Certain information and statistics set out in this section and elsewhere in this document are derived from various government and other publicly available sources and from the market research report prepared by Frost & Sullivan. We believe that the sources of such information for such information and statistics are appropriate sources and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information are false in any material respect or misleading or that any fact has been omitted that would render such information false or misleading. The information from official government sources, including government data and statistics, has not been independently verified by us, the Sole Sponsor, the ***[REDACTED]****, the* ***[REDACTED]****, the* ***[REDACTED]*** *and the* ***[REDACTED]****, or any other party involved in the* ***[REDACTED]*** *and no representation is given as to its accuracy.*

SOURCE OF INDUSTRY INFORMATION

In connection with the **[REDACTED]**, we have engaged Frost & Sullivan, an independent market research consultant, to conduct a detailed analysis on China's integrated marketing market and China's enterprises digital transformation market and prepare a report for use in this document, for which we have agreed to pay an engagement fee of RMB550,000, which we believe to be consistent with market rates.

In compiling and preparing the Frost & Sullivan Report, Frost & Sullivan adopted the following assumptions: (i) global social, economic and political environment is likely to remain stable in the period of 2024 to 2029 (the "**forecast period**"); (ii) purchasing power is expected to continue to rise moderately in emerging regions and to grow steadily in developed regions; and (iii) related industry key drivers are likely to drive the market in the forecast period.

Except as otherwise noted, all of the data and forecasts contained in this section are derived from the Frost & Sullivan Report. Frost & Sullivan has prepared the Frost & Sullivan Report based on detailed primary research which involved discussing the status of the China's integrated marketing market and China's enterprises digital transformation market with certain leading industry participants and secondary research which involved reviewing company reports, independent research reports and data based on its own research database. Our Directors confirm that, after taking reasonable care, there has been no material adverse change in the overall market information since the date of the Frost & Sullivan Report that would materially qualify, contradict or have an impact on such information.

TOTAL MARKETING SPENDING IN CHINA

Enterprises incur marketing expenditure as part of their broader commercial activities to build brand awareness, strengthen market positioning, attract and retain customers, and ultimately support revenue growth and sales conversion. In increasingly competitive and fragmented consumer and business markets, marketing investment also serves as an important means for enterprises to enhance visibility, differentiate products and services, improve customer engagement and respond to evolving media consumption and purchasing behaviour. Against this backdrop, in connection with brand building, customer acquisition, market communication, consumer engagement and sales conversion, the aggregate marketing spending incurred by enterprises across industries in China experienced rapid growth from 2020 and 2024 at CAGR of approximately 11.1% and reached approximately RMB2,000.6 billion in 2024.

As enterprises continue to allocate marketing budgets across a broader range of channels, formats and tools, the market can be mainly divided into integrated marketing, marketing technology (Martech) and advertising marketing services, each addressing a different stage and priority within the overall marketing process. Integrated marketing primarily focuses on the planning, coordination and execution of marketing campaigns, including strategy formulation, creative development, content production, event planning and integrated communication, with an emphasis on delivering cohesive brand messaging and campaign execution. Martech primarily refers to the application of technology tools and data-driven systems to support marketing activities, including marketing automation, data analytics, customer management, campaign optimisation and performance measurement, with a focus on improving precision, efficiency and measurability. Advertising marketing services primarily relates to media buying, traffic acquisition and advertisement distribution across online and offline channels, with its core focus on audience reach, exposure generation and conversion efficiency. Taken together, these three segments represent different but complementary functional components of corporate marketing expenditure and collectively form an integral part of the overall corporate marketing expenditure market. In the three sub-segments collectively accounted for approximately 87.2% of the overall marketing expenditure.

THE INTEGRATED MARKETING MARKET IN CHINA

Definition and Classification

Integrated marketing is a strategy that unifies available marketing tools and channels to achieve business goals like establishing brand image, promoting products and engaging customers. In comparison to the traditional marketing model, integrated marketing proves more appealing to brand owners and advertisers for its ability to offer a cohesive and seamless brand experience for customers and one-stop marketing solutions to advertisers.

The integrated marketing market could be further divided into two categories, (i) brand management services; and (ii) event execution and production services.

Brand Management Service: it provides a holistic approach to building and maintaining a brand's identity and reputation. They begin by establishing a brand's core identity and strategic positioning through defining values and understanding target customers. These services then extend to developing the brand and formulating comprehensive marketing strategies to communicate its unique value.

Event Execution and Production Services: It involves a provider's efforts to create a positive public atmosphere and build support. These services encompass a range of professional offerings, including creative planning, copywriting, venue rental, material procurement, on-site management, and coordination for various events.

Value Chain of Integrated Marketing Market

The industry chain of integrated marketing market consists of brand owners or advertising agencies (upstream), integrated marketing service providers (midstream), and downstream media channels and consumers (downstream). Each segment interlinks to form a cohesive value chain, ensuring end-to-end brand communication and campaign execution.

Market Players	Brand Owners & Advertising Agencies	Integrated Marketing Services Providers	Media Platforms	Consumers
Major Role	✓ Product or service providers with specific marketing demands ✓ Create marketing strategies to build up brand image or increase sales	✓ Formulate integrated marketing plan for the advertisers ✓ Being responsible for the execution of experiential marketing campaigns and advertisement-based campaigns ✓ Ongoing daily brand communication	✓ Display advertisements ✓ Track public opinions on the products and services offered by advertisers	✓ Person to purchase the products or services offered by advertises ✓ Make purchase decision based on available information
Core Value	✓ Clarify the requirements of marketing solutions ✓ Choose appropriate marketing solutions providers that satisfy their marketing goals	✓ Deeply understand the advertisers' marketing requirements ✓ Create integrated marketing solutions incorporating multiple channels and activities ✓ Plan advertisement spots on appropriate media to amplify the market impact	✓ Operate and maintain media influence ✓ Acquire a growing number of users and increase frequency of engagement for the media	✓ Exposed to various marketing information in daily life
Market Participants	✓ Companies in various industries includes: • Automobile • Beauty products • Apparel • etc.	✓ Global 4A companies ✓ Local integrated marketing services providers ✓ Specialized marketing service providers	✓ Digital Media: E-Commerce platforms, social media, etc. ✓ Offline Media: magazine, TV, out-of-door media, etc.	✓ Households ✓ Individuals

Source: Frost & Sullivan Analysis

Market Size for China Integrated Marketing Market

Driven by the increasingly fierce competitive environment and the enhanced awareness of brand building, various companies place hopes on effective brand strategies to expand their business scale. China's integrated marketing market witnessed robust growth from 2020 to 2024, expanding at a CAGR of 4.6% — from approximately RMB67.2 billion to RMB80.4 billion.

This growth underscores the sector's increasingly pivotal role in shaping organisational perception through media influence and stakeholder relationship management. Multiple policies have provided positive guidance for the construction of Chinese brands such as the "Guiding Opinions on Accelerating the Construction of World Class Enterprises" issued by the State-owned Assets Supervision and Administration Commission and the "Guiding Opinions on Strengthening Brand Building in the Business Field" issued by the Ministry of Commerce of China. The "14th Five-Year Plan" also emphasised the importance of carrying out the action of creating Chinese brands, enhancing the influence and competitiveness of independent brands, and taking the lead in cultivating a group of high-end brands in the fields of cosmetics, clothing, home textiles, electronic products and other consumer goods.

Driven by policy incentives, service sector growth, and rising consumer spending, brands will prioritize image and reputation building. With the application of various new marketing technologies and the popularity of new media channels, the content of integrated marketing will be more valuable, and the dissemination will be more precise. By 2029, China's integrated marketing market is projected to reach approximately RMB99.3 billion, with a forecasted CAGR of around 4.3% between 2024 and 2029.

THE MARKETING TECHNOLOGY (MARTECH) MARKET IN CHINA

Marketing technology (MarTech) refers to the use of technological tools and platforms to empower marketing activities, enhance targeting precision, and improve customer experience. It encompasses a range of key technologies and products, including data analysis, data visualization, and data management at the data layer, as well as marketing design, advertising delivery, content management, and social interaction at the application layer, and other necessary IT support.

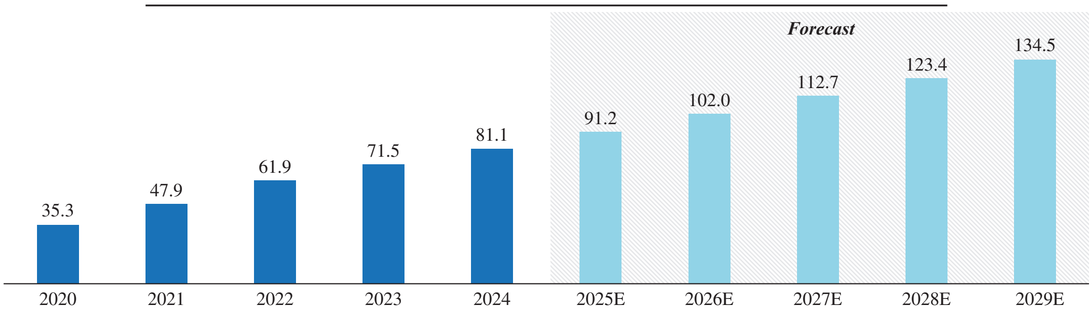
MarTech service providers are actively developing and deploying Marketing Vertical Large Models (VLMs). A Marketing VLM is a highly specialised domain-specific Large Language Model (LLM) fine-tuned exclusively for the tasks, terminology, and objectives of the marketing and advertising industry. The Marketing VLM utilizes curated datasets including historical brand strategy and campaign performance data, extensive examples of successful ad copy and visual concepts, and detailed consumer behavior profiles. This focused training provides the VLM with expert-level marketing knowledge, enabling it to generate outputs that are highly accurate, relevant, and immediately actionable. Besides, leveraging deep learning and reinforcement learning, the VLM executes complex marketing tasks. This includes predictive analytics (forecasting campaign success), generative optimization (creating highly effective content variations), and automated strategy (suggesting strategic shifts). This provides the predictive power and generative execution. Thus, the synergy of big data and machine learning results in brand marketing that is not only automated but also fundamentally smarter, more agile, and significantly more efficient.

Market Size for Marketing Technology (MarTech) in China

In China, the growth of the MarTech market is attributable to several factors, including accelerated business digitalization fueling demand for advanced tools, adoption of AI and big data analytics enabling precise targeting and personalised campaigns, dominance of social media and short-video platforms spurring investment in content and influencer MarTech. Specifically, smartphones have become the primary tool in China for consumers' interacting with brands, researching products, and making purchases, which is known as mobile-first consumer behavior. Since such behavior allows consumers to fluidly transition between social platforms, e-commerce sites, and physical stores, omnichannel MarTech integration becomes essential to avoid customer abandonment, which means coordinating various MarTech resources for both online marketing and offline marketing activities to cover as diverse information channels as possible. In such case, the market size for China's MarTech market achieved a growth at CAGR of 23.1% between 2020 and 2024. Looking ahead, government support for digital transformation and advancements in 5G, cloud computing, and AI will further accelerate growth, with the market projected to reach RMB134.5 billion by 2029. As the market expands, although the absolute value has maintained stable growth, the percentage growth rate of the market has declined.

Marketing Technology (MarTech) Market, China
RMB Billion; 2020–2029E

CAGR	2020–2024	2024–2029E
Marketing Technology (MarTech) Market	23.1%	10.6%



Notes: The market size refers to the total revenues generated by marketing technology service providers.

Source: Frost & Sullivan Analysis and Estimates

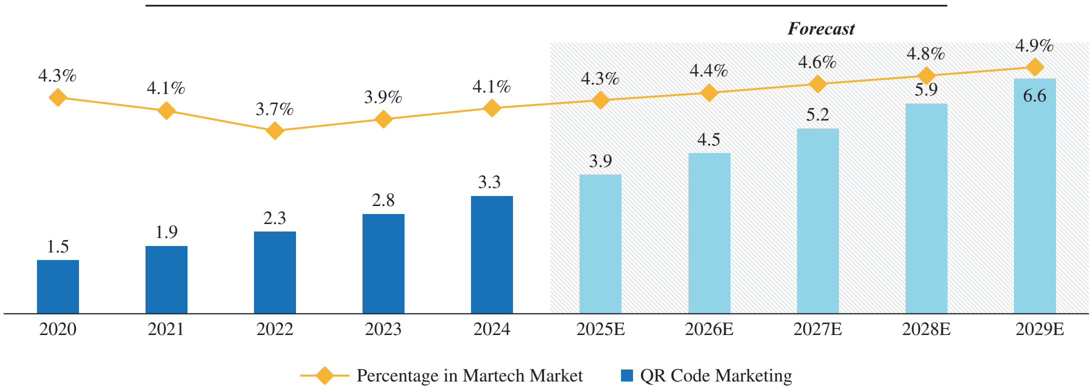
Market Size for QR Code Marketing Market in China

A Quick Response code (QR code) is a 2D barcode scannable by smartphones to access information instantly, storing more data than traditional barcodes via vertical/horizontal scanning. Due to the fast distinguishability and large information capacity, QR codes have been widely adopted in areas such as payments and personal identity verification. Furthermore, QR codes are expanding their application into fields such as marketing, product tracing, and more. And QR code marketing has gradually become an important sub-segment of MarTech. China's QR code marketing market grew rapidly from 2020 to 2024, with a 21.6% CAGR, expanding from RMB1.5 billion to RMB3.3 billion. They enhance marketing by bridging offline-online interactions: a simple scan directs users to websites, promotions, or product details, boosting engagement and enabling personalised campaigns via user data tracking. Brands also leverage QR codes to build membership systems and private domain traffic. In retail, QR codes streamline operations including manufacturing, supply chain, sales, and in-store management. These applications improve operational transparency, reduce errors, and create data-driven shopping experiences. Driven by such benefits, China's QR code marketing market is projected to sustain growth, reaching approximately RMB6.6 billion by 2029. The historical growth from 2020 to 2024 was heavily influenced by the mass mandatory adoption of QR codes for contact tracing, health verification, and contactless payments in China. Now that QR codes are ubiquitous and integrated into daily life, the growth shifts from new adoption to organic usage and optimisation, naturally leading to a slower percentage increase.

QR Code Marketing Market, China

%, RMB Billion; 2020–2029E

CAGR	2020–2024	2024–2029E
QR Code Marketing Market	21.6%	14.7%



Notes: The market size refers to the revenue generated by QR code marketing solution service provider, including hardware, software, label and related services.

Source: Frost & Sullivan Analysis and Estimates

THE ADVERTISING MARKETING SERVICE MARKET IN CHINA

The advertising marketing service normally involves developing media placement strategies, filtering the suitable media channel, procuring media resources and scheduling placement, design and production, and evaluating advertising effectiveness. The expertise of advertising marketing service providers normally spans across multiple media channels, encompassing buses, bus shelters, airports, subways, outdoor billboards, LED displays, and targeted online advertising, all aimed at ensuring impactful brand communication.

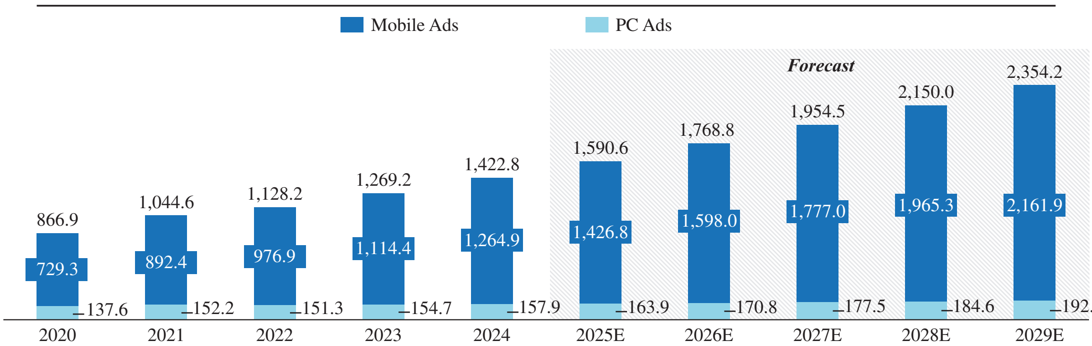
Market Size for China Advertising Marketing Service Market

Between 2020 and 2024, China's total advertising expenditure surged from RMB1,039.5 billion to RMB1,566.5 billion, with a solid CAGR of about 10.8%. Growth in digital platforms, especially mobile internet, drove digital ads to dominate, capturing 90.8% of the market with RMB1,422.8 billion in spending by 2024. Looking ahead, online advertising will remain a key driver of China's advertising marketing service market growth. Influencer-driven marketing and livestream commerce are driving substantial ad expenditure, with brands witnessing strong conversion rates and boosted sales. Short-video platforms have revolutionized ad formats, enhancing engagement and effectiveness. More brands are focusing on storytelling branded content on social media platforms. As a result, online ad spending is projected to reach RMB2,354.2 billion by 2029, with a CAGR of around 10.6% since 2024.

In 2024, online advertising spending on mobile channels reached around RMB1,264.9 billion, with a CAGR of approximately 14.8% from 2020 to 2024, accounting for 88.9% of total online ad expenditure. This growth stems from mobile's vast user base and low-cost accessibility, making it advertisers' primary consumer connection channel. Mobile ads outperform PC counterparts in engagement, location-based targeting, personalisation, youth reach, and creative formats. By 2029, mobile ad spend is projected to hit RMB2,161.9 billion with a CAGR of 11.3%.

Online Advertising Marketing Service Market by Type, China
RMB Billion; 2020–2029E

CAGR	Total	Mobile Ads	PC Ads
2020–2024	13.2%	14.8%	3.5%
2024–2029E	10.6%	11.3%	4.0%



Notes:

1. The market size refers to the online advertising spending by brands on mobile and PC.
2. Mobile Ads refers to advertising content specifically designed and delivered for smartphones and tablets, optimized for smaller screens, touch interaction, and real-time location targeting.
3. PC Ads refers to Advertising content delivered primarily via desktop and laptop computer browsers, typically optimized for larger screens, mouse navigation, and traditional web display formats

Source: Frost & Sullivan Analysis and Estimates

Growth Drivers of China Integrated Marketing Market and Advertising Marketing Service Market

Increasing emphasis on brand building and management

In highly homogenized markets, systematic brand building creates differentiated positioning to establish consumer mindshare advantages, while sustained brand management reinforces value propositions through integrated marketing and optimized customer experiences. Effective branding service not only enhances customer loyalty but also builds brand equity, enabling premium pricing beyond cost competition. Particularly in the digital era, data-driven brand strategies achieve precise engagement, helping brands sustain growth amid intensifying market competition.

Integrated marketing serves as the core for brand management

Integrated marketing delivers value across three key dimensions: First, it ensures brand consistency by unifying multi-channel messaging, preventing consumer confusion. Second, leveraging data-driven technologies enables precise audience targeting, improving marketing ROI through efficient message delivery. Most importantly, integrated marketing constructs a complete consumer journey — from brand awareness to purchase conversion and loyalty cultivation — forming a closed-loop marketing system. This 'one brand, one voice' strategy not only optimizes resource allocation but also strengthens brand recall, making it a pivotal lever for building powerful brands.

Proactively embracing advanced digital technologies

Integrated marketing service providers are actively embracing digital technologies as a strategic imperative in today's evolving marketplace. This technological adoption stems from the need to address increasingly fragmented consumer touchpoints while delivering more personalised brand experiences. By leveraging intelligent data analytics, providers gain deeper consumer insights that enable precise targeting and consistent messaging across dispersed digital channels. The automation capabilities afforded by these technologies not only optimize operational efficiency but also elevate service offerings from basic execution to strategic partnership.

Media advertising service balances business pursuit and user experience

The media advertising service market experienced rapid growth by capitalizing on demographic and traffic benefits. While its development focus has now shifted toward in-depth operations. In terms of various channels for advertising placement, cross-screen integration* and contextual blending** are gradually enhancing advertising effectiveness, embedding advertisements more deeply into daily life. Moreover, brands and advertisers are placing greater emphasis on content marketing and ecosystem development. By deeply integrating short video, e-commerce, social content, micro web series, and interactive content are effectively capturing user attention.

Future Trends of China Integrated Marketing Market and Advertising Marketing Service Market

AI & big data transforming integrated marketing services

Machine learning analyzes consumer behavior to enable personalised, context-aware communication, while NLP enhances culturally relevant content creation. Intelligent algorithms optimize media allocation, boosting campaign efficiency. For providers, this shift enables new data-driven business models, evolving from execution services to strategic consulting. Brands benefit from precise consumer insights, two-way engagement, and real-time optimisation- redefining consumer connections. This revolution establishes new digital marketing standards, balancing technological capabilities with ethical considerations and cross-functional collaboration.

* Cross-screen integration refers to the practice of connecting and unifying user experiences and contents across multiple digital devices and platforms such as smartphones, tablets, computers, and connected TVs. HKEX1 Q7(iii)

** Contextual blending refers to the strategic process of integrating marketing messages and advertisements so seamlessly into the surrounding content, environment, or user experience that they feel like a natural, relevant part of the context, rather than an interruption.

Integrated marketing service providers evolve into full-value-chain partners

Integrated marketing service providers are evolving into full-value-chain digital transformation partners, extending into product development and supply chain management. This ''end-to-end'' approach leverages consumer data to reshape business operations — where marketing insights guide product innovation, demand forecasting informs production planning, and digital tools enable agile supply chains. By transforming marketing data into strategic decision-making assets, providers are transitioning from tactical executors to strategic enablers, helping clients build integrated market-production-supply systems while establishing unique competitive advantages.

Tech-empowered integrated marketing services fuels the domestic brands' overseas expansion

Chinese brands are accelerating global expansion, driven by domestic market saturation and policy support like the Belt and Road Initiative. Digital technologies enables effective overseas marketing through data-driven market insights, AI-powered localization, and cross-border e-commerce platforms. The combination of strategic policy backing and digital marketing capabilities creates a powerful framework for successful international brand development and helps overcome cultural barriers while building sustainable brand value internationally.

Entry Barries of China Integrated Marketing Market and Advertising Marketing Service Market

Industry expertise and data assets

Deep domain experience and accumulated data assets form critical competitive moats for marketing service providers. Long-term specialization in specific sectors enables providers to develop nuanced understanding of consumer behavior and industry-specific pain points. Moreover, the proprietary data gathered through years of campaign execution allows for continuously refined decision-making models. This combination of institutional knowledge and exclusive data creates a self-reinforcing advantage, making it difficult for latecomers to match the service depth of established players, even with comparable technologies.

Initial capital investment as competitive barriers

Establishing technological infrastructure — including data platforms, AI algorithms and cloud systems requires significant upfront funding and ongoing maintenance costs. Acquiring premium clients also demands costly customized solutions to demonstrate capabilities. Additionally, building specialized teams necessitates sustained human capital investment. These early expenditures generate economies of scale that latecomers cannot easily replicate. First-movers further solidify their position by converting initial investments into brand reputation and client trust, creating a self-reinforcing market advantage.

Technology accumulation as competitive barrier

The advantage of deep technical expertise and implementation experience manifests in three dimensions: First, mature marketing cloud platforms and AI engines require years of refinement across real business scenarios. Second, hands-on experience creates industry-specific solution libraries. Most critically, the ability to adapt technologies to diverse sectors like merchandise retail and finance demands extensive cross-domain project experience. New entrants face dual challenges — not only developing comparable technologies but also lacking the practical know-how to translate them into client value.

Client portfolio as competitive barrier

The advantage of established client relationships and market reputation operates through three mechanisms: First, blue-chip client endorsements serve as trust anchors that reduce new customers' perceived risk. Second, institutional knowledge accumulated through long-term engagements — understanding client operations, decision hierarchies and business rhythms — becomes proprietary intelligence. Most critically, veteran providers evolve from vendors to strategic partners, embedded in clients' value chains from market insight to product innovation. New entrants lack the very case studies needed to earn trust, making it difficult to overcome incumbents' relationship advantages that transcend technical or financial capabilities alone.

COMPETITIVE LANDSCAPE OF CHINA'S INTEGRATED MARKETING MARKET

China's integrated marketing companies operate within a highly fragmented landscape. In 2024, the revenue of top five market players reached approximately RMB5,451.1 million, accounting for approximately 6.8% of China's integrated marketing market.

The table below sets forth the top five integrated marketing providers in China in terms of sales revenues in 2024.

Ranking of Integrated Marketing Providers in China,
by Revenue, 2024, RMB Million

Ranking	**Company**	**Revenue(1)**	**Market Share(2)**
1	Company A(3)	1,507.2	1.9%
2	Company B(4)	1,361.4	1.7%
3	Company C(5)	1,120.0	1.4%
4	Company D(6)	813.3	1.0%
5	Company E(7)	652.2	0.8%
Top 5	**NA**	**5,451.1**	**6.8%**

Notes:

(1) The revenue refers to the sales revenue generated by providing integrated marketing products and services.

(2) Denominator of the percentage is the integrated marketing market scale.

(3) Company A is a company listed on the New York Stock Exchange. Through its portfolio of companies and cutting-edge marketing methodology, it offers comprehensive and multi-disciplinary services to media & advertising, precision marketing, public relations, healthcare, branding & retail commerce, experiential, and execution & support. As of December 31, 2024, it employed 74,900 employees worldwide.

(4) Company B is a company listed on the Paris Stock Exchange, headquartered in France and established in 1926. It is organized into 4 Solutions Hubs for easier connectivity and integration. All agency brands share an operational backbone to deliver products and services.

(5) Company C is a company established in 1948. It innovates at the intersections of its advertising, public relations, relationship design, consulting, and health capabilities with over 120 offices in nearly 90 countries. It provides products and services including advertising, health, PR & influence, relationship design, and consulting. It has branch offices in Beijing, Shanghai, Guangzhou, Shenzhen, Fuzhou, and Xiamen in China.

(6) Company D is a company listed on Shenzhen Stock Exchange, headquartered in Beijing and established in 2002. Its core business is to provide enterprises with brand management services, advertising design, production, agency, publishing business, and to undertake exhibitions and display activities. It provides services for eight industry brands, including games, automobiles, Internet and applications, e-commerce, high-tech products, consumer goods, real estate and finance.

(7) Company E is a company listed on the New York Stock Exchange and headquartered in Delaware, the United States. Established in 1930, it provides marketing, communications and business transformation services. It specializes in insights, data, media, creative and production, digital commerce, healthcare marketing and communications. As of December 31, 2024, it employed approximately 53,300 people worldwide.

The revenue of the top five QR code marketing solution service providers reached approximately RMB509.2 million in 2024, accounting for approximately 15.2% of total revenue of QR code marketing market in China. Our Group ranks the fourth with a market share of 1.8%.

The table below sets forth the top five QR code marketing solution service providers in China in terms of revenue in 2024.

Ranking of Leading QR Code Marketing Solution Providers in China,
by Revenue, 2024, RMB Million

Ranking	Company	Revenue(8)	Market Share(9)
1	Company F(10)	182.0	5.4%
2	Company G(11)	105.9	3.2%
3	Company H(12)	105.6	3.2%
4	**Our Group**	**58.7**	**1.8%**
5	Company I(13)	56.9	1.7%
Top 5	**NA**	**509.2**	**15.2%**

Notes:

(8) The revenue refers to the sales revenues generated by providing QR code marketing solutions in retail segment, including the sales of hardware, software, and related services.

(9) Denominator of the percentage is the QR code marketing market scale.

(10) Company F is a company headquartered in Beijing. Established in 2004, it independently develops IoT digital technology, provides globally digital solutions for product coding for industries such as pharmaceuticals, FMCG, and industrial products, and helps enterprises build a digital system for the entire industry chain.

(11) Company G is a company listed on NEEQ and it is headquartered in Beijing. Established in 2002, it focuses on the technical Research and Development of product digital identity management, and provide IoT identification products, SaaS software products and industry digital solutions around this technology.

(12) A department under Company H serves Company H's smart retail business. It is based on item-QR code technology and combines Company H's unique models and platform capabilities to connect consumers with retail terminals, helping brands upgrade their products' digitalization throughout the entire chain.

(13) Company I is a company listed on Hong Kong Stock Exchange. It principally engages in the provision of QR codes and solutions on product packaging; the production and sale of packaged products; securities investment and trading and lending; and the production and sale of Chlamydomonas reinhardtii, microalgae and related products.

COMPETITIVE LANDSCAPE OF CHINA'S ADVERTISING MARKETING SERVICE MARKET

China's advertising marketing service companies operate within a highly fragmented landscape. In 2024, the revenue of top five market players reached approximately RMB53.7 billion, accounting for approximately 3.4% of China's advertising marketing service market.

The table below sets forth the top five advertising marketing service providers in China in terms of sales revenues in 2024.

Ranking of Advertising Marketing Service Providers in China,
by Revenue, 2024, RMB Billion

Ranking	Company	Revenue[14]	Market Share[15]
1	Company J[16]	14.4	0.9%
2	Company K[17]	14.2	0.9%
3	Company D	11.7	0.7%
4	Company L[18]	7.3	0.5%
5	Simei Media Co., Ltd.	6.2	0.4%
Top 5	**NA**	**53.7**	**3.4%**

Notes:

(14) The revenue refers to the sales revenue generated by providing advertising marketing services.

(15) Denominator of the percentage is the advertising marketing service market scale.

(16) Company J is a company listed on Shenzhen Stock Exchange, headquartered in Wenling, Zhejiang Province and established in 2001. Its digital marketing services includes marketing strategy and creativity, media placement and execution, effect monitoring and optimisation, social marketing, precision marketing, and traffic integration. As of December 31, 2024, the company has a total of 6,280 employees, including 466 creative personnel.

(17) Company K is a company listed on Shenzhen Stock Exchange, headquartered in Guangzhou, Guangdong Province and established in 1981. The company's main products are brand management, traditional media agency, digital marketing, own media, public relations activities, and magazine distribution. The company serves over 300 clients across the globe with diversified global media resources. As of December 31, 2024, the company has 759 media personnel and 887 planning and creative personnel.

(18) Company L is a company listed on Shanghai Stock Exchange, headquartered in Hangzhou, Zhejiang Province and established in 1993. It has built a digital marketing chain covering data insights, effect marketing, effect optimisation and management, brand enhancement, media planning and placement, experiential marketing, public relations, content marketing, we-media, and marketing technology products. Besides, it develops AI related businesses such as computing power delivery, leasing, scheduling, operation and maintenance, as well as digital cultural businesses.

KEY COST COMPONENTS ANALYSIS

Offline advertising resource cost and online platform cost

This part covers all expenditures incurred to help brand owners and advertising agencies acquire traffic and gain exposure both online and offline, ensuring that marketing messages reach the core target audience. This portion of expenditure constitutes the core cost for most domestic marketing enterprises.

Charged based on models such as Cost Per Click (CPC) and Cost Per Mille (CPM), these media procurement costs can account for over 95% of the total marketing business costs for some marketing companies.

Staff cost

This part includes salaries for various personnel responsible for tasks such as creative planning, strategy analysis, and project execution. This type of cost related to human capital ensures the development of effective marketing plans and their successful implementation. Marketing companies in China generally fall under the "Leasing and Business Services" sector. From 2020 to 2024, the average salary of employees in non-private urban units has increased from RMB92.9 thousand to RMB110.4 thousand, while for those in private units has risen from RMB58.2 thousand to RMB69.2 thousand.