

INDUSTRY OVERVIEW

The information and statistics set out in this section and other sections of this Document 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 China Insights Consultancy (the “CIC Report”). We engaged CIC to prepare the CIC Report, an independent industry report, in connection with the [REDACTED]. Information and statistics from official government sources have not been independently verified by us, the Joint Sponsors, the [REDACTED], [REDACTED], any of the [REDACTED], any of our or their respective directors, officers or representatives or any other person involved in the [REDACTED] and no representation is given as to their correctness or accuracy.

OVERVIEW OF GLOBAL INDUSTRIAL SECTOR

Industrial Sector: The Cornerstone of Human Progress

The industrial sector has long been a cornerstone of human progress. Each technological advancement in the industrial sector has reshaped production capabilities, driving sustained economic growth and rapidly improving global living standards. More than half of Fortune Global 500 companies in 2025 were primarily engaged in the industrial sector, and this sector contributed over US\$28 trillion to global GDP, while the value of existing facilities and manual labor exceeded US\$1.5 trillion.

Conventional industrial automation has long been instrumental in enhancing operational performance across four key dimensions:

- **Efficiency:** streamline workflows and reduce cycle times to increase production output and optimize resource utilization.
- **Cost-effectiveness:** reduce labor costs and material waste by optimizing operations and limiting human intervention.
- **Precision:** maintain consistent production tolerances and reduce operational errors through advanced control and monitoring systems.
- **Quality:** ensure consistent product quality and reduce defects by stabilizing manufacturing processes and controlling variability.

However, despite these advantages, conventional automation systems are increasingly constrained by rigid workflows and limited adaptability, making them less effective in meeting the growing demands for shorter product cycles, higher customization, and more flexible manufacturing requirements.

AI RESHAPING THE GLOBAL INDUSTRIAL SECTOR

From Automation Era to AI-Driven Era: Industrial AI Solutions Redefine the Rules of Manufacturing

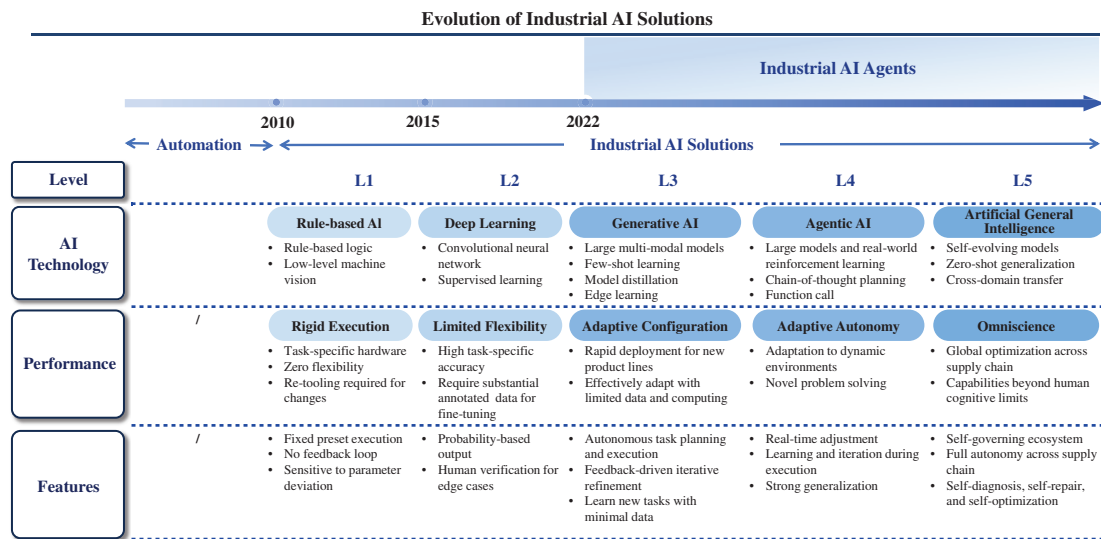
Today, AI is fundamentally rewriting the rules of manufacturing. Prior to 2010, manufacturing relied heavily on conventional automation systems built on predefined processes, fixed logic, and rigid workflows. While these systems delivered valuable efficiency gains and scale advantages in stable, predictable environments, they face mounting challenges as manufacturing environments become more complex, product life cycles shorten, and demands for flexibility and customization continue to rise.

To address these challenges, industrial AI solutions have emerged, marking a fundamental shift from conventional automation toward dynamic, flexible and intelligent manufacturing systems. Industrial AI solutions

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refer to devices and software systems deployed in industrial environments that apply AI technologies to support perception, analysis, decision-making and execution of production tasks. Industrial AI solutions encompass a broad range of AI-enabled devices and software, ranging from basic AI solutions designed to perform predefined functions, to more advanced industrial AI agents capable of autonomous learning, reasoning and adaptive decision-making.

Based on the level of intelligence and autonomy, industrial AI solutions are classified into five levels, ranging from Level 1 to Level 5. Lower-level solutions focus on predefined tasks with limited intelligence, while higher-level solutions integrate capabilities such as autonomous learning, reasoning, and decision-making. As AI technologies continue to evolve, the functional scope, intelligence level, and performance of industrial AI solutions have undergone continuous upgrades, enabling the emergence of more complex, efficient and adaptive manufacturing systems.



Source : CIC

Beginning around 2010, industrial AI solutions were predominantly concentrated in Level 1 and Level 2, which were primarily built on perception-oriented AI technologies, commonly referred to as perception AI. These solutions leveraged technologies such as deep learning and machine vision, enabling machines to sense and recognize the physical world by processing structured data, including images, signals, and sensor outputs. They delivered tangible improvements in accuracy, consistency and operational efficiency compared to manual processes. However, Level 1 and Level 2 industrial AI solutions remained constrained by predefined rules, static workflows and limited generalization capabilities. They typically operated within narrow task boundaries, lacked the ability to adapt to frequent product changes or unstructured environments, and were unable to continuously improve performance through autonomous learning in real-world industrial settings.

Evolution of Industrial AI Solutions: From Basic Industrial AI Solutions towards Industrial AI Agents

In recent years, AI technologies have evolved from generative AI to agentic AI. Generative AI, driven by advances in large models, has enabled AI solutions to understand complex contexts and generalize across diverse tasks. Building on this foundation, agentic AI integrates large models with reinforcement learning, chain-of-thought planning and function calling to form closed-loop systems capable of perceiving, reasoning, planning, acting, and continuously improving in real-world environments.

Against this technological backdrop, industrial AI agents have emerged as the most advanced form of industrial AI solutions, classified as Level 3 to Level 5. They are intelligent entities that perceive, learn, reason and act adaptively in complex industrial settings. By integrating multiple sensing capabilities such as

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visual perception and force sensing, they monitor equipment states, material flows and process parameters in real time. Leveraging industrial domain knowledge and operational data, these agents continuously learn, perform reasoning, and make autonomous decisions, dynamically generating and executing action plans to enable robotic arms, automated production lines, and other execution systems.

Industrial AI agents are emerging as a new paradigm for manufacturing systems, enabling adaptive and autonomous production workflows, and are redefining the development of the industrial sector through a range of core capabilities:

- ***Versatility:*** Traditional industrial machinery is typically designed as highly customized equipment tied to specific product models. A single industrial AI agent can support inspection across thousands of series of precision components, reducing the need for model-specific equipment and enabling more standardized and universally compatible machinery design.
- ***Dexterity:*** Human hands exhibit exceptional dexterity, particularly in flexible operations, which explains why a substantial amount of manual work remains in factories today. Industrial AI agents enhance machine capability by enabling the dexterity required for highly flexible operating tasks across diverse industries.
- ***Predictability:*** In traditional industrial production, parameters for complex processes are often set manually based on accumulated human experience. Industrial AI agents can dynamically adjust these parameters based on real-time operating conditions, improving process predictability, reliability, and consistency.
- ***Fundamentality:*** AI agents now serve as a foundational layer across industries. Built on large models and integrated with domain information, tools, and control systems, these agents provide a common backbone from which diverse applications can be composed, adapted, and scaled. This shifts industrial AI from siloed, scenario-specific solutions to agent-centric platforms that support rapid reuse and governed deployment across a wide range of industrial scenarios.

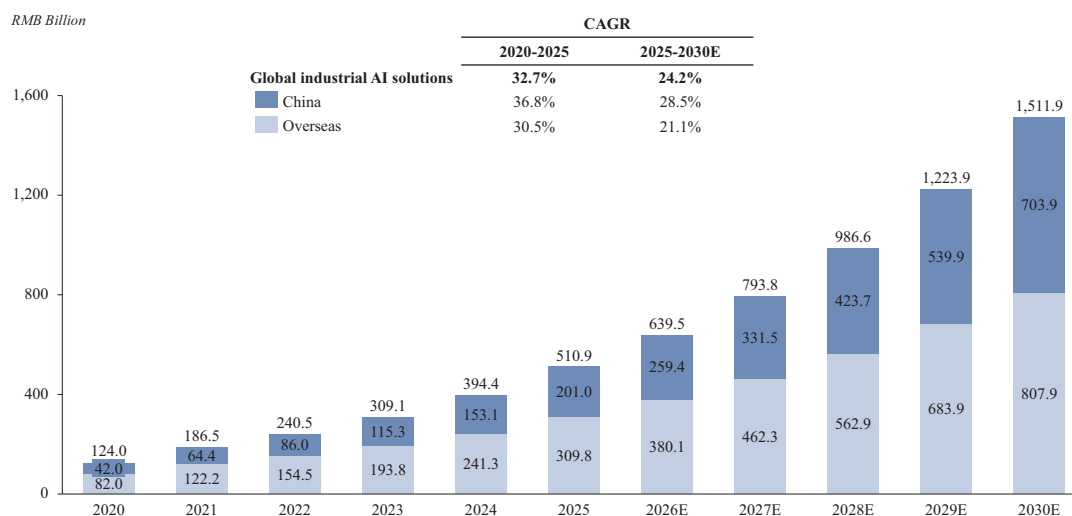
Market Size of Industrial AI Solutions: Massive Market Opportunity

The global industrial AI solution market is experiencing strong growth, driven by the increasing adoption of AI technologies. The global market size of the industrial AI solution industry expanded from RMB124.0 billion in 2020 to RMB510.9 billion in 2025, reflecting a CAGR of 32.7% during this period, and is projected to reach RMB1,511.9 billion by 2030, representing a CAGR of 24.2% from 2025 to 2030.

China is experiencing rapid growth in the industrial AI solution market, outpacing global growth, driven by rising investments in smart manufacturing and the momentum of industrial upgrading across various sectors. The market size of China’s industrial AI solution industry expanded from RMB42.0 billion in 2020 to RMB201.0 billion in 2025, reflecting a CAGR of 36.8% during this period, and is projected to reach RMB703.9 billion by 2030, representing a CAGR of 28.5% from 2025 to 2030.

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Market size of global and China’s industrial AI solution industry⁽¹⁾, in terms of revenue, 2020-2030E



Note :

- (1) The industrial AI solution market encompasses devices and software solutions that apply AI technologies across industrial applications. The total market size may not equal the sum of the individual segments due to rounding.

Sources: Expert interviews, Industry publications, CIC

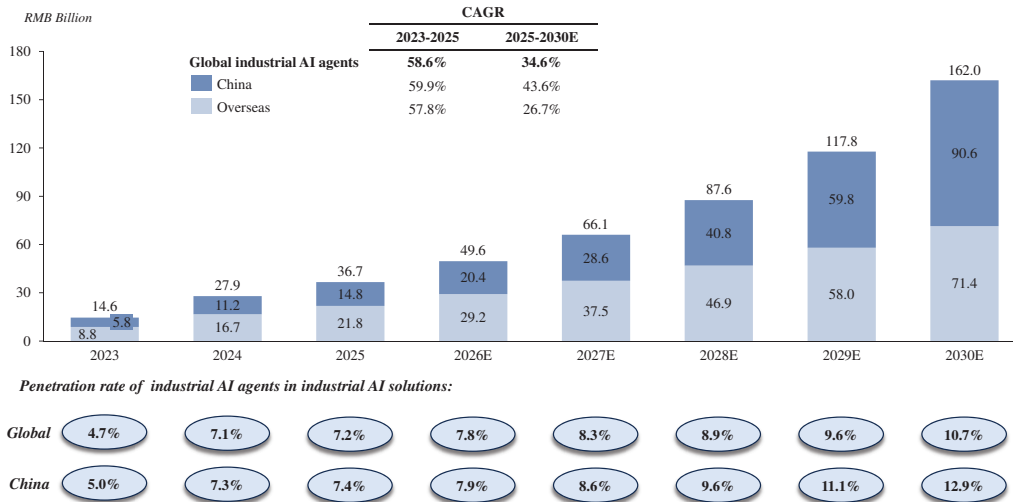
Market Size of Industrial AI Agent: Strong Growth Momentum and Rising Penetration

The global industrial AI agent market is experiencing strong growth, driven by increasing demand for adaptive and flexible industrial systems. The market size of the global industrial AI agent industry expanded from RMB14.6 billion in 2023 to RMB36.7 billion in 2025, reflecting a CAGR of 58.6% during this period, and is projected to reach RMB162.0 billion by 2030, representing a CAGR of 34.6% from 2025 to 2030.

Driven by its large-scale manufacturing bases, the rapid advancement of industrial AI technologies, and robust government support for industrial AI adoption, China’s industrial AI agent market is growing faster and achieving a higher penetration rate compared with the global market. The market size of China’s industrial AI agent industry expanded from RMB5.8 billion in 2023 to RMB14.8 billion in 2025, reflecting a CAGR of 59.9% during this period, and is projected to reach RMB90.6 billion by 2030, representing a CAGR of 43.6% from 2025 to 2030. Industrial AI agents are expected to account for an increasing share of the overall industrial AI solution market. In China, the penetration rate of industrial AI agents increased from 5.0% in 2023 to 7.4% in 2025, and is projected to reach 12.9% by 2030.

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Market size of global and China’s industrial AI agent industry⁽¹⁾, in terms of revenue, 2023-2030E



Note :

(1) The industrial AI agent market encompasses intelligent sensors with full-stack AI capabilities, advanced AI-powered automated optical inspection equipment, flexible collaborative robots, industrial embodied AI robots and AI-powered industrial software. Industrial AI agents began to emerge around 2022 but had not achieved large-scale commercialization prior to 2023. Therefore, market size data for the industrial AI agent industry is presented starting from 2023. The total market size may not equal the sum of the individual segments due to rounding.

Sources: Expert interviews, Industry publications, CIC

Key Drivers and Trends of Industrial AI Agent Industry

- Labor Constraints and Supply Chain Restructuring.** The ongoing restructuring of global supply chains, coupled with widespread labor shortages, is significantly reshaping the industrial landscape. Geopolitical uncertainties and shifting trade dynamics have prompted companies to relocate or reshore industrial operations closer to end markets, creating a heightened demand for labor in regions previously unprepared for large-scale, high-precision manufacturing. However, these regions are facing significant labor constraints, particularly in skilled workers for advanced manufacturing. As a result, manufacturers are increasingly turning to industrial AI agents to bridge the labor gap and enhance production efficiency.
- Growing Demand for Adaptive and Flexible Industrial Systems.** Downstream industries, including consumer electronics, new energy and automotive manufacturing, are experiencing accelerating product iteration cycles and faster model upgrades. These dynamics are driving demand for manufacturing systems with greater versatility, enabling rapid adaptation across different product variants, process configurations and production scenarios without extensive reprogramming or production line redesign. At the same time, the increasing adoption of miniaturized, lightweight and structurally complex components has materially raised the requirements for precision, control and process stability in manufacturing and assembly operations. As a result, manufacturers are increasingly adopting industrial AI agents to support the broader transition toward intelligent and versatile industrial systems.
- Transformation Toward Predictive and Generalizable Industrial Systems.** Manufacturers are placing greater emphasis on improving quality and yield management and are seeking to move beyond traditional post-process inspection toward more predictive and forward-looking approaches. Meanwhile, as new products, processes, and manufacturing scenarios continue to emerge, traditional industrial automation is often scenario-specific and struggles to adapt to these new developments, resulting in high deployment costs and low efficiency. Manufacturers are increasingly in need of a manufacturing system that can extend upon AI foundation models, offering the flexibility to adapt to diverse requirements and

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supporting rapid deployment across various manufacturing environments. As a result, the adoption of industrial AI agents built on unified model foundations with predictive capability is accelerating, enabling manufacturers to implement proactive and scalable production solutions across diverse industrial environments.

- **Policy Support.** Governments around the world attach great importance to the development of the industrial AI agent industry, and have issued a series of supportive policies to build a sound industrial environment. In 2025, China issued the CPC Central Committee’s Recommendations for Formulating the 15th Five-Year Plan for National Economic and Social Development (《中共中央關於制定國民經濟和社會發展第十五個五年規劃的建議》), which explicitly proposes the “AI+” initiative and emphasizes the need to seize the high ground in AI applications. In 2026, the Ministry of Industry and Information Technology of China issued the Implementation Opinions on the “AI + Manufacturing” Special Action (《“人工智能+製造”專項行動實施意見》), which refines the development plan of AI in manufacturing and explicitly mentions supporting the development of industrial AI agents. In March 2026, the Report on the Work of the Government(《政府工作報告》), delivered at the Fourth Session of the 14th National People’s Congress of the People’s Republic of China, emphasized the continued advancement of manufacturing digitalization and the “AI+” initiative, while promoting the accelerated adoption of next-generation intelligent terminals and intelligent agents. At the international level, in 2025, the European Union adopted Apply AI Strategy (《人工智能應用戰略》), aiming to promote AI deployment in key sectors, including the industrial sector.
- **Technological Advancements.** Rapid advancements in core technologies, including machine vision, large multi-modal models, edge computing and motion control technologies, have significantly enhanced the functional capabilities of industrial AI agents, enabling them to perceive, learn, reason and act autonomously within complex industrial environments. With these advanced functions, industrial AI agents are expected to be the key to unlocking entirely new industrial frontiers, such as nanometer and sub-nanometer manufacturing, as well as manufacturing in zero-gravity environments in space.

Competitive Landscape of China’s Industrial AI Agent Industry

In 2025, the Group ranked first among all providers in China’s industrial AI agent market in terms of revenue, with a market share of 5.8%.

Ranking of China’s industrial AI agent market, in terms of revenue, 2025

Ranking	Providers	Market Share ⁽¹⁾ (%)
1	The Group	5.8%
2	Company A ⁽²⁾	5.3%
3	Company B ⁽³⁾	4.7%
4	Company C ⁽⁴⁾	4.1%
5	Company D ⁽⁵⁾	3.0%
	Total	22.9%

Notes:

- (1) Market share is calculated by dividing a provider’s revenue generated from industrial AI agents in China by the total market size of China’s industrial AI agent industry. Such revenue includes revenue generated from intelligent sensors with full-stack AI capabilities, advanced AI-powered automated optical inspection equipment, flexible collaborative robots, industrial embodied AI robots, and AI-powered industrial software.

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- (2) Company A is a public company founded in 1974, listed on the Tokyo Stock Exchange, and headquartered in Japan. It is mainly engaged in the R&D, manufacturing and sales of machine vision products.
- (3) Company B is a private enterprise founded in 2018, headquartered in Jiangsu, China. It is mainly engaged in the R&D, manufacturing and sales of embodied intelligent industrial robots and quality inspection products.
- (4) Company C is a private enterprise founded in 2016, and headquartered in Zhejiang, China. It is mainly engaged in the R&D, manufacturing and sales of industrial robots and machine vision products.
- (5) Company D is a public company founded in 1847, listed on the Frankfurt Stock Exchange, and headquartered in Germany. It is mainly engaged in the R&D, manufacturing and sales of industrial automation and digitalization solutions.

Sources: Public filings of listed companies, Expert interviews, Industry publications, CIC

Entry Barriers and Key Success Factors in Industrial AI Agent Industry

- **Leading AI Large Models and Full-Stack Technologies.** In the industrial AI agent industry, leadership in AI large models and full-stack technological capabilities represents a significant barrier to entry. Industrial AI agents rely on advanced large models to process multi-modal industrial data, perform intelligent decision-making and support automated operations across production processes. Compared with general AI applications, industrial scenarios typically involve more complex operational requirements, stricter reliability standards and highly customized production workflows, which place significantly higher demands on the capability and robustness of large models. As a result, companies must possess deep AI expertise and strong full-stack technological capabilities spanning model development, system architecture and industrial deployment. Leading companies that have established such comprehensive technological capabilities are better positioned to continuously enhance their large models and deliver advanced AI agents in complex manufacturing environments, creating substantial technological barriers for potential new entrants.
- **First-Mover Advantage and Economies of Scale.** In the industrial AI agent industry, early movers gain a significant competitive edge by their technological expertise and market position. This first-mover advantage allows companies to capture key market share and build long-term relationships with customers, suppliers, and strategic partners, thus securing a stable and growing revenue base. As these companies scale up, they benefit from economies of scale driven by the reuse of their technology platform. By leveraging a common technology platform across different applications and scenarios, they can reduce deployment costs, enhance operational efficiency, and accelerate innovation. New entrants, lacking technological expertise and cost advantages, encounter substantial challenges in achieving competitiveness.
- **Stable Customer Relationships and Brand Effect.** Strong, long-term customer relationships are crucial for maintaining a competitive edge in the industrial AI agent industry. Providing excellent service and reliable solutions builds customer trust, which in turn enhances brand effect. Leading companies consistently deliver value across multiple projects, strengthening their brand effect and expanding market share, thereby defending against new entrants and solidifying their market position.
- **Data Barrier.** The development and continuous optimization of industrial AI agents rely heavily on large datasets from real-world industrial operations. A key challenge in this industry is the accumulation and utilization of high-quality, scenario-specific data. Companies that have already established comprehensive data ecosystems hold a significant competitive edge. New entrants struggle to collect enough high-quality data in a short time, preventing them from gaining a competitive advantage in the market.

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ANALYSIS OF GLOBAL AND CHINA’S AI INFRASTRUCTURE INDUSTRY

AI infrastructure refers to the foundational systems that support AI technologies, including computing hardware, network equipment, storage solutions, and software systems. The market size of global AI infrastructure industry expanded from RMB773.5 billion in 2020 to RMB2,945.1 billion in 2025, reflecting a CAGR of 30.7% during this period, and is projected to reach RMB6,137.2 billion by 2030, representing a CAGR of 15.8% from 2025 to 2030. In China, the market expanded from RMB139.0 billion in 2020 to RMB548.5 billion in 2025, reflecting a CAGR of 31.6%, and is projected to reach RMB1,315.6 billion by 2030, representing a CAGR of 19.1% from 2025 to 2030.

AI infrastructure networking solutions focus on resolving performance bottlenecks as AI computing scales across thousands of accelerator cards. These solutions include network architecture design, integration of key devices, system deployment and optimization, together with the provision of related software for network management. The market size of global AI infrastructure networking solution industry expanded from RMB134.0 billion in 2020 to RMB358.7 billion in 2025, reflecting a CAGR of 21.8% during this period, and is projected to reach RMB775.5 billion by 2030, representing a CAGR of 16.7% from 2025 to 2030. In China, the market expanded from RMB13.9 billion in 2020 to RMB56.1 billion in 2025, reflecting a CAGR of 32.2%, and is expected to reach RMB168.3 billion by 2030, with a CAGR of 24.6% from 2025 to 2030.

China’s AI infrastructure networking solutions industry features a highly fragmented competitive landscape. Market participants primarily include cloud service providers that develop and deploy AI infrastructure networking solutions in-house, as well as independent solution providers offering specialized networking design, hardware integration and system deployment services to customers. Given the rapid evolution of AI computing architectures and networking requirements, there are currently no dominant market participants in this market.

SOURCE OF INFORMATION

In connection with the [REDACTED], we engaged CIC, an independent market research consultant, to conduct an analysis of, and to prepare a report about global and China’s industrial AI agent industry. The CIC Report has been prepared by CIC independent of the influence of our Group and other interested parties. We have agreed to pay CIC a total fee of US\$138,000 for the preparation and use of the CIC Report, and we believe that such fees are consistent with the market rate. CIC is a consulting firm founded in Hong Kong and provides professional industry consulting services across multiple industries. CIC’s services include industry consultancy services, commercial due diligence and strategic consulting.

CIC conducted both primary and secondary research using a variety of resources. Primary research involved interviewing key industry experts and leading industry participants. Secondary research involved analyzing data from various publicly available data sources. The market projections in the commissioned report are based on the following key assumptions: (i) given China’s enduringly stable political system, effective social governance and robust economic foundation, it is anticipated that the overall social, economic and political environments in China will remain stable during the forecast period; (ii) according to the National Bureau of Statistics of China, key economic indicators such as gross Domestic Product (“GDP”), industrial added value, and urbanization rate have shown an upward trend in China over the past decade. Therefore, we believe that the economic and industry development in China is likely to maintain a steady growth trajectory during the forecast period, accompanied by continuing urbanization; (iii) related key industry drivers such as the labor constraints and supply chain restructuring, the growing demand for advanced industrial systems, the continuous upgrading of advanced technologies, and the favorable policy support worldwide are likely to propel continued growth in global industrial AI agent industry throughout the forecast period; and (iv) there will be no extreme force majeure event or unforeseen industry regulation that may significantly or fundamentally affect the relevant market and industry.

Unless otherwise specified, all data and forecasts contained in this section are derived from the consultancy report of CIC. The Directors, upon acting with reasonable prudence, confirmed that there has been no occurrence of adverse change in the overall market information that would subject the data to significant restrictions, contradiction or negative effects since the date of the consultancy report.