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OVERVIEW OF AI IN CHINA

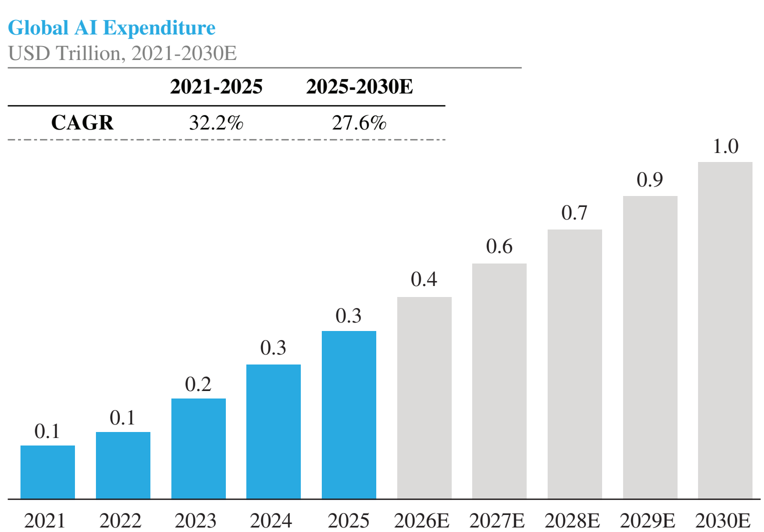
AI as a Key Driver of the Fourth Industrial Revolution

The Fourth Industrial Revolution is a global technological transformation defined by the convergence of physical, digital, and biological systems. Unlike earlier revolutions driven by steam, electricity or computers, it unfolds at unprecedented speed and scale, with far-reaching social and economic effects. AI is widely regarded as one of the most critical forces in advancing intelligentization, fostering the creation of new business models and industries and facilitating the integration of the physical and digital worlds.

AI constitutes a key branch of computer science and refers to technologies that simulate and extend human intelligence, enabling machines to perform perception, comprehension, reasoning, learning, and decision-making. Through such capabilities, AI systems are able to execute complex tasks with minimal or no human intervention. The continued advancement of AI is fundamentally reshaping economic growth paradigms, enterprise operations, and virtually every aspect of human life. By 2030, AI technologies are expected to create more than USD12 trillion in commercial value globally.

Rising Demand for AI Computing and Related Infrastructure

As large models achieve breakthroughs in multimodal tasks, AI innovation is shifting its focus from application-layer algorithms to the intelligentization of underlying infrastructure, specifically the intelligentization of computing power. Previously, AI models were primarily focused on specific single-use cases, but are now shifting toward large models capable of general capability such as task decomposition, tool orchestration and autonomous decision-making. This transition is increasing demand for computing capacity and related AI infrastructure, further driving growth in AI capital expenditure. AI capital expenditure, comprising investments in hardware including compute, networking and storage, as well as software and related services, is expected to increase from USD0.3 trillion in 2025 to approximately USD1.0 trillion by 2030 globally, reflecting the rising scale of investment required to support large-model training, inference and deployment.



Source: Frost & Sullivan

The rapid expansion of large models is driving a comprehensive restructuring of underlying infrastructure architectures, accelerating demand for enhanced computing power. Large model training places heightened demands on large-scale parallel computing; for example, reinforcement learning often requires sustained and extensive parallel computation. Compared with traditional AI models, large models involve significantly greater parameter scale and computational complexity, with state-of-the-art models often requiring billions of parameters and even more.

To support both training and inference workloads, AI computing power has increased significantly. As of June 2025, total global computing capacity surpassed 4,580 EFLOPS. Among this, China's total computing capacity reached 962 EFLOPS, representing approximately 73% year-on-year growth and accounting for about one-quarter of the global total. Meanwhile, China's intelligent computing capacity reached 782 EFLOPS, representing more than 80% of its total computing capacity. China has emerged as the world's second-largest computing power nation. With mainstream large model training now involving tens of thousands of compute units operating in coordination, unprecedented demands are being placed on the scale, interconnect architecture and orchestration capabilities of AI computing clusters.

In addition, the continued expansion of computing capacity is also driven by sustained government policy Support. The Opinions of the State Council on Deeply Implementing the "AI+" Initiative (《國務院關於深入實施"人工智能+"行動的意見》) emphasize strengthening the coordinated planning of intelligent computing resources, accelerating technological breakthroughs and large-scale deployment of ultra-large AI computing clusters, and enhancing interconnectivity and supply-demand matching of intelligent computing capacity. The Report on the Development of the Digital Economy (《關於數字經濟發展情況的報告》) explicitly calls for building a world-leading computing infrastructure system and establishing next-generation national AI open innovation platforms.

Emergence of AI Computing Clusters

The rapid growth in AI compute demand is outpacing the pace of traditional hardware performance improvements, intensifying the need for architectural innovation beyond single-node performance optimization. With the widespread adoption of large models, demand for computing power has expanded rapidly, while conventional hardware performance improvements remain constrained by the upgrade cycle of semiconductor technologies as well as growing physical and economic limitations at leading-edge process nodes. As a result, improvements in single-node performance (scale-up) alone are no longer sufficient to sustainably meet accelerating compute requirements.

AI computing upgrades are also now focusing scale-out architectures. Computing power upgrades driven by large models are reflected not only in the continuous expansion of computing scale, but also in the deep optimization of resource scheduling. In real-world deployment, inference workloads must support massive concurrent requests while maintaining low-latency responses, placing increasingly stringent requirements on load balancing and dynamic scheduling across compute resources. As model parameters, context lengths and inference concurrency continue to increase, computing power must also achieve horizontal scalability (scale-out) through large-scale clustered deployment. Within such architectures, capabilities such as intelligent compute scheduling are emerging as important enablers of overall cluster efficiency, stability, and cost-effectiveness. Some key requirements have emerged alongside the structural development of AI, as follows:

- ***Efficient Resource Utilization and Cluster-level Stability***: As AI computing clusters continue to expand, the industry is placing increasing emphasis on improving both resource efficiency and distributed stability, rather than pursuing scale growth alone. With current average model FLOPs utilization at 35% to 45%, indicating computing resources remains underutilized and the need for higher utilization efficiency. In addition, as AI workloads increasingly rely on large-scale parallel coordination, stronger scheduling efficiency, fault tolerance and cluster-level stability have become critical requirements.

- ***Open Interoperability and Full-stack Capability Integration***: As single-vendor proprietary architectures increasingly constrain compatibility, deployment efficiency and performance optimization, the industry is placing greater emphasis on open and interoperable ecosystems capable of integrating diverse computing resources. Meanwhile, growing cluster scale and architectural complexity are driving demand for full-stack capabilities spanning compute, networking, scheduling and operations management to support end-to-end optimization across the cluster lifecycle. As a result, the market is increasingly shifting from fragmented, point-to-point solutions toward integrated software-hardware offerings with full-stack enablement capabilities.

- ***Support for Diversified AI Workloads and Service Offerings***: As AI workloads expand from pre-training to broader scenarios such as post-training, inference and agentic workloads, static and homogeneous cluster operation models are becoming less able to meet differentiated workload requirements, driving the need for the industry to more precisely match the resource deployment, network transmission and task scheduling requirements of different scenarios.

- ***Continued Technology Evolution***: As large AI models scale rapidly and cluster sizes continue to increase, existing architectures face growing constraints in bandwidth, latency, power efficiency and multi-node coordination. As a result, the industry requires continued technology evolution through pathways such as advanced interconnect architectures, heterogeneous computing integration and innovative computing architectures to improve throughput, energy efficiency and coordination stability in AI computing clusters.

As a result, AI computing clusters have emerge as the key solution to address rising demand for AI computing capacity. An AI computing cluster is an integrated AI infrastructure designed to support large-scale AI workloads, leveraging thousands of AI computing devices to form a distributed system that delivers AI computing power as a form of productive capacity. Through system-level engineering, an AI computing cluster enables deep coordination among compute, networking, storage and software elements, allowing users to conveniently access high-performance AI computing power. A typical AI computing cluster consists of AI computing cluster products, comprising devices across compute, networking and storage, together with software to further empower AI workloads. In addition, AI computing cluster providers can further deliver AI computing cluster services that enable users to access high-performance AI computing capacity on demand, without the need to procure, deploy or operate dedicated AI computing clusters, thereby establishing full-stack AI computing cluster provisioning capabilities.

Going forward, large-model development and AI computing clusters are expected to become more specialized. Large model developers are expected to focus more on model innovation, including model architecture design, training methodologies and application-layer optimization, while computing-related challenges are expected to be addressed by specialized AI computing cluster providers. In particular, the efficient operation of large-scale AI computing clusters requires dedicated expertise in areas such as computing resource utilization optimization, network communication and distributed stability management, heterogeneous cluster orchestration, and the integration of infrastructure-level expertise with model optimization. The provision of AI computing clusters is expected to evolve from a supporting infrastructure function into a specialized layer within AI, enabling large model developers to focus on model advancement while relying on specialized AI computing cluster providers to support scalable, stable and cost-effective computing infrastructure.

OVERVIEW OF AI COMPUTING CLUSTER MARKET IN CHINA

Development of AI Computing Cluster

The AI computing cluster market in China comprises AI computing cluster product market and AI computing cluster service market. AI computing cluster products leverage software driven capabilities to support the interconnection among devices, enabling the efficient build-out, delivery, performance tuning and sustained operation of AI computing clusters. AI computing cluster services enable enable users to access high-performance AI computing capacity on demand, without the need to procure, deploy or operate dedicated AI computing clusters.

Value Proposition of AI Computing Cluster Market

- ***Enabling Efficient Cluster Scaling and Enhanced Stability***: The AI computing cluster market provides integrated software and hardware capabilities that improve the interconnection, orchestration and utilization of computing resources across distributed clusters, supporting both cluster scale expansion and higher resource efficiency. Through capabilities such as intelligent scheduling, fault localization, fault tolerance and cluster-level monitoring, help enhance the stability and operational reliability of large-scale distributed computing environments, reduce disruptions caused by hardware or software failures, and support efficient operation of increasingly large and complex AI workloads.

- ***Supporting Open Ecosystem Development and Full-stack Technology Enablement***: The AI computing cluster market provides open and interoperable architectures capable of connecting diverse computing resources, integrating with existing infrastructure and supporting flexible capacity expansion. Through coordinated capabilities across compute, networking, scheduling and operations management, The AI computing cluster market can enable end-to-end optimization across the full cluster lifecycle, enhance hardware-software compatibility, unlock hardware performance through software-driven optimization, and support increasingly complex training and inference scenarios, facilitating the evolution from fragmented, point-to-point offerings toward integrated, full-stack enablement.

- ***Enabling Diversified Computing Service Offerings for Evolving AI Workloads***: AI computing cluster market supports a broad range of AI workloads spanning pre-training, post-training, inference and agentic scenarios by providing flexible architectures capable of matching the differentiated resource deployment, network transmission and task scheduling requirements of different scenarios. Through scenario-oriented orchestration and workload-specific optimization, The AI computing cluster market can strengthen end-to-end computing capabilities, improve the efficiency of resource allocation and enable large-scale operation across increasingly diverse AI workflows.

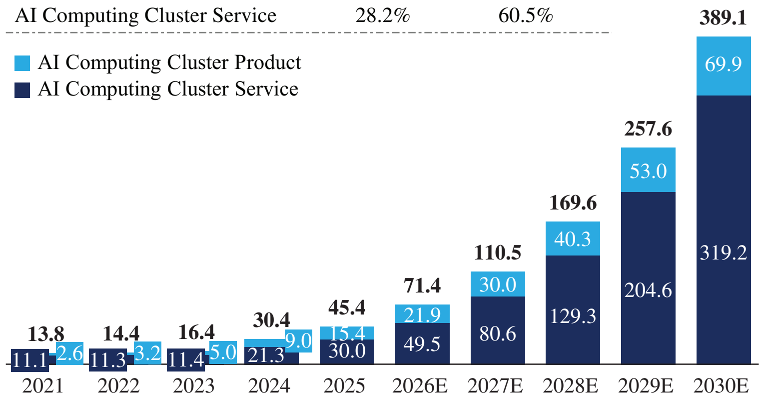
- ***Driving Technology Evolution to Address Industry Bottlenecks***: The AI computing cluster market continuously incorporates emerging technologies to address constraints related to bandwidth, power consumption, latency and coordination efficiency. Through technologies such as opto-electronic hybrid interconnection, heterogeneous computing integration and advanced computing architectures, The AI computing cluster market can optimize cluster architectures and resource scheduling models, improve throughput and energy efficiency, and enhance coordination stability in large-scale clusters, thereby supporting the continued requirements for AI computing clusters.

Size of AI Computing Cluster Market

Driven by rising AI expenditure in China, which is expected to increase from approximately RMB0.4 trillion in 2025 to over RMB1.0 trillion by 2030, the AI computing cluster market has experienced rapid growth. In terms of revenue, the market size of AI computing cluster market increased from RMB13.8 billion in 2021 to RMB45.4 billion in 2025, representing a CAGR of 34.8% during the period. Looking forward, the market size is expected to further increase to RMB389.1 billion in 2030, representing a CAGR of 53.7% from 2025 to 2030.

Size of AI Computing Cluster Market in China
RMB Billion, 2021-2030E

CAGR	2021-2025	2025-2030E
Total	**34.8%**	**53.7%**
AI Computing Cluster Product	55.5%	35.4%
AI Computing Cluster Service	28.2%	60.5%



Source: Frost & Sullivan

Drivers of AI Computing Cluster Market

- ***Continuous Demand for Large Models Across Various Industries***: As model parameters grow, training complexity increases and inference concurrency rises, demands on computing scale, communication bandwidth and system stability continue to intensify. In particular, the rise of multimodal models capable of processing and generating text, images, video and other data modalities is further increasing demand for computing power, as such models typically involve more complex model architectures, larger datasets, higher memory requirements and more intensive parallel computation. At the same time, the rapid adoption of large-model technologies into various industries is driving sustained demand for high-performance training and low-latency inference capabilities. Ongoing technological progress and the accelerating deployment of AI applications across various industries are increasing enterprises' reliance on efficient and stable AI computing clusters, thereby fueling the continued growth of the AI computing cluster market.

- ***Accelerated Development of AI Computing Clusters***: Driven by national initiatives like the 'Eastern Data, Western Computing' program and rising AI compute demand, China is rapidly expanding its intelligent computing infrastructure. Governments and enterprises such as large-model developers are accelerating large-scale AI computing cluster deployment. By enabling intelligent scheduling, dynamic load balancing, and efficient resource allocation, these products and services optimize utilization, support elastic scaling, and position the AI computing cluster market for accelerated growth.

- ***Continuous Maturation of Software Technologies for Compute Scheduling and Monitoring***: As computing demands expand, scaling hardware alone is insufficient to address challenges such as inefficient utilization, high requirement for network communication, cluster management complexity and insufficient expertise. Large models increasingly rely on multi-node, scale-out architectures, elevating the importance of advanced scheduling and operations systems. Leveraging high-performance communication frameworks and intelligent algorithms, the AI computing cluster market enables cross-node task orchestration, dynamic resource allocation, load balancing, and energy optimization. Automated monitoring and fault management further enhance cluster efficiency. Continued innovation in scheduling, monitoring, and operations software is a key driver of growth in the AI computing cluster market.

- ***Maturing AI Field and Business Models***: The AI industry is becoming increasingly mature. Ongoing hardware upgrades, improved model frameworks, and enriched toolchains provide sustained growth support for the AI computing cluster market. In addition, business models in the AI computing cluster market are becoming standardized, lowering threshold for enterprises to access computing resources. The maturation of the broader AI industry, together with the increasing standardization of AI computing cluster market, is providing a solid foundation for the sustainable development of the AI computing cluster market.

Future Trends of AI Computing Cluster Market

- ***The Rise of Agentic Applications Accelerates the Development of Agentic Infrastructure***: As agentic applications gain traction, agentic infrastructure, which refers to autonomous systems that manage tasks with minimal human input is emerging as a next-generation paradigm. It transforms AI infrastructure into an intelligent, self-managed system with decision-making capability. By enabling autonomous resource orchestration, goal-oriented scheduling, and end-to-end task execution, it optimizes performance, utilization, and reliability. This trend creates growth opportunities for AI computing cluster providers, as enterprises increasingly demand autonomous, orchestratable computing foundations and providers strengthen their strategic value through enhanced cluster efficiency.

- ***AI Computing Cluster Is Evolving into the Foundational Layer for Next-Generation AI***: As large models increasingly serve as foundational platforms for next-generation AI , the role of computing infrastructure is undergoing a fundamental shift. In the large model AI era, performance is no longer determined solely by standalone hardware or software capabilities, but increasingly by cluster-level coordination efficiency and deep hardware-software co-optimization. Therefore, AI computing clusters are emerging as a critical foundation for the development of next-generation AI. Through the deep integration of compute, networking, and system software, AI computing clusters are evolving into full-stack computing platforms designed to support large-model training, deployment and multi-agent operations. Beyond providing robust computing capacity, AI computing clusters increasingly deliver integrated and intelligent capabilities in resource scheduling, model orchestration, system operations and performance optimization.

- ***AI Computing Cluster Providers Possess Strong Potential for Upstream and Downstream Expansion***: Going forward, AI computing cluster providers are well positioned to expand both upstream into hardware and downstream into AI applications. On the upstream side, their deep understanding of computing architectures and cluster networking performance provides a natural foundation for extending into key hardware components. As AI computing clusters require higher bandwidth, lower latency and more efficient scheduling. AI computing device, such as switches and optical transceivers, are becoming critical to overall performance. In addition, the trend toward optoelectronic convergence which integrate optical and electronic technologies to improve bandwidth density, reduce latency and lower power consumption, drives the technology evolution. On the downstream side, AI computing cluster providers may expand into agentic-based applications. By integrating model-layer capabilities, they may deliver industry-specific intelligent agent solutions directly to enterprise customers, creating additional value through more integrated, efficient and scalable AI capabilities.

- ***Digital Transformation Across Overseas Countries is Creating Overseas AI Computing Cluster Opportunities***: AI computing cluster markets in overseas regions are expected to experience further growth, supported by sustained investment in digital transformation and technological innovation. As countries accelerate AI-related initiatives, demand for high-performance computing continues to increase. As AI workloads become increasingly complex and large-scale deployment accelerates, enterprises are placing greater emphasis on efficient and stable AI computing clusters to support large-model training and inference. This growing emphasis on computing is expected to support the continued expansion of the AI computing cluster market in overseas regions.

Competitive Landscape of AI Computing Cluster Market in China

The AI computing cluster market can be segmented into independent providers and non-independent providers. Independent providers are market participants that operate independently from any particular cloud platform, large model developer or other major AI ecosystem participant, and are generally able to serve customers across different industry ecosystems. Non-independent providers, by contrast, are typically affiliated with, or form part of, a particular ecosystem, such as major cloud service providers, and their business development and customer coverage may therefore be more closely linked to their own platforms and ecosystem relationships. This distinction is meaningful because a provider's degree of independence may affect the breadth of customers it can effectively cover and the extent to which it can participate across the market.

In practice, independent providers are generally in a better position to compete for opportunities across a wider customer base, as they are not naturally limited by ecosystem affiliation. Non-independent providers, however, may face practical limitations in serving customers associated with competing ecosystems. As a result, independent providers may be able to participate in market competition in a more comprehensive manner and capture demand from a broader range of downstream customers.

In terms revenue in 2025, the Company was the ninth largest AI computing cluster provider and the largest independent provider in China. In terms of revenue in 2025, it was also the largest independent AI computing cluster product provider in China.

Ranking of Top AI Computing Cluster Providers in China

Ranking	Company	Type	Revenue (RMB Billion, 2025)	Market Share (%, 2025)
1	Company A	Non-independent	9.8	21.6%
2	Company B	Non-independent	5.5	12.0%
3	Company C	Non-independent	3.5	7.7%
4	Company D	Non-independent	3.1	6.9%
5	Company E	Non-independent	2.3	5.0%
6	Company F	Non-independent	2.1	4.6%
7	Company G	Non-Independent	2.0	4.3%
8	Company H	Non-independent	1.7	3.8%
9	The Company	Independent	0.5	1.1%
10	Company I	Independent	0.5	1.0%

Ranking of Top AI Computing Cluster Product Providers in China

Ranking	Company	Type	Revenue (RMB Billion, 2025)	Market Share (%, 2025)
1	Company B	Non-independent	3.1	20.0%
2	Company A	Non-independent	3.0	19.8%
3	Company C	Non-independent	1.8	13.3%
4	Company D	Non-independent	1.2	7.7%
5	The Company	Independent	0.4	3.4%

Source: Frost & Sullivan

Notes:

1) Company A, founded in 1999 in Hangzhou, is a public Company listed in NYSE and Hong Kong Stock Exchange. It primarily provides provides cloud computing, e-commerce, and other technology-enabled services through a diversified business ecosystem. It is dedicated to providing foundational cloud computing services delivered through online public service platforms.

2) Company B, founded in 1987 in Shenzhen, is a private company. It primarily provides ICT infrastructure and consumer devices serving both enterprises and individual consumers.

3) Company C, founded in 2000 in Beijing, is a public company listed on the NASDAQ and the Hong Kong Stock Exchange. It primarily provides cloud services, online marketing services, intelligent driving solutions and others.

4) Company D, founded in 1998 in Shenzhen, is a public company listed on the Hong Kong Stock Exchange. It primarily provides cloud computing, entertainment services and others to both enterprises and individual consumers.

5) Company E, founded in 2002 in Beijing, is a public company listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange. It primarily provides telecommunications, cloud and intelligent computing services, as well as telecom services to individual consumers.

6) Company F, founded in 2012 in Beijing, is a private company. It primarily provides digital content platforms, online advertising, and other technology-enabled services to both enterprises and individual consumers.

7) Company G, founded in 2014 in Hong Kong, is a public company listed on the Hong Kong Stock Exchange. It primarily provides AI solutions, including generative AI, smart city, smart business and other AI solutions.

8) Company H, founded in 1994 in the United States, is a public company listed on the NASDAQ. It primarily provides online retail services, cloud computing services, online advertising services and others.

9) Company I, founded in 2007 in Beijing, is a public company listed on the Beijing Stock Exchange. It primarily provides cloud computing services and others to enterprises across various industries.

Entry Barriers and Key Success Factors of AI Computing Cluster Market in China

- ***Advanced Technological Capabilities***: The core value of the AI computing cluster market lies in improving the utilization, stability and performance of large-scale AI computing, making deep underlying technical expertise a primary barrier to entry. Providers must demonstrate strong capabilities such as low-latency interconnects, intelligent scheduling, high-bandwidth and others. These capabilities directly affect training efficiency, inference throughput and multi-node coordination, and typically require sustained research and development investment as well as extensive real-world large scale project experience. As such, they create significant technical barriers that are difficult for new entrants to overcome in the short term.

- ***Full-Stack Product and Service Capabilities***: In the AI computing cluster market, providers capable of delivering integrated, end-to-end full-stack solutions spanning products with both hardware and software capabilities, together with services, can effectively enhance system integration effectiveness, ensure hardware-software compatibility, enable software capabilities to unlock and optimize hardware performance, maximizing overall cluster performance. However, such capabilities require expertise across hardware architecture, system software, training frameworks and network communication, supported by extensive project deployment experience. This creates significant solution integration barriers, making it difficult for new entrants to quickly develop comparable integrated capabilities or gain customer trust in high-complexity deployments.

- ***Industry Know-how and Implementation Expertise***: Customer demands vary in computing scale, network architecture, security and compliance requirements, and operational models, making deep industry understanding and large-scale deployment experience important barriers to entry for AI computing cluster providers. Providers capable of delivering differentiated solutions to large-model providers, research institutions and others typically rely on long-term participation in complex projects to develop industry know-how and implementation expertise, which constitutes an experience-based barrier, making it difficult for new entrants to replicate the depth of expertise established by leading players in the short term.

- ***Collaboration with Hardware Infrastructure and Large-Model Partners***: Scheduling serves as a critical coordination layer between hardware and models, requiring a deep understanding of both server architectures and large-model algorithms to optimize overall cluster performance. As such, AI computing cluster providers must maintain close partnerships with compute hardware providers and large-model developers. On the hardware side, providers require insight into different server architectures to design optimal task partitioning and cross-node scheduling strategies that fully unlock hardware performance. On the model side, understanding algorithmic characteristics enables more efficient task orchestration, resource allocation and workload prioritization for training and inference. New entrants typically face challenges in establishing such close ecosystem-level collaborations in the short term, making it difficult to replicate the integrated advantages established by leading AI computing cluster providers.

- ***Customer Switching Barriers and Established Client Advantages***: For customers, migrating architectures, redesigning networks or re-adapting model frameworks may entail substantial technical and operational costs. As a result, customers tend to maintain long-term relationships with existing providers, creating strong dependency. Leading AI computing cluster providers, supported by successful delivery track records and relationships with major clients, benefit from enhanced market credibility, economies of scale and brand trust, reinforcing their competitive position. For new entrants, disrupting such established partnerships is highly challenging, making customer acquisition and onboarding a significant and tangible barrier to market entry.

- ***Accumulation of Cross-Disciplinary Technical Talent***: AI computing clusters involve complex knowledge domains such as scheduling algorithms, network communication, requiring strong cross-disciplinary expertise. Professionals with such capabilities typically develop their skills through long-term, hands-on experience in building and operating large-scale clusters. As a result, new entrants face significant challenges in quickly assembling comparable talent pools, making the acquisition and cultivation of multidisciplinary technical expertise a prominent barrier to entry in this sector.

Major Cost Analysis of AI Computing Cluster Market in China

The major costs of the AI computing cluster market primarily comprise costs associated with procuring AI computing devices across compute, networking and storage. Costs of such devices generally fluctuate based on a combination of technology evolution, supply-side conditions, market demand and others. Mature products may experience gradual price declines over time as technologies mature and supply capacity expands. At the same time, innovated devices may command higher costs upon introduction due to greater technical complexity, while supply constraints or rising demand may contribute to short-term price increases, which gradually normalize as commercialization advances. Accordingly, major costs of the AI computing cluster market are not expected to experience material fluctuations through 2030, although periodic variations may arise from unexpected supply-side constraints or changes in market demand.

SOURCE OF INFORMATION

In connection with the [**REDACTED**], we have engaged Frost & Sullivan to conduct a detailed analysis and prepare an industry report on the markets in which we operate (the "Frost & Sullivan Report"). Services provided by Frost & Sullivan include market assessments, competitive benchmarking, and strategic and market planning for a variety of industries. We have agreed to a total of RMB550,000 in fees and expenses for the preparation and use of the Frost & Sullivan Report. The payment of such an amount was not contingent upon our successful [**REDACTED**] or on the results of the Frost & Sullivan Report. Apart from the Frost & Sullivan Report, we have not commissioned any other industry report in connection with the [**REDACTED**].

We have extracted certain information from the Frost & Sullivan Report in this section, as well as in the sections headed "Summary," "Risk Factors," "Business," "Financial Information" and elsewhere in this document to provide our potential [**REDACTED**] with a more comprehensive presentation of the industries in which we operate. Unless 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. Frost & Sullivan prepared its report based on its in-house database, independent third-party reports, and publicly available data from reputable industry organizations. Where necessary, Frost & Sullivan contacts companies operating in the industry to gather and synthesize information in relation to the market, prices and other relevant information. Frost & Sullivan believes that the basic assumptions used in preparing the Frost & Sullivan Report, including those used to make future projections, are factual, correct and not misleading. Frost & Sullivan has independently analyzed the information, but the accuracy of the conclusions of its review largely relies on the accuracy of the information collected. Frost & Sullivan's research may be affected by the accuracy of these assumptions and the choice of these primary and secondary sources.