

INDUSTRY OVERVIEW

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OVERVIEW OF CHINA’S SNACK FOOD INDUSTRY

Overview of Snack Food Industry

Snack food refers to snacks and desserts typically enjoyed during leisure time or between meals as a quick, convenient option. To accommodate various consumption scenarios, snack foods are generally packaged in small, portable portion. Based on the ingredients used, snack food can be categorized into fruit snacks, jelly, confectionery, chocolate, roasted seeds and nuts, crispy snack foods, bread, cakes and pastries, biscuits, meat and aquatic animal snacks, seasoned flour products, vegetable snacks and dried tofu snacks.

The market size of China’s snack food industry increased from RMB774.9 billion in 2020 to RMB933.0 billion in 2024, at a CAGR of 4.8%. Driven by the rising consumer health awareness and ongoing product innovation toward health-conscious snack foods, the snack food industry is expected to reach RMB1,141.0 billion in 2029, at a CAGR of 4.1%.

In 2024, the annual global per capita consumption on snack food amounted to RMB1,188.9, significantly higher than China’s annual per capita consumption on snack food of RMB662.5, and the gap is particularly notable when compared with developed countries. For instance, the annual per capita consumption on snack food in the U.S., the U.K., Japan and South Korea reached RMB7,578.7, RMB6,543.9, RMB3,524.6 and RMB1,809.6, respectively. This disparity reveals the substantial growth potential for snack food industry and extensive future demand for snack food in China, illustrating ample opportunities for snack food providers to expand and meet growing demands of Chinese consumers.

Market Size of China’s Snack Food Industry by Retail Sales Value by Product Types, 2020–2029E

Item	Retail Sales Value (RMB Billion)				CAGR (%)	
	2020	2024	2025E	2029E	2020–2024	2025E–2029E
Fruit snacks	37.8	52.0	56.0	78.0	8.3%	8.6%
Jelly	17.8	31.0	35.0	57.0	14.9%	13.0%
Confectionery	85.3	93.0	96.0	104.0	2.2%	2.0%
Chocolate	64.1	68.0	70.0	75.0	1.5%	1.7%
Roasted seeds and nuts	141.4	161.0	165.0	184.0	3.3%	2.8%
Crispy snack foods	87.6	102.0	104.0	112.0	3.9%	1.9%
Bread, cakes and pastries	82.9	102.0	107.0	127.0	5.3%	4.4%
Biscuits	77.8	88.0	90.0	98.0	3.1%	2.2%
Meat and aquatic animal snacks	78.7	98.0	102.0	118.0	5.6%	3.7%
Seasoned flour products	41.2	56.0	60.0	80.0	8.0%	7.5%
Vegetable snacks	24.2	39.0	42.0	54.0	12.7%	6.5%
Dried tofu snacks	16.8	21.0	22.0	27.0	5.7%	5.3%
Others	19.3	22.0	23.0	27.0	3.3%	4.1%
China’s Snack Food Industry	774.9	933.0	972.0	1,141.0	4.8%	4.1%

Source: National Bureau of Statistics, Interviews with Industry Experts, Frost & Sullivan Report

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Market Drivers and Trends Analysis of China’s Snack Food Industry

Emergence of Fruit-based Snack Food

With rising per capita spending on snack foods and evolving dietary habits, Chinese consumers are increasingly seeking variety and novelty in fruit-based snack products. Manufacturers have responded by developing a wide range of fruit ingredients and formats, including dried fruits, freeze-dried fruits, and fruit jellies. Innovations in sourcing, processing, and natural flavor combinations allow these products to stand out in terms of taste, texture and convenience, appealing to consumers looking for portable, easy-to-consume options.

Diversification of Consumption Scenarios

The ever-faster pace of life has led to a sharp increase in the demand for convenient, ready-to-eat snacks suitable for various consumption scenarios. As consumption scenarios diversify, such as in between meals, in offices, during travel and at family gatherings, the frequency and variety of snack consumption are gradually expanding. In offices, busy professionals often need reinvigorating snacks that can quickly replenish energy, alleviating hunger and enhancing work efficiency during hectic intervals. During travel, people are in different environments and states, leading to more diverse snack needs. These snacks are required to be convenient to carry and able to satisfy the spontaneous needs that may arise throughout the journey.

Expansion of Sales Channels

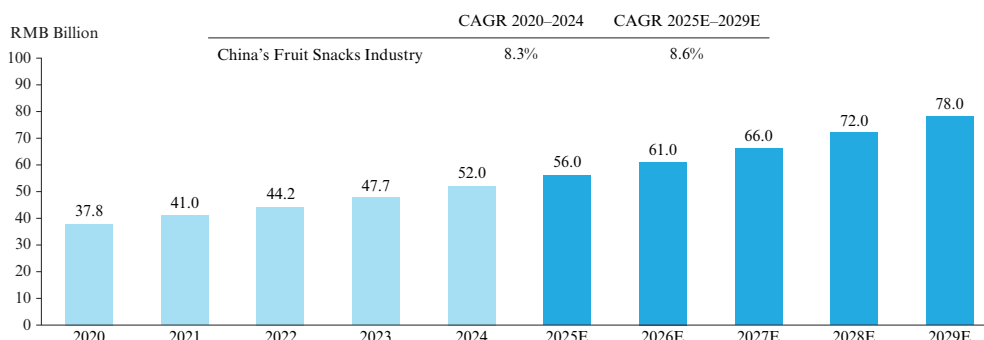
The recent rise of e-commerce, live commerce and new retail models has opened up new growth opportunities for the sales of snack food. Major online platforms enable convenient shopping methods, extensive user reach and efficient logistics and delivery systems to enable snack foods to overcome geographical barriers and quickly reach consumers nationwide and even globally. In addition, snack specialty stores have become increasingly popular as they cater to snack food consumers’ demand for health-consciousness, sustainability and cultural exploration while offering personalized shopping experiences and innovative flavors. Thus, the market size of China’s snack food industry by sales through snack specialty stores reached 7.8% in 2024, and is expected to grow to 10.3% in 2029, maintaining the highest growth rate among offline sales channels.

Overview of Fruit Snacks Industry

Fruit snacks, which include dried fruits, freeze-dried fruits, processed fruit snacks, and fruit-based bars or bites, have become increasingly popular in recent years. They are often positioned as convenient, portable snack options that fit into busy, on-the-go lifestyles. Compared to traditional snacks, fruit snacks are generally made from natural fruit ingredients and are available in a variety of formats, catering to a wide range of consumer preferences. The market size of China’s fruit snacks industry by retail sales value increased from RMB37.8 billion in 2020 to RMB52.0 billion in 2024, at a CAGR of 8.3%, and the market size is expected to reach RMB78.0 billion in 2029, growing at a CAGR of 8.6% from 2025 to 2029.

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Market Size of China’s Fruit Snacks Industry by Retail Sales Value, 2020–2029E



Source: Interviews with Industry Experts, Frost & Sullivan Report

Value Chain Analysis of Fruit Snacks Industry

The upstream of the China’s fruit snacks industry mainly includes raw material suppliers who are responsible for fruit breeding and cultivation and raw material supply. To ensure the quality of raw material, leading manufacturers often build production bases near major raw material sourcing regions and establish long-term relationships with local farmers. Modern farming techniques, such as precision agriculture and pest management, not only improve the production efficiency of raw materials but also enhance their nutritional content and taste, thereby meeting the growing market demand.

The midstream of the industry primarily includes snack food manufacturers who are responsible for snack food processing and production. Technological advancements in food processing, such as automation and aseptic fresh-lock technology, have optimized the processing of fruit snacks by preventing microbial contamination and extending shelf life without preservatives. Leading manufacturers are also developing innovative packaging technologies to enhance convenience, preserve freshness and cater to the fast-paced lifestyles of modern consumers.

The downstream of the industry includes both end consumers and various sales channels, such as traditional retail, supermarkets, snack specialty stores, convenience stores and e-commerce platforms. With the rapid development of e-commerce, sales channels have become more diversified, offering consumers easy access to various fruit snacks. Companies enhance market visibility and share through brand building and marketing activities, collaborating with well-known brands for cross-promotions or providing customized products for key downstream retailers.

Among the fruit ingredients, green plum is recognized for its efficacy in treating cholera, vomiting, diarrhea, dysentery, thirst and typhoid fever, according to the “Compendium of Materia Medica” (《本草綱目》). A processed form of green plum, smoked plum, has further been included in the National Health Commission’s “food and medicine homologous” (《藥食同源》) directory. Accordingly, green-plum-based fruit snacks offer various function benefits, including (i) promoting digestive health by stimulating gastric juice secretion and balancing intestinal pH through various kinds of naturally occurring organic acids, (ii) delivering antioxidant support via vitamins C, polyphenols and organic acids, (iii) contributing to blood sugar regulation, and (iv) aiding weight control due to their low calorie and high fiber content.

The globalization of green-plum-based fruit snacks underscores the international appeal of traditional Chinese cuisine. Cherished for their medicinal properties, flavor and nutritional value, green plums have also gained widespread acceptance as an oriental fruit in Japan, South Korea and other East Asian countries. In Japan, where their cuisine culture emphasizes low-fat and low-calorie diets, green plums are highly valued and often processed into dried plums. Enhanced through Japanese craftsmanship and technology, especially in preservative-free applications, green-plum-based snacks enjoy widespread popularity in Japan. As a result, Japan’s per capita

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annual consumption of green-plum-based snacks exceeds China’s by more than 70 times. The disparity demonstrates the substantial, unfilled market potential for green-plum-based fruit snacks in China. Driven by the increasing consumer spending and market promotion, Chinese consumers’ awareness and acceptance of green-plum-based fruit snacks continue to rise, leading to the market growth.

Entry Barrier for Fruit Snacks Industry

Raw Material Barrier

New entrants face difficulties in securing stable, high-quality fruit supply at competitive prices. Due to seasonal fluctuations, perishability, and competition from established players, small or new firms often struggle with cost control and consistent sourcing, which directly impacts production reliability and product quality.

Brand Recognition Barrier

The fruit snacks market is dominated by well-established brands with strong retail presence and loyal customer bases. Securing shelf space in supermarkets or e-commerce platforms requires significant investment in marketing, trade promotions, and retailer relationships, posing a steep hurdle for newcomers without brand equity.

Product Innovation Barrier

Consumer preferences in this area are rapidly evolving toward functional and low-calorie snacks. New entrants often lack the research and development infrastructure to formulate competitive products with appealing taste, texture, and health benefits, especially when using natural or clean-label ingredients, which limits differentiation and slows scaling efforts.

Market Challenges and Threats for Fruit Snacks Industry

Raw Material Supply Volatility

Fruit snacks rely on stable fruit supply which weather changes and climate events may disrupt harvests, driving up prices and limiting availability. This affects production consistency and may lead to increased costs or quality compromise.

Health Expectations from Consumers

Consumers are demanding lower sugar and cleaner labels, reformulating products to meet these expectations raises research and development costs and technical challenges.

Competition and Differentiation Pressure

The market faces rising competition from both major brands and niche players. With limited product differentiation, companies must invest in innovation and marketing enough to stay competitive, which may strain margins.

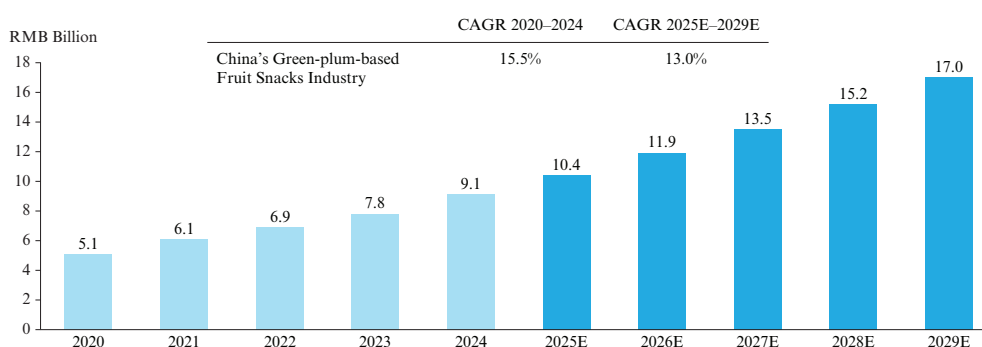
Overview of Green-plum-based Fruit Snacks Industry

Green-plum-based fruit snacks are valued for their distinctive natural acidity, fruit-derived organic acids, and bioactive compounds, which are commonly associated with digestive support and appetite stimulation. Benefiting from strong flavor recognition, natural preservative characteristics, and adaptability across multiple snack formats, green-plum-based fruit snacks continue to appeal to consumers seeking fruit-based, minimally processed snack alternatives.

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The market size of China’s green-plum-based fruit snacks industry by retail sales value increased from RMB5.1 billion in 2020 to RMB9.1 billion in 2024, representing a CAGR of 15.5%. Growth has been driven by rising consumer awareness of digestive health, continuous product innovation, and a shift in consumer preferences toward natural and functional snack foods. Looking ahead, the market is expected to expand from RMB10.4 billion in 2025 to RMB17.0 billion in 2029, at a CAGR of 13.0%, supported by sustained demand for fruit-based, and health-oriented snack products.

Market Size of China’s Green-plum-based Fruit Snacks Industry, 2020–2029E



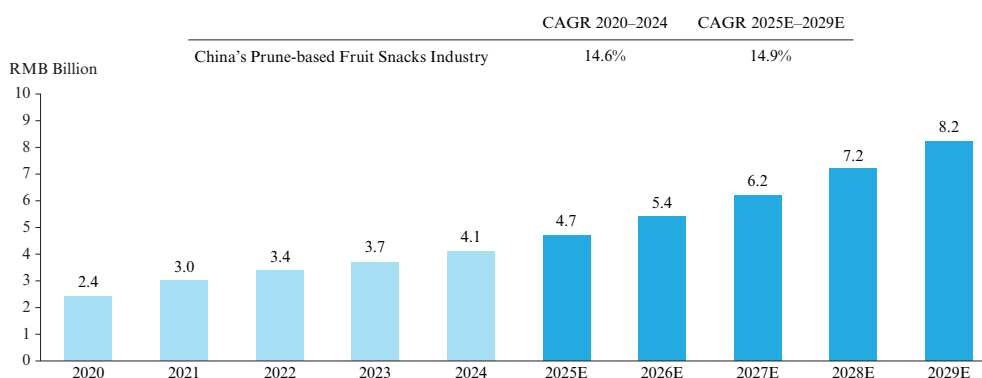
Source: Interviews with Industry Experts, Frost & Sullivan Report

Overview of Prune-based Fruit Snacks Industry

Prune-based fruit snacks, recognized for their high dietary fiber, antioxidants and essential vitamins and minerals, promote digestive health and overall well-being. Their worldwide popularity, particularly in countries such as France, the U.S. and other Western and Eastern markets, stems from their health benefits. With a long shelf life and natural flavor, prune-based fruit snacks continue to appeal to health-conscious consumers and those seeking natural alternatives to processed snack foods.

The China’s prune-based fruit snacks industry has significant growth potential. The market size of China’s prune-based fruit snacks industry by retail sales value increased from RMB2.4 billion in 2020 to RMB4.1 billion in 2024, at a CAGR of 14.6%. Driven by Chinese consumers’ rising health awareness, continuous product innovation and shifting consumers’ preference toward natural and functional snack food, the prune-based fruit snacks industry is expected to increase from RMB4.7 billion in 2025 to RMB8.2 billion in 2029, at a CAGR of 14.9%.

Market Size of China’s Prune-based Fruit Snacks Industry, 2020–2029E



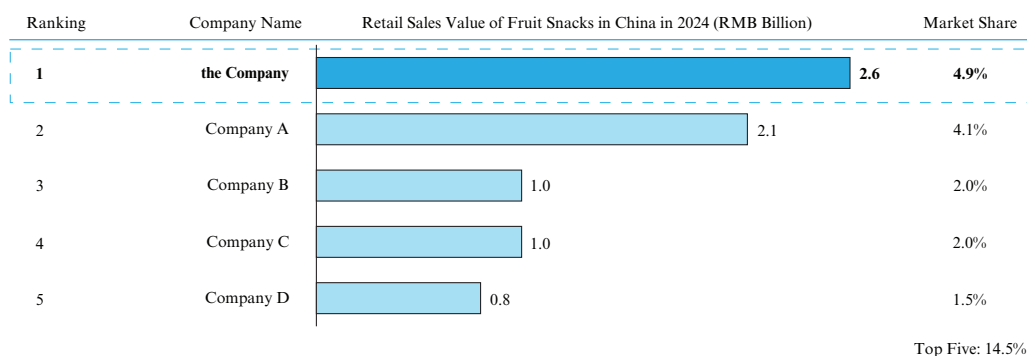
Source: Interviews with Industry Experts, Frost & Sullivan Report

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Competitive Landscape of China’s Fruit Snacks Industry

The market size of China’s fruit snacks industry by retail sales value reached RMB52.0 billion in 2024, with the top five market players accounting for 14.5% of the market share. In 2024, the Company ranked first in terms of retail sales value in China’s fruit snacks industry, representing a market share of 4.9%.

Top Five Companies in China’s Fruit Snacks Industry by Retail Sales Value, 2024

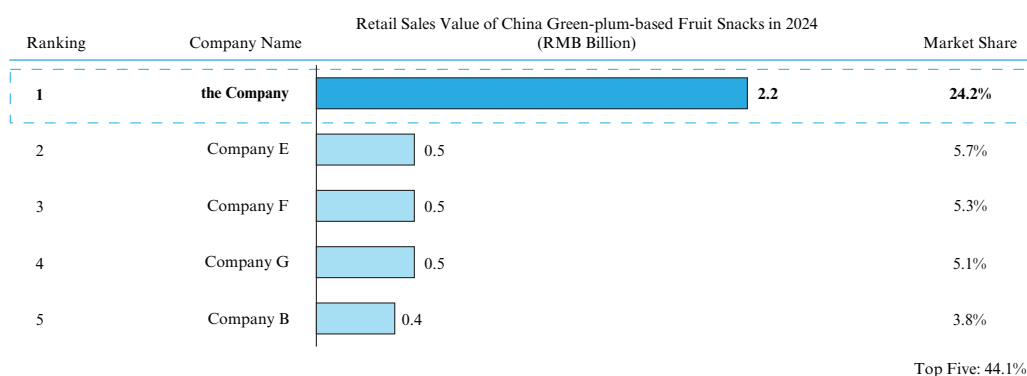


Source: Annual Reports of Listed Companies, Interviews with Industry Experts, Frost & Sullivan Report

Competitive Landscape of China’s Green-plum-based Fruit Snacks Industry

The market size of China’s green-plum-based fruit snacks industry by retail sales value reached RMB9.1 billion in 2024, with the top five market players accounting for 44.1% of the market share. In 2024, the Company ranked first in terms of retail sales value in China’s green-plum-based fruit snacks industry, representing a market share of 24.2%.

Top Five Companies in China’s Green-plum-based Fruit Snack Industry by Retail Sales Value, 2024



Source: Annual Reports of Listed Companies, Interviews with Industry Experts, Frost & Sullivan Report

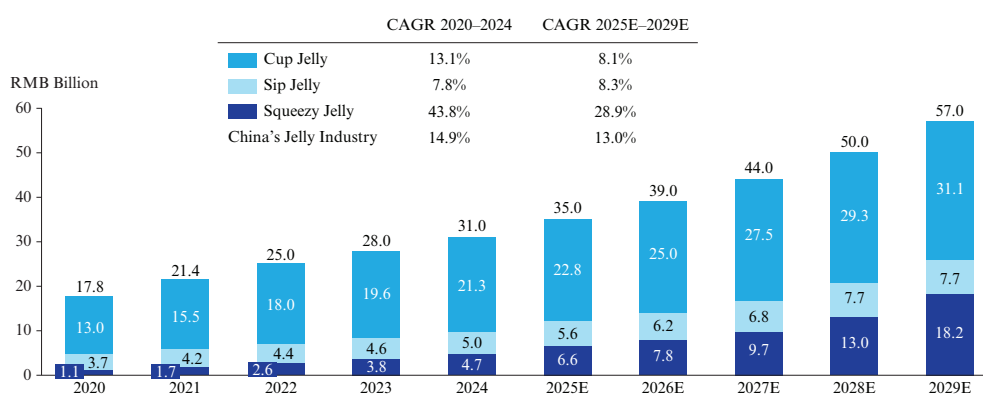
Overview of Jelly Industry

Jelly is a gelatinous, sweet food typically made from fruit nectar, sugar, thickening agents such as gelatin, carrageenan or agar. These key ingredients are combined and processed to produce a smooth, transparent texture with a firm yet pliable consistency. Commonly enjoyed as a convenient dessert or snack option, jelly exists in various flavors, which often reflect natural fruity flavors. Jelly’s versatile flavors and pliable texture make it a popular treat across diverse markets.

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The China’s jelly market is expanding steadily, driven by the ever-evolving consumer preferences, growing demand for convenient snacks and continuous product innovations toward natural and health-conscious jelly. Based on ingredients and processing methods, Jelly can be classified into different types. In particular, featuring ease to consume and portable size, squeezezy jelly has become the fastest growing category, appealing to younger consumers who seek fun and interactive snacking experiences. Additionally, squeezezy jelly reflects innovative flavors and incorporates natural ingredients to align with growing consumer demand for high-quality, novel and health-conscious jelly products. The market size of China’s jelly industry by retail sales value increased from RMB17.8 billion in 2020 to RMB31.0 billion in 2024 at a CAGR of 14.9%, and the market is expected to reach RMB57.0 billion in 2029, at a CAGR of 13.0% from 2025 to 2029. Specifically, the squeezezy jelly market increased from RMB1.1 billion in 2020 to RMB4.7 billion in 2024 at a CAGR of 43.8%, and the market is expected to reach RMB18.2 billion in 2029 at a CAGR of 28.9% from 2025 to 2029, demonstrating the enormous growth potential of the market.

Market Size of China’s Jelly Industry by Retail Sales Value by Edible Methods, 2020–2029E



Source: Interviews with Industry Experts, Frost & Sullivan Report

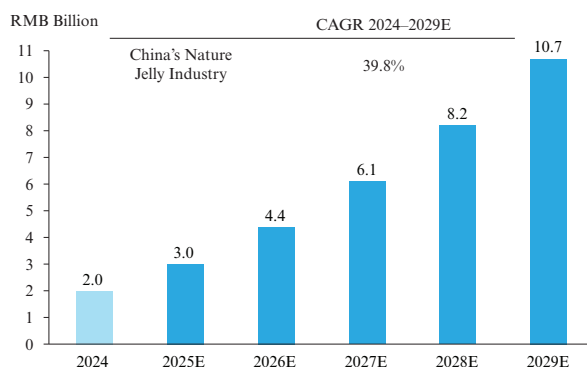
Natural ingredient jelly refers to jelly products formulated without the use of preservatives, artificial colorings, or synthetic flavorings which are substances that do not naturally occur and are typically associated with highly processed products. By avoiding such artificial and synthetic inputs, the natural ingredients of jelly products align with the definition outlined in the ISO/TS19657:2017, which states that natural food ingredients shall be obtained from source materials through physical, enzymatic, and/or microbiological processes without the deliberate production of substances not occur in nature. As such, natural ingredient jelly exemplifies the international standard of natural food ingredients.

With increasing consumer awareness of health and wellness, particularly the desire for cleaner labels and more transparent ingredients, demand for natural ingredient jelly has grown significantly. To capture this emerging market trend, jelly manufacturers are shifting their product development strategies toward jelly products with natural ingredients. It is now viewed as a strategic direction for innovation and brand differentiation, aimed at satisfying consumers’ growing expectations for authenticity, healthiness, and quality in daily food products.

These innovations have resonated particularly well with youngsters, children and white-collar consumers seeking guilt-free and natural ingredient products. The market size of China’s natural ingredient jelly industry by retail sales value is expected to reach RMB10.7 billion in 2029, growing from RMB2.0 billion in 2024 at a CAGR of 39.8%.

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Market Size of China’s Natural Ingredient Jelly Industry by Retail Sales Value, 2024–2029E



Source: Interviews with Industry Experts, Frost & Sullivan Report

Entry Barrier for Jelly Industry

Product Barrier

Jelly products require precise formulation to deliver consistent texture, elasticity, and taste. Replacing artificial gelling agents or colorants with natural alternatives further increases technical complexity. New entrants often lack access to the expertise or proprietary formulations needed to compete on quality and stability.

Distribution Barrier

Reliable distribution infrastructure is essential to maintain shelf life and food safety. New entrants without established logistics or channel partnerships face high distribution costs and limited reach, particularly in emerging markets or cross-border trade.

Scale Barrier

Jelly is often positioned as an affordable mass-market snack, especially in developing regions. New players entering this low-margin environment must achieve high production efficiency to remain price-competitive. Without economies of scale or automation, it’s difficult to maintain profitability.

Market Challenges and Threats for Jelly Industry

Ingredient and Cost Pressures

Fluctuations in the prices of key ingredients may impact production costs and pressure to use more natural or healthier alternatives adds complexity and expense.

Shifting Consumer Preferences

Consumers are shifting away from artificial products toward healthier and more nature jellies. Traditional jelly products face declining appeal, requiring investment in innovation and potential trade-offs in texture or shelf life.

Regulatory Standards

Food regulations are tightening especially for additives and preservations. Meeting diverse compliance requirements increases operational complexity and may raise the risk of reputational harm.

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Competitive Landscape of China’s Jelly Industry

The China’s jelly industry is relatively fragmented and competitive. The market size of China’s jelly industry by retail sales value reached RMB31.0 billion in 2024, with the top ten companies accounting for 33.9% of the market share. The Company ranked sixth in terms of retail sales value in China’s jelly industry, representing a market share of 2.9% in 2024.

Top Ten Companies in China’s Jelly Industry by Retail Sales Value, 2024

Ranking	Company Name	Retail Sales Value of Jelly in China in 2024 (RMB Billion)	Market Share
1	Company H	2.9	9.4%
2	Company I	1.6	5.2%
3	Company J	1.5	4.8%
4	Company K	1.0	3.3%
5	Company L	1.0	3.1%
6	the Company	0.9	2.9%
7	Company M	0.5	1.5%
8	Company N	0.4	1.4%
9	Company B	0.4	1.3%
10	Company O	0.3	1.0%

Top Ten: 33.9%

Source: Annual Reports of Listed Companies, Interviews with Industry Experts, Frost & Sullivan Report

Due to high sourcing costs, seasonality and supply volatility of natural raw materials, significant technical complexity in formulation and processing, and stringent regulatory and standards compliance requirements, entry barriers to the natural ingredient jelly segment are high. As a result, only a very limited number of domestic companies are capable of consistently producing natural ingredient jelly at commercial scale while meeting quality, safety, and regulatory expectations. Overseas products are also excluded, as differences in regulatory interpretation, ingredient standards, labeling practices, and market access across jurisdictions render them not sufficiently comparable.

Consistent with ISO/TS 19657:2017, products included are formulated without preservatives, artificial colorings, or synthetic flavorings, ensuring alignment with the definition of natural food ingredients and providing a consistent and verifiable benchmark. Thus, only three companies are capable of consistently producing natural ingredient jelly at scale under these criteria and are therefore considered representative of the industry segment. Against this backdrop, the Company is one of the few companies that has successfully pivoted into natural ingredient jelly industry. In 2024, the Company ranked first in China’s natural ingredient jelly industry in terms of retail sales value, representing a market share of 45.7%.

Top Three Companies in China’s Natural Ingredient Jelly Industry by Retail Sales Value, 2024

Ranking	Company Name	Retail Sales Value of Natural Ingredient Jelly in China in 2024 (RMB Billion)	Market Share
1	the Company	0.9	45.7%
2	Company H	0.7	36.5%
3	Company O	0.3	15.1%

Top Three: 97.3%

Source: Annual Reports of Listed Companies, Interviews with Industry Experts, Frost & Sullivan Report

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The following sets forth the profile of the companies in the ranking:

Company A, established in 1992 and headquartered in Zhengzhou, Henan, primarily engages in the research, procurement, production and sales of healthy foods, including red dates, freeze-dried products, nuts and dried fruits.

Company B, established in 2007 and headquartered in Hangzhou, Zhejiang, focuses on the research, development, processing, production, trade, warehousing and logistics of snack foods.

Company C, established in 1989 and headquartered in Weifang, Shandong, continuously innovates, researches and integrates with traditional hawthorn food products as its main line.

Company D, established in 2010 and headquartered in Wuhan, Hubei, is a brand operation enterprise that leverages digital technology to integrate supply chain management and an omnichannel sales system, focusing on high-quality snack food business.

Company E, established in 2013 and headquartered in Huzhou, Zhejiang, is a professional snack food production enterprise focusing on research, development, production and sales.

Company F, established in 1992 and headquartered in Hangzhou, Zhejiang, is a specialized snack food enterprise in China.

Company G, established in 1943 and headquartered in Quanzhou, Fujian, mainly produces series of preserves, cold fruit, candy and other series of food.

Company H, established in 1992 and headquartered in Shenzhen, Guangdong, is engaged in production and sale of four major product lines: jelly puddings, seaweed, milk tea and chocolate biscuits.

Company I, established in 1983 and headquartered in Shanghai, is one of famous food and beverage manufacturers in China.

Company J, established in 2000 and headquartered in Quanzhou, Fujian, is a famous snack food supplier in the jelly products market in China.

Company K, established in 1990 and headquartered in Quanzhou, Fujian, is engaged in the production and sale of jelly and shrimp chips, seasonings, rice wine and other related snack food products.

Company L, established in 1998 and headquartered in Shenzhen, is committed to the production of snack foods such as jelly and pudding.

Company M, established in 2005 and headquartered in Changsha, Hunan, integrates research and development, production and sales across the entire snack food industry chain and the deep processing of agricultural products.

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Company N, established in 2012 and headquartered in Wuhu, Anhui, is a snack enterprise specializing in the research, development, production and sales of a wide variety of products.

Company O, established in 2020 and headquartered in Shanghai, is committed to providing consumers with snacks that are both healthy and tasty.

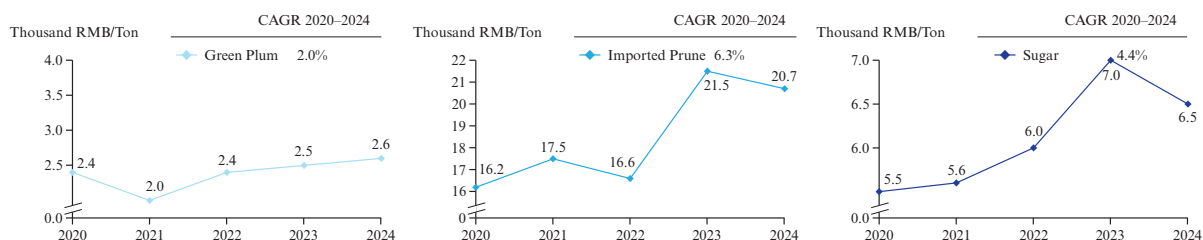
RAW MATERIAL PRICE ANALYSIS

The major raw materials for plum-based products primarily consist of green plums, prunes and auxiliary raw materials, such as sugar and salt. The price of green plum is primarily influenced by weather and market conditions. Green plums can be significantly affected by weather, which causes price fluctuations. Additionally, the plum-based product manufacturers’ inventory level can also impact the price of green plums, resulting in fluctuations in procurement costs. From 2020 to 2024, the price of green plum in China increased from RMB2,400 per ton to RMB2,600 per ton, at a CAGR of 2.0%.

Prune-based products mainly use the prunes imported from Chile, France and the United States. The price of prune increased in recent years due to the adverse weather conditions, reduced yields and increased global demand. Additionally, higher transportation costs, logistics disruptions and increased level of inflation also contributed to the price surge of imported prunes. From 2020 to 2024, the price of imported prune increased from RMB16,200 per ton RMB20,700 per ton, at a CAGR of 6.3%.

The price of auxiliary raw materials, such as sugar, is primarily influenced by the global supply and weather conditions. As one of the world’s major sugar-sourcing countries, the price of white sugar in China was greatly affected by that in the international market. Therefore, due to the rising price of white sugar globally, from 2020 to 2024, the price of white sugar in China increased from RMB5,500 per ton to RMB6,500 per ton, at a CAGR of 4.4%.

Average Price of China Green-plum, Imported Prune and White Sugar, 2020–2024



Source: General Administration of Customs of PRC, Interviews with Industry Experts, Frost & Sullivan Report

SOURCE OF INFORMATION

We commissioned Frost & Sullivan to conduct market research on snack food and plum-based products industry and prepare the Frost & Sullivan Report. Frost & Sullivan is an independent global consulting firm founded in 1961 in New York that offers industry research and market strategies. We have contracted to pay RMB400,000 to Frost & Sullivan for compiling the Frost & Sullivan Report.

In preparing the Frost & Sullivan Report, Frost & Sullivan conducted detailed primary research which involved discussing the status of the industry with certain leading industry participants and conducting interviews with relevant parties. Frost & Sullivan also conducted secondary research which involved reviewing company reports, independent research reports and data based on its own research database. Frost & Sullivan obtained the figures for the estimated total market size from historical data analysis plotted against macroeconomic data as well as considered the above-mentioned industry key drivers. Its market engineering forecasting methodology integrates several forecasting techniques with the market engineering measurement-based system and relies on the expertise of the analyst team in integrating the

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critical market elements investigated during the research phase of the project. These elements primarily include expert-opinion forecasting methodology, integration of market drivers and restraints, integration with the market challenges, integration of the market engineering measurement trends and integration of econometric variables.

The Frost & Sullivan Report is compiled based on the following assumptions: (i) the social, economic and political environment of the globe and Chinese Mainland is likely to remain stable in the forecast period; and (ii) related industry key drivers are likely to drive the market in the forecast period.