
INDUSTRY OVERVIEW

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

SOURCES OF INFORMATION

We commissioned Frost & Sullivan to analyse and prepare a report regarding China’s hygienic disposables market as well as China’s hygienic disposables export market. Frost & Sullivan is an independent global consulting firm founded in 1961 in New York that offers industry research and market strategies and provides growth consulting and corporate training. We agreed to pay a commission fee of RMB950,000 to Frost & Sullivan pursuant to a service agreement reached by arm’s length negotiation. Except as otherwise noted, all of the data and forecasts contained in this section are derived from the Frost & Sullivan Report. We have also referred to certain information in the “Summary”, “Risk Factors”, “Business” and “Financial Information” sections to provide a more comprehensive presentation of the industry in which we operate.

In preparing the report, Frost & Sullivan conducted both primary and secondary research and relied on various sources. The primary research was conducted via interviews with key industry experts and leading industry participants. The secondary research involved analysis of market data obtained from several publicly available data sources, such as the National Bureau of Statistics of China and other industrial associations. The market projections in the Frost & Sullivan Report are based on the following key assumptions: (i) the overall social, economic, and political environment in China is expected to remain stable during the forecast period; (ii) China’s economic and industrial development is likely to maintain a steady growth in the forecast period; (iii) related industry key drivers are likely to drive the growth of the hygienic disposables market and hygienic disposables export market in China in the forecast period; and (iv) there is no extreme force majeure or industry regulation which may affect the market dramatically or fundamentally.

Our Directors confirm that, to the best of their knowledge, after making reasonable inquiries and exercising reasonable care, there is no material adverse change in the market information since the date of the relevant data contained in the Frost & Sullivan Report which may qualify, contradict or have an impact on the information in this section.

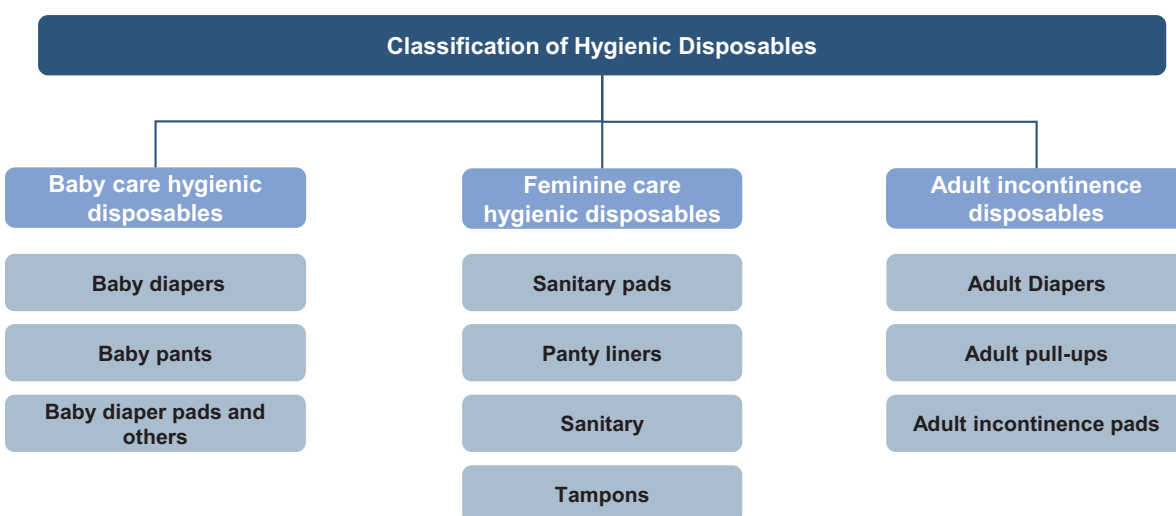
OVERVIEW OF HYGIENIC DISPOSABLES MARKET IN ASIA

Definition and Classification

Hygienic disposables refer to disposable hygiene products that come into direct contact with the human body, primarily composed of materials such as fluff pulp, nonwoven fabrics, highly absorbent resin, and other components. They feature a layered structure consisting of a surface layer, an absorbent core layer, and a leak-proof bottom film layer, designed to absorb and collect human excretions.

Divided by target consumers, hygienic disposables mainly refer to baby care hygienic disposables, feminine care hygienic disposables and adult incontinence disposables.

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Source: Frost & Sullivan

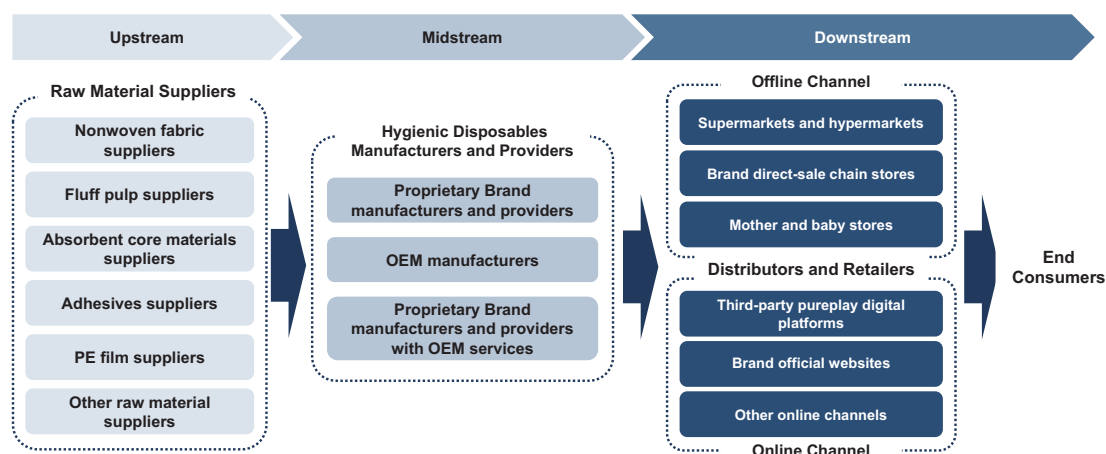
Value chain of Hygienic Disposables Market

The value chain of the hygienic disposables market includes upstream raw material supply, midstream hygienic disposables manufacturers and suppliers, and downstream end customers.

In the manufacturing and processing process, ODM (Original Design Manufacturing) and OEM (Original Equipment Manufacturing) modes are commonly used for hygienic disposables. Hygienic disposables suppliers can outsource production to selected domestic third-party manufacturers under ODM arrangements, allowing these suppliers to focus their resources on R&D, product planning and design, branding and marketing, and sales and distribution.

In the distribution process, the distribution channels for hygienic disposables include third-party pureplay digital platforms, brands official websites, key account (“KA”) channels (such as supermarkets and hypermarkets), brand direct-sale chain stores, mother and baby stores, among others, to reach end customers.

Value chain of Hygienic Disposables Market



Source: Frost & Sullivan

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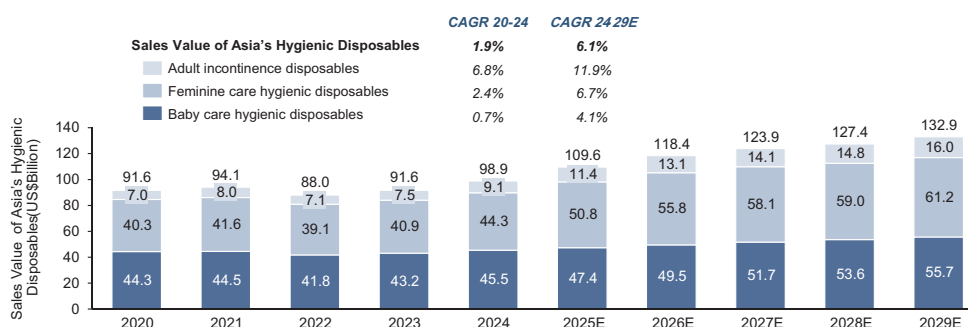
Market Size and Growth of Asia’s Hygienic Disposables Market

Despite economic fluctuations, the impact of the COVID-19 pandemic, and volatility in raw material prices, the Asian market continues to strengthen its position as a key growth region for hygienic disposables. This growth is driven by several factors, including population growth, aging demographics in multiple economies, and the continuous rise in hygiene awareness. The market size for hygienic disposables in terms of sales value in Asia increased from approximately US\$91.6 billion in 2020 to around US\$98.9 billion in 2024, representing a CAGR of about 1.9%. This market is expected to continue expanding, reaching US\$132.9 billion by 2029, with a CAGR of around 6.1% from 2024.

Countries like Japan and South Korea, with their significant aging populations, are experiencing increasing demand for adult diapers and incontinence products. The adult hygienic disposables market is the fastest-growing segment within the hygienic disposables market in Asia. It increased from around US\$7.0 billion in 2020 to approximately US\$9.1 billion in 2024, with a CAGR of approximately 6.8%. This market is expected to continue expanding, reaching US\$16.0 billion by 2029, which would represent a CAGR of around 11.9% from 2024. The market size of Asia’s baby care hygienic disposables in terms of sales value, which represents the largest segment within the overall hygienic disposables market in Asia, increased from approximately US\$44.3 billion in 2020 to around US\$45.5 billion in 2024, representing a CAGR of about 0.7%. Although Asia has experienced a gradual decline in birth rates and a corresponding reduction in the target infant population in recent years, the baby care hygienic disposables market has continued to expand. This growth is primarily driven by increases in product pricing, higher usage frequency, and rising penetration rates, which have collectively more than offset the impact of a shrinking user base. In particular, ongoing premiumization trends such as the adoption of higher-value products with enhanced functionality and growing consumer awareness of hygiene and convenience have led to greater per-child consumption. At the same time, improved affordability and distribution access in developing markets have supported further penetration, especially in lower-tier cities and rural areas. As a result, the overall market has maintained steady growth despite demographic headwinds. Looking ahead, the market is expected to continue expanding, reaching approximately US\$55.7 billion by 2029, with a CAGR of around 4.1% from 2024. This growth is anticipated to be driven by ongoing premiumization, increasing product penetration, and higher per-child consumption across key Asian markets.

The market size of hygienic disposables in Asia is estimated based on a comprehensive analysis of regional macroeconomic trends, demographic changes, and evolving hygiene consumption behaviours, drawing on publicly available statistics and authoritative industry databases. Asia’s sustained economic growth remains a fundamental driver of demand in this sector. According to the International Monetary Fund (IMF), Asia’s total GDP grew at a CAGR of 5.3% between 2020 and 2024 and is projected to accelerate to 5.8% from 2024 to 2028. This solid economic foundation underpins the continued growth of the hygienic disposables market in Asia.

Sales Value of Asia’s Hygienic Disposables by Category (Asia), 2020–2029E



Source: Frost & Sullivan

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Key Drivers of Hygienic Disposables Market in Asia

Population and Economic Growth in Asia: The large and growing population, especially in developing economies such as India, Indonesia, Vietnam and other Southeast Asian countries, remains a key driver of demand for hygienic disposable products. Despite a gradual decline, birth rates in these markets continue to stay at relatively elevated levels, and, together with their substantial population base, provide sustained support for demand growth. According to the United States Census Bureau, Asia’s total population is projected to grow at a CAGR of approximately 0.6% between 2024 and 2029. Concurrently, sustained economic growth in Asia has led to notable improvements in living standards, allowing consumers to allocate more disposable income to hygiene and personal care products. According to IMF, Asia’s nominal GDP grew at a CAGR of 5.3% between 2020 and 2024 and is expected to accelerate to 5.8% from 2024 to 2028. This combination of population growth and robust economic growth is a key driver behind the strong expansion of the hygienic disposables market in the region.

Changing Demographics: Asia’s hygienic disposables market is experiencing strong growth, largely driven by shifting demographics in the region. The aging populations in countries like Japan, South Korea, and China have driven increased demand for adult incontinence products. As life expectancy rises and the proportion of elderly citizens grows, the need for these products continues to expand. At the same time, the region’s growing female population and changing societal norms are contributing to a higher demand for feminine care hygienic disposables. Greater awareness of personal hygiene and women’s health, along with evolving lifestyles and increased workforce participation, has spurred this demand. While the overall birth rates are declining across much of Asia, the continuous increase in urbanization rate, especially the growth of urban middle-class families and their heightened focus on the quality of baby care, has offset the impact of the decline in the birth rates and supported the growth of the baby care hygienic disposables market in Asia.

Future Trends of Hygienic Disposables Export Market in Asia

Rise of emerging brands: The rise of emerging brands is reshaping Asia’s hygienic disposables market. Local companies are leveraging their deep understanding of regional preferences to gain traction, using cost-effective innovation, unique products, and competitive pricing to capture market share from established international players. In rapidly growing markets like Southeast Asia, India, and China, emerging brands’ ability to quickly adapt to market dynamics, combined with their focus on value and innovation, positions them to play a crucial role in the future of Asia’s hygienic disposables market.

Increasing focus on product functionality and comfort: As consumer expectations rise, the hygienic disposables market in Asia is increasingly emphasising product functionality and comfort. Manufacturers are prioritising innovation to meet the demand for high-quality, user-friendly products that provide not only basic hygiene but also superior comfort, a better fit, and skin-friendly features. To enhance comfort while maintaining effectiveness, brands are incorporating advanced materials, ergonomic designs, and breathable fabrics. Features such as odor control, moisture-wicking, and hypoallergenic surfaces are becoming more prominent as consumers demand more from hygienic disposables.

Development of E-commerce channels: E-commerce growth is transforming Asia’s hygienic disposables market. As internet penetration increases, especially in emerging markets, online shopping has become the preferred method for purchasing hygienic products, offering convenience, variety, and competitive pricing. It also enables brands to reach underserved areas, particularly rural regions, and provide personalised shopping experiences. The rise of mobile shopping, social commerce, and digital payment solutions is further accelerating e-commerce adoption. Hygienic disposable brands are leveraging these channels for subscription services, promotions, and targeted digital marketing, enhancing consumer engagement and loyalty.

Opportunities and Challenges of Hygienic Disposables Export Market in Asia

Sustainability and Technological Innovations: As environmental concerns rise, consumers are increasingly seeking sanitary products made from biodegradable, recyclable, and natural materials. In response, manufacturers are innovating to develop more eco-friendly products, particularly to cater to the preferences of younger consumer groups. This shift is creating new opportunities for innovation in the market.

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Rapid development of e-commerce and digital channels: The rise of e-commerce and digital platforms in Asia will continue to transform how consumers purchase hygienic disposables. Companies will increasingly leverage online channels, subscription models, and targeted marketing to provide convenience and personalised shopping experience. The e-commerce market in Asia is growing rapidly, especially in China, India and Southeast Asia. Online shopping platforms provide brands with a way to directly reach consumers while lowering the barrier to entry. Emerging channels such as social e-commerce and live streaming have created new growth opportunities for hygienic disposables.

Price sensitivity: Despite strong economic growth, price sensitivity remains high in many Asian markets, particularly in low- and middle-income countries. Consumers are highly price-conscious, compelling hygienic disposable brands to balance cost competitiveness with product quality. Intense price competition can put pressure on brands’ profit margins and impact their market positioning.

Supply chain managements: A significant challenge facing Asia’s hygienic disposables market is supply chain management. The region’s diverse and often fragmented supply chains can lead to inefficiencies and delays, particularly when sourcing raw materials or distributing finished products across vast distances. Manufacturers often struggle with logistical complexities, such as fluctuating transportation costs and limited infrastructure in rural or remote areas. These supply chain challenges can affect product availability, pricing, and the ability of brands to maintain competitiveness in a fast-evolving market.

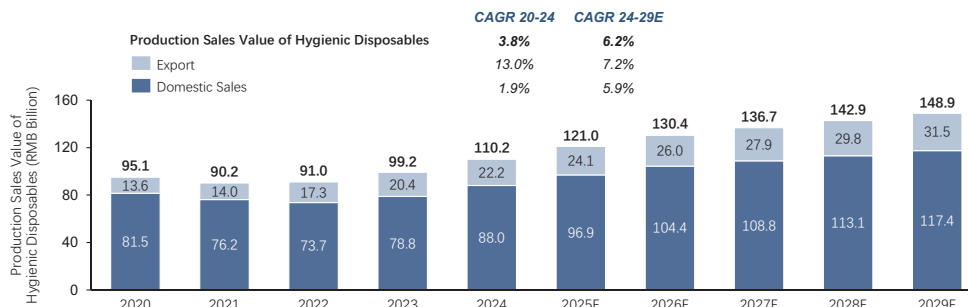
OVERVIEW OF HYGIENIC DISPOSABLES EXPORT MARKET IN THE PRC

Production Sales Value of Hygienic Disposables by Export and Domestic Sales in the PRC

“Production sales value” refers to the total revenue generated by manufacturers of hygienic disposable products, including both domestic sales and export sales to overseas markets, and therefore reflects the overall production-side commercial value realized by manufacturers regardless of the final destination of the products. In contrast, “sales value” typically refers only to the value of products sold within the domestic market on an ex-factory basis, excluding export sales.

Revenue generated from the manufacturing of hygienic disposables, indicative of production sales value, increased from RMB95.1 billion in 2020 to RMB110.2 billion in 2024, demonstrating a CAGR of 3.8%. Projections indicate a further increase to RMB148.9 billion by 2029, representing a CAGR of 6.2% from 2024. At present, the production sales value attributed to exports experienced substantial growth, surging from RMB13.6 billion in 2020 to RMB22.2 billion in 2024, marking a notable CAGR of 13.0%. Forecasts predict a continued upward trajectory, reaching RMB31.5 billion by 2029, with a CAGR of 7.2% from 2024. Moreover, the share of export value relative to total production sales value rose from 14.3% in 2020 to 20.1% in 2024 and is expected to rise to 21.2% by 2029.

Production Sales Value (Value-added Tax inclusive) of Hygienic Disposables by Export and Domestic Sales (China), 2020–2029E



Source: China Paper Association, General Administration of Customs, Frost & Sullivan

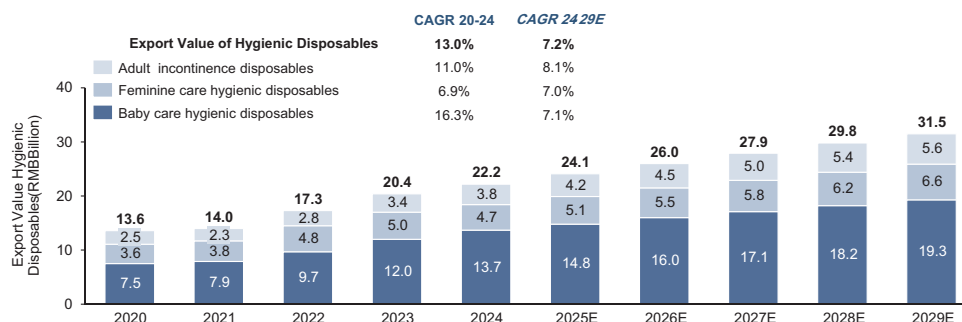
Market Size and Growth of Hygienic Disposables Export Market in the PRC

The export value of hygienic disposables increased significantly from approximately RMB13.6 billion in 2020 to around RMB22.2 billion in 2024, representing a CAGR of about 13.0%. This upward trend is expected to continue, with the export value projected to reach approximately RMB31.5 billion by 2029, representing a CAGR of approximately 7.2% from 2024. Baby care hygienic disposables export market is a fast growing subset of the hygienic disposables export market, which grew from

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approximately RMB7.5 billion in 2020 to approximately RMB13.7 billion in 2024, representing a CAGR of approximately 16.3%. This market is expected to continue expanding, reaching RMB19.3 billion by 2029, which would represent a CAGR of around 7.1% from 2024.

Export Value of Hygienic Disposables by Category (China), 2020–2029E

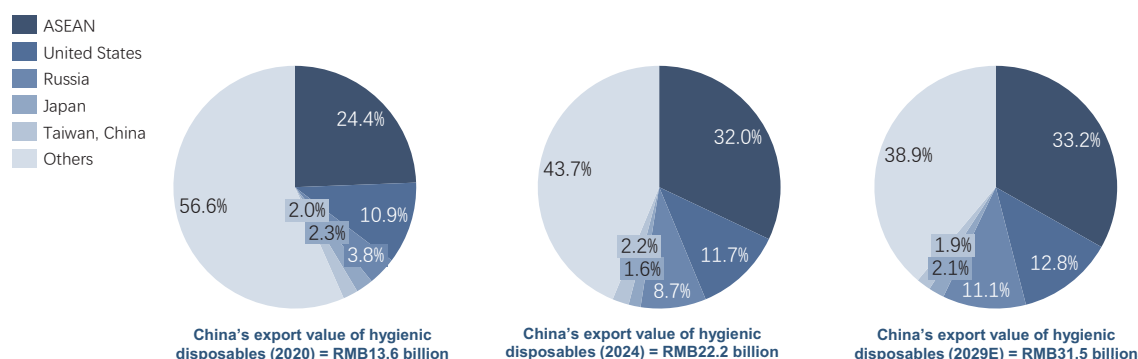


Source: General Administration of Customs, Frost & Sullivan

The primary export destinations for China’s hygienic disposables are ASEAN, the United States, and Russia. From 2020 to 2024, the share of China’s hygienic disposables exports to these regions increased, rising from 24.4%, 10.9%, and 3.8%, respectively, to 32.0%, 11.7%, and 8.7%.

This growth is attributed to improvements in China’s production capabilities, technological advancements, and strengthened trade relations, which have created more opportunities for export. Looking ahead, it is anticipated that by 2029, the export share of China’s hygienic disposables to these regions will reach 33.2%, 12.8%, and 11.1%, respectively.

Export Value of Hygienic Disposables by Regions (China), 2020 vs 2024 vs 2029E



Note: ASEAN includes Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam.

Source: General Administration of Customs, Frost & Sullivan

Key Drivers of Hygienic Disposables Export Market in the PRC

Cost competitiveness: China’s manufacturing sector benefits from cost advantages, including lower labour costs and economies of scale. This advantage allows Chinese manufacturers of hygienic disposables to produce at a lower cost than many other countries. In addition, China’s mature industrial clusters and vertically integrated supply chains enhance cost efficiency across procurement, manufacturing, and logistics. As a result, Chinese products remain competitive in the global market, attracting buyers looking for affordable yet high-quality hygienic disposables.

Technological advancements: Continuous investment in research and development is a key driver of China’s hygienic disposables export growth, fostering technological upgrades across machinery, production processes, and material science. These advancements have significantly enhanced product performance, manufacturing efficiency, and innovation, enabling Chinese producers to compete more effectively in international markets. The adoption of superabsorbent polymers (SAPs), breathable nonwoven fabrics, and skin-friendly materials has strengthened their ability to deliver products that meet global demand for softness, rapid absorption, leakage protection, and dermatological safety. By

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achieving higher quality standards and diversifying product offerings, Chinese manufacturers are better positioned to satisfy stringent international regulations and cater to the evolving preferences of a broad global customer base, thereby sustaining export momentum.

Trade partnerships and market penetration: China is actively engaged in promoting trade partnerships and expanding its market reach for hygienic disposables. Efforts to penetrate emerging markets or strengthen foothold in established markets contribute significantly to the growth of China’s export market in the hygienic disposables sector. Market penetration strategies, such as effective distribution networks, targeted marketing, and understanding local consumer preferences, facilitate increased exports to new regions and strengthen overall export growth. In 2025, China exported hygienic disposables to 197 trade partners. The market penetration rate, calculated by dividing China’s export value of hygienic disposables by the market size of the global hygienic disposables market excluding China, increased from 1.0% in 2020 to 1.0% as at 6M2025.

Future Trends of Hygienic Disposables Export Market in the PRC

Advancing toward sustainable and eco-friendly products: Global concern for the environment is driving a shift towards eco-friendly products worldwide, including in China’s hygienic disposables exports. Manufacturers will invest in eco-conscious R&D for biodegradable materials, reducing environmental impact and adoption of eco-friendly production processes meets consumer demand for environmentally responsible choices.

Innovating through customisation and tailored offerings: China’s hygienic disposables exports will prioritise customisation and innovation, tailoring products to diverse consumer needs with advanced materials and technologies to enhance competitiveness globally. Such customisation will open up the market for private label and contract manufacturing.

Embracing digitalisation and expanding E-commerce integration: The adoption of digital technologies and the increasing penetration of e-commerce will significantly impact the export landscape for hygienic disposables from China. Manufacturers will leverage digital platforms for marketing, sales and distribution, capitalising on the global reach of e-commerce. Improved online visibility, efficient supply chain management, and optimised logistics will facilitate higher export volumes through online channels. This trend is driven by evolving consumer preferences for seamless shopping experiences, convenience, and accessibility to a wide range of products. As a result, leveraging digitalisation and e-commerce will become integral for Chinese manufacturers to expand their global market presence and meet consumer demands more effectively.

Opportunities and Challenges of Hygienic Disposables Export Market in the PRC

Intense market competition: The PRC export market for hygienic disposables is highly competitive and rapidly evolving. A large number of domestic manufacturers and international brands may offer comparable product specifications, resulting in competition on pricing, quality, branding and delivery performance. Overseas retailers and brand owners may from time to time adopt tender-based procurement and periodic vendor re-selection, which can heighten buyers’ bargaining power and compress contract tenors. Competition may also be reinforced by the expansion of private-label programmes and consolidation among international retailers and distributors.

Meanwhile, digital channels can further increase competitive intensity. Cross-border e-commerce and social commerce may lower route-to-market barriers for smaller or new entrants, shorten product launch cycles and increase promotional activity, thereby raising price transparency across markets. In this environment, manufacturers generally compete not only on ex-factory prices but also on total landed cost, service levels and the capability to refresh designs and materials in line with evolving consumer preferences (for example, skin-friendly or eco-related features). Sustaining competitiveness may require continued investment in R&D, tooling and quality systems, as well as disciplined cost management to mitigate raw-material and logistics cost volatility. Market participants with stronger brands, broader customer networks or greater financial and marketing resources may be able to respond to trends more quickly, while smaller entrants may differentiate through agility and niche positioning.

Technological advancements and innovation: China’s advances in technology and manufacturing capabilities provide an opportunity to innovate in the hygienic disposables sector. Continued R&D efforts can lead to the creation of innovative products that respond to evolving consumer preferences. Leveraging technology for better product design, materials, and manufacturing processes can enhance the competitiveness of Chinese products in the global market.

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Quality and compliance standards: Meeting international quality standards and compliance regulations remains a major challenge for Chinese manufacturers. Adhering to stringent quality control measures and complying with various regulations in different export markets can be complex. Ensuring consistent quality, safety, and certification requirements across regions requires significant investment in research, testing, and production practises, posing a challenge for some manufacturers.

Entry Barriers of Hygienic Disposables Export Market in the PRC

Large initial investment: Hygienic disposables manufacturing is a capital-intensive industry, and new entrants require large initial investments to purchase production equipment, raw materials, and set up production lines. In addition, manufacturers need to continue to invest in technology upgrades and product R&D.

Technical knowledge and production experience: The production of hygienic disposables involves complex technological processes, including the selection of raw materials, the optimisation of absorption performance, and the design of products. Manufacturers need to have the relevant technical knowledge to ensure that product quality meets the standards of domestic and international markets and consumer expectations.

Brand Building and Marketing: In a competitive market, building a brand and increasing awareness is the key to success. New entrants need to invest resources in marketing and branding to attract consumers and build a loyal customer base, and tailor their marketing strategies to match the consumption habits of local consumers. Given that existing brands may already have market share, new entrants must devise strategies to differentiate themselves and appeal to consumers.

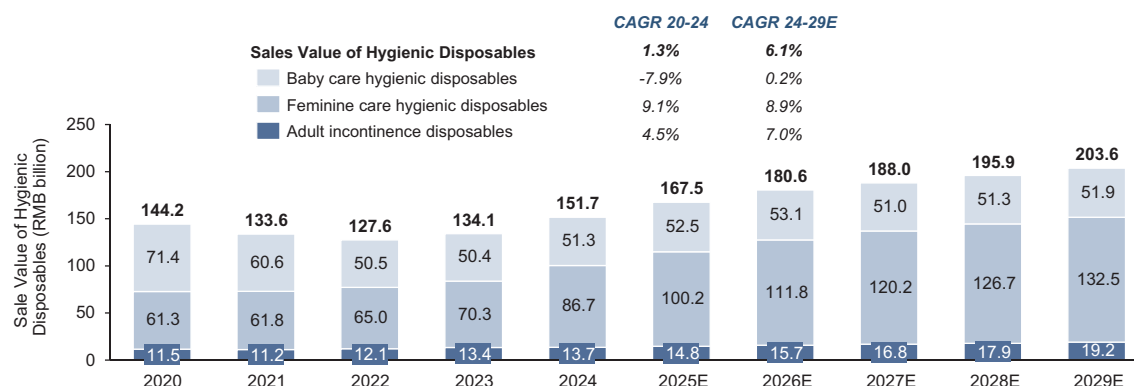
OVERVIEW OF HYGIENIC DISPOSABLES MARKET IN THE PRC

Market Size and Growth of Hygienic Disposables Market in the PRC

Hygienic disposables include baby care hygienic disposables, feminine care hygienic disposables and adult incontinence disposables. Due to the ongoing decline in the birth rate in China, the sales value of the baby care hygienic disposables market decreased from approximately RMB71.4 billion in 2020 to RMB51.3 billion in 2024, with a CAGR of approximately -7.9%. The significant growth of feminine care hygienic disposables is mainly due to the decrease in the age of women’s menarche and the delay of menopause, which has expanded the user population and usage cycle of feminine care hygienic disposables. Its sales value increased from approximately RMB61.3 billion in 2020 to RMB86.7 billion in 2024, with a CAGR of about 9.1%. This segment is expected to reach approximately RMB132.5 billion by 2029, representing a CAGR of about 8.9% from 2024. The sales value of adult incontinence disposables market increased from approximately RMB11.5 billion in 2020 to RMB13.7 billion in 2024, with a CAGR of about 4.5%. This segment is expected to continue expanding, reaching approximately RMB19.2 billion by 2029, representing a CAGR of about 7.0% from 2024.

Consequently, the overall sales value of the hygienic disposables market is mainly driven by the female and adult disposables market and shows a growth trend, from RMB144.2 billion in 2020 to RMB151.7 billion in 2024, with a CAGR of about 1.3%. It is projected to grow to approximately RMB203.6 billion by 2029, with a CAGR of around 6.1% from 2024.

Sales Value of Hygienic Disposables by Category (China), 2020–2029E



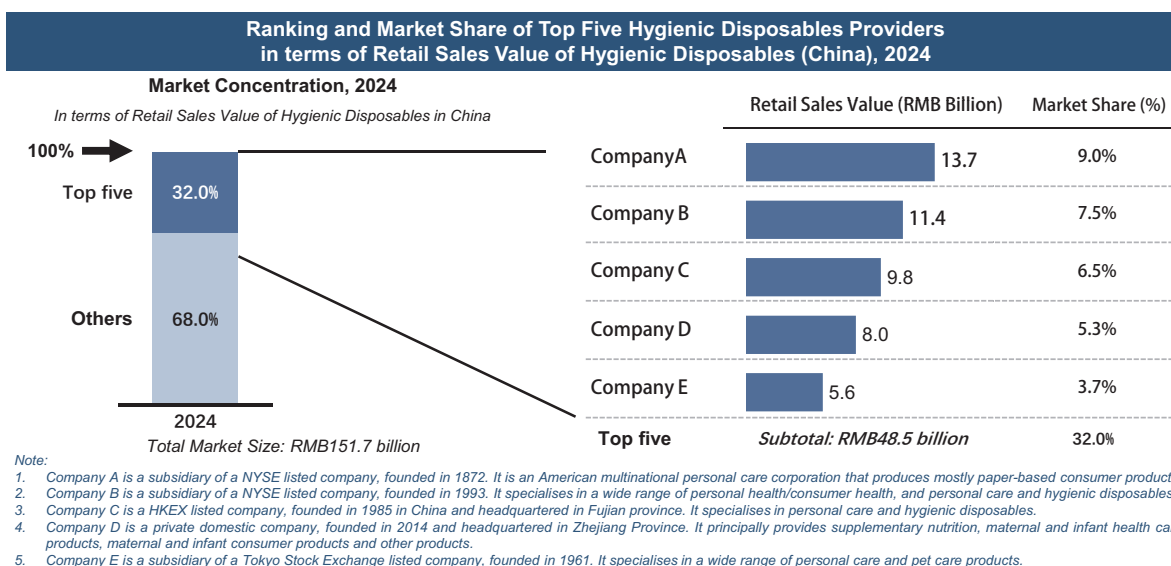
Source: China Paper Association (CPA), National Bureau of Statistics, Frost & Sullivan

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Ranking and Market Share of China’s Hygienic Disposables Providers

The hygienic disposables market in China was relatively concentrated, with the top five hygienic disposables providers accounting for an aggregate market share of 32.0% in terms of retail sales value in 2024.

In 2024, the Company’s market share in terms of retail sales value in the hygienic disposables market in China was 0.1%.



Source: China Paper Association (CPA), Frost & Sullivan

Key Drivers of Domestic Hygienic Disposables Market in the PRC

The table below presents a comparative analysis of brand positioning and price range coverage in China’s hygienic disposables market, segmented into baby care, feminine care, and adult incontinence products. It highlights the principal product categories and retail price segments of major market players, outlining average selling prices (RMB per unit) across the mass, mid-range, and premium tiers.

Market Comparison	Brand positioning	Average Retail Sales Price per Piece (RMB)								
		Babycare Hygienic Disposables			Feminine care Hygienic Disposables			Adult Incontinence Disposables		
		Mass	Mid-tier	Premium	Mass	Mid-tier	Premium	Mass	Mid-tier	Premium
Price range		<1.0	1.0-2.0	>2.0	<1.0	1.0-2.0	>2.0	<1.5	1.5-2.5	>2.5
The Group	The group's portfolio spans all major categories, with baby products as its core offering, covering products from mass to premium tiers.	✓	✓	✓	✓	/	✓	/	✓	/
Company A	Company A spans multiple categories, with babycare products at its core covering mass to premium tiers, while feminine care and adult incontinence products are mainly positioned in the mass and mid-tier markets.	✓	✓	✓	✓	✓	/	/	✓	/
Company B	Company B primarily focuses on babycare and feminine care products, featuring a comprehensive price range.	✓	✓	✓	✓	✓	✓	/	/	/
Company C	Company C's portfolio spans all major categories, with a strong presence in mass and mid-tier markets.	✓	✓	/	✓	✓	/	✓	✓	/
Company D	Company D's core offerings center on babycare and feminine care products, covering mainly mid-tier and premium markets.	/	✓	✓	/	✓	✓	/	/	/
Company E	Company E maintains a complete presence across three major segments, covering products from mass to premium markets.	✓	✓	✓	/	✓	✓	/	✓	/

Source: Frost & Sullivan

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Growing elderly population and increased penetration rate of incontinence: The expanding elderly population and the concurrent rise in incontinence prevalence significantly affect China’s domestic hygienic disposables market. The proportion of the elderly population aged 65 and above increased from 13.5% in 2020 to 15.6% in 2024. As the number of elderly individuals increases, so does the incidence of incontinence problems in this demographic. This surge in the elderly population, coupled with increased awareness and acceptance of incontinence-related concerns, is driving a substantial demand for high-quality hygienic disposables tailored to elderly care. According to the China Paper Association, adult incontinence product consumption grew from 5.4 billion pieces in 2020 to 9 billion in 2024, with a CAGR of 9.4%. This demographic transition, together with the rising awareness and acceptance of elderly care needs, is fueling strong demand for hygienic disposables specifically tailored to the requirements of the aging population.

Rapid growth of e-commerce and digital marketing: The development and expansion of different sales channels have made a wider range of hygienic disposables more accessible to consumers across China and have increased the frequency of consumption of products. While traditional sales channels (KA channel, specialty channel, etc.) are, and will remain as important sales channels for hygienic disposables, e-commerce channels are growing rapidly benefiting from consumers’ habits of online shopping as well as the greater convenience and accessibility offered by such channels. In addition, hygienic disposables companies will continue to launch digital marketing campaigns to promote their brands and products to reach a wider range of consumers.

Future Trends of Hygienic Disposables Market in the PRC

Growing usage of sustainable and eco-friendly raw materials: With increasing environmental awareness and concerns among consumers and manufacturers, there is a notable shift towards more sustainable and eco-conscious sourcing of raw materials for hygienic disposables. This trend is expected to drive the development and adoption of innovative, environmentally friendly materials and production methods, catering to the demand for products that have a reduced environmental footprint and are in line with global sustainability goals.

Increasing penetration of domestic hygienic disposables brands: The rising penetration of domestic hygienic disposables brands is another upcoming trend in China’s hygienic disposables market. This trend is further supported by the “Guiding Opinions on the High-Quality Development of the Industrial Textiles Industry” issued in 2022 by the National Development and Reform Commission and the Ministry of Industry and Information Technology. These guidelines highlight the government’s focus on fostering domestic consumer product brands, and is expected to drive the growth of local hygienic disposables brands and increase their presence in the market.

Continuous improvement of industry standards: The Chinese government is actively revising standards for the hygienic disposables industry to advance industrial upgrades and raise consumer product standards and quality. To meet evolving consumer demands, manufacturers in China’s hygienic disposables market are expected to establish and adhere to more stringent quality and safety standards. This commitment to the continuous improvement of industry standards will serve as a cornerstone for the high-quality development of the hygienic disposables sector.

OVERVIEW OF RAW MATERIALS OF HYGIENIC DISPOSABLES IN THE PRC

Market Size of Nonwoven Fabric Market

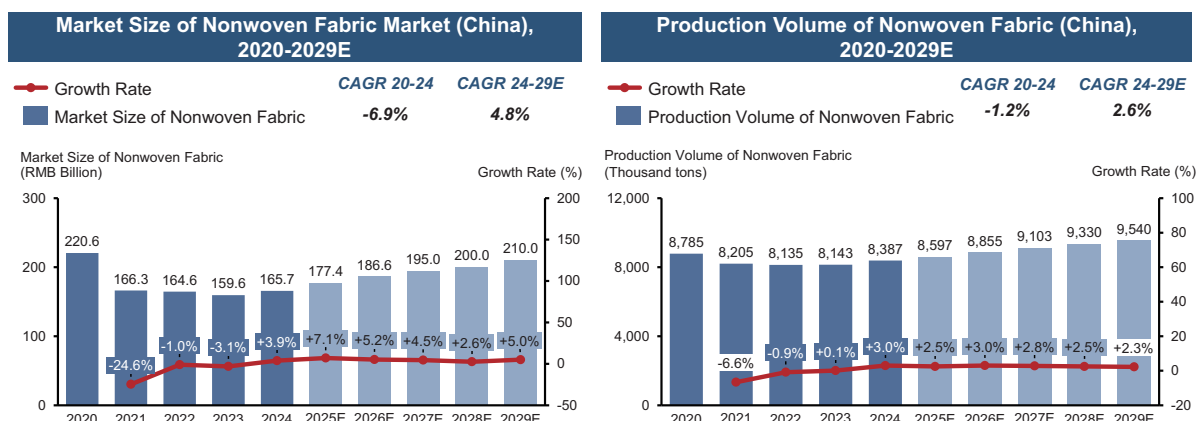
The COVID-19 pandemic has had a profound impact on the production of nonwoven fabrics. During the pandemic, demand for nonwoven fabrics surged as consumer behaviour shifted, with heightened awareness of personal hygiene and health protection. This has led to a marked increase in the utilisation and stockpiling of hygienic disposable products, the market demand for non-woven fabrics has also increased significantly, and will return to normal after the epidemic is under control. The market size of nonwoven fabric in terms of revenue drop from approximately RMB220.6 billion in 2020 to RMB166.3 billion in 2021, with a year-on-year deceleration of approximately -24.6%. In 2024, the market size of nonwoven fabric was approximately RMB165.7 billion, representing a CAGR of approximately -6.9% from 2020. It is expected to reach approximately RMB210.0 billion in 2029, representing a CAGR of approximately 4.8% from 2024.

The production of nonwoven fabric surged in 2020, driven by the increased demand for epidemic prevention materials amid the COVID-19 pandemic. Due to the gradual reduction in the impact of the COVID-19 pandemic, the overall production of nonwoven fabric is expected to progressively slow down in 2021 and 2022, maintaining stability thereafter. The production volume of nonwoven fabric

INDUSTRY OVERVIEW

decreased from 8,785 thousand tons in 2020 to 8,387 thousand tons in 2024, representing a CAGR of about -1.2%. By 2029, production is projected to reach 9,540 thousand tons, representing a CAGR of approximately 2.6% from 2024.

Market Size & Production Volume of Nonwoven Fabric Market (China), 2020–2029E



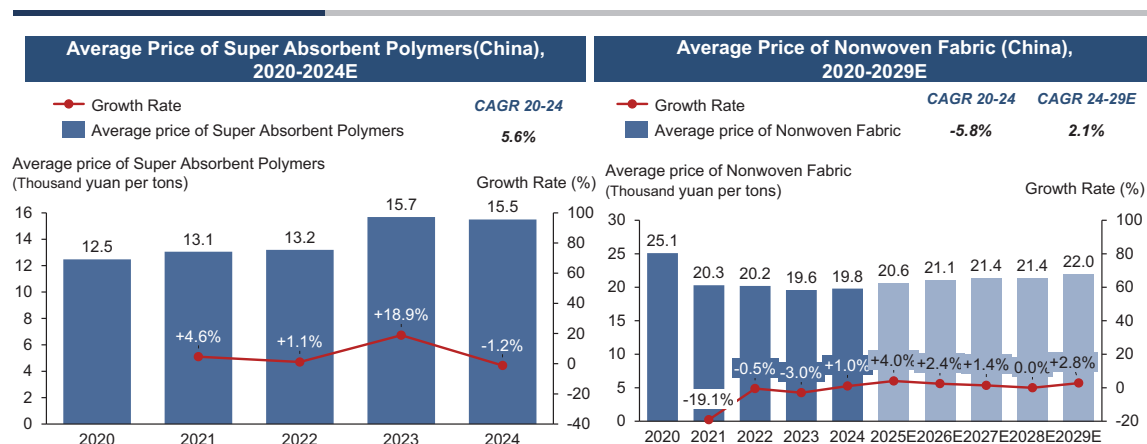
Source: China Nonwovens & Industrial Textiles Association (CNITA), Frost & Sullivan

Raw Materials Price Trend

The average price of super absorbent polymers is expected to increase from approximately RMB12,500 per ton in 2020 to RMB15,500 per ton in 2024, representing a CAGR of approximately 5.6% from 2020 to 2024. In the future, the market demand for super absorbent polymers is expected to continue to grow, thereby supporting a stable increase in the price of super absorbent polymers.

Entering 2020, the pandemic of COVID-19 has caused the demand for epidemic prevention materials such as medical masks and protective clothing increased rapidly. As a key raw material, the market demand for non-woven fabrics has surged, leading to a rapid increase in prices. After that, the average price of nonwoven fabrics have dropped significantly from around RMB25,100 per ton in 2020 to RMB20,300 per ton in 2021. In 2024, the average price of nonwoven fabrics stabilised at approximately RMB19,800 per ton, showing a slight CAGR of -0.4% since 2020. Moving forward, the price of nonwoven fabrics is expected to remain stable, with a projected average of approximately RMB22,000 per ton by 2029, representing a CAGR of approximately 2.1% from 2024.

Average Price of Super Absorbent Polymers(China), 2020–2024E& Average Price of Nonwoven Fabric (China), 2020–2029E



Source: China Nonwovens & Industrial Textiles Association (CNITA), Frost & Sullivan