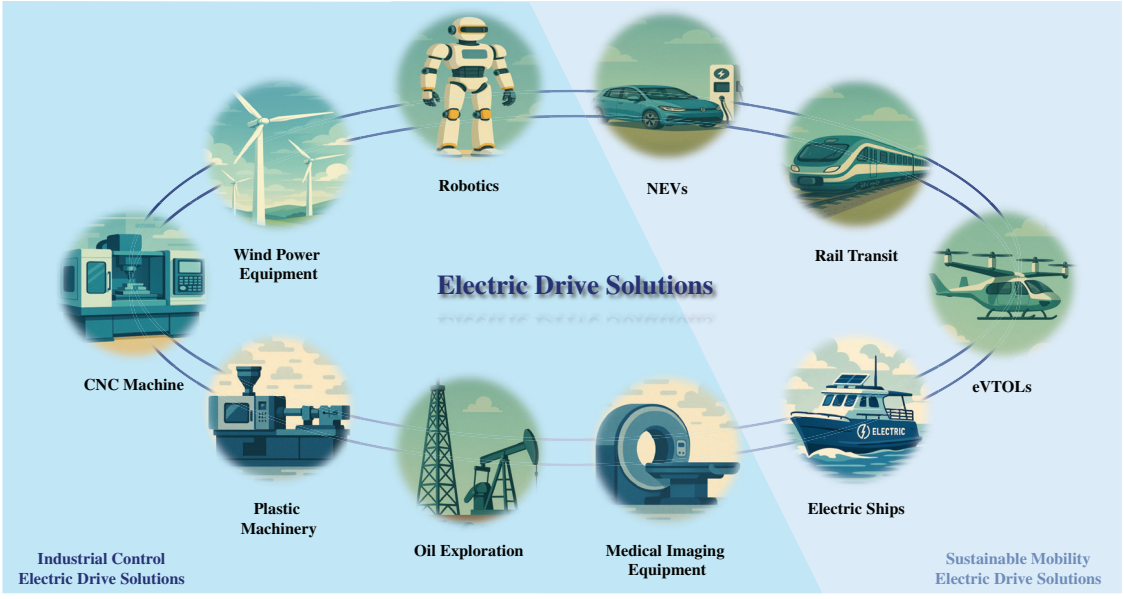
The information and statistics set out in this section and elsewhere in this document were extracted from the report prepared by CIC, which was commissioned by us, and from various official governmental publications and other publicly available publications. We engaged CIC, an independent industry report, to prepare the CIC Report in connection with the [**REDACTED**]. *Each of our Directors and the Sole Sponsor has exercised reasonable care in selecting and identifying the named information sources, compiling, extracting and reproducing the information, and ensuring that there has been no material omission of the information in this Industry Overview section. The information from official government sources has not been independently verified by us, the Sole Sponsor, the* [**REDACTED**], *the* [**REDACTED**], *the* [**REDACTED**], *the* [**REDACTED**], *the* [**REDACTED**], *the* [**REDACTED**], *or any of our or their respective directors, senior management, representatives, advisers or any other persons involved in the* [**REDACTED**] *and no representation is given as to its accuracy.*

INDUSTRY OVERVIEW OF THE ELECTRIC DRIVE SOLUTIONS

Electric Drive Solutions Are the Core Driver and Foundation of Modern Production Systems

In the wave of global energy transition, the rise of the electrification rate is profoundly reshaping the productivity landscape. With their efficient energy conversion and precise motion control capabilities, electric drive solutions have become the core driver and foundation of modern production systems which are widely applied in two core fields, industrial control electric drive solutions ensuring efficient and precise production, and sustainable mobility electric drive solutions driving smart mobility across land, sea, and air. Meanwhile, they empower cutting-edge applications such as embodied intelligence, wearable robotics, as well as deep-sea and deep-space exploration, thereby becoming an indispensable foundational physical engine for achieving energy innovation and pushing the boundaries of human exploration.

Downstream Key Applications of Electric Drive Solutions, 2025



Source: CIC

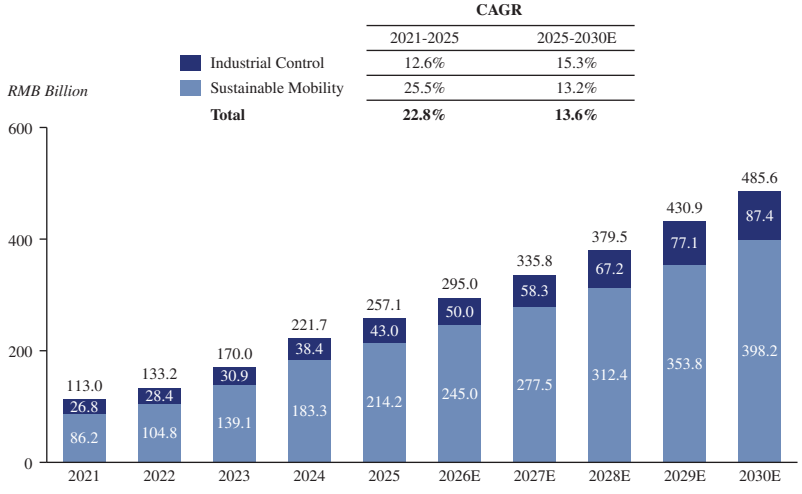
Electric Drive Solutions Act as the Critical Component for Energy Conversion and Motion Control

Electric drive solutions are integrated mechatronic systems that efficiently convert electrical energy into mechanical energy. Their core is an electromagnetic energy conversion device, which converts electrical energy into mechanical energy through the principle of electromagnetic induction. Electric drive solutions integrate multiple key disciplines: power electronics undertakes power conversion and modulation tasks; advanced magnetics focuses on optimizing magnetic field design to improve efficiency; mechanical engineering ensures structural reliability and smooth power transmission; real-time control performs precise dynamic regulation; thermal and fluid dynamics focuses on the temperature rise and heat dissipation management to ensure the operational stability of the system. Meanwhile, intelligent algorithms are incorporated to achieve predictive maintenance and maximize energy efficiency, thus realizing an integrated mechatronic system solution for the conversion of electrical energy into mechanical energy.

Global and China's Market Size of Electric Drive Solutions

Benefiting from the rapid development of industrial manufacturing, sustainable mobility and other fields, the global market size of electric drive solutions has grown from RMB292.7 billion in 2021 to RMB545.6 billion in 2025, and is expected to further increase to RMB1,091.4 in 2030. As a global manufacturing hub, China is also one of the major markets for global electric drive solutions. China's electric drive solutions have grown from RMB113.0 billion in 2021 to RMB257.1 billion in 2025, achieving a CAGR of 22.8% during the period. With the continuous increase in electrification rates in the fields of industrial manufacturing, transportation and travel, and the widespread adoption of intelligent technologies, the market size of China's electric drive solutions is expected to reach RMB485.6 billion in 2030, with a CAGR of 13.6% from 2025 to 2030.

Market Size of Electric Drive Solutions in China, by application fields, in terms of sales revenue, 2021-2030E



Source: National Bureau of Statistics of China, Ministry of Industry and Information Technology, National Railway Administration of the People's Republic of China, CNESA, China Association of Automobile Manufacturers, SEMI, IFR, IDC, National Energy Administration, CIC

INDUSTRY OVERVIEW OF CHINA'S INDUSTRIAL CONTROL ELECTRIC DRIVE SOLUTIONS

Definition and Classification of Industrial Control Electric Drive Solutions

Industrial control electric drive solutions, mainly including servo motors, encoders, drivers, control software, etc., achieve precise motion control for applications such as industrial manufacturing, robotics, deep-sea and deep-space exploration through servo systems, and provide a certain power source. Based on the differences in demand and degree of customization of downstream applications, the industrial control electric drive solutions can be divided into general industrial control electric drive solutions and specialized industrial control electric drive solutions.

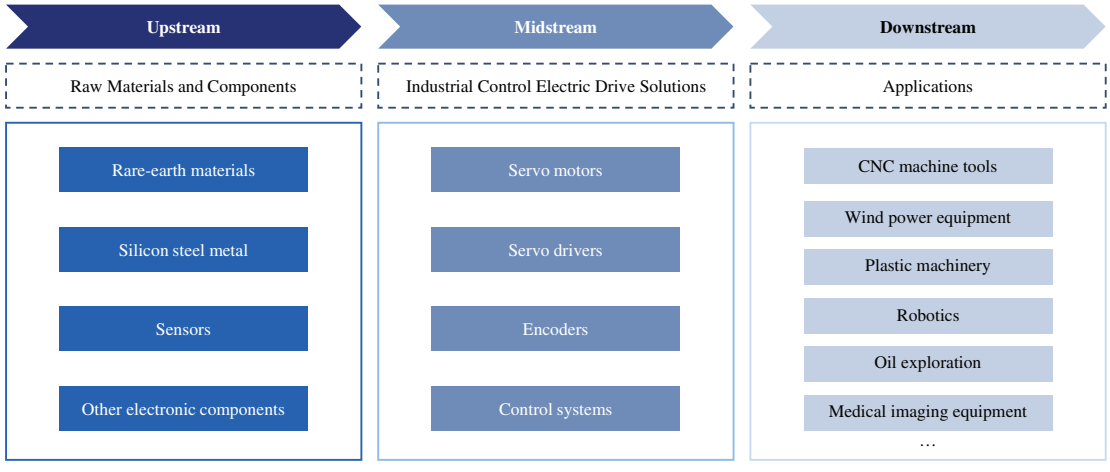
General industrial control electric drive solutions typically feature standardized power, torque, volume and other specifications, catering to application scenarios without specialized requirements. These systems prioritize large-scale applications and cost control. In contrast, specialized industrial control electric drive solutions require customized development for specific industrial scenarios, imposing unique demands on output power, torque, precision, rotational speed, and operating temperature. Their product development cycles are prolonged, necessitating the integration of cross-disciplinary technologies tailored to downstream industry characteristics, including ultra-high-resolution encoder technology, anti-interference signal processing, extreme-environment adaptability design, and mechatronic integration under complex operating conditions. Such products entail higher technical difficulties. The following table sets forth the differences between general industrial control electric drive solutions and specialized industrial control electric drive solutions.

	General Industrial Control Electric Drive Solutions	Specialized Industrial Control Electric Drive Solutions
Application Scenarios	• Designed for standardized use in multiple industries, including packaging, logistics, etc.	• Designed for specific industries or processes, including semiconductor equipment, high-speed elevator, etc.
Level of Customization	• Multiple existing specifications available with limited customization	• Highly customized with cooperation with OEM, including structure, algorithms, etc.
Cost	• Relatively low	• Relatively high
Precision & Speed of Response	• Within a limited range	• Wide range based on demand customization

Source: CIC

Value Chain Analysis of the Industrial Control Electric Drive Solutions Industry

Value Chain Analysis of the Industrial Control Electric Drive Solutions Industry

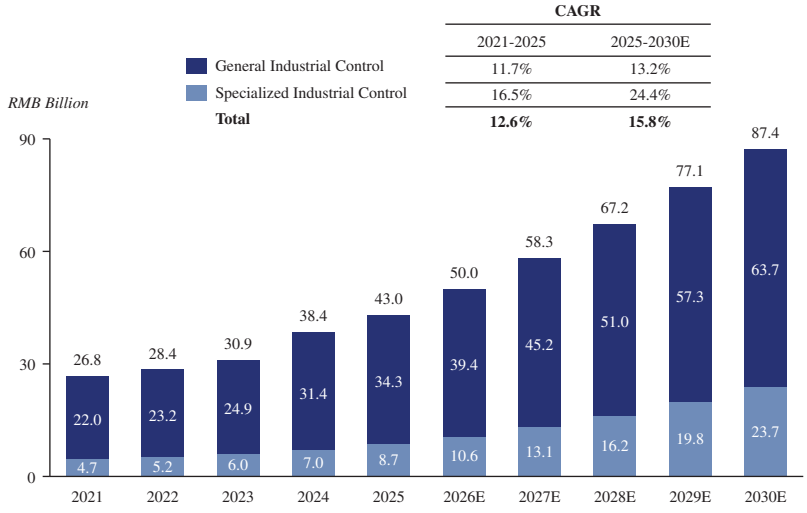


Source: CIC

Market Size of the Industrial Control Electric Drive Solutions in China

The market size of the industrial control electric drive solutions in China increased from RMB26.8 billion in 2021 to RMB43.0 billion in 2025, with a CAGR of 12.6% during the period. General industrial control electric drive solutions represent the largest application segment, accounting for 79.8% of the market share in 2025. Driven by the intelligent upgrading of China's industrial manufacturing and the rapid development of sectors such as robotics, the market size of the industrial control electric drive solutions in China is expected to reach RMB87.4 billion by 2030, with a CAGR of 15.3% from 2025 to 2030.

Market Size of the Industrial Control Electric Drive Solutions in China, by product type, in terms of sales revenue, 2021-2030E



Source: National Bureau of Statistics, CNESA, CAAM, SEMI, IFR, IDC, National Energy Administration, CIC

Drivers and Trends of the Industrial Control Electric Drive Solutions Industry in China

- **Favorable Policies and Green Manufacturing Transition:** National initiatives, such as "Made in China 2025" and the "Dual Carbon" strategy, provide strong financial and policy support for smart manufacturing. This accelerates the industry's shift toward energy-efficient solutions, driving the adoption of energy recovery technologies, low-power algorithms, and lightweight designs to reduce operational costs and meet emerging green evaluation standards.

- **Rapid Technological Iteration and High-End Market Penetration:** The widespread application of advanced components and control algorithms is significantly enhancing system response speed, precision, and dynamic performance. These breakthroughs enable domestic solutions to replace imports in high-end applications, such as semiconductors, precision machine tools, and industrial robots, thereby empowering broader industrial upgrading.

- **Accelerated Domestic Substitution Driven by Cost Efficiency:** Continuous R&D investments have resolved key technological bottlenecks, achieving a domestic substitution rate of over 80% in core components like servos. Significantly improved product reliability, coupled with prominent cost advantages, is driving broader application, particularly in specialized fields requiring high power, torque, and precision.

- **System Integration and Modularization:** Driven by advancements in microelectronics and sensors, products are evolving toward the deep integration of "controller + drive + motor." This modular approach enhances system reliability and compactness while significantly simplifying wiring, deployment, and maintenance in complex operating environments.

- **Deepening Customization Across Vertical Industries:** As application scenarios expand, manufacturers are increasingly delivering tailored, hardware-software co-optimized solutions. Leveraging rapid response capabilities, customized electric drive systems are being deployed to meet highly specific vertical demands, such as high-torque and extreme-environment resilience in wind power, or lightweight, real-time multi-joint coordination in embodied robots.

INDUSTRY OVERVIEW OF THE ELECTRIC DRIVE SOLUTIONS FOR SUSTAINABLE MOBILITY IN CHINA

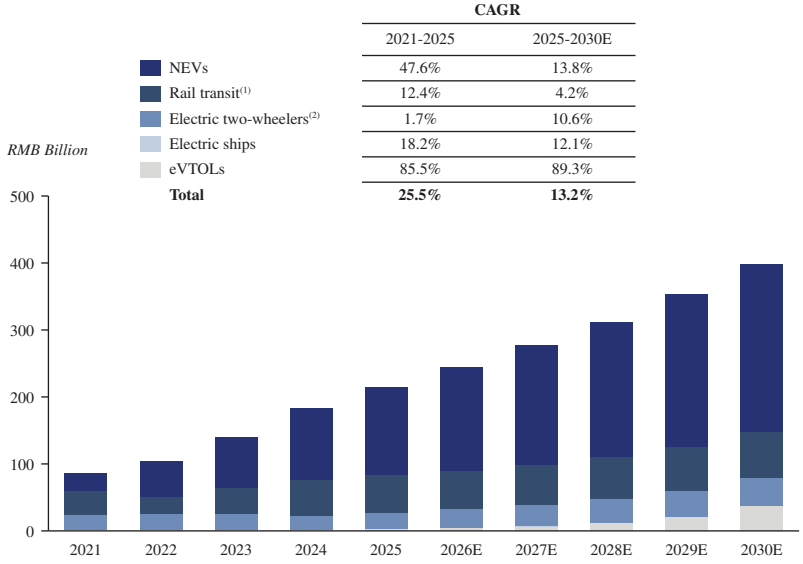
The Definition of Electric Drive Solutions for Sustainable Mobility

The electric drive solution for sustainable mobility is a system based on the electric drive technology and intelligent control system, providing efficient, green, intelligent, and highly coordinated operation capabilities for land, sea, and air vehicles, which is represented by NEVs due to high energy efficiency and strong responsiveness.

Market Size of Electric Drive Solutions for Sustainable Mobility in China

Benefiting from the vigorous development of NEVs, low-altitude economy and other fields, the market size of the electric drive solutions for sustainable mobility in China will increase from RMB86.2 billion in 2021 to RMB257.1 billion in 2025 with a CAGR of 25.5% during the period. By 2025, the NEVs had become the most significant market, accounting for over 61% of the market share. It is estimated that the market size of electric drive solutions for sustainable mobility in China will increase to RMB398.2 billion in 2030 with a CAGR of 13.6% from 2025 to 2030.

Market Size of Electric Drive Solutions for Sustainable Mobility in China by Applications, in terms of sales revenue, 2021-2030E



	CAGR	
	2021-2025	2025-2030E
NEVs	47.6%	13.8%
Rail transit(1)	12.4%	4.2%
Electric two-wheelers(2)	1.7%	10.6%
Electric ships	18.2%	12.1%
eVTOLs	85.5%	89.3%
Total	**25.5%**	**13.2%**

	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
NEVs	27.8	54.7	75.4	107.9	131.9	155.1	178.8	202.6	229.0	251.4
Rail transit	34.8	24.8	38.4	53.1	55.6	58.0	60.4	62.9	65.5	68.1
Electric two-wheelers	23.3	24.9	24.8	21.4	25.0	28.6	32.1	35.4	38.5	41.4
Electric ships	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.4	0.4
Low-altitude economy	0.1	0.2	0.4	0.7	1.5	3.0	5.8	11.1	20.4	36.9
Total	**86.2**	**104.8**	**139.1**	**183.3**	**214.2**	**245.0**	**277.5**	**312.4**	**353.8**	**398.2**

Source: CAAM, MIIT, National Railway Administration of the People's Republic of China, CIC

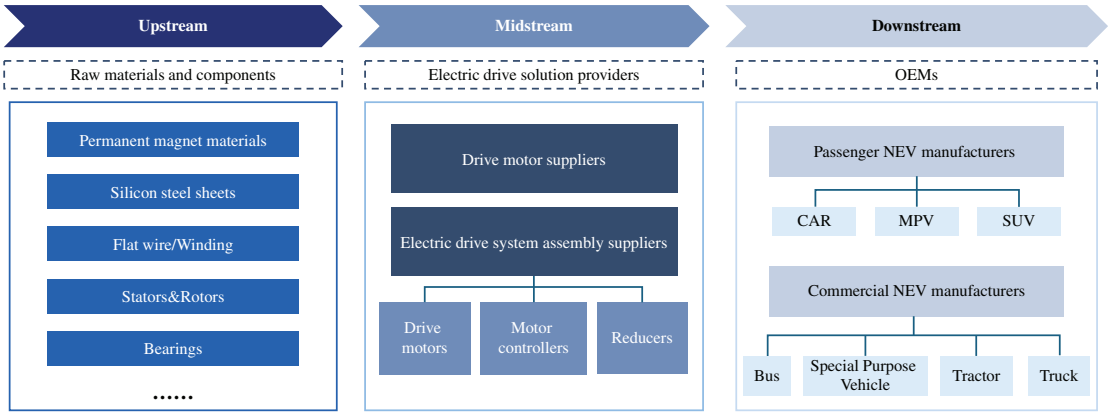
Notes:

(1) Rail transit includes subways and CRH trains;

(2) Electric two-wheelers include electric bicycles and electric motorcycles;

Value Chain Analysis of the NEV Electric Drive Solutions

Value Chain for the NEV Electric Drive Solutions



Source: CIC

Market Size of the NEV Electric Drive Solutions in China

In 2021, the market size of the NEV electric drive solutions in China was RMB27.8 billion. Benefiting from the robust growth of the NEV sector in recent years, the market size of supporting electric drive solutions has increased rapidly, reaching RMB131.9 billion in 2025, with a CAGR of 47.6% from 2021 to 2025. As purchase tax incentives for NEVs tighten and local purchase subsidies shift toward infrastructure support, the growth rate of NEV sales is expected to slow down in the future, and the market size of the NEV electric drive solutions is expected to follow suit. The market size of the NEV electric drive solutions is expected to reach RMB251.4 billion by 2030, with a CAGR of 13.8% from 2025 to 2030.

Drivers and Trends of NEV Electric Drive Solutions in China

- **Robust Market Demand and Structural Upgrades:** Driven by the continuous expansion of China's NEV market, favorable long-term policies, and rising consumer acceptance, the electric drive industry is experiencing rapid capacity growth and structural optimization. As these systems fundamentally determine core vehicle performance, including acceleration, energy efficiency, and safety, ongoing indigenous technological advancements are continuously elevating overall system capabilities.

- **Deep Multi-in-One Integration and Intelligent Evolution:** The industry is rapidly transitioning toward a deeply integrated "multi-in-one" architecture, combining motors, electronic controls, and reducers, to optimize space, reduce connection losses, and enhance functional synergy. Coupled with high-voltage platforms, advanced semiconductor devices, and AI algorithms for dynamic torque distribution and predictive maintenance, this deep integration significantly drives light-weighting, high power density, and product value-added.

- **Widespread Adoption of Flat-Wire Motors and Advanced Oil-Cooling:** To meet high-speed and high-efficiency demands, flat-wire motors are replacing traditional round-wire variants, leveraging automated manufacturing to significantly boost power density and cost competitiveness. Concurrently, advanced direct oil-cooling technologies are replacing traditional water cooling to resolve thermal bottlenecks in high-power-density motors, enabling more compact designs and ensuring the stable operation of high-torque systems.

- **Modular Architecture and Platform-Based Supply:** Shifting from customized, bespoke development to scalable platform supply, the industry is increasingly adopting modular architectures with standardized interfaces. This approach enables the flexible combination of core modules, significantly shortening R&D cycles, improving component reuse rates, and facilitating agile production to rapidly accommodate diverse vehicle model requirements.

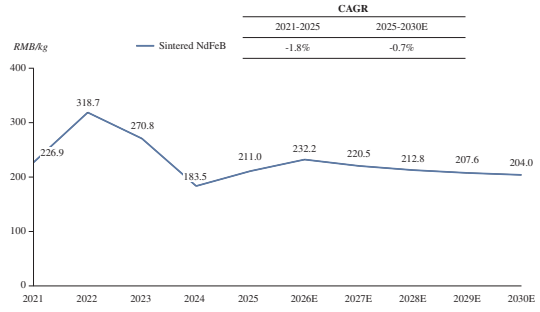
Cost Structure Analysis of NEV Electric Drive System in China

The cost of a high-power electric drive system is mainly composed of permanent magnet, stator and rotor (including structural parts) and enameled wire, of which the cost accounted for approximately 15%, 25% and 20%, respectively. The remaining portions include bearing mechanical parts, the oil cooling system and the electronic control system. Compared with the high-power electric drive system, medium and low-power electric drive systems use smaller quantities of permanent magnets and bearing mechanical parts, and the cost is mainly composed of stator and rotor (including structural parts) and enameled wire, estimated at approximately 32% and 32%, respectively.

Price Trends of Core Raw Materials for NEV Drive Motors in China

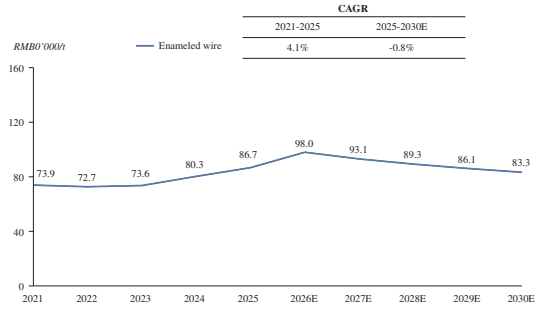
Sintered NdFeB is currently one of the most widely used permanent magnet materials, which is extensively applied in electric drive systems. Since 2021, demand for NEVs and consumer electronics has driven up NdFeB prices, which have subsequently declined due to overproduction and a decline in rare earth prices. It is expected that the supply-demand balance will recover, and the prices will rebound and tend to stabilize from 2026 to 2030. Enameled wire, as one of the key components of electric drive systems, is closely linked to performance and reliability. In the long term, with the continuous improvement of the industrial technical requirements for electric vehicles, prices show a trend of first rising and then stabilizing.

Price Trend of Sintered NdFeB Permanent Magnet Material, 2021-2030E



Source: Asian Metal, CIC

Price Trend of Enameled Wire, 2021-2030E



Source: Shanghai Metals Market, CIC

COMPETITIVE ANALYSIS OF CHINA'S ELECTRIC DRIVE SOLUTIONS INDUSTRY

Competition Overview in China's Industrial Control Electric Drive Solutions Industry

The manufacturers of industrial control electric drive solutions in China are relatively fragmented, primarily divided into two categories: domestic Chinese manufacturers and overseas manufacturers. Among them, due to the technical complexity of industrial control electric drive solutions, overseas manufacturers have consistently maintained a significant market share in the past by leveraging their technological advantages. Domestic Chinese manufacturers have gradually emerged in the field of general industrial control electric drive solutions after years of technology and experience accumulation. However, there is still a certain gap in terms of performance, reliability, precision, and other aspects as compared to top overseas manufacturers, especially in the field of specialized industrial control electric drive solutions with special requirements, with only a few Chinese manufacturers obtaining competitiveness with overseas manufacturers.

Ranking of China's Industrial Control Electric Drive Solutions Industry

Through years of R&D investment and technological accumulation, the Company's products are widely used in fields such as plastic machinery, wind power equipment, deep-sea and deep-space exploration. In 2025, in terms of revenue from specialized industrial control electric drive solutions, the Company ranked third in China's specialized industrial control electric drive solutions market, with a market share of 5.6%, and ranked second among domestic manufacturers.

Top Five Specialized Industrial Control Electric Drive Solutions Manufacturers in China, in terms of revenue, 2025

Ranking	Country of headquarters	Company name	Revenue of specialized industrial control electric drive solutions in 2025	Market share
			(RMB100 million)	*(%)*
1	China	Company A	7.2	8.2%
2	Japan	Company B	6.3	7.2%
3	**China**	**The Company**	**4.9**	**5.6%**
4	France	Company C	4.8	5.5%
5	Japan	Company D	4.4	5.0%
	Total of the top five companies		**27.6**	**31.5%**
	Total of Others		**59.9**	**68.5%**
	Total of the Market		**87.5**	**100.0%**

Source: Expert interviews, CIC

Notes:

Company A was founded in 2003 and is headquartered in Shenzhen, Guangdong Province. It was listed on the Shenzhen Stock Exchange in 2010. Its business covers industrial automation, energy, industrial robots and other sectors, with over 20 thousand employees.

Company B was founded in 1956 and is headquartered in Japan. It was listed on the Tokyo Stock Exchange, mainly engaging in the research and development, as well as production of numerical control systems, industrial robots and intelligent manufacturing equipment.

Company C was founded in 1836 and is headquartered in France. It is listed on the Paris Stock Exchange and the London Stock Exchange. Its business covers a number of fields such as energy management and industrial automation, with over 160 thousand employees globally.

Company D was founded in 1973 and is headquartered in Japan. It was listed on the Tokyo Stock Exchange, Osaka Stock Exchange and New York Stock Exchange, with its core business focusing on the manufacturing of precision motors and industrial equipment.

Top Five General Industrial Control Electric Drive Solutions Manufacturers in China, in terms of revenue, 2025

Ranking	Country of headquarters	Company name	Revenue of specialized industrial control electric drive solutions in 2025	Market share
			(RMB100 million)	*(%)*
1	China	Company A	64.8	20.7%
2	Japan	Company E	15.6	5.0%
3	Germany	Company F	14.6	4.6%
4	China	Company G	12.3	3.9%
5	Japan	Company H	11.6	3.7%
	Total of the top five companies		**118.9**	**37.9%**
	Total of Others		**182.2**	**62.1%**
	Total of the Market		**301.1**	**96.0%**

Source: Expert interviews, CIC

Notes:

Company E was founded in 1918 and is headquartered in Japan. It was listed on the Tokyo Stock Exchange and Nagoya Stock Exchange, mainly engaging in providing products covering consumer electronics, automotive electronics, industrial applications and etc. with over 200 thousand employees globally.

Company F was founded in 1847 and is headquartered in Germany. It was listed on the Frankfurt Stock Exchange and New York Stock Exchange, mainly engaging in providing solutions in electrification, automation and digitalization in industrial, transportation and etc. with over 300 thousand employees globally.

Company G was founded in 1971 and is headquartered in Taiwan, China. It was listed on the Taiwan Stock Exchange, mainly engaging in providing automation solution for industrial manufacturing and electronic components used for medical, telecom and etc.

Company H was founded in 1915 and is headquartered in Japan. It was listed on the Tokyo Stock Exchange and Fukuoka Stock Exchange, mainly engaging in providing solutions for drive control, motion control and robotics with over 13 thousand employees.

Entry Barriers and Key Success Factors of the Industrial Control Electric Drive Solutions Industry in China

Continuous Technological Innovation: Rapid industry iteration demands sustained R&D investments in core areas like high-response servo algorithms, precision encoders, and high-efficiency motors. New entrants lacking deep technological accumulation may struggle to maintain market competitiveness.

Stringent Validation and High-End Certifications: Penetrating specialized markets requires costly, time-consuming safety and performance certifications. Incumbents can leverage proven track records and robust quality systems to solidify market dominance.

Deep Customization and Flexible Manufacturing: Diverse downstream applications necessitate highly tailored solutions and agile, small-batch manufacturing capabilities. Established players utilize automated production to deliver rapid, customized responses, fostering highly sticky customer ecosystems that are difficult to replicate.

Complex Supply Chain Networks: Securing critical, often resource-constrained materials, is vital for product performance. Established firms possess entrenched, reliable supply channels, creating formidable procurement barriers for new entrants.

Competition Overview in China's NEV Electric Drive Solutions Industry

The main players in the NEV electric drive solutions market are divided into two categories: OEMs and their subsidiaries, and third-party manufacturers. The core advantages of third-party manufacturers over OEMs and their subsidiaries lie in their ability to rapidly accumulate cross-industry experience through a multi-client collaboration model, enabling agile product iteration and market response, and continuously overcome motor performance and quality control bottlenecks with a focus on research and development. Concurrently, third-party manufacturers reduce unit costs through scaled production and enhance their competitiveness with customized solutions, thereby establishing unique barriers in terms of technological depth and cost-effectiveness. In 2025, about 34.7% of the electric drive systems installed in new energy passenger vehicles are from third-party drive system manufactures.

Ranking of China's NEV Electric Drive Solutions Industry

In 2025, in terms of the installation volume of electric drive systems for new energy passenger vehicles, the Company ranked seventh among third-party passenger vehicle electric drive system manufacturers in China, with a market share of 6.1%. In 2025, in terms of revenue from electric drive systems for new energy passenger vehicles, the Company ranked seventh among third-party passenger vehicle electric drive system manufacturers in China, with a market share of 3.8%.

Ranking of Third-party Manufacturers in China's New Energy Electric Drive Solutions, by Installation Volume of Passenger Vehicle Electric Drive Systems, 2025

Ranking	Company name	Installed capacity of passenger vehicle electric drive systems in 2025[1]	Market share
		('0,000 units)	*(%)*
1	Company I	90.2	28.9%
2	Company J	65.4	21.0%
3	Company K	31.3	10.0%
4	Company L	25.6	8.2%
5	Company M	23.7	7.6%
6	Company N	22.0	7.1%
7	**The Company**	**19.0**	**6.1%**
8	Company O	15.0	4.8%
9	Company P	11.7	3.8%
10	Company Q	8.0	2.6%
	Total of the top ten companies	**311.8**	**88.4%**
	Others	**40.7**	**11.6%**
	Total of the market	**352.6**	**100.0%**

Sources: Expert interviews, company annual reports, CIC

Notes:

(1) The data only include three-in-one integration and multi-in-one integration electric drive systems, excluding the installed volume shipped in the form of single motors.

(2) Company I was founded in 2016 and is headquartered in Jiangsu, China. It was listed on the Shenzhen Stock Exchange in 2025. Its main products include core components of power systems such as electric drive systems and power supply systems.

Company J was founded in 2010 and is headquartered in Shanghai. It is a Sino-foreign joint venture with business covering products such as flat wire stators and rotors, power modules and electric drive assemblies.

Company K was founded in 2005 and is headquartered in Anhui, China. It was listed on the Shanghai Stock Exchange in 2021. Its business includes the research and development, production, and sales of intelligent equipment and NEV drive systems. The company has overseas subsidiaries in Japan, the U.S., Germany, and the U.K.

Company L was founded in 2005 and is headquartered in Guangdong, China. It was listed on the Shenzhen Stock Exchange in 2017 and focuses on the research and development, production, and sales of NEV drive systems , and also develop drive systems for eVTOLs and electric ships.

Company M was founded in 2008 and is headquartered in Beijing. It was listed on the Shanghai Stock Exchange in 2021. The company primarily engages in the research and development, production, and sales of NEV electric drive products.

Company N was founded in 2000 and is headquartered in Guangdong, China. It was listed on the Shenzhen Stock Exchange in 2008. Its main products include micro and special motors, NEV electric drive systems, building ventilation and home appliance motors, etc.

Company O was founded in 2005 and is headquartered in Guangdong, China. It was listed on the STAR Market of the Shanghai Stock Exchange in 2023, with its business covering products such as onboard chargers, DC/DC converters, motor controllers and electric drive assemblies.

Company P was founded in 2003 and is headquartered in Zhejiang, China. It was listed on the Shenzhen Stock Exchange in 2010, with its business covering products such as automotive transmissions and NEV drive systems. Customers mainly consist of mainstream domestic automobile manufacturers.

Company Q was founded in 2001 and is headquartered in Zhejiang, China. It was listed on the Shenzhen Stock Exchange in 2007. Its main products include micromotors, automotive motors, and controllers, etc.

Entry Barriers and Key Success Factors in the NEV Electric Drive Solutions Industry

Rigorous Certification and Customer Stickiness: Entering OEM supply chains demands stringent 2 to 4 years of certification cycles. OEMs heavily favor long-term, deeply bound partnerships, establishing formidable barriers and high switching costs for new entrants.

Capital Intensity amd Complex Manufacturing: The industry requires heavy capital expenditure on high-precision equipment. Mastering proprietary processes, such as hairpin stator winding and specialized rotor honing, is essential to optimize power density, forming substantial technical and capital barriers.

Stringent R&D and Technological Capabilities: Continuous innovation is vital to resolve material bottlenecks, such as advancing SiC substitution and reducing rare-earth reliance. Furthermore, designing deeply integrated, cost-efficient multi-in-one architectures remains a critical success factor.

Economies of Scale and Supply Chain Integration: Established players leverage vertical integration and large-scale production to amortize heavy fixed costs. This capacity advantage yields significant pricing power, making it exceedingly difficult for new entrants with fragmented orders to reach profitability.

Source and reliability of information

We commissioned CIC to analyze and report on the global electric drive solutions market. CIC is a market research and consulting company founded in Hong Kong, engaged in providing professional consulting services in various industries. We have agreed to pay CIC a fee of RMB1,000,000 for the preparation of the CIC Report. We have extracted certain information from this section of the CIC Report and the "Summary," "Risk Factors," "Business" and "Financial Information" sections and other sections of this document to help potential investors gain a more comprehensive understanding of the industry in which we operate. Unless otherwise stated, all data and forecasts contained in this section are from the CIC Report. The information and data collected by CIC have been analyzed, evaluated and verified using CIC's internal analytical models and techniques. The primary research is conducted through interviews with key industry experts and leading industry players. Secondary research involves analyzing data from various public data sources such as the National Bureau of Statistics of China and various industry associations.

The market forecasts in the CIC Report are based on the following key assumptions: (1) during the forecast period, China's overall social, economic and political environment is expected to remain stable; (2) during the forecast period, key industry drivers are likely to continue to drive the growth of the electric drive solutions market, such as technological advancement, supportive policies and increasing downstream demand; and (3) during the forecast period, there will be no extreme force majeure or unforeseen industry regulations that may have a sharp or fundamental impact on the market.