
INDUSTRY OVERVIEW

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OVERVIEW OF THE MARKETING AND SALES SAAS SOLUTION MARKET IN CHINA

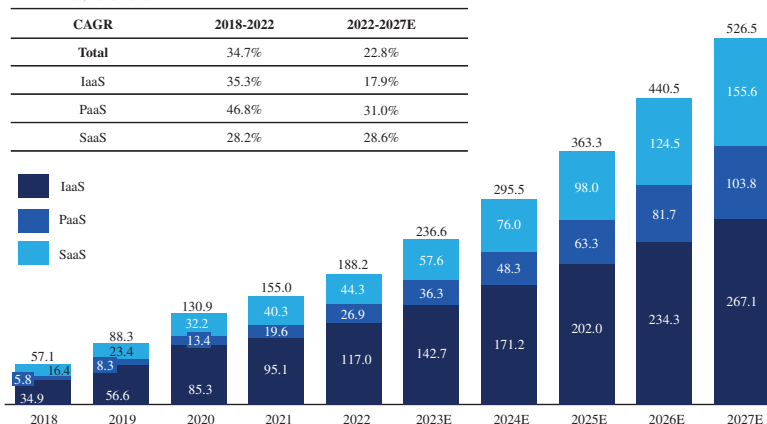
Development of the SaaS Market in China

After decades of rapid economic development, China is becoming a high-quality economy, increasingly focusing on the development of its digital economy. With the growing needs for remote working during the COVID-19 pandemic, as well as the government's favorable policies on enterprises' digital transformation, enterprises in China set digitalization as one of their most important long-term strategic goals. As a result, a number of enterprises are adopting emerging technologies such as cloud computing. Software-as-a-service (SaaS), together with platform-as-a-service (PaaS) and infrastructure-as-a-service (IaaS) comprise the public cloud segment of cloud computing. Compared with on-premises software, SaaS is an advantageous turnkey solution in flexible purchase options, lower implementation cost, shorter implementation time, and convenient maintenance and updates.

According to Frost & Sullivan, in 2022 the SaaS market in China in terms of revenue reached RMB44.3 billion from RMB16.4 billion in 2018, with a CAGR of 28.2% from 2018 to 2022. Driven by rising demand, increasingly sophisticated product functions and favorable government policies on digital economy, China's SaaS market is expected to reach RMB155.6 billion in 2027, with a CAGR of 28.6% from 2022 to 2027. In addition, the PaaS market is another important driver of the growth of the public cloud market, as more SaaS providers are expanding their services with PaaS due to the additional values it brings to their customers. With a PaaS platform serving as a low-code toolkit, enterprises are able to develop customized applications with high agility and a shorter development period, requiring fewer IT engineers.

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Market Size of Public Cloud Industry in China
RMB Billion, 2018-2027E



Source: Frost & Sullivan

The SaaS market includes general SaaS and vertical SaaS segments. General SaaS, such as marketing and sales, human resource and supply chain management, offers function-specific solutions to enterprises across a wide range of industries. Vertical SaaS offers industry-specific features and functionalities required by a particular industry.

Development of the Marketing and Sales SaaS Solution Market in China

Marketing and sales SaaS solutions refer to a combination of cloud-based software products, among which intelligent solutions, with better performance, are empowered by cloud computing, big data, AI technologies and auxiliary value-added services that aim to help enterprises enhance sales growth in both marketing and sales phases. Specifically, the marketing phase refers to business activities for discovering new sales opportunities. The sales phase focuses on realizing sales growth, building sustainable relationships with customers and expanding customer base. Modern marketing and sales process typically includes six key areas, namely: content and experience; advertising and promotion; social and relationships; sales and delight; data and analytics; and strategy and management. Marketing and sales SaaS solutions are increasingly being adopted by Chinese enterprises, as they can address pain points and bring value to marketing and sales activities:

- Content and Experience.** Content and experience are the foundation of marketing and sales activities. Enterprises rely on various content formats to communicate their message through marketing and sales activities and to provide a great experience for their audiences. Nowadays, audiences are overwhelmed by information delivered across different forms, such as text, graphics and videos through a large number of content platforms, websites, official accounts and video accounts, whilst audiences tend to have higher expectations for their user experience when browsing information. As a result, enterprises are challenged to deliver even greater quality content at a higher frequency. Marketing and sales SaaS solutions help intelligently and efficiently produce content and enhance customer experience.

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- ***Advertising and Promotion.*** Enterprises present and distribute digital marketing content to target audiences by purchasing advertising space and traffic on different media platforms. Advertising and promotion have become the most direct and established forms of marketing and sales activities. However, with the slowdown of overall traffic growth and the concentration of high-quality traffic on media platforms, the price to acquire traffic has increased significantly, resulting in a lower return on investment of marketing and sales. Marketing and sales SaaS solutions helps companies manage advertising channels, monitor marketing results, and optimize promotion strategies to improve returns on investment.
- ***Social and Relationships.*** In addition to traditional media platforms, more and more enterprises choose social media platforms to spread their content to reach audiences, build relationships with customers, and form private domain traffic. The rapid growth of social networking and the relationship with media has become the area that enterprises need to pay more attention to. However, with the rapid evolution and growing abundancy of social media platforms, as well as diversified customer relationship management and private domain traffic operation scenarios, formulation and implementation of customer management strategies are becoming increasingly complicated. Marketing and sales SaaS solutions is essential for enterprises to overcome the relevant difficulties, integrating a range of features to help enterprises apply specific strategies in an intelligent and efficient way.
- ***Sales and Delight.*** Enterprises achieve sustainable revenue growth through continuous customer conversions, repurchases, and referrals. Sales and delight are the ultimate goals and results of marketing and sales efforts. Sales conversions have become challenging nowadays, as customers have a wide range of products and services to choose from, prompting them to develop strong personalized preferences. Marketing and Sales SaaS solutions offers enterprises digitalized tools to manage their sales force, select and execute sales strategies, and delight their customers.
- ***Data and Analytics.*** Through accurate, comprehensive and timely acquisition and application of the data generated by the above four areas, enterprises are better positioned to analyze and optimize their overall marketing and sales efficiency. Data and analytics provide enterprises with deeper insights and scientific evaluations of marketing and sales activities. As it would be costly and difficult for enterprises to develop and apply advanced technologies for data and analytics, marketing and sales SaaS solutions offer enterprises easy-to-use data related features at low cost.
- ***Strategy and Management.*** Enterprises need to choose suitable marketing strategies according to the characteristics of their industries, business models and development stages, to manage marketing and sales personnel and execution processes to conduct the above-mentioned four areas of marketing and sales activities more effectively. It is often difficult for enterprises to accurately assess and identify their characteristics and needs, and to choose effective methods. In addition, internal

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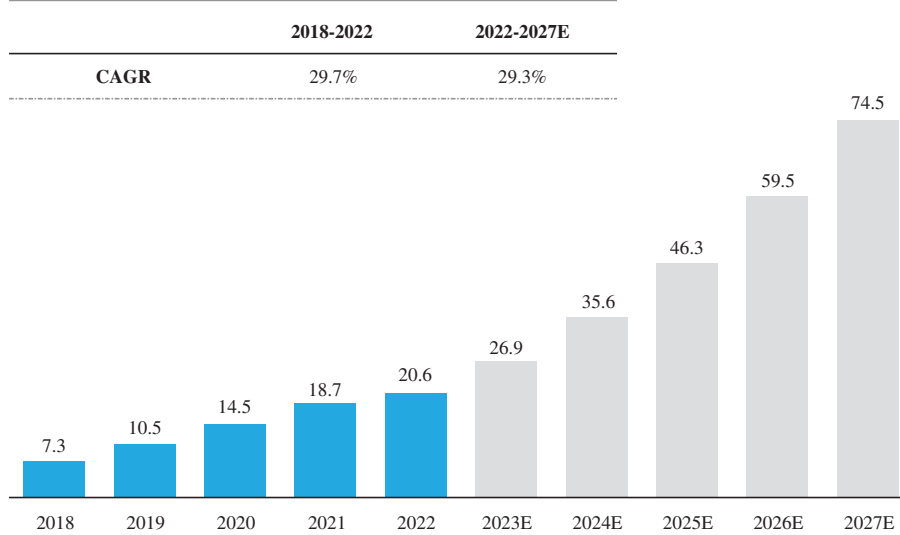
management on marketing and sales team as well as on marketing and sales budgeting are critical for successful marketing and sales activities. Thus, strategic and management functions are inseparable to marketing and sales SaaS solutions. Marketing and Sales SaaS solutions give enterprises access to a range of strategic and internal management functions, with advanced marketing concepts and practice, from which enterprises of different industries, business models and scales may select and execute the suitable marketing and sales strategies and internal management functions.



Enterprises are more willing to pay for marketing and sales SaaS solutions that can bring the most observable and feasible results on improving the acquisition of potential customers and promoting revenue growth, compared to other solutions such as human resource management and supply chain management, which primarily focus on improving back-end operation efficiencies. According to Frost & Sullivan, the marketing and sales SaaS solution market reached RMB20.6 billion in 2022, growing from RMB7.3 billion in 2018 with a CAGR of 29.7% from 2018 to 2022. The market size of marketing and sales SaaS solution is expected to reach RMB74.5 billion in 2027, representing a CAGR of 29.3% from 2022 to 2027. The marketing and sales SaaS solution market has demonstrated strong risk-resistance during the COVID-19 pandemic period as the growth of such market from 2021 to 2022 is faster than that of the overall SaaS market in the same period.

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Market Size of Marketing and Sales SaaS Solution in China
RMB Billion, 2018-2027E



Source: Frost & Sullivan

The total addressable market for marketing and sales SaaS solution is expected to reach RMB4,254.5 billion, with a penetration rate of 1.8% in 2027, growing from RMB1,546.6 billion with a penetration rate of 1.3% in 2022. While the current market size for marketing and sales SaaS solution is relatively small, enterprises in China are trending toward subscribing to SaaS solutions. Looking forward, a growing number of enterprises in China are expected to use marketing and sales SaaS solutions, driven by the advantages of flexible subscription options, high scalability, easy implementation and little maintenance needs.

From the demand side, with the cost of online traffic procurement rising while return on investment of online marketing declining, enterprises nowadays are more willing to purchase marketing and sales solutions to optimize their marketing and sales performance. Marketing and sales solutions help enterprises establish and manage official platforms, generate abundant marketing contents through AI technologies, and distribute these contents on a wide range of media platforms such as short-video platforms, social media platform and long-tail B2B websites, achieving effective marketing outcome in a cost-efficient way. As private traffic is playing an increasingly important role in China’s business environment, marketing and sales solutions also help enterprises explore more new selling, cross-selling or up-selling opportunities from potential or existing customers in private traffic domains such as WeChat and WeCom, building sustainable relationships with customers.

From the supply side, with many years of operation and commercial experience, leading marketing and sales SaaS solution providers have better understanding on customers’ dynamic demand on marketing and sales, and thus have the capabilities to provide helpful and high-value products and services that are preferred by customers. As a result, enterprises are increasingly willing to adopt marketing and sales SaaS solutions.

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Total Addressable Market ("TAM") of Marketing and Sales SaaS Solution in China RMB Billion, 2022-2027E



Notes:

- (1) TAM = number of enterprises * average selling price;
- (2) Actual market size = number of paying enterprises * average selling price

Source: Frost & Sullivan

Drivers of the Marketing and Sales SaaS Solution Market in China

- **Large number of potential customers with growing demand for marketing and sales.** According to Frost & Sullivan, the total number of enterprises in China reached 52.8 million in 2022 and is expected to increase to 72.1 million in 2027. Enterprises are expected to face increasing competition for potential customers, leading to higher customer acquisition costs. As marketing and sales activities become a more important driver of business revenue growth, the demand and willingness to pay for related solutions is expected to increase.
- **Rising market acceptance of SaaS solutions to improve marketing and sales efficiencies.** According to Frost & Sullivan, for precision marketing business, advertising traffic procurement cost to media platforms typically contributes 90%-99% of the total cost of services. With the costs of online traffic rising, enterprises are now focusing more on generating quality marketing content and running private traffic campaigns. According to Frost & Sullivan, price of online traffic has increased by approximately 20% from 2018 to 2022, respectively. As a result, enterprises are increasingly willing to adopt marketing and sales SaaS solutions, which help attract and convert customers in a highly efficient manner. In addition, more enterprises today are managed by a new generation of leaders who are digitally savvy and more receptive to new technologies, such as AI, big data and cloud computing.

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- Technological advances and deeper integration with other emerging technologies such as AI and big data technologies.** The marketing and sales SaaS solution market is characterized by continuous technology innovations and enrichment of functions. Deeper integration of SaaS solutions with emerging technologies such as AI and big data is required to meet enterprises’ ever-changing demands. For example, big data technologies provide enterprises with capabilities of processing and analyzing huge amounts of unstructured data from various sources, including articles, pictures and videos on both PCs and mobile applications. Leveraging AI technologies, enterprises can uncover hidden patterns and obtain insights from past activities throughout their marketing and sales process.
- Favorable government policies on digital transformation.** The significance of the digital economy and cloud computing can be observed from the Chinese Government’s most recent plans and policies. For example, the Fourteenth Five-Year Plan (中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要) listed cloud computing, together with big data, IoT, industrial internet, blockchain and AI, as well as AR and VR, as key industries within the digital economy. Particularly, in the “Development Plan of Digital Economy During the Fourteenth Five-Year” (“十四五”數字經濟發展規劃), the demand for digital transformation in marketing and sales was stated as one of the most important initiatives for enterprises’ digital transformation. The Implementation Plan for Promoting the Actions of “Migrating to Cloud, Using Digital Tools and Enabling Intelligence” and Fostering the Development of New Economy (關於推進“上雲用數賦智”行動培育新經濟發展實施方案) also called on enterprises to accelerate their digital transformation by increasing the adoption of cloud computing, big data and other technologies.

Competitive Landscape of the Marketing and Sales SaaS Solution Market in China

The marketing and sales SaaS solution market in China is currently in a growth stage. In terms of revenue in 2022, we are the largest marketing and sales SaaS solution provider in China with revenue from SaaS business of RMB529.9 million in 2022, accounting for a market share of 2.6%, according to Frost & Sullivan.

Competitive Landscape of the Marketing and Sales SaaS Solution Market in China, by Revenue			
Ranking	Company	Revenue (RMB Million, 2022)	Market Share (%, 2022)
1	The Company	530	2.6%
2	Company A	430	2.1%
3	Company B	400	1.9%
4	Company C	330	1.6%
5	Company D	224	1.1%

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Notes:

- Company A is a company founded in 1999 with headquarters in San Francisco, primarily providing CRM solutions globally. Company A is listed on the New York Stock Exchange.
- Company B is a company founded in 2013 with headquarters in Shanghai, primarily providing digital commerce and digital media services for enterprises in China. Company B is listed on the Hong Kong Stock Exchange.
- Company C is a company founded in 2008 with headquarters in Beijing, primarily providing CRM solutions in China.
- Company D is a company founded in 2012 with headquarters in Hangzhou, primarily providing cloud-based solutions, covering social e-commerce, new retail, beauty industry, education and global market, and various payment services for merchants in China. Company D is listed on the Hong Kong Stock Exchange.
- Industry peers are anonymized because Frost & Sullivan is contractually obligated to not disclose or improperly use trade secrets or other confidential information obtained in the course of concluding contracts with industry experts.

Source: Frost & Sullivan

According to Frost & Sullivan, compared with other companies’ marketing and sales SaaS solutions, we offer SaaS solutions with the widest range of functions.⁽¹⁾ We believe that one of our most important competitive edges against our peers is the capability to offer SaaS solutions with the widest range of functions commercially at large-scale, covering both the marketing phase and sales phase. This allows us to provide standard products and solutions with higher prices, contributing to our high profitability as demonstrated by the high gross profit margin and average contract value.

Company	Content and Experience	Advertising and Promotion	Social and Relationships	Sales and Delight	Data and Analytics	Strategy and Management
The Company						
Company A						
Company B						
Company C						
Company D						

Most functions that are commercially offered at large-scale
 Least functions that are commercially offered at large-scale

Source: Frost & Sullivan

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Note:

- (1) The table comparing different marketing and sales SaaS solutions available in the market was created based on a scorecard, which assesses our peers and us in six key areas, namely, content and experience, advertising and promotion, social and relationships, sales and delight, data and analytics, as well as strategy and management. Each area has six to eight sub-functions, and each of our peers and us earns a point if it offers one of those sub-functions commercially at a large scale. The selection of sub-functions for each of the six key areas in marketing and sales was introduced in marketing technology landscape supergraphic in 2011 by an experienced professional in the marketing industry. Since then, the concept of the six key areas in marketing and sales, along with their respective sub-functions, has been widely adopted and referenced by other marketing-related platforms. The score for each area is illustrated using Harvey balls. Overall, we achieve the highest total score among the six areas of marketing and sales activities, indicating that our SaaS solutions offer the widest range of functions.

The cost for a SaaS business includes expenses for employee benefits, broadband and other hardware, depreciation and amortization, taxes and surcharges, and other costs. Among these, employee benefits and broadband and other hardware costs contribute the most, typically representing 10%-35% and 50%-80% of the cost of sales, respectively.

Entry Barriers of the Marketing and Sales SaaS Solution Market in China

- ***Extensive and sophisticated functions based on accumulated industry knowledge.*** Leading marketing and sales SaaS solution providers typically have a solid understanding of the pain points experienced by enterprises at different stages across a variety of industries. Solution providers acquire and analyze the needs of a large number of customers, identify the most representative ones, and develop marketing and sales solutions that offer extensive and sophisticated functions to best meet market demands. Therefore, it is critical for solution providers to gain industry knowledge and facilitate product development decisions. However, product iteration based on enterprise customers' complex and evolving demands can be hard for new entrants to achieve in the short term.
- ***Advanced technology.*** Technologies, including big data analytics, that collect, process and analyze vast amounts of unstructured data from various sources, and AI technologies that uncover hidden patterns and generate insights, are important to help enterprises complete sophisticated tasks throughout the marketing and sales phases. Such technologies are difficult to develop in the short term and typically require substantial investment, creating barriers for new entrants.
- ***Proven sales network with profound expertise.*** The expertise of sales representatives in a nationwide network is crucial to the success of marketing and sales SaaS solution providers. Compared to sales to individual customers, sales of marketing and sales solutions require sales representatives to have a deep understanding of both the solutions and industries of downstream enterprise customers. It is crucial to leverage sales staff expertise and professionalism to establish a relationship of trust with customers. In the short term, new entrants face high barriers to build such expertise and effective sales forces to serve customers across the nation.

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- ***Strong brand awareness with steady customer loyalty.*** Leading solution providers benefit from stable customer loyalty, as enterprises in China generally prefer to choose offerings by reputable providers with a long operating history and that offer sophisticated solutions, powerful technologies, and responsive customer service. In addition, such steady customer loyalty also arises from the high switching costs that enterprises would face. Enterprises in China are more willing to adopt all-in-one marketing and sales SaaS solutions that can help solve their pain points throughout the entire marketing and sales process. As a result, once enterprises have adopted solutions by leading providers, the cost of switching to solutions of a new entrants would be high, primarily in terms of transferring data from one system to another and training employees on the new systems.

Future Trends of the Marketing and Sales SaaS Solution Market in China

- ***Increasingly modularized all-in-one marketing and sales SaaS solutions.*** Functions of marketing and sales SaaS solutions are diverse and, in most cases, one marketing and sales SaaS solution is unable to provide enterprises with all of the necessary functions – from the marketing phase that generates new leads, to the sales phase that realizes sales growth – to build sustainable relationships with customers from different channels. Marketing and sales SaaS solutions consisting of different modularized functions are expected to be increasingly favored as more enterprises of all sizes, particularly large companies, are able to implement different modules discretionally based on their demands. To reduce the complexity of adopting different tools, more modularized all-in-one marketing SaaS solutions will appear in the market to help provide enterprises with a more coherent and flexible user experience.
- ***Continually integrated functionalities empowered by AI.*** AI technology is expected to be integrated in different application scenarios of marketing and sales SaaS solutions, such as AI content generation, content distribution and building relationships with customers. As it can improve efficiency at reduced costs, AI could significantly enhance the customer experience and broaden the customer base.
- ***Rise of domestic solution providers.*** Although overseas solution providers have had a presence in the Chinese market, as the business environment in China changes rapidly enterprises’ marketing and sales demands are under constant evolution, and overseas solution providers cannot capture such changes as well as enterprises’ underlying demands. Domestic solution providers can more easily capture trends and adapt to the dynamic environment, such as adopting social customer relationship management solutions to build closer and trusted relationships with customers through private traffic. The development of China’s marketing and sales SaaS solution market is expected to be led significantly by domestic solution providers in China in the future.

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- **Expanding service capability to PaaS solutions.** A growing number of players, especially leading players, are expanding their service capabilities to PaaS solutions due to the synergistic effects they bring to SaaS solutions. Based on low-code platforms, PaaS solutions help both internal and external application developers build customized SaaS solutions with high agility, shorter development times and fewer IT personnel required. Through PaaS solutions, leading marketing and sales SaaS solution providers can further serve and meet customers' both standardized and personalized needs by attracting independent software vendor partners to develop useful applications on such providers' platforms.

Impact of the COVID-19

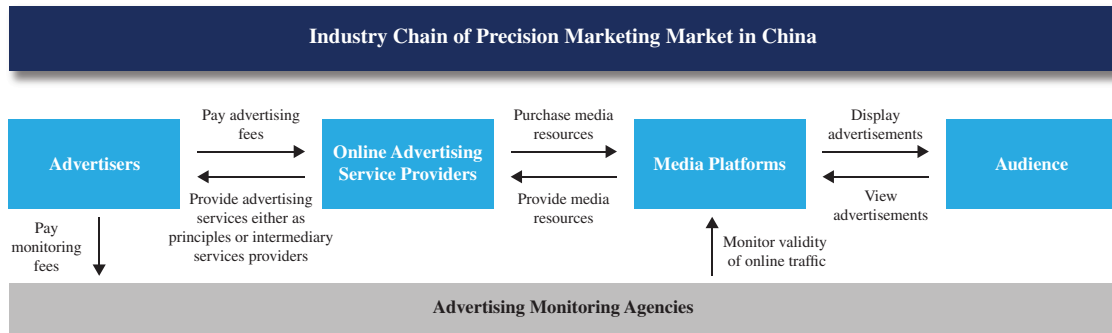
The COVID-19 pandemic since 2020 has had differing effects on the global business environment, including China. The pandemic has brought negative impact on the marketing and sales SaaS solution market in China in the short term. After the resurgence of COVID-19 in 2022 in many provinces and cities in China, including Shanghai, one of the largest cities in the world, many business-to-business enterprises, especially those based in cities affected by, are unable to conduct their usual marketing and sales activities with customers across the country, and limitations on offline marketing and sales approaches are expected to remain uncertain due to occasional travel restrictions in China. Meanwhile, a growing number of enterprises are expected to realize the importance of expediting their digital transformation rise of through investment in powerful and easy-to-use tools such as marketing and sales SaaS solutions.

OVERVIEW OF THE PRECISION MARKETING MARKET IN CHINA

Development of the Precision Marketing Market in China

Precision marketing can be defined as an online advertising technique that is applied to the delivery of relevant advertisements to target audiences and acquire and retain potential and existing customers. Precision marketing is applied to maximize the marketing outcome and returns measured by performance or display. Different types of participants are engaged in the precision marketing market, including advertisers, advertising service providers, media platforms, audience, and third-party technology providers. Advertising service providers, such as the Company, have a prominent role in the industry chain. They can act either as principal, planning online advertising campaigns for advertisers and placing advertisements on different media platforms, or as agents, providing intermediary services to distributors through selling them advertisement inventories purchased from online media platforms without planning and undertaking an advertising campaign or being responsible for the outcome.

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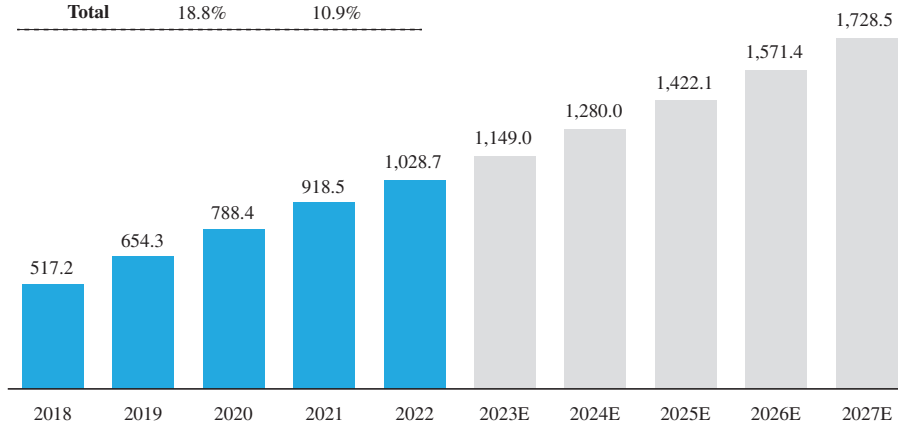


Source: Frost & Sullivan

According to Frost & Sullivan, the precision marketing market reached RMB1,028.7 billion in 2022, increasing from RMB517.2 billion in 2018 with a CAGR of 18.8% from 2018 to 2022. Looking forward, continually driven by the importance of online marketing, the rising costs of online traffic, and more sophisticated precision marketing solutions, the precision marketing market is expected to reach RMB1,728.5 billion in 2027, with a CAGR of 10.9% from 2022 to 2027.

Market Size of the Precision Marketing Market in China
RMB billion, 2018-2027E

CAGR	2018-2022	2022-2027E
Total	18.8%	10.9%



Source: Frost & Sullivan

Drivers of the Precision Marketing Market in China

- Increasing number of internet users.** Huge opportunities for online advertising arise from the growing number of internet users. According to Frost & Sullivan, internet users in China increased from 828.5 million in 2018 to 1,067.0 million in 2022, with a CAGR of 6.5% and a penetration rate of 75.6% in 2022. The number of internet users is expected to reach 1,201.3 million with a penetration rate of 85.7% in 2027. The population of internet users produces huge online traffic and provides a broad target base for advertisers.

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- ***Commercialization of short video platforms.*** Following their rapid growth, short video platforms in China have accumulated an extremely large base of daily online traffic. They are able to monetize their online traffic through selling advertisement inventories, which provide favorable media platforms for advertisers in the precision marketing market.
- ***Optimal results brought by online advertising.*** Compared with traditional advertising, the performance of which is difficult to track both during and after an advertising campaign, online advertising enables advertisers to track the performance and analyze results of advertisements in real time. In addition, online marketing can increase the conversion rate of potential customers to paying customers by providing a much more efficient way for potential customers to purchase products/services after seeing an advertisement online.
- ***Synergies with marketing and sales SaaS solutions.*** Advertisers who employ marketing and sales SaaS solutions for online precision marketing activities are able to target potential customers more efficiently, which in turn would encourage increased investment in online marketing. Advances in technology, especially marketing and sales SaaS solutions, creates synergies with precision marketing, driving the growth of precision marketing market.

Entry Barriers of the Precision Marketing Industry in China

- ***Leading media platform resources.*** In depth cooperation with leading online media platforms is important for advertising service providers, as such media platforms typically have more active audiences and may reach a wider target audience for advertisers. In addition, it is critical for precision marketing service providers to establish in depth relationships with leading online media platforms, in order to capture the rule changes in the marketing content distribution systems and maximize the return on investment of online advertising in a timely manner. However, it is difficult for new entrants to establish such relationships.
- ***Capability to generate high-quality contents.*** With the fierce competition in the market, advertising service providers tend to not only act as agencies that simply provide intermediary services, but also as the principals responsible for generating marketing contents and coordinating the overall online advertising campaigns. It is difficult for new entrants to produce high-quality marketing contents and effective marketing strategies that meet the changing audience preferences.

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Future Trends of the Precision Marketing Industry in China

- ***Increasing integration with marketing and sales SaaS solutions.*** Online traffic costs continue to rise due to the relatively high concentration of high-quality traffic. Therefore, as a growing number of companies realize the benefits of marketing and sales SaaS solutions on improving the return on investment of online marketing, the precision marketing business is expected to have a deeper integration with marketing and sales SaaS solutions.
- ***Continuous growth of precision marketing on online short video platforms.*** With online videos becoming a major source of entertainment and news globally, it is expected that online short video platforms will continue to grow steadily in the foreseeable future. As a result, growing market opportunities are expected for precision marketing on online short video platforms.

Competitive Landscape of the Precision Marketing Industry in China

The precision marketing market in China is highly fragmented. A large number of players participated in the precision marketing market either acted as principals to plan online advertising campaigns and place advertisements on different media platforms on behalf of advertisers or acted as agents to provide intermediary services. In 2022, the top five market players in China accounted for a domestic market share of approximately 10-15%. The Company accounted for approximately 0.06% of the total market in 2022 with revenue from precision marketing services of RMB612.9 million.

The cost of precision marketing business consists of advertising traffic costs on media platforms, employee benefit expenses, and taxes and surcharges. Due to the nature of precision marketing business, which involves procuring a significant amount of media resources, advertising traffic costs on media platforms typically contribute to 90%-99% of the cost of sales for precision marketing businesses, regardless of whether it offers precision marketing services as a principal or as an agent.

SOURCE OF INFORMATION

In connection with the [REDACTED], we have engaged Frost & Sullivan to conduct a detailed analysis and prepare an industry report on the markets in which we operate. Services provided by Frost & Sullivan include market assessments, competitive benchmarking, and strategic and market planning for a variety of industries. We have agreed to a total of RMB750,000 in fees and expenses for the preparation and use of the Frost & Sullivan Report. The payment of such amount was not contingent upon our successful [REDACTED] or on the results of the Frost & Sullivan Report. Apart from the Frost & Sullivan Report, we have not commissioned any other industry report in connection with the [REDACTED].

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We have extracted certain information from the Frost & Sullivan Report in this section, as well as in the sections headed “Summary,” “Risk Factors,” “Business,” “Financial Information” and elsewhere in this document to provide our potential investors with a more comprehensive presentation of the industries in which we operate. Unless otherwise noted, all of the data and forecasts contained in this section are derived from the Frost & Sullivan Report, various official government publications and other publications. Frost & Sullivan prepared its report based on its in-house database, independent third-party reports and publicly available data from reputable industry organizations. Where necessary, Frost & Sullivan contacts companies operating in the industry to gather and synthesize information in relation to the market, prices and other relevant information. Frost & Sullivan believes that the basic assumptions used in preparing the Frost & Sullivan Report, including those used to make future projections, are factual, correct and not misleading. Frost & Sullivan has independently analyzed the information, but the accuracy of the conclusions of its review largely relies on the accuracy of the information collected. Frost & Sullivan’s research may be affected by the accuracy of these assumptions and the choice of these primary and secondary sources.