This and other sections of this document contain information relating to the industry in which we operate. Certain information and statistics set forth in this section and other sections of this document have been extracted from the Frost & Sullivan Report issued by Frost & Sullivan, an independent market research agency, which we commissioned, and from various official government publications and other publicly available publications. The information from official government sources has not been independently verified by us or any other parties involved in the **[REDACTED]***, or any of our or their respective directors, senior management, representatives, advisers or any other persons involved in the* **[REDACTED]***, and no representation is given as to its accuracy.*

SOURCE AND RELIABILITY OF INFORMATION

We have commissioned Frost & Sullivan, a market research and consulting company and an independent third party, to conduct an analysis of, and to report on global and China seasoning market. The report prepared by Frost & Sullivan for us is referred to in the document as the F&S Report. The F&S Report has been prepared by Frost & Sullivan independent of our influence. The fee payable to Frost & Sullivan for preparing the F&S Report is RMB300,000 which we believe reflects market rates for similar services. Founded in 1961, Frost & Sullivan has over 45 global offices with more than 3,000 industry consultants, market research analysts, technology analysts and economists. Our Directors confirm, to the best of their knowledge, and after making reasonable enquiries, that there have been no adverse changes in the industry since the date of the F&S Report and up to the Latest Practicable Date which may qualify, contradict or have an impact on the information set out in this section.

RESEARCH METHODOLOGY

During the preparation of the F&S Report, Frost & Sullivan collected, analyzed, assessed and validated the information and statistics using its in-house analysis models and techniques. Primary research was conducted via discussions and interviews with industry participants and industry experts. Secondary research involved analysis of market statistics obtained from several publicly available data sources, such as releases from the governments of the research countries, company reports, independent research reports and Frost & Sullivan's own internal database. The methodology applied by Frost & Sullivan is based on information and statistics gathered from multiple levels and allows such information and statistics to be cross-referenced for accuracy. In light of the above, we consider the information and statistics reliable.

BASIS AND ASSUMPTION

The F&S Report contains a series of market projections which were produced based on the following assumptions, without limitations: (i) China's and global economy is likely to maintain steady growth in the next decade; (ii) China's and global social, economic, and political environment is likely to remain stable from 2026 to 2030 ("**Forecast Period**").

OVERVIEW OF GLOBAL AND CHINA SEASONING INDUSTRY

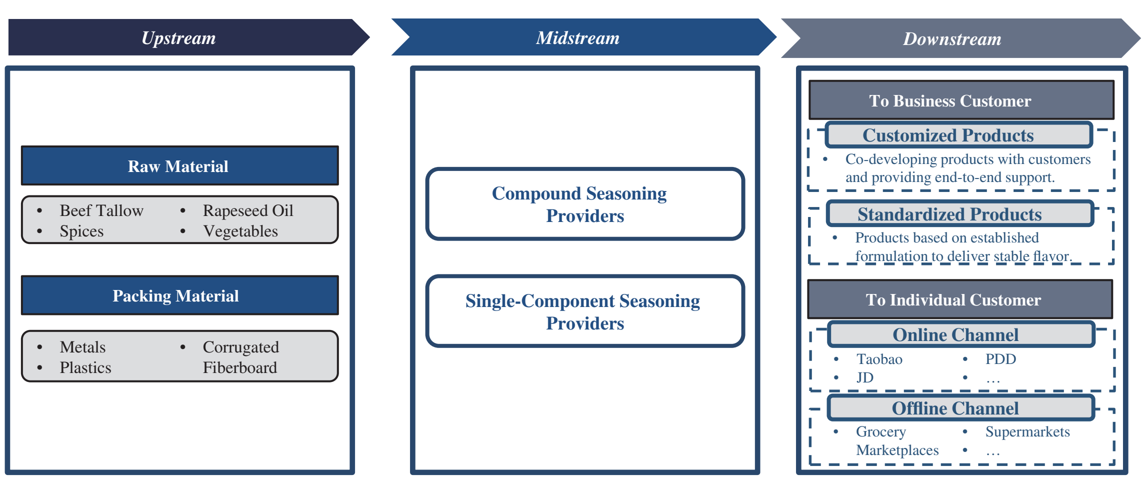
Definition and Classification of Seasonings

Seasonings are widely used in diet, cooking, and food processing to enhance flavors, improve aroma, and neutralize odors. Seasonings are mainly divided into compound seasonings and single component seasonings. Compound seasonings refer to seasonings that are made of or comprised of two or more raw materials, including Chinese style compound seasonings, western style compound seasonings, chicken essences, and others. Single-component seasonings refer to seasonings that are composed of one major raw material. Typical products include soy sauce, vinegar, salt, MSG (Monosodium Glutamate), spices, seasoning wine, oyster sauce and others.

Value Chain Analysis

The upstream of the industry includes suppliers of raw materials and packaging materials for seasonings. The midstream of the industry includes compound and single-component seasoning providers, which is fragmented due to the wide variety of seasoning types across the industry. The downstream of the industry is the consumption of seasoning, including both business customers and individual customers. For business customers, products are broadly divided into customized and standardized offerings. Customized products are developed for specific catering chains and food processing enterprises. Customized compound seasoning providers participate in customers' product development, turning ideas into seasoning formulas. Standardized products are based on established formulations to deliver stable flavor and reliable quality. For individual consumers, products are sold through both online and offline channels, including major e-commerce platforms as well as supermarkets and other retail outlets. Both upstream and downstream segments of China's seasoning industry are highly fragmented, positioning leading midstream seasoning providers as important integrators to connect and coordinate the value chain.

Value Chain of Seasoning Industry



Source: Frost & Sullivan Analysis

Market Size of Major Global Seasoning Markets

In 2025, the United States, China and Japan are the three leading seasoning markets globally, with market sizes reaching RMB552.7 billion, RMB511.3 billion and RMB122.2 billion in 2025, respectively. China's seasoning market is expected to grow the fastest among the three leading markets, with a CAGR of 6.2% from 2025 to 2030.

Market Size and Growth Rate of Major Global Seasoning Markets, in terms of Revenue

Regions	Market Size	2025–2030E CAGR
	(Billion RMB, 2025)	
United States	552.7	5.9%
China	**511.3**	**6.2%**
Japan	122.2	5.2%

Source: Frost & Sullivan Analysis

The market sizes of compound seasoning market of the United States, China and Japan in terms of revenue reached RMB302.3 billion, RMB130.2 billion and RMB65.9 billion in 2025, respectively.

The proportion of compound seasonings in the overall seasoning market in the United States, China and Japan was 54.7%, 25.5% and 53.9% in 2025. The per capita expenditure on compound seasonings in the United States and Japan was RMB882.9 and RMB534.7 in 2025, significantly higher than China's RMB92.6. Due to differences in culinary culture, household consumption habits, the penetration of chain restaurants, and the level of standardization in the catering industry, the compound seasoning markets in the United States and Japan are well-established and mature. In contrast, China's compound seasoning market remains in an early development stage, which is expected to have substantial potential for expansion.

Comparison of Per Capita Expenditure on Compound Seasonings, by Country, 2025

Countries	Seasoning Market Size in 2025	Compound Seasonings Market Size in 2025	Proportion of Compound Seasonings	Per Capita Expenditure on Compound Seasonings	CR5 of Compound Seasonings Industry
	(RMB Billion)	*(RMB Billion)*	*(%)*	*(RMB/Person)*	*(%)*
United States	552.7	302.3	54.7%	882.9	Over 30%
China	511.3	130.2	25.5%	92.6	16.6%
Japan	122.2	65.9	53.9%	534.7	Over 50%

Source: China Condiment Association, Frost & Sullivan Analysis

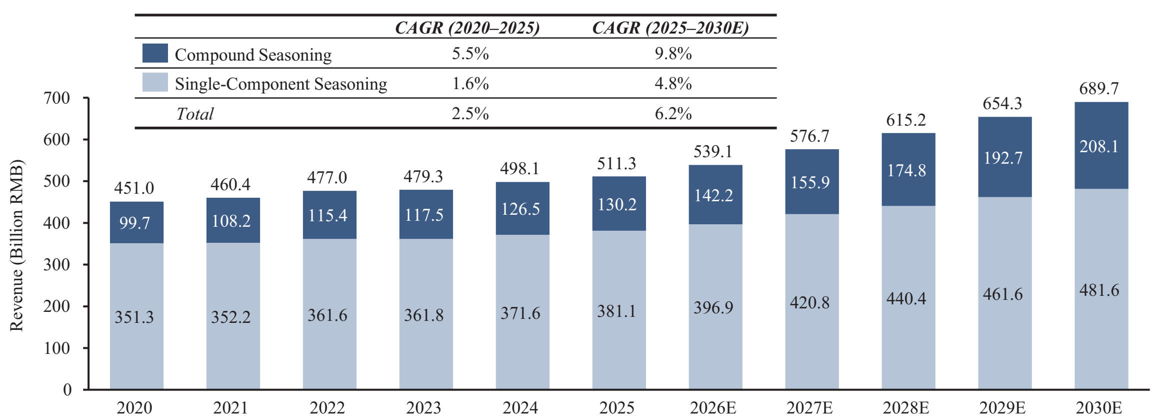
OVERVIEW OF CHINA'S SEASONING INDUSTRY

China's seasoning market has maintained steady growth in recent years, becoming the second largest seasoning market globally in terms of revenue by country, and the fastest-growing market among the top three leading markets. In 2025, the market size of China's seasoning industry in terms of revenue reached RMB511.3 billion, and is expected to reach RMB689.7

billion in 2030, representing a CAGR of 6.2% from 2025, driven by increasing per capita disposable income, rising demand from catering and food processing industries, and diversification of seasoning categories and sales channels.

By product type, single-component seasonings continue to account for the majority share of China's seasoning market, supported by a long development history and broad application in daily cooking. In 2025, China's single-component seasoning market reached RMB381.1 billion, representing a large base but relatively slow growth rate, with a CAGR of 1.6% since 2020. Compound seasonings, despite accounting for only 25.5% of the total seasoning market in 2025 with a market size of RMB130.2 billion, achieved a CAGR of 5.5% over the same period, which is significantly higher than that of single-component seasonings. The rapid growth of compound seasoning market is mainly attributable to its advantages over single-component seasonings in terms of convenience and flavor diversity, which make it more popular in the expanding chain catering industry and in household cooking, driven by the continued expansion of the catering sector and consumers' diverse preferences. Looking forward, the growth of compound seasoning market is expected to further accelerate, with the market size projected to reach RMB208.1 billion by 2030, accounting for 30.2% of the total seasoning market and representing a CAGR of 9.8% since 2025. Over the same period, the market size of single-component seasoning market is expected to reach RMB481.6 billion, with a CAGR of 4.8%.

Market Size of China's Seasoning Industry, by Revenue, Breakdown by Product Category, 2020–2030E



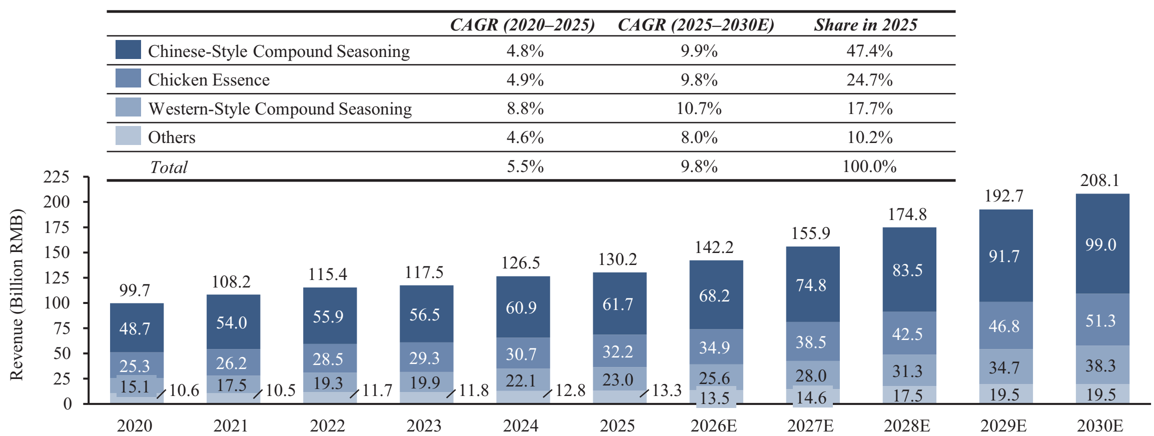
Source: China Condiment Association, Frost & Sullivan Analysis

Market Size of China Compound Seasoning Industry, by Product Type

China's compound seasoning market consists of Chinese-style compound seasoning, chicken essence, western-style compound seasoning and others.

By product type, Chinese-style compound seasoning is the largest category, with a market size of RMB61.7 billion in 2025 and a CAGR of 4.8% from 2020, driven by increasing adoption of Chinese-style compound seasonings. The market size of chicken essence market reached RMB32.2 billion in 2025, with a CAGR of 4.9% since 2020. The market size of western-style compound seasoning market reached RMB23.0 billion in 2025. Looking ahead, the market size of Chinese-style compound seasoning market is expected to reach RMB99.0 billion in 2030 with a CAGR of 9.9% since 2025, driven by rising demands to simplify intricate Chinese cooking process and make diverse regional flavors. The market size of chicken essence market is expected to reach RMB51.3 billion in 2030, with a CAGR of 9.8% since 2025. The western-style compound seasoning market is expected to reach RMB38.3 billion in 2030.

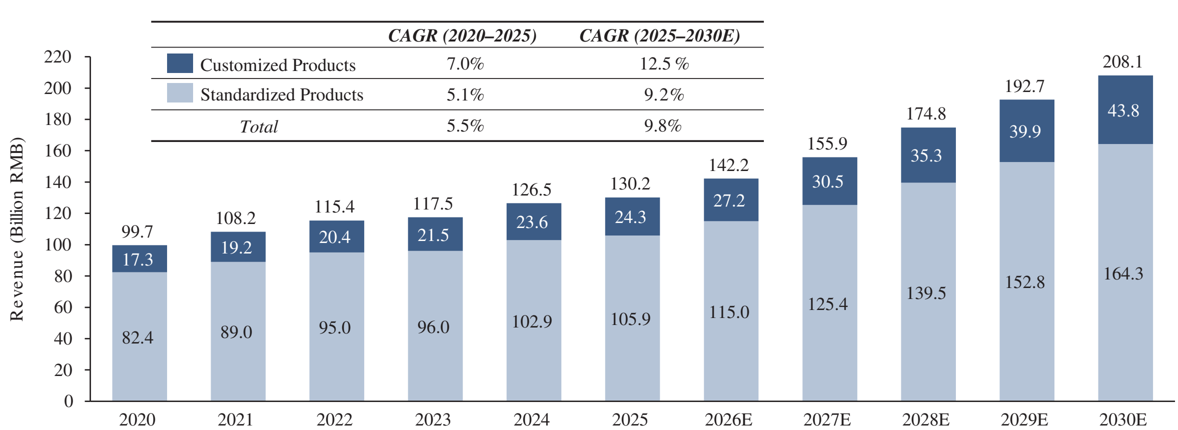
Market Size of Compound Seasonings (China), by Revenue, Breakdown by Type of Products, 2020–2030E



Source: China Condiment Association, Frost & Sullivan Analysis

In China, the compound seasoning market can be categorized by product form into customized products and standardized products. Customized products reached a market size of RMB24.3 billion in 2025, with a CAGR of 7.0% since 2020, primarily driven by rising chain penetration rate of catering enterprises and increasing demand for customized solution. Standardized products accounted for the majority of the market, with a market size of RMB105.9 billion in 2025, representing a CAGR of 5.1% over the same period. Looking ahead, by 2030, the market size of customized products is expected to reach RMB43.8 billion, with a CAGR of 12.5% since 2025. The market size of standardized products is projected to reach RMB164.3 billion, representing a CAGR of 9.2% over the same period.

Market Size of China's Compound Seasoning Industry, by Revenue, Breakdown by Product Form, 2020–2030E

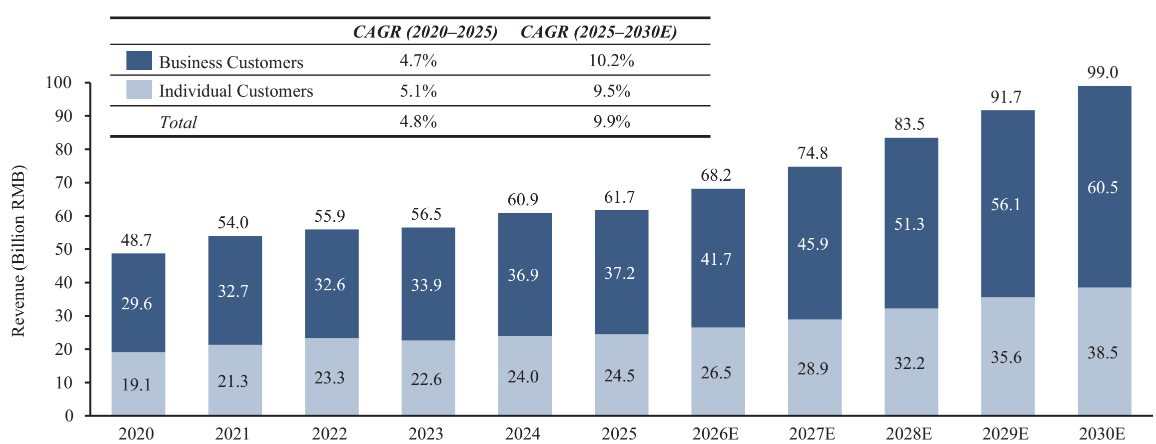


Source: Frost & Sullivan Analysis

In China's Chinese-style compound seasoning market, 60.3% of Chinese-style compound seasonings were sold to business customers such as catering enterprises and food processing manufacturers, while 39.7% were sold to individual customers. In 2025, Chinese-style compound seasonings sales to business customers in terms of revenue were RMB37.2 billion, representing a CAGR of 4.7% from 2020, supported by stable demand from catering enterprises and food processing manufacturers in Chinese-style compound seasoning segments. Chinese-style compound seasonings sales to individual customers in terms of revenue amounted to RMB24.5 billion in 2025, with a CAGR of 5.1% over the same period, driven by the growing adoption of convenient, ready-to-use compound seasoning solutions in household cooking.

Looking ahead, Chinese-style compound seasonings sales to business customers are expected to grow faster than sales to individual customers in terms of revenue, with a CAGR of 10.2% from 2025 and expected to reach RMB60.5 billion by 2030, compared with individual customers, which are expected to grow at a CAGR of 9.5% from 2025 and reach RMB38.5 billion in 2030. The faster growth of the Chinese-style compound seasoning sales to business customers is driven by growing demand from chain restaurants for customized compound seasonings with consistent quality.

Market Size of Chinese-Style Compound Seasoning Industry, by Revenue, Breakdown by End Customer Type, 2020–2030E

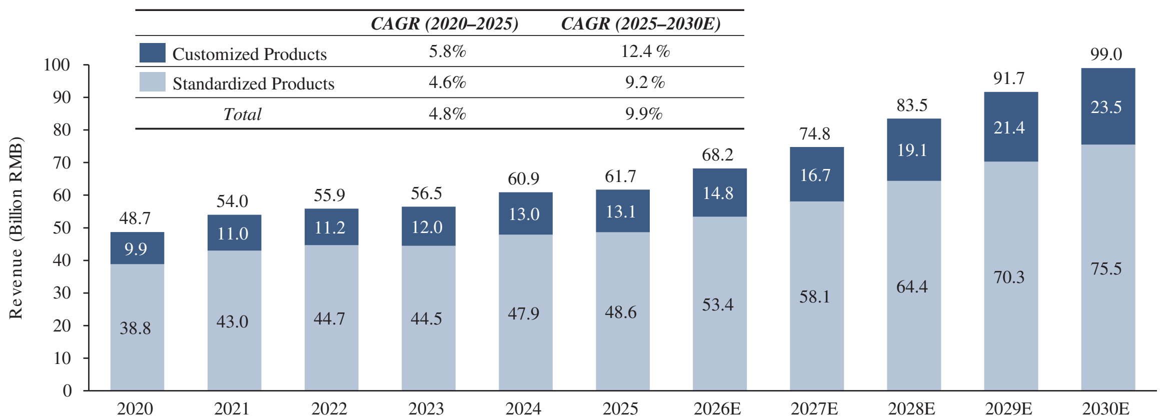


Source: Frost & Sullivan Analysis

By products form, Chinese-style compound seasoning market consists of customized products and standardized products. The market sizes of customized products and standardized products reached RMB13.1 billion and RMB48.6 billion in 2025, respectively, with CAGRs of 5.8 % and 4.6% since 2020. While the market size of standardized products remained larger than that of customized products, the customized Chinese-style compound seasoning market was growing faster, driven by the increasing demand for diverse flavors and consistent quality among catering service chains.

Looking forward, customized products and standardized products of Chinese-style compound seasoning market are expected to maintain rapid growth, reaching RMB23.5 billion and RMB75.5 billion in 2030, respectively, with CAGRs of 12.4% and 9.2% since 2025. Customized products are expected to maintain faster growth than that of standardized products, driven by the anticipated rise in catering chains demand for innovative and tailored compound seasonings.

Market Size of Chinese-Style Compound Seasoning Industry, by Revenue, Breakdown by Product Form, 2020–2030E



Source: Frost & Sullivan Analysis

Market Drivers of China's Compound Seasoning Industry

Rising Penetration Rate of Chain Restaurants Increases Customization Demand: The development of China's catering industry and the rising penetration rate of chain restaurants have fuelled a growing demand for customized compound seasonings. In 2025, the market size of China's chain catering sector reached RMB575.6 billion, representing a CAGR of 10.8% since 2020. Meanwhile, the industry is transitioning from fragmentation to consolidation, as leading restaurant brands achieve rapid store network expansion. The chain restaurant penetration rate reached 22.9% in 2025, remaining relatively low compared to that of other mature markets, which were 56.9% in the United States and 53.2% in Japan. The combination of rapid growth and relatively low penetration in chain restaurants underscores the significant development potential of China's customized compound seasoning industry. The trend toward chain operation, standardization, and centralization has become irreversible in the catering sector.

R&D Support from Compound Seasoning Enterprises to Catering Businesses: As consumer preferences evolve rapidly, catering enterprises are increasingly demanding faster product iteration and consistent flavors. Taste, being the core competitive advantage of Chinese cuisine, often poses a challenge for restaurants to achieve operational standardization. Large-scale customized compound seasoning enterprises with industry expertise and product development capabilities are able to provide formulation development and flavor standardization support. Through one-stop flavor standardization solutions, compound seasoning enterprises compensate for catering enterprises' deficiencies in R&D and standardization, thereby enabling chain expansion, industrial upgrading, and scale growth in the catering industry.

Rising Demand for Compound Seasonings from New Retail Channels and Food Processing Industry: Per capita spending on compound seasonings in China reached RMB92.6 in 2025, far below the per capita spending of RMB882.9 in the United States and RMB534.7 in Japan, indicating substantial growth potential in China's compound seasoning market. As disposable income rises and urbanization continues, Chinese consumers are expected to adopt more convenient cooking solutions and seek more diverse flavors. The expansion of new retail channels in China has supported the distribution of ready-to-cook products jointly developed by compound seasoning companies and food processing enterprises. As a result, the increased availability of such products has driven higher demand for customized compound seasonings that ensure consistent flavor and convenient preparation. Moreover, with the expansion of the food processing industry, food manufacturers increasingly require reliable, stable, and cost-effective compound seasoning solutions to enhance product appeal, optimize production processes, and ensure flavor consistency. The growing demand from both new retail channels and the food processing sector is driving the expansion of China's compound seasoning market, thereby narrowing the gap with mature international markets.

Technological Advancements: Driven by advances in automated production and digital systems, customized compound seasoning enterprises can better meet the requirements of catering enterprises, particularly rapidly expanding chain restaurants. Catering enterprises require compound seasonings that are diversified, safe, and consistent. The production technologies of compound seasoning enterprises feature high efficiency, cost control, and product consistency, which are capable of meeting the demands of catering enterprises and provide more stable supply and lower procurement costs. As a result, compound seasoning suppliers with advanced technologies are becoming increasingly attractive in the industry.

Future Trends of China Compound Seasoning Industry

Increasing Industry Consolidation: Driven by increasingly stringent food safety regulations and the rising penetration rate of chain restaurants, the consolidation of the seasoning and compound seasoning industry is accelerating. As catering enterprises continue to raise the requirements for suppliers of quality control, large-scale production, and supply chain reliability, such pressures are expected to drive industry resources toward enterprises with economies of scale, established brand resources, extensive distribution networks, and mature research and development capabilities.

Diversification of Consumer Demand: Whether in home cooking or catering settings, consumer demand for regional flavors and a wider variety of tastes is rising. Such trend is expected to drive seasoning and compound seasoning enterprises to continuously launch products with more differentiated flavors and more innovative formulations, in order to meet evolving consumer preferences.

Advancements in Digital and Automated Production Capabilities: Investment in digital production management systems and automated manufacturing technologies within the compound seasoning industry is expected to accelerate. As such technologies are more widely adopted, digitally advanced enterprises will likely sustain advantages in production efficiency, cost structure, and product consistency, thereby further reinforcing the industry consolidation.

Globalization of Compound Seasoning Enterprises: The overseas expansion of Chinese chain restaurants is accelerating, generating growing demand in international markets for customized compound seasonings and standardized compound seasonings. Domestic compound seasoning enterprises are simultaneously actively exploring overseas markets by expanding international business footprint to capture such emerging demand. This trend is expected to drive Chinese-style compound seasoning enterprises to establish localized production sites, distribution networks, and technical support teams in key overseas markets.

Challenges of China Compound Seasoning Industry

Fluctuation in Raw Material Prices: The seasoning and compound seasoning industry relies heavily on agricultural raw materials such as rapeseed oil, beef tallow and chili pepper, whose prices are highly volatile due to global supply-demand dynamics, geopolitical tensions, and climate change. Moreover, the increases in energy and labor costs place additional cost pressures on enterprises operations. Such uncertainty in costs directly squeezes profit margins, particularly for smaller firms that lack the capacity to absorb rising expenses.

Intensifying Industry Competition and Homogenization Risk: With the continuous expansion of China's seasoning and compound seasoning market, the number of market entrants has surged, intensifying competition. Many companies underinvest in R&D, leading to severe product homogenization and a lack of differentiated positioning, making it difficult to establish brand value. Such dynamic progressively squeezes industry profit margins and undermines sustainable growth. In the future, only companies that leverage R&D innovation, brand development, and targeted market segmentation strategies to build differentiation will be able to stand out in this highly competitive environment.

COMPETITIVE LANDSCAPE

In 2025, the number of market players in China's compound seasoning industry is more than 10,000. The top five players accounted for 16.6% market share of the industry in terms of revenue. Our Group accounted for a 0.8% market share in 2025 in terms of revenue.

In 2025, the number of market players in China's customized compound seasoning industry is more than 1,000. Top 5 players in China's customized compound seasoning market accounted for 26.3% market share in 2025 in terms of revenue. Our Group ranked fourth among China's customized compound seasoning companies in terms of revenue in 2025 with a market share of 4.5%.

Top Five China's Customized Compound Seasoning Companies in Terms of Revenue, 2025

Rank	Company	Identities or Background	Market Share
			(%)
1	Company A	Company A is a public company primarily engaged in hot pot seasoning and other compound seasonings. Company A is listed on the Hong Kong Stock Exchanges and headquartered in Shanghai, China.	8.2%

Rank	Company	Identities or Background	Market Share
			(%)
2	Company B	Company B is a public company primarily engaged in spices and other compound seasonings. Company B is listed on the New York Stock Exchanges and headquartered in Maryland, the United States.	5.8%
3	Company C	Company C is a public company primarily engaged in the production of western-style compound seasonings, beverage and dessert ingredients, baking products, etc. Company C is listed on the Shanghai Stock Exchange and headquartered in Shanghai, China.	4.9%
4	**Our Group**	**/**	**4.5%**
5	Company D	Company D is a private company primarily engaged in customized compound seasonings to business customers. Company D is headquartered in Sichuan, China.	2.9%

Source: Frost & Sullivan Analysis

There are two types of players in China's customized Chinese-style compound seasoning industry, companies that primarily sell to related parties, and independent third-party companies that mainly serve external customers such as restaurant chains and other food processing companies. In China's Chinese-style third-party customized compound seasoning industry, top five players accounted for 25.2% of total market share in 2025 in terms of revenue. Our Group ranked first among China's Chinese-style third-party customized compound seasonings companies in terms of revenue in 2025 with a market share of 7.6%.

Top Five China's Chinese-Style Third-Party Customized Compound Seasoning Companies in Terms of Revenue, 2025

Rank	Company	Identities or Background	Market Share
			(%)
1	**Our Group**	**/**	**7.6%**
2	Company D	Company D is a private company primarily engaged in customized compound seasonings to business customers. Company D is headquartered in Sichuan, China.	5.3%
3	Company E	Company E is a private company primarily engaged in the production of Chinese style customized compound seasonings. Company E is headquartered in Sichuan, China.	4.6%
4	Company F	Company F is a private company primarily engaged in the production of soup bases, sauces and other customized compound seasonings. Company F is headquartered in Guangdong, China.	4.6%
5	Company G	Company G is a private company primarily engaged in the production of compound seasonings and prepared ingredients. Company G is headquartered in Sichuan, China.	3.1%

Source: Frost & Sullivan Analysis

Entry Barrier

Brand and Trust Barrier: In the seasoning and compound seasoning industry, brand recognition has become a key factor influencing customer choice. Leading enterprises have built solid brand barriers through long-accumulated trust, consistent quality, and reliable brand identity. Even with product advantages, new entrants still need to invest substantial resources in marketing, distribution, and quality management to establish long-term trust and customer loyalty. Brand loyalty not only shapes purchasing behavior but also strengthens enterprises' bargaining power in retail channels.

Technology and R&D Barrier: Consumers' growing demand for healthy, safe, and customized products has raised the technological threshold of the compound seasoning industry, imposing higher requirements on enterprises' R&D capabilities. Leading enterprises, leveraging continuous R&D investment, rapid formulation development capabilities, and flexible customization solutions, are able to quickly launch new products that meet specific flavor and safety standards. New entrants without such technological capabilities find it difficult to respond to rapidly changing market demands, comply with regulatory standards, and meet evolving consumer preferences.

Food Safety Barrier: Food safety is the fundamental requirement for the seasoning and catering industry. Catering customers impose high standards on suppliers regarding raw material traceability, production process control, and product testing. Meanwhile, with increasingly stringent regulations, the industry is gradually eliminating small producers that lack comprehensive quality control systems. Leading catering enterprises have established stringent access criteria for customized R&D, flavor stability, scalable delivery, and food safety management. Only enterprises with systematic food safety assurance capabilities can be admitted into their supply chains.

Service Network Barrier: In China's seasoning and compound seasoning industry, downstream catering customers are widely distributed across the country, which requires seasoning enterprises to establish a broad service network to maintain close contact with customers, identify emerging needs in a timely manner, and respond efficiently to feedback. Leading enterprises, by building well-established service networks and equipping themselves with professional service systems, can quickly collect regional market information and flexibly adjust product solutions. New entrants, constrained by insufficient service network and inadequate response mechanisms, struggle to keep pace with changes in customer demands and lack opportunities to establish long-term relationships with leading catering customers.

Scale Barrier: China's seasoning and compound seasoning industry exhibits significant economies of scale. Large enterprises reduce costs and improve operational efficiency through bulk procurement of raw materials and centralized production. Large enterprises can also spread higher R&D and marketing expenses over larger volumes, further enhancing their competitiveness. New entrants lacking scale advantages often face higher production and distribution costs, which in turn weakens their price competitiveness.

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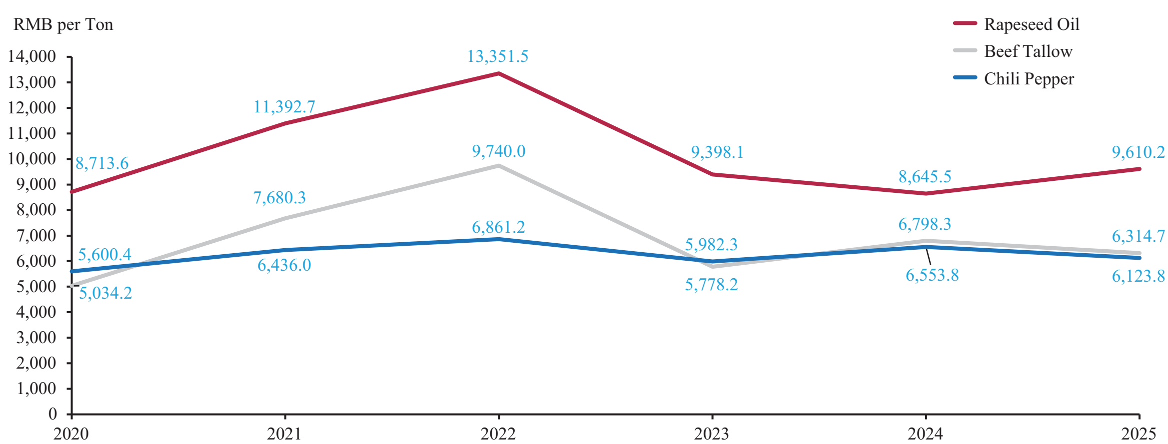
Cost Analysis of China Compound Seasoning Industry

Compound seasonings encompass a wide variety of products and require multiple types of raw materials for production. Commonly used raw materials include rapeseed oil, beef tallow, chili pepper, and others.

From 2020 to 2025, the retail prices of key raw materials for compound seasonings have shown different trajectories. The market price of chili pepper fluctuated between 2020 and 2025, representing an overall upward trend from RMB5,600.4 per ton in 2020 to RMB6,123.8 per ton in 2025, primarily driven by sustained demand growth from downstream compound seasoning and catering industries. The market price of rapeseed oil and beef tallow followed a similar trajectory of rising from 2020 to 2022, falling in 2023, and diverging in 2024 and 2025. Rapeseed oil price experienced a slight increase to RMB9,610.2 per ton in 2025, while beef tallow prices decreased to RMB6,314.7 per ton.

Price of Main Raw Materials of Seasoning and Compound Seasoning in China, 2020–2025



Source: National Development and Reform Commission, Frost & Sullivan Analysis