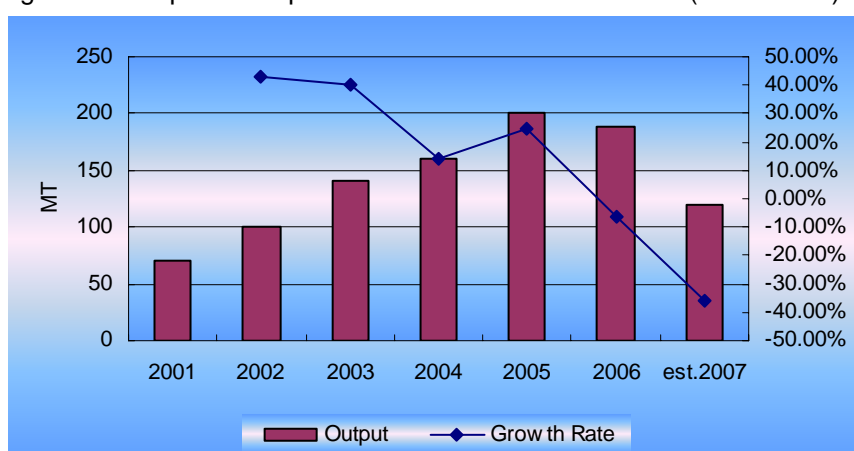


– Production of grape seed extract powder in China

The number of manufacturers engaged in the production of grape seed P.E. in China increased from 30 in 2001 to 50 in 2005, the largest number, and now the number has finally decreased to 19 in 2007.

The output of kept growing from 70 tonnes in 2001 to 200 tonnes in 2005, with the average annual growth rate of 30.54% from 2002 to 2005. The grape seed P.E. output in 2005 reached the peak in the period from 2001 to 2007. However, after 2005, the output began to fall rapidly, with the decrease rate of 6.05% in 2006 and 36.14% estimated in 2007.

Figure II-1 Output of Grape Seed Extract Powder in China (2001~2007)



– Reasons for the changes in grape seed P.E. production in the past few years

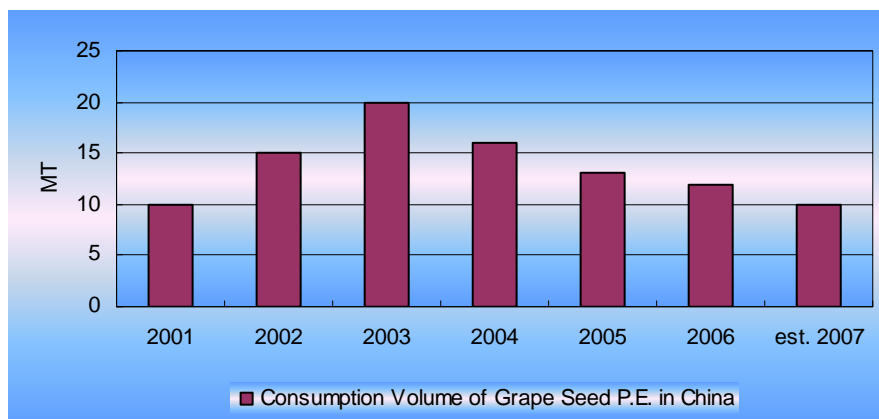
There are two reasons for the output increase of grape seed P.E. in China from 2001 to 2005. First.....

III Consumption of grape seed P.E. in China

– Consumption Volume of Grape Seed P.E.

The grape seed P.E. in China is mainly consumed in the industries of healthcare food and the cosmetics. The total consumption volume of grape seed P.E. in 2006 is 12 tonnes. The consumption volume in 2007 is estimated to be 10 tonnes. Domestic manufacturers of downstream products don't import grape seed P.E. from overseas.

Figure III-1 Consumption volume of grape seed P.E. from 2001 to 2007



V List of major end users

The top 10 end users are all engaged in healthcare food industry. Among them, five end users, Jilin Tenglong, Tianjin Jianfeng, Shandong Hailongda, He'nan Jingsen and Zhejiang Recover, are also plant extracts producers at the same time.

The top 10 end users of grape seed P.E. account for [REDACTED] % of the total consumption volume in 2006.....

Table V-1 Top 10 End users of grape seed P.E. in China

No.	English Name	Abbreviation	Location	Consumption 06'(kg)	Consumption Est.07' (kg)
X-1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
X-2	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
X-3	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
X-4	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
X-6	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
X-5	Tianjin Jianfeng Natural Product Co., Ltd	Tianjin Jianfeng	Tianjin	400	400
X-7	Zhejiang Recover Biotech Co.,Ltd	Zhejiang Recover	Zhejiang	200	200
...					