INDEPENDENT MARKET RESEARCH FOR CHINA'S CATERING INDUSTRY

Confidential for

Anhui Xiaocaiyuan Holding Co., Ltd.

小菜园

Frost & Sullivan

Dec. 2024

Date : December 12, 2024

For and on behalf of
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.

Name: Charles Lau
Title: Executive Director

Scope

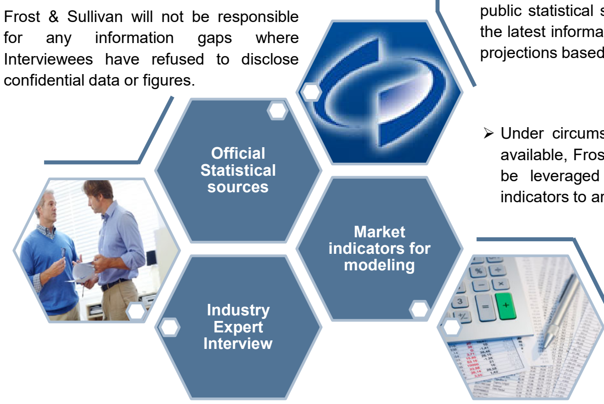
■ **The project scope is defined as follows:**

Research Period	• **Historical Year: 2018-2022** • **Base Year: 2023** • **Forecast Year: 2024E-2028E**
Geographic Scope	• **China (Refers to, if not specified, Mainland China)**
Target Market	• **Catering Market Analysis** • **Chinese Cuisine Market Analysis**

Limitations

■ **Source of Information**

- Interviews with industry experts and competitors will be conducted on a best-effort basis to collect information for in-depth analysis for this report.
- Frost & Sullivan will not be responsible for any information gaps where Interviewees have refused to disclose confidential data or figures.
- The study took 2023 as the base year for analysis and 2024-2028 for forecast. However, as the point of this study being 2023, some of the figures of 2023 may not be available at the moment from public statistical sources. Frost & Sullivan will use the latest information available (e.g. 2022) or make projections based on historical trends.
- Under circumstances where information is not available, Frost & Sullivan in-house analysis will be leveraged using appropriate models and indicators to arrive at an estimate.
- Sources of information and data will be clearly stated in the bottom right hand corner on each slide for reference.



Glossary

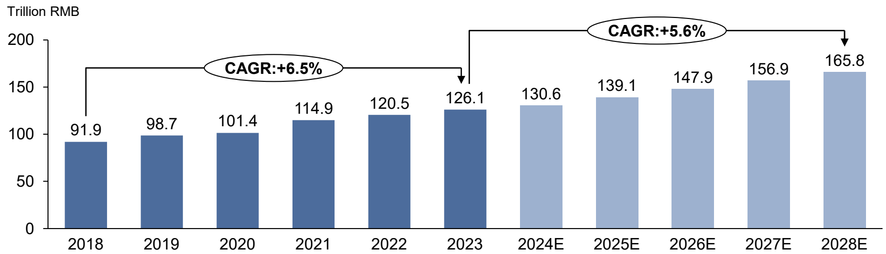
CAGR	Compound Annual Growth Rate
GDP	Gross domestic product
RMB	Renminbi, the lawful currency of the PRC
US	US Dollar, the lawful currency of United States
IMF	International Monetary Fund
First-tier cities	Beijing, Shanghai, Guangzhou and Shenzhen
New First-tier cities	Chengdu, Chongqing, Hangzhou, Wuhan, Xi'an, Tianjin, Nanjing, Zhengzhou, Changsha, Hefei, Qingdao, Ningbo, Kunming, Suzhou and Dongguan
Second-tier cities	Shenyang, Baoding, Fuzhou, Xiamen, Jinan, Dalian, Harbin, Shijiazhuang, Nanning, Changchun, Nanchang, Guiyang, Taiyuan, Taizhou, Linyi, Foshan, Weifang, Wuxi, Wenzhou, Quanzhou, Jinhua, Changzhou, Huizhou, Jiaxing, Xuzhou, Nantong, Zhuhai, Zhongshan, Shaoxing and Yantai
Third-tier cities and below	Cities and counties other than first-tier cities, new first-tier cities and second-tier cities.

Source: CBNweekly, Frost & Sullivan Analysis

1. Overview of China's Macro Economy

Overview of China's Macro Economy
Nominal GDP Analysis

Nominal GDP (China), 2018 - 2028E

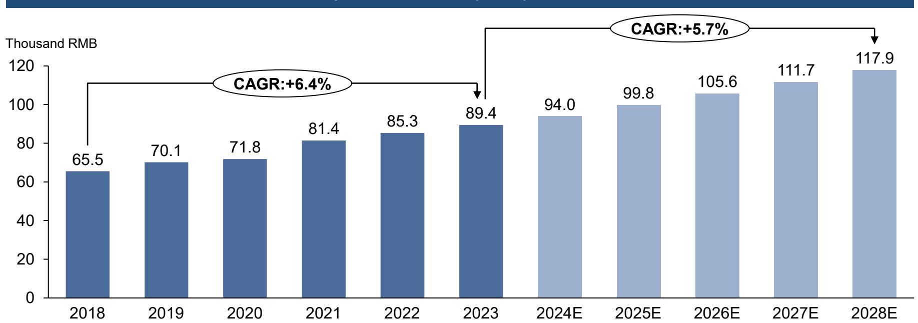


- According to the National Bureau of Statistics of China, the Chinese economy grew at a CAGR of 6.5% from 2018 to 2023. Going forward, the Chinese authorities are likely to maintain the consistency and stability of macroeconomic policies so as to maintain macroeconomic stability. In the meantime, structural adjustment of the economy is predicted to be strongly pushed forward by the Chinese authorities to improve the quality and efficiency of economic development. The Chinese economy is likely to transfer from an investment-driven model to a consumption-driven model with the share of final consumption in GDP picking up. Under this trend, the Chinese economy is likely to maintain a sound and healthy development. According to the International Monetary Fund (IMF), the Chinese economy is forecasted to keep growing at a CAGR of 5.6% from 2023 to 2028.
- Looking forward, the nominal GDP is expected to keep growing and reach RMB165.8 trillion in 2028 at a CAGR of 5.6% with a forecasted stable economic environment.

Source: National Bureau of Statistics, Frost & Sullivan Analysis

Overview of China's Macro Economy
Per Capita Nominal GDP Analysis

Per Capita Nominal GDP (China), 2018 – 2028E

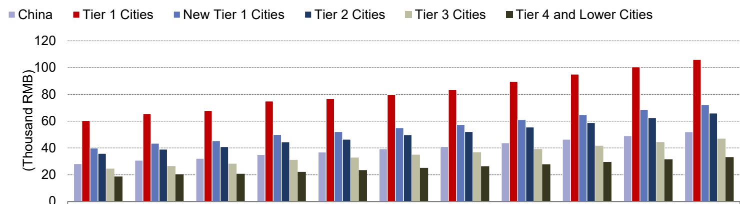


- As total population of China has remained and is expected to remain stable in the future, the growth of per capita GDP is in line with the growing Chinese economy. Per capita nominal GDP in China has kept growing at a fast pace over the past and is expected to maintain the solid growth. For 2023, the per capita nominal GDP in China has reached RMB89.4 thousand.
- In the future, with the sound growth of the Chinese macro economy, the per capita nominal GDP in China is also likely to maintain steady growth. According to the International Monetary Fund (IMF), the per capita nominal GDP in China is predicted to reach RMB117.9 thousand in 2028, growing at a CAGR of 5.7% from 2023.

Source: National Bureau of Statistics, Frost & Sullivan Analysis

Overview of China's Macro Economy
Per Capita Disposable Income

Per Capita Disposable Income, China, Segmented by City Tier, 2018– 2028E



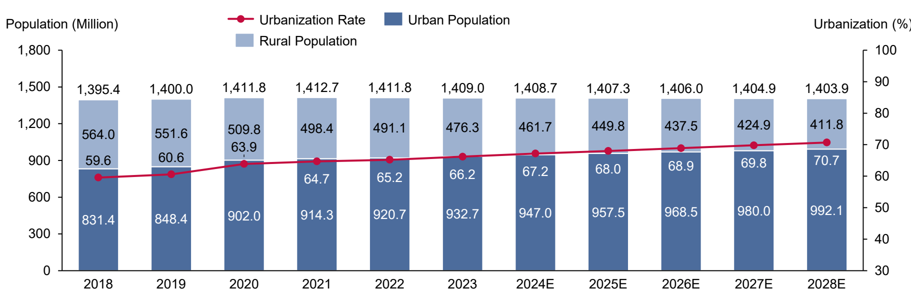
	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	CAGR (18-23)	CAGR (23-28E)
China	28.2	30.7	32.2	35.1	36.9	39.2	41.1	43.7	46.4	49.1	51.9	6.8%	5.8%
Tier 1 Cities	60.4	65.5	67.9	74.9	76.9	80.0	83.5	89.7	95.0	100.5	105.9	5.8%	5.8%
New Tier 1 Cities	39.9	43.4	45.4	50.0	52.2	55.0	57.5	61.1	64.8	68.6	72.3	6.6%	5.6%
Tier 2 Cities	35.9	39.0	40.9	44.4	46.5	49.8	52.2	55.5	58.9	62.5	65.9	6.8%	5.8%
Tier 3 Cities	24.5	26.5	28.3	31.1	32.8	34.9	36.7	39.1	41.7	44.3	46.9	7.3%	6.1%
Tier 4 and Lower Cities	18.7	20.3	20.7	22.1	23.5	25.1	26.3	27.8	29.6	31.5	33.2	6.1%	5.8%

- Together with the continuous growth in economy and urbanisation, the average income level of Chinese households has also increased continuously in recent years. In 2023, the per capita annual disposable income has increased to RMB39.2 thousand from RMB28.2 thousand in 2018, representing a CAGR of 6.8%.
- The growth of Chinese per capita annual disposable income has demonstrated positive effect on Chinese residents' purchasing power. Frost & Sullivan estimates that by 2028, the per capita annual disposable income is expected to increase to RMB51.9 in 2028 with a CAGR of 5.8% from 2023.

Source: IMF, Frost & Sullivan

Overview of China's Macro Economy
Population and Urbanization

Population and Urbanization (China), 2018 – 2028E

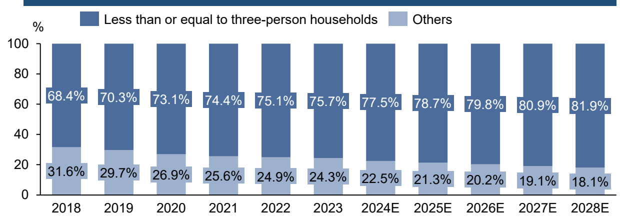


- China has the world's largest population. In 2023, China's total population reached 1,409.0 million. With the PRC Government investing a tremendous effort into controlling the enormous population, the population growth rate has been stable over the past five years. However, with the release of the two-child policy, the total population of China is estimated to grow at a moderate level, reaching 1,403.9 million in 2028.
- Due to the rapid economic development of China and the influx of migrants from rural areas to developed areas, the Chinese urban population has been steadily increasing. China's rapid economic growth has fuelled the unprecedented urbanization of its population since the 1990s. From 2018 to 2023, China's urban population increased from 831.4 million to 932.7 million, with a CAGR of 2.3%. During the same period, the urbanization rate in China increased by 6.6%, from 59.6% to 66.2%. Besides, it is common that employees living in rural areas are reluctant to make payment of social insurance and housing provident fund contributions.
- With the continuous growth of urbanization, the urban population is expected to maintain a CAGR of 1.2% from 2023 to 2028. Frost & Sullivan forecasts that by 2028, China's urban population is expected to reach 922.1 million. Under the 'National Plan for Promoting Healthy Urbanization (《全国促进城镇化健康发展规划》)' raised in 2013, new-style urbanization is expected to promote the urban-rural coordination and reasonable distribution. Accordingly, Frost & Sullivan forecasts China's urbanization rate is likely to increase gradually from 2023 to 2028, reaching 70.7% by 2028.
- China's aging rate, which is percentage of population that aged over 65-year-old, has increased from 11.9% in 2018 to 15.4% in 2023 and is expected to reach 17.4% in 2028.

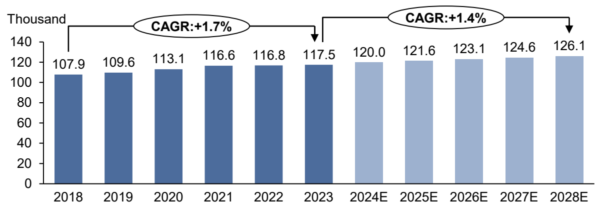
Source: National Bureau of Statistics, Frost & Sullivan

Overview of China's Macro Economy
Household and Community

Number of household sizes, by number of people, (China), 2018 – 2028E



Number of communities (China), 2018 – 2028E

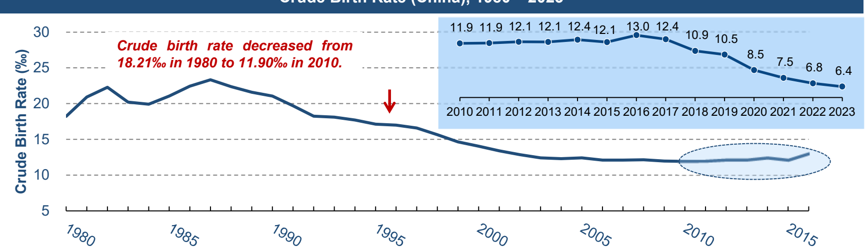


- With the decline in the number of new births, China's family size has shown a trend of increasing sub-replacement fertility. In terms of the number of persons in the household, less than or equal to three-person households is expected to reach 81.9% in 2028.
- At the end of 2023, the national population was 1.41 billion, 2.08 million fewer than at the end of the previous year. There were 9.02 million births in the year, with a birth rate of 6.39 per thousand; 11.1 million deaths, with a mortality rate of 7.87 per thousand, and a natural population growth rate of -0.15%. Besides, 2022 is the first time since 1962 that China's population has experienced negative growth.
- Communities are social groups with members residing in a specific locality. The number of communities in China generally equals to number of community committees (社区居委会) according to China's National Bureau of Statistics. The number of communities in China increased from 107.9 thousand in 2018 to 117.5 thousand in 2023, grew at a CAGR of 1.7% from 2018 to 2023.
- In the future, with the increase in the rate of urbanization, the number of communities in China is also likely to maintain steady growth. China's number of communities is expected to reach 126.1 thousand in 2028, growing at a CAGR of 1.4% from 2023.

Source: National Bureau of Statistics, Frost & Sullivan

Overview of China's Macro Economy
Crude Birth Rate

Crude Birth Rate (China), 1980 – 2023



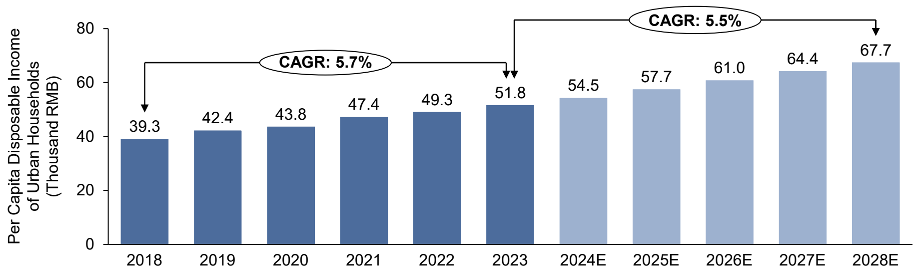
- "Family Planning Policy", also known as "One-child Policy", is the key population policy in China. Till now the policy has been implemented over four decades. It was promulgated in the late 1970s by the central government. The policy advocates delayed marriage and childbearing as well as fewer and better births, especially one-child birth. The policy is enforced by regional government strictly and fines are likely to be imposed if one family has excess children. Under this policy, the Chinese population growth has been kept slow during the past years.
- However, stepping into the 21st century, with the increase of aging population as well as the disappearing of the demographic dividend, the policy has been gradually relaxed, especially in well-developed regions. And in the late of 2013, the Chinese government announced that it will further relax the policy by allowing families to have two children if one of the parents is an only-child. Driven by the relax of population policy, the crude birth rate is expected to show an upward trend since 2014. Year 2015 is not a good year in traditional Chinese culture, which leads to the downturn of the birth rate.
- According to a key decision issued in November 2015 by the Communist Party of China (CPC), China will loosen its decades-long one-child population policy, allowing couples to have two children. The birth policy will be adjusted and improved step by step to promote long-term balanced development of the population in China.

Source: National Bureau of Statistics, Frost & Sullivan

Overview of China's Macro Economy

China's Per Capita Disposable Income of Urban Households

Per Capita Disposable Income of Urban Households (China), 2018 – 2028E



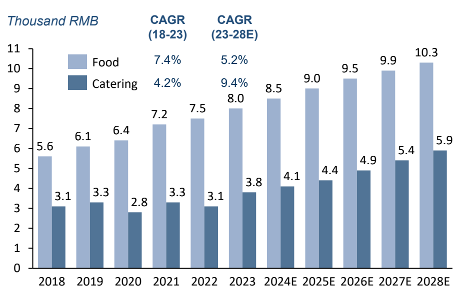
- Together with the continuous growth in economy and urbanization, the average income level of Chinese urban households has also increased continuously in recent years. The per capita annual disposable income of urban households has increased to RMB51.8 thousand in 2023 from RMB39.3 thousand in 2018, representing a CAGR of 5.7%. The per capita disposable income of urban households remain stable growth but at a slower rate
- The growth of Chinese per capita annual disposable income has demonstrated positive effect on Chinese residents' purchasing power. Frost & Sullivan estimates that by 2028, the per capita annual disposable income of urban households is forecast to increase to RMB67.7 thousand with a CAGR of 5.5% from 2023.

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

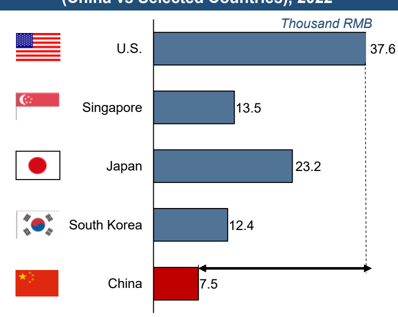
Overview of China's Macro Economy

Per Capita Annual Expenditure on Food

Per Capita Annual Expenditure (China), 2018-2028E



Per Capita Annual Expenditure on Food (China vs Selected Countries), 2022



- With the growing income level of China's households, the expenditure on food has increased from 2018 to 2023. The per capita annual expenditure on food has increased from RMB5.6 thousand in 2018 to RMB8.0 thousand in 2023, representing a CAGR of 7.4%. In the future, along with the stable growth of China's economy, the per capita annual expenditure on food is expect to reach RMB10.3 thousand in 2028 with a CAGR of 5.2% from 2023.
- The per capita annual expenditure on catering has increased from RMB3.1 thousand in 2018 to RMB3.9 thousand in 2023, representing a CAGR of 4.2%. In the future, along with the stable growth of China's economy, the per capita annual expenditure on catering is expect to reach RMB5.9 thousand in 2028 with a CAGR of 9.4% from 2023.
- Comparing with other developed countries in the world, China still has a relatively low per capita annual expenditure on food. US, Singapore, Japan and South Korea has per capita annual expenditure on food of RMB37.6 thousand, RMB13.5 thousand, RMB23.2 thousand and RMB12.4 thousand in 2022, respectively.
- In 2022, China's per capita delivery frequency is 32.2 times and per capita delivery expenditure is RMB26.2. On the other hand, China's per capita frequency of dine-in is 47.4 times, with per capita dine-in expenditure of RMB47.9.

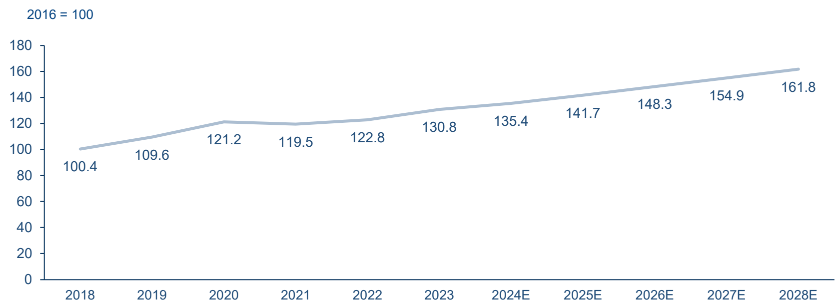
Note: per capita annual expenditure on food of selected countries will be updated

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

Overview of China's Macro Economy

Consumer Price Index on Food

2016-Based Consumer Price Index on Food (China), 2018 - 2028E



- CPI on food is a significant measure that examines the weighted average of the price of food in China. CPI basically measures the average price over a period of time that consumers pay for a certain amount of goods or services.
- The consumer price index (CPI) on food kept growing in China. The 2016-based CPI on food has increased from 100.4 in 2018 to 130.8 in 2023. The CPI in China is likely to keep growing due to factors including the increasing consumption power of Chinese residents, the growing prices of consumer goods, the decreasing supply of specific products such as pork, and other factors. The 2016-based CPI is likely to reach 161.8 in 2028.

Source: National Bureau of Statistics, Frost & Sullivan Analysis

2. China's Catering Industry Overview

China's Catering Industry Overview
Definition and Classification

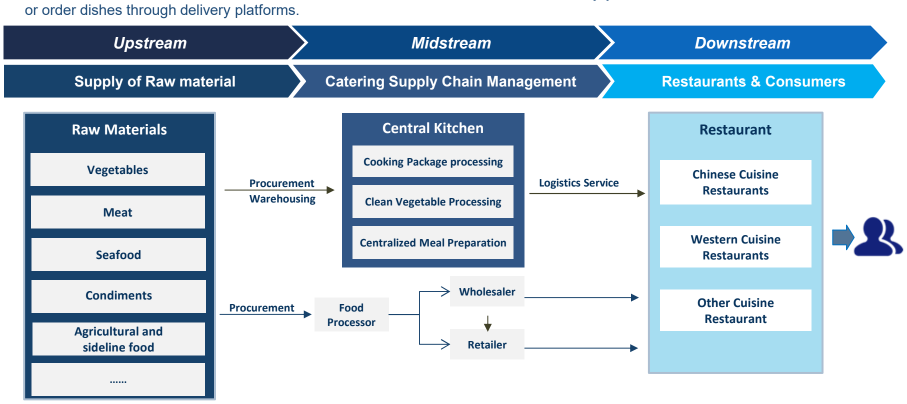
The catering industry refers to the commercial activities of cooking, preparing, and selling food to customers in specific locations. The catering market is one of the largest consumption markets in China.
The catering industry in China can be categorized into three major types of cuisine: Chinese cuisine, Western cuisine (French cuisine, Italian cuisine, Mexican cuisine, and all styles of cuisines other than Chinese cuisine and Asian cuisine), and other cuisine (all cuisines other than Chinese cuisine and Western cuisine, such as Japanese, Korean, and others).

	Definition
 Chinese Cuisine	Chinese cuisine refers to traditional Chinese dishes, which usually consist of cold dishes and hot dishes. Chinese cuisine includes cuisines from different provinces of China, including, but not limited to, hotpot, Sichuan cuisine, Anhui cuisine, Cantonese cuisine, and other Chinese cuisines. Compared with other cuisines, Chinese cuisine evolves and varies significantly across regions in China; which is also subject to seasonal variations. Chinese cuisine is usually served in the form of group dining, where people are seated at one table and share food from same plates. Food is cooked and prepared in the kitchen before it is served to customers.
 Western Cuisine	Western cuisine refers to western style dishes, which are usually served in separate dining system. French cuisine, Italian cuisine, Mexico cuisine and all styles of cuisines other than Chinese cuisine or Asian cuisine are included in this segment. People generally do not share food and have their own dishes when using western cuisine. Dishes are served one by one, which usually consist of appetizer, soup, salad, main course, desert, ice cream, and coffee.
 Other Cuisine	Other cuisine includes all cuisine other than Chinese cuisine and western cuisine such as Japanese cuisine, Korean cuisine, and other cuisines.

Source: Frost & Sullivan

China's Catering Industry Overview
Industry Value Chain Analysis

- Upstream of China's catering industry refers to the supply of raw materials, responsible for producing and supplying food ingredients such as vegetables, fruits, meat, and fish. Food safety and freshness of food ingredients is the top priority during the processing and distribution for all parts of the value chain. Midstream is a supply chain management service. Other than purchasing directly from food processors or wholesalers, large catering enterprises procure raw materials from self-built or third-party central kitchens. Central kitchens perform centralized meal preparation, cooking package and clean vegetable processing, to improve dish standardization.
- Downstream is restaurants and consumers, consumers can dine at a restaurant and enjoy the restaurant environment and services, or order dishes through delivery platforms.

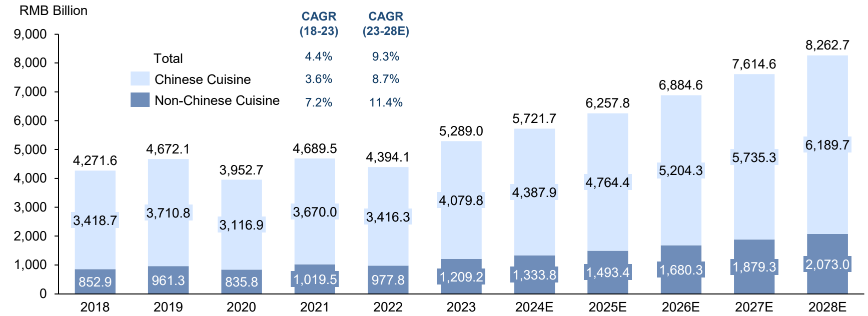


Source: Frost & Sullivan

China's Catering Industry Overview

Market Size

Market Size of China's Catering Industry, Breakdown by Cuisine Type, 2018 - 2028E



- China's catering industry may be significantly affected by any epidemics or pandemics in the PRC. Despite the challenges brought about by the COVID-19 pandemic to the catering market in China, the market size achieved growth in the past several years, from RMB4,271.6 billion in 2018 to RMB5,289.0 billion in 2023, representing a CAGR of approximately 4.4% from 2018 to 2023. Before the pandemic, from 2018 to 2019, the growth rate of China's catering market was approximately 9.4%. China's catering market is the second largest catering market in 2023 globally. The size of China's catering market decreased in 2020 due to the adverse impact brought by the COVID-19 pandemic, but the market has recovered in 2023. The Chinese cuisine market is the largest catering market in China, accounting for 77.1% of the total market size of China's catering market in 2023.
- China's catering market has recovered since the end of 2022 and is expected to further recover over the next few years, reaching RMB8,262.7 billion in 2028, with a CAGR of approximately 9.3% from 2023 to 2028, primarily driven by China's increasing household expenditure, the accelerating pace of life, increasing urbanization rate, the rapid growth of the food delivery industry, and the development of digital technologies in this market. China's catering industry is affected by macroeconomic factors, including changes in international, national, regional and local economic conditions, employment levels and consumer spending patterns.

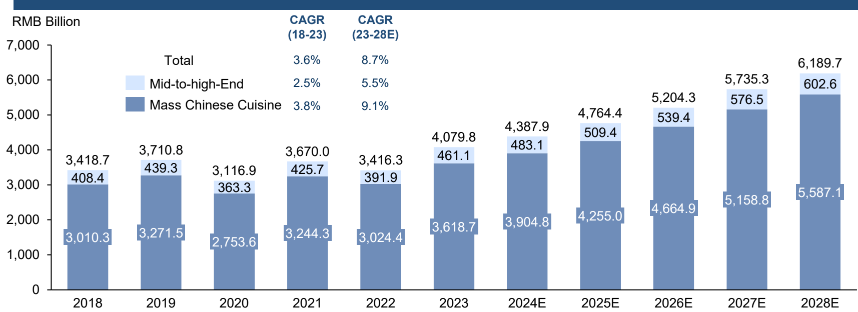
Note: Market size is measured by revenue.

Source: Frost & Sullivan

China's Catering Industry Overview

Market Size

Market Size of China's Chinese Cuisine Industry, Breakdown by Price Level, 2018 - 2028E



- The Chinese cuisine market in China can be divided into two sub-segments, namely the mass Chinese cuisine market and the mid-to-high-end Chinese cuisine market. According to Frost & Sullivan, the mass Chinese cuisine market is a sub-segment of Chinese cuisine market with average spending per consumer between nil and RMB100. On the other hand, the mid-to-high-end Chinese cuisine market is a sub-segment of the Chinese cuisine market with average spending per consumer at RMB100 and above. The mass Chinese cuisine market is the largest sector of the Chinese cuisine market in China in 2023, accounting for approximately 88.7% of the total market size. The market size of the mass Chinese cuisine market measured by revenue increased from RMB3,010.3 billion in 2018 to RMB3,618.7 billion in 2023, representing a CAGR of approximately 3.8% from 2018 to 2023, while the growth from 2018 to 2019 is approximately 8.7%. The market size of the Chinese cuisine market is expected to reach RMB6,189.7 billion in 2028, with a CAGR of approximately 8.7% from 2023 to 2028. In light of the growing demand for quality food and convenient service at affordable prices, the size of the mass Chinese cuisine market in China is expected to reach RMB5,587.1 billion in 2028, with a CAGR of approximately 9.1% from 2023 to 2028. The following table sets forth the breakdown of the market size of China's Chinese cuisine market by average spending per consumer from 2018 to 2028.

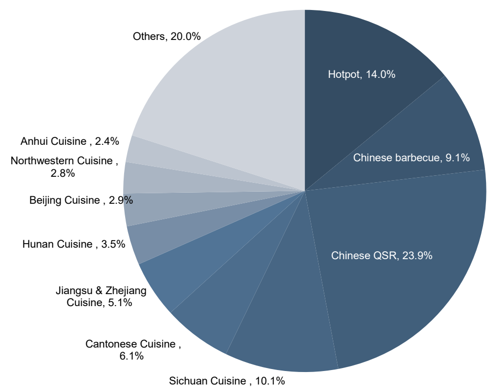
Note: Market size is measured by revenue.

Source: Frost & Sullivan

China's Catering Industry Overview

Market Size

Revenue of Mass Chinese Cuisine Market (China), Breakdown by Cuisine Types, 2023



- The Chinese cuisine market can be further categorized into regional cuisines such as Hotpot, Sichuan cuisine, Cantonese cuisine, Jiangsu & Zhejiang cuisine and Hunan cuisine. Hotpot and Chinese QSR ranked at the first and second place and accounting for 14.0% and 23.9% of the total Chinese cuisine market, respectively.
- In 2023, Anhui cuisine accounted for approximately 2.4% of China's mass Chinese cuisine market.

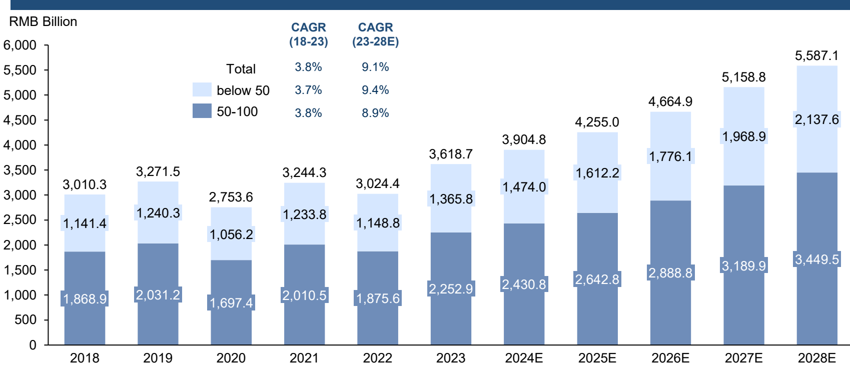
Note: Others include Jiangxi Cuisine, Yunnan cuisine, etc.

Source: Frost & Sullivan Analysis

China's Catering Industry Overview

Market Size

Market Size of Mass Chinese Cuisine Market , Breakdown by Price, 2018 - 2028E

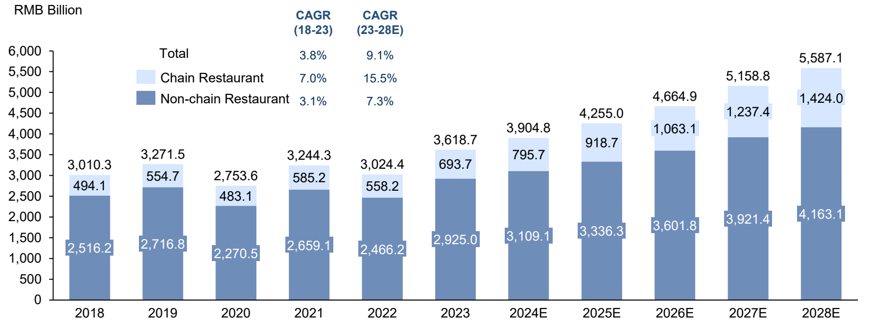


- The mass Chinese cuisine market could be further divided into a market with average spending per consumer below RMB50 and a market with average spending per consumer between RMB50 and RMB100. The size of the former market increased from RMB1,141.4 billion in 2018 to RMB1,365.8 billion in 2023, representing a CAGR of approximately 3.7% from 2018 to 2023, and it is expected to grow with a CAGR of 9.4% from 2023 to 2028. In conjunction with this, the latter market increased from RMB1,868.9 billion in 2018 to RMB2,252.9 billion in 2023, representing a CAGR of approximately 3.8% from 2018 to 2023, and it is expected to grow with a CAGR of 8.9% from 2023 to 2028.
- Despite the swift expansion of the mass market Chinese cuisine sector in recent years, the existing offerings have yet to fully meet the consumers' daily culinary expectations in terms of both magnitude and quality. This market harbours significant unexplored growth potential.

Source: Frost & Sullivan

China's Catering Industry Overview
Market Size

Market Size of Mass Chinese Cuisine Market , Breakdown by Operating Model, 2018 - 2028E

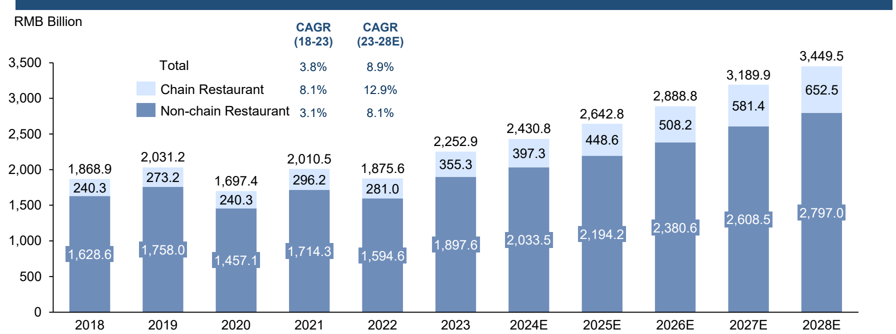


- Chain restaurants accounted for approximately 19.2% of the mass Chinese cuisine market in China in 2023. The rate of chain restaurant development is closely tied to the process of urbanization. Since the 1990s, China's rapid economic growth has propelled an unprecedented urbanization trend. The fast-paced urban lifestyle has led to reduced time for home cooking, resulting in an increased frequency of dining out. In 2023, the percentage of chain restaurants in developed countries such as the United States and Japan was 60.1% and 52.4%, respectively, far exceeding China's percentage of chain restaurants. China has significant untapped potential for increasing the proportion of chain restaurants, and the trend toward large-scale chains is on the rise. With the development of technology and management capabilities in the chain restaurant market, its market size grew rapidly from RMB494.1 billion in 2018 to RMB693.7 billion in 2023, representing a CAGR of approximately 7.0%, outpacing the growth rate of the non-chain restaurant market. Before the pandemic, specifically from 2018 to 2019, the growth rate was approximately 12.3%. Thanks to efficient management capabilities, a well-established supply chain, a higher level of standardization and stronger capital support, the chain restaurant market is expected to grow rapidly in the future, reaching approximately RMB1,424.0 billion in 2028 at a CAGR of 15.5%. It is expected that chain restaurants will account for approximately 25.5% of the mass Chinese cuisine market in China in 2028.

Source: Frost & Sullivan

China's Catering Industry Overview
Market Size

Market Size of Mass Chinese Cuisine Market, RMB 50-100, Breakdown by Operating Model, 2018 - 2028E

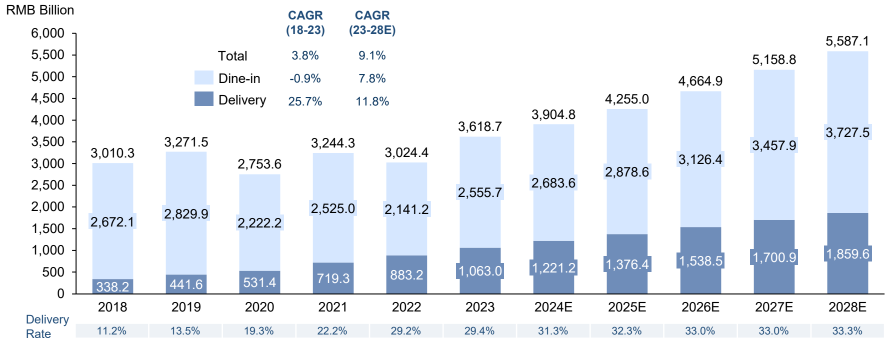


- Chain restaurants accounted for approximately 15.8% of the mass Chinese cuisine market with average spending per consumer between RMB50 and RMB100 in China in 2023. With the development of technology and management capabilities in the chain restaurant market, its market size grew rapidly from RMB240.3 billion in 2018 to RMB355.3 billion in 2023, representing a CAGR of approximately 8.1%, outpacing the growth rate of the non-chain restaurant market of 3.1%.
- In the future, the chain restaurant market is expected to grow rapidly and reach approximately RMB652.5 billion in 2028 at a CAGR of 12.9%. It is expected that chain restaurants will account for approximately 18.9% of the mass Chinese cuisine market in China with average spending per consumer between RMB50 and RMB100 in 2028.

Source: Frost & Sullivan

China's Catering Industry Overview
Market Size

Market Size of China's Mass Chinese Cuisine Market , Breakdown by Dine-in and Delivery, 2018 - 2028E



- Food delivery in China has witnessed fast growth during the past several years driven by the increased popularity of food delivery platforms and apps, as well as changes in lifestyle and dining preferences in young populations. With increasing mobile penetration and benefiting from the busier lifestyles of Chinese consumers, food delivery is expected to continue to grow in demand. Take-out dining has become a popular dining option for the general public in China after the pandemic.
- The revenue through delivery has increased from RMB338.2 billion in 2018 to RMB1,063.0 billion in 2023, with a CAGR of 25.7%, and accounted for approximately 29.4% of the total mass Chinese cuisine market as of 2023.
- With increasing mobile penetration and benefiting from the busier lifestyles of Chinese consumers, food delivery is expected to continue to grow in demand. The revenue through delivery in the mass Chinese cuisine market is expected to keep increasing from RMB1,063.0 billion in 2023 to RMB1,859.6 billion in 2028, with a CAGR of 11.8%. For each fulfilled order, restaurants need to pay online food delivery platforms a commission fee and a delivery fee.

Source: National Bureau of Statistics, Frost & Sullivan

China's Catering Industry
Market Drivers and Future Trends (1/4)

Market Drivers and Future Trends of China's Catering Industry

Major Market Drivers and Future Trends (1/4)

1 The Development of the Economy & Increasing Urbanization Rate

2 Changes in Demographic Structure and Shifts in Customer Demands

Description

1. The Development of the Economy & Increasing Urbanization Rate

➢ The development of the Chinese economy, coupled with the increasing urbanization rate in China, drive the growth of China's catering industry. The urbanization rate in China increased from 59.6% in 2018 to 66.2% in 2023, leading to more people moving to urban areas and an increasing demand for catering services. China's per capita disposable income for the urban household increased from RMB39,300 in 2018 to RMB51,800 in 2023, representing a CAGR of 5.7% from 2018 to 2023. In addition, China's per capita food consumption expenditure increased from RMB5,600 in 2018 to RMB8,000 in 2023, representing a CAGR of 7.4% from 2018 to 2023. In line with the increasing urbanization rate in China, according to Frost & Sullivan, the urban population of second-tier cities has experienced steady growth, increasing from 142.5 million in 2018 to 169.3 million in 2023, and accounting for 18.2% of the total urban population in China in 2023. The per capita annual disposable income of urban households in second-tier cities also increased from RMB44.3 thousand in 2018 to RMB58.6 thousand in 2023 with a CAGR of 5.8%, exceeding the national average CAGR for the per capita annual disposable income for the urban household of 5.7% during the same period. As a result, the purchasing power of residents in second-tier cities has been increasing, with consumers more capable and willing to spend when they dine out. From 2018 to 2023, per capita food consumption expenditure in second-tier cities has increased with a CAGR of 8.1%, exceeding the national average CAGR for the per capita disposable income for the urban household of 7.4% during the same period. In addition, the urban population in third-tier cities has grown from 208.5 million in 2018 to 222.7 million in 2023 with a CAGR of 1.3%, accounting for 23.9% of the total urban population in China in 2023. The large size of population base in third-tier cities represents substantial market potential. Also, there has been a steady growth of the purchasing power of urban residents in third-tier cities as the per capital annual disposable income of urban household thereof increased from RMB33.7 thousand in 2018 to RMB44.8 thousand in 2023, representing a CAGR of 5.9%, exceeding the national CAGR for the per capita annual disposable income for the urban household of 5.7% during the same period. In addition, the per capita food consumption expenditure in third-tier cities has increased with a CAGR of 8.0% from 2018 to 2023, exceeding the national average CAGR for the per capita disposable income for the urban household of 7.4% during the same period. Meanwhile, the per capita annual disposable income of urban households in first-tier cities, new first-tier cities, and fourth-tier cities and below has also increased from 2018 to 2023 with a CAGR of 5.6%, 5.8% and 4.1%, respectively, and the CAGR during the same period for the per capita food consumption expenditure thereof was 5.7%, 6.3% and 6.6%, respectively.

2. Changes in Demographic Structure and Shifts in Customer Demands

➢ China's catering industry is directly influenced by changes in China's demographic structure. Changes in demographic structure, such as an increasing proportion of smaller families, declining birth rates, and an aging population, collectively drive the increasing demand for catering services, both dine-in and delivery businesses. The proportion of two- and three-person households out of total households in China increased from 68.4% in 2018 to 75.7% in 2023. In addition, China's birth rate declined from 10.9‰ in 2018 to 6.4% in 2023. The increasing number of smaller families means that there are fewer individuals in a family responsible for cooking, leading more families to turn to restaurants for dine-in or delivery food. An increasing number of residents choose restaurants within their neighborhood as an alternative to home-cooking, creating vast opportunities for the local catering industry serving local communities. Such changes in demographic structure and shifts in customer demands provide a considerable new market for the players in the Chinese catering industry and create an environment for benign competition. In addition, customers of China's catering industry in recent years are making smarter and more careful consumptions, and generally have relatively high expectations of, and specific requirements for, the food and services provided. Only catering companies that adopt a consumer-centric approach and can consistently deliver high-quality products and services can achieve long-term customer retention and loyalty.

Source: Frost & Sullivan Analysis

China's Catering Industry

Market Drivers and Future Trends (2/4)

Market Drivers and Future Trends of China's Catering Industry

Major Market Drivers and Future Trends (2/4)

3 Future Penetration Rate of Chain Restaurants in China's Catering Market Will Further Increase

4 The Popularity of Mass Chinese Cuisine

Description

3. Future Penetration Rate of Chain Restaurants in China's Catering Market Will Further Increase

- In 2023, the penetration rate of chain restaurants in China's catering industry was 21.5%, as compared to 60.1% in the United States, which leaves ample headroom for the Chinese catering industry to grow. With its considerable customer base, China's catering industry is likely to be dominated by leading brands under the chain restaurant model. The development of the chain restaurant model in recent years has greatly contributed to the rapid growth of certain catering companies, especially for leading restaurant brands, which have successfully expanded their business by using and replicating the chain restaurant model. In addition, with customers in the catering industry generally having relatively high expectations of, and specific requirements for, food and services, market players with strong brand influence are more capable of focusing on and meeting customers' demands precisely, consequently attracting more customers and enhancing their loyalty to their brands. The development of the chain restaurant model also encourages leading restaurant operators to enhance their brand building and reinforce their advantages so as to stand out in the competitive catering industry. Furthermore, the chain restaurant model promotes standardization within China's catering industry and ensures that consistency of food quality and service experience are provided across the chain restaurant network. Leading chain restaurant operators have taken various measures to implement the chain restaurant model, such as streamlining SKUs, in order to standardise their operations, for example in relation to ingredient procurement, inventory management and food preparation processes, and ultimately improve efficiency and provide a reliable dining experience to customers. With the gradually increasing penetration rate of chain restaurants in China's catering industry, customers in this industry are expected to show more stickiness to leading brands under the chain restaurant model, which would further accelerate their pace of expansion and increase their market shares in the industry. The penetration rate of chain restaurants in China's catering industry is projected to be 25.6% in 2028.

4. The Popularity of Mass Chinese Cuisine

- Demand Side: The mass Chinese cuisine market caters to the widespread and frequent demand for affordable dining out experiences, aligning well with the dining preferences and purchasing power of the general public. In 2023, approximately 1.3 billion people in China had a monthly disposable income of less than RMB5,000. Market demand is a crucial variable influencing industry development. Currently, there exists an objective environment where the adaptability of goods or services to consumer needs is insufficient. As such, mass Chinese cuisine, by providing affordable dining options, is widely accepted and has gained popularity among customers with a relatively low income and purchasing power. Consumers are more in favor of products and services of good quality and low price, which puts forward higher requirements for catering enterprises. Therefore, by meeting the diverse needs of customers in the industry, the popularity of mass Chinese cuisine has become a significant driver for China's catering industry and contributed to the growing market size thereof.
- Supply Side: The mass Chinese cuisine market has gained popularity among customers in China's catering industry, since mass Chinese cuisine is a fusion of representative cuisines from various regions of China, reflecting the rich culinary traditions of Chinese cuisine, which remind customers of the flavor of home and traditions. Diversified dishes provided in the mass Chinese cuisine market allow customers to enjoy a wide range of choices in the same restaurant, meeting evolving customer preferences and tastes. In addition, due to plain ingredients and the simple cooking process used for preparing mass Chinese cuisine, dishes are typically priced at accessible levels to most customers. Furthermore, the balanced and diversified menu in the mass Chinese cuisine market makes mass Chinese cuisine an ideal option for group or family gatherings.

Source: Frost & Sullivan Analysis

China's Catering Industry

Market Drivers and Future Trends (3/4)

Market Drivers and Future Trends of China's Catering Industry

Major Market Drivers and Future Trends (3/4)

5 Development of Digitalization and Digital Technologies Empowerment

6 Favorable Government Policies

Description

5. Development of Digitalization and Digital Technologies Empowerment

- The catering industry has expanded from a single retail service model to multiple retail-related businesses. With the rapid development of the Internet and the e-commerce industry, market players in China's catering industry have embarked on the process of digitalization in recent years. The evolution of digitalization in China's catering industry is evident in customer consumption behaviours and catering service scenarios. In the era of the Internet, thanks to advanced digital technologies, there are no longer clear boundaries in relation to online and offline consumption scenarios, and customers are able to receive comprehensive services from both online and offline channels simultaneously. Digitalization in China's catering industry also makes it possible to have tailored online service scenarios based on physical restaurants, such as mobile payment services and online to offline retail services, enabling traditional physical restaurants to engage in diversified retail service scenarios. In addition, leveraging the latest digital technologies, leading chain restaurant operators have gradually achieved digitization in their daily restaurant operations, membership management and supply chain management. For example, use of an intelligent business data analysis platform plays an important role in the decision-making process, assisted by big data technology and AI technology. Furthermore, various advanced technologies and facilities are widely used in China's catering industry, such as cooking robots, smart monitoring systems, AI-based self-checkout, and smart energy management systems. As such, the development of digitalization and digital technologies empowerment in the catering industry is expected to drive further development of the omni-channel operation capabilities of restaurants.

6. Favorable Government Policies

- The Chinese government has issued a series of favorable policies, such as Regulation on the Implementation of the Food Safety Law of the PRC (《中华人民共和国食品安全法实施条例》) and the 13th Five Year Plan for National Food Safety (《"十三五"国家食品安全规划》) to promote the sound development of the catering industry and the standardization thereof. In October 2022, the General Office of the Ministry of Housing and Urban-Rural Development and the Ministry of Civil Affairs jointly issued the Notice on Carrying Out Pilot Projects for Comprehensive Community Construction (《關於開展完整社區建設試點工作的通知》). It proposed that to meet the daily life needs of residents, convenient commercial service facilities such as convenience stores, vegetable shops, restaurants, mail and express delivery service facilities, hair salons, laundries, pharmacies, repair points, and household service outlets should be included in the supporting facilities for community construction. In July 2023, the National Development and Reform Commission proposed 20 targeted measures in the Measures for Restoring and Expanding Consumption (《关于恢复和扩大消费的措施》). The Measures have explicitly mentioned the expansion of catering consumption, the development of the model of 'farm and breeding base + central kitchen + cold chain logistics + catering outlets', and the enhancement of the quality of catering and the standardization of distribution, etc. Leading chain restaurants with large business scale and well-established standardisation systems are more likely to increase their market share under such a favorable policy environment. In addition, with these enhanced government policies, players in the catering industry are encouraged and guided to achieve standardized, safe and advanced operations.

China’s Catering Industry

Market Drivers and Future Trends (4/4)

Market Drivers and Future Trends of China’s Catering Industry

Major Market Drivers and Future Trends (4/4)

7 Growing Significance of Food Safety and Cost Control

8 Increasing Customer Base of Chinese Cuisine in Overseas Market

Description

7. Growing Significance of Food Safety and Cost Control

- Supply chain capabilities in the catering industry are vital to the management of food safety and cost control. Robust supply chain management capabilities allow catering companies to take control of food safety throughout the entire supply chain, from ingredient sourcing and transportation to storage. In addition, comprehensive supply chain management capabilities of a catering company contribute to the optimization of procurement costs and also improve its inventory management efficiency, so as to efficiently expand its business in this competitive market and cope with increasing operational costs. Furthermore, the development of the supply chain in the catering industry further promotes the standardization of the industry. Therefore, investment and innovation in supply chain management drive the overall development of China's catering industry.

8. Increasing Customer Base of Chinese Cuisine in Overseas Market

- The increasing overseas Chinese communities contribute a substantial customer base to Chinese cuisine industry. Overseas Chinese communities maintain a strong emotional connection to Chinese cuisines. With deep understanding of the tastes and culture of Chinese cuisines, they appreciate and have a strong preference to Chinese cuisines in their daily life. In addition, the diversify and deliciousness of Chinese cuisine attracts international customers. Chinese cuisine gains its popularity worldwide with its special and outstanding flavours and is regarded as one of the mainstream cuisines in overseas market. Furthermore, some Chinese cuisine chains have successfully established their businesses in overseas market, such as Panda Express. Their achievements have demonstrated the potential of Chinese cuisine in the overseas market, encouraging other catering companies in Chinese cuisine industry to accelerate their expansion plans in overseas market. As such, there is promising room in overseas markets for Chinese cuisine industry. In 2023, the global Chinese catering market reached a total size of RMB6,449.2 billion, with overseas market contributing approximately 36.7% of the market size, accounting for approximately RMB2,369.4 billion.

Source: Frost & Sullivan Analysis

China’s Catering Industry

Government Policies and Regulations for China’s Catering Market (1/2)

- Catering industry is one of the most fundamental industry and was tightly related to people’s livelihood. As a result, Chinese government had launched a series of policies and regulations to support and standardize the development of China’s catering industry. Chinese government tended to encourage the industrial upgrading of China’s catering industry and provided a healthy policy environment for the industry.
- Below listed several policies from the central government in regard to the catering industry in recent years.

Law/Measures	Enacted/Implemented by	Effective Date
Food Safety Law of the PRC《中华人民共和国食品安全法》	National People’s Congress	2015. Oct.
According to this law, a food safety commission is set up in the National People’s Congress to supervise the food safety issues. This is one of the highest level commission for food safety. Meanwhile, it clarify the legal status of risk assessment for food safety.		
Measures for the management of catering industry (Trial)《餐饮业经营管理办法（试行）》	Ministry of Commerce	2014. Dec.
It clarifies Ministry of Commerce’s duties in developing regulations, strengthening the capabilities of industry statistics and supervisions. It also advocates to build a conservation-oriented catering industry.		
Guiding Opinions on Accelerating the Development of Mass Market of Catering《商务部关于加快发展大众化餐饮的指导意见》	Ministry of Commerce	2014. May
The goal of the guidance is to stimulate the participation of social capital in the construction of catering market, to promote the transformation of high-end catering, and to achieve scientific development of the catering industry to construct the Popularized Catering Service System.		
General Provisions on Examination and Approval of Food Business License (Trial)《食品经营许可审查通则（试行）》	China Food and Drug Administration	2015. Oct.
Food and drug supervision and management departments reviews the application for food business license in accordance with the main format, food business projects, and the level of risk. The main format includes food sales operators, catering service operators, the unit canteen.		

Source: State Ministries

China's Catering Industry

Government Policies and Regulations for China's Catering Market (2/2)

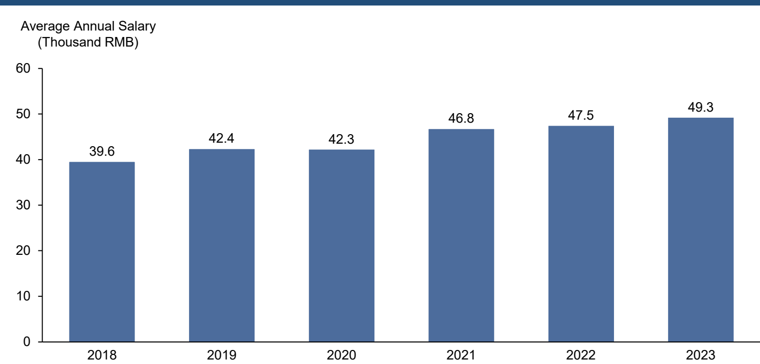
Law/Measures	Enacted/Implemented by	Effective Date
The 13th Five-Year Plan for Service Industry 《服务业发展十三五规划》	State Council	2016. Dec.
In this plan, the government has stated to support and accelerate the development of consumer service industry, including catering industry. The government emphasized on the development of the mass Chinese cuisine industry.		
Guidance on promoting the transformation and development of the catering industry 《商务部关于推动餐饮业转型发展的指导意见》	Ministry of Commerce	2016. Apr.
It focuses on guiding the catering enterprises to accelerate the transformation by optimizing the environment so that consumers will be provided with safe, nutritious, healthy, convenient and delicious catering services. And it will promotes the catering industry to the popularization, use of information technology, standardization, intensification, and internationalization.		
Measures for the Supervision and Administration of Food Safety in Online Catering Services《网络餐饮服务食品安全监督管理办法》	China Food and Drug Administration	2018. Jan.
The measures were issued to strengthen the supervision and administration of food safety in online catering services, regulate the operations of online catering services, guarantee food safety in catering services, and protect public health.		
Administrative Measures for Sampling Inspection of Food Safety 《食品安全抽样检验管理办法》	State Administration for Market Regulation	2019. Oct.
It formulates a food safety sampling inspection plan covering the whole process of food production and operation activities and realizes the effective connection between supervision sampling and risk monitoring. Canteen of school and nurseries and catering service units of tourist attractions are the focus of the work plan for the sampling of food .		
Outline of the Strategic Plan for Expanding Domestic Demand (2022-2035) 《扩大内需战略规划纲要(2022—2035年）》	State Council	2022. Dec.
Accelerate the cultivation of a comprehensive domestic demand system, promote the formation of a robust domestic market, facilitate the healthy development of the catering industry, and persistently work to prevent food waste.		
Measures for the Administration of Food Business Licensing and Filing《食品经营许可和备案管理办法》	State Administration for Market Regulation	2023. Dec.
The purpose is to standardize food business licensing and filing activities, strengthen food business safety supervision and management, implement the main responsibility of catering companies, and ensure food safety.		

Source: State Ministries

China's Catering Industry

Cost Analysis (1/3)

Average Annual Salary of Employees in Catering Industry (China), 2018-2023



- In line with the growing economy of the PRC, the annual income of employees in the catering industry in China increased steadily from 2018 to 2023. Labor costs are expected to increase in the next five years due to economic growth, improving disposable income. Going forward, the average annual salary of employees in the catering industry in China is expected to increase in line with the growing nominal GDP of China.

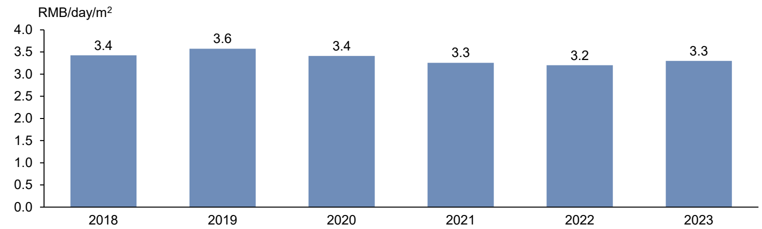
Note: (1) Annual salary refers to average annual salary of private sector employees in accommodation and catering market.

Source: National Bureau of Statistics, Frost & Sullivan Analysis

China's Catering Industry

Cost Analysis (2/3)

Average Rental Rate for Retail Properties (China), 2018-2023



	2018	2019	2020	2021	2022	2023
First-tier Cities	5.6	5.9	5.7	5.4	5.2	5.5
Second-tier Cities	3.1	3.2	3.0	2.9	2.9	2.9
Lower-tier Cities	1.6	1.6	1.5	1.5	1.5	1.5

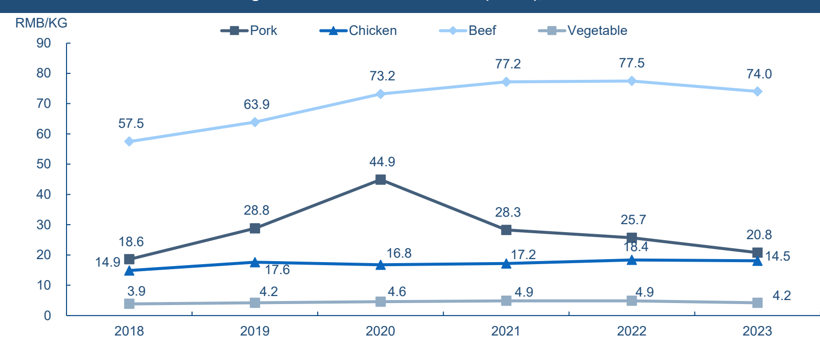
- Rental fees for retail properties are considered one of the major costs for a catering company in China.
- The average rental rate for retail properties in the PRC decreased from RMB3.4 per square meter per day in 2018 to RMB3.3 per square meter per day in 2023, representing a CAGR of -0.6%.

Source: National Bureau of Statistics, Frost & Sullivan Analysis

China's Catering Industry

Cost Analysis (3/3)

Average Price of Raw Food Material (China), 2018-2023



- The food ingredients purchased by catering companies generally include pork, beef, chicken and vegetables. Most of the average prices of these food ingredients have experienced a continually growing trend in recent years. For example, the average price of beef increased from RMB57.5 per kilogram in 2018 to RMB74.0 per kilogram in 2023, mainly due to customers' increasing demand in China.
- Along with growing income levels and a rising interest in personal health, it is expected that the average price of raw food ingredients will increase continually in the foreseeable future.

Note：(1) Price here refers to the wholesale price; (2) The average wholesale price of vegetables is the average wholesale price of 28 types of vegetables in China.

Source: National Bureau of Statistics, Frost & Sullivan Analysis

3. Competitive Landscape

Competitive Landscape

Ranking of Top 5 Brands in China's Mass Chinese Cuisine Market (50-100) 2023

➢ ***The Group was the 1st Largest Player in China's Mass Chinese Cuisine Market that priced between RMB50 to RMB100 per person by 2023 in terms of Revenue of Restaurant.***

Ranking of Top Five Brands in China's Mass Chinese Cuisine Market (Priced between RMB50 to RMB100 per Person) by Restaurant Revenue, 2023

Ranking	Brand	Restaurant Revenue in 2023 (RMB Billion)	Market Share In 2023 (%)
1	**Xiaocaiyuan**	**4.51**	**0.2%**
2	Brand A	4.47	0.2%
3	Brand B	3.59	0.2%
4	Brand C	3.02	0.1%
5	Brand D	1.96	0.1%
	Top 5	**17.55**	**0.8%**
	Others	**2,235.35**	**99.2%**
	Total	**2,252.90**	**100%**

- China's mass Chinese cuisine market could be divided into a market with average spending per consumer below RMB50 and a market with average spending per consumer between RMB50 and RMB100. In 2023, the market size of the mass Chinese cuisine market with average spending per consumer between RMB50 and RMB100 accounted for approximately 62.3% of the total mass Chinese cuisine market in terms of revenue. In terms of revenue of the restaurant in 2023, the Group was the largest player in China's mass Chinese cuisine market with segment average spending per consumer between RMB50 and RMB100.

Note：(1) Revenue refers to the revenue of restaurants excluding revenue in other channels such as e-commerce or other offline sales outlet.

Source: Frost & Sullivan Analysis

Competitive Landscape
Entry Barriers

Entry Barriers

Brand Awareness	• Generally, brand awareness is highly related to food taste, food safety, service quality and dinning environment, in addition, customer's loyalty to a catering brand is directly influenced by their dining experiences. As such, the catering companies with well-established brand are more likely to attract more customers, increase their market share, and achieve a "[winner-takes-all]" scenario. For new entrants in the industry, to establish brand awareness in the short term may require a significant amount of resources.
Supply Chain Management	• The quality of catering services closely depend on the freshness and quality of food ingredients. Supply-chain management capabilities are crucial for a catering service operator, such as procuring fresh and high-quality food ingredients at favorable prices from reliable suppliers, effective inventory management and efficient logistics arrangement. Most of the leading catering companies in China have started to establish and enhanced their own supply chain infrastructures, and new entrants in the industry with less supply chain management experiences may not be able to compete with others efficiently.
Food Safety	• Food safety has become one of the top priorities in China's catering industry, and both customers and government have particularly pay attention on the food safety issues in recent years. Customers have high expectations on the quality on food ingredients and process of food preparation. The Chinese government has published strict laws and regulations on food safety various safeguarding policies, and detailed measures to guide and regulate food safety issues. All market players have to put additional effort to ensure food safety. With operating experiences accumulated, leading catering companies in China are capable to effectively manage their food safety inspection process, while new market entrants in the industry may find it difficult to fully and timely comply with all regulatory and industrial standards at their start-up stage.
Innovation and R&D Investment	• Innovations in menu development and restaurant management are important for China's catering companies to remain competitive in the market, in order to meet the evolving and diversified demands of the market. New technologies are playing important roles in improving dining experience and optimizing restaurant operations, and as such, catering companies that invest in technology infrastructure and adopt new technologies generally are able to streamline operations, reduce costs and achieve economies of scale, and ultimately provide comprehensive experiences for both dine-in customers and delivery customers. Advanced technology enhances standardization, providing a competitive edge for companies with substantial investments in technology and robust operational capabilities, ensuring long-term success. Innovation and R&D investment may be entry barriers for new entrants in the industry, since they may find it difficult to advance and optimize their technology in the short term.

Source: Frost & Sullivan Analysis

Competitive Landscape
Entry Barriers

Entry Barriers

Infrastructure Empowerment	• The widespread application of electronic payments has not only improved transaction efficiency but has also enabled catering companies to establish digital payment platforms for collecting a vast amount of consumer data. This not only helps in precisely targeting the desired customer base but also provides companies with more refined marketing and customer relationship management. However, the construction of an electronic payment system requires substantial funding and technical support, posing a relatively significant investment challenge for new entrants. Besides, standardized replicability allows catering companies to achieve uniformity in products and services nationwide. This involves the management and coordination of various aspects such as the supply chain, production processes, and raw material procurement. It requires the establishment of a comprehensive operational system, which takes time and experience to accumulate. Moreover, increased investment in innovative technologies such as smart kitchen equipment, data analytics platforms, and artificial intelligence can enhance production efficiency and reduce costs. This development trend enables Chinese catering companies to move away from relying solely on traditional chefs and instead efficiently provide products and services through advanced technology. However, investing in innovative technologies requires companies to have strong financial and technological capabilities, and the lack of innovative technical support may lead to an inability to keep pace with industry developments in a competitive market. Therefore, infrastructure empowerment is crucial for catering companies. For new entrants, overcoming challenges in areas such as finance, technology, and operations is essential to establish a foothold in the market.
Modernization, Standardization, Digitization, Intellectualization, and Industrialization	• Firstly, modernization and industrialization drive the catering industry to adopt highly automated production processes, including cooking, cleaning, and distribution, to enhance efficiency and reduce costs. New entrants who fail to upgrade their technology and equipment will struggle to compete with existing enterprises in production efficiency. Secondly, standardization requires catering companies to establish unified systems and processes. This necessitates systematic management and training, requiring a significant investment of time and resources. Standardization encompasses the preparation of dishes and service processes, employee training, and ensuring that each store provides the same dining experience. Lastly, digitization and intellectualization mean that catering companies need to continuously innovate, applying technology to enhance customer experience and operational efficiency. This includes digitized management of ordering systems, intelligent supply chain management, and data analysis. This places higher demands on market participants in customer relationship management, marketing, new product development, etc.

Source: Frost & Sullivan Analysis

China's Chinese Cuisine Community Catering Industry Overview

Definition and Industry Status

Chinese cuisine community catering refers to a catering service model typically provided within local communities, workplace areas, and commercial districts. It usually caters to customer base across all age groups, with average spending per consumer between nil and 50 per customer. Chinese cuisine community catering is an integral part of the China's catering industry. Chinese cuisine community catering provides cost-effective, convenient, just-in-time and high-frequency dining experiences for a wide range of people of all ages and lifestyles, and can play the role of a family kitchen. The Chinese cuisine community catering market directly impacts people's daily lives, and has stable customer base within the communities. The customer base of Chinese cuisine community catering has gradually shifted from customer traffic from traditional shopping malls, which are generally small in scope and highly mobile, to the stable customer base in living communities ,workplace areas, and commercial districts. Chinese cuisine community catering directly responses to the basic needs of the public for all meals in a day, covering scenarios of work meals and family dining, providing customers with high-frequency convenient catering service at affordable prices.

Industry Status

15-Minute Community Life Circles

Since 2021, the Ministry of Commerce, in collaboration with multiple departments, has been advancing the development of "15-Minute Community Life Circles" and has initiated pilot projects in 80 cities. The aim is to provide essential services within a 5-10 minute walk from residents' homes, including basic amenities such as shopping, dining, housekeeping, express delivery, and maintenance services. According to data released by the Ministry of Commerce on March 2, 2023, there are currently 1,402 "15-Minute Community Life Circles" established, serving approximately 32 million residents. Food is a fundamental necessity for people. That's why the catering industry in communities has always been a fundamental requirement. In the past, communities often had small family-run restaurants and fast-food eateries. In recent years, chain restaurants have been continually opening within communities, contributing to the market dynamics in the development of "15-Minute Community Life Circles."

Increasing Demands

The current catering landscape can be broadly categorized into two segments. Firstly, the mall or commercial center catering is now predominantly dominated by chain brands to meet consumers' social, leisure, and dining-out needs. Secondly, the Chinese cuisine community catering. Historically, residents had relatively modest expectations. However, with the rise of consumer preferences and lifestyle upgrades, residents now demanding more from their daily dining experiences. This includes cultural aspects, service quality, product quality, and brand image. Community residents tend to favor in-home dining, with popular choices including casual dining, fast food, and home-cooked meals. Additionally, there is a substantial population of elderly individuals as well as children in these communities. As Chinese cuisine community catering evolves, the consumption of these demographic groups increases.

Business Expansion of Top Dining Groups

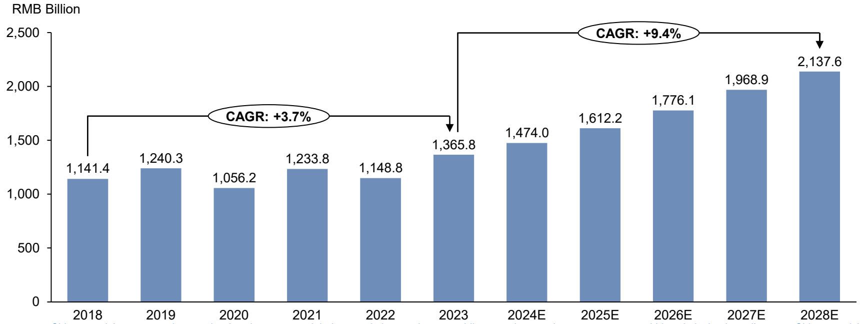
In recent years, several renowned catering businesses have ventured into the Chinese cuisine community catering sector. Major restaurant groups like Xiabuxiabu Group and Jiang Yuer have established community outlets. In 2022, Xiabuxiabu Group initiated a southern expansion strategy, with some of its new model outlets located in communities. Haidilao also began operating in the community business during the pandemic. Moreover, new brands specializing in Chinese cuisine community catering, such as Niu Shuang Shuang and Wu Wei Xiaomian, have emerged, highlighting the growing significance of the Chinese cuisine community catering sector.

Source: Frost & Sullivan

China's Chinese Cuisine Community Catering Industry Overview

Market Size

Market Size of China's Chinese Cuisine Community Catering Industry, 2018 - 2028E



- Chinese cuisine community catering has its own special characteristics, such as providing catering services to customers within relatively short distance. Chinese cuisine community catering generally has strong operational flexibility . China's Chinese cuisine community catering industry achieved rapid growth in recent years, with its market size increasing from RMB1,141.4 billion in 2018 to RMB1,365.8 billion in 2023, representing a CAGR of 3.7% from 2018 to 2023. Before the pandemic, from 2018 to 2019, the growth rate of the Chinese cuisine community catering industry was approximately 8.7%. Currently, there is no well-known chain brand in China's Chinese cuisine community catering industry. However, the vast market demands and anticipates the emergence of a large-scale chain brand that ensures food safety for community residents and provides healthy, delicious, and cost-effective dishes.
- The market drivers of the Chinese cuisine community catering industry include the commercialization of communities, increasing urbanization rate in China, relevant government policies, aging population in China, declining birth rates, smaller family sizes, changes in customer consumption habits, and development of the industry's infrastructure. With 117,500 communities and 933 million community residents in China as of December 31, 2023, the Chinese cuisine community catering market boasts a growing customer base with great potential.
- The overall China's catering industry has experienced challenges due to the adverse impact brought by the COVID-19 pandemic, particularly for restaurants operated in shopping malls. While Chinese cuisine community catering, which is closer to customers, by providing flexible and convenient services to local communities, had an outstanding performance in during the same period. As China's catering industry gradually recovers with the phasing-out of the pandemic, it is expected that the market size of Chinese cuisine community catering is expected to reach RMB2,137.6 billion by 2028, with a projected CAGR of 9.4% from 2023 to 2028.

Source: Frost & Sullivan

China's Chinese Cuisine Community Catering Industry
Market Drivers and Future Trends (1/4)

Market Drivers and Future Trends of China's Chinese Cuisine Community Catering Industry

Major Market Drivers and Future Trends (1/4)

1 The Commercialization of Communities & Increasing Urbanization Rate

2 Relevant Government Policies

Description

1. The Commercialization of Communities & Increasing Urbanization Rate

- Firstly, the increase in urbanization rate has led to population concentration and a higher population density in communities. China's urbanization rate has risen from 59.6% in 2018 to 66.2% in 2023. The number of communities in China has grown from 107.9 thousand in 2018 to 117.5 thousand in 2023. This has provided a broad potential consumer base for the Chinese cuisine community catering industry. Community residents no longer need to travel to city centers or far from their communities to meet their dining needs; they can conveniently find a variety of dining options within their communities. This convenience has had a positive impact on the demand in the community dining market. Secondly, the commercialization of communities includes the construction and development of commercial facilities such as shopping centers, supermarkets, and retail stores. These commercial facilities attract more foot traffic and customers, providing restaurants with more business opportunities. Community residents are more likely to choose community dining establishments when shopping or socializing. Additionally, community dining fosters social interaction, allowing people to enjoy meals with friends and neighbors in the community, and enhancing social connections within the community.

2. Relevant Government Policies

- Another important factor driving the rise of Chinese cuisine community catering is policy guidance. Since 2021, the Ministry of Commerce, in collaboration with multiple government departments, has been promoting the construction of "15-minute convenience life circles" in 80 cities across China, divided into two batches of pilot programs. The aim is to enhance the completeness of convenience commercial facilities, optimize the distribution of outlets, and diversify service formats. Concurrently, major cities have been advancing urban renewal initiatives in recent years, accelerating the transformation of old and dilapidated neighborhoods to create more livable cities. These measures have provided an opportunity for the restaurant industry to re-enter communities. Compared to the noticeable peak periods for restaurant brands in shopping malls, Chinese cuisine community catering, with its convenience, is creating a "15-minute convenience life circle" for consumers. This also implies that community establishments can continually develop scenarios based on consumers' pursuit of dining convenience to enhance customer retention.

Source: Frost & Sullivan Analysis

China's Chinese Cuisine Community Catering Industry
Market Drivers and Future Trends (2/4)

Market Drivers and Future Trends of China's Chinese Cuisine Community Catering Industry

Major Market Drivers and Future Trends (2/4)

3 Aging Population, Declining Birth Rates & Smaller Families

4 Changing Consumer Habits

Description

3. Aging Population, Declining Birth Rates & Smaller Families

- China's aging rate, which is percentage of population that aged over 65-year-old, has increased from 11.9% in 2018 to 15.4% in 2023 and is expected to reach 17.4% in 2028. The aging population is one of the key consumer segments in the Chinese cuisine community catering market. Their health and dietary needs differ from other age groups. They often place a stronger emphasis on the nutritional value and health aspects of their meals. Therefore, the Chinese cuisine community catering industry can typically offer more choices tailored to the tastes and dietary restrictions of the elderly, especially in areas close to where they reside, such as low-sodium, low-fat, or special dietary options. Furthermore, older individuals often have extensive social networks within the community. They frequently invite friends, neighbors, and relatives to dine together, fostering social interaction within the community dining market. Restaurants serve as venues for social engagement, providing an opportunity for people of various age groups in the community to interact. In summary, the declining birth rate has led to an aging population, gradually highlighting the potential of the Chinese cuisine community catering market. In specific, China's birth rate decreased from 10.9‰ in 2018 to 6.4‰ in 2023. Dining establishments can attract more elderly consumers by adjusting menus, offering special services, and catering to the needs of the elderly, further propelling the growth of the Chinese cuisine community catering market. Moreover, the decline in birth rates contributes to a growing prevalence of smaller families. This results in fewer individuals within each household taking on the responsibility of cooking, prompting an upswing in families opting for restaurant dining or food delivery services. A rising trend is observed as more residents prefer local restaurants over home cooking, presenting significant opportunities for the Chinese cuisine community catering industry to thrive.

4. Changing Consumer Habits

- Influenced by the pandemic and slowing economic growth, consumers have tightened their budgets, with many focusing primarily on essential dining needs. Both consumption frequency and average spending per consumer have experienced some degree of decline. Chinese cuisine community catering establishments, on the other hand, are well-suited to cater to this trend, primarily serving essential needs. Moreover, consumers have reduced the size of their social circles and daily living radius, spending more time at home. Chinese cuisine community catering, due to its proximity to consumers, has gained more sales opportunities. With its high convenience, offering instant gratification, it encourages consumer dependency. Additionally, operating costs, such as rent, are relatively low in communities, making Chinese cuisine community catering a more secure investment option for many current restaurant businesses. Consequently, an increasing number of brands are now recognizing the significance of Chinese cuisine community catering.

Source: Frost & Sullivan Analysis

China’s Chinese Cuisine Community Catering Industry

Market Drivers and Future Trends (3/4)

Market Drivers and Future Trends of China’s Chinese Cuisine Community Catering Industry

Major Market Drivers and Future Trends (3/4)

5 Unique Scenarios Construction

6 Enhancement of Industry Infrastructure

Description

5. Unique Scenarios Construction

- In the continuous pursuit of enhancing consumer repurchase rates, Chinese cuisine community catering enterprises will take proactive measures, focusing on building diverse scenarios and innovating consumer products and services to meet the needs of multiple categories and scenarios. For instance, some Chinese cuisine community catering establishments offer camping and barbecue experiences, allowing customers to enjoy outdoor dining and get closer to nature. This innovative dining approach attracts consumers seeking fresh experiences while also promoting social interactions within the community. Chinese cuisine community catering businesses may also pay attention to the demand for evening dining and drinking. They provide special menus and services in the evening to cater to those seeking relaxed dining and socializing. Additionally, these enterprises prioritize meeting the demand for home dining. They offer delivery and takeout options, enabling consumers to enjoy their favorite cuisine in their homes. Through scene construction, Chinese cuisine community catering can attract more consumers and enhance their repurchase rates. This strategy contributes to the sustainable growth of the Chinese cuisine community catering market while providing community residents with a broader range of dining choices to meet their ever-evolving needs.

6. Enhancement of Industry Infrastructure

- The improvement of industry infrastructure has provided a developmental foundation for the Chinese cuisine community catering industry. For instance, the standardization of products makes it easier for various catering companies to achieve economies of scale, thereby enhancing efficiency and reducing costs. This further propels the Chinese cuisine community catering industry towards chain operation, adding dynamism to market competition. Besides, the rapid development of the internet and digital technologies is driving continuous advancement within the Chinese cuisine community catering industry. Over the past decade, the catering sector has been actively leveraging next-generation information technologies such as 5G, artificial intelligence, big data, and others to enhance management efficiency, promote product iteration, and usher in an era of innovation. Digital transformation has become a vital force propelling the rapid growth of the Chinese cuisine community catering industry. Enterprises with the goal of digitally restructuring the value chain of Chinese cuisine community catering are swiftly expanding their footprint. By introducing smart devices, they enable online sales, intelligent collaborative preparation, and various other digital transformations throughout the process. For example, the development of robotic stir-fry machines, widespread adoption of electronic payments, etc. This approach creates an efficient, convenient, and improved service-oriented Chinese cuisine community catering system, garnering broader market recognition. Simultaneously, digitalization helps Chinese cuisine community catering businesses achieve more precise marketing and service delivery, better meeting customer demands.

Source: Frost & Sullivan Analysis

China’s Chinese Cuisine Community Catering Industry

Market Drivers and Future Trends (4/4)

Market Drivers and Future Trends of China’s Chinese Cuisine Community Catering Industry

Major Market Drivers and Future Trends (4/4)

7 Customer-Centric as a Strategic Core

8 Building a "Collaborative Ecosystem"

Description

7. Customer-Centric as a Strategic Core

- When restaurant chain brands enter the community, they can truly become a part of the community and take root only by meeting the needs of community residents. Chinese cuisine community catering establishments differ from traditional commercial areas in several key aspects. Their focus is primarily on households, and their product offerings lean heavily towards fast food and mass catering. Regarding location selection, Chinese cuisine community catering establishments typically occupy smaller spaces and adjust their store formats accordingly. Furthermore, Chinese cuisine community catering is centered around daily consumption. These establishments are located within the community, serving the surrounding residents within a limited radius. Consequently, community consumers tend to have higher expectations when it comes to taste, product quality, and service. Chinese cuisine community catering businesses also need to emphasize cost-effectiveness because their proximity to customers results in higher visitation frequency. Therefore, customers are more price-sensitive, in contrast to the relatively stronger emphasis on leisure experiences in mall-based dining. Restaurants in the community are dealing with long-term customers and must prioritize service quality and customer satisfaction.

8. Building a "Collaborative Ecosystem"

- The prosperity and sustained growth of the Chinese cuisine community catering market is closely linked to the collaborative efforts of various elements in its supply chain. Firstly, robust research and development capabilities imply the ability to innovate continuously, offering fresh and delicious meals. Cold-chain logistics, on the other hand, ensure the freshness of raw materials and the secure supply of ingredients, which is essential for the sustainable operation of Chinese cuisine community catering businesses. Secondly, there must be seamless integration between the meal preparation and service phases to provide a high-quality dining experience. Efficiency in the preparation process and strict adherence to hygiene standards are crucial for ensuring food quality and safety. Simultaneously, the service phase needs to focus on customer satisfaction, and providing friendly and efficient service to foster customer loyalty. Most importantly, these elements must work in harmony, coordinating and collaborating to ensure the smooth and efficient operation of the supply chain. In a highly competitive market landscape, establishing a closely-knit "collaborative ecosystem" becomes a critical factor in building competitive advantages.

Source: Frost & Sullivan Analysis

International Chinese Cuisine Restaurant Market Analysis

Segment and Definition

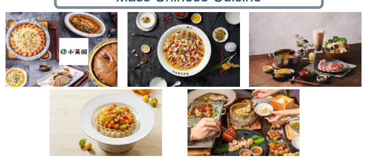
International Chinese Cuisine Restaurant refers to those restaurants in international countries that provide Chinese cuisine in different types, including mass Chinese cuisine and mid-to-high-end Chinese cuisine. International Chinese cuisine restaurants can be operated by a mainland Chinese cuisine restaurant brand or a Chinese cuisine restaurant brand that is established in an international country.

Chinese Cuisine refers to traditional Chinese dishes, which usually consists of cold dishes and hot dishes. Chinese cuisine includes cuisines from different provinces of China, including but not limited to hotpot, Sichuan cuisine, Anhui cuisine, Cantonese cuisine, and other Chinese cuisines. It is more obvious that Chinese cuisine varies from season to region compared with other countries. Grouped dining system is used in Chinese cuisine. People are seated on one table and share food from the same plate. Food is well cooked and organized in the kitchen before they are placed on a table.

China's Chinese cuisine market can be divided into **mass Chinese cuisine** which priced between RMB0 to RMB100 per person and **mid-to-high-end Chinese cuisine** that priced over 100.

International Chinese Cuisine Restaurants

- Mass Chinese Cuisine
- Mid-to-high-end Chinese Cuisine

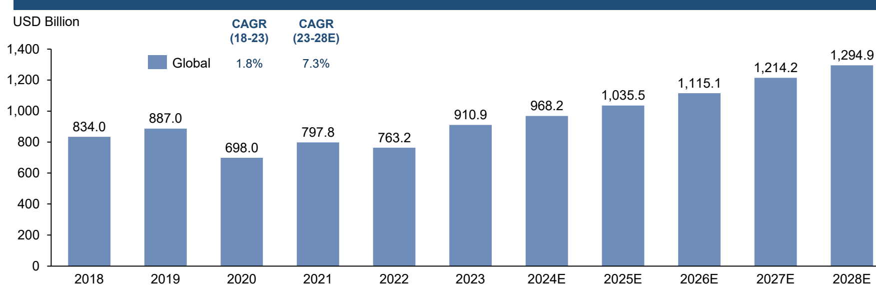


Source: Frost & Sullivan Analysis

International Chinese Cuisine Restaurant Market Analysis

Market Size (1/2)

Market Size of International Chinese Cuisine Restaurant Market, Global, 2018- 2028E

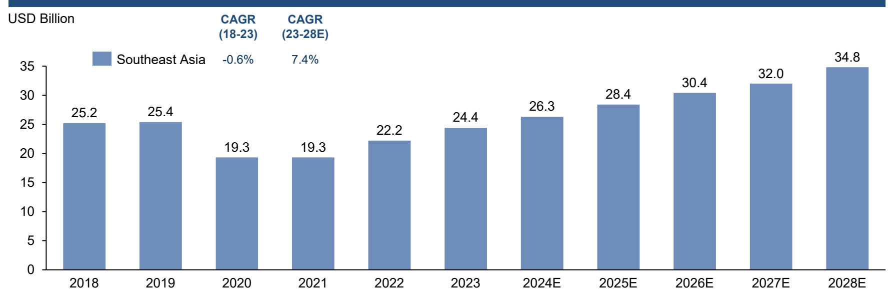


- In 2023, there were more than 600,000 Chinese cuisine restaurants in international Chinese cuisine market. The growth of international Chinese cuisine restaurant industry outpaced the growth of total international catering market in the past as Chinese cuisine gained popularity around the world, the revenue of Chinese cuisine restaurant market increased from USD834.0 billion in 2018 to USD910.9 billion in 2023, representing a CAGR of 1.8%.
- The revenue of international Chinese cuisine market is expected to keep the growing trend in the next few years and will reach USD1,294.9 billion in 2028, with a CAGR of 7.3% from 2023.

Source: Frost & Sullivan

International Chinese Cuisine Restaurant Market Analysis
Market Size (2/2)

Market Size of International Chinese Cuisine Restaurant Market, Southeast Asia, 2018- 2028E



- International Chinese cuisine restaurants are very popular in Southeast Asia. The food culture of these countries is heavily influenced by China, so international Chinese cuisine restaurants are very popular among locals and tourists.
- The revenue of International Chinese cuisine restaurant market in Southeast Asia has increased from USD25.2 billion in 2018 to USD25.4 billion in 2019, representing a growth rate of 0.8%. Due to the impacts from Covid-19, the revenue of international Chinese cuisine restaurant market decreased to USD19.3 billion in 2020. However, the market has recovered as the outbreak has been brought under control, the revenue of international Chinese cuisine restaurant market has recovered to USD24.4 billion in 2023.
- The revenue of international Chinese cuisine market is expected to keep the growing trend in the next few years. The international Chinese cuisine restaurant industry in Southeast Asia is expected to grow with CAGR of 7.4% respectively during the same period.

Note：(1) Southeast Asian countries include 10 countries: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam.

Source: Frost & Sullivan

International Chinese Cuisine Restaurant Market Analysis
Market Drivers and Future Trends

Market Drivers and Future Trends of China's International Chinese Cuisine Restaurant Industry

Major Market Drivers and Future Trends (1/4)

1 Increasing Chinese Population in International Countries

2 Increasing Popularity of Chinese Culture

3 Chain Mass Chinese Cuisine Restaurant

Description

1. Increasing Chinese Population in International Countries

- The growing Chinese population contributes to the overall economic growth of international countries. As the Chinese community thrives, their purchasing power increases, creating a larger consumer base for various industries, including the restaurant sector. This economic prosperity translates into higher spending on dining out, leading to increased demand for Chinese cuisine and the expansion of Chinese restaurants. As the Chinese population grows in international countries, there is a higher demand for authentic Chinese cuisine. Chinese immigrants and their descendants often have a strong cultural preference for their native cuisine. This creates a market for Chinese restaurants that can cater to these preferences, offering familiar flavors and traditional dishes.

2. Increasing Popularity of Chinese Culture

- With the growing economic environment in China and more disposable income of Chinese citizens, more Chinese people choose to study abroad or visit foreign countries regularly to experience different cultures in international countries. These Chinese people are the key channel to connecting Chinese culture with the other countries in the world. In addition, as China grows in economic scale, a lot of foreign visitors come to visit China and bring some Chinese traditional gifts back to their countries so that Chinese culture has opportunities to be shared and welcomed in different international countries. With more knowledge of Chinese culture, Chinese culture is becoming more popular in international countries and those customers who haven't been to China would also like to experience Chinese culture, specifically in Chinese cuisine restaurants. In addition, as the knowledge of Chinese culture and Chinese cuisine gets popular in international countries, leading Chinese cuisine restaurant groups are able to expand their market to reach more customers in the global market by providing authentic Chinese cuisines combined with local flavors and dining habits. Therefore, the increasing popularity of Chines culture in the world brings drives the development of international Chinese cuisine restaurant market.

3. Chain Mass Chinese Cuisine Restaurant

- Chain mass Chinese cuisine brands have the potential to become a future trend in the industry. With globalization, the demand for Chinese food is growing worldwide. More and more people are interested in the taste and diversity of Chinese food. Chain Mass Chinese Cuisine brands can meet this demand and provide consumers with convenient and fast Chinese food choices. Successful Chain Mass Chinese Cuisine brands such as Panda Express have established good brand recognition and reputation in international markets. This brand recognition and reputation effect is beneficial to new chain mass Chinese cuisine brands entering the market, helping them to build consumer trust and loyalty more quickly.

Source: Frost & Sullivan Analysis

Industry Norm (1/2)

Industry Norm

- According to Frost & Sullivan, the Group's same store sales growth rate during the Track Record Period markedly outstripped that of our industry counterparts during the same period. The group achieved a positive trend in 2023 as compared with 2022, when the industry generally experienced a downward trend in their same store sales growth rate.
- Our net profit increased by 124.0% as compared to the same period in 2023, surpassing the Group's peers in the industry, according to Frost & Sullivan.
- According to Frost & Sullivan, the Group's net profit margin in 2023 markedly outstripped the industry level during the same period.
- According to Frost & Sullivan, Despite the adverse impacts brought by the COVID-19 pandemic, the Group enjoys market-leading profitability measured by gross and net profit margins in the mass Chinese cuisine market.
- It increased by 41.6% from RMB3.2 billion to RMB4.5 billion in 2023. The group is a scalable chain restaurant group with strong replicability.
- According to Frost & Sullivan, the Chinese cuisine community catering market distinguishes itself from the general Chinese dining market in aspects such as consumption scenarios and pricing positions, and has higher requirements in terms of competitive pricing strategies, operational efficiency and supply chain capability.
- Revenue from restaurant operations remained relatively stable at RMB2,235.2 million in 2021 and RMB2,183.4 million in 2022, surpassing the industry average level in terms of revenue growth in the catering market in China in 2022, according to Frost & Sullivan. Increased energy costs may impact the company's income.
- According to Frost & Sullivan, the Group is a leader in China's rapidly expanding mass Chinese cuisine market, surpassing industry standards in both business magnitude and growth rate.
- According to Frost & Sullivan, the Group is the pioneer setting a new standard in the mass Chinese cuisine sector, excelling in modernization, standardization, digitalization, intellectualization, and industrialization.
- According to Frost & Sullivan, the Group have built a broad customer base, wide market recognition, and industry-leading supply chain management.
- After a decade of efforts, the group has become a market leader and the "home kitchen" for a broad base of consumers.
- The average cash investment payback period for restaurants opened in 2021,2022 and 2023 in the mass Chinese cuisine market sub-segment with average spending per consumer between RMB50 and RMB100 is typically over 18 months.
- The initial breakeven periods of restaurants in the business banquet market are generally longer than those restaurants in the mass Chinese cuisine market, especially in third-tier cities and below, according to Frost & Sullivan.

Industry Norm (2/2)

Industry Norm

- For examples, the average price of beef decreased from RMB77.5 per kilogram in 2022 to RMB74.0 per kilogram in 2023, the average price of pork decreased from RMB25.7 per kilogram in 2022 to RMB20.8 per kilogram in 2023, and the average price of rice increased from RMB5.4 per kilogram in 2022 to RMB5.5 per kilogram in 2023.
- The Company also respectfully submits that, according to Frost & Sullivan, the definition of "mass Chinese cuisine market" is that it is a segment of Chinese cuisine market with average spending per consumer between nil and RMB100 per customer. According to Frost & Sullivan, such definition is an industry recognized term.
- It is a common practice to enter into service contracts (rather than formal employment contracts) with part-time employees in the catering industry.
- According to Frost & Sullivan, although non-compliance regarding social insurance and housing provident fund is commonly seen among players in China's catering industry, it is not common for the players to adopt subsidy arrangement for the employees who are not willing to participate as they are not obliged to do so.
- The Company is one of the renowned self-operated chain restaurants in China's mass Chinese cuisine market.
- Though such non-compliance in relation to social insurance and housing provident fund contributions is common in China's catering industry, in general, employees in the industry do not receive any form of compensation from their employers for not participating in the social insurance and housing provident fund contributions.

Appendix
Abbreviations and Terms

Limitations in Source of Information

- Interviews with industry experts and market participants are conducted to collect information for this report, based on a best-efforts basis.
- Frost & Sullivan will not be responsible for any information gaps where interviewees have refused to divulge confidential data or figures.
- In instances where information is not available, figures based on similar indicators combined with Frost & Sullivan in-house analysis will be deployed to arrive at an estimate.
- Frost & Sullivan will state the information sources at the bottom right-hand corner of each slide for easy reference.

Note to Numeric Calculations

- Value and figures in this report are all rounded. Figures may not add up to the respective totals owing to rounding. CAGRs may not be reproducible from the rounded figures exhibited in the charts.
- The base year is 2023. The historic period is from 2018 to 2022. The forecast period is from 2024 to 2028.

Source: Frost & Sullivan

Appendix
Methodologies

- Frost & Sullivan is an independent global consulting firm, which was founded in 1961 in New York, United States of America. It offers industry research and market strategies and provides growth consulting and corporate training. Its industry coverage in China includes automotive and transportation, chemicals, materials and food, commercial aviation, consumer products, energy and power systems, environment and building technologies, healthcare, industrial automation and electronics, industrial and machinery, and technology, media and telecom.
- The Frost & Sullivan's report includes information on the global, China's macro economy overview, the global, China's catering industry and the competitive landscape of China's catering industry
- In compiling the F&S Report, Frost & Sullivan has (a) conducted detailed primary research which involve discussing the status of China's passenger vehicle market with leading industry participants and industry experts and (b) conducted secondary research which involve reviewing company reports, independent research reports and data based on Frost & Sullivan's own database.
- Frost & Sullivan's report was compiled based on the below assumptions at the time of compiling this report:
  - China's economy is likely to maintain steady growth in the next decade;
  - China's social, economic, and political environment is likely to remain stable from 2024 to 2028 ("Forecast Period"); and;
  - Market drivers like the development of the economy & increasing urbanization rate, trends toward chaining and branding, changes in population structure, the broad appeal of home-made recipes, etc., are likely to further drive the development of China's catering industry.

Source: Frost & Sullivan

Thank You!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