends include:

Ultra-precision Machining Technology: The consumer electronics industry is developing towards miniaturization, integration and diversified materials. Traditional processes are difficult to meet the new demands, and ultra-precision processing technology has emerged as the times require. This technology breaks through the limitations of traditional processing through multi-physics field coupling control, enabling high-precision processing and efficient handling of difficult-to-machine materials. It also optimizes the processing process with the help of digital twins and AI algorithms. In the future, ultra-precision processing technology will be deeply integrated with AI, industrial Internet and green manufacturing, becoming an important engine driving the development of the industry.

Flexible Manufacturing: Consumer electronic products are evolving at an extremely fast pace (such as foldable phones) and their demands are highly fragmented (with both mass production and customization coexisting). Traditional production lines have slow switching and high costs. Flexible manufacturing has completely resolved this contradiction through “modularization + intelligent scheduling”. This solution reduces costs and improves quality, and the marginal costs of customized individual items and mass production approach zero. In the future, real-time monitoring of devices with AI and the IoT will be able to predict faults in advance, improving quality and efficiency.

Supplier M&A and Integration: The supply chain has gradually become dominated by a few oligarchic alliances, with small and medium-sized factories being squeezed into “parts suppliers”, leading to mergers and acquisitions among suppliers. After the merger and acquisition integration, the assembly links can be reduced through technical integration, thereby reducing costs and increasing efficiency. Suppliers have transformed from contract manufacturers to functional innovation partners, achieving continuous innovation and significantly shortening the new product development cycle.

Distributed Manufacturing Network: Geopolitical risks (such as the trade frictions and imposition of additional tariffs between countries) have impacted the procurement and production costs of supply chains) and technological maturity (enabling intelligent global production line scheduling through cloud algorithms) have promoted the development trend of distributed manufacturing networks. This enables a rapid response to the market by setting up micro-factories in high-demand consumer electronics regions such as Southeast Asia. Through 3D printing and modular equipment, local on-demand production is achieved, significantly enhancing the response speed and reducing logistics costs, sharing production capacity to lower costs.

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Competitive Landscape of Global Consumer Electronics Components and Modules Precision Intelligent Manufacturing Solution Market

There are many major players in the global consumer electronics components and modules precision intelligent manufacturing solution market, with the top ten manufacturers occupying 52.9% of the market share in 2024. In terms of revenue scale in 2024, the top five players in the market were Company A, our Group, Company C, Company D and Company H, with market shares of 18.1%, 11.3%, 4.7%, 3.3%, and 3.1% respectively. Based on the average ROE over the past six years, our Group has taken the top position.

Among enterprises headquartered in Chinese Mainland, Our Group ranks first in both consumer electronics precision intelligent manufacturing solution market and consumer electronics components and modules precision intelligent manufacturing solution market in 2024 and in terms of revenue.

Rank	Company	Average ROE (2019-2024)	Market Share (By Revenue)
1	Company A	10.1%	18.1%
2	Our Group	24.2%	11.3%
3	Company C	12.0%	4.7%
4	Company D	19.5%	3.3%
5	Company H	8.8%	3.1%
6	Company I	13.9%	2.7%
7	Company J	10.0%	2.6%
8	Company K	12.2%	2.4%
9	Company L	14.4%	2.4%
10	Company M	15.9%	2.3%
Others			47.1%
Total			100.0%

Fig 7. Top 10 Consumer Electronics Components and Modules PIMS Market Participants by Revenue in 2024 (Global)

(*Notes: Company H was founded in 2006, headquartered in Chinese Mainland, and is listed on Shenzhen Stock Exchange and the Hong Kong Stock Exchange, primarily engaged in the manufacturing of precision structural components and modules for consumer electronics.

Company I was established in 2007, headquartered in Chinese Mainland, and has been listed on the Hong Kong Stock Exchange in the same year, mainly engaging in the development and manufacturing of consumer electronics, automotive.

Company J was founded in 2001, headquartered in Chinese Mainland, and is listed on the Shenzhen Stock Exchange, providing precision components, intelligent acoustic products.

Company K was founded in 2006, headquartered in Chinese Mainland, and is listed on the Shenzhen Stock Exchange, primarily engaged in the manufacturing of precision functional and structural parts for consumer electronics.

Company L was founded in 1999, headquartered in Chinese Mainland, and is listed on the Shenzhen Exchange, providing electronic equipment manufacturing and services.

Company M was founded in 1969, currently headquartered in Singapore, and is listed on the Nasdaq Stock Exchange, providing manufacturing services for various precision parts.)

Source: Frost & Sullivan; OICA; Annual reports/financial statements of each company

OVERVIEW OF GLOBAL INTELLIGENT VEHICLES PRECISION INTELLIGENT MANUFACTURING SOLUTION

Overview of the Development of Global Intelligent Vehicles Market

Intelligent vehicles refer to next-generation vehicles equipped with advanced sensors, controllers, actuators, and other devices, which integrate new technologies such as information and communications, IoT, big data, cloud computing, and AI to achieve intelligent information exchange and sharing between in-vehicle networks, external networks, and inter-vehicle networks. These vehicles are capable of complex environment perception, intelligent decision-making, and automated collaborative control. With the accelerated trend of automotive electrification and intelligence, especially driven by policy support and technological progress, the intelligent automotive industry has

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developed rapidly. In the future, the “dual intelligent transformation of ICE (Internal Combustion Engine) vehicles and new energy vehicles” will become an important trend in the industry. For instance, the penetration rates and the value per vehicle of automotive high-voltage and high-speed wiring harnesses, intelligent cockpit system integration, and intelligent assisted driving system integration will increase rapidly.

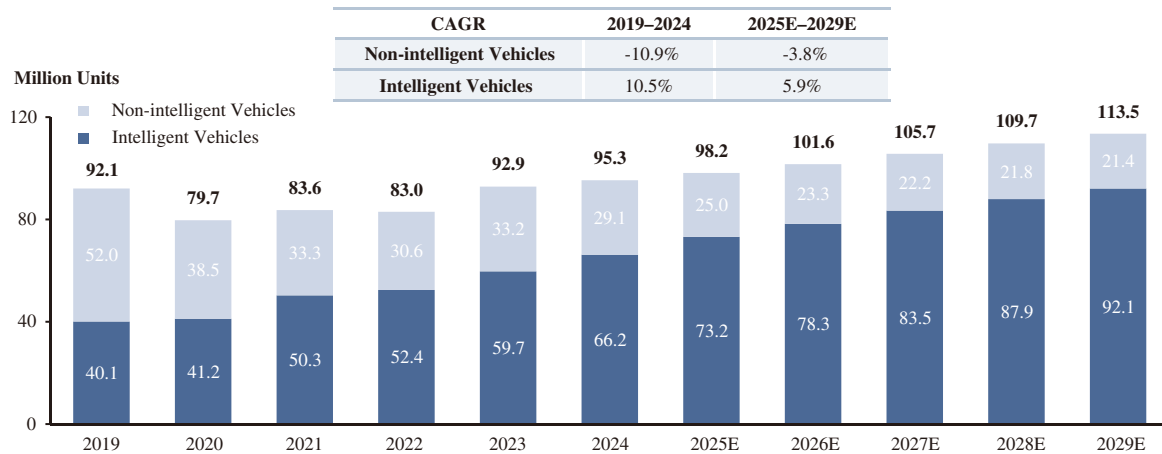


Fig 8. Global Intelligent Vehicles Sales Volume (2019-2029E)

Source: Frost & Sullivan; OICA

Definition and Market Size of Global Intelligent Vehicles Precision Intelligent Manufacturing Solution

The Intelligent Vehicle PIMS refers to the application of advanced precision manufacturing processes and related intelligent technologies to supply key components and systems for automakers, meeting the intelligent and electric demands of high-end intelligent vehicles such as new energy vehicles and autonomous driving, as well as traditional vehicles (such as B-pillars with integrated cameras), and promoting the intelligent, electric and connected development of the automotive industry.

Specifically, the market size of intelligent vehicles precision intelligent manufacturing components and modules reached RMB1,738.3 billion in 2024. Under the trend of electrification and intelligence of automobiles, sub-markets for system integration such as intelligent cockpits and intelligent assisted driving are also developing rapidly. In 2024, the market size of intelligent vehicles system integration precision intelligent manufacturing reached RMB934.3 billion.

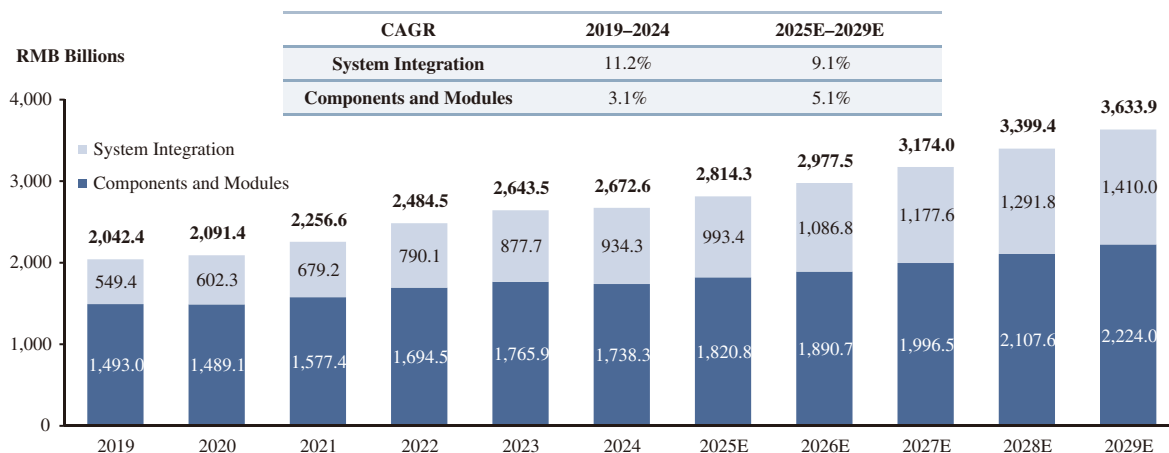


Fig 9. The Market Size of Global Intelligent Vehicles PIMS (By Revenue)

Source: Frost & Sullivan

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Key Drivers of Global Intelligent Vehicles Precision Intelligent Manufacturing Solution Market

- **Demand:** Electrification is reshaping the automotive energy architecture, giving rise to a large number of incremental demands for precision manufacturing: High-voltage systems (400V/800V platforms) have driven the value of high-voltage wiring harnesses per vehicle to increase several times from fuel vehicles to electric vehicles, and the 800V platform has further increased its value due to material upgrades (150°C resistant insulation layer, three-layer shielding). The integrated design requirements of the motor controller and the reducer demand that the gear processing accuracy reach ISO grade 6. The growth in data transmission volume in the intelligent driving environment drives the demand for high-frequency and high-speed wiring harnesses, directly promoting the upgrade of precision manufacturing towards micron-level accuracy and high reliability.
- **Technology Generalization:** Leading global electric automotive enterprises extended their strategy of open standards with the North American Charging Standard (NACS) by introducing a new benchmark, the Low-Voltage Connector Standard (LVCS). It consolidates over 200 low-voltage connectors of traditional automotive into six standardized types, addressing over 90% of electrical requirements. The scale effects from generalization, coupled with the 48V low-voltage advantages, enable automakers to reduce overall vehicle energy consumption, and complexity in design, production, and maintenance. This initiative is poised to attract broader industry participation from automakers and suppliers in building a universal cooperative ecosystem, thereby accelerating maturation and innovation across the automotive electronics sector.

Future Trends of Global Intelligent Vehicles Precision Intelligent Manufacturing Solution Market

- **Electrification of automobiles:** The trend of automotive electrification has driven the electrification of body components and generated higher demands for high-voltage wiring harnesses and high-voltage connectors, such as the insulation stability and micron-level precision control of high-voltage wiring harnesses at high temperatures, and the high reliability of high-voltage connectors, promoting the progress of automotive precision intelligent manufacturing technology and demands.
- **Intelligence of automobiles:** Under the trend of automobiles moving towards intelligence, the application of AI large models is reconfiguring the decision-making logic of the entire vehicle, promoting “software-defined vehicles” to become the core direction. This not only places higher demands on real-time performance and accuracy for in-vehicle buses, in-car data interaction, and automotive communication, such as the need for high-speed data aggregation and decision-making in autonomous driving domain controllers, and the requirement for parallel interaction and low-latency response of multimodal data (vision, voice, touch, sensors) in intelligent cockpits. It has also driven the demand for more high-performance data interconnection components, communication modules and intelligent parts, thereby greatly promoting the technological upgrading and industrial development of precision intelligent manufacturing solutions in the global intelligent vehicle field.
- **Modularization and customization:** The development of the automotive industry is accelerating, and modularization and customization will become important trends in the precision intelligent manufacturing of automobiles. Modularization achieves efficiency improvement and functional expansion, and promotes vertical integration of the modular supply chain through atomic hardware splitting, standardized interfaces and software definition. Customization relies on the C2M (Customer to Manufacturer) model, flexible production and additive manufacturing to meet personalized demands. The two form elastic synergy in the supply chain. The focus of competition lies in the scalability of modular platforms, the granularity of customized services, and data-driven capabilities. Enterprises need to build advantages through hardware pre-embedding, software definition, and ecological synergy.

Competitive Landscape of Global Automotive Wiring Harness Precision Intelligent Manufacturing Solution Market

Intelligent Vehicles PIMS specifically includes electronic and electrical products such as vehicle connectors, automotive wiring harnesses, intelligent cockpits, intelligent chassis, and intelligent assisted driving. Among them, the automotive wiring harness, as the “connection hub” that realizes the power transmission and signal interaction of all the electronic and electrical components of the vehicle, plays an irreplaceable and important role in all automotive parts and accounts for a considerable proportion

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of the intelligent vehicles components and modules PIMS market. The increase in the penetration rate of high-voltage and autonomous driving has driven the growth in demand for high-voltage and high-speed wiring harnesses, significantly increasing the value per vehicle of automotive wiring harnesses. As automobiles upgrade towards “electrification, intelligence and networking”, the role of wiring harnesses has shifted from “basic transmission” to “high-performance support”, and their technical requirements directly affect the speed of vehicle upgrades. The market size of automotive wiring harness PIMS increased from RMB278.6 billion in 2019 to RMB395.8 billion in 2024, representing a CAGR of 7.3%. The market size of automotive wiring harness precision intelligent manufacturing solutions is expected to increase to RMB526.6 billion by 2029, representing a CAGR of 6.2% from 2025 to 2029.

In terms of revenue in 2024, the top five players in the market were Company T, Company E, Company U, our Group, Company V with market shares of 25.6%, 24.4%, 12.8%, 11.9%, 7.0% respectively. Our Group ranked 4th globally with the market share of 11.9%. Among enterprises headquartered in Chinese Mainland, our Group ranked first in automotive wiring harness precision intelligent manufacturing solution market.

Rank	Company	Average ROE (2019-2024)	Market Share (By Revenue)
1	Company T	—	25.6%
2	Company E	6.7%	24.4%
3	Company U	20.0%	12.8%
4	Our Group	24.2%	11.9%
5	Company V	12.0%	7.0%
6	Company W	11.6%	6.6%
7	Company X	6.7%	2.9%
8	Company Y	—	2.6%
9	Company Z	5.7%	1.9%
10	Company AA	10.0%	1.9%
Others			3.0%
Total			100.0%

Fig 10. Top 10 Automotive Wiring Harness PIMS Market Participants by Revenue in 2024 (Global)

(*Notes: The market share of our Group as shown in the above table has taken into account the relevant income from the Leoni Business. The ROE of our Group does not consider Leoni Business.

Company T was established in 1941, headquartered in Japan, mainly engaging in the manufacturing of automotive wiring harnesses and related components.

Company U was established in 1999, headquartered in UK, and has been listed on the New York Stock Exchange, providing automotive electronic and electrical architecture, intelligent driving and safety technology solutions.

Company V was established in 1976, headquartered in India, mainly providing automotive components and integrated component manufacturing services.

Company W was established in 1917, headquartered in the U.S., and has been listed on the New York Stock Exchange, mainly engaging in the manufacturing of automotive seats and electronic and electrical systems.

Company X was established in 1884, headquartered in Japan, and has been listed on the Tokyo Stock Exchange, mainly engaging in automotive wires, communication cables, and electronic materials.

Company Y was established in 2006, headquartered in Chinese Mainland, mainly engaging in the development and manufacturing of automotive wiring harnesses and automotive connectors, etc.

Company Z was established in 1910, headquartered in Japan, and has been listed on the Tokyo Stock Exchange, mainly engaging in electronic component businesses such as wires and cables, connectors, optical fibers/cables, etc.

Company AA was established in 1997, headquartered in Chinese Mainland, and has been listed on the Shanghai Stock Exchange, mainly engaging in the development and manufacturing of automotive wiring harnesses.)

Source: Frost & Sullivan; Annual reports/financial statements of each company

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OVERVIEW OF GLOBAL COMMUNICATION AND DATA CENTERS PRECISION INTELLIGENT MANUFACTURING SOLUTION

Overview of Global Communication and Data Centers Market

The rise in global data volume is fueled by rapid digital transformation, the proliferation of IoT devices, widespread adoption of AI-driven applications, and the explosive growth of user-generated content. This data surge is driving unprecedented demand for scalable, high-efficiency data centers and advanced communication infrastructure. As a result, the communication and data centers PIMS industry stands at the forefront of this expansion, holding position for sustained, high-growth opportunities in the global digital economy. The global data volume rose from 49.0 ZB in 2019 to 175.5 ZB in 2024, with a CAGR of 29.1% from 2019 to 2024, and is expected to rise further to 404.0 ZB by 2029, with a CAGR of 19.9% from 2025 to 2029.

Surged by the rapid development of AI technology and the escalating demand for advanced computing to handle massive data workload of AI models, the end-use market of global communication and data centers PIMS industry—AI servers—keeps a rising trend during 2019–2029. The exponential growth of AI servers reflects broader investment trends in digital infrastructure and highlights the increasing reliance on high-performance data centers, whereby this prosperity of key downstream markets reflects the substantial growth potential within the global communication and data centers precision intelligent manufacturing solution industry. The shipment of AI servers worldwide rose from 210.0 thousand in 2019 to 1,680.0 thousands in 2024, with a CAGR of 51.6% from 2019 to 2024, and is expected to rise further to 4,570.0 thousand by 2029, with a CAGR of 24.0% from 2025 to 2029.

Definition and Market Size of Global Communication and Data Centers Precision Intelligent Manufacturing Solution

The **Communication and Data Centers PIMS** is designed for the high-precision and high-reliability production needs of infrastructure such as communication and data centers. By deeply integrating new-generation information technologies with advanced manufacturing technologies, the solution enables high-precision processing, end-to-end automation, and intelligent management. This achieves efficient, reliable, and customized production of precision components for communication equipment and key data center infrastructure. Key features include micron/nanometer-level processing precision for communication and data center components, as well as a core component production environment featuring auto-perception, auto-decision-making, auto-execution, and auto-adaptation.

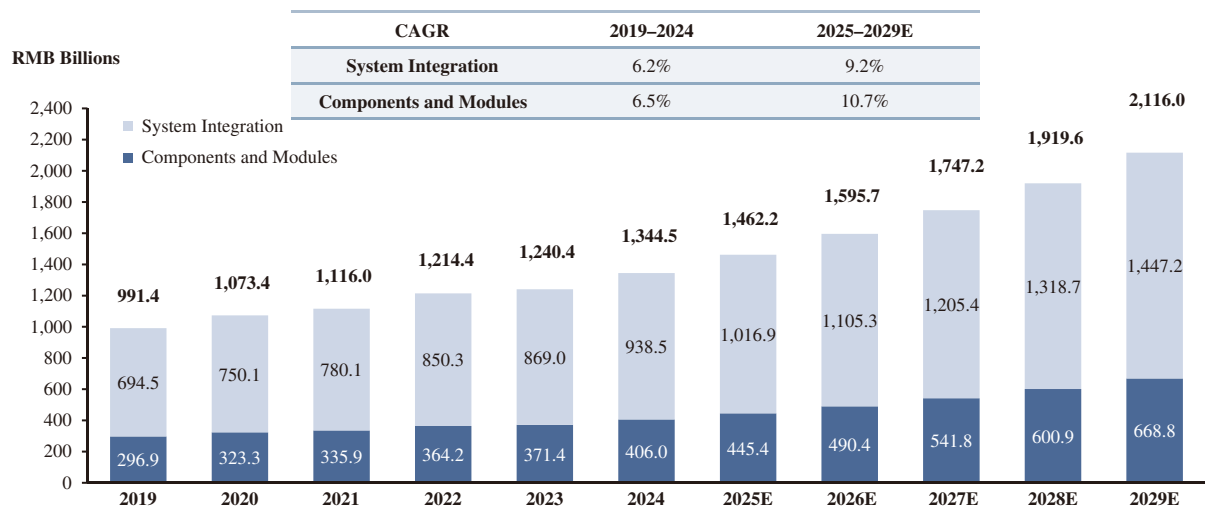


Fig 11. The Market Size of Global Communication and Data Centers PIMS Market (By Revenue)

Source: Frost & Sullivan

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Key Drivers of Global Communication and Data Centers Precision Intelligent Manufacturing Solution Market

5G/IoT/AI Technology Evolution Raises Demand for Transmission Efficiency Upgrades: With the sustained growth in demand for AI computing power, cloud computing, and big data, new requirements are continuously imposed on the computing capacity and transmission speed of data centers. The construction of 5G networks continues to advance. By 2024, the global number of 5G base stations has steadily increased, driving up demand for communication equipment. As the AI server market potential continues to rise, data centers are placing higher demands on computing power and transmission capabilities, trending toward high-performance computing, low latency, and modular construction. With the combined promoting action of sharp growth in global data storage and transmission, increasing construction of 5G base stations, and the rising significance of AI market, high-speed connectors are becoming vital in the electronics industry, whereas copper connectors—as a cost-efficient, low PUE (Power Usage Effectiveness), and intensively transmitting connector of all types—dominate the applications in these scenarios.

Technological Advancements Drive The Surge of Intelligent Manufacturing for Communication and Data Centers: The global digitalization drive has led to explosive data growth, while advancements in autonomous driving and AI demand massive computing and communication resources. This growing demand for advanced communication and data storage is driving the expansion of global communication infrastructure and data centers, and increasing the need for precision intelligent manufacturing solutions, since precision in manufacturing is critical to ensuring reliability, efficiency, and scalability of communication and data systems. Innovations in automation, AI, and IoT enhance manufacturing precision, enabling the production of high-performance components critical for communication and data systems’ reliability and scalability. As a result, industry advancement and the demand for accurate, high-quality components fuel the growth of precision intelligent manufacturing in communication and data centers.

Future Trends of Global Communication and Data Centers Precision Intelligent Manufacturing Solution Market

Technological Iteration in Precision Manufacturing Driven by Computing Power Upgrades

- **Explosive Demand for High-Speed Connectors:** The growing demand for high-speed connectors highlights the impact of increased computing power on precision manufacturing. As technologies advance, such as, 5G, AI, and IoT, faster, more reliable connectivity is crucial. Improved computing enables faster iterations of components, fueling ongoing innovation and driving advancements across industries.
- **Popularization of Liquid Cooling Technology:** The rising power consumption of AI processors forces innovations in heat dissipation. Liquid cooling solutions have become mainstream, and traditional air-cooled IDC (Internet Data Center) cabinets face the need for renovation.
- **Upgrading of Electrical Module Technology:** Latest upgrades in electrical module technology mainly include power efficiency, enhanced signal integrity, and miniaturization. These innovations enable faster data transmission, lower energy consumption, and improved scalability, driving more efficient and reliable communication and data center operations.

Deep Integration of Intelligence and Digital Technologies

- **Edge Computing + AIoT Empowerment:** Edge computing offloads data processing to edge devices, which will boost demand for data centers and communication, reduce latency, and enhance security, with applications in healthcare, autonomous driving, and industrial scenarios.
- **AI-Driven and Digital Production:** AI optimizes production, enables predictive maintenance, and improves quality control, while digital manufacturing enhances design accuracy and troubleshooting. This integration drives innovation and supports scalable, cost-effective solutions for modern communication and data infrastructure, which is demanding in precision and requires mass production to fit huge needs.

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Competitive Landscape of Global Communication and Data Centers Components and Modules Precision Intelligent Manufacturing Solution Market

Our Group ranked 9th globally with a market share of 3.1% and a leading average ROE, reflecting our growing presence in the sector through advanced interconnect and integration capabilities. Our Group is one of the most comprehensive providers in the field, with full coverage across electrical interconnect, optical interconnect, thermal management, and power management. The top ten players together accounted for 64.0% of the market, while the remaining 36.0% was distributed among other smaller manufacturers.

Rank	Company	Average ROE (2019–2024)	Market Share (By Revenue)	Electrical Interconnect	Optical Interconnect	Thermal Management	Power Management
1	Company F	31.3%	17.9%		√	√	
2	Company G	26.7%	11.1%	√	√		√
3	Company N	19.4%	6.3%			√	√
4	Company O	—	6.0%	√	√		√
5	Company P	14.9%	5.7%		√		
6	Company Q	15.9%	4.0%		√		
7	Company R	2.5%	4.0%		√		
8	Company S	17.3%	3.3%	√	√		√
9	Our Group	24.2%	3.1%	√	√	√	√
10	Company E	6.7%	2.6%	√	√		
Others			36.0%				
Total			100.0%				

Fig 12. Top 10 Communication and Data Centers Components and Modules PIMS Market Participants by Revenue in 2024 (Global)

(*Notes: Company F was founded in 1966, headquartered in the U.S., and is listed on the New York Stock Exchange, providing development and manufacturing solutions of consumer electronics, automotive, and communication.

Company G was founded in 1932, headquartered in the U.S., and is listed on the New York Stock Exchange, mainly engaging in designing and manufacturing in high-technology interconnect, sensor and antenna solutions.

Company N was established in 1971, headquartered in Taiwan, China, and is listed on the Taiwan Stock Exchange, mainly providing power and thermal management solutions for consumer electronics and electronics.

Company O was founded in 1938, headquartered in the U.S., and is a privately held technology company based in the US, providing interconnect solutions mainly for consumer electronics, automotive, and communication.

Company P was founded in 2005, headquartered in Chinese Mainland, and is listed on the Shenzhen Stock Exchange, focusing on providing professional high-speed optical modules solutions.

Company Q was founded in 2000, headquartered in Thailand, and is listed on the New York Stock Exchange, mainly engaging in the development and manufacturing of automotive and communication.

Company R was founded in 1971, headquartered in the U.S., and is listed on the New York Stock Exchange, providing development and manufacturing solutions for electronics and communication.

Company S was established in 1941, headquartered in Ireland, and is listed on the New York stock exchange, mainly focusing on connectivity and sensing solutions for automotive, communication, and defense.

Company E was founded in 1897, headquartered in Japan, and has been listed on the Tokyo Stock Exchange, mainly engaging in the development and manufacturing of electronics, automotive, communication, environment & energy, and industrial materials.)

Source: Frost & Sullivan; Annual reports/financial statements of each company

Competitive Landscape of Global Communication and Data Centers Copper Connectivity Precision Intelligent Manufacturing Solution Market

Due to its superior conductivity, reliability, and cost-efficiency, copper connectivity is a key enabler of high-speed, low-loss data transmission, and is gaining prominence in the global communication and data centers PIMS industry. The market has demonstrated robust growth momentum, increasing from RMB38.0 billion in 2019 to RMB76.7 billion in 2024, representing a CAGR of 15.1%, and expected to reach RMB187.5 billion by 2029, representing a CAGR of 20.2% from 2025 to 2029. In the competitive landscape of the global communication and data centers copper connectivity PIMS market, the top five players in terms of revenue in 2024 are Company G (27.0%),

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Company S (15.5%), Company O (13.5%), our Group which ranked 4th globally with a market share of 4.4%, and Company BB which ranked 5th (2.2%). These companies lead the market by providing high-precision copper interconnect solutions specifically tailored for communication infrastructure and data center applications. The top ten players together accounted for 69.9% of the market, while the remaining 30.1% was distributed among other smaller manufacturers. Our Group was the highest-ranked communication and data centers copper connectivity PIMS provider headquartered in Chinese Mainland in 2024.

Rank	Company	Average ROE (2019-2024)	Market Share (By Revenue)
1	Company G	26.7%	27.0%
2	Company S	17.3%	15.5%
3	Company O	—	13.5%
4	Our Group	24.2%	4.4%
5	Company BB	14.1%	2.2%
6	Company CC	17.2%	2.1%
7	Company DD	14.8%	1.8%
8	Company EE	—	1.6%
9	Company FF	16.0%	1.0%
10	Company GG	12.3%	0.8%
Others			30.1%
Total			100.0%

Fig 13. Top 10 Communication and Data Centers Copper Connectivity PIMS Market Participants by Revenue in 2024 (Global)

(Notes: Company G was founded in 1932, headquartered in the U.S., and is listed on the New York Stock Exchange, mainly engaging in designing and manufacturing in high-technology interconnect, sensor and antenna solutions.

Company S was established in 1941, headquartered in Ireland, and is listed on the New York stock exchange, mainly focusing on connectivity and sensing solutions for automotive, communication, and defense.

Company O was founded in 1938, headquartered in the U.S., and is a privately held technology company based in the US, providing interconnect solutions mainly for consumer electronics, automotive, and communication.

Company BB was established in 1993, headquartered in Chinese Mainland, and is listed on the Shenzhen Stock Exchange, mainly engaging in designing and manufacturing solutions for communication.

Company CC was founded in 2002, headquartered in Chinese Mainland, and is listed on the Shenzhen Stock Exchange, mainly providing interconnect solutions for aerospace, defense, and high-end manufacturing.

Company DD was established in 1998, headquartered in Chinese Mainland, and is listed on the Shenzhen Stock Exchange, mainly providing solutions for electronics, automotive, transportation, communication, and energy.

Company EE was founded in 1958, headquartered in Germany, and is a privately held company, mainly focusing on the development and manufacturing of communication, automotive, and aerospace.

Company FF was founded in 1892, headquartered in UK, and is listed on the London Stock Exchange, mainly engaging in the manufacturing of integrated high-performance power and connectivity solutions.

Company GG was founded in 2003, headquartered in Chinese Mainland, and is listed on the Shanghai Stock Exchange, mainly focusing on the interconnect solutions for communication and automotive.)

Source: Frost & Sullivan; Annual reports/financial statements of each company

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OVERVIEW OF RAW MATERIAL PRICE FLUCTUATIONS

The raw materials for PIMS mainly include metals such as copper and aluminum alloys. Copper is widely used in manufacturing various copper alloys and is a common material for connectors in intelligent precision solutions. Aluminum alloys are widely applied in making metal frames and are a common material for precision structural components in consumer electronics. Over the past five years, due to technological upgrading and the growth of downstream demand, the price of copper and aluminum alloy have remained relatively stable.

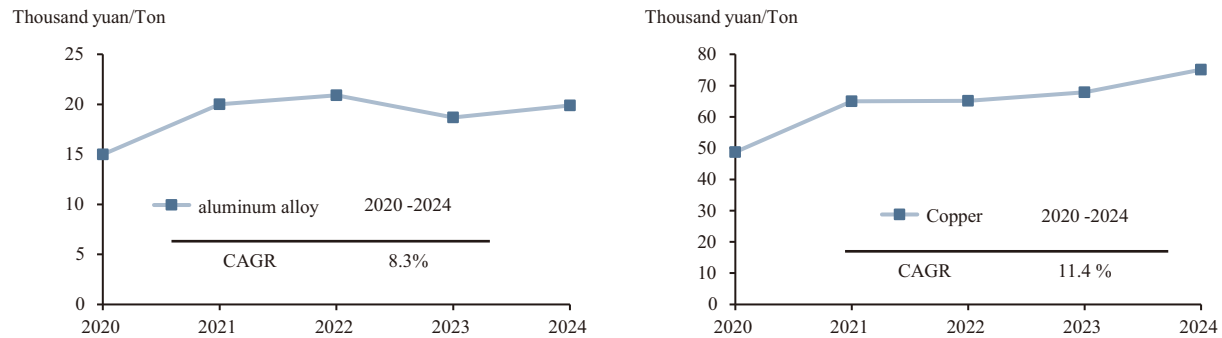


Fig 14. Price Trends of Raw Materials for PIMS, 2020-2024

Source: Frost & Sullivan; National Bureau of Statistics

SOURCE OF INFORMATION

The Company has commissioned Frost & Sullivan, an independent market research and consulting company, to conduct an analysis of, and to prepare a report on the global precision intelligent manufacturing solution market, global consumer electronics precision intelligent manufacturing solution market, global intelligent vehicles precision intelligent manufacturing solution market and global communication and data centers precision intelligent manufacturing solution market. The report prepared by Frost & Sullivan for the Company is referred to in this document as the Frost & Sullivan Report. The Company paid Frost & Sullivan a fee of RMB220,000 which the Company believes reflects market rates for reports of this type.

Founded in 1961, Frost & Sullivan has 40 offices with more than 2,000 industry consultants, market research analysts, technology analysts and economists globally. Frost & Sullivan’s services include technology research, independent market research, economic research, corporate best practices advising, training, client research, competitive intelligence and corporate strategy.

The Frost & Sullivan Report includes information on global precision intelligent manufacturing solution market, global consumer electronics precision intelligent manufacturing solution market, global intelligent vehicles precision intelligent manufacturing solution market and global communication and data centers precision intelligent manufacturing solution market as well as other economic data, which have been quoted in the document. Frost & Sullivan’s independent research consists of both primary and secondary research obtained from various sources in respect of the target market. Primary research involved in-depth interviews with leading industry participants and industry experts. Secondary research involved reviewing company reports, independent research reports and data based on Frost & Sullivan’s own research database. Projected data were obtained from historical data analysis plotted against macroeconomic data with reference to specific industry-related factors. Except as otherwise noted, all of the data and forecasts contained in this section are derived from the Frost & Sullivan Report, various official government publications and other publications.

In compiling and preparing the Frost & Sullivan Report, Frost & Sullivan has adopted the following assumptions: (i) Global and China’s economy is likely to maintain a steady growth in the next decade; and (ii) Global and China’s social, economic and political environment is likely to remain stable in the forecast period, which ensures the stable and healthy development of global precision intelligent manufacturing solution market.