
INDUSTRY OVERVIEW

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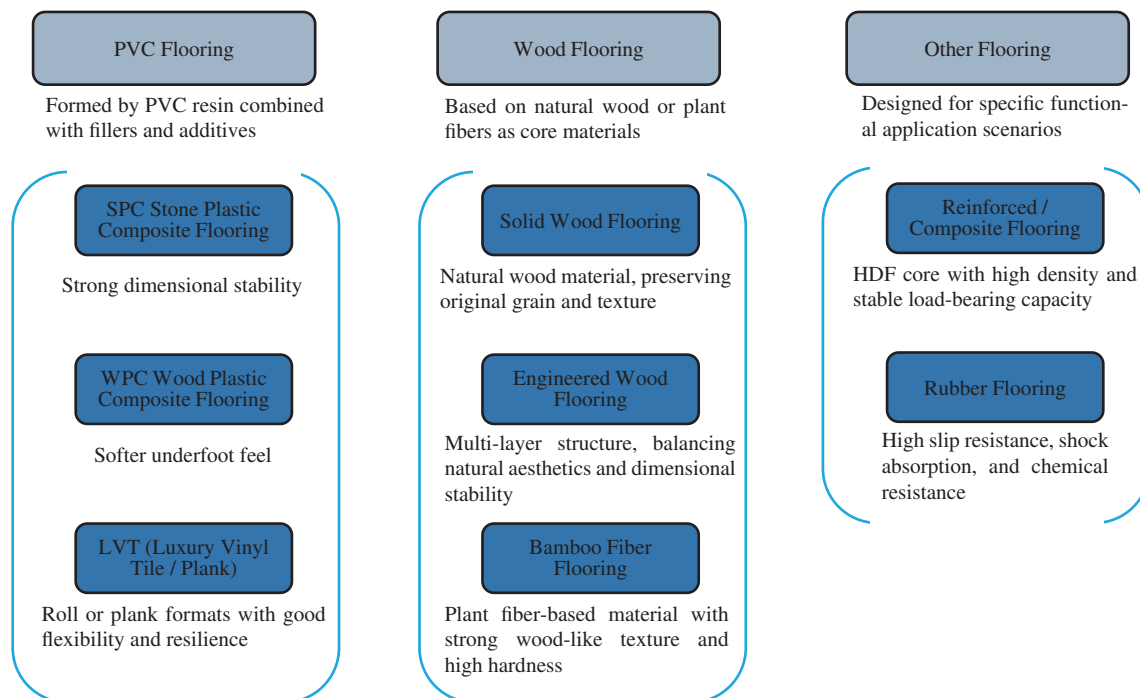
OVERVIEW OF FLOORING INDUSTRY

Definition

Flooring refers to panel-type building decoration materials made primarily from natural materials, synthetic materials or composite materials through processes such as forming and surface finishing. Such products are installed on building floor substrates, including concrete or cement mortar bases, and provide both aesthetic and functional benefits, including enhancing interior or exterior appearance, protecting the underlying substrate, offering slip and wear resistance, and improving comfort and practicality. Flooring is one of the core materials used for interior and exterior floor finishes in buildings.

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On a material basis, flooring can be broadly classified into three categories. The first category is PVC flooring, which is manufactured using PVC resin combined with fillers and additives, featuring key characteristics such as water resistance, wear resistance and ease of installation, and can be further subdivided into SPC flooring, WPC flooring and LVT flooring. The second category is wood-based flooring, which uses natural timber or plant fibres as the core substrate, including solid wood flooring and engineered wood flooring that retain natural wood grain and texture, as well as bamboo fibre flooring that combines a wood-like appearance with higher hardness. The third category is other flooring, which is designed for specific functional applications, including laminate or composite flooring with an HDF core, characterised by high density and load-bearing stability, and rubber flooring, characterised by slip resistance, shock absorption and chemical resistance.



Source: Frost & Sullivan

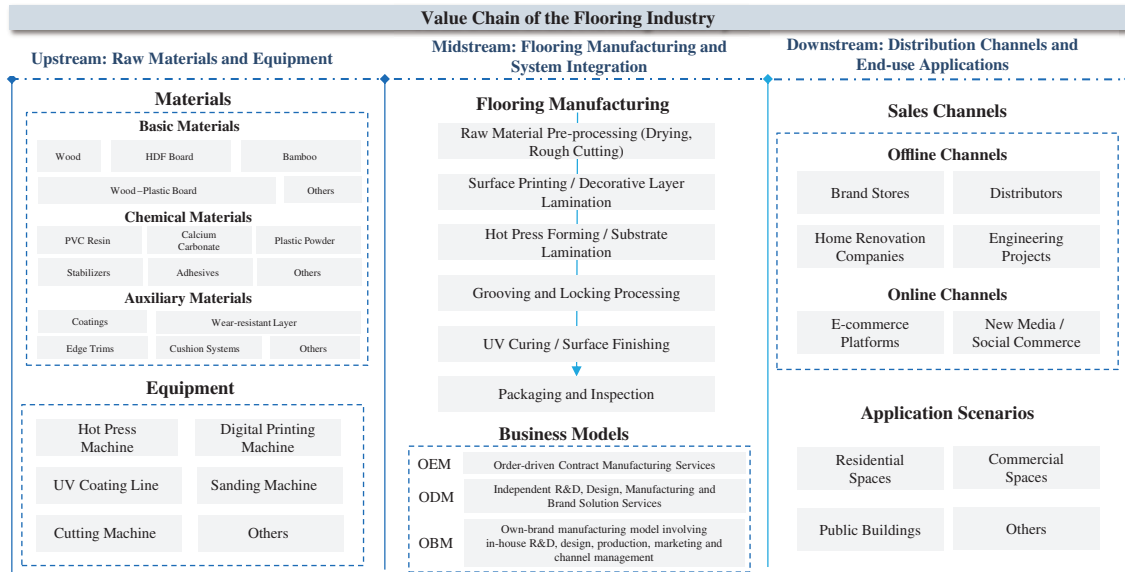
Value Chain

The upstream segment of the flooring industry mainly consists of raw material and equipment suppliers, including solid wood, wood veneers, HDF boards, bamboo, PVC resin, adhesives, wear-resistant coatings, and production equipment such as hot press machines and digital printing machines. These inputs largely determine cost structure and environmental performance.

The midstream segment covers flooring manufacturing and processing, including wood pre-treatment, decorative layer printing, hot-pressing or extrusion forming, locking system machining, UV curing and final packaging inspection. This stage represents the core value-creation process and is the key area where technological capabilities and brand competitiveness are established.

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The downstream segment encompasses distribution channels and end-use applications, including brand stores, home renovation companies, e-commerce platforms, engineering projects, and residential, commercial and public building markets as well as export demand. This segment converts products into final consumption, with profitability mainly realized through channels and services, while also driving the industry toward integrated installation solutions and personalized product development.



Source: Frost & Sullivan

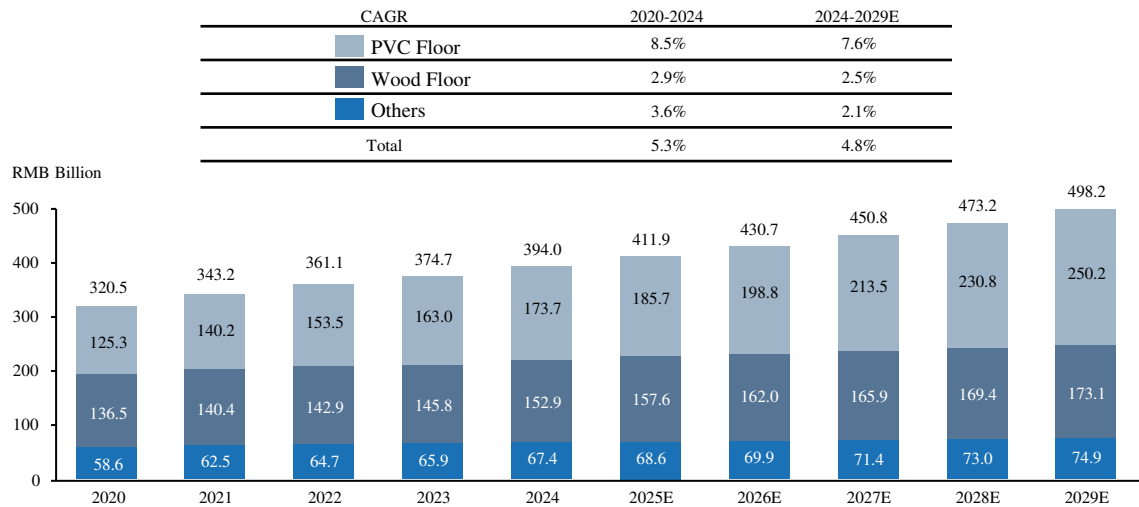
Market Size of Global Flooring Industry

From 2020 to 2024, the global flooring industry’s manufacturing revenue increased from approximately RMB320.5 billion to RMB394.0 billion, representing a CAGR of 5.3%. During the same period, PVC flooring revenue grew from around RMB125.3 billion to RMB173.7 billion, achieving a CAGR of 8.5%, which was significantly higher than that of wood flooring and other flooring categories. Wood flooring revenue rose from approximately RMB136.5 billion to RMB152.9 billion, with a CAGR of 2.9%, while revenue from other flooring products increased from about RMB58.6 billion to RMB67.4 billion, corresponding to a CAGR of 3.6%.

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Looking ahead from 2024 to 2029, the global flooring industry’s manufacturing revenue is projected to expand from approximately RMB394.0 billion to RMB498.2 billion, implying an overall CAGR of 4.8%. Among the major segments, PVC flooring is expected to maintain the fastest growth momentum, with a forecast CAGR of 7.6%, compared with 2.5% for wood flooring and 2.1% for other flooring products. Driven by its advantages in water resistance, durability and ease of installation, PVC flooring is expected to further increase its revenue contribution within the overall flooring industry and remain a key growth driver over the forecast period.

Market Size of Global Flooring Industry, Breakdown by Material, by Manufacturing Revenue, 2020-2029E



Note: (1) Other including rubber flooring, composite flooring, etc.

(2) The exchange rate used in the report is 1 USD = 7.12 RMB, according to the China Foreign Exchange Trading System.

Source: MMFA (Multilayer Modular Flooring Association), Frost & Sullivan

OVERVIEW OF PVC FLOORING INDUSTRY

Definition

According to the Polyvinyl Chloride (PVC) Flooring standard (GB/T 40887-2019), PVC flooring (i.e. “polyvinyl chloride flooring”) refers to synthetic resin-based floor decorative materials manufactured using polyvinyl chloride (PVC) resin as the primary raw material, combined with additives such as natural stone powder, wood powder, stabilisers, plasticisers and colourants, and produced through processes including compounding, extrusion, calendaring, hot pressing, surface printing and finishing, and cutting.

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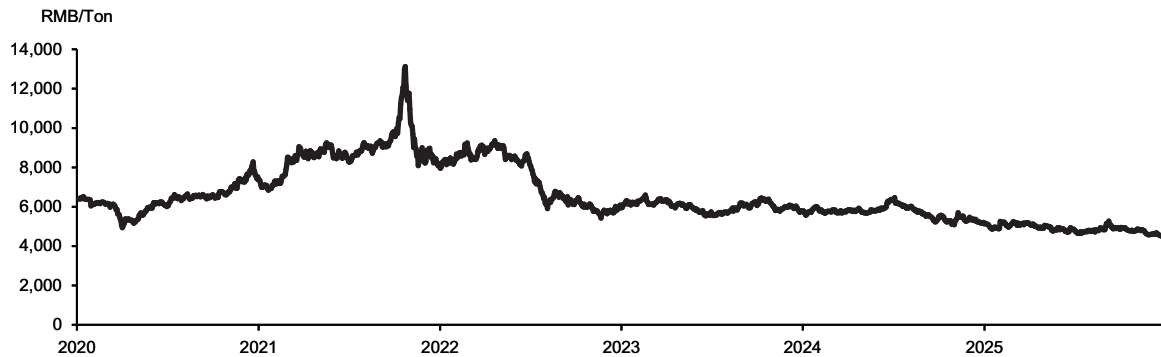
Based on structural characteristics, PVC flooring can be categorised into SPC flooring, WPC flooring and LVT flooring, each with distinct features in terms of density, flexibility and underfoot feel. Compared with traditional wood flooring, PVC flooring offers advantages including water and moisture resistance, reduced risk of deformation, strong wear and impact resistance, ease of cleaning, convenient installation and lower maintenance costs. It is also less sensitive to humidity and temperature fluctuations, contributing to a longer service life. Combining decorative appeal with practical performance, PVC flooring is widely used in residential premises, office buildings, schools, hospitals, shopping malls, sports venues, transportation hubs and other high-traffic public areas, and has become an important substitute for wood flooring in commercial and project applications.

Cost Analysis

From 2020 to 2025, PVC raw material costs showed a pattern of initial increase followed by a decline and subsequent stabilization. Costs rose steadily from 2020 to 2021 and reached a notable short-term peak in late 2021. After entering 2022, the cost level declined and returned to a more moderate range. From 2023 to 2025, PVC costs remained within a relatively stable range with only mild fluctuations, staying well below the previous peak.

The cyclical movements in PVC cost are typically driven by upstream petrochemical feedstock and energy price dynamics, as well as supply and demand adjustments and inventory cycles. As supply conditions improved and downstream demand growth moderated, together with enhanced supply elasticity following capacity additions, cost pressure in the upstream PVC chain eased after 2022. Overall, the stabilization of raw material prices helps reduce cost uncertainty for PVC flooring manufacturers and supports a more stable gross margin profile across the industry.

Cost of PVC Analysis, 2020-2025



Source: Frost & Sullivan

Market Size of Global PVC Flooring Industry

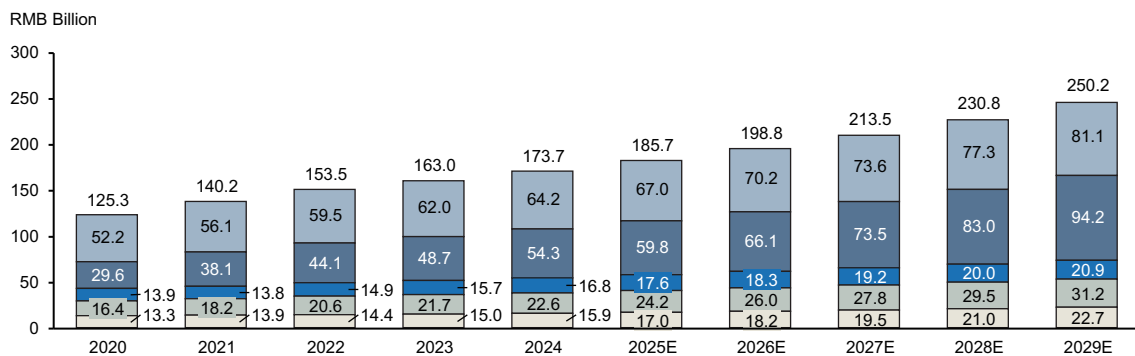
From 2020 to 2024, the global PVC flooring industry’s manufacturing revenue increased from approximately RMB125.3 billion to RMB173.7 billion, representing a CAGR of 8.5%. During the same period, East Asia grew from approximately RMB52.2 billion to RMB64.2 billion, with a CAGR of 5.3%. Southeast Asia expanded from approximately RMB29.6 billion to RMB54.3 billion, achieving a CAGR of 16.3% and recording the fastest growth among all regions. North America increased from approximately RMB13.9 billion to RMB16.8 billion, with a CAGR of 4.8%, while Europe rose from approximately RMB16.4 billion to RMB22.6 billion, corresponding to a CAGR of 8.4%. Other regions grew from approximately RMB13.3 billion to RMB15.9 billion, with a CAGR of 4.0%.

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Looking ahead from 2024 to 2029, the global PVC flooring industry’s manufacturing revenue is projected to grow from approximately RMB173.7 billion to RMB250.2 billion, implying an overall CAGR of 7.6%. Southeast Asia is expected to remain the fastest-growing region, with a forecast CAGR of 11.7%, and manufacturing revenue increasing from approximately RMB54.3 billion to RMB94.2 billion. This outperformance is mainly supported by supply-side expansion and improving production capability in the region. Capacity additions and the progressive relocation of certain manufacturing processes have increased local output across key steps such as extrusion, surface finishing and click-lock profiling. In parallel, Southeast Asia benefits from relatively competitive manufacturing costs, strengthening industrial park and export-processing infrastructure, and improving logistics connectivity, which enhances its ability to undertake export-oriented orders and contract manufacturing serving overseas markets. As upstream and downstream supporting capabilities continue to mature, including more efficient sourcing of raw materials and additives, as well as improved delivery and quality management, Southeast Asia is expected to further strengthen its role as a scaled manufacturing base for PVC flooring. Europe and other regions are projected to grow at CAGRs of 6.7% and 7.4%, respectively, while East Asia and North America are expected to maintain more moderate growth of 4.8% and 4.5%. Overall, continued demand release from emerging markets is expected to remain a key driver of growth for the global PVC flooring industry.

Market Size of Global PVC Flooring Industry, Breakdown by Regions, by Manufacturing Revenue, 2020-2029E

CAGR	2020-2024	2024-2029E
East Asia	5.3%	4.8%
Southeast Asia	16.3%	11.7%
North America	4.8%	4.5%
Europe	8.4%	6.7%
Others	4.0%	7.4%
Total	8.5%	7.6%



Note: (1) Other including Africa, South America.

(2) The exchange rate used in the report is 1 USD = 7.12 RMB, according to the China Foreign Exchange Trading System.

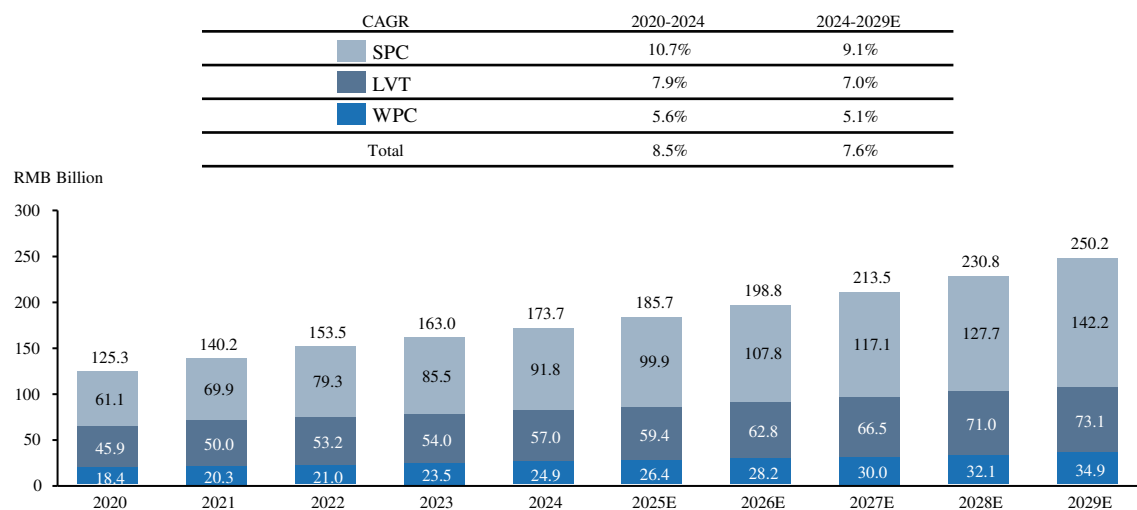
Source: MMFA (Multilayer Modular Flooring Association), Frost & Sullivan

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The market size of SPC flooring increased from approximately RMB61.1 billion to RMB91.8 billion, representing a CAGR of 10.7%, making it the fastest-growing segment among the major product categories. Over the same period, the market size of LVT flooring grew from approximately RMB45.9 billion to RMB57.0 billion, with a CAGR of 7.9%, while the market size of WPC flooring expanded from about RMB18.4 billion to RMB24.9 billion, corresponding to a CAGR of 5.6%.

Looking ahead, SPC flooring is expected to maintain the strongest growth momentum, with a forecast CAGR of 9.1%, and its market size is projected to increase to approximately RMB142.2 billion. LVT and WPC flooring are projected to expand steadily at forecast CAGRs of 7.0% and 5.1%, respectively. SPC is expected to continue outperforming mainly because, on top of the general advantages of PVC flooring, SPC products further strengthen key in-use attributes, including strong water and moisture resistance, high fire resistance and flame retardancy, and easy installation, which better meet multi-scenario requirements across residential and commercial project applications in terms of safety, durability and installation efficiency. In addition, as overseas markets place increasing emphasis on indoor air quality and product compliance, SPC products with certifications such as FloorScore are better positioned for mainstream channel access and broader sales coverage, thereby supporting faster penetration and market expansion. As these performance advantages continue to support the expansion of application scenarios, SPC flooring is expected to further increase its revenue contribution within the overall PVC flooring market and remain a core growth driver for the industry.

Market Size of Global PVC Flooring Industry, Breakdown by Products, by Manufacturing Revenue, 2020-2029E



Note: The exchange rate used in the report is 1 USD = 7.12 RMB, according to the China Foreign Exchange Trading System.

Source: MMFA (Multilayer Modular Flooring Association), Frost & Sullivan

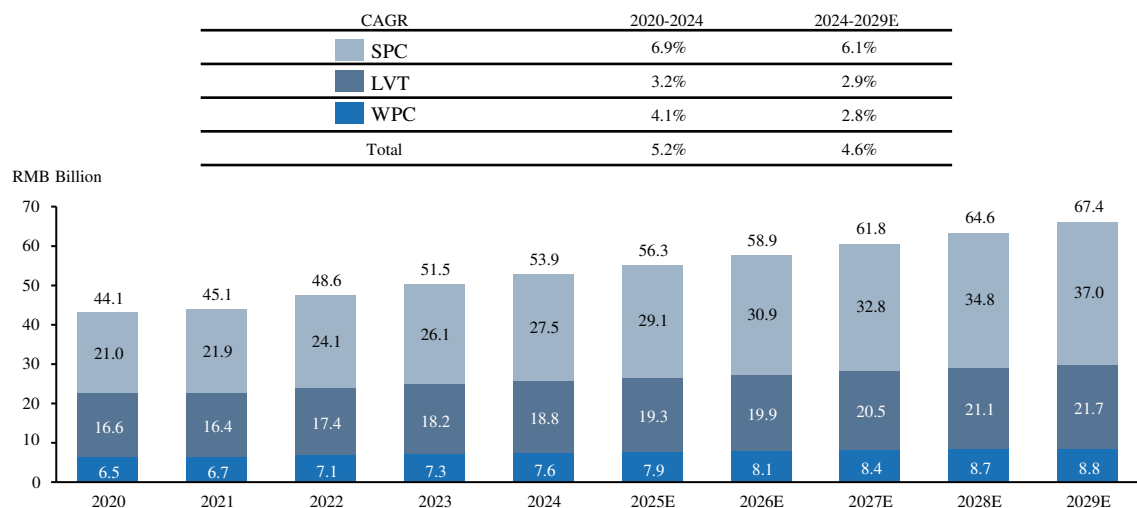
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Market Size of PVC Flooring Industry in the PRC

From 2020 to 2024, manufacturing revenue of the PRC PVC flooring industry increased from approximately RMB44.1 billion to RMB53.9 billion, representing a CAGR of 5.2%. Among the major product segments, SPC flooring expanded from around RMB21.0 billion to RMB27.5 billion, achieving a CAGR of 6.9% and recording the fastest growth within the market. Over the same period, LVT flooring revenue rose from approximately RMB 16.6 billion to RMB 18.8 billion, with a CAGR of 3.2%, while WPC flooring increased from about RMB 6.5 billion to RMB 7.6 billion, corresponding to a CAGR of 4.1%.

Looking ahead from 2024 to 2029, manufacturing revenue of the PRC PVC flooring industry is projected to grow from approximately RMB53.9 billion to RMB67.4 billion, implying an overall CAGR of 4.6%. SPC flooring is expected to continue outperforming the other product categories, with a forecast CAGR of 6.1% and market size reaching approximately RMB37.0 billion. In comparison, LVT and WPC flooring are projected to grow at more moderate CAGRs of 2.9% and 2.8%, respectively. As demand for water-resistant, dimensionally stable and easy-to-install flooring solutions continues to increase in commercial and project applications, SPC flooring is expected to further strengthen its position within the PRC PVC flooring market.

Market Size of PVC Flooring Industry in the PRC, Breakdown by Products, by Manufacturing Revenue, 2020-2029E



Source: Frost & Sullivan

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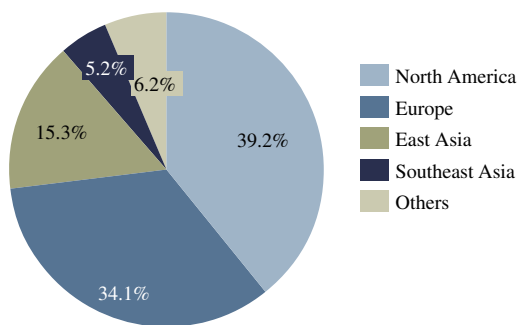
Demand Analysis of Global PVC Flooring Industry

From a regional demand perspective, global PVC flooring sales in 2024 were heavily concentrated in North America and Europe, which together accounted for more than 70% of total revenue. This reflects sustained demand in developed markets for high-performance, low-maintenance flooring solutions. In North America, demand has been driven by residential renovation activity, upgrades of commercial spaces and multi-family housing construction. Strong consumer preference for water-resistant, durable and easy-to-install products, together with the popularity of DIY renovation, has supported the continued penetration of SPC and LVT flooring.

Demand in Europe has also remained resilient, supported by energy-efficient building initiatives, refurbishment of existing housing stock and the renewal of public infrastructure. In addition, the region’s emphasis on environmental standards, low-VOC emissions and sustainable materials has strengthened the adoption of certified PVC flooring products in commercial and public buildings.

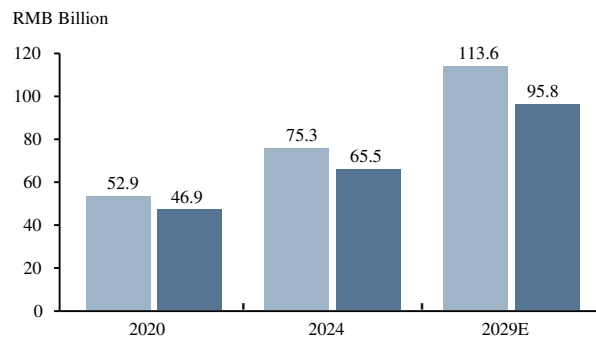
By comparison, East Asia and Southeast Asia account for smaller shares of global PVC flooring demand, although growth potential remains. In East Asia, demand is primarily driven by urban redevelopment, commercial real estate projects and export-oriented manufacturing activity, while in Southeast Asia, infrastructure investment, urbanisation and demand for cost-effective building materials continue to support market expansion. Overall, North America and Europe are expected to remain the core demand centres for PVC flooring globally, with emerging markets providing incremental growth over the medium to long term.

Market Size of Global PVC Flooring Industry, Breakdown by Regions, by Sales Revenue (2024)



Market Size of PVC Flooring Industry in the North America and Europe, by Sales Revenue, 2020, 2024, 2029E

	CAGR	2020-2024	2024-2029E
North America		9.2%	8.6%
Europe		8.7%	7.9%



Note: (1) Other including Africa, South America.

(2) The exchange rate used in the report is 1 USD = 7.12 RMB, according to the China Foreign Exchange Trading System.

Source: MMFA (Multilayer Modular Flooring Association), Frost & Sullivan

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Market Drivers of PVC Flooring

Cost-effectiveness-driven demand

PVC flooring offers cost advantages across the full lifecycle, covering raw material supply, product performance and long-term use. PVC resin is produced at scale on a mature petrochemical supply chain, with supply generally less exposed to factors such as weather conditions or forestry and logging policies than timber-based flooring, resulting in higher supply stability. Timber prices are more sensitive to global supply and demand fluctuations, rising logistics costs and storage losses. While PVC resin prices are linked to upstream feedstocks such as crude oil, manufacturers can better manage volatility through established pricing mechanisms, long-term procurement arrangements and formulation optimisation, supporting stronger cost controllability. In use, PVC flooring provides wear resistance, impact resistance and moisture resistance, reducing the need for additional moisture-proof treatment. It also requires limited ongoing maintenance, typically without waxing or polishing, and can be cleaned through simple wiping, resulting in materially lower maintenance costs than wood flooring.

Demand from refurbishment and fast installation

Driven by ongoing refurbishment of existing housing stock and frequent fit-outs in commercial spaces, fast installation has become a key demand driver for PVC flooring. Traditional wood flooring and tiles often require removal of existing substrates and several days of demolition and levelling work, generating construction waste and higher labour and time costs. By contrast, click-lock LVT and SPC products are typically thin and can often be installed directly over existing surfaces such as tiles or old wood floors, reducing disruption and shortening project timelines. In DIY-focused markets, particularly in Europe and North America, PVC flooring is lightweight and easy to install without specialised tools, supporting self-installation and cost savings. In commercial and institutional projects such as shopping malls, office buildings, schools and hospitals, fast installation helps reduce downtime and operating disruption, and is therefore often preferred in tendering.

Environmental and regulatory requirements

Stricter environmental regulations and rising health awareness have supported the adoption of PVC flooring in green renovation. In Europe and North America, stringent environmental and indoor air quality requirements apply to flooring and other interior building materials, including certification/compliance requirements such as FloorScore and CARB that regulate key indicators such as VOC and formaldehyde emissions, as well as the EU’s REACH regulation which restricts the use and content of certain substances of concern in building materials, thereby raising the compliance threshold for market access. SPC and WPC products commonly adopt formaldehyde-free formulations and do not rely on formaldehyde-containing adhesives, supporting lower TVOC emissions and compliance with mainstream market requirements. As end users increasingly prioritise indoor air quality, low-emission characteristics make PVC flooring suitable for households and sensitive settings such as schools and hospitals. In addition, recyclable attributes of certain PVC flooring products align with circular economy and carbon-reduction initiatives, further supporting market acceptance.

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Future Trends of PVC Flooring

Sustainability and Circular Resource Technologies

Sustainability is expected to become a core competitive dimension, with innovation focusing on improving environmental performance across the product lifecycle. On materials, the industry is increasing R&D and adoption of bio-based plasticisers made from plant oils such as castor and soybean, reducing reliance on petrochemical inputs while improving product safety, with some manufacturers piloting products where bio-based plasticisers exceed 30%. On recycling, advanced chemical recycling technologies are being developed to address the low degradability of waste PVC flooring. Processes such as pyrolysis and catalytic reforming can convert used flooring into reusable PVC resin and mineral fillers, with recovery rates of over 90%, supporting closed-loop recycling and reducing solid waste. Across the supply chain, decarbonisation and carbon footprint transparency are becoming more important, including greater use of renewable energy in upstream production, logistics optimisation and more sustainable packaging, together with broader carbon accounting and disclosure. Environmental Product Declarations (EPDs) are also increasingly treated as a market entry requirement, with quantified lifecycle impacts, including carbon emissions and energy consumption, becoming a verifiable basis for sustainability claims.

Functional Integration and Scenario-based Solutions

Competition in the PVC flooring industry is expected to move from selling standalone materials to providing scenario-based integrated solutions, with differentiation driven by added functions and customisation. Manufacturers are increasingly adopting “flooring plus functions” designs. For example, pre-attached IXPE or EVA acoustic underlays for soundproof purpose can reduce footstep and furniture-movement noise by 20–30 dB, making products suitable for apartments and offices while avoiding secondary installation. Ceramic sand or nano-alumina wear layers can enhance abrasion resistance to AC5 or above, supporting high-traffic venues such as shopping malls and airports and improving scratch resistance for pet households, thereby extending service life by three to five years. Digital printing is also enabling higher design flexibility, allowing realistic replication of wood and marble textures and supporting small-batch bespoke patterns, such as themed designs for restaurants, corporate logos for offices and cartoon motifs for children’s rooms. This helps brands better match different use scenarios and build differentiation in a more standardised market.

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COMPETITIVE LANDSCAPE

Ranking of PVC Flooring Exporting Companies, by Market Share in Terms of Global Revenue in PVC Flooring (2024)

Rank	Company	Listed/Unlisted	Market Share
1	Company A ¹	Unlisted	1.14%
2	Company B ²	Unlisted	0.93%
3	Company C ³	Unlisted	0.92%
4	Company D ⁴	Unlisted	0.89%
5	Company E ⁵	Listed	0.88%
Top 5 Subtotal			4.76%
9	The Company	Unlisted	0.51%

- Note:* (1) It was founded in 2003 and is headquartered in Danyang, Jiangsu, mainly focuses on floor manufacturing, wooden door production, full-house customization services, and the development and sale of new flooring materials.
- (2) It was founded in 1999 and is headquartered in Zhangjiagang, Jiangsu, mainly focus on the R&D and production of PVC wall and floor materials and other decorative materials.
- (3) It was founded in 1995 and is headquartered in Taizhou, Jiangsu, mainly focus on the R&D and production of PVC floor, PVC building materials and other related products.
- (4) It was founded in 2019 and is headquartered in Changzhou, Jiangsu, primarily engaged in the R& D and manufacturing of flooring products such as PVC flooring and wood flooring, as well as related decorative materials.
- (5) It was founded in 1998 and is headquartered in Huzhou, Zhejiang; it is listed on the Shanghai Stock Exchange, and primarily focuses on R&D and production of office chairs, sofas, massage chairs, flooring and related accessories.

Source: Annual Reports, Frost & Sullivan

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Ranking of PVC Flooring Exporting Companies, by Market Share in Terms of Global Sales Area in PVC Flooring (2024)

Rank	Company	Listed/Unlisted	Market Share
1	Company A	Unlisted	1.07%
2	Company B	Unlisted	1.05%
3	Company C	Unlisted	0.94%
4	Company E	Listed	0.89%
5	Company D	Unlisted	0.85%
Top 5 Subtotal			4.80%
8	The Company	Unlisted	0.61%

Source: Annual Reports, Frost & Sullivan

Ranking of PVC Flooring Exporting Companies, by Market Share in Terms of Global Revenue in SPC Flooring (2024)

Rank	Company	Listed/Unlisted	Market Share
1	Company F ¹	Listed	1.01%
2	Company A	Unlisted	0.94%
3	The Company	Unlisted	0.91%
4	Company C	Unlisted	0.88%
5	Company B	Unlisted	0.86%
Top 5 Total			4.60%

Note :

(1) It was founded in 2013 and is headquartered in Jiaxing, Zhejiang; it is listed on the Shenzhen Stock Exchange, and primarily focuses on R&D and production of PVC floor.

Source: Annual Reports, Frost & Sullivan

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Ranking of PVC Flooring Exporting Companies, by Market Share in Terms of Global Sales Area in SPC Flooring (2024)

Rank	Company	Listed/Unlisted	Market Share
1	The Company	Unlisted	1.02%
2	Company A	Unlisted	0.94%
3	Company F	Listed	0.93%
4	Company C	Unlisted	0.89%
5	Company B	Unlisted	0.87%
Top 5 Total			4.64%

Source: Annual Reports, Frost & Sullivan

Entry Barrier

Supply Chain Barrier

Supply chain barriers arise from upstream supplier relationships and downstream customer stickiness. Upstream, established manufacturers typically maintain long-term strategic cooperation with suppliers of PVC resin powder, calcium carbonate and chemical additives, supporting stable supply and more favourable pricing. New entrants are often disadvantaged in bargaining power, supply security and procurement costs. Downstream, particularly in overseas markets, leading brands and large building-material channels apply stricter supplier qualification requirements, commonly involving product certification, factory audits, continuous supply capability and quality stability verification, which lengthens customer onboarding cycles. As a result, even with sufficient capital and technology, new entrants generally require time to secure overseas customers, complete qualification and build a sustainable order pipeline and customer trust.

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Materials R&D Barrier

Materials R&D constitutes a key technical barrier in PVC flooring, as it directly determines product performance and competitiveness. Product performance depends on formulation and process control involving PVC resin powder, calcium carbonate, plasticisers and stabilisers, and also requires capability in UV coatings, wear layers and click-lock design. Achieving functional performance such as water resistance, slip resistance, abrasion resistance and UV durability requires sustained R&D and testing accumulation. As consumer requirements upgrade and environmental regulations tighten, manufacturers must also ensure compliance with indicators such as VOC emissions and formaldehyde release across domestic and overseas standards, and continuously optimise formulations and processes. New entrants often lack experienced teams and know-how, and face high investment, execution risk and long development cycles in materials innovation, process optimisation and certification, making it difficult to build stable competitiveness quickly.

Capital Barrier

The PVC flooring industry has a high capital barrier due to substantial upfront fixed investment and a relatively long payback period. New entrants typically need to invest in extrusion and (co-)extrusion lines, UV coating and surface finishing lines, click-lock profiling lines, automated testing equipment, as well as supporting environmental treatment systems and warehousing and logistics facilities, resulting in a heavy fixed-asset and depreciation burden. Where capacity ramp-up is slow and product certification and customer onboarding take time, companies may struggle to convert capacity into effective output and orders in the near term, leading to cash flow pressure and potential disruption to raw material procurement, equipment maintenance, stable production and delivery. Established players, by contrast, generally benefit from a stable order base, continuous shipment-driven cash flow, and economies of scale in production and procurement, which further raises the operating and profitability threshold for under-capitalised entrants.

SOURCE OF INFORMATION

In connection with the [REDACTED], we have engaged Frost & Sullivan to conduct a detailed analysis and prepare a market research report on flooring industry and PVC flooring industry. Frost & Sullivan is an independent global market research and consulting company which was founded in 1961 and is based in the U.S. Services provided by Frost & Sullivan include market assessments, competitive benchmarking, and strategic and market planning for a variety of industries. The agreed fee paid to Frost & Sullivan for the preparation and use of the Frost & Sullivan Report is RMB600,000. The payment of such amount was not contingent upon our successful [REDACTED] or on the results of the Frost & Sullivan Report. Except for the Frost & Sullivan Report, we did not commission any other market research report in connection with the [REDACTED]. We have included certain information from the Frost & Sullivan Report in this document because we believe such information facilitates an understanding of the flooring industry and PVC flooring industry. Unless otherwise indicated, market estimates or forecasts in this section represent Frost & Sullivan’s view on the future development of the flooring industry and PVC flooring industry.

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In preparing the Frost & Sullivan Report, Frost & Sullivan has relied on its in-house database, independent third-party reports, and publicly available data from reputable industry organizations. Where necessary, Frost & Sullivan contacts companies operating in the industry to gather and synthesize information in relation to the market, prices, and other relevant information. Frost & Sullivan has exercised due care in collecting and reviewing the information so collected and believes that the basic assumptions used in preparing the Frost & Sullivan Report, including those used to make future projections, are factual, correct, and not misleading. Frost & Sullivan has independently analyzed the information, but the accuracy of the conclusions of its review largely relies on the accuracy of the information collected. In compiling and preparing the research, Frost & Sullivan assumed that the social, economic, and political environments in the relevant markets are likely to remain stable in the forecast period, which ensures the stable and healthy development of the flooring industry and PVC flooring industry. In addition, Frost & Sullivan has developed its forecast on the following bases and assumptions: (i) the economy in the global range is likely to maintain stable growth in the next decade, and (ii) the flooring industry and PVC flooring industry are expected to grow based on the macroeconomic assumptions of the economy. Frost & Sullivan’s research may be affected by the accuracy of these assumptions and the choice of these primary and secondary sources. Except as otherwise noted, all data and forecasts in this section come from the Frost & Sullivan Report.