INDUSTRY OVERVIEW

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OVERVIEW OF ENTERPRISE DIGITALIZATION INDUSTRY

Enterprise digitalization is a process to systematically integrate digital technologies into a full range of enterprise management and business operations. Leveraging data collection, process automation, cloud computing, IoT, and other digital capabilities, this process enables the consolidation and optimization of enterprise resources, workflows, and information. Enterprise digitalization enhances operating efficiency, strengthens cross-function collaboration, and supports the transition towards intelligent and sustainable business development. The enterprise digitalization industry not only comprises consulting and implementation services related to digital transformation, but also includes the IT infrastructure and related technical services required by enterprises in the course of digitalization. In particular, the enterprise digitalization industry encompasses IT infrastructure and cloud services, including servers, storage, network equipment and cloud computing resources, data processing and information system development services, as well as system integration and operation and maintenance services provided in support of software and hardware systems.

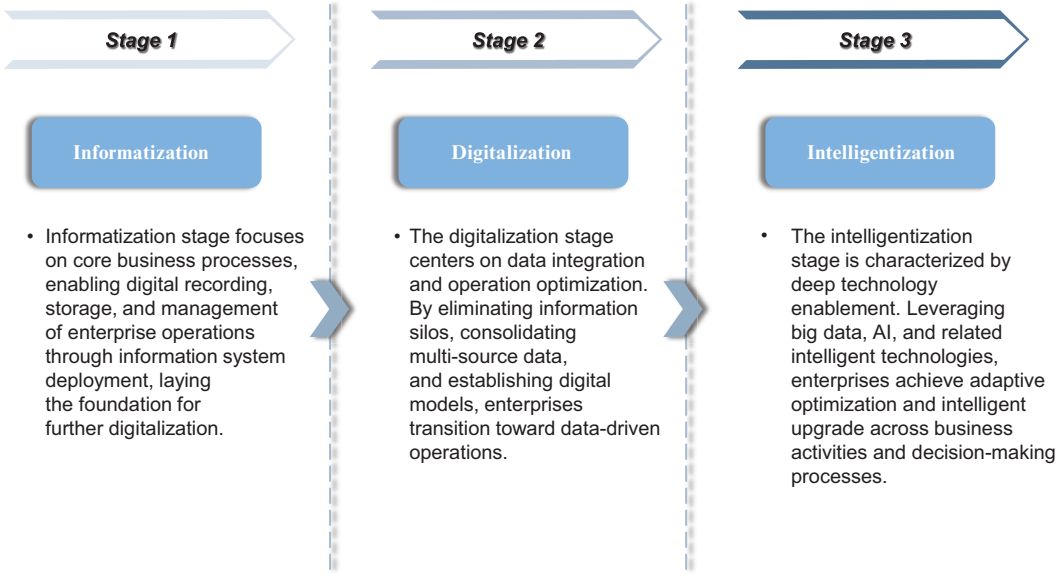
Background of Enterprise Digitalization in China and Globally

Amid rapid technological evolution, deep industrial restructuring, and the rising demand for high-quality economic development, governments globally are increasingly prioritizing digitalization and technology upgrade.

Enterprise digitalization has become one of the prioritized national strategies in China. The Recommendations of the Central Committee of the Communist Party of China on Formulating the 15th Five-Year Plan for National Economic and Social Development (《中共中央關於制定國民經濟與社會發展第十五個五年計劃的建議》), which we refer to as the 15th Five-Year Plan, explicitly emphasize promoting technology upgrade, accelerating digitalization and intelligentization of the manufacturing industry, and enhancing the integration of modern services with advanced manufacturing to promote digitalization and intelligentization of the service industry. During the execution of the 15th Five-Year Plan in China, enterprise digitalization is expected to receive continued strong policy support, with digitalization and intelligentization of both manufacturing and service industries considered a key pathway to the next phase of industrial development and competition. In addition, the 2025 Key Action Plan for Digital Economy (《2025年數字經濟工作要點》) jointly issued by the National Development and Reform Commission and the National Data Administration calls for comprehensive rollout of enterprise digitalization initiatives and cultivation of digitalization service providers. These policies aim to deepen the integration of digital technology and real economy, enhance industrial digitalization, and strengthen enterprises' digital capabilities. Meanwhile, intensifying global competition, rising operating costs, increasingly complex supply chains, and diverse market demand implicate the urgency of enterprise digitalization in China. Driven by demands for cost optimization and lean management, enterprises increasingly adopt unified data collection, analysis, and feedback systems, enabling real-time operating visibility, faster issue identification, and dynamic decision-making optimization.

Evolution of Enterprise Digitalization in China and Globally

Enterprise digitalization generally evolve through three stages: informatization, digitalization, and intelligentization. The following diagram illustrates these three stages of enterprise digitalization evolution.



Source: China Academy of Information and Communications Technology, Frost & Sullivan Report

At the informatization stage, enterprises set up information systems — such as ERP, customer relationship management (CRM), and manufacturing execution system (MES) — to digitize core processes from procurement and manufacturing to sales. In light of data security and compliance as well as lean management needs, enterprises primarily adopt an on-premises deployment model to ensure system control and data security. This stage creates a technical foundation for further evolution.

At the digitalization stage, enterprises begin leveraging operating data generated across business systems for multi-dimensional analysis and decision-making support. By building digital models of business logic and workflows, enterprises optimize resource allocation, improve coordination efficiency, and enhance decision-making in operations.

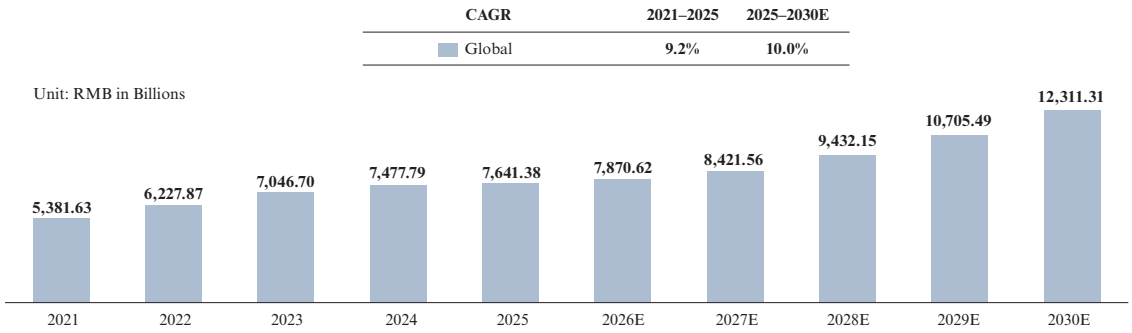
At the intelligentization stage, enterprises are increasingly integrating big data, artificial intelligence, cloud computing, and other advanced technologies to build self-optimizing decision-making frameworks. This enables real-time operational awareness, intelligent analytics, and automated decision execution, which significantly improve management efficiency, execution accuracy, and business responsiveness.

In advancing digitalization, enterprises commonly face challenges such as complex business processes, insufficient system coordination, inconsistent data definitions, and difficulties in quantifying digitalization outcomes. In addition, some digitalization initiatives suffer from inadequate understanding of business scenarios and limited alignment between proposed solutions and actual operational practices. Service providers with deep business insights and the capability to effectively integrate digital technologies into enterprise operating scenarios are more likely to support continued implementation of digitalization.

Global Scale of Investment in Enterprise Digitalization

Driven by the growing demand for data-driven decision-making, intelligent manufacturing, and enterprise IT modernization, the global scale of investment in enterprise digitalization increased from RMB5,381.63 billion in 2021 to RMB7,641.38 billion in 2025, representing a CAGR of 9.2%. With continued investment in digital infrastructure and intelligent systems, the global scale of investment in enterprise digitalization is expected to reach RMB12,311.31 billion by 2030, demonstrating a sustained long-term growth trajectory.

Global Scale of Investment in Enterprise Digitalization (2021-2030E)

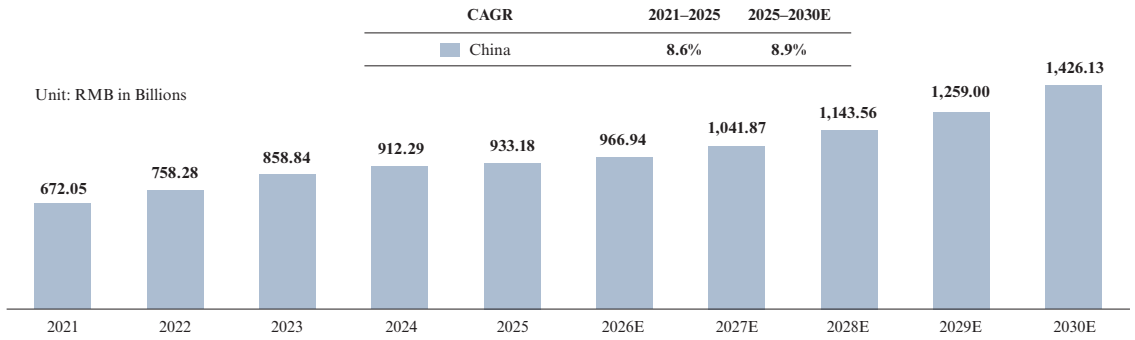


Source: International Telecommunication Union, Frost & Sullivan Report

China's Scale of Investment in Enterprise Digitalization

Driven by industry upgrade, continued improvement in digital infrastructure, and the growing demand for enhanced competitiveness, China's scale of investment in enterprise digitalization has continued to expand, increasing from RMB672.05 billion in 2021 to RMB933.18 billion in 2025, representing a CAGR of 8.6%. As enterprise digitalization continues, broader deployment of artificial intelligence and strengthened data security systems are expected to further accelerate investment growth. China's scale of investment in enterprise digitalization is expected to reach RMB1,426.13 billion by 2030, representing a CAGR of 8.9% from 2025 to 2030.

China's Scale of Investment in Enterprise Digitalization (2021-2030E)



Source: China Academy of Information and Communications Technology, Frost & Sullivan Report

Drivers and Trends of the Enterprise Digitalization Market

Sustained Investment Driving the Progression of Enterprise Digitalization

In light of enterprises' increasing reliance on data and intelligent technologies and competitive pressure, the form of enterprise digitalization is shifting from short-term, project-based initiatives to long-term strategic planning. It is widely recognized that digital capabilities now constitute essential infrastructure for competitiveness and innovation. Across research and development, manufacturing, and client engagement, continued investment in enterprise digitalization fosters

establishment of data-centric operating systems. Capital and talent are increasingly allocated to cloud platforms, data hubs, and AI capabilities, strengthening the digital foundation, eliminating data silos, and enabling dynamic resource allocation and precise decision-making.

Intelligent Technologies Accelerating the Shift from Digital Process Management to Intelligent Decision-making

With rapid maturation of AI and big data, enterprise digitalization is gearing from digital management toward intelligent decision-making. Early-stage digitalization primarily focused on data capture, workflow optimization, and automation. Today, enterprises are increasingly leveraging intelligent algorithms for business insights, predictive analytics, and scenario-based planning, enabling more scientific, accurate strategic decision-making. The essence of intelligentization lies not in simple technological substitution, but in building a data-driven decision architecture that enables rapid response and adaptive adjustment in dynamic market environments.

Security and Controllability Becoming Critical Priorities in Enterprise Digitalization

Enterprise digitalization is emphasizing more on data sovereignty, controllability, and secure deployment models to address data security and privacy concerns. Regulatory requirements, cybersecurity standards, and industry-specific compliance frameworks call for prioritizing security-centric system architectures. On-premises deployment has become a key approach to ensuring system control, protecting core data assets, strengthening access governance, and maintaining business continuity and regulatory compliance. This model is particularly critical for highly regulated industries such as manufacturing, healthcare, and public services.

Deep Industry-Specific Application Becoming the Focus of Implementing Enterprise Digitalization

As enterprise digitalization progresses from conceptual exploration to large-scale implementation, its focus shifts toward scenario-based and industry-specific digitalization applications. Instead of adopting generic and standardized systems, current initiatives emphasize tailored system architectures and refined integration that align with sector-specific processes. By combining domain expertise with internal and external IT capabilities, enterprises are applying data analytics and intelligent technologies to improve functions such as manufacturing management, quality control, supply chain collaboration, and client engagement. This approach enhances operating efficiency and strengthens closed-loop management.

Entry Barriers of Enterprise Digitalization Market

The enterprise digitalization market is characterized by relatively high entry barriers for large enterprises, as providers are required to possess capabilities in solution design, system integration and project delivery. In addition, industry know-how, client trust and implementation experience increase the difficulty for new entrants to establish a competitive position in the short term.

Threats and Challenges of China's Enterprise Digitalization Market

China's enterprise digitalization market faces several challenges, including the complexity of integrating digital solutions with legacy systems and coordinating implementation across multiple business functions. In addition, differences in digital maturity and data interoperability may prolong project cycles and affect implementation results.

Competitive Landscape of China's Enterprise Digitalization Market

China's enterprise digitalization market remains highly fragmented, with participants including enterprise hardware and software providers, system integrators and digital solution service providers. Competition is driven primarily by industry know-how, integration capability, delivery quality and the ability to provide end-to-end solutions tailored to enterprise needs. As enterprises

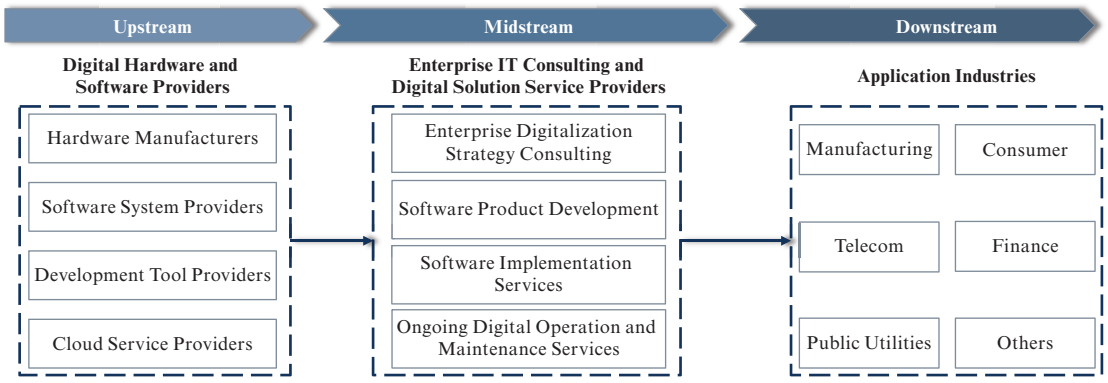
increasingly pursue deeper and more comprehensive digital transformation, market participants with stronger cross-functional service capabilities and proven implementation experience are expected to gain competitive advantages.

OVERVIEW OF ENTERPRISE IT CONSULTING AND DIGITAL SOLUTION SERVICES INDUSTRY

Enterprise IT consulting and digital solution services refer to a comprehensive digital service system built on information technologies and integrating digital strategy consulting, software product development, system implementation, and ongoing operations and maintenance. The core objective is to systematically analyze and optimize enterprise business processes, management frameworks, and IT architecture, delivering full-lifecycle solutions that span digital strategy formulation, system construction, software deployment, and continued operation support. These services include digital consulting, information system integration, business process digitalization, and the implementation and customized configuration of enterprise software such as ERP, CRM, supplier relationship management (SRM), and MES. In addition, proprietary platforms and products may be incorporated to provide clients with integrated technical support and ITO services.

The enterprise IT consulting and digital solution services industry represents a specialised professional service sub-sector within the enterprise digitalization industry. It primarily focuses on providing consulting, customised software implementation and ongoing operation and maintenance support in connection with enterprises' digital transformation processes, and does not directly involve the sale of hardware equipment or cloud services. Revenue of this sub-segment is primarily derived from the provision of customised services. Unlike standalone software products, enterprise IT consulting and digital solution services emphasize more on scenario-based implementation and long-term service continuity. The approach focuses on the alignment of technology and business requirements, ensuring system efficiency, scalability, and seamless integration into real operating environments, ultimately enabling business intelligentization and sustainable development for enterprises.

Value Chain of the Enterprise IT Consulting and Digital Solution Services Industry



Source: Frost & Sullivan Report

The value chain of the enterprise IT consulting and digital solution services industry can be categorized into upstream, midstream, and downstream segments, with diverse participants. The upstream segment primarily includes hardware manufacturers, software system providers, development tool providers, and cloud service providers, which together form the digital infrastructure. Hardware manufacturers provide servers, storage systems, network equipment, and terminal devices, delivering the computing power and runtime environment required for digital applications. Software system providers, such as SAP and Oracle, offer core system frameworks that support software development and enterprise applications. Development tool providers supply

efficient development, testing, and collaboration toolsets. Meanwhile, cloud service providers deliver expandable computing and deployment capabilities through IaaS, PaaS, and other cloud service models.

At the core of the value chain, the midstream segment consists of enterprise IT consulting and digital solution service providers. Their businesses include enterprise digitalization strategy consulting, software product development, software implementation services, and ongoing digital operation and maintenance services. Enterprise digitalization strategy consulting focuses on strategic digitalization planning and business process optimization, supporting the transition from informatization to intelligent digital operations. Software product development represents the innovation engine of the industry*, with enterprises building proprietary platforms or solutions to establish long-term technical differentiation. Software implementation services involve solution design, system integration, and deployment based on client-specific requirements. The ongoing digital operation and maintenance services ensure long-term performance stability, continued optimization, and user retention. Enterprise IT consulting and digital solution services providers often adopt a hybrid model integrating proprietary products with third-party systems. Through integration by functional components and flexible configuration, they achieve functional complementarity and system synergy to enhance overall solution performance and implementation effectiveness. They generally possess industry know-how and domain expertise, enabling them to deliver customized development and consulting services aligned with client business scenarios.

The upstream and midstream segments of the enterprise IT consulting and digital solution services value chain are clearly differentiated in terms of business focus, scope of services, business model and market positioning. Although certain upstream vendors may provide limited ancillary services in relation to their products, such services are fundamentally different from the independent and integrated services that combine various upstream products and capabilities provided by midstream enterprise IT consulting and digital solution services providers.

	Upstream- Digital Hardware and Software Provider	Midstream- Enterprise IT Consulting and Digital Solution Services Provider
Core Business	Primarily engaged in the sale of basic hardware, software licenses, SaaS subscriptions, development tools.	Primarily engaged in digital transformation strategy consulting, customized software product development, software implementation services and ongoing digital operation and maintenance services.
Value to Customers	Provide enterprise customers with general-purpose digital products and underlying technology capabilities.	Combine general-purpose upstream products with customers' specific business scenarios and, through more integrated solution design and delivery, facilitate the implementation of digital technologies and promote the deep integration of business operations and IT systems.
Substitutability	Products are generally not able to directly satisfy the individualized business needs of large or complex organizations.	As a link connecting technology supply with practical enterprise applications, they are essential to the effective implementation of digital solutions.
Market Position	Differ fundamentally from midstream providers in terms of market positioning, and generally do not specialize in or directly provide consulting services. More often maintain an ecosystem-based cooperative relationship with midstream providers.	Generally do not directly compete with upstream service providers, but instead form a complementary relationship with them.

Source: Information Technology Service Sub-association of Chinese Electronics Standardization Association, Frost & Sullivan

The downstream segment covers enterprise users across industries. Compared with small and medium-sized enterprises, large enterprises typically operate with greater organizational and business complexity and require higher system implementation capabilities, and are thus in need of IT consulting and digital solution providers that can closely align with industry characteristics and support a broader range of business scenarios. Digitalization requirements vary significantly across downstream industries, such as manufacturing, consumer goods, finance, energy, and

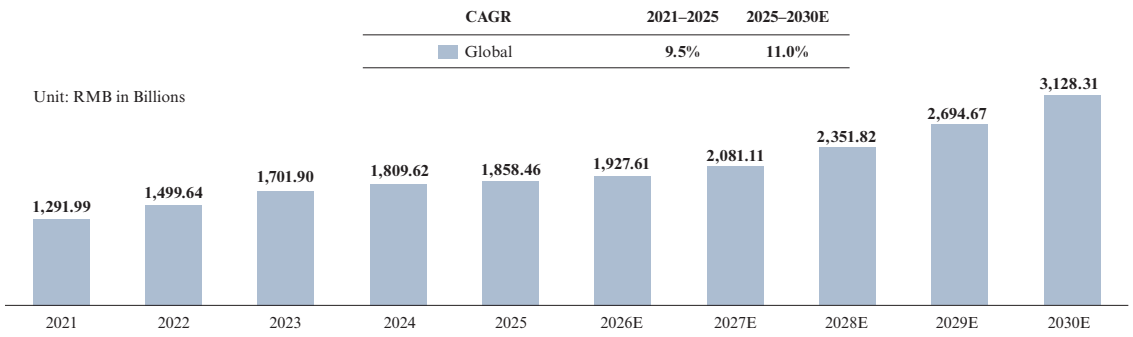
* The innovation engine of the industry refers to the central role of software product development and related technological innovation in driving the upgrading of demand and the iteration of solutions within the enterprise IT consulting and digital solution services market. By enabling the development of new functionalities and new application scenarios, such innovation continuously propels the evolution of service offerings across the industry.

telecommunications. Manufacturing enterprises tend to prioritize the digital coordination of production, supply chains, and operating processes, while consumer-oriented enterprises place greater emphasis on user operations, channel management, and data analytics capabilities. Across all sectors, enterprises continue to demonstrate growing demand for enhanced system integration and improved operating efficiency.

Market Size of Global Enterprise IT Consulting and Digital Solution Services

Driven by the accelerating global digitalization and business model innovation, the market size of global enterprise IT consulting and digital solution services expanded from RMB1,291.99 billion in 2021 to RMB1,858.46 billion in 2025, representing a CAGR of 9.5%. With broader adoption of generative AI, enterprise data platforms, and industry-specific customized digital solutions, the market is entering an intelligentization-driven development phase. The market size is expected to increase to RMB3,128.31 billion in 2030, representing a CAGR of 11.0% from 2025 to 2030.

Market Size of Global Enterprise IT Consulting and Digital Solution Services (2021-2030E)



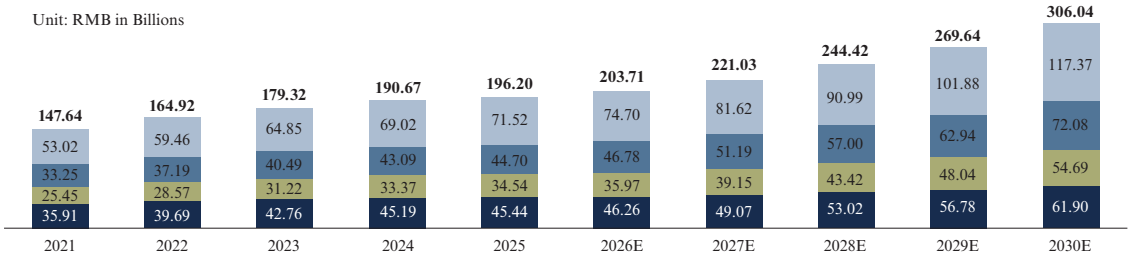
Source: International Telecommunication Union, Frost & Sullivan Report

Market Size of China's Enterprise IT Consulting and Digital Solution Services

Driven by increasing demand for enterprise digital infrastructure development and improvements in proprietary products, the market size of China's enterprise IT consulting and digital solution services expanded from RMB147.64 billion in 2021 to RMB196.20 billion in 2025, representing a CAGR of 7.4%. In terms of application sectors, manufacturing remains the largest source of demand, accounting for 36.5% of the market in 2025, supported by growing needs in industrial automation, equipment connectivity, and manufacturing workflow optimization. Demand from the manufacturing sector is also underpinned by enterprises' increasing emphasis on production efficiency and digitalized factory management a which continues to support the sector's leading market position. In the consumer sector, driven by increasing investment in client operations, supply chain management, and data analytics, its market size expanded from RMB33.25 billion in 2021 to RMB44.70 billion in 2025, representing a CAGR of 7.7%. As consumer-facing enterprises continue to strengthen omni-channel operations and refine user engagement strategies, demand for digital solutions in this segment is expected to remain resilient. Fueled by the widespread adoption of online financial services and upgrades in risk control systems, the financial sector has become the fastest-growing one of China's enterprise IT consulting and digital solution services market. Its market size increased from RMB25.45 billion in 2021 to RMB34.54 billion in 2025, representing a CAGR of 7.9%. Ongoing requirements for system security, regulatory compliance and intelligent risk management are expected to continue driving demand from corporate financial management. The deepening digitalization across industries such as manufacturing, consumer, and financial will continue to support sustained growth in China's enterprise software and digital solutions market. The overall market size is expected to increase to RMB306.04 billion in 2030, representing a CAGR of 9.3% from 2025 to 2030. Supported by accelerating adoption of intelligent manufacturing, industrial internet systems, and AI-driven quality control solutions, the manufacturing sector will remain the core growth engine, with its market size expected to reach RMB117.37 billion by 2030.

Market Size of China's Enterprise IT Consulting and Digital Solution Services (2021-2030E)

CAGR	2021–2025	2025–2030E
Manufacturing	7.8%	10.4%
Consumer	7.7%	10.0%
Finance	7.9%	9.6%
Others	6.1%	6.4%
Total	7.4%	9.3%



Source: China Academy of Information and Communications Technology, Frost & Sullivan Report

Drivers of China's Enterprise IT Consulting and Digital Solution Services Market

Growing Demand for Enterprise Digitalization

To remain competitive in the global business environment, enterprises face increasing demand to upgrade digital capabilities in operation management, supply chain coordination, client engagement, and financial control. Traditional manual processes, paper-based reporting, and siloed systems are no longer adequate, prompting wider adoption of CRM, financial, and HR management systems. Going forward, enterprises are expected to rely more on integrated digital platforms to connect core functions and establish end-to-end data governance and process management.

Data-Factor Market Development and "Data Asset Recognition" Driving New Demand

With data formally recognized as a production factor alongside land, labor, and capital, its circulation and assetization are creating new demand for digital solutions. Enterprises increasingly require data governance, asset management, and analytics systems to standardize data-collection and quality control, ensuring traceability and compliance. This shift is accelerating the deployment of business intelligence (BI) platforms, data middle platforms, and data management tools as key components of enterprise digital infrastructure.

Policy Driving Enterprise Digitalization Development

Policy initiatives continue to provide strong momentum for the enterprise IT consulting and digital solution services market. In recent years, national and sectoral authorities have issued a series of policies supporting the development of digital economy, intelligent manufacturing, and innovation in information technology applications. The 15th Five-Year Plan proposals in China emphasize advancing service-sector digitalization, upgrading the software and IT services industry, and accelerating the build-out of new digital infrastructure such as the industrial internet, AI, and big data. Meanwhile, local governments have introduced digital-economy development plans and enterprise-digitalization support policies. These policies collectively provide a clear regulatory environment, standard framework, and market direction for IT consulting digital solution providers, reducing overall industry uncertainty. The Special Action Plan for Digital Empowerment of Small and Medium-sized Enterprises (2025–2027) 《中小企業數字化賦能專項行動方案(2025–2027年)》, which proposes to encourage leading enterprises to collaborate with industrial software companies to develop dedicated digital tools, and to foster a portfolio of "small, fast, lightweight and precise" digital products and solutions. Such policy is conducive to enabling the Company to leverage its existing customer base and industry understanding to participate in the promotion and

implementation of IT consulting and digital solution services tailored for small and medium-sized enterprises, thereby enhancing its business penetration and expandable service capabilities. The Implementation Guidelines for the Digital Transformation of Manufacturing Enterprises《製造業企業數字化轉型實施指南》, which advocate a scenario-based digitalization approach as the entry point for formulating enterprise digital transformation roadmaps. The substantial digitalization demand arising under such policy guidance provides the Company's enterprise IT consulting and digital solution services with sustained and expanding application scenarios.

Industry-Specific Needs Driving Growth in Vertical Sectors

Industry-specific and customized solution requirements have become more prominent. Manufacturing focuses on equipment connectivity, quality optimization, and energy management. Retail emphasizes omnichannel client operations and inventory management. Finance and other regulated sectors place greater weight on data security, compliance, and process automation. These differentiated needs are fueling growth in industry-specific ERP, supply chain management, and client operations platforms, driving vendors to shift from generic offerings to more verticalized, scenario-based solutions.

Trends of China's Enterprise IT Consulting and Digital Solution Services Market

AI-Enabled Transformation of Enterprise Software and Services

AI currently is recognized as a key factor in enhancing enterprise management systems. Its integration is shifting enterprise software from process-execution tools toward decision-support and knowledge-management platforms, improving information processing and business insights through natural language processing, intelligent analytics, and model-based learning. The application of generative AI and large models further expands the boundaries of enterprise systems, enabling higher levels of automation and intelligentization in operating decision-making.

Chinese Enterprise Software Going Global with a "Deep Operations" Model

Chinese enterprise software business is transitioning from mere export delivery to long-term, systematic overseas operations. Instead of relying solely on software delivery, enterprises now emphasize on-premises deployment, ecosystem partnerships, and ongoing services to enhance project stability and user engagement. This shift reflects stronger adaptation to local regulatory, cultural, and business environments, effecting a transition toward integrated operating engagement in their globalization efforts.

Low-Code and PaaS Platforms Accelerating Software Agility and Integration

Development platforms with less coding requirements and PaaS platforms offer more flexible pathways for system development and integration. Their componentized and visual development capabilities reduce technical barriers and enable systems to adapt quickly to business changes and cross-department collaboration. This has driven a shift from centralized, IT-led development toward distributed, multi-business-unit collaboration, improving delivery speed and organizational responsiveness.

Development of Proprietary Products Supporting a More Localized Ecosystem

Driven by policy priorities and supply chain security requirements, proprietary products have become an important focus of enterprise digitalization. Domestic Chinese vendors are accelerating the development of their own frameworks, databases, and middleware, strengthening compatibility, performance, and security within locally built technology stacks. This trend reduces dependence on external systems and supports the formation of a localized ecosystem centered on domestic operating systems, databases, and PaaS platforms, providing enterprises with more controllable and sustainable digital infrastructure.

Entry Barriers of Enterprise IT Consulting and Digital Solution Services Market

The enterprise IT consulting and digital solution services market is characterized by relatively high entry barriers for large enterprises, as providers are required to possess integrated capabilities across strategy consulting, solution design, software implementation and ongoing operation and maintenance services. In addition, cross-vendor integration capability, project delivery experience and established client relationships increase the difficulty for new entrants to compete effectively in the short term.

Threats and Challenges of China's Enterprise IT Consulting and Digital Solution Services Market

China's enterprise IT consulting and digital solution services market faces several challenges, including the complexity of coordinating consulting, implementation and ongoing service delivery across different enterprise systems and business functions. In addition, long project cycles, diversified client demands and evolving technologies may increase delivery difficulty and affect service efficiency and project results.

Competitive Landscape of China's Enterprise IT Consulting and Digital Solution Services Market

China's enterprise IT consulting and digital solution services industry remains relatively fragmented, characterized by multi-layered competition.* International vendors continue to lead, supported by mature product portfolios and global experience. Domestic Chinese vendors have accelerated proprietary product development and standardized development strategies, building strengths in industry-specific solutions, customized services, and localized delivery. Overall, competition is shifting from single-product offerings to integrated solutions and service capabilities. Single-product offerings refer to solutions in which a single software product or functional module constitutes the primary deliverable, with a focus on the standalone functionality of the product, and which are typically insufficient to address enterprise-wide business processes or system integration requirements. In contrast, integrated solutions refer to holistic solutions that are structured around enterprises' specific business scenarios, integrating multiple software products, technology platforms, and implementation and ongoing services to deliver solutions covering system construction, operation and continuous optimization. With policy support for secure and proprietary products and the deepening of enterprise digitalization, the market share of domestic vendors is expected to gradually increase.

Ranking of China's Enterprise IT Consulting and Digital Solution Service Providers

In 2025, the market size of China's enterprise IT consulting and digital solution services reached RMB196.20 billion, and the top six service providers in terms of revenue accounted for a combined 14.3% market share. Our Company ranked fourth nationwide and first among domestic Chinese enterprises, with a 1.7% market share.

* Multi-layered competition refers to the fact that competition in the enterprise IT consulting and digital solution services industry is not limited to pricing or scale, but instead spans multiple dimensions, including customization capabilities, technical expertise, depth of understanding across diverse customer industries, and the maturity of solution offerings.

The following table sets forth the ranking of China's enterprise IT consulting and digital solution service providers in 2025.

Ranking	Company	Revenue *(RMB in Billions)*	Market Share
1	Company A[(1)]	7.70	3.9%
2	Company B[(2)]	7.11	3.6%
3	Company C[(3)]	5.01	2.6%
4	Our Company	3.42	1.7%
5	Company D[(4)]	2.85	1.5%
6	Company E[(5)]	2.07	1.1%
	Others	168.05	85.7%
Total		196.20	100%

Source: Expert Interviews, Frost & Sullivan Report

Notes:

(1) Company A is a listed company founded in 1911 and headquartered in the United States, primarily engaging in developing and supplying enterprise IT consulting and digital solution services.

(2) Company B is a listed company founded in 1989 and headquartered in Ireland, primarily engaging in developing and supplying enterprise IT consulting and digital solution services.

(3) Company C is a private company founded in 1845 and headquartered in the United Kingdom, primarily engaging in developing and supplying enterprise IT consulting and digital solution services.

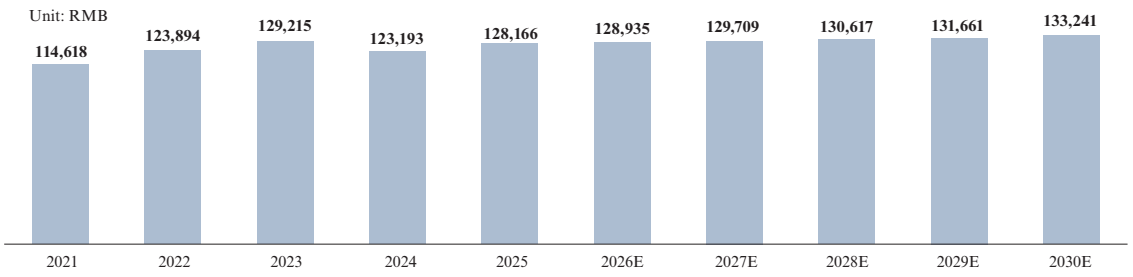
(4) Company D is a private company founded in 1998 and headquartered in the United Kingdom, primarily engaging in developing and supplying enterprise IT consulting and digital solution services.

(5) Company E is a listed company founded in 2005 and headquartered in China, primarily engaging in developing and supplying enterprise IT consulting and digital solution services.

Cost Analysis of China's Enterprise IT Consulting and Digital Solution Service

Labor cost constitutes the primary cost in enterprise IT consulting and digital solution service. From the historical and projected labor cost perspective, despite minor fluctuations in certain periods, the average annual compensation of industry practitioners generally exhibits an upward trend, reflecting sustained demand for professional technical personnel and multidisciplinary talent. As enterprises' digital transformation initiatives continue to deepen, requirements for consulting capabilities, industry-specific expertise and system implementation experience have increased, resulting in labor costs remaining at a relatively elevated level across the industry. Against the backdrop of a gradual weakening of demographic dividends, a tightening labor supply, and intensifying competition for high-end IT talent, labor costs within the industry are expected to continue to trend upward, with compensation levels potentially further increasing.

Average Annual Income of Employees in China's Enterprise IT Consulting and Digital Solution Service, 2021–2030E



Source: National Bureau of Statistics of China, Frost & Sullivan Report

Entry Barriers of Enterprise IT Consulting and Digital Solution Services Market

Client Acquisition and Retention

Enterprise clients typically have long decision cycles when selecting and implementing digital solutions, which require multiple rounds of proposal evaluation, internal justification, and compliance and risk reviews. Once a solution is deployed and deeply integrated with business processes, management systems, and data structures, switching service providers entails substantial costs, including process adjustments, system reintegration, and organizational retraining. Through ongoing consulting, implementation, and operating support, service providers build strong client stickiness, with relationships evolving from single projects into long-term service engagements, which form one of the most significant entry barriers in the market.

Business Understanding and Consulting Capability

Digital solutions must be closely integrated with clients' management processes and business logic. Service providers need not only software delivery capabilities but also industry consulting and process-optimization expertise to align technical solutions with operating practices. Without sufficient industry knowledge or methodology, even mature products would struggle to achieve effective implementation and client trust.

Proprietary Products and Core Architecture

Key competitiveness in enterprise IT consulting and digital solution services market depends heavily on the completeness and controllability of the underlying technology stack. Service providers with proprietary products and technical foundations benefit from stronger system stability, reuse of functional components, and customization capabilities. These technology foundations are typically refined over a long time and deeply integrated with their own application ecosystems, making it difficult for new entrants to achieve comparable levels of compatibility, performance, and integration depth.

AI Application and System Integration

As AI becomes more widely embedded in enterprise software, the depth of AI-business system integration has emerged as a key barrier. Established service providers are able to incorporate intelligent analytics, predictive decision-making, and natural language interaction into core functions such as finance, supply chain, manufacturing, and marketing, while ensuring seamless interoperability with existing systems. AI's value lies in improving business processes rather than replacing single functions, and entrants without experience in cross-system integration or industry-specific AI applications face challenges in delivering stable deployments for enterprise clients.

Integration Delivery and Long-Term Operations

Enterprise digitalization projects are complex and multi-stage, involving system design, implementation, data migration, and ongoing support. Successful delivery requires not only technical capabilities but also robust project management and service systems. Established service providers build strong reputations through reliable delivery and sustained operations, creating a meaningful advantage in serving large enterprise clients.

OVERVIEW OF ENTERPRISE AI APPLICATION MARKET

As enterprise digitalization advances, AI application is becoming a key development focus within enterprise IT consulting and digital solution service frameworks. Enterprise AI application refers to the systematic integration of AI technologies into enterprise management and operations. By leveraging machine learning, natural language processing, knowledge graphs, and related methods to analyze and model internal and external data, these applications enhance operating efficiency, optimize resource allocation, reduce manual workload, and strengthen the intelligence level of business decision-making.

Core Use Cases and Values of Enterprise AI Application

The value of enterprise AI application is primarily reflected in decision-making, process optimization, and resource allocation. By enabling intelligent data analysis and scenario-based applications, AI enhances operating efficiency across core functions such as marketing, manufacturing, supply chain, and finance, while supporting the shift toward more intelligent, predictive, and adaptive management models.

- ***Intelligent Marketing and Client Operations.*** AI technologies enable precise marketing and client relationship management through user profiling, behavioral analytics, and content generation. Systems can automatically adjust targeting strategies and communication content based on client characteristics, improving conversion rates and client engagement.

- ***Intelligent Manufacturing and Quality Optimization.*** In manufacturing, AI software analyzes manufacturing data, equipment conditions, and quality inspection results in real time to enable predictive maintenance, process optimization, and defect detection. These capabilities reduce unplanned downtime, improve yield and energy efficiency, and support lean manufacturing and cost control.

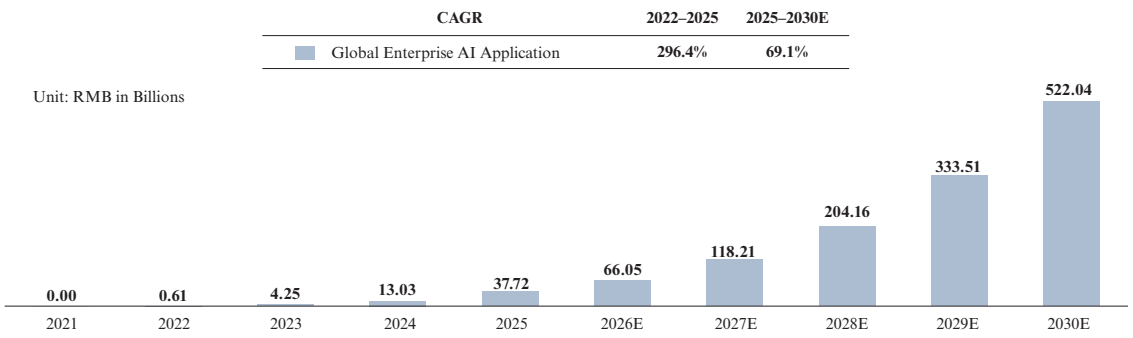
- ***Intelligent Supply Chain Management.*** AI-driven supply chain systems support end-to-end coordination and predictive management from procurement and inventory to logistics. By analyzing multi-dimensional data, enterprises can enhance supply chain responsiveness and stability, reduce redundancy and waste, and build more resilient and transparent supply chain operations.

- ***Intelligent Finance and Risk Management.*** AI enhances automation and intelligence in financial management, covering invoice recognition, cost accounting, budgeting analytics, and risk identification. Through real-time monitoring and anomaly detection, such systems help improve capital efficiency, enhance financial transparency, and strengthen internal controls and risk mitigation.

Market Size of Global Enterprise AI Application

The global enterprise AI application market entered an early growth and acceleration phase in 2022. As generative AI technologies advanced and demand for intelligent management increased, AI became widely embedded in software for enterprise clients. The market expanded from RMB0.61 billion in 2022 to RMB37.72 billion in 2025. Strong growth is expected to continue, with the market size projected to reach RMB522.04 billion by 2030, representing a CAGR of 69.1% from 2025 to 2030. North America began adopting enterprise AI applications earlier and has reached relatively high maturity in intelligent analytics, automated decision-making, and generative AI use cases. Asia Pacific is experiencing rapid expansion, supported by accelerating enterprise digitalization, which is expected to remain a key driver of future growth.

Market Size of Global Enterprise AI Application (2021-2030E)

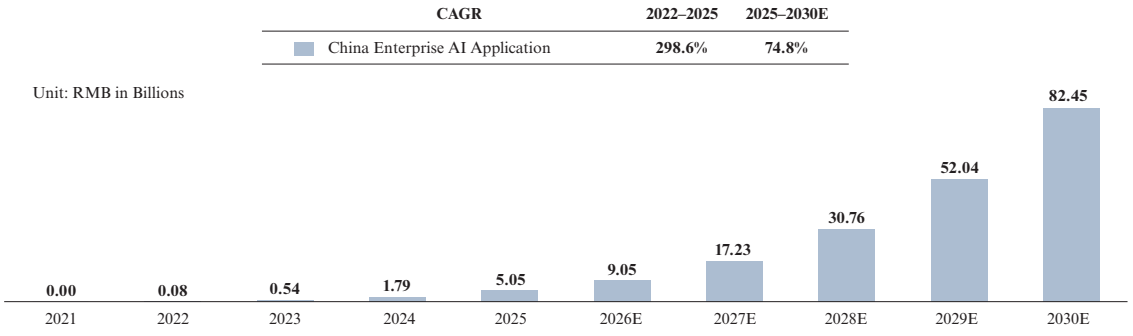


Source: Frost & Sullivan Report

Market Size of China's Enterprise AI Application

Domestic Chinese enterprises have shown significantly stronger willingness to invest in and adopt intelligentization since 2023. The market expanded from RMB0.08 billion in 2022 to RMB5.05 billion in 2025, representing a CAGR of 298.6% from 2022 to 2025, which makes it the fastest-growing market globally. Such high growth is expected to continue over the next five years, with the market size projected to reach RMB82.45 billion by 2030, representing a CAGR of 74.8%. This rapid expansion reflects domestic Chinese enterprises' strong inclination to experiment with and adopt AI-driven digitalization. With strengthening policy support and continued improvement of domestic computing infrastructure and platform ecosystems, the application of AI software across enterprise scenarios is expected to broaden further, pushing the market into a phase of accelerated penetration.

Market Size of China's Enterprise AI Application (2021-2030E)



Source: Frost & Sullivan Report

Drivers and Trends of China's Enterprise AI Application Market

Strengthening Data and Computing Infrastructure

Data and computing capacity form the foundation of enterprise AI adoption. As data governance improves and the data-factor market develops, enterprises are enhancing data quality and assetization. In parallel, domestic computing platforms and intelligent computing centers continue to expand, with GPU, NPU, and other heterogeneous clusters supporting large model training and inference. In addition, service providers are advancing proprietary large model and computing resource management platform to improve deployment efficiency and cost control. Meanwhile, progress in data security and compliance standards is making AI applications for enterprise clients safer and more reliable.

Deep Integration of AI with Enterprise Operations and the Emergence of Intelligent Agents

AI technologies are evolving from supplementary tools into core enablers of enterprise operations. Enterprises begin to embed intelligent decision-making mechanisms across strategic planning, supply chain, marketing, finance, and human resources, enabling greater adaptability and self-optimization. As large models are integrated with industry knowledge graphs, AI systems are progressing toward intelligent agents for enterprise clients capable of continuous learning and collaborative decision-making, supporting a shift in enterprise operations from process-driven models to knowledge- and data-driven approaches.

Dual Drivers of Policy Support and Technology Development

AI has become a national strategic priority, and policy initiatives such as "AI+" programs are incentivizing deeper integration of AI across manufacturing, finance, government services, and other sectors. Technology development, including algorithm optimization, model compression, cloud computing, and edge computing, are reducing deployment barriers. At the same time, the rise of AI as a service (AIaaS) enables enterprises to access AI capabilities on demand, accelerating the shift from traditional information systems toward more intelligent software architectures.

Entry Barriers of Enterprise AI Application Market

The enterprise AI application market is characterized by high entry barriers driven by long client decision cycles and significant switching costs once solutions are integrated into core business workflows. Effective deployment requires strong industry expertise and consulting capabilities to translate AI into practical business outcomes. In addition, providers benefit from proprietary platforms and mature technology stacks, which enhance system stability and scalability and are difficult for new entrants to replicate in the short term.

Threats and Challenges of China's Enterprise AI Application Market

China's enterprise AI application market faces several key challenges, including increasing compliance, data security and model governance requirements, which add to operational complexity and costs. At the same time, implementation remains complex, as AI solutions require deep integration with core enterprise systems and business processes, leading to longer deployment cycles and uncertain near-term returns. In addition, fragmented data architectures and inconsistent data quality continue to constrain effective AI deployment.

Competitive Landscape of China's Enterprise AI Application Market

China's enterprise AI application market remains at an early stage and is highly fragmented, with no clear dominant players. Participants include enterprise software vendors, IT consulting and system integrators, and AI platform or AIaaS providers. Competition is currently driven by solution integration capability, industry applicability, and delivery execution rather than scale. As adoption expands beyond pilot projects, differentiation is expected to increasingly depend on system integration depth and sustained delivery capability.

SOURCES OF INFORMATION

We commissioned Frost & Sullivan, an independent global consulting firm founded in 1961 in New York that offers industry consulting, market strategic consulting, and corporate training to conduct a detailed research on and analysis of the enterprise digitalization industry in China and globally in respect of the [REDACTED]. We have agreed to pay a fee of RMB500,000 to Frost & Sullivan in connection with the preparation of the Frost & Sullivan Report. The Frost & Sullivan Report has been prepared by Frost & Sullivan independently without any influence from us or the interested parties. We have extracted certain information from the Frost & Sullivan Report in this section, as well as in "Summary," "Risk Factors," "Business," "Financial Information," and elsewhere in this document to provide our potential [REDACTED] with a more comprehensive presentation of the industries where we operate.

INDUSTRY OVERVIEW

During the preparation of the Frost & Sullivan Report, Frost & Sullivan performed both primary and secondary research, and obtained knowledge, statistics, information, and industry insights on the industry trends of the target research markets. Primary research involved discussing the status of the industry with certain major industry participants, and interviewing industry experts on a best-effort basis to collect information to aid in-depth analysis. Secondary research involved reviewing government, statistics, industry association publication, company reports, independent research reports, and data based on Frost & Sullivan's own research database. Frost & Sullivan has independently verified the information, but the accuracy of the conclusions of its review largely relies on the accuracy of the information collected.