The information and statistics set out in this section and other sections of this document were extracted from the Frost & Sullivan Report, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report, in connection with the* [REDACTED]. *We believe that the sources of this information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. The information from official government sources has not been independently verified by us, the Sole Sponsor,* [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], *and any of their respective directors and advisors, or any other persons or parties involved in the* [REDACTED], *and no representation is given as to its accuracy.

OVERVIEW OF GLOBAL MOBILE PHONE MARKET AND MOBILE INTERNET SERVICE MARKET

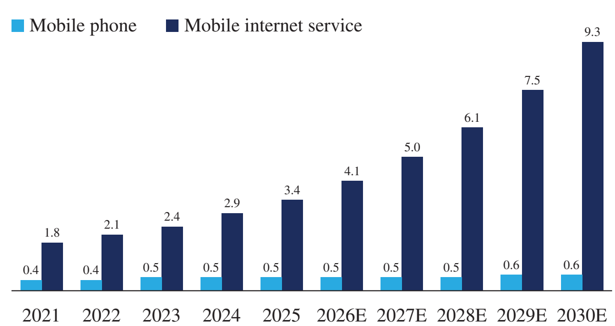
Development of Global Mobile Phone Market and Mobile Internet Service Market

Since the wide adoption of mobile phones after 2010 and the maturation of the mobile Internet, the global mobile phone market and mobile Internet service market have experienced robust growth and ongoing transformation. Mobile Internet services refer to online services and applications delivered and accessed through smart devices and mobile Internet, which include mobile Internet advertising, e-commerce and various software application for both individual users and enterprises, aiming to provide users with a more efficient digital experience.

Global Mobile Phone Market and Mobile Internet Service Market

USD Trillion, 2021-2030E

CAGR	2021-2025	2025-2030E
Mobile phone	4.0%	4.9%
Mobile internet service	17.3%	22.1%



Source: Public information, Expert interview

Drivers and Future Trends of the Global Mobile Phone Market and Mobile Internet Service Market

- ***Growth of emerging markets serves as a long-term growth engine.*** Compared with developed markets, emerging markets are still in the midst of consumption upgrading. With strong economic growth potential, demographic advantages, rising mobile Internet penetration and improving communication infrastructure, users in emerging markets now have better access to mobile phones and mobile Internet services. While mobile phones and mobile Internet services in developed markets have reached a relatively mature stage, emerging markets still offer large growth potential.

- ***Advances of AI technology fueling the intelligent transformation.*** Breakthroughs in algorithms, along with growth of chips and sensing technologies, are enabling mobile phones and mobile Internet services to deliver more intelligent and personalized functions, enhancing product innovation and user experience. Going forward, AI is expected to reshape mobile phones and mobile Internet services, shifting the upgrade from basic functions to intelligent and personalized user experience, and becoming a key driver of long-term growth and competitive evolution.

- ***Expanded mobile Internet service value driven by the growth of smartphones.*** The growth of smartphones not only expands the mobile phone market itself but also unlocks new value through the rapid development of mobile Internet services. As smartphones become the primary entry point to users' digital lives, users are benefited from more diversified services such as mobile payment, social media, online shopping, and online gaming with deepened engagement and increased usage. The integration of smartphones with mobile Internet services enables companies to expand from one-off device sales to diversified, service-driven revenue models, enhancing their long-term monetization potential.

Competitive Landscape of the Global Mobile Phone Market

The Company ranked as the third largest player in the global mobile phone market, in terms of sales volume in 2025. The Company ranked as the eighth largest player in the global mobile phone market, in terms of revenue in 2025.

Ranking of Global Mobile Phone Market, in terms of sales volume

Ranking	Company	Sales Volume (Million, 2025)	Market Share (Sales Volume, %)
1	Company A	248	17.3%
2	Company B	241	16.8%
3	The Company	169	11.8%
4	Company C	165	11.5%
5	Company D	104	7.2%

Ranking of Global Mobile Phone Market, in terms of revenue

Ranking	Company	Revenue (USD Billion, 2025)	Market Share (%)
1	Company A	226	46.9%
2	Company B	87	18.0%
3	Company C	26	5.5%
4	Company D	26	5.3%
5	Company E	16	3.2%
6	Company F	16	3.2%
7	Company G	12	2.5%
8	The Company	8	1.7%

The following table sets forth a comparison of product functionalities between us and our peers in terms of flagship smartphone models in 2025.

	Our Company	Company B	Company C	Company D	Company E
Display	6.78", 120Hz	6.2", 120Hz	6.3", 120Hz	6.31", 120Hz	6.59", 120Hz
Memory	16GB	12GB	12GB/16GB	12GB/16GB	12GB/16GB
Storage	128GB/256GB	128GB/256GB	256GB/512GB /1TB	256GB/512GB/1TB	256GB/512GB/ 1TB
Main camera	50MP	50MP	50MP	50MP	50MP
Front camera	32MP	12MP	50MP	50MP	50MP
Battery	5200mAh	4000mAh	7000mAh	6040mAh	6000mAh

Source: Public information, Expert interview, Frost & Sullivan

Notes:

1) Company A is a global technology company founded in the United States, which primarily sells consumer electronics such as mobile phones, tablets, laptops, and among others.

2) Company B is a global consumer electronic company founded in South Korea, which primarily sells consumer electronics such as mobile phones, semiconductor, and among others.

3) Company C is a global consumer electronic company founded in Beijing, which primarily sells consumer electronics such as mobile phones, smart EV, and among others.

4) Company D is a global consumer electronic company founded in Guangdong, which primarily sells mobile phones, tablets and other accessories.

5) Company E is a global technology company founded in Guangdong, which primarily sells mobile phones, TWS, smart watches, and among others.

6) Company F is a global ICT solution company founded in Guangdong, which primarily provides carrier networks, enterprise solutions, consumer electronics, mobile phones, automotive solutions, and among others.

7) Company G is a global consumer electronic company founded in Guangdong, which primarily sells mobile phones, tablets, and among others.

MACRO ENVIRONMENT OF EMERGING MARKETS

Definition of Emerging Markets

Emerging markets refer to economies in transition from developing to developed status, characterized by rapid economic growth, increasing industrialization, and integration into the global financial system. Globally, emerging markets comprise Africa, the Middle East, Central and Eastern Europe, emerging APAC markets, and Latin America.

Strong Economic Growth Potential in Emerging Markets

In 2025, the GDP per capita of developed markets reached USD33.5 thousand, compared only USD6.2 thousand in emerging markets, indicating a significant gap between the two. In 2030, GDP per capita in emerging markets is expected to reach USD9.3 thousand, with a

CAGR of 8.6% from 2025 to 2030, much higher than the CAGR of 3.3% from 2025 to 2030 in developed markets, highlighting the strong economic growth potential of emerging markets. Consumption upgrade brought by rising GDP per capita is expected to support growth in demand for mobile phones, particularly smartphones. Consequently, such growth is expected to further fuel the expansion of mobile Internet services unlocking new growth opportunities for market participants in global mobile phone market and mobile Internet service market.

Demographic Advantage in Emerging Markets

In 2025, the population of emerging markets reached 5.8 billion, higher than the 2.4 billion in developed markets. This large population base provides a demographic advantage and a broader market opportunity in mobile phone market and mobile Internet service market. The population of emerging markets is expected to further grow to 6.3 billion in 2030, with a CAGR of 1.6% from 2025 to 2030, faster than that of developed markets, which also implies continued consumption demand for the growth of smartphone and mobile Internet service markets. As a result, the demographic advantage in emerging markets in both large population and faster growth is a key growth engine for the global mobile phone market and mobile Internet service market.

Rising Mobile Internet Penetration in Emerging Markets

Mobile Internet penetration refers to the share of a region's population that accesses the Internet through mobile devices. The mobile Internet penetration rate in emerging markets was 48% in 2025, lower than that in developed market, and is expected to further increase to 54% in 2030. The steady rise in mobile Internet penetration shows the large growth potential of the mobile phone market and mobile Internet service market. As more people gain Internet access through mobile devices, the demand for smartphone upgrades and diversified mobile Internet services will continue to expand.

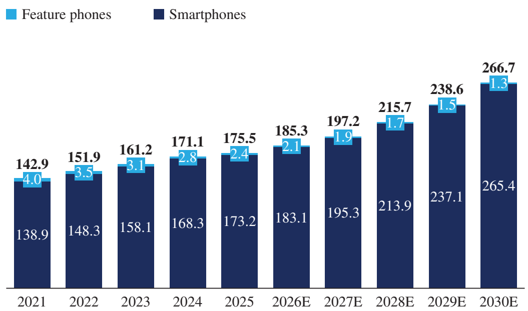
OVERVIEW OF MOBILE PHONE MARKET IN EMERGING MARKETS

Development of Mobile Phone Market in Emerging Markets

Mobile phone includes smartphone and feature phone. A smartphone is a mobile communication device equipped with an advanced operating system that supports third-party applications and provides Internet connectivity, multimedia capabilities, and a wide range of digital services. A feature phone is a mobile communication device with a simplified operating system primarily designed for basic functions such as voice calls and text messaging, typically supporting only limited pre-installed applications and basic Internet features.

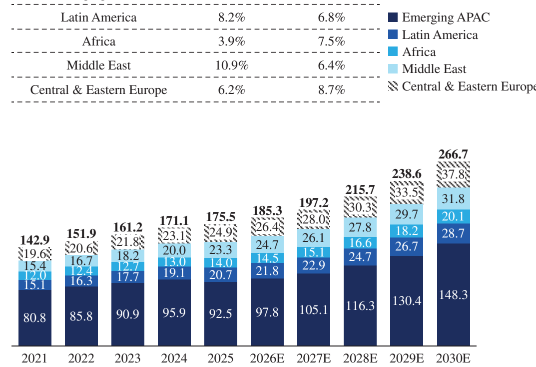
Mobile Phone Market in Emerging Markets, in terms of Revenue
USD Billion, 2021-2030E

CAGR	2021-2025	2025-2030E
Total	**5.3%**	**8.7%**
Smartphones	5.7%	8.9%
Feature phones	-12.0%	-11.5%



Mobile Phone Market in Emerging Markets, in terms of Revenue
USD Billion, 2021-2030E

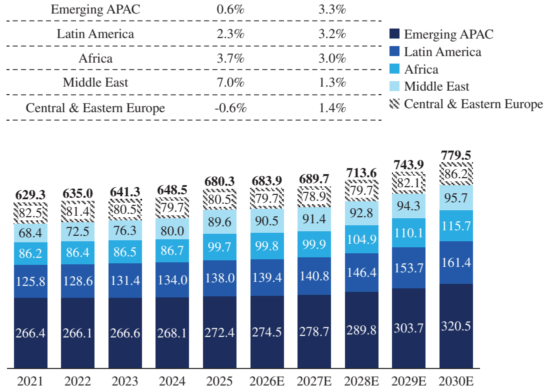
CAGR	2021-2025	2025-2030E
Total	**5.3%**	**8.7%**
Emerging APAC	3.4%	9.9%
Latin America	8.2%	6.8%
Africa	3.9%	7.5%
Middle East	10.9%	6.4%
Central & Eastern Europe	6.2%	8.7%



Source: Public information, Expert interview, Frost & Sullivan

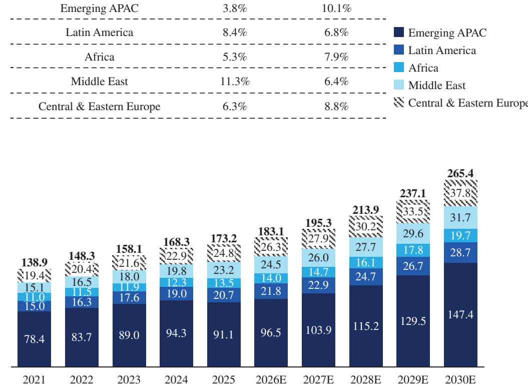
Smartphone Market in Global Emerging Markets, in terms of Sales Volume
Million, 2021-2030E

CAGR	2021-2025	2025-2030E
Total	**2.0%**	**2.8%**
Emerging APAC	0.6%	3.3%
Latin America	2.3%	3.2%
Africa	3.7%	3.0%
Middle East	7.0%	1.3%
Central & Eastern Europe	-0.6%	1.4%



Smartphone Market in Global Emerging Markets, in terms of Revenue
USD Billion, 2021-2030E

CAGR	2021-2025	2025-2030E
Total	**5.7%**	**8.9%**
Emerging APAC	3.8%	10.1%
Latin America	8.4%	6.8%
Africa	5.3%	7.9%
Middle East	11.3%	6.4%
Central & Eastern Europe	6.3%	8.8%



Source: Public information, Expert interview, Frost & Sullivan

Drivers and Future Trends of the Mobile Phone Market in Emerging Markets

- ***Economic growth and consumption upgrading.*** The economic development and consumption upgrading in emerging markets have become important drivers for growth of mobile phones, particularly smartphones. Macroeconomic development is stimulating demand for products and services that enhance quality of life. Consumers are increasingly willing to pay for devices with advanced features and improved user experiences, making mobile phones not only everyday necessities but also key tools for entertainment and leisure.

- ***AI-driven replacement demand.*** As large model technology including on-device large models become more common, mobile phones are shifting from traditional tools for communication to devices capable of AI empowered functions such as intelligent personal assistance. Advances in AI chip performance, the integration of large model technology, and enhanced multimodal sensing have enhanced functionalities of smartphones in areas such as voice understanding, image processing, and real-time content generation. These enhancement offer a better user experience, encouraging users to upgrade older devices, which further drives the growth of global mobile phone market.

- ***Localization and innovation driven by leading players.*** Global leading mobile phone providers are leveraging their mature R&D, production, and sales capabilities while adopting localized strategies in emerging markets. Rather than simply introducing existing products in the global market, these providers design features that match the specific needs and usage habits of local consumers. For example, in Africa, providers have developed portrait functions optimized for local preference. By combining global expertise with localized innovation, providers are delivering products that are both affordable and relevant, thereby supporting the growth of the mobile phone market in emerging markets.

Major Cost of Mobile Phones

Memory components, including DRAM and NAND storage, constitute one of the key cost components of smartphones, with their importance continuing to increase in recent years. From 2021 to 2025, memory prices experienced relatively cyclical but overall moderate fluctuations, primarily driven by supply-demand dynamics in the global semiconductor industry. However, since late 2023 and into 2025, memory prices have entered a new upward cycle, driven by production discipline among leading suppliers and, more importantly, the rapid growth in demand for high-performance memory associated with AI-enabled devices and applications. As smartphones increasingly integrate on-device AI capabilities, the demand for higher-capacity and higher-bandwidth memory is expected to further increase. Looking forward, supported by the growing adoption of on-device AI, higher storage requirements, and continued technological advancements, DRAM and NAND prices are expected to trend upward, with memory becoming an increasingly important cost component in smartphone.

Competitive Landscape of the Mobile Phone Market in Emerging Markets

The company is the largest player in the mobile phone market as well as the third largest smart phone provider in emerging markets. In terms of revenue, the Company ranks second, seventh, seventh, fourth, and fifth in the mobile phone markets in Africa, emerging APAC, Latin America, Middle East and Central and Eastern Europe, respectively.

Ranking of Global Mobile Phone Market in Emerging Markets, in terms of sales volume

Ranking	Company	Sales Volume of Mobile Phones (Million, 2025)	Market Share (Mobile Phones, %)	*Of which:* Sales Volume of Smart Phones (Million, 2025)	Market Share (Smart Phones, %)
1	The Company	169	20.0%	97	14.2%
2	Company B	147	17.3%	147	21.6%
3	Company C	105	12.4%	105	15.4%
4	Company A	56	6.6%	56	8.2%
5	Company D	56	6.6%	56	8.2%

Ranking of Global Mobile Phone Market in Emerging Markets, in terms of revenue

Ranking	Company	Revenue of Mobile Phones (USD Billion, 2025)	Market Share (Mobile Phones, %)	*Of which:* Revenue of Smart Phones (USD Billion, 2025)	Market Share (Smart Phones, %)
1	Company A	34	19.5%	34	19.8%
2	Company B	34	19.2%	34	19.4%
3	Company C	14	8.2%	14	8.3%
4	Company E	10	5.4%	10	5.5%
5	The Company	8	4.7%	8	4.4%

Source: Public information, Expert interview, Frost & Sullivan

Entry Barriers in the Mobile Phone Market in Emerging Markets

- ***Brand barriers.*** Consumers typically have a preference for well-established brands, especially international brands with high recognition in emerging markets. Established players with leading market positions can enjoy strong customer loyalty, making it difficult for new entrants to build awareness and earn consumer trust in the short term. At the same time, players that offer a wide range of smart devices and mobile Internet services benefit from stronger brand and product synergies, which further increases brand barriers and overall competitive advantages.

- ***Distributorship barriers.*** The channel structure in emerging markets often differs from that in developed markets, with many regions relying on traditional offline channels. Established players have already built strong distribution networks particularly partnerships with local distributors. New entrants lacking such local channel resources as established may face sales bottlenecks and encounter difficulties in market expansion in the short term.

- ***Technological barriers.*** Competition in the mobile phone market increasingly driven by technology innovation which requires strong R&D capabilities. Advanced technologies, such as AI, IoT, and AR/VR, have been important to product functions and differentiation. For example, when integrating AI to smartphones, established players that already have accumulated experience in emerging markets can leverage their strengths in local expertise to develop products that better meet their specific needs. New entrants that lack strong R&D capabilities that combined with local expertise may find it difficult to compete with established players in the short term.

- ***Supply chain barriers.*** In emerging markets, strong supply chain management creates an important entry barrier for mobile phone providers, including raw material sourcing, localized production, and logistics networks. Reliable raw material sourcing can impact production efficiency and cost control. Establishing local factories can reduce production and logistics costs, improve flexibility, shorten delivery time, and support product customization based on local market needs. New entrants often face limitations in delivery speed and supply chain responsiveness, which becomes a substantial barrier to market entry.

Threats and Challenges in the Mobile Phone Market in Emerging Markets

- ***User demand for new mobile phones.*** As the mobile phone market expands in emerging markets, users will develop a need to upgrade their devices. This means providers must stimulate upgrade demand through product innovation and differentiated features, thereby placing higher demands on companies' product portfolios.

- ***Localized operational capabilities.*** Market environments in emerging markets are diverse, with significant differences across countries in retail systems, carrier channels, legal frameworks, and local cultures. When expanding into emerging markets, providers need to establish more flexible and comprehensive localized operational capabilities.

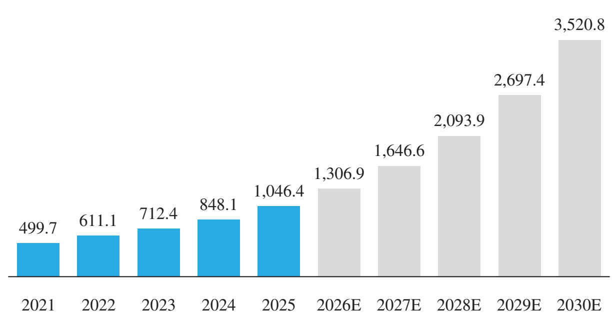
OVERVIEW OF MOBILE INTERNET SERVICE MARKET IN EMERGING MARKETS

Development of Mobile Internet Service Market

Mobile Internet services refer to online services and applications delivered and accessed through smart devices and mobile Internet, which include mobile Internet advertising, e-commerce and various software application for both individual users and enterprises, aiming to provide users with a more efficient digital experience.

Mobile Internet Service in Emerging Markets, in terms of Revenue
USD Billion, 2021-2030E

CAGR	2021-2025	2025-2030E
Total	20.3%	27.5%



Source: Public information, Expert interview, Frost & Sullivan

Drivers and Future Trends of the Mobile Internet Service Market in Emerging Markets

- ***Rapid development of Internet infrastructure.*** Emerging markets, especially Africa and Middle East have been improving Internet infrastructure, particularly in mobile broadband and 4G/5G network coverage. These improvements make it easier for individual users and enterprises to access online services, which further drive the growth of the mobile Internet market.

- ***Widespread use of smartphones.*** Compared with traditional PCs, smartphones are smaller and easier to carry, allowing users to access the Internet anytime and anywhere via various applications such as social media, online payments, e-commerce, which drives user engagement and further accelerates the growth of mobile Internet services.

- ***Personalized and AI-driven mobile Internet services.*** Social media applications, entertainment applications, e-commerce platforms, and others are expected to integrate more AI functions to provide more personalized and intelligent services. By analyzing user behavior and preferences, AI can recommend customized content and products, enhancing user experience and strengthening platform stickiness.

- ***More localized content and local innovation.*** Consumers in emerging markets have different cultural backgrounds, language habits, and entertainment preferences. Mobile Internet service providers are expected to create more localized content based on the needs and habits of each region, which facilitates expansion of the potential user base and improvement of user engagement and satisfaction.

Entry Barriers in the Mobile Internet Service Market in Emerging Markets

- ***Partnership barriers with smartphone providers.*** In emerging markets, mobile Internet services are empowered by the ecosystems of smartphone brands for user reach. Partnerships such as pre-installation of applications with major smartphone brands can improve user acquisition. These partnerships are usually led by leading players with large user bases and mature service capabilities, which can't be accessed by new entrants in the short term.

- ***Barriers to understanding the local market.*** Consumer preferences in emerging markets may differ from those in developed markets. New entrants need to tailor their services and marketing strategies to local culture and consumption habits. New entrants may lack the accumulated insights needed to deliver tailored services and effective marketing strategies in the short term.

- ***Brand barriers.*** In emerging markets, brand awareness and user trust are crucial for mobile Internet service providers to build a strong market position. Users prefer platforms and apps with high recognition and good reputation. For new entrants without established brand strength, building trust and influence requires significant marketing efforts.

Threats and Challenges in the Mobile Phone Market in Emerging Markets

- ***Adapting to the regulatory environment.*** Data governance, digital content regulation, and platform policies are different across countries and require providers to adapt to diverse regulatory environments as they expand into new markets.

- ***Differences in usage habits.*** There are variations in mobile Internet usage habits across different countries. This means that providers must take into account the needs of different user groups when designing products and delivering service, and this challenge is driving companies to develop more adaptable applications.

OTHER OPPORTUNITIES IN EMERGING MARKETS

Emerging markets offer many new opportunities due to their strong economic growth potential and large populations. Key opportunity areas include IoT products, energy storage products, and lightweight electric mobility devices.

Development of the IoT Product Market in Emerging Markets

IoT products primarily include connected devices equipped with software and network functions that improve user experience and support the broader Internet of Things ecosystem. These devices primarily include laptops, tablets, TWS (True Wireless Stereo) earphones, smartwatches, and smart home appliances. As network infrastructure in emerging markets continues to improve and cross-scenario connectivity becomes more advanced, IoT products can be used across home, mobility, and workplace settings. IoT product market in emerging markets grew from USD91.3 billion in 2021 to USD156.9 billion in 2025, with a CAGR of 14.5%. It is expected to further increase to USD395.3 billion by 2030, with a CAGR of 20.3% from 2025 to 2030. With continuous progress in AI technologies, IoT products are moving toward cross-device and cross-scenario integration, enabling data sharing and functional coordination across different products. This development will further improve user experience and support ongoing market growth. The threats and challenges of IoT product market in emerging markets mainly include price sensitivity and different consumer demands. The entry barriers of IoT product market in emerging markets mainly include distribution network development and brand and marketing capability.

Development of the Energy Storage Product Market in Emerging Markets

Energy storage products retain energy and release it when needed. Particularly in emerging markets, these products help households and small businesses manage unstable electricity supply and high-power costs. As adoption of solar power becomes more common, energy storage systems have become an important part of household and small businesses. The energy storage market in emerging markets grew from USD51.0 billion in 2021 to USD80.6 billion in 2025, with a CAGR of 12.1%. It is expected to further increase to USD174.6 billion by 2030, with a CAGR of 16.7% from 2025 to 2030. The threats and challenges of energy storage product market in emerging markets mainly include evolving technology pathways and evolving technical standards. The entry barriers of energy storage product market in emerging markets mainly include system integration and engineering capability, and project development and operational experience.

Development of the Lightweight Electric Mobility Device Market in Emerging Markets

Lightweight electric mobility device refers to two and three-wheel personal vehicles powered by onboard batteries and electric motors, with pedal-assist or full electric drive modes. These vehicles offer zero emissions, low noise, and smart management features. In many emerging markets, as urbanization speeds up and commuting needs rise, lightweight electric mobility devices have become a main choice for local transportation due to its low cost, environmental benefits, easy maintenance and local transportation infrastructure. This has created strong growth opportunities for lightweight electric mobility devices in emerging markets. The market grew from USD9.2 billion in 2021 to USD14.4 billion in 2025, with a CAGR of 11.8%. It is expected to increase further to USD28.5 billion by 2030, with a CAGR of 14.5% from 2025 to 2030. The threats and challenges of the lightweight electric mobility market in emerging markets mainly include expectations for product performance and the evolving supporting service ecosystem. The entry barriers of the lightweight electric mobility market in emerging markets mainly include manufacturing capability, brand trust, and reliability.

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 RMB600,000 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.