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. 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 Sole Sponsor,* **[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.*

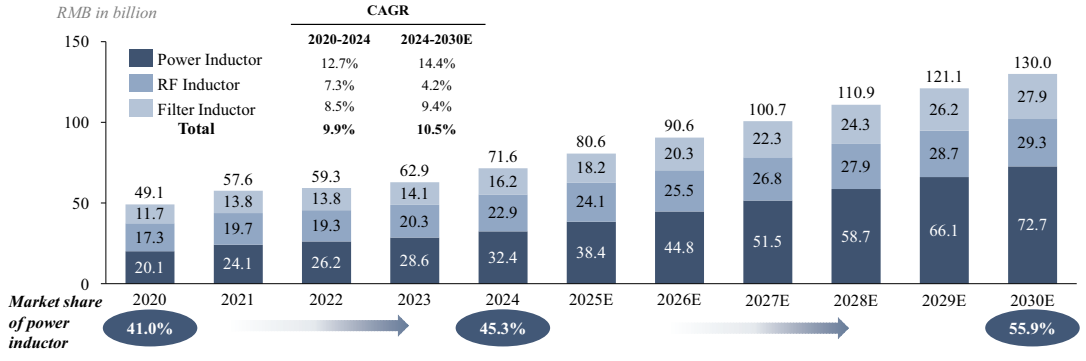
OVERVIEW OF THE GLOBAL INDUCTOR SOLUTIONS INDUSTRY

An inductor is an electronic component operating on the principle of electromagnetic induction. It can smooth out fluctuating currents in a circuit, serves as a core component to realize voltage step-up and step-down in circuits, and has the function of suppressing interference signals in circuits. As a key basic component for power regulation and signal stabilization in power electronic circuits, it is widely applied in electronic circuits of various terminals in the information technology, automotive, consumer electronics, and industrial sectors.

Inductors can be classified into power inductors, radio frequency (RF) inductors, and filter inductors by functionality. Power inductors are primarily applied in power supply circuits, either in discrete form or integrated within power modules, serving to store and convert electrical energy and stabilize current and voltage. RF inductors are typically applied in signal circuits, functioning in signal reception and amplification to facilitate signal processing. Filter inductors are specifically designed to eliminate clutter and magnetic field interference between circuits. Among power inductors, chip-used power inductors are a type of power inductor specifically designed for power supply scenarios of chips. Based on the manufacturing process node of the chips being powered, chip-used power inductors can be further classified into those for advanced process chips and those for mature process chips. As the Company is a supplier focused on providing power inductor solutions for advanced process chips, this chapter will focus on the analysis of the industry of power inductor solutions for advanced process chips.

In terms of the sales revenue of inductor, the market size of the global inductor solutions industry increased from RMB49.1 billion in 2020 to RMB71.6 billion in 2024, representing a CAGR of 9.9%. It is projected that the market size of global inductor solutions industry will reach RMB130.0 billion by 2030, reflecting a CAGR of 10.5%. The market size of global power inductor solutions industry is expected to grow from RMB32.4 billion in 2024 to RMB72.7 billion in 2030, with a CAGR of 14.4%, and will account for 55.9% of the global inductor solutions industry market size by 2030.

Market Size of Global Inductor Solutions Industry by Functionality, in terms of Sales Revenue, 2020-2030E



Source: China Electronic Components Association, Annual Reports of Listed Companies, Expert Interviews, CIC

FUTURE TRENDS OF THE POWER INDUCTOR SOLUTIONS INDUSTRY IN THE AGE OF AI

AI Drives Intelligent Iteration of Terminal devices, Starting a New Cycle for the Industry

- **Computing Infrastructure:** The large-scale implementation of AI technologies and the intelligent transformation of industries are driving explosive growth in computing power infrastructure. The global AI token consumption is expected to increase from approximately 5.5 quadrillion in 2025 to over 1,200 quadrillion by 2030, representing a CAGR of approximately 194.5%. The rapid growth in computing power demand has driven the deployment of computing infrastructure toward large-scale clustering, high computing density, and high-power density, boosting the demand for power inductors. Meanwhile, in high-density computing scenarios, power supply systems must ensure stable and continuous power output, which imposes higher requirements on the voltage withstand capability, large current capacity, and stability of power inductors. To meet the surging global demand for higher data transmission rates and densities, data communication methods are shifting from electrical communication to optical communication, making optical modules core components of computing networks and data centers. Power inductors are critical in the laser driving, photoelectric conversion, and power management processes of optical modules. As optical module transmission rates continuously iterate from 400 Gbps to 1.6Tbps and beyond, the demand for power inductors with high-power, low-loss, and high-reliability characteristics will also rise rapidly.

- **Smart Vehicle:** As the advancement of automotive intelligent driving progresses from assisted driving to autonomous driving, coupled with the diversification of smart cockpit functions, the computing power demand for on-board chips has continued to rise, surging from less than 1 tera operations per second (TOPS) to over 1,000 TOPS currently, representing exponential growth. The innovation of electronic architectures and adoption of intelligent functions have raised higher requirements for centralized, high-power, stable and anti-interference automotive power systems. This trend drives the performance upgrade of automotive power inductors and increases their per-vehicle usage amid growing adoption of chips, sensors and actuators.

- **Consumer Electronics:** AI is reshaping the form and performance boundaries of consumer electronics. Devices that integrate an NPU and enable on-device execution of specific AI tasks, such as AI phones and AI PCs, are gaining widespread adoption to meet enhanced personal entertainment and enterprise productivity demands, while emerging smart terminal products such as smart wearables are accelerating commercialization. The growing complexity of device circuit architectures drives surging demand for miniaturization, high power density and energy efficiency optimization in power modules, thereby boosting the demand for power inductors.

- **Embodied Intelligence:** As AI integrates deeply into the physical world, it drives embodied intelligence solutions to evolve rapidly toward generalizability, intelligence, and scenario-based commercialization. Their physical platforms are developing toward high flexibility, high-precision response, and high load-carrying capacity, integrating complex systems such as multi-joint actuation, multi-sensor perception, and autonomous decision-making and control. These systems require strict on power supply stability, transient high-current output, and anti-interference performance. Meanwhile, the integrated and lightweight design of the devices necessitates power inductors with high power density, miniaturization, and vibration resistance, boosting demand for power inductors.

Computing Demand Continues to Drive the Upgrading of Chip Performance, and the Accelerated Deployment of Advanced Process Chips Exacerbates Power Consumption Challenges, Leading to a Rapid Rise in the Configuration Quantity and Performance Requirements of Power Inductors.

The core of AI intelligent upgrading lies in the real-time processing of massive unstructured data and rapid inference, raising demands for chip computing power, energy efficiency, and low-latency performance. Advanced processes, which shrink transistor sizes and improving integration, are critical to achieve exponential growth in chip computing power. With the continuous development of large-scale AI models, the demand for powerful parallel computing capabilities from complex AI workloads has directly driven a surge in demand for AI accelerator chips like GPGPU, NPU, and ASIC based on advanced processes, accelerating the iterative upgrade of the semiconductor industry toward more advanced process nodes. Meanwhile, this trend further exacerbates the power consumption challenges of chips. At present, the power consumption of mainstream AI computing power chips in the industry has rapidly risen to over 1,000 watts, posing unprecedented requirements for the stability, efficiency, and power density of power supply systems. GPGPU, characterized by strong versatility and a mature ecosystem, is widely used in AI training scenarios, and the increase in the configuration quantity of single-server systems will drive the rapid growth of demand for power inductors. ASIC chips, developed through in-depth customized design for dedicated scenarios, feature a more complex power supply architecture and impose stricter requirements on indicators such as the saturation current, permeability, operating frequency, and volume of inductors, thereby driving a significant increase in the value of single inductors.

Reshaping of the Industrial Value Chain and the Increase of the Strategic Importance of Design-in Mode

In the Age of AI, upgrades in the performance of downstream terminals and chips have raised technical requirements for power inductors and increased development complexity, which has reshaped the industrial value chain of power inductors, elevating them from traditional general-purpose electronic components to core components that critical to the energy efficiency and reliability of downstream systems. The deeply collaborative design-in model has become a core demand and inevitable choice for industry development. In key application scenarios such as smart vehicles and AI servers, terminal products have imposed markedly higher requirements on the adaptability and stability of power inductors, and traditional standardized products can no longer meet customers' customized needs, which requires power inductor suppliers to participate in the early stage of customers' product R&D and design, precisely match customers' core needs, provide customized solutions, and accompany customers throughout the entire R&D, verification and mass production cycles, thereby forming a deeply bonded cooperative relationship.

ANALYSIS OF THE GLOBAL INDUSTRY OF POWER INDUCTOR SOLUTIONS FOR ADVANCED PROCESS CHIPS

Definition of the Power Inductor Solutions for Advanced Process Chips

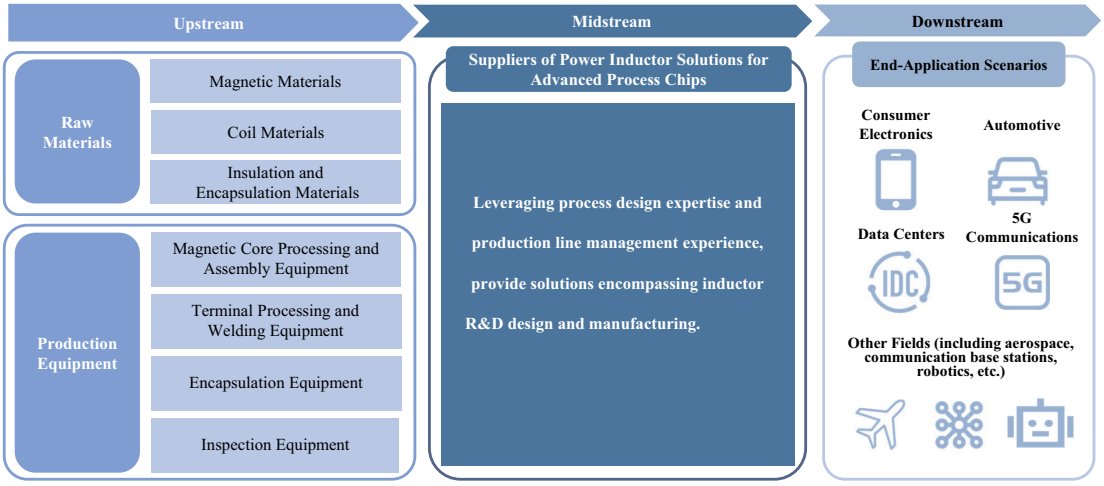
Power inductor solutions for advanced process chips refer to inductor solutions targeting the power supply requirements of advanced process integrated circuits with a process node of 7nm and below. These solutions focus on core application scenarios of advanced process chips featuring high computing power, low power consumption and high integration, and meet the stringent technical requirements of their power supply systems for current carrying capacity, ripple suppression and loss control.

Value Chain Analysis of the Industry of Power Inductor Solutions for Advanced Process Chips

The upstream of the value chain primarily consists of suppliers of key equipment and raw materials, encompassing production equipment such as material synthesis and processing equipment and molding equipment, as well as key raw materials including magnetic materials, coil materials, and auxiliary materials. The midstream mainly comprises suppliers of such power inductor solutions, offering integrated solutions

covering inductor R&D, design, and manufacturing. The downstream constitutes the terminal application scenarios for these solutions, representing the industry chain's value realization endpoint and covering diverse use cases including consumer electronics, automotive, and data centers.

Value Chain Analysis of the Industry of Power Inductor Solutions for Advanced Process Chips

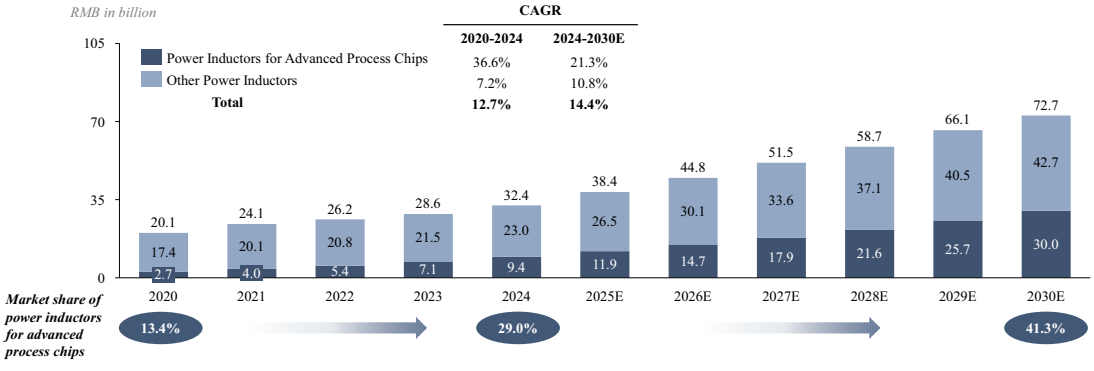


Source: CIC

Market Size of the Industry of Power Inductor Solutions for Advanced Process Chips

With the accelerated deployment of advanced process chips in downstream sectors, the global market size of power inductor solutions for advanced process chips is experiencing rapid growth. Measured by sales revenue, the global market size of power inductor solutions for advanced process chips increased from approximately RMB2.7 billion in 2020 to around RMB9.4 billion in 2024, representing a CAGR of 36.6%. It is expected that by 2030, the market size of the global power inductor solutions industry for advanced process chips will reach approximately RMB30.0 billion, with a corresponding CAGR of 21.3% which is notably higher than the CAGR of the global power inductor solutions industry, reflecting the explosive demand for high-performance inductors driven by the age of AI.

Market Size of Global Power Inductor Solutions Industry by Power Inductor Solutions for Advanced Process Chips and Other Power Inductor Solutions, in terms of Sales Revenue, 2020-2030E

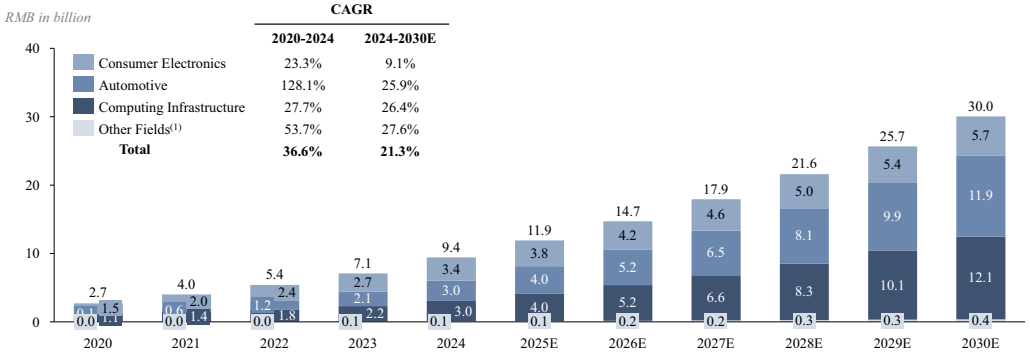


Source: China Electronic Components Association, Annual Reports of Listed Companies, Expert Interviews, CIC

ANALYSIS OF MAJOR APPLICATION FIELDS OF THE POWER INDUCTOR SOLUTIONS FOR ADVANCED PROCESS CHIPS

Consumer electronics, automotive, and computing infrastructure are the three major downstream application fields of power inductor solutions for advanced process chips globally. Measured by sales revenue, the market size of power inductor solutions for advanced process chips in the global consumer electronics, automotive, and computing infrastructure fields in 2024 was approximately RMB3.4 billion, RMB3.0 billion, and RMB3.0 billion respectively, accounting for 35.9%, 31.6% and 31.6% of the market size of global industry of power inductor solutions for advanced process chips.

Market Size of Global Industry of Power Inductor Solutions for Advanced Process Chips by Application Field, in terms of Sales Revenue, 2020-2030E



Note: (1) Other fields include aerospace, industrial control, medical, communications, and security, among others.

Source: China Electronic Components Association, Expert Interviews, CIC

Analysis of the Power Inductor Solutions for Advanced Process Chips in Consumer Electronics Field

Definition

The consumer electronics advanced process power inductor solutions industry refers to the specialized field that designs, manufactures, and supplies high-performance, miniaturized, high-reliability power inductors for consumer electronic devices with data processing, network connectivity, and human-computer interaction capabilities. This includes handheld mobile terminal devices like smartphones, smart wearables, and tablets, as well as digital productivity devices like laptops, focusing on the advanced process chips embedded within them.

Market Drivers and Future Trends

- **Continuous Performance Improvement of Consumer Electronic Devices:** With the penetration of AI technology in the consumer electronics field, advanced process chips are rapidly being adopted in terminals like AI PCs and AI smartphones. The peak power consumption of smartphone SoCs and notebook CPUs/GPUs is continuously rising. Their low-voltage, high-transient current characteristics impose higher requirements on the current carrying capacity, transient response speed, and power density of power supply inductors, driving inductor demand.

- **Trend towards Device Slimming and Miniaturization:** Consumer electronic terminals continuously pursue thinness, portability, and compact form factors, significantly compressing motherboard layout space. This directly drives the evolution of power inductors towards smaller package sizes. Furthermore, to maximize the utilization of limited space and improve the integration efficiency of power supply systems, inductors are being integrated with capacitors and resistors to form modular solutions, increasing their value.

- **Material and Process Innovation Supporting Supply Upgrades:** The widespread application of new low-loss magnetic materials and advanced molding processes effectively solves the core challenges of heat dissipation and loss for power inductors under miniaturization and high-power density. This precisely matches the high-frequency, high-efficiency power supply requirements of advanced process node chips in consumer electronics, providing core technical support for market demand release and further driving the large-scale application of high-performance power inductors.

Analysis of the Power Inductor Solutions for Advanced Process Chips in Automotive Field

Definition

The global power inductor solutions industry for advanced process chips in automotive field is an industrial field dedicated to the R&D, manufacturing, and supply of high-reliability, high-performance power inductor solutions tailored for advanced process chips used in various electronic function domains such as Advanced Driving Assistance System (ADAS), cockpit domain controllers, powertrain domain controllers, body domain controllers and central domain controllers, in response to the trends of vehicle electrification and intelligence.

Market Drivers and Future Trends

- **Accelerated Electrification Penetration:** The penetration rate of new energy vehicles continues to break through. Compared to traditional fuel vehicles, new energy vehicles incorporate core components like electric drives, on-board chargers, and battery management systems, leading to a significant increase in the number of inductors used per vehicle and directly driving market demand expansion. Simultaneously, the gradual adoption of 800V high-voltage platforms imposes higher requirements on in-vehicle inductors, demanding higher power density and lower losses within limited spaces to improve vehicle range and charging efficiency.

- **Intelligent Function Upgrades:** The rapid development of L2+ level and above autonomous driving functions and in-cabin intelligent interaction technologies continuously drives the demand for in-vehicle computing power. Concurrently, to achieve more precise environmental perception and safety redundancy, the quantity and specifications of in-vehicle sensors like LiDAR, 4D millimeter-wave radar, and high-definition cameras have significantly increased. Both autonomous driving computing platforms and multi-sensor systems place extremely high demands on power supply stability, low noise, low ripple, and electromagnetic interference resistance, directly driving the rapid growth in demand for high-reliability, high-anti-interference, low-loss automotive-grade power inductors.

- **Evolution of Electrical Architectures:** The evolution from distributed ECUs to domain-centralized, and further to central "computing + zone control" architectures, significantly increases the complexity of power distribution networks. This requires inductor solutions to develop towards standardization and modularization, capable of meeting differentiated power supply needs across different zones while supporting power management strategies for OTA updates.

Analysis of the Power Inductor Solutions for Advanced Process Chips in Computing Infrastructure Field

Definition

The industry of power inductor solutions for advanced process chips in global computing infrastructure is a professional sector that provides high-efficiency and high-reliability power inductor solutions to meet the power supply performance requirements of various advanced process chips such as GPGPUs, CPUs, and ASICs in high performance computing scenarios such as artificial intelligence training/inference, weather and climate forecasting, materials science research, and biomedicine and drug discovery.

Market Drivers and Future Trends

- **Explosive Growth in AI Computing Demand:** Generative AI and large model training demand exponential growth in computing power. The power of a single GPU has exceeded 1000W, driving the upgrade of power supply systems towards 800V high-voltage architectures. This requires supporting inductors to support ultra-high current density and extremely low loss high-frequency operation to meet the requirements of multi-phase parallel power supplies.

- **Proliferation of Heterogeneous Computing Architectures:** With the development of AI computing, and high-performance computing, heterogeneous computing is gradually becoming the mainstream industry architecture. In heterogeneous computing systems, each AI accelerator requires an multi-phase and high-density power supply network, leading to an exponential increase in the number of inductors used per AI server.

- **Power Supply Architecture Upgrade Drives Innovation in Inductor Solutions:** As demand for AI computing surges, conventional power supply architectures can no longer meet the requirements for high-current output and ultra-high transient response performance of AI accelerator chips. To address this issue, the industry has promoted upgrades to power supply architectures, which have concurrently driven innovation and iteration in supporting inductors. For example, leveraging magnetic coupling design and advanced materials technologies, TLVR inductors have achieved breakthroughs in high-current handling capability and low-loss characteristics, emerging as a typical representative that meets the power supply requirements of computing infrastructure and facilitates the continuous upgrading of inductor solutions.

- **Rapid Adoption of the Design-In Model:** Power inductors are crucial to the computing power release of AI accelerator chips and the stability of power supply systems. An increasing number of chip designers and server providers choose to involve inductor providers early in the R&D phase for collaborative design and joint simulation. This early-stage partnership model not only ensures inductors precisely match power supply parameters and structural requirements but also secures long-term orders, becoming a key driver for sustained market demand growth.

COMPETITIVE LANDSCAPE OF THE GLOBAL INDUSTRY OF POWER INDUCTOR SOLUTIONS FOR ADVANCED PROCESS CHIPS

Rankings of the Global Power Inductor Solution Suppliers for Advanced Process Chips

The global market of power inductor solutions for advanced process chips demonstrates high concentration, with the top six suppliers accounting for an aggregate market share of over 80% in 2024. The market is dominated by a limited number of suppliers headquartered in Japan and Taiwan, while suppliers headquartered in Chinese mainland have been actively expanding their presence in this market. In 2024, in terms of revenue from power inductor solutions for advanced process chips, our Company ranked first among players headquartered in Chinese Mainland and sixth globally.

Rankings of the Global Power Inductor Solution Suppliers, in terms of Revenue from Power Inductor Solutions for Advanced Process Chips 2024

Rank	Market Players	Headquarters	Revenue *(RMB in million)*	Market share *(%)*
1	Company A[2]	Taiwan	2,875.0	30.5%
2	Company B[3]	Japan	1,578.7	16.8%
3	Company C[4]	Taiwan	1,477.5	15.7%
4	Company D[5]	Japan	1,190.0	12.6%
5	Company E[6]	Japan	580.5	6.2%
6	The Company	Chinese Mainland	425.1	4.5%
	Others		1,285.8	13.7%
	Total		9,412.6	100.0%

Notes:

(1) Except for our Company's data, the data for other participants is based on a combination of publicly available annual reports of listed companies and expert interviews;

(2) Company A is a provider of power management and thermal management solutions, founded in 1971, headquartered in Taiwan, and listed on the Taiwan Stock Exchange;

(3) Company B is an electronic component manufacturer, founded in 1944, headquartered in Japan, and listed on the Tokyo Stock Exchange;

(4) Company C is an electronic component manufacturer, founded in 1977, headquartered in Taiwan, and listed on the Taiwan Stock Exchange;

(5) Company D is an electronic component manufacturer, founded in 1935, headquartered in Japan, and listed on the Tokyo Stock Exchange;

(6) Company E is an electronic component manufacturer, founded in 1950, headquartered in Japan, and listed on the Tokyo Stock Exchange.

Source: Expert Interviews, CIC

Entry Barriers and Success Factors of the Power Inductor Solutions Industry for Advanced Process Chips

- **Vertically Integrated Capability Covering "Materials-Process-Equipment":** Leading companies possess the synergy and integration capability for magnetic material R&D, process development, and production line design. This not only ensures systematic optimization of product performance and reliability but also significantly enhances response speed and comprehensive cost advantages, representing a systemic capability difficult for new entrants to replicate in the short term.

- **Comprehensive R&D Capability and Superior Product Performance:** Leading enterprises in the industry generally established a comprehensive R&D system that integrates the development of customized magnetic material formulations, precision structural design, high-precision manufacturing processes, full-process verification and testing, and in-depth application collaboration. Equipped with systematic R&D capabilities, leading enterprises can provide customized power inductors with high magnetic permeability, low loss, high magnetic flux density, high-frequency response and high reliability, which effectively caters to the demands of downstream customers.

- **Top-Tier Customer Resources and Stringent Certification Systems:** In fields with high-reliability requirements such as automotive and data centers, customer certification cycles are long, and standards are strict. Once admitted into their supply chain, strong cooperation stickiness forms, creating barriers to customer resources. New entrants find it challenging to complete product adaptation and certification processes with such customers in a short time.

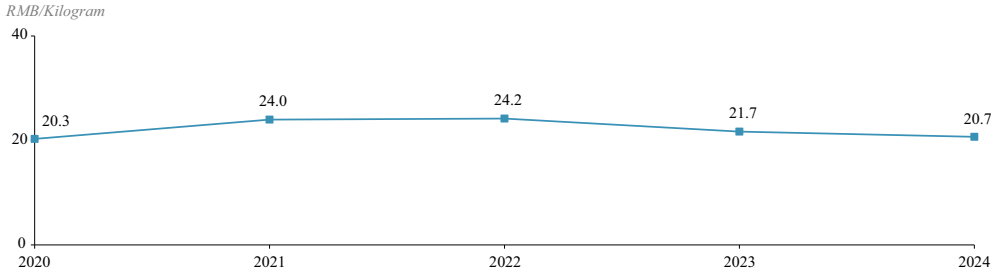
- **Deeply Integrated Collaborative Design Ecosystem and Technological Leadership with Customers:** Deep collaboration with top-tier customers early in product R&D enables companies to proactively grasp technology trends, precisely define product requirements, and continuously iterate their own technologies through joint development. This ecological cooperation model of "customer-led R&D" ensures that a company's technological innovation remains synchronized with cutting-edge market demands and can even co-define next-generation product technology standards.

- **Deep Customization Solution Capability Centered on Design-In:** Facing differentiated application scenarios, the ability to deeply engage during the customer's product design-in phase, based on a profound understanding of customer needs, and provide full-process customization services from material selection, circuit design, product realization to testing and verification, has become a decisive factor distinguishing ordinary suppliers from core partners. This service model, starting with the product R&D source, not only precisely matches customer technical specifications and application requirements but also forms a deeply integrated strategic partnership post-mass production.

ANALYSIS OF RAW MATERIAL PRICES IN THE INDUCTOR SOLUTIONS INDUSTRY

Ferrite material is one of the important raw materials for inductors. Its average price increased slightly from RMB20.3 per kilogram in 2020 to RMB24.2 per kilogram in 2022, primarily driven by the upward cost of upstream raw materials such as iron oxide. After 2023, with the decline in upstream raw materials prices, the price of ferrite material decreased to RMB20.7 per kilogram in 2024, representing a CAGR of 0.5% from 2020 to 2024. Looking ahead, the average price of ferrite material is expected to maintain a trend of minor fluctuations.

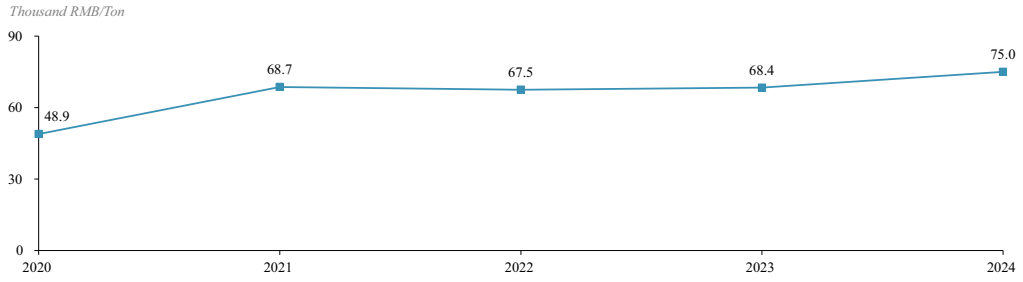
Price of Ferrite Material, 2020-2024



Source: Expert Interviews, CIC

Copper enameled wire is another key raw material for inductors, the average price of which is highly correlated with copper prices. Supported by strong demand and tight supply, the average price of copper in China increased from RMB48.9 thousand per ton in 2020 to RMB75.0 thousand per ton in 2024 and is expected to remain at a relatively elevated level with fluctuations amid a tight supply-demand balance.

Price of Copper, 2020-2024



Source: CIC

ANALYSIS OF THE GLOBAL BOARD-LEVEL POWER MODULE INDUSTRY

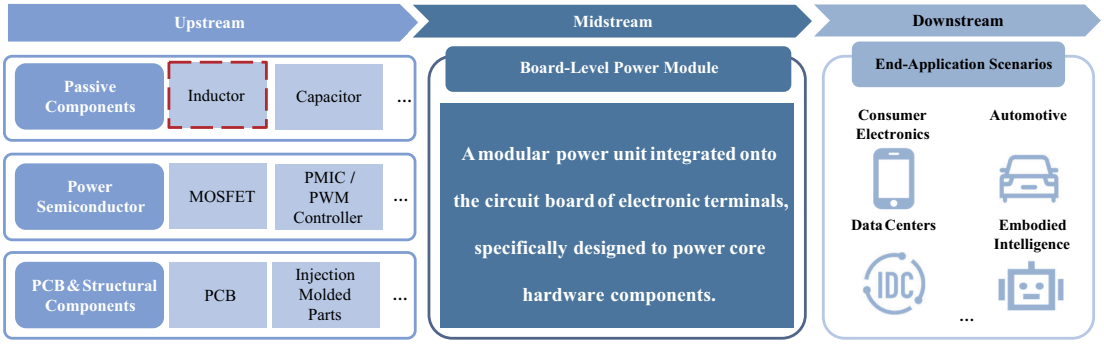
Overview of the Board-Level Power Modules

Board-level power refers to the power conversion and voltage regulation circuit system directly designed and mounted on a printed circuit board (PCB). It primarily utilizes power management chips, together with inductors, capacitors, and resistors, to achieve voltage transformation, regulation, filtering, and distribution of electrical energy, powering components on the PCB such as processors, memories, sensors, and logic circuits.

For board-level power based on discrete power supply architectures, various functional components are independently arranged on the PCB. Their dispersed layout results in low PCB space utilization. Additionally, due to the different power supply and heat dissipation performance of various components, issues such as insufficient power supply stability, electromagnetic interference between components, and localized overheating can easily occur. Especially in computing infrastructure scenarios, facing the high-power, high-density, high-reliability power supply demands of high-performance computing chips, board-level power based on discrete architectures encounters increasingly problems like wiring losses and electromagnetic interference. Moreover, its optimization potential concerning component count capacity, PCB area utilization, and routing complexity control is very limited, severely constraining computing power efficiency levels and iterative development.

A board-level power module is an integrated power supply unit that highly integrates core functional components of board-level power, such as power management chips, inductors, and capacitors, into a standardized package. It is a board-level power supply solution optimized to address the pain points of discrete power supply architectures. Through integrated design, it achieves system-level optimization of component layout and circuit routing, significantly improving PCB space utilization and power supply density, effectively reducing wiring losses, electromagnetic interference, and localized overheating risks, while notably enhancing power supply stability and product performance consistency. With the rapid development of downstream fields such as computing infrastructure, new energy vehicles, and embodied intelligence, the market size for board-level power modules is expected to increase from RMB24.4 billion in 2024 to RMB43.3 billion in 2030.

Value Chain Analysis of the Board-Level Power Module Industry



Source: CIC

Analysis of the Technological Reusability and Applicability of Inductor Solutions in the Board-Level Power Module Field

The core logic of board-level power modules and inductors concerning magnetic-electrical regulation is highly homologous. Therefore, power inductor solution suppliers with deep experience in component design and application are further extending downstream into the power module field. Leveraging their profound understanding of inductor characteristics, they achieve system-level performance optimization for power systems, further opening up value enhancement space in the industry.

- **Core Technology Reusability – Inductor solution suppliers, by leveraging their deep understanding and grasp of inductor performance, enable system-level optimization of magnetic-electrical performance in board-level power modules.** The core technologies of both board-level power modules and inductors revolve around magnetic-electrical conversion and loss optimization, allowing for high reusability. Inductor manufacturers, with their in-depth knowledge of the magnetic-electrical characteristics and loss mechanisms of inductor components, can reuse their core technologies in the R&D and manufacturing of board-level power modules. This allows them to optimize the magnetic-electrical conversion efficiency and stability of the power supply at the source, achieving optimal overall system performance for the board-level power module.

- **Architecture Design Reusability – Inductor solution manufacturers, leveraging their experience in R&D and manufacturing of high-voltage-withstand, high-current, and miniaturized components, enable optimization of board-level power module architecture design.** Based on their R&D and manufacturing experience with high-voltage withstand and high-current inductors, inductor solution manufacturers can accurately match the high-voltage architecture requirements of new energy vehicles and AI server board-level power supplies, providing optimally adapted inductor products. Simultaneously, relying on their professional knowledge of component insulation and current withstand characteristics, they assist in optimizing the layout and insulation design of the high-voltage architecture within board-level power modules, enhancing overall power supply reliability. In the context of miniaturization and modular architecture upgrades, inductor manufacturers, leveraging their accumulated expertise in miniaturized and integrated inductors, can provide inductor products suitable for modular integration in board-level power modules. Furthermore, combined with their profound understanding of component heat dissipation and spatial adaptation, they can reuse spatial layout and thermal management techniques for board-level power functional components to optimize inductor miniaturization design. This achieves coordinated adaptation between the board-level power supply and inductor architecture, balancing power density and miniaturization requirements to realize the optimal design of the system architecture.

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 inductor solutions 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 RMB700,000 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) the overall global social, economic, and political environment is expected to maintain a stable trend over the next decade; (ii) related key industry drivers are likely to propel continued growth in global power inductor solutions industry throughout the forecast period; and (iii) 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.