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 and statistics are appropriate for such information and statistics and have taken reasonable care in extracting and reproducing such information and statistics. We have no reason to believe that such information and statistics are false in any material respect or misleading or that any fact has been omitted that would render such information or statistics false in any material respect or misleading. None of our Company, the Joint Sponsors, the **[REDACTED]**, *the* **[REDACTED]**, *the* **[REDACTED]**, *the* **[REDACTED]** *and the* **[REDACTED]**, *any of our or their respective directors, officers, employees, agents or advisers has verified the information and statistics from official government sources, thus makes no representation as to the accuracy, fairness and completeness of the information and statistics from official government sources. Accordingly, information and statistics from official government sources should not be unduly relied upon.*

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 the global Chinese-language music content and services market and China's music content and services market and prepare a report for use in this document, for which we have agreed to pay an engagement fee of RMB500,000, 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 2026 to 2030 (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 global Chinese-language music content and services market and the China's music content and services 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 disqualify, contradict or have an impact on such information.

OVERVIEW OF GLOBAL CHINESE-LANGUAGE MUSIC CONTENT AND SERVICES MARKET

The growing international visibility of Chinese culture has provided a favorable backdrop for the global development of Chinese-language music. Alongside the broader recognition of Chinese-language films, dramas, variety shows, short video content and lifestyle culture, Chinese-language music has become an important carrier of cultural expression and emotional connection among Chinese-speaking audiences worldwide. Its value lies not only in the size of its audience base, but also in its distinctive combination of language, melody, lyrical expression, artist identity and cultural resonance, which gives it strong user loyalty and long-term monetization potential. In particular, leading Chinese-language artists have increasingly demonstrated their ability to attract audiences across the world, enabling Chinese-language music to evolve from a largely regional content category into a cross-border music and entertainment asset.

Against the backdrop of the increasing cross-border appeal of Chinese-language culture, the commercial value of Chinese-language music has continued to expand across copyright operations, live music performances and artist management. Music copyrights are increasingly monetized through digital music platforms, short video, film and television, games, advertising and other commercial scenarios, while leading artists generate value through concerts, music festivals, brand endorsements, fan engagement and cross-border entertainment activities. The market size of the global Chinese-language music content and services market increased from approximately RMB18.6 billion in 2021 to approximately RMB61.8 billion in 2025, representing a CAGR of approximately 35.0%. Looking forward, supported by stronger global demand for Chinese-language cultural content, continued expansion of overseas Chinese-speaking communities' entertainment consumption, and the growing commercialization of music and artist IP, the market is expected to further increase to approximately RMB113.6 billion by 2030.

OVERVIEW OF CHINA'S MUSIC CONTENT AND SERVICES MARKET

Definition and Classification

Music Content and Services refer to professional services centered on music content, artists and related copyright assets across key stages of the music industry value chain, including creation, rights confirmation, licensing, distribution, promotion and commercialization. Such services are provided to various participants in the music ecosystem and take music content and copyright assets as the core production factors. Through specialized and systematic operations, music content and service providers enable music content to be transformed from creative output into tradable, distributable, operable and monetizable commercial resources, thereby supporting the structured development, circulation and commercial realization of music content and artist-related intellectual property.

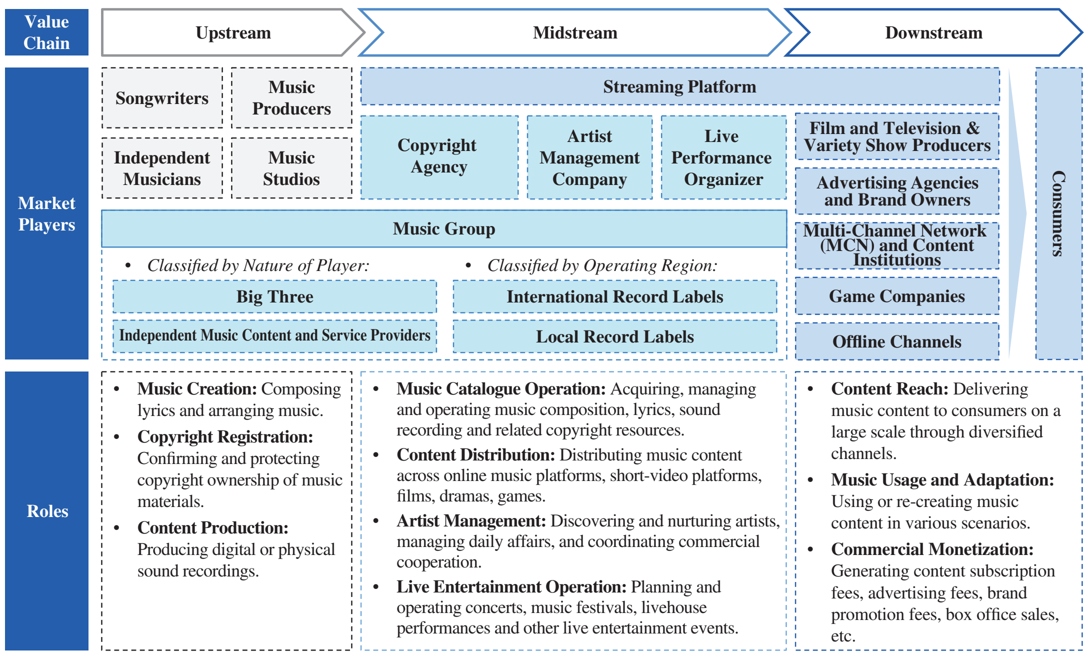
In terms of business models, China's music content and services can be divided into the following sub-segments:

- **Music Catalogue Operation Services** refers to professional services centered on music content and related rights, including lyrics and composition copyrights, sound recording rights, performers' rights and other neighboring rights, across key processes such as rights confirmation, licensing, administration, operation, monetization and revenue distribution.

- **Artist Management and Live Entertainment Business** refers to the businesses that monetize artists' performance capabilities, public image, personal brand, fan base and commercial collaboration value through both offline performance activities and artist-related commercial operations. It primarily includes the planning, production, promotion and operation of concerts, music festivals, livehouse performances and other live music events, as well as artist management services such as artist signing, career planning, performance arrangement, commercial endorsement, brand collaboration, media exposure, fan engagement and other artist IP monetization activities.

Value Chain Analysis

China's music content and services market has developed a relatively clear value chain comprising upstream content creation and production, midstream integration and operation, and downstream distribution and application. Within this value chain, midstream music content and service providers play a central role in connecting content supply with commercial demand. Their role extends beyond content distribution and lies in the systematic creation, consolidation, operation and commercialization of musical works, sound recordings and artist-related commercial value. Music content and service providers build their asset base by discovering and developing artists, producing or acquiring musical works and music recordings, and securing the relevant copyrights and related rights through registration, acquisition or contractual arrangements. Once a music catalogue and artist portfolio have been established, they connect such assets with digital music platforms, short-video platforms, audio-visual producers, advertisers, game companies and offline performance channels, and generate revenue through music licensing, synchronization licensing for films, television programs, advertisements and games, concerts, music festivals, livehouse performances, commercial performances, brand endorsements, co-branded campaigns, fan engagement activities and artist-related content projects.



Source: Frost & Sullivan Analysis

Market Size of China's Music Content and Services Market

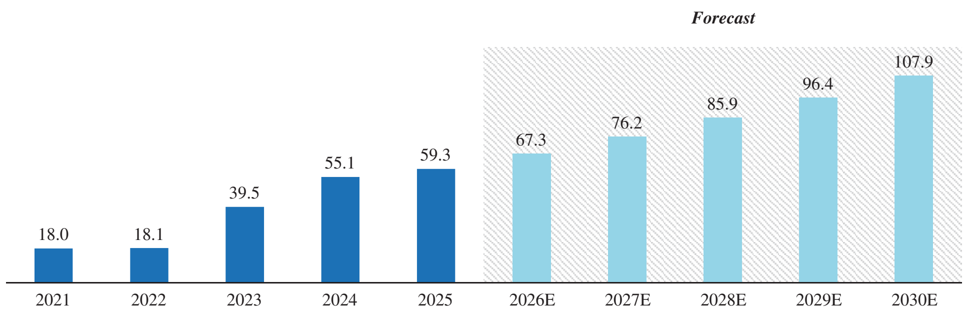
In 2025, China's music content and services market reached approximately RMB59.3 billion, demonstrating a strong post-pandemic recovery since 2023 and yielding a CAGR of approximately 34.8% between 2021 and 2025. The growth of China's music content and services market was primarily driven by the simultaneous expansion of demand-side consumption and the continuous enhancement of supply-side service capabilities.

On the demand side, rising consumer willingness to pay for premium music content and integrated entertainment experiences supports the continued growth of online music consumption. In 2025, the number of online music users in China reached approximately 855.5 million, of which approximately 21.8% were music subscription users. The number of music subscription users grew at a CAGR of approximately 15.7% from 2021 to 2025. During the same period, the music subscription market in China increased at an impressive CAGR of approximately 23.2% and reached approximately RMB23.7 billion in 2025, which is forecasted to climb to approximately RMB53.8 billion by 2030. Meanwhile, the gradual strengthening of music consumption habits continues to extend from online listening to offline experience-oriented spending, driving the growth of concerts, music festivals and other live entertainment events. On the supply side, the increasing scale and maturity of the music industry contributed to deeper specialization across the value chain, improving the professional service capabilities of market participants in areas such as copyright operation, artist management and performance operation. Meanwhile, the continued expansion of copyright commercialization scenarios across streaming platforms, short-video platforms, social media, brand marketing and live performances further enhanced the monetization efficiency of music content and related IPs.

Driven by these factors, China's music content and services market is expected to further grow to RMB107.9 billion by 2030, representing a CAGR of 12.7% from 2025 to 2030.

Music Content and Services Market, China
RMB Billion; 2021–2030E

CAGR	2021–2025	2025–2030E
Music Content and Services	34.8%	12.7%



Note: The market size refers to the revenues generated by music content and service providers in China from providing music catalogue operation services, artist management and live entertainment business.

Source: Frost & Sullivan Analysis and Estimates

Market Size of China's Music Catalogue Operation Services Market

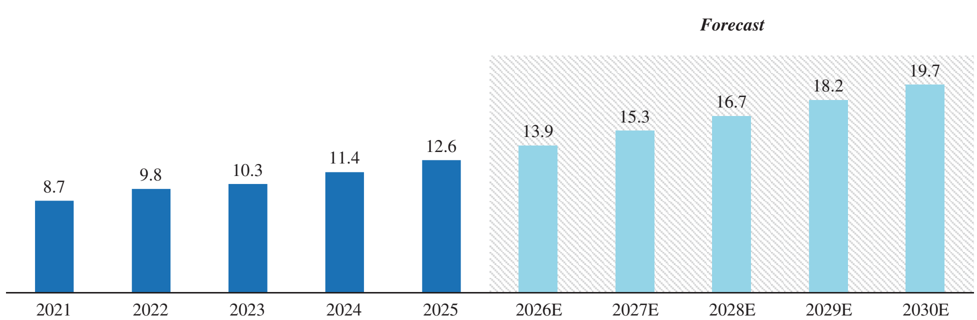
China's music catalogue operation services market has grown steadily in recent years, supported by both a more favorable copyright environment and the stronger operational capabilities of music content and service providers. On the one hand, China has continued to improve its legal and regulatory framework for copyright protection, including in emerging use cases such as short video and live streaming. Higher infringement costs and a more established system for rights confirmation, licensing, enforcement and royalty allocation have provided a stronger institutional foundation for the development of music copyright services. On the other hand, the commercial use of music content has continued to expand across digital music platforms, short video, film and television, games, advertising, live performances and cultural tourism, allowing music copyrights to generate value across a broader range of monetization scenarios.

Against this backdrop, China's music catalogue operation services market increased from approximately RMB8.7 billion in 2021 to approximately RMB12.6 billion in 2025, representing a CAGR of approximately 9.6%. This growth was driven not only by improvements in copyright protection, but also by the active role of domestic music content and service providers in expanding content supply, enriching copyright portfolios and broadening commercialization channels. Compared with international music groups, which typically rely on global catalogues and standardized licensing systems, domestic players are generally better positioned to respond to local music preferences, evolving consumption trends and culturally relevant demand in China. As a result, they have been able to build and accumulate copyright resources centered on Chinese-language music, local artists and localized content offerings. In addition, certain leading domestic music content and service providers have developed integrated operating capabilities across music production, copyright management, artist management, live performances, and IP development. Such capabilities enable them not only to expand the supply of high-quality copyright content, but also to enhance the commercial value of copyright assets by increasing their exposure, usage frequency and revenue generation opportunities across digital music platforms, short-video platforms, films, television programs, games, advertisements and live performance activities. In this way, domestic players have formed differentiated competitive advantages relative to international record companies and have become an important driver of market expansion.

Looking ahead, music catalogue operation is expected to remain central to the monetization of music content. Continued improvements in copyright management and royalty distribution efficiency, together with the broader use of music across performance, audio-visual media, tourism, public broadcasting and other adjacent scenarios, are expected to support further market growth. Cross-border licensing activity, driven by the overseas reach of Chinese music and the continued introduction of international music into China, is also expected to create additional growth opportunities. As a result, China's music catalogue operation services market is projected to reach approximately RMB19.7 billion by 2030, representing a CAGR of approximately 9.4% from 2025 to 2030.

Music Catalogue Operation Services Market, China
RMB Billion; 2021–2030E

CAGR	2021–2025	2025–2030E
Music Catalogue Operation Service	9.6%	9.4%



Note: The market size refers to the revenues generated from music catalogue operation services.

Source: Frost & Sullivan Analysis and Estimates

Market Size of China's Artist Management and Live Entertainment Market

Artist management and live entertainment business collectively form a core segment of music content and services market in China, both of which are centered on the commercialization of artists' market appeal and influence. Such commercial value is realized through different forms of services and products. Live entertainment converts artists' stage performance capabilities and audience appeal into concert, music festival, livehouse and other performance-based revenues. Artist management, by contrast, converts artists' public image, fan base and brand value into commercial endorsements, brand partnerships, content participation, media exposure, fan engagement and other artist-related commercial activities. Following the COVID-19 pandemic in 2021 and 2022, China's artist management and live entertainment market began to show strong signs of recovery in 2023 and has continued to maintain a positive growth trend in the following years. The market reached RMB46.8 billion by 2025, with a CAGR of approximately 49.8% from 2021 to 2025. This growth was mainly underpinned by the recovery of offline entertainment consumption, rising consumer willingness to pay for live music experiences, and the increasing commercialization of artists' market appeal and influence. As live performances resumed and expanded, tours, concerts and music festivals generated ticket sales, sponsorships and event-related income, while also enhancing artists' on-stage exposure, fan engagement and media visibility. Such exposure further supports artist management activities, including endorsements, brand collaborations, content participation and fan engagement. Meanwhile, stronger artist management capabilities help sustain artists' popularity, broaden their commercial opportunities and support demand for future live performances. As such, the growth of this segment is not merely the sum of two separate businesses, but reflects a closed-loop ecosystem in which live entertainment amplifies artist value and artist value further supports the long-term development of live entertainment. Looking forward, artist management and live entertainment are expected to continue their growth trend, with the overall market reaching RMB88.2 billion by 2030, representing a CAGR of approximately 13.5% from 2025 to 2030.

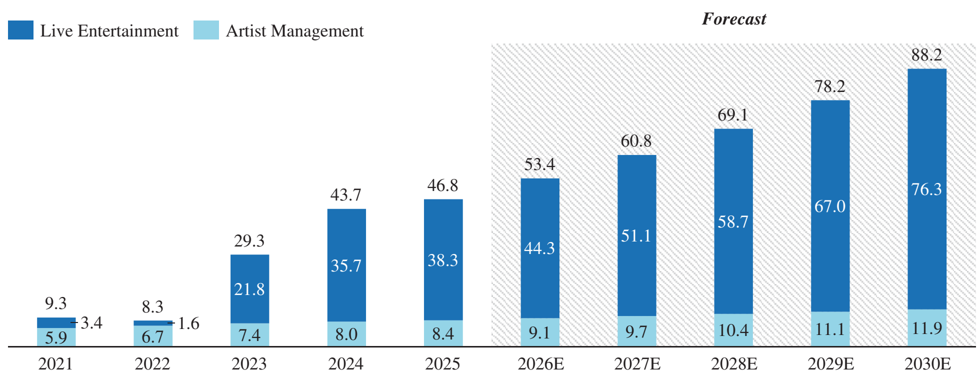
China's live entertainment market experienced a sharp contraction during 2021 and 2022, as the sector was still materially affected by the later stages of the COVID-19 pandemic and related restrictions on large-scale offline gatherings. From 2023 onwards, China's live entertainment market entered a period of rapid expansion, driven not only by the normalization of offline activities, but more fundamentally by the continued extension of music consumption from online listening to offline experiences. As digital music has become increasingly integrated into everyday life, consumers have shown growing willingness to engage with music in more immersive, interactive and experience-based settings. Compared with streaming music, live music performances offer immediacy, emotional resonance and real-time audience participation, and therefore represent a less substitutable form of music consumption. While the easing of pandemic-related constraints helped accelerate the recovery of the market, the more fundamental driver has been the structural expansion of consumer demand for offline music experiences. On the supply side, artists, organizers and music companies accelerated the launch of touring projects, festival line-ups and small- to mid-sized venue performances, further expanding market supply and audience reach. Against this backdrop, China's live entertainment market grew from RMB21.8 billion in 2023 to RMB38.3 billion in 2025.

Among the major segments, concerts remain the largest component of the live entertainment market. Concerts are typically driven by artists with strong fan bases and high ticket-selling power, and are characterized by greater standardization, stronger scalability and broader nationwide reach through touring models. As leading artists resumed large-scale touring activities after the pandemic, the concert segment recorded particularly strong growth, with market size increasing from approximately RMB17.0 billion in 2023 to RMB32.1 billion in 2025. Music festivals, by contrast, are more platform-based and experience-oriented, usually featuring multiple artists and a wider mix of music styles, and are therefore well positioned to attract broader audience groups seeking diversified and socially engaging music experiences. Supported by the continued enrichment of festival formats and line-ups, the music festival segment expanded from approximately RMB3.7 billion in 2023 to RMB5.2 billion in 2025. Looking ahead, concerts and music festivals are expected to remain the core growth drivers of the market, with projected market sizes of RMB63.9 billion and RMB11.0 billion, respectively, by 2030.

Compared with concerts and music festivals, livehouse venues are smaller in scale but generally feature higher show frequency and closer artist-audience interaction. They therefore serve not only as a key offline music consumption venue for younger audiences and niche music communities, but also as an important channel for discovering emerging artists, incubating original music content and cultivating recurring offline music consumption.

Music Artist Management and Live Entertainment Market, China
RMB Billion; 2021–2030E

CAGR	Total	Live Entertainment	Artist Management
2021–2025	49.8%	83.9%	9.2%
2025–2030E	13.5%	14.8%	7.1%



Note: The market size refers to the revenues generated from artist management and live entertainment business.

Source: Frost & Sullivan Analysis and Estimates

COMPETITIVE LANDSCAPE OVERVIEW

Ranking of Global Independent Chinese-Language Music Content and Service Providers

Within the global music content and services market, market participants generally comprise Big Three and Independent Music Content and Service Providers. Big Three refers to the three global music groups with extensive music catalogues, international artist resources and global distribution networks, namely Universal Music Group, Sony Music Entertainment and Warner Music Group. Independent Music Content and Service Provider refers to a music company or group that is not owned or controlled by, or affiliated with, the Big Three, and independently engages in one or more of music content investment, music catalogue operation and distribution, artist development and other music-related commercialization activities.

The distinction between Big Three and Independent Music Content and Service Providers is not merely a matter of scale or geographic coverage, but reflects substantive differences in the following dimensions.

Dimension	Big Three	Independent Music Content and Service Providers
Business operation	• Asset-driven model centered on copyrights, catalogues and artist assets • Revenue mainly comes from scalable licensing, distribution and catalogue monetization, with a small portion derived from distribution services provided to non-exclusive artists	• Operation-driven model centered on musical work creation, multi-channel distribution, catalog operation and commercialization for selected artists, labels, genres or communities • Large providers provide full-service platforms, while niche ones focus on specialized tasks • Revenue comes from diversified business including copyright operation, artist management, live entertainment and scenario-based commercialization

Dimension	Big Three	Independent Music Content and Service Providers
Content acquisition	• Large-scale catalogue assets and established repertoire • Global artists and repertoire networks and cross-market rights resources	• Local music discovery and proprietary content judgement • Flexible content sourcing covering established catalogues, diverse genres and locally distinctive music content from both well-established artists and emerging artists
Artist development	• Focus on artists with proven commercial potential and cross-market scalability • Supported by standardized promotion, distribution and resource allocation systems	• Early-stage artist discovery, incubation and long-term operation • Closer linkage with local audiences, fan communities and live performance exposure, leveraging both traditional promotion and modern tools such as social media
Content strategy	• Focus on commercial scalability, production efficiency and mature monetization pathways • Emphasize on broader market acceptance and lower execution uncertainty	• More flexible, artist-led and community-oriented content development • Support for differentiated aesthetics, niche genres and emerging cultural trends

As a result, independent music content and service providers represent a distinct competitive group within the global Chinese-language music content and services market. They are typically more closely involved in the full-cycle development of Chinese-language music content and artists, from content creation and artist incubation to fan engagement, live entertainment and commercial monetization. Accordingly, a ranking of independent music content and service providers offers a more meaningful basis for comparing market participants focused on independent Chinese-language music content development, artist operation and integrated commercialization.

In 2025, total revenues of top 5 independent Chinese-language music content and service providers reached approximately RMB4.7 billion, with a share of approximately 7.5%. Our Company ranked the 1st place with share of approximately 2.1%.

Leading Independent Chinese-Language Music Content and Service Providers, Global, 2025
by Total Revenue, RMB Million

Ranking	Company	Revenue[1]	Market share[2]
1	**Our Company**	**1,300.3**	**2.1%**
2	Company A[3]	~1,200.0	1.9%
3	Company B[4]	~930.0	1.5%
4	Company C[5]	~700.0	1.1%
5	Company D[6]	~520.0	0.8%
Top 5	**NA**	**~4,650.3**	**7.5%**

Notes:

(1) The revenue is derived from providing Chinese-language music catalogue operation services, artist management and live entertainment business, and ticketing and other services.

(2) Denominator of the percentage is the market size of global Chinese-language music content and services market in 2025.

(3) Company A is an unlisted live music entertainment company which is established in 2017 and headquartered in Shanghai. The company principally engaged in the planning, production and operation of concerts, artist tours and other live entertainment projects.

(4) Company B is an unlisted independent music content and service provider, established in 2007 and headquartered in Beijing. The company engaged in music production and publishing, artist management, concert production, copyright agency and music-related merchandise operations.

(5) Company C is an unlisted independent music content and service provider. Established in 2019 and headquartered in Shanghai. The company principally engaged in music publishing, artist management, live music events, music festivals and music-related cultural products.

(6) Company D is an unlisted independent music content and service provider, established in 1980s and headquartered in Taipei. The company principally engaged in recorded music, music copyright licensing, artist-related commercial activities and catalogue operation.

Ranking of Music Content and Service Providers in China

In 2025, within the China's music catalogue operation services market, total revenues of top 5 music content and service providers reached approximately RMB4.8 billion with share of approximately 37.9%. Our Company ranked the 4th place with share of approximately 4.4%.

Leading Music Content and Service Providers, China, 2025
by Revenues of Music Catalogue Operation Services, RMB Million

Ranking	Company	Revenue(1)	Market share(2)
1	Company E(3)	~1,500.0	11.9%
2	Company F(4)	~1,300.0	10.4%
3	Company G(5)	~1,100.0	8.8%
4	**Our Company**	**554.1**	**4.4%**
5	Company D	~300.0	2.4%
Top 5	**NA**	**~4,754.1**	**37.9%**

Notes:

(1) The revenue is derived from providing music catalogue operation services.

(2) Denominator of the percentage is the market size of China's music catalogue operation services market in 2025.

(3) Company E is a subsidiary of an international music group. It was established in 2008 and is headquartered in Beijing. The company primarily engages in recorded music, music content licensing, artist development and music-related live entertainment services.

(4) Company F is a subsidiary of an international music group. It was established in 2006 and is headquartered in Beijing. The company focused on music repertoire development and promotion, music artist cultivation, and the commercialization of music content through digital music platforms and other distribution channels.

(5) Company G is a subsidiary of an international music group. It was established in 2005 and is headquartered in Beijing. The company principally engages in music copyright licensing, artist management, live music performances and other music-related commercialization activities.

In 2025, within the China's artist management and live entertainment market, total revenues of top 5 music content and service providers reached approximately RMB4.1 billion with share of approximately 8.8%. Our Company ranked the 4th place with share of approximately 1.5%.

Leading Music Content and Service Providers, China, 2025
by Revenues of Artist Management and Live Entertainment, RMB Million

Ranking	Company	Revenue[(1)]	Market share[(2)]
1	Company A	~1,200.0	2.6%
2	Company E	~830.0	1.8%
3	Company B	~800.0	1.7%
4	**Our Company**	**707.4**	**1.5%**
5	Company C	~600.0	1.3%
Top 5	**NA**	**~4,137.4**	**8.8%**

Notes:

(1) The revenue is derived from providing artist management services and live entertainment business.

(2) Denominator of the percentage is the market size for China's artist management and live entertainment market in 2025.

Growth Drivers of China's Music Content and Services Market

- **Structural Growth Driven by Rising Willingness to Pay:** The ongoing improvement in copyright protection, coupled with a richer supply of premium content and increasingly sophisticated membership offerings, has accelerated the conversion of users from free consumption to paid subscriptions and value-added services. This shift enhances the monetization efficiency of music content and supports the formation of more stable and recurring revenue streams. For music record companies, these dynamics directly translate into greater revenue visibility and improved monetization of music IP through licensing, subscription revenue sharing, and diversified downstream applications. Despite such progress, China's digital music consumption still has meaningful monetization headroom compared with more mature markets. In 2025, the paid penetration rate in China was 21.8%, below the global level of 32.6%, while monthly ARPPU (Average Revenue Per Paying User) in China's music subscription market was RMB10.6, compared with RMB29.3 globally. Against China's large user base, these gaps indicate substantial room for further user conversion and ARPPU expansion, supporting the long-term growth of the market.

- **Expansion of Live Experiential Music Consumption:** As music consumption becomes an integral part of daily life, user engagement is increasingly extending beyond digital platforms toward live, experiential formats, such as concerts, music festivals and livehouse events. These formats provide immersive and communal experiences that strengthen emotional connections with artists and enhance users' willingness to pay for premium content. In addition to serving as a key monetization channel, live performances play a critical role in shaping music content creation and cultural development. Through immersive interactions, they reinforce users' identification with specific music genres and cultural expressions, facilitating the formation of stable fan bases and strong music communities, and promoting the diversification of music culture. Meanwhile, live performances function as an effective real-time feedback mechanism, enabling artists to validate content and refine their creative direction based on audience response. Overall, live music performances reinforce the virtuous cycle between user demand, content creation and cultural development.

- **Multi-Scenario Consumption Driving Upgraded Demand:** The proliferation of diverse content consumption scenarios, including short video, live streaming, film and television, gaming, in-vehicle systems, and offline entertainment, has significantly broadened the usage of music beyond traditional streaming. Music is increasingly embedded as a core component of cross-media content creation and user engagement, resulting in higher usage frequency and repeated commercial utilization across platforms. This evolution has transformed music from a one-time consumption product into a scalable content asset with repeated usage and licensing value across multiple platforms and scenarios, thereby increasing the complexity and importance of copyright management, licensing structures and content integration capabilities. As a result, demand for comprehensive copyright licensing, cross-platform content collaboration, and professional music-related services continues to grow, supporting the expansion of the music content and services market.

- **Evolution of Music Copyright Protection and Music Content Licensing Model:** China's music copyright protection framework has undergone a structural evolution, from developing digital copyright protection, to a phase dominated by exclusive licensing models among major platforms, and more recently toward a more balanced and regulated licensing regime that encourages broader content accessibility. Supported by this increasingly robust legal and regulatory system, right holders now benefit from more predictable and diversified revenue streams via licensing fees and subscription shares, which in turn incentivizes sustained investment in high-quality content production. For digital service providers, the shift away from exclusivity alleviates the heavy financial burden of content wars, freeing up resources to focus on product innovation, user experience, and artist discovery. As a result, a healthier, more collaborative ecosystem is emerging, one in which value is distributed more equitably across the industry, content fragmentation is diminishing, and platforms can compete on a fairer footing.

Entry Barriers of China's Music Content and Services Market

- **Accumulation of Premium Copyright Assets and Integration Capabilities:** Leading market participants typically build extensive copyright portfolios through long-term artist signings, strategic partnerships, and continuous catalogue accumulation, covering popular content, top-tier artists and key music genres. Over time, these players also develop sophisticated rights management frameworks, including clear ownership structures and well-established royalty distribution mechanisms, which enhance operational efficiency and monetization capabilities. Such premium copyright resources are inherently scarce and often difficult to replicate within a short timeframe. As a result, new entrants face challenges in achieving comparable catalogue depth, negotiation leverage with distribution platforms and effective commercialization. This disparity further reinforces the competitive positioning of established players and raises the overall entry barrier in the music content and services market.

- **Operational Complexity of Copyright Management:** Beyond the ownership of music catalogues, the ability to effectively manage and operate copyright assets constitutes a structural barrier for new entrants. Established players have accumulated extensive expertise in navigating complex licensing arrangements, coordinating multi-party rights structures and adapting to evolving regulatory requirements. In addition, leveraging data-driven insights, user behavior analysis and cross-platform distribution strategies, the leading players are already capable of maximizing the commercial value of music copyright assets, including curating and repackaging catalogue assets, aligning content with high-traffic scenarios such as short video and live streaming, and continuously activating long-tail content through algorithmic recommendation and targeted promotion. In contrast, new entrants often lack the operational depth and ecosystem resources required to unlock comparable value, resulting in lower monetization efficiency and weaker commercial outcomes.

- **Multi-Channel Distribution Networks and Strategic Partnerships:** Leading players have established extensive and stable partnerships across a wide range of distribution channels, including online music platforms, short video and live streaming platforms, film and television producers, game developers, advertisers, as well as live performance organizers and ticketing platforms. These relationships enable seamless cross-platform distribution and efficient deployment of music content across diverse consumption scenarios. The breadth and depth of such channel networks are critical in determining content reach, exposure frequency and monetization efficiency. Through long-term collaboration and integrated cooperation mechanisms, established players are able to secure priority access to high-traffic channels and premium commercial opportunities. In contrast, new entrants typically face challenges in building comparable networks within a short period, resulting in limited distribution capabilities and weaker monetization outcomes.

- **Full Industry-Value-Chain Services Capability:** Full industry-value-chain services capability constitutes a significant entry barrier in the music content and services market, as it is inherently built on a highly integrated and internally coordinated operating system. Such capability requires a company not only to participate in multiple stages of the value chain, including content production, copyright operation, performance execution and fan-oriented commercialization, but also to establish effective linkage across these functions through unified workflows, cross-functional collaboration and data sharing mechanisms. Under such a model, market participants are able to engage throughout the lifecycle of artists and music projects, thereby strengthening control over content quality, improving resource allocation efficiency and reducing coordination costs across business segments. For new entrants, it is challenging to replicate such a closed-loop system within a short period.

Future Trends of China's Music Content and Services Market

- **Competition Shifting from Resource Advantage to Capability-Based Differentiation:** While premium music catalogues and channel access will remain important foundations of competition, future differentiation in China's music content and services market is expected to increasingly depend on the depth of operational capabilities. As the industry becomes more professionalized and commercialization scenarios continue to expand, market participants will need not only to secure content and distribution resources, but also to build systematic capabilities in copyright management and settlement, project-based delivery across branding, film, television and live performances, as well as data-driven content operation and monetization. Under this trend, competitive advantage is likely to shift from isolated resource ownership toward integrated capability systems that can support more efficient execution, stronger monetization and more scalable growth. As a result, industry concentration may continue to increase, with participants possessing both resource depth and operational capability being better positioned to capture structural market share gains.

- **Deepening International Collaboration and Accelerating Global Expansion of Chinese Music Content:** As global demand for diverse cultural content continues to rise, Chinese music content is expected to see broader opportunities in cross-border licensing, co-production, artist collaboration and overseas live performances. The international expansion of Chinese music is no longer limited to content distribution, but is increasingly developing toward deeper participation in global content ecosystems through multi-market adaptation, localized promotion and long-term IP operation. Against this backdrop, music service providers with cross-border copyright management capabilities, international channel resources and coordination experience across different markets are likely to be better positioned to capture emerging opportunities. Their ability to connect Chinese music content with overseas platforms, partners and audiences will become increasingly important, thereby creating additional growth potential for the music content and services market.

- **AI-Enabled Upgrades Will Continue to Reshape the Music Content and Services Market**: AI is expected to become an increasingly prominent trend in China's music content and services market, with its application continuing to expand from musical composition, arrangement and production into broader service functions such as copyright management, content distribution, user recommendation, marketing optimization and operational analysis. However, future industry development is more likely to reflect deeper collaboration between technology and human creativity, rather than substitution of the latter. While AI may increasingly undertake efficiency-driven and standardized tasks, the emotional resonance, artistic expression and cultural depth embedded in lyrics and melody creation are expected to remain dependent on human creators. As such, the market is likely to evolve toward a model in which AI serves as an enabling tool, while human creativity remains central to the long-term value of music content.