

INDUSTRY OVERVIEW

Certain information and statistics set out in this section and elsewhere in this document relating to the marketing services market in China are derived from the market research report prepared by Frost & Sullivan, an independent industry consultant which was commissioned by us (the "Frost & Sullivan Report"), and publicly available government and official sources. Information and statistics from official government sources have not been independently verified by us, the Sole Sponsor, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED] or any other parties involved in the [REDACTED] or their respective directors, officers, employees, advisers, or agents, and no representation is given as to the accuracy of such information and statistics.

SOURCE AND RELIABILITY OF INFORMATION

We have commissioned Frost & Sullivan, an Independent Third Party, to conduct a study of China's marketing services market. We agreed to pay Frost & Sullivan a fee of RMB840,000 for the preparation of the Frost & Sullivan Report, and our Directors consider that such fee reflects market rates and are of the view that the payment of the fee does not affect the fairness of conclusions drawn in the Frost & Sullivan Report. Founded in 1961, Frost & Sullivan has over 45 global offices with more than 3,000 industry consultants, market research analysts, technology analysts and economists.

RESEARCH METHODOLOGY

During the preparation of the Frost & Sullivan Report, Frost & Sullivan conducted primary research that involved discussing the status of the industry with industry participants and industry experts, as well as secondary research that involved reviewing company reports, independent research reports and Frost & Sullivan's own database.

BASIS AND ASSUMPTION

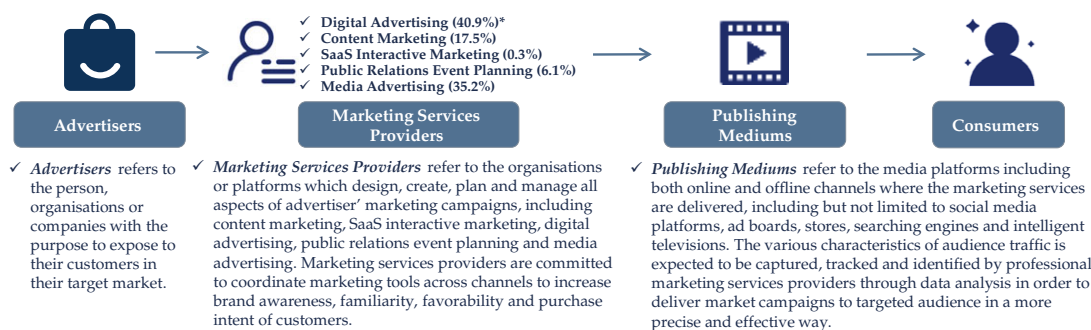
The Frost & Sullivan Report was compiled based on the following assumptions: (i) China's economy is likely to maintain steady growth in the next decade; (ii) China's social, economic, and political environment is likely to remain stable from 2022 to 2026; (iii) growing number of enterprises, change of policies, and favourable government policy are likely to drive the future growth of the industry. The impact of COVID-19 has been incorporated in the assumptions.

ANALYSIS OF CHINA'S MARKETING SERVICES MARKET

Marketing services refer to a series of promotional methods and activities, such as advertising and events that aim to establish a brand image, enhance brand awareness, and attract new clients. Typically, marketing services are designed to ensure that all messages and communication strategies are consistent across all channels and are centred on the customers, essentially to recognise the value of a comprehensive plan that evaluates the strategic roles of a variety of communication channels and then combines them to provide clarity, consistency, and maximum marketing impact.

INDUSTRY OVERVIEW

In terms of services type, China's marketing services market can be divided into five major segments include digital advertising, media advertising, content marketing, public relations event planning, and SaaS interactive marketing, which accounted for approximately 40.9%, 35.2%, 17.5%, 6.1% and 0.3% of total China's marketing services market.



**Note:* The percentage refers to the market share that each segment takes up to total China's marketing services market.

MARKET SIZE OF CHINA'S MARKETING SERVICES MARKET

In 2021, PC, mobile devices, newspaper and magazines as well as television are four major media for marketing in China. The market size of marketing services has increased from RMB581.4 billion in 2016 to RMB1,230.3 billion in 2021, representing a CAGR of 16.2%. With continuous consumption upgrade, the brand awareness among consumers has risen. The market size of the marketing services market is expected to reach RMB2,334.8 billion in 2026, representing a CAGR of 13.7% from 2021 to 2026.

China's marketing services market was fragmented in 2021. Top five marketing services companies occupied approximately 16.9% market share of total market size. The Group, with revenue of approximately RMB0.4 billion in 2021, accounted for approximately 0.03% of the China's marketing services market in 2021. As there are a vast number of non-listed companies in China's marketing services market, it is difficult to accurately measure the specific ranking of the Group as the Group accounted for only approximately 0.03% of the China's marketing services market in 2021. Through conducting primary research which involves detailed discussion and consultation on the competitive landscape of the market with leading industry participants and experts from relevant associations and institutes and secondary research that involves reviewing the prospectus and annual report of the listed market players, it is estimated that there are over 50 players with annual revenue over RMB0.5 billion in China's marketing services market in 2021.

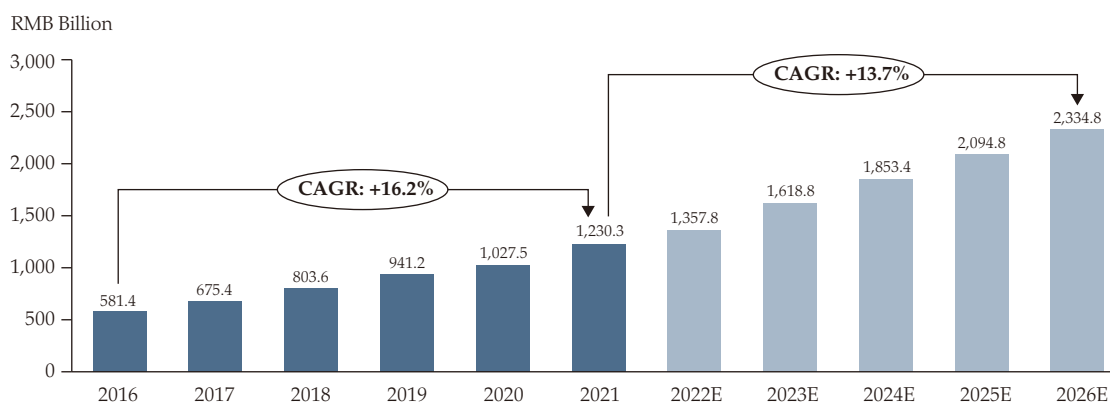
China's marketing services market can also be categorised based on the types of media utilised, which includes offline and online marketing markets. The event content marketing services, public relations event planning services and media advertising services fall within the offline marketing market; while digital content marketing services, SaaS interactive marketing services and digital marketing services fall within the online marketing market.

INDUSTRY OVERVIEW

China's offline marketing services market was fragmented with over 100,000 service providers in China in 2021. Top five service providers in offline marketing services accounted for approximately 30% market share of total market size. The Group, with a revenue of approximately RMB202.8 million in offline marketing services in 2021, accounted for approximately 0.04% of the China's offline marketing services market in 2021 in terms of revenue.

It is estimated that there are over 100,000 online marketing services providers in China in 2021. Top five service providers in online marketing services accounted for approximately 7.0% market share of total market size. The Group, with a revenue of approximately RMB150.5 million in online marketing services in 2021, accounted for approximately 0.02% of China's online marketing services market in 2021 in terms of revenue.

Market Size of Marketing Services Market (China), 2016-2026E



Source: State Administration for Market Regulation, Frost & Sullivan

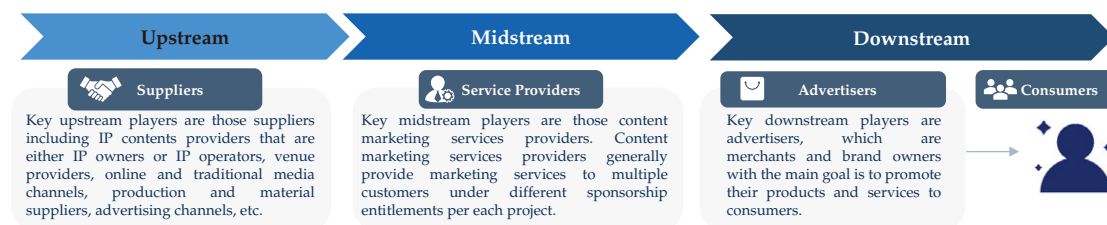
CHINA'S CONTENT MARKETING SERVICES MARKET

Analysis of China's Content Marketing Services Market

Content marketing services refer to the commercial communication behaviour for the purpose of marketing with content as the carrier. It combines the marketing information and independent content. It can either be self-created independent content with certain marketing information or packaged information for users to discuss and reproduce. Content marketing services are designed to make customers easier to accept the marketing information without any unnecessary interruptions. In this way, customers are able to better understand the content based on their previous knowledge, preference and trust in certain materials.

Content marketing services can be presented in many different methods, such as images, audio, video, games and events, etc. It usually doesn't directly advertise the products but inputs the marketing information, such as a brand, into a scenario situation. In this case, customers are able to have a better understanding and knowledge of the products or services and will be more eager to purchase the products.

INDUSTRY OVERVIEW



Market Size of China’s Content Marketing Services Market

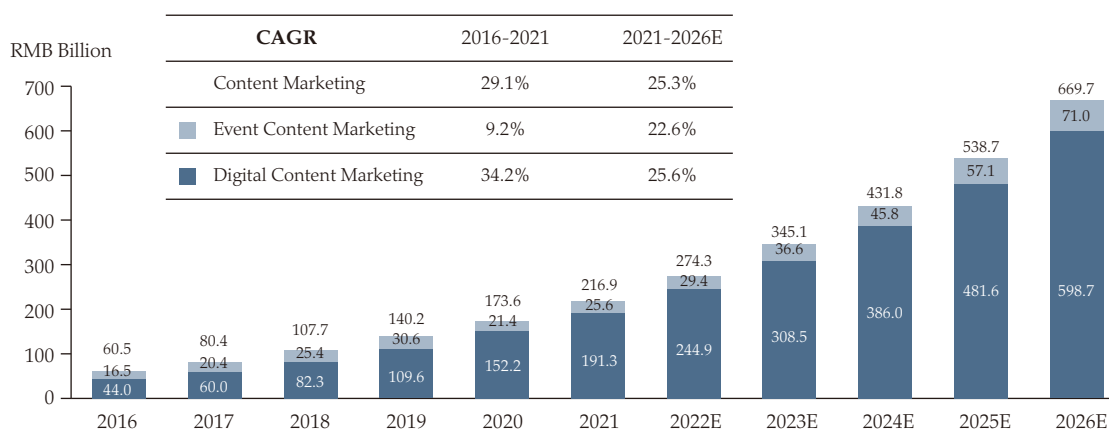
Along with the growth of total marketing services market, content marketing services market has gone through a robust development period in past five years. As one of the most popular advertising method, content marketing services market increased RMB60.5 billion in 2016 to RMB216.9 billion in 2021, representing a CAGR of 29.1%. Content marketing services market contains event content marketing and digital content marketing. Digital content marketing refers to those marketing activities that solely rely on online platforms, such as TikTok, Xiaohongshu, Weibo and other internet platforms. On the other hand, event content marketing refers to those marketing activities that mainly rely on events, such as concert, marathon, fashion show and other local events. Event content marketing market has increased from RMB16.5 billion to RMB25.6 billion with a CAGR of 9.2% from 2016 to 2021. The market size of event content marketing dropped in 2020 due to cancellation and delays in events primarily using offline channels as a result of the outbreak of COVID-19 but it is expected to grow back to normal along with the effective control of COVID-19 in China. During the same period of time, digital content marketing services market has increased from RMB44.0 billion to RMB191.3 billion with a CAGR of 34.2%. It was not adversely affected by COVID-19 because digital content marketing utilises internet and online platforms. China’s digital content marketing services market was fragmented in 2021. Top five marketing services companies occupied around 5% market share of digital content marketing services market size. The Group, with revenue of RMB52.0 million in 2021, accounted for 0.03% of the China’s digital content marketing services market in 2021. In addition, there is an impact of seasonality on marketing services market as most advertisers are willing to allocate their budgets on marketing services for products and services during the fourth quarter of the year, which is recognised as a holiday season in China and peak season for marketing services market. Therefore, marketing services providers usually record higher sales in the fourth quarter. Especially, brands in the fast moving consumer goods and footwear and apparel industry normally introduce their latest fashion trends and launch the promotion campaign in the fourth quarter.

As a result of the fast development of technology and how consumers accept marketing information, the content marketing services market is expected to increase to RMB669.7 billion in 2026 and the CAGR is approximately 25.3% from 2021 to 2026. In the meanwhile, event content marketing services market and digital content marketing services market are estimated to reach RMB71.0 billion and RMB598.7 billion in 2026, representing CAGR of 22.6% and 25.6% from 2021 to 2026, respectively. As the mobile internet users and penetration rate are growing consistently in China and development of social platforms, digital content marketing services market is expected to maintain a quick growing pace in the future. ‘Outline of the 14th Five-Year Plan for Cultural Industry

INDUSTRY OVERVIEW

Development' (《「十四五」文化產業發展規劃》) stated that China will put efforts on development of entertainment and cultural industry by holding more activities and events. Also, as per capita annual disposable income is expected to reach RMB51,100 in 2026 from RMB35,100 in 2021, people tend to have a growing leisure and recreation demand in their spare time. Although the COVID-19 impacted a lot on event content marketing services market, the supportive government policies and growing consumers' demands are expected to lead the market to grow at a quick pace in the future.

Market Size of Content Marketing Service Market, Breakdown by Marketing Tools (China), 2016-2026E



Source: Frost & Sullivan

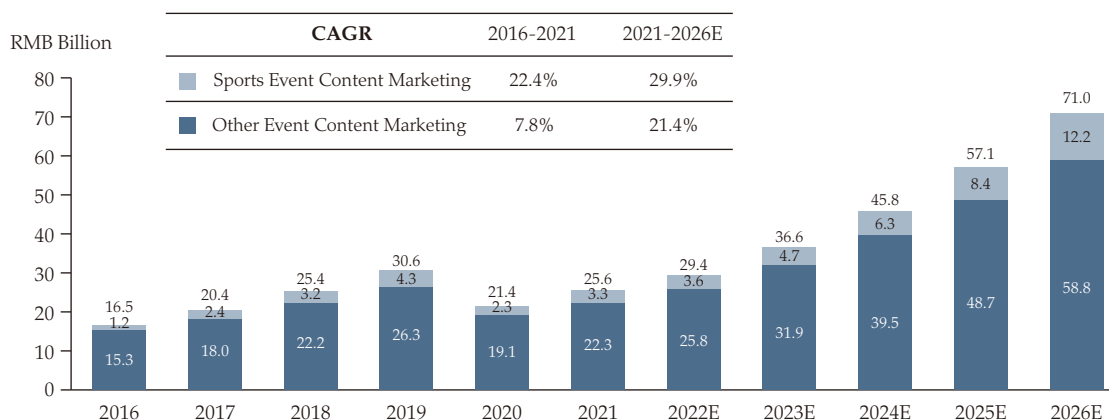
Event content marketing services can be divided into two categories, namely sports event content marketing and other event content marketing. Sports event content marketing refers to those content marketing services that rely on sports event, such as marathons, triathlon and cycling, etc. On the other hand, other event content marketing usually includes those content marketing services that depend on other events, such as fashion shows, concerts, career fairs, etc. China's digital content marketing services market was fragmented in 2021. Top five digital content marketing services companies occupied around 5% of digital content marketing services market size. The Group, with revenue of RMB52.0 million in 2021, accounted for 0.03% of the China's digital content marketing services market share in 2021.

In line with the growth of content marketing services, sports event content marketing has increased from RMB1.2 billion to RMB3.3 billion from 2016 to 2021 with a CAGR of 22.4%. This huge increase is mainly driven by the encouragement of China's government on increasing citizens' health condition and the announcement of 'National Fitness Programme (2016-2020)'. In the same period, other event content marketing services market has witnessed a growth from RMB15.3 billion to RMB22.3 billion with a CAGR of 7.8%. Both sports event content marketing services and other event content marketing services markets have dropped in 2020 due to the cancellation and delays in most offline events primarily utilising offline channels caused by the outbreak of COVID-19.

INDUSTRY OVERVIEW

Going forward, along with the effective control of COVID-19, both sports event content marketing services market and other content marketing services market are expected to increase to RMB12.2 billion and RMB58.8 billion in 2026, with CAGRs of 29.9% and 21.4%, respectively. 'Healthy China 2030 Planning Outline' demonstrated the importance of daily sports activities. Chinese government also encourages citizens to increase their health conditions by exercising and working out regularly. In addition, growing number of large venues are expected to be built in China for cultural and sporting activities, which would likely bring more people to participate in concerts, dramas and sports events, etc. Although the COVID-19 caused a drop on event content marketing services market in 2020, favourable government policies and increasing health awareness of citizens are expected to boost the market with a relatively high growth rate in the future.

**Market Size of Event Content Marketing Services Market,
Breakdown by Event Types (China), 2016-2026E**



Source: Frost & Sullivan

Market Drivers of China's Content Marketing Services Market

Increasing Popularity of Sporting Events: According to the policies of Opinions of the State Council on Carrying Out Health China Operation (《關於實施健康中國行動的意見》) and the formation of The Committee for the Health China Operation (《健康中國行動推薦委員會》), both Chinese government and Chinese residents start to pay more attention on personal wellness and promotion of sporting events. In addition, the Healthy Literacy level of Chinese residents has increased from around 10% in 2015 to around 25.4% in 2021, which indicates that Chinese residents are now pursuing a healthier lifestyle and are willing to participate in more sporting events. In addition, the State Council recently announced National Fitness Programme (2021-2025) (《全民健身計劃(2021-2025年)》) to emphasise the importance of fitness and community sports events. In this case, growing number of content marketing services providers are relying on sporting events for marketing of clients' products and services. Increasing popularity of sporting events is considered as a future trend of China's event content marketing services market.

INDUSTRY OVERVIEW

Developed Technology for Accurate Marketing: Traditionally, marketing services providers usually send out advertisement to single consumer without analysis. With robust development of technology, such as big data and artificial intelligence (AI), content marketing services providers can accurately match their clients with target audience for certain types of advertisement according to their specific industries or types of targeted end-customers. Accurate marketing has upgraded the method of marketing and made consumers more willing to accept the products and services with attractive contents of their interest, thus promoting the development of China's content marketing services market. For example, the Group utilises the AI system and algorithm-driven technologies, to provide specific and accurate marketing templates recommendation to their customers based on their preferences and interests.

New Marketing Trends for Young Generations: With increasing purchasing power and growing population, young generations are now becoming the major consumer group. As a result, content marketing services are required to match the changing preferences of young generations. As media (e.g. short video) is getting popular and is widely spreading among young generations, content marketing services providers nowadays are embedding advertisement in those media to get the attention of young generations. For example, the Group uses online short videos as the core carrier of its digital content marketing services. The short videos are able to spread to core consumers through different online platforms, such as Weibo, Kuaishou, etc. Therefore, the new marketing trend for young generations is leading content marketing services market to a higher stage of development.

Opportunities, Threats and Challenges of China's Content Marketing Services Market

Opportunities:

Developing Technology of Marketing: Compare with traditional marketing services, content marketing services focus more on original contents instead of certain products or services. With more developed technology, content marketing services providers are able to track the preference of consumers based on consumer data like browsing history. Developed technology like big data allows advertisers to have specific information on consumers so that advertisers and content marketing services providers are able to create contents that are tailored to the interests of the target consumers. In addition, developed technology like SaaS marketing combines advertising technology with marketing technology, thus improving advertising efficiency and reducing the cost of marketing services.

Growth Trend of Self-created Video: Content marketing services are different from other traditional marketing services since they put clients' products and services in a content-embedded scenario instead of presenting the products and services directly to consumers. With the development of mobile apps, such as WeChat, TikTok and Xiaohongshu, there is growing number of self-created videos. Self-created video is becoming one of the major ways to execute content marketing services due to various topics and customization. Growing number of brands now change their focus from general content to a more specific content like self-created videos that matches with their products and services. Thus, content marketing services market is expected to continue to grow in the future.

INDUSTRY OVERVIEW

Development of IP Creation and Acquisition: Intellectual properties (IPs) is in a growth stage in China. Growing number of brands are starting to create their own IPs or acquire other established IPs to advertise their brands effectively and differentiate from other brands. A good collaboration of high-quality IP and content is able to establish a positive product image and attract more consumers to purchase the product or service. Thus, the development of IPs is able to bring more opportunities to China's content marketing service market.

Threats and Challenges:

Increasing Labour Cost: In line with steady growth of China's economic environment, the salary level of employees in China also has increased in past five years. The average annual salary of employees in culture, sports and entertainment in China has increased from RMB79,900 in 2016 to RMB125,000 in 2021, representing a CAGR of 9.4%. Going forward, in line with the development of macro economy and marketing services industry, the average annual salary of employees is likely to keep growing in the future and reach approximately RMB185,300 in 2026, representing a CAGR of 8.2%. Therefore, increasing labour cost is considered as a potential challenge for content marketing services providers.

Competitive Landscape of China's Content Marketing Services Market

China's content marketing services market was highly fragmented with around 90,000 to 100,000 companies in the market in 2021. Top 5 content marketing services companies only take approximately 2.7% of the total China's content marketing services marketing 2021.

With a revenue of RMB0.2 billion in content marketing services in 2021, the Group accounted for around 0.1% market share of China's content marketing services market.

Entry Barriers Analysis of China's Content Marketing Services Market

Large Industry Database: The marketing data and customer behaviour information are very important to content marketing services providers. In order to perform the marketing analysis with the best effects, companies need a large amount of users' data to analyse their preference on products and advertisements. A long existed well-known content marketing services provider has access to a large database, which will lead to a more effective marketing result.

Brand Reputation and Awareness: A company with a great reputation is expected to attract more advertisers to do business with it. With successful previous projects and long-term business partners, existed companies with good reputation and brand awareness are able to prove themselves that they can offer quality marketing service. In this case, both new and old brands owners have preference on well-known content marketing services companies. Thus, new entrants may have a hard time to compete with those reputable players in the industry.

INDUSTRY OVERVIEW

Capital Requirements: Initial investment is very high since company usually requires a lot of employees to create attractive contents for different types of products or services. In addition, not all capital investments are able to bring profits because the performance of the advertisement significantly relies on the final sales of the products or services. With the developing technology and consumers' quick-changing preference, it requires a lot of capital investments to enter the content marketing services market.

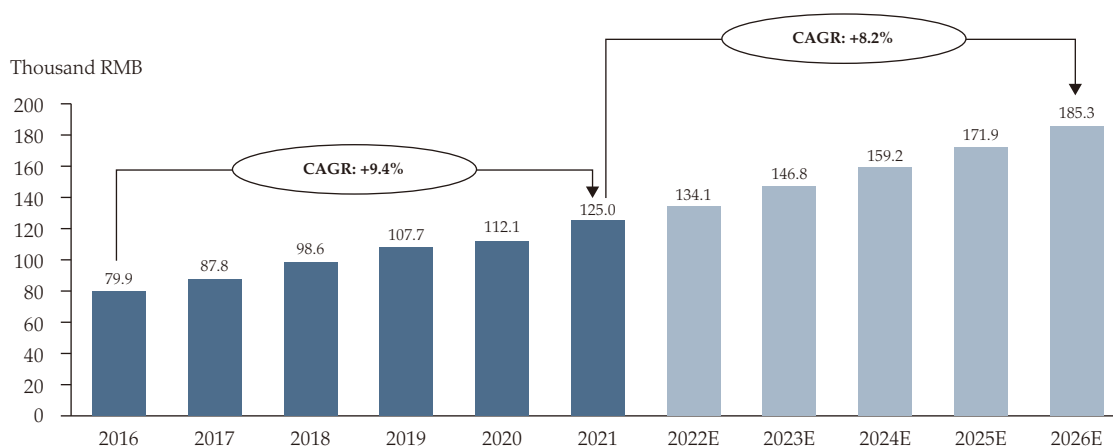
Professional Innovation Skills: Content marketing services market is the new trend of marketing that emerges in recent years. It is an emerging market that contains a large amount of market participants. Therefore, it requires the content marketing services companies to have a group of professional and creative employees to keep bringing brand new contents to meet consumers' needs. In addition, since the digital contents are easy to imitate, professional innovation skills are very crucial for those companies that want to enter the content marketing services market.

Cost Analysis of China's Content Marketing Services Market

Human resource cost usually accounts for one of the largest cost of content marketing services market in China because it requires employees to create a lot of new contents to match with the new trends. Content marketing services are included in the category of culture, sports and entertainment. The average annual salary of employees in culture, sports and entertainment in China has increased from RMB79,900 in 2016 to RMB125,000 in 2021, representing a CAGR of 9.4%.

Going forward, in line with the development of macro economy and marketing services industry, the average annual salary of employees is likely to keep growing in the future and reach approximately RMB185,300 in 2026, representing a CAGR of 8.2%.

Average Annual Salary of Employees in Culture, Sports and Entertainment (China), 2016-2026E



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

INDUSTRY OVERVIEW

CHINA'S SAAS MARKETING SERVICES MARKET

Analysis of China's SaaS Marketing Services Market

SaaS marketing services range from initial creativity generation to final delivery. Integrating with our specific online, platform. SaaS marketing services can be directly accessed on the platform on which data can be computed or stored. By this, automation and intelligent marketing along with data, precipitation could be achieved on the platform.

SaaS marketing combines advertising technology with marketing technology. It improves advertising efficiency and reduces the cost of marketing services. In addition, SaaS marketing services help marketing services become standardised. SaaS marketing services are extension and transformation of the traditional marketing methods.

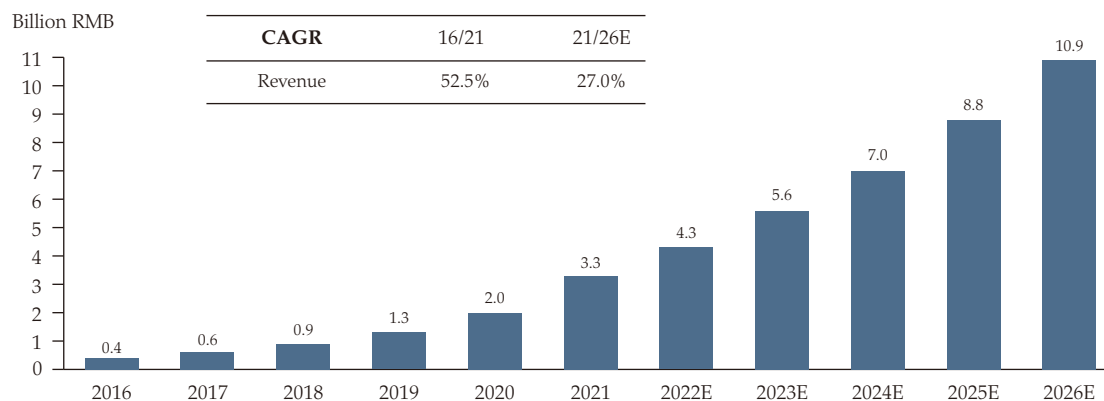
Market Size of China's SaaS Marketing Services Market

The market size of SaaS marketing market grew from RMB0.4 billion in 2016 to RMB3.3 billion in 2021, representing a CAGR of approximately 52.5%. Meanwhile, the growth of SaaS marketing market has sped up in 2020 to 2021 during the period of COVID-19. The inconvenience brought about by working onsite promoted the use of SaaS tools, which renders convenience for businesses. The size of SaaS marketing market in China is expected to increase to RMB10.9 billion in 2026 with a CAGR of approximately 27.0% from 2021 to 2026.

China's SaaS marketing services market was relatively fragmented with around 600 to 1,000 companies in the market in 2021. The top 5 SaaS marketing services companies took up approximately 48.2% of China's SaaS marketing services market in 2021.

With a revenue of approximately RMB10.6 million in SaaS marketing services market in 2021, the Group accounted for around 0.3% market share of China's SaaS marketing services market.

Market Size of SaaS Marketing Services Market (China), 2016-2026E



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

INDUSTRY OVERVIEW

Market Drivers of China's SaaS Marketing Services Market

Large Potential Brand Owner Base and Increasing Demand for Digitalization: The large base of brand owners in China generates a steady stream of demand for SaaS marketing services. The rapid and broad adoption of digital commerce as well as the lockdown measures due to the outbreak of COVID-19 are forcing brand owners to adapt and adjust their marketing methods. Brand owners are aware of the opportunities derived from digital shopping technology, but the shift to digital commerce also brings new challenges such as more contact points with consumers in an increasingly diverse and multi-channel shopping environment, more consumer shopping behaviour data, more communication options to engage with the consumer, etc. SaaS marketing services providers play a vital role in solving these challenges and more brand owners are willing to pay for SaaS marketing services.

Development of Decentralised E-commerce Market: Decentralised e-commerce, which are e-commerce with private traffics, is becoming increasingly important with transaction value increased from RMB0.4 trillion in 2016 to RMB1.9 trillion in 2021, representing a CAGR of 36.6%, and is expected to further increase to RMB6.9 trillion in 2026. The rapid development of decentralised e-commerce market and growing user base of decentralised e-commerce platforms are expected to further drive brand owners' demand for SaaS marketing services. The penetration rate of China's SaaS marketing services market in relative low of around 10% compared with the penetration rate of around 40% to 50% in the United States and the European Union.

Government Policy Support: The Chinese government in recent years has rolled out a series of policies to support digital transformation across industries, which is expected to further drive the cloud-based digital transformation of business operation for brand owners and industries. For example, the 14th Five-Year Plan released in November 2020 reinforces China 's digitalization push by encouraging the application of advanced technologies in real economy and targeting to become an innovation forerunner by 2035.

Entry Barriers of China's SaaS Marketing Services Market

Advanced R&D Capability: SaaS services providers are required to have in-depth industry experience and advanced R&D capability to realise brand owners' diverse needs. Existing market participants have already been well established and have the resources to enhance R&D capability. New entrants would need to overcome this high R&D capability barrier.

Brand Recognition: Well-known SaaS marketing services providers generally have entered the marketplace earlier with their products and services having gone through multiple versions of updates and are more accepted by their customers. Therefore, they usually have stronger brand recognition along with customer loyalty and high conversion rate of paid businesses. New entrants generally lack brand recognition and industry experience, which make it difficult for them to compete with existing well-known SaaS marketing services providers.

INDUSTRY OVERVIEW

Qualified Project Team: The project team members of SaaS marketing services providers need to have abundant industry experience and high technical qualifications to satisfy customer needs. Existing participants generally have experienced project teams comprising experts in multiple industries to provide industry-specific guidance, training and business advice to brand owners for their daily operation.

Opportunities, Threats and Challenges of China's SaaS Marketing Services Market

Opportunities and Threats:

Growing Recognition of Private Traffic: There is a growing recognition of private traffic in China as the cost of acquiring public traffic is increasing. Private traffic refers to customer traffic generated from the brand owner's website, apps, and social accounts on any social platforms that has traffic and social interaction, such as WeChat and Weibo. Private traffic can be utilised repeatedly and freely by the brand owners, as the data belongs to the brand owners and not the public platform.

Along with growing recognition of private traffic in China, brand owners today are expecting to generate more revenue from private traffic through reducing the cost of customer acquisition, building their images and cultivating relationships with customers. SaaS marketing services can provide brand owners multiple marketing channels and acquire high quality private traffic. Thus, the trend of growing recognition of private traffic is forecasted to bring more opportunities for China's SaaS marketing services providers.

Emergence of Multiple Social Media Platforms: The penetration rate of mobile Internet users in China was constantly growing during the past few years. In 2021, the number of mobile Internet users has increased to 1,029.0 million in 2021 and the penetration rate of mobile Internet reached 72.8%, which is much higher than global average level of 62.8%. With mobile internet users in China increasingly dependent on social media platforms to share opinions, ask for product recommendations, and connect with others, brand owners in China are looking to attract and convert potential customer traffic in the marketplace through building their presence on various social media platforms. Through engaging multiple social media platforms, brand owners are able to find the right target customers, build customer communities, drive traffic and interact with customers. As a result, there are growing demands for customised SaaS marketing services to help brand owners to better build and manage their presences on multiple social media platforms.

Large Sales and Marketing Cost: To expand business and attain a higher conversion rate, SaaS marketing services providers normally need to engage a large sales team to reach out to customers. If the SaaS marketing services providers cannot control their marketing costs efficiently, large sales and marketing costs may bring a burden on the long-term business operation and impede R&D investment.

INDUSTRY OVERVIEW

CHINA'S DIGITAL ADVERTISING SERVICES MARKET

Analysis of China's Digital Advertising Services Market

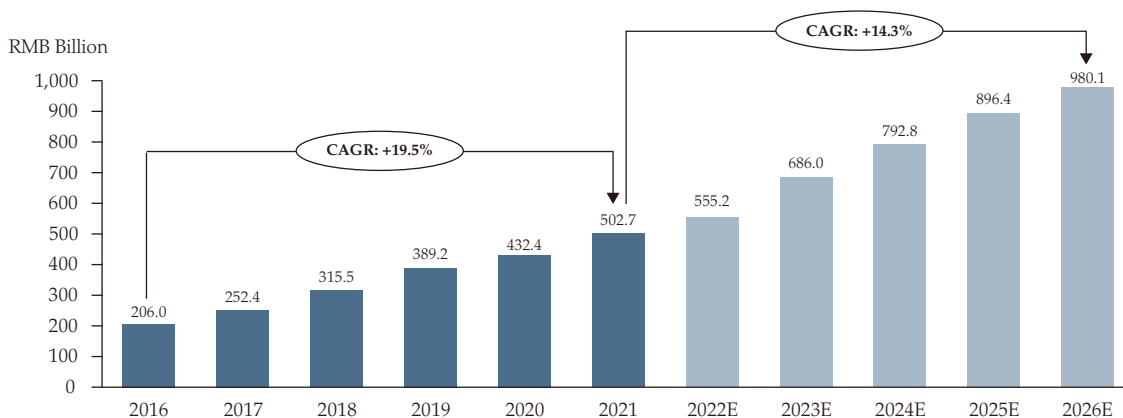
Digital advertising refers to directly marketing and advertising advertisers' brands and products on various online media channels without combining marketing information with IP contents. It offers one-to-one marketing service and serves only one customer within a single marketing event.

Digital advertising also has several advantages compared with other marketing methods since it utilises modern technology to execute the marketing process. Digital advertising services have greater marketing effectiveness to attract new consumers and are able to promote products and services in distance to save time and costs.

Market Size of China's Digital Advertising Services Market

Along with growing penetration of internet, digital advertising services market has increased from RMB206.0 billion in 2016 to RMB502.7 billion in 2021 with a CAGR of 19.5%. With the development of new technologies like Big Data and AI, the market size is estimated to grow into RMB980.1 billion in 2026, representing a CAGR of 14.3% from 2021 to 2026.

Market Size of Digital Advertising Services Market (China), 2016-2026E



Source: State Administration for Market Regulation, Frost & Sullivan

Competitive Landscape of China's Digital Advertising Services Market

It is estimated that there are over 100,000 digital advertising services providers in China in 2021. Top five market players occupied approximately 8.9% market share of total market size. The Group, with revenue of approximately RMB88.0 million in 2021, accounted for approximately 0.02% of China's digital advertising services market in 2021 in terms of revenue.

INDUSTRY OVERVIEW

Ranking of Top 5 Digital Advertising Services Companies by Sales Revenue (China), 2021

Rank	Company	Total Revenue (RMB Billion)	Market Share (%)
1	Zhewen Interactive Group	13.5	2.7%
2	Hylink Digital Solution	9.4	1.9%
3	Guangdong Advertising Group	8.1	1.6%
4	Guangdong Tloong Technology Group	8.0	1.6%
5	BlueFocus Intelligent Communications Group	5.3	1.1%
Top 5 Subtotal		44.3	8.9%
Others		458.4	91.1%
Total		502.7	100%

Source: The annual reports of listed companies, Frost & Sullivan Analysis

Note:

- (1) Zhewen Interactive Group (600986.SH) is a company founded in 1993 and listed on Shanghai Stock Exchange. Headquartered in Beijing, Zhewen Interactive Group offers online marketing, new media marketing and other services.
- (2) Hylink Digital Solution (603825.SH) is a company founded in 1994 and listed on Shanghai Stock Exchange. Headquartered in Beijing, Hylink Digital Solution mainly provides integrated marketing services that cover digital marketing, new retail and content creation.
- (3) Guangdong Advertising Group (002400.SZ) is a company founded in 1981 and listed on Shenzhen Stock Exchange. Headquartered in Guangzhou, Guangdong Advertising Group provides brand marketing, digital advertising, media advertising, content marketing, public relations and other types of one-stop marketing solutions.
- (4) Guangdong Tloong Technology Group (300063.SZ) is a company founded in 2001 and listed on Shenzhen Stock Exchange. Headquartered in Zhaoqing, Guangdong Tloong Technology Group mainly provides advertisers with services such as online marketing, media sourcing, full case planning, short video production, consulting placement and technical support.
- (5) BlueFocus Intelligent Communications Group (300058.SZ) is a company founded in 2002 and listed on Shenzhen Stock Exchange. BlueFocus Intelligent Communications Group provides a wide spectrum of marketing and brand management services, including strategy, digital advertising, media advertising, content marketing, public relations, branding, CRM and mobile solutions, etc.

INDUSTRY OVERVIEW

CHINA'S PUBLIC RELATIONS SERVICES MARKET

Analysis of China's Public Relations Services Market

The public relations industry belongs to the modern services industry. By fully understanding the communication needs of enterprises and professionally analysing the demands of public groups and media, public relations enterprises can effectively complete planning, activities, manuscripts release and other services. Core businesses of public relations include brand communication, crisis management, digital media marketing, etc. The public relations market can be divided from the perspectives of operation mode and business content.

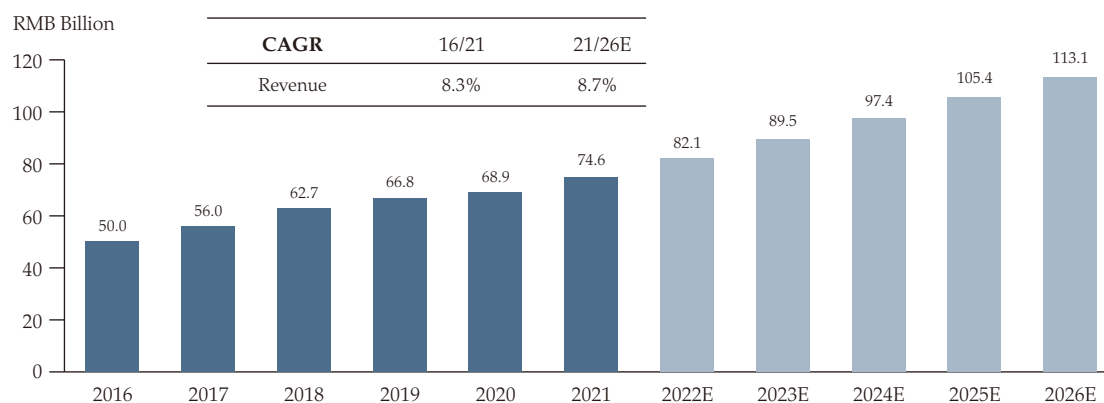
Market Size of China's Public Relations Services Market

The market size of public relations market grew from RMB50.0 billion in 2016 to RMB74.6 billion in 2021, representing a CAGR of approximately 8.3%. The market has experienced relatively moderate growth. The size of public relations market is expected to increase steadily to RMB113.1 billion in 2026 with a CAGR of approximately 8.7% from 2021 to 2026.

Meanwhile, the growth of public relations market slowed down in 2019 to 2020 due to impact of COVID-19. The growth rate experienced relatively fast growth in China in 2021.

It is estimated that there are over 100,000 public relations service providers in China in 2021. Top five market players occupied approximately 5% to 10% market share of total market size. The Group, with revenue of approximately RMB25.4 million in 2021, accounted for approximately 0.03% of China's public relations services market share in 2021 in terms of revenue.

Market Size of Public Relations Market (China), 2016-2026E



Source: Frost & Sullivan

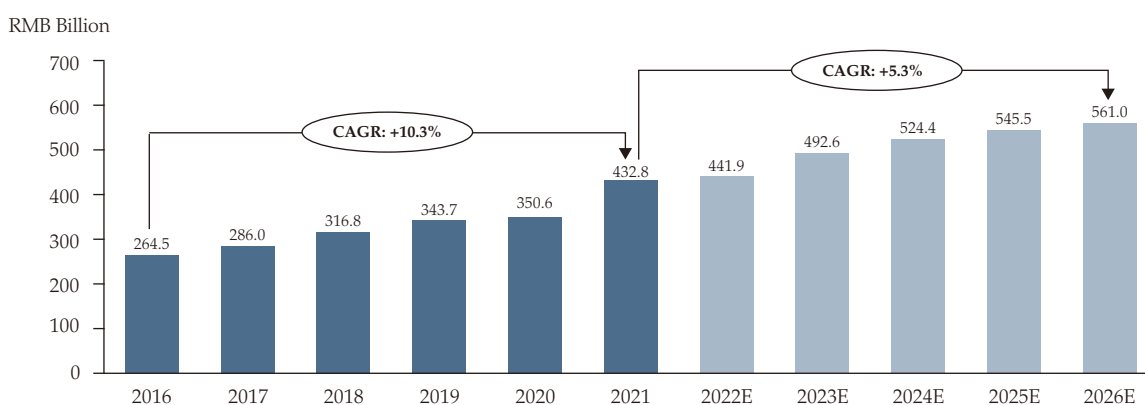
INDUSTRY OVERVIEW

CHINA'S MEDIA ADVERTISING SERVICES MARKET

Market Size of China's Media Advertising Services Market

Media advertising services refer to media planning services and placement of advertisements on traditional advertising channels, such as television and outdoor public advertising resources, and the market size of media advertising services in China has grown to around RMB432.8 billion in 2021 from RMB264.5 billion in 2016 with a CAGR of 10.3%. It is estimated that the market size will reach RMB561.0 billion in 2026, representing a CAGR of 5.3% from 2021 to 2026.

Market Size of Media Advertising Services Market (China), 2016-2026E



Source: Frost & Sullivan

Competitive Landscape of China's Media Advertising Services Market

China's media advertising services market was fragmented in 2021. The top 5 media advertising services companies take up approximately 33.6% of China's media advertising services market in 2021.

The Group, with revenue of approximately RMB41.2 million in 2021, accounted for 0.01% of the market share in 2021.

INDUSTRY OVERVIEW

Ranking of Top 5 Media Advertising Services Companies by Sales Revenue (China), 2021

Rank	Company	Total Revenue (RMB Billion)	Market Share (%)
1	GroupM	48.7	11.3%
2	Publicis Advertising Co., Ltd.	44.4	10.3%
3	BlueFocus Intelligent Communications Group	27.4	6.3%
4	Leo Group Co., Ltd.	12.7	2.9%
5	Focus Media Information Technology	12.0	2.8%
	Top 5 Subtotal	145.2	33.6%
	Others	287.6	66.4%
	Total	432.8	100%

Source: The annual reports of listed companies, Frost & Sullivan Analysis

Notes:

- (1) GroupM is a company found in 2007 and a subsidiary of WPP PLC (NYSE: WPP), which is a company listed on New York Stock Exchange. Headquartered in Shanghai, GroupM provides content marketing, digital advertising and other marketing services for different types of domestic and foreign companies.
- (2) Publicis Advertising Co., Ltd. is a company found in 1996 and a subsidiary of Publicis Groupe S.A. (Euronext: PUB), which is a company listed on Euronext Paris Exchange. Headquartered in Guangzhou, Publicis provides media advertising, content marketing, brand design, digital advertising and integrated marketing services for different types of domestic and foreign companies.
- (3) Leo Group Co., Ltd. (002131.SZ) is a company founded in 2001 and listed on Shenzhen Stock Exchange. Headquartered in Wenling, Leo Group Co., Ltd. provides mainly media advertising, digital advertising, content marketing, and social media marketing services.
- (4) Focus Media Information Technology (002027.SZ) is a company founded in 1997 and listed on Shenzhen Stock Exchange. Headquartered in Guangzhou, Focus Media Information Technology provides integrated marketing services, mainly including in-building media and cinema media advertising services.