The information and statistics set out in this section and other sections of this document were extracted from different official government publications, available sources from public market research and other sources from independent suppliers, and from the independent industry report prepared by Frost & Sullivan (the "Frost & Sullivan Report"). We engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report, in connection with the [**REDACTED**]. *The information from official government sources has not been independently verified by us, the Sole Sponsor,* [**REDACTED**], *any of their respective affiliates and advisors, or any other persons or parties involved in the* [**REDACTED**], *and no representation is given as to its accuracy.*

OVERVIEW OF PET CARE INDUSTRY IN CHINA

The pet care industry is a comprehensive consumer industry that addresses the full lifecycle needs of pets by providing products and services to safeguard their welfare while enhancing their quality of life. It can be categorized into: (i) pet products, including pet food (primarily staple food, treats and supplement) and pet supplies (such as feeding devices, toys and diapers); and (ii) pet services, including pet healthcare, pet boarding, pet insurance and others.

In recent years, the market size of the pet care industry in China has grown rapidly, reaching RMB202.6 billion in 2025. As China's economy continues to develop, this growth is expected to continue, with market size projected to reach RMB319.1 billion by 2030, growing at 9.5% CAGR from 2025.

OVERVIEW OF PET FOOD INDUSTRY IN CHINA

Pet food is specially formulated to primarily supply pets with essential nutrients, sustaining their daily vitality, growth and overall health. The requirements for raw materials, manufacturing process and facilities differ for pet staple food, treats and supplements due to the differences in consumption purposes.

Comparison Analysis of Pet Staple Food, Pet Treats and Pet Supplements

	Pet Staple Food	Pet Treats	Pet Supplements
Definition	Staple food serves as pet's daily diet, providing the essential energy required for life	Treats are food that is provided occasionally for purposes such as enjoyment, training or entertainment	Supplements are products designed to supply specific nutrients and support a pet's health beyond their regular diet
Representative Products	Kibble and canned food	Puree stick, chews	Probiotics, fish oil
Raw Material	Daily nutritional requirements	No strict nutritional requirement	Targeted nutritional requirements

	Pet Staple Food	Pet Treats	Pet Supplements
Manufacturing Process	Complex formulation and comprehensive process steps	Relatively complex formulation and flexible process steps	Precision formulation and standardized process steps
Facilities Requirements	Large-scale industrial facilities, high investment in equipment	Medium-scale industrial facilities, low investment in equipment	High-cleanliness standard facilities, moderate investment in equipment
Purchase Frequency	High frequency, regular purchasing	Mid-low frequency, random purchasing	Low frequency, staged purchasing
Demand Level	Essential demand	Flexible demand	On demand

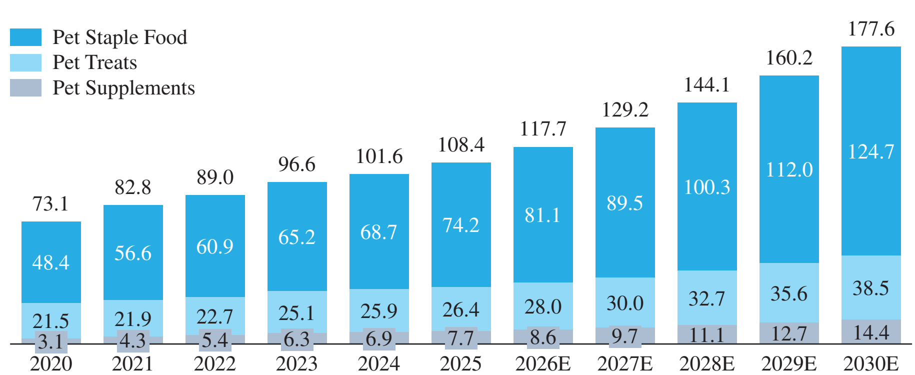
Source: Frost & Sullivan

Market Size

In 2025, the market size of China's pet food industry reached RMB108.4 billion in terms of retail sales, and as an essential daily diet for cats and dogs, pet staple food accounts for over 65% of the overall pet food market. Driven by both the increasing number of pets and the growing willingness of pet owners to purchase diversified products, the pet food market is projected to continue to grow at a CAGR of 10.4% over the next five years.

Market Size of Pet Food Industry in China by Retail Sales, Broken Down by Product Categories, in RMB Billions, 2020-2030E

CAGR	2020-2025	2025-2030E
Pet Staple Food	8.9%	10.9%
Pet Treats	4.2%	7.8%
Pet Supplements	19.8%	13.4%
Total	**8.2%**	**10.4%**



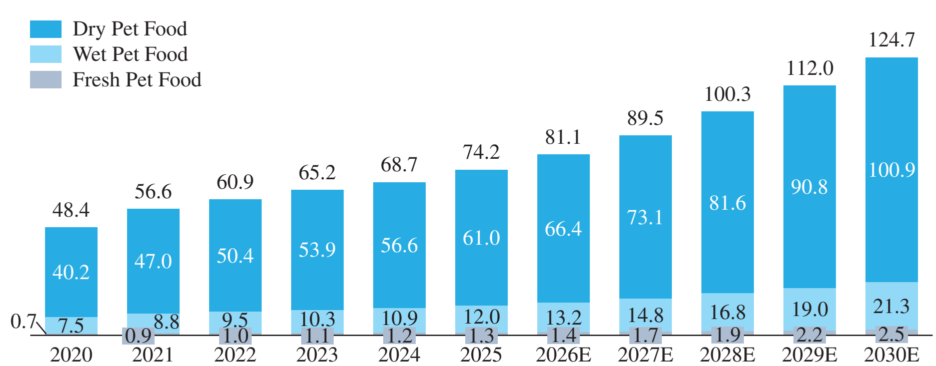
Source: Frost & Sullivan

OVERVIEW OF PET STAPLE FOOD INDUSTRY IN CHINA

Pet staple food includes Dry Pet Food, Wet Pet Food and Fresh Pet Food. Dry Pet Food, valued for its affordability and convenience, remained the dominant market segment, accounting for a market share of over 80% of the pet staple food market for the past few years. Dry Pet Food, Wet Pet Food and Fresh Pet Food offer complementary functional benefits, and a feeding approach combining all three is expected to gradually become mainstream. In the future, the market size for Dry Pet Food, Wet Pet Food and Fresh Pet Food will all demonstrate rapid growth.

Market Size of Pet Staple Food Industry in China by Retail Sales, Broken Down by Product Categories, in RMB Billions, 2020-2030E

CAGR	2020-2025	2025-2030E
Dry Pet Food	8.7%	10.6%
Wet Pet Food	9.8%	12.3%
Fresh Pet Food	12.9%	13.7%
Total	**8.9%**	**10.9%**



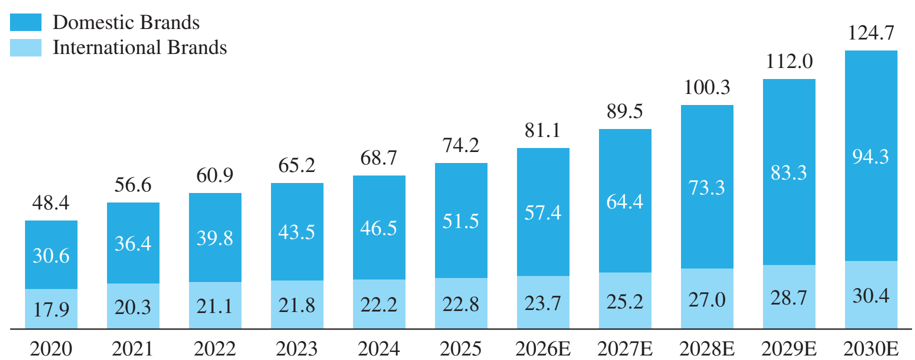
Source: Frost & Sullivan

In terms of retail sales in 2025, the market size of the Dry Pet Food industry reached RMB61.0 billion, with a CAGR of 8.7% from 2020 to 2025, and is projected to reach RMB100.9 billion by 2030, with a CAGR of 10.6% from 2025. Dry Pet Food is further subdivided into kibble, Baked Pet Food and others such as air-dried food and Freeze-dried Pet Food, with kibble being the largest segment, accounting for approximately 80%. Driven by diverse market demand, the market size of Baked Pet Food and other products are projected to maintain rapid growth in the future.

Domestic pet food brands refer to brands owned by companies headquartered in Chinese Mainland, while international pet food brands refer to brands owned by companies headquartered outside Chinese Mainland. In terms of retail sales, the market size of the domestic pet staple food industry grew from RMB30.6 billion in 2020 to RMB51.5 billion in 2025 with a CAGR of 11.0%, and is projected to reach RMB94.3 billion by 2030 at a CAGR of 12.9%, indicating broad future development prospects.

Market Size of Pet Staple Food Industry in China by Retail Sales, Broken Down by Domestic and International Brands, in RMB Billions, 2020-2030E

CAGR	2020-2025	2025-2030E
Domestic Brands	11.0%	12.9%
International Brands	4.9%	5.9%
Total	**8.9%**	**10.9%**

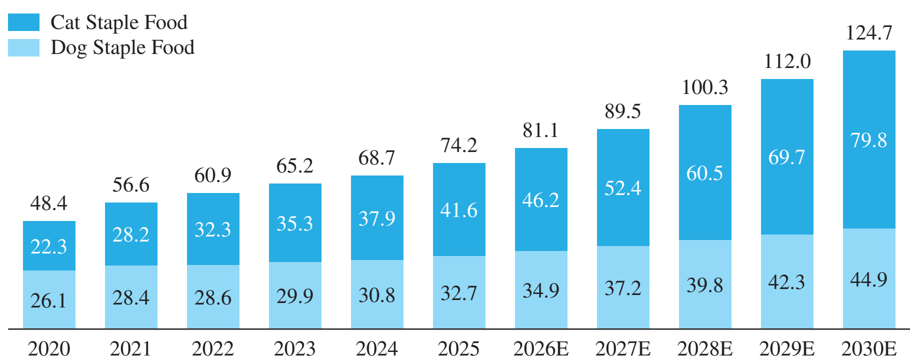


Source: Frost & Sullivan

Cats and dogs are the most common pets. By 2025, cat population reached 73 million and dog population reached 53 million. Dogs exhibit higher daily activity and energy consumption, and are generally larger than cats. This leads to higher consumption for staple food per dog compared with per cat. In terms of retail sales in 2025, the market size of dog staple food reached RMB32.7 billion, accounting for approximately 44% of the overall pet staple food market, with domestic dog staple food reaching RMB 22.4 billion. Over the next five years, the market size of dog staple food and domestic dog staple food is expected to continue growing at a CAGR of 6.6% and 7.9%, respectively. Meanwhile, as the cat population continues to rise, the cat staple food market is expected to achieve a CAGR of 13.9% from 2025 to 2030.

Market Size of Pet Staple Food Industry in China by Retail Sales, Broken Down by Dog and Cat Staple Food, in RMB Billions, 2020-2030E

CAGR	2020-2025	2025-2030E
Cat Staple Food	13.2%	13.9%
Dog Staple Food	4.6%	6.6%
Total	**8.9%**	**10.9%**



Source: Frost & Sullivan

Competitive Landscape of China's Pet Food Industry

According to Frost & Sullivan, China's pet food industry is fragmented, with the top ten pet food brands collectively holding a market share of 18.1% in terms of retail sales in 2025. There are seven domestic brands among the top ten pet food brands. The competitive landscape has evolved rapidly in past decades, and domestic pet food brands have been growing rapidly due to their ability to swiftly respond to local market demands. *Bi Le* ranked tenth among domestic pet food brands in China in terms of retail sales in 2025.

As a daily essential and high-frequency consumption product, pet staple food is the dominant segment of China's pet food industry. According to Frost & Sullivan, China's pet staple food industry is fragmented, with top ten pet staple food brands holding a market share of 22.1% in terms of retail sales in 2025. *Bi Le* ranked ninth among domestic pet staple food brands in China in terms of retail sales in 2025.

Top Ten Domestic Pet Staple Food Brands in China, by Retail Sales (2025)

Rank	Brand	Market share
1	Brand A	6.7%
2	Brand B	2.9%
3	Brand C	2.7%
4	Brand D	2.7%
5	Brand E	2.2%

Rank	Brand	Market share
6	Brand F	1.9%
7	Brand G	1.6%
8	Brand H	1.1%
9	*Bi Le*	0.9%
10	Brand I	0.8%

Source: Frost & Sullivan, Public files and documents of companies

Note: Market share is calculated by dividing the domestic pet staple food brand's retail sales generated from pet staple food product by the market size of China's domestic pet staple food industry in 2025.

Brand A launched in 2013, owned by a listed company headquartered in Shandong, China.
Brand B launched in 1998, owned by a listed company headquartered in Shandong, China.
Brand C launched in 2018, owned by a listed company headquartered in Shandong, China.
Brand D launched in 2009, owned by a private company headquartered in Shanghai, China.
Brand E launched in 2017, owned by a private company headquartered in Zhejiang, China.
Brand F launched in 2018, owned by a private company headquartered in Shanghai, China.
Brand G launched in 2013, owned by a private company headquartered in Shanghai, China.
Brand H launched in 2016, owned by a listed company headquartered in Zhejiang, China.
Brand I launched in 2002, owned by a private company headquartered in Shanghai, China.

According to Frost & Sullivan, China's domestic dog staple food industry is fragmented, with the top five dog staple food brands holding a market share of 14.8% in terms of retail sales in 2025. *Bi Le* ranked fifth among domestic dog staple food brands in China in terms of retail sales in 2025.

Top Five Domestic Dog Staple Food Brands in China, by Retail Sales (2025)

Rank	Brand	Market share
1	Brand A	7.7%
2	Brand B	2.0%
3	Brand G	1.8%
4	Brand E	1.8%
5	*Bi Le*	1.6%

Source: Frost & Sullivan, Public files and documents of companies

Note: Market share is calculated by dividing the domestic dog staple food brand's retail sales generated from dog staple food product by the market size of China's domestic dog staple food industry in 2025.

Growth Drivers and Future Trends of Pet Food Industry in China

Parallel emotional needs across generations are fueling a growing pet population. A growing elderly population seeks companionship, while the younger generation prioritize independence and emotional fulfillment. This trend has influenced the pet food industry as more people opt to keep companion animals, expanding the consumer base supporting the sustained development of the industry.

Pet food companies position overseas expansion as a key strategic growth pathway. Leveraging supply chain efficiency, agile product development and cost control capabilities cultivated in the domestic market, companies are actively advancing their global footprint. Through diversified internationalization strategies, pet food companies are enhancing brand competitiveness and steadily increasing their share in overseas markets.

AI empowers the pet food industry on both the consumption and production sides. On the consumer side, companies leverage AI technology to build precise consumption patterns. This enables translating insights into trend forecasting, guiding product innovation and targeted marketing. On the production side, AI permeates supply chain management, production process optimization and quality control systems. By integrating data-driven consumer insights with intelligent production execution, the industry can achieve a more agile and efficient operational cycle.

OVERVIEW OF PET FOOD THIRD-PARTY MANUFACTURING INDUSTRY IN CHINA

Pet food manufacturing can be categorized into OBM and third-party manufacturing. OBMs mainly develop and produce their own branded products. In this model, the company manages entire process from design and development to production. Third-party manufacturers include OEMs and ODMs. OEMs produce goods under a client's guidance, and fulfill production according to specific designs and instructions provided by clients, while ODMs offer more comprehensive solutions by integrating original design and manufacturing, delivering products ready for direct sale to clients.

Advantage Analysis of Pet Food Third-Party Manufacturing Industry

Third-party manufacturers promote specialization in industrial chain division. Pet food brands can leverage third-party manufacturers' mature R&D systems to rapidly innovate products and ensure regulatory compliance. Through scaled production and continuous technological investment, third-party manufacturers continuously optimize quality control systems and production processes.

Third-party manufacturers accelerate product launches to capture evolving market demand. Third-party manufacturers collaborate with upstream supply chains to ensure a stable supply of raw materials, further reducing production lead time. Leveraging third-party manufacturer's well-established production systems, pet food brands can shorten the time-to-market cycle from concept to launch.

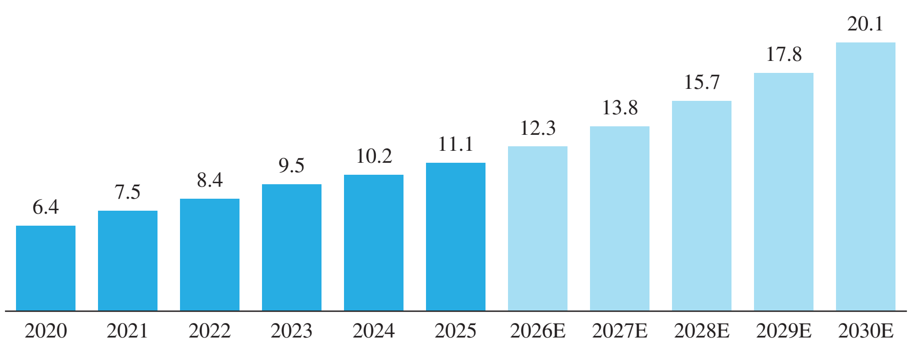
Third-party manufacturers provide brands with consistent quality assurance. Given that many pet food brands have limited production experience, collaboration with professional third-party manufacturers offers a strategic advantage. These partners provide large-scale facilities, standardized processes and robust quality management systems.

Market Size

The rapid growth of the pet food industry has led to the widespread adoption of third-party manufacturing. In terms of revenue, the market size of the pet food third-party manufacturing industry grew from RMB6.4 billion in 2020 to RMB11.1 billion in 2025 with a CAGR of 11.9%. The market size is projected to continue growing at a CAGR of 12.6% over the next five years.

Market Size of Pet Food Third-Party Manufacturing Industry in China by Revenue in RMB Billions, 2020-2030E

CAGR	2020-2025	2025-2030E
Pet Food Third-Party Manufacturing Industry	11.9%	12.6%



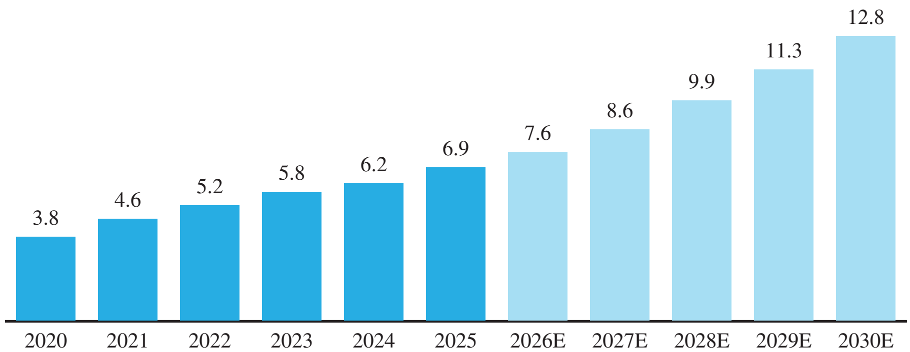
Source: Frost & Sullivan

Note: The aforementioned market size refers to the aggregate revenue generated from domestic third-party manufacturing services for pet food, excluding exports.

Pet staple food is the main product category of the pet food industry. In terms of revenue, the market size of the pet staple food third-party manufacturing industry reached RMB6.9 billion in 2025 with a CAGR of 12.6% from 2020. The market size is projected to continue growing at a CAGR of 13.3% over the next five years.

Market Size of Pet Staple Food Third-Party Manufacturing Industry by Revenue in RMB Billions, 2020-2030E

CAGR	2020-2025	2025-2030E
Pet Staple Food Third-Party Manufacturing Industry	12.6%	13.3%



Source: Frost & Sullivan

Note: The aforementioned market size refers to the aggregate revenue generated from domestic third-party manufacturing services for pet staple food, excluding exports.

Competitive Landscape of China's Pet Food Third-Party Manufacturing Industry

According to Frost & Sullivan, China's pet food third-party manufacturing industry is relatively fragmented, with the top five third-party manufacturing companies holding a market share of 30.4% in terms of revenue in 2025. Our Company ranked second in the pet food third-party manufacturing industry in China in terms of revenue in 2025.

Top Five Pet Food Third-Party Manufacturing Companies in China, by Revenue (2025)

Rank	Company	Market share
1	Company A	14.3%
2	Our Company	5.3%
3	Company B	4.8%
4	Company C	4.2%
5	Company D	1.8%

Source: Frost & Sullivan

Note: Market share is calculated by dividing the pet food third-party manufacturing company revenue generated from domestic third-party manufacturing services for pet food product by the market size of China's pet food third-party manufacturing industry in 2025.

Company A established in 2012 and headquartered in China, primarily offering pet food third-party manufacturing services.

Company B established in 2019 and headquartered in China, primarily offering pet food third-party manufacturing services.

Company C established in 2005 and headquartered in China, primarily offering pet food third-party manufacturing services.

Company D established in 2015 and headquartered in China, primarily offering pet food third-party manufacturing services.

According to Frost & Sullivan, China's pet staple food third-party manufacturing industry is relatively concentrated, with the top five third-party manufacturing companies holding a market share of 40.4% in terms of revenue in 2025. Our Company ranked second in pet staple food third-party manufacturing industry in China in terms of revenue in 2025.

Top Five Pet Staple Food Third-Party Manufacturing Companies in China, by Revenue (2025)

Rank	Company	Market share
1	Company A	20.9%
2	Our Company	8.5%
3	Company B	4.7%
4	Company C	4.3%
5	Company D	2.0%

Source: Frost & Sullivan

Note: Market share is calculated by dividing the pet food third-party manufacturing company revenue generated from domestic third-party manufacturing service for pet staple food product by the market size of China's pet staple food third-party manufacturing industry in 2025.

Growth Drivers and Future Trends of Pet Food Third-Party Manufacturing Industry in China

Strong R&D capabilities lay a solid foundation for capturing diversified market demand. Evolving consumer preferences, which demand specialization across breeds, life stages, health conditions and lifestyles, are expanding the pet food market. For most brands, meeting these specialized needs is a considerable challenge, driving a strategic shift toward partnerships with third-party manufacturers that offer strong R&D and advanced production competencies.

Proprietary brands development can benefit third-party manufacturing business. Leading third-party manufacturers will establish and operate their own brands, directly reaching end-consumer markets to gain precise insights into shifting market demands. Companies that operate both third-party manufacturing and proprietary brands provide deeper empowerment to brand clients and achieve stronger competitiveness.

Advanced technology accelerates digital development. Leveraging big data and AI to support automation, data-driven processes and visualization fundamentally enhances efficiency, quality and transparency. The application of AI automation significantly reduces human error, ensuring consistent product batch stability.

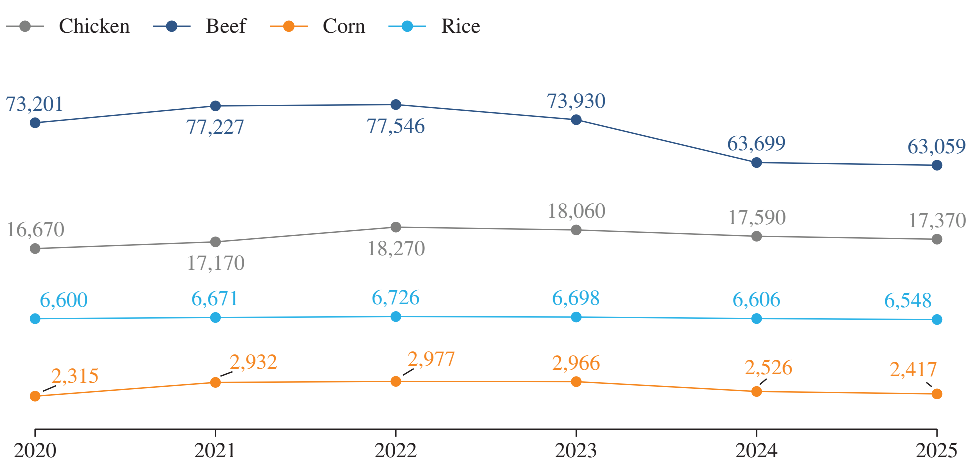
PRICE TRENDS AND RAW MATERIALS

The primary raw materials in China's pet food industry include chicken, beef, corn and rice. Since 2022, domestic beef production has risen steadily, coupled with continued growth in beef imports. This has led to oversupply of beef, driving persistent price declines. From 2020 to 2022, global corn production declined due to armed conflicts and extreme weather, while rising energy prices drove up planting and transportation costs, leading to higher corn prices. In 2023, corn supplies stabilized and prices gradually declined. Since corn is a major ingredient in chicken feed, chicken prices fluctuate accordingly. There have been only slight fluctuations in rice prices, mainly due to stable production in major producing countries and ample reserves.

Key Raw Material Price

RMB/Ton, 2020-2025

CAGR	2020-2025
Chicken	0.8%
Beef	-2.9%
Corn	0.9%
Rice	-0.2%



Source: Frost & Sullivan

SOURCE OF INFORMATION

In connection with the [**REDACTED**], we engaged Frost & Sullivan, an independent market research consultant, to conduct an analysis of, and to prepare a report on, China's pet care industry. Frost & Sullivan is an independent global consulting firm, which was founded in 1961 in New York. It offers industry research and market strategies, and provides growth consulting and corporate training. In connection with the market research services provided, we have paid a fee of RMB550,000 to Frost & Sullivan, which we believe to be consistent with market rates.

When developing and preparing the research report, Frost & Sullivan assumed that the social, economic and political environment in the relevant markets remain stable during the forecast period to ensure the stable and healthy development of China's pet care market and related industries. Further, Frost & Sullivan's forecast is based on the following bases and assumptions: China's economy maintains steady growth over the next decade, and the regional social, economic and political environment remains stable during the forecast period. In addition, China's pet care market and other relevant industries are expected to develop on the basis of the relevant macroeconomic assumptions.

Except as otherwise noted, all the data and forecasts contained in this section are derived from the Frost & Sullivan Report. Frost & Sullivan has prepared the Frost & Sullivan Report based on detailed primary research, which involved discussing the status of the pet care industry with certain leading industry participants, and secondary research which involved reviewing company reports, independent research reports and data based on its own research database. Our Directors confirm that, after taking reasonable care, there has been no material adverse change in the overall market information since the date of the Frost & Sullivan Report that would materially qualify, contradict or have an impact on such information.