
INDUSTRY OVERVIEW

Certain information and statistics set out in this section and elsewhere in this document are derived from various government and other publicly available sources and from the market research report prepared by Frost & Sullivan. We believe that the sources of such information and statistics are appropriate for such information and statistics and have taken reasonable care in extracting and reproducing such information and statistics. We have no reason to believe that such information and statistics are false in any material respect or misleading or that any fact has been omitted that would render such information or statistics false in any material respect or misleading. None of our Company, the Sole Sponsor, [REDACTED], any of our or their respective directors, officers, employees, agents or advisers has verified the information and statistics from official government sources, thus makes no representation as to the accuracy, fairness and completeness of the information and statistics from official government sources. Accordingly, information and statistics from official government sources should not be unduly relied upon.

SOURCE OF INDUSTRY INFORMATION

In connection with the [REDACTED], we have engaged Frost & Sullivan, an independent market research consultant, to conduct a detailed analysis of Global Floor Covering market and Global PVC Flooring market, and to prepare a report for use in this document, for which we have agreed to pay an engagement fee of USD100,000 which we believe to be consistent with market rates.

In compiling and preparing the Frost & Sullivan Report, Frost & Sullivan adopted the following assumptions: (i) global social, economic and political environment is likely to remain stable in the period of 2026 to 2030 (the “**forecast period**”); (ii) purchasing power is expected to continue to rise moderately in emerging regions and to grow steadily in developed regions; and (iii) related industry key drivers are likely to drive the market in the forecast period.

Except as otherwise noted, all of the data and forecasts contained in this section are derived from the Frost & Sullivan Report. Frost & Sullivan has prepared the Frost & Sullivan Report based on detailed primary research which involved discussing the status of Global Floor Covering Market, Global PVC Flooring Market and Global Wood Floor Market with certain leading industry participants and secondary research which involved reviewing company reports, independent research reports and data based on its own research database. Our Directors confirm that, after taking reasonable care, there has been no material adverse change in the overall market information since the date of the Frost & Sullivan Report that would materially qualify, contradict or have an impact on such information.

OVERVIEW OF GLOBAL FLOOR COVERING MARKET

Definition of Floor Covering

Floor covering refers to functional and decorative materials installed on building floors, mainly used in residential, commercial and public properties to meet requirements for durability, safety, comfort, aesthetics and ease of maintenance. Based on material properties, floor covering can generally be classified into resilient flooring, rigid flooring and textile flooring.

- **Resilient flooring** refers to flooring products with flexibility, elasticity and resilience, offering advantages such as underfoot comfort, noise reduction, water resistance, stain resistance and ease of maintenance. It is widely used in residential properties and high-traffic public spaces, and mainly includes PVC flooring, rubber flooring and linoleum flooring. Among them, PVC flooring represents the principal category due to its versatility, cost efficiency and broad applicability.

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- **PVC flooring** is the major product category within resilient flooring. Based on product form and structure, it can be further divided into sheet vinyl and tile/plank vinyl products, with the latter mainly including SPC, LVT and WPC flooring.
- **Rigid flooring** refers to flooring products with strong structural rigidity, wear resistance, compressive strength and durability. It is the most widely used type of floor covering globally, mainly including wood flooring and tile flooring.
- **Textile flooring** refers to flooring products using fibres or textiles as the primary surface layer, typically featuring acoustic absorption, underfoot comfort and decorative appeal. This category is mainly represented by carpets.

Market Size of Global Floor Covering Market by Category

The global floor covering market has grown steadily in recent years, supported by residential construction, renovation and replacement demand, as well as upgrades of commercial and public buildings. The market increased from US\$164.8 billion in 2021 to approximately US\$196.3 billion in 2025, representing a CAGR of approximately 4.5%, and is expected to reach approximately US\$241.1 billion by 2030, representing a CAGR of approximately 4.2% from 2025 to 2030. Growth will continue to be driven by urbanisation, refurbishment of existing buildings, commercial space upgrades and rising demand for flooring products with better durability, design flexibility and ease of maintenance.

Resilient flooring, primarily represented by PVC flooring, has been the fastest-growing category, with a CAGR of approximately 6.7% from 2021 to 2025. Its growth has been supported by advantages such as easier installation, strong water resistance, lower maintenance requirements and suitability for renovation and replacement scenarios. Compared with rigid flooring and textile flooring, resilient flooring is better aligned with demand for easy maintenance, stain resistance and high-traffic applications. As a result, it has continued to gain share through partial substitution of traditional flooring products. The global resilient flooring market is expected to reach approximately US\$50.6 billion by 2030, representing a CAGR of approximately 6.6% from 2025 to 2030.

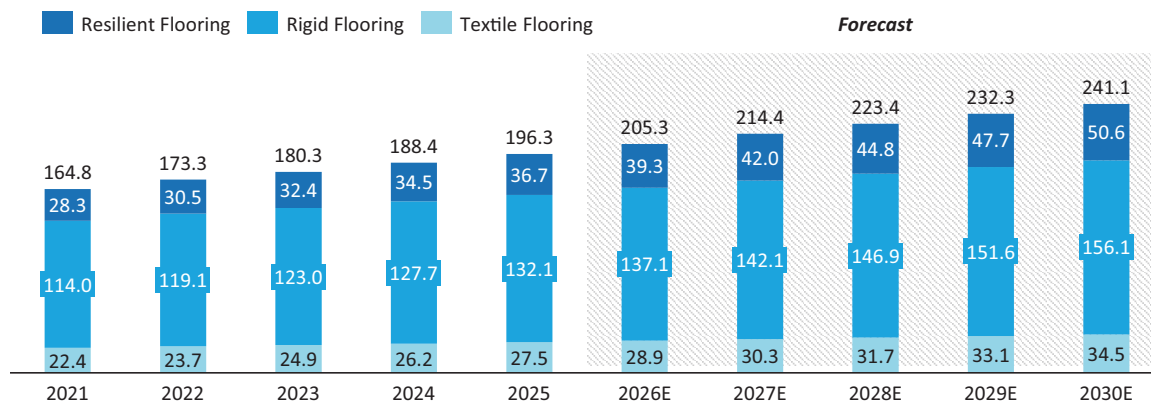
Rigid flooring remains the largest category, mainly supported by the long-established use of ceramic tiles and wood flooring across major markets. However, the segment has entered a relatively mature stage, with growth mainly driven by replacement demand and product upgrades. The global rigid flooring market grew from US\$114.0 billion in 2021 to approximately US\$132.1 billion in 2025, representing a CAGR of approximately 3.7%, and is expected to grow at a slower CAGR of approximately 3.4% from 2025 to 2030. While wood flooring remains important in North America and Europe, tile flooring is highly penetrated in Asia Pacific, the Middle East and Southern Europe. Certain rigid flooring products are also facing substitution from resilient flooring in residential renovation and light commercial applications.

Textile flooring has a more concentrated demand structure, with North America and Europe remaining the core markets due to established residential preferences and commercial usage patterns. In emerging markets, demand is more limited and mainly concentrated in hospitality, premium commercial spaces and office applications. The global textile flooring market increased from US\$22.4 billion in 2021 to approximately US\$27.5 billion in 2025, representing a CAGR of approximately 5.2%, and is expected to reach approximately US\$34.5 billion by 2030, representing a CAGR of approximately 4.6% from 2025 to 2030.

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Floor Covering Market by Category, Global
USD Billion; 2021-2030E

CAGR	Total	Resilient Flooring	Rigid Flooring	Textile Flooring
2021-2025	4.5%	6.7%	3.7%	5.2%
2025-2030E	4.2%	6.6%	3.4%	4.6%



Note: The market size refers to the total retail sales value of the floor covering products.

Source: Frost & Sullivan Analysis and Forecast

OVERVIEW OF GLOBAL PVC FLOORING MARKET

Definition of PVC Flooring

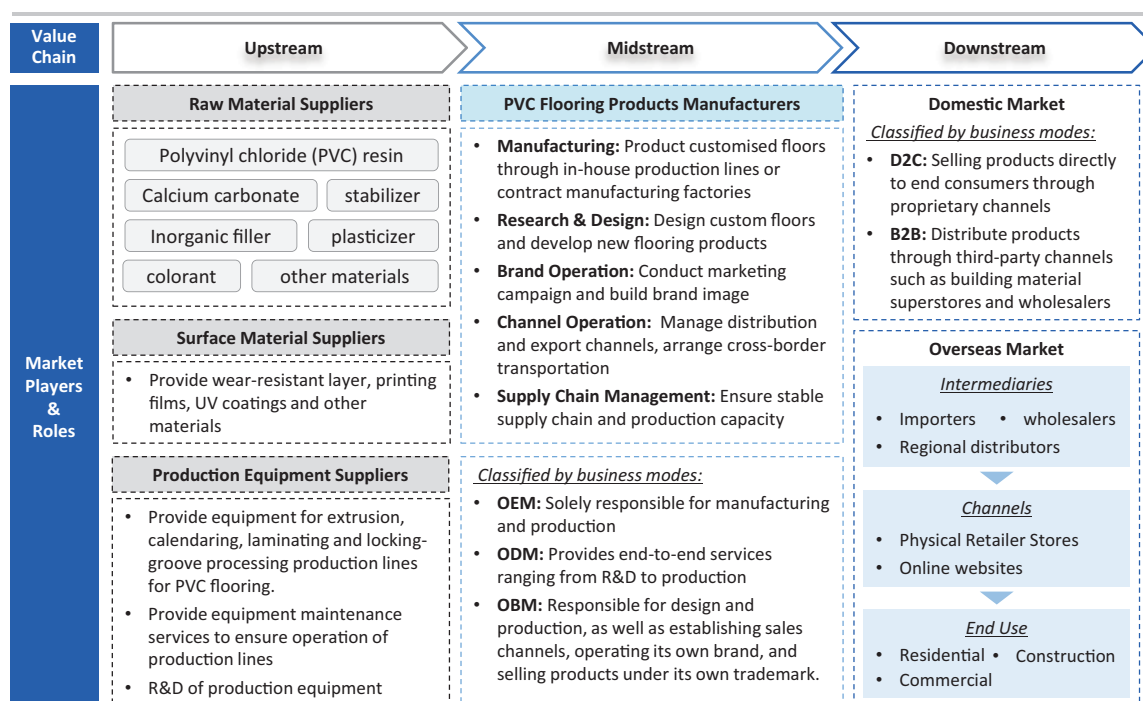
PVC flooring is the most representative product type and a key component of resilient flooring. PVC flooring refers to a synthetic resin-based floor covering made primarily from PVC resin, combined with additives such as natural stone powder, wood powder, stabilisers, calendaring, and colorants. It is manufactured through processes including compounding, extrusion, calendaring, hot pressing, surface printing, finishing, and cutting. Based on structure and core composition, PVC flooring can be primarily classified into three categories:

- **SPC (Stone Plastic Composite) flooring** refers to a rigid-core PVC flooring made from a blend of PVC resin and natural stone powder, formed through high-density extrusion. It is characterised by high dimensional stability and strong water resistance, with a rigid structure, making it suitable for applications requiring enhanced stability and durability.
- **LVT (Luxury Vinyl Tile) flooring** refers to a multi-layer composite PVC flooring product primarily based on PVC resin. It is typically constructed through the lamination of a wear layer, a printed design layer, and a backing layer, offering good flexibility and walking comfort, and is widely used in residential and commercial indoor flooring applications.
- **WPC (Wood Plastic Composite) flooring** refers to a PVC flooring product with a core layer composed of PVC resin and wood powder. It offers a balance between structural strength and improved comfort, including better underfoot feel and sound absorption performance, and is typically used in applications with higher comfort requirements.

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Value Chain of PVC Flooring Market

The PVC flooring industry has a well-established global value chain, comprising upstream raw material and equipment suppliers, midstream PVC flooring manufacturers, and downstream distributors, brand owners and end users. Each segment performs distinct functions and remains closely interdependent in terms of supply, production, product development and market access. China has become the world’s largest PVC flooring production base, supported by strong manufacturing capacity, cost advantages and mature industrial infrastructure. Chinese manufacturers play a central role in the global supply chain, not only through large-scale production, but also through expanding capabilities in product design, R&D and integrated solution services. As a result, the business model of leading manufacturers has gradually evolved from OEM towards ODM, while certain players have also developed proprietary brands and integrated decoration solutions to enhance their market position. The following diagram illustrates the global industry value chain.



Source: Frost & Sullivan Analysis

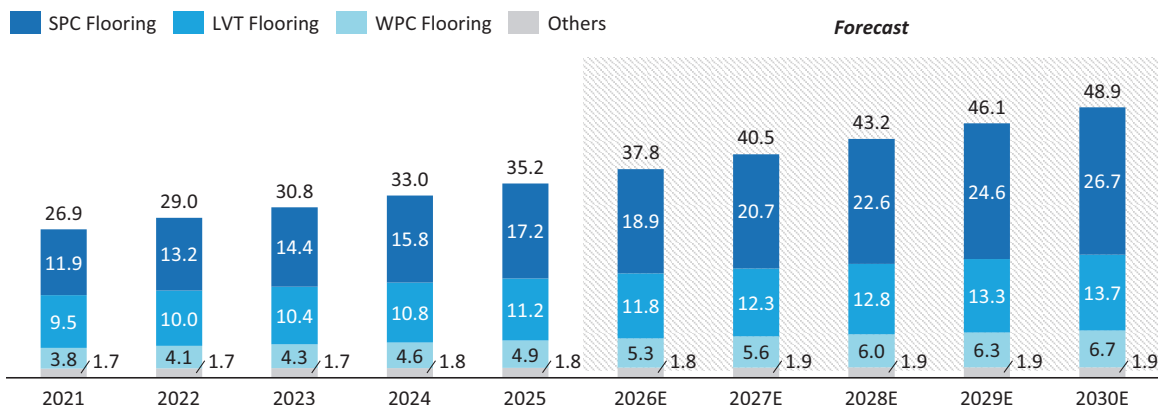
Market Size of Global PVC Flooring Market by Product

PVC flooring is a representative resilient flooring product, the market size of which accounted for approximately 95.8% of the entire resilient flooring market in 2025. The global PVC flooring market has grown steadily, driven by wider adoption of resilient flooring in residential renovation, commercial upgrading and new construction. The market increased from US\$26.9 billion in 2021 to approximately US\$35.2 billion in 2025, representing a CAGR of approximately 7.0%, and is expected to reach approximately US\$48.9 billion by 2030, representing a CAGR of approximately 6.8% from 2025 to 2030. Within the segment, SPC flooring has become the largest and fastest-growing product category, while LVT and WPC continue to address specific application scenarios based on their product characteristics and customer demand.

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PVC Flooring Market by Product, Global
USD Billion; 2021-2030E

CAGR	Total	SPC Flooring	LVT Flooring	WPC Flooring	Others
2021-2025	7.0%	9.6%	4.2%	7.1%	1.8%
2025-2030E	6.8%	9.2%	4.0%	6.1%	1.3%



Note: The market size refers to the total retail sales value of the PVC flooring products.

Source: Frost & Sullivan Analysis and Forecast

The global SPC flooring market has recorded the strongest growth within the PVC flooring category, reaching approximately US\$17.2 billion in 2025, with a CAGR of approximately 9.6% from 2021 to 2025. Its growth has been supported by its rigid core structure, dimensional stability, waterproof performance, impact resistance and click-lock installation system, which make it suitable for residential renovation, commercial spaces and high-traffic applications. Compared with traditional flexible LVT, SPC generally offers stronger rigidity and stability, while compared with WPC, it is typically denser and more cost-efficient. Continuous improvements in decorative film, embossing and surface treatment technologies have also enhanced its visual appeal. Supported by these advantages, SPC flooring is expected to remain the leading growth driver of the PVC flooring market, with the global market projected to reach approximately US\$26.7 billion by 2030, representing a CAGR of approximately 9.2% from 2025 to 2030.

The global WPC flooring market continues to serve specific demand within the PVC flooring category, particularly in residential and hospitality applications where underfoot comfort, thickness and acoustic performance are valued. Its relatively softer feel and enhanced comfort make it suitable for apartments, hotels and selected mid-to-high-end residential scenarios. Although SPC has gained stronger momentum in large-scale and high-traffic applications, WPC is expected to maintain stable demand in comfort-oriented use cases. The global WPC flooring market is projected to reach approximately US\$6.7 billion by 2030, representing a CAGR of approximately 6.1% from 2025 to 2030.

The global LVT flooring market remains an important and mature segment within PVC flooring, supported by established distribution channels, broad consumer recognition and a sizeable installed base. LVT continues to be widely used in residential and light commercial applications due to its design flexibility, relatively easy installation and improving product performance. While SPC has expanded rapidly in renovation and high-traffic scenarios, LVT is expected to maintain steady demand through product upgrades in design, surface treatment and installation technologies. The global LVT flooring market is projected to reach approximately US\$13.7 billion by 2030, representing a CAGR of approximately 4.0% from 2025 to 2030.

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Market Size of Global PVC Flooring Market by Region

The global PVC flooring market is characterised by different development stages across regions, with mature markets driven mainly by renovation, replacement and product upgrading, while emerging markets are supported by rising penetration, new construction and commercial space expansion.

North America and Europe are both mature PVC flooring markets with relatively high penetration, but their demand structures differ. In North America, demand is strongly supported by residential renovation, replacement needs, DIY-friendly installation and consumer preference for waterproof, low-maintenance and cost-effective flooring products, while commercial applications also provide stable demand. The North American PVC flooring market grew from US\$11.3 billion in 2021 to US\$15.6 billion in 2025, representing a CAGR of approximately 8.2%, and is expected to reach US\$22.9 billion by 2030, representing a CAGR of approximately 8.0% from 2025 to 2030. In Europe, demand is more closely linked to commercial, public-sector and regulated building scenarios, with greater emphasis on environmental compliance, product certification, fire safety, durability and lifecycle performance. Accordingly, market growth is mainly driven by renovation cycles and higher specification requirements. The European PVC flooring market grew from US\$9.1 billion in 2021 to US\$10.9 billion in 2025, representing a CAGR of approximately 4.5%, and is expected to reach US\$13.4 billion by 2030, representing a CAGR of approximately 4.2% from 2025 to 2030.

Asia Pacific remains at a relatively earlier stage of PVC flooring penetration and has recorded faster growth due to its lower historical base and expanding application scenarios. The market recorded a CAGR of approximately 9.1% from 2021 to 2025 and is expected to reach US\$9.8 billion by 2030, representing a CAGR of approximately 8.7% from 2025 to 2030. Within the region, China, Japan and Korea have supported stable demand through commercial renovation, public facilities, rental housing and selected residential applications, although ceramic tiles and wood flooring remain highly accepted in households. Southeast Asia is at an earlier adoption stage, with growth mainly driven by urbanisation, new residential construction, retail and hospitality expansion, and rising demand for cost-effective and easy-to-install flooring products.

OVERVIEW OF PVC FLOORING MARKET IN NORTH AMERICA

Market Size of PVC Flooring Market by Product in North America

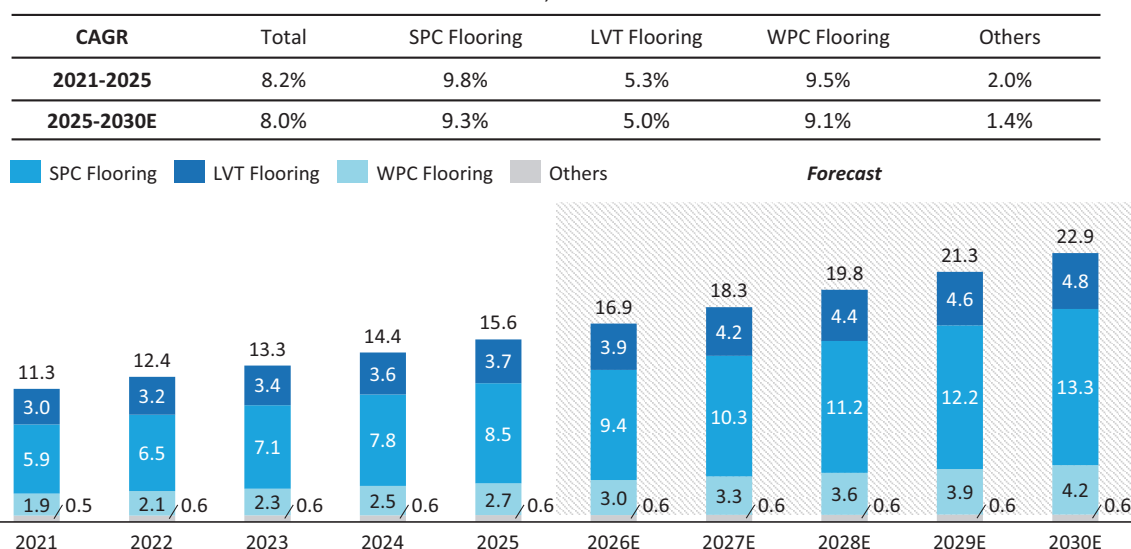
North America is the largest and most mature PVC flooring consumption market globally. Unlike emerging markets where growth is still largely driven by initial penetration, the North American market has entered a stage of product differentiation, where demand is increasingly shaped by renovation needs, channel efficiency, installation convenience, total installation cost and suitability for specific application scenarios. Against this backdrop, SPC flooring has become a key growth driver in the regional PVC flooring market.

The growth of SPC flooring in North America is mainly supported by its strong alignment with local market conditions. Residential renovation and replacement account for a significant share of flooring demand, where consumers and contractors generally prefer products that are easy to install, cause limited construction disruption and require less complex subfloor preparation. SPC flooring’s rigid core structure and click-lock installation system are well suited to such requirements. In addition, relatively high labour costs and a developed DIY culture in North America make installation efficiency and lower total installation cost important purchasing considerations. SPC flooring also meets the functional needs of basements, kitchens, rental housing, multifamily apartments and light commercial spaces, where waterproof performance, dimensional stability and resistance to indentation are valued.

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WPC flooring also maintains structural demand in North America. As the market has a mature PVC flooring consumption base, end-users are not solely driven by cost efficiency, but also value comfort, acoustic performance and overall product experience. With its thicker core structure and softer underfoot feel, WPC flooring remains suitable for residential renovation, apartments, hospitality and selected mid-to-high-end indoor applications where comfort and sound absorption are important. Although SPC flooring has stronger advantages in large-scale and high-traffic applications, WPC’s differentiated comfort-oriented features continue to support stable demand. The North American WPC flooring market is expected to reach approximately US\$4.2 billion by 2030, representing a CAGR of approximately 9.1% from 2025 to 2030.

PVC Flooring Market by Product, North America
USD Billion; 2021-2030E



Note: The market size refers to the total retail sales value of the PVC flooring products.

Source: Frost & Sullivan Analysis and Forecast

OVERVIEW OF GLOBAL WOOD FLOORING MARKET

Wood flooring is one of the most representative categories of rigid flooring and is widely used globally. The global wood flooring market grew steadily at a CAGR of approximately 4.0% from 2021 to 2025, reaching approximately US\$52.4 billion in 2025. Made from natural timber or wood-based materials, wood flooring is valued for its natural texture, grain variation, tactile warmth and perceived residential value, making it suitable for living rooms, bedrooms, hotels, offices and premium retail spaces. Supported by consumer preference for natural and higher-quality interior materials, the market is expected to reach approximately US\$62.9 billion by 2030, representing a CAGR of approximately 3.7% from 2025 to 2030.

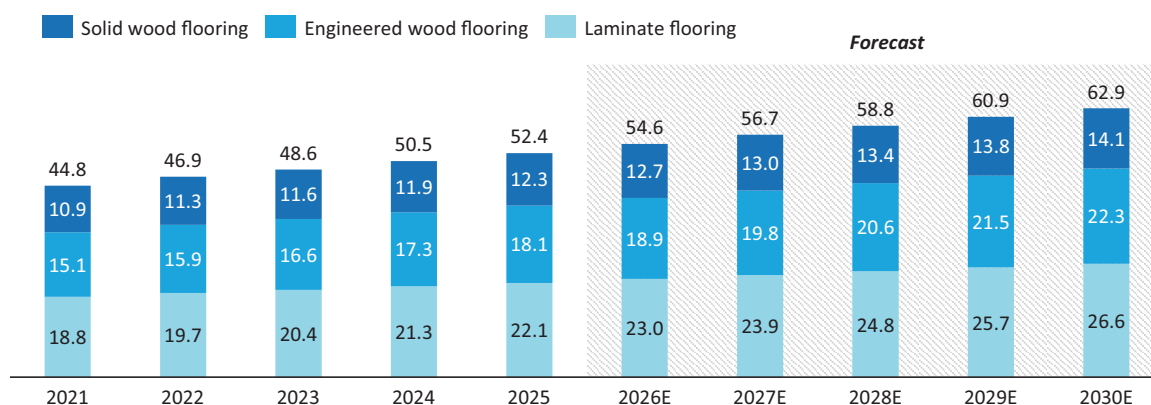
Wood flooring generally includes solid wood flooring, engineered wood flooring and laminate flooring, each serving different price bands and application scenarios. Solid wood flooring is typically positioned at the premium end due to its natural timber attributes, while engineered wood flooring offers improved dimensional stability through its multi-layer structure. Laminate flooring has become the largest segment, accounting for approximately 42.1% of the global wood flooring market in 2025, as it provides a balanced combination of wood-like appearance, durability, installation convenience and cost efficiency.

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Laminate flooring is well suited to mass-market residential renovation, rental housing, commercial interiors and large-scale projects requiring controlled costs. Its decorative layer enables diversified wood-grain designs with strong consistency, while its wear-resistant surface provides resistance to daily scratches, abrasion and stains. Against this backdrop, the global laminate flooring market increased from approximately US\$18.8 billion in 2021 to approximately US\$22.1 billion in 2025, representing a CAGR of approximately 4.1%, and is expected to reach approximately US\$26.6 billion by 2030, representing a CAGR of approximately 3.8% from 2025 to 2030.

Wood Flooring Market, Global
USD Billion; 2021-2030E

CAGR	Total	Solid wood flooring	Engineered wood flooring	Laminate flooring
2021-2025	4.0%	3.0%	4.6%	4.1%
2025-2030E	3.7%	2.8%	4.3%	3.8%



Note: The market size refers to the total retail sales value of the wood flooring products.

Source: Frost & Sullivan Analysis and Forecast

COMPETITIVE LANDSCAPE OVERVIEW

Ranking of Leading PVC Floor Manufacturers

In 2025, the aggregate overseas revenues of the top 5 PVC flooring manufacturers in China reached approximately RMB12.6 billion, representing approximately 5.2% of the global PVC flooring market. Our Company ranked fourth among such manufacturers, with a market share of approximately 0.8%.

North America is currently the largest consumption market for PVC flooring globally, supported by mature residential renovation demand, strong consumer acceptance of resilient flooring products and well-established retail and distribution channels. As a result, North America represents a key export destination for PVC flooring manufacturers in China and serves as an important benchmark for assessing their international competitiveness. In 2025, our Company ranked second among PVC flooring suppliers in the North American market in terms of sales revenue, with PVC flooring product sales revenue of RMB1,514.3 million and a market share of approximately 1.4%.

The table below sets forth the ranking of leading PVC flooring manufacturers in China in terms of revenue generated from sales of PVC flooring products in North America in 2025:

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Ranking of the Leading PVC Floor Manufacturers, China, 2025 by Revenues in North America, RMB Million

Ranking	Company	Revenue ⁽¹⁾	Market Share ⁽²⁾
1	Company A ⁽³⁾	2,190.0	2.0%
2	Our Company	1,514.3	1.4%
3	Company B ⁽⁴⁾	1,390.0	1.3%
4	Company C ⁽⁵⁾	1,320.0	1.2%
5	Company D ⁽⁶⁾	1,280.0	1.2%
Top 5		7,694.3	7.2%

Notes:

- (1) The revenue represents the revenues of PVC flooring products in North America.
- (2) Denominator of the percentage is the retails sales value of PVC flooring in North America in 2025, which reached approximately RMB107.3 billion.
- (3) Company A is an unlisted flooring manufacturer under an international group. Established in 2004 by Europeans and headquartered in Hong Kong, the company is principally engaged in the R&D and production of resilient flooring, with a product portfolio featuring SPC, WPC, and laminate flooring. It operates a global supply chain serving major DIY retailers and distributors across North America, Europe, and Asia.
- (4) Company B is an unlisted resilient flooring manufacturer established in 2002 and headquartered in Taizhou, Jiangsu Province. The company is principally engaged in the manufacturing and sale of PVC flooring products, with a product portfolio covering LVT, SPC and WPC flooring, and sells its products primarily to overseas markets, including North America and Europe.
- (5) Company C is an unlisted building materials manufacturer established in 2003 and headquartered in Danyang, Jiangsu Province. The company is principally engaged in the R&D and manufacturing of flooring and wooden doors, with a product portfolio covering laminate, engineered wood, and PVC flooring, selling to over 30 countries and regions, including North America, Europe, and Southeast Asia.
- (6) Company D is a company listed on the Shenzhen Stock Exchange. Established in 2003 and headquartered in Huzhou, Zhejiang Province. The company is primarily engaged in the R&D, manufacturing, and sale of PVC flooring products, with a product portfolio covering LVT, SPC and WPC flooring. In recent years, the company has expanded its product portfolio to include new types of flooring, such as RPET flooring and sells its products primarily to international markets.

In terms of the sales volume of PVC flooring products in North America, our Company ranked first with sales volume of approximately 26.3 million square meters in 2025, representing a market share of approximately 1.7%. The table below sets forth the ranking of leading PVC flooring manufacturers in China in terms of sales volume of PVC flooring products in North America in 2025.

Ranking of the Leading PVC Floor Manufacturers, China, 2025 by Sales Volume in North America, Million Square Meters

Ranking	Company	Sales Volume ⁽⁷⁾	Market Share ⁽⁸⁾
1	Our Company	26.3	1.7%
2	Company C	25.6	1.6%
3	Company A	23.3	1.5%
4	Company D	19.7	1.3%
5	Company E ⁽⁹⁾	19.1	1.2%
Top 5		113.9	7.3%

Notes:

- (7) The volume represents the sale volume of PVC flooring products in North America.
- (8) Denominator of the percentage is the retail sales volume of PVC flooring products in North America in 2025, which reached approximately 1,555.2 million square meters
- (9) Company E is an unlisted home decor manufacturer established in 2011 and headquartered in Jiaxing, Zhejiang Province. The company focuses on the production of environmental-friendly flooring, with a product portfolio covering SPC, WPC, and LVT flooring. It primarily serves overseas brand owners and retailers, with a strong market presence in North America and Europe.

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In 2025, our Company ranked second in terms of overseas revenues of SPC flooring products at approximately RMB1,705.4 million representing a market share of approximately 1.4%. Meanwhile, our Company also ranked the first in terms of sales volume of SPC flooring products in North America in 2025 with approximately 23.8 million square meters, representing a market share of approximately 2.7%.

Ranking of the Leading PVC Floor Manufacturers, China, 2025 by Sales Volume of SPC Flooring Products in North America, Million Square Meters

Ranking	Company	Volume ⁽¹⁰⁾	Market Share ⁽¹¹⁾
1.	Our Company	23.8	2.7%
2.	Company A	20.7	2.4%
3.	Company E	18.2	2.1%
4.	Company F ⁽¹²⁾	16.4	1.9%
5.	Company C	15.4	1.7%
Top 5		94.5	10.7%

Notes:

⁽¹⁰⁾ The volume represents the sales volume of SPC flooring products in North America.

⁽¹¹⁾ Denominator of the percentage is the retail sales volume of SPC flooring market in North America in 2025, which reached approximately 880.5 million square meters.

⁽¹²⁾ Company F is an unlisted resilient flooring manufacturer established in 2000 and headquartered in Huzhou, Zhejiang Province. The company is principally engaged in the R&D and manufacturing of interior and outdoor decorative materials, with a product portfolio covering SPC flooring, bamboo flooring and other flooring materials, and sells its products primarily to global markets.

Following the global and North American market rankings, Europe represents another key regional market for PVC flooring, characterised by mature demand, stringent product standards and differentiated customer requirements. Our Company ranked fifth in terms of revenues generated from sales of PVC flooring products in Europe with a market share of approximately 0.4% in 2025.

Ranking of Leading Wood Floor Manufacturers

The table below sets forth the ranking of leading wood flooring manufacturers in China in terms of export volume generated from sales of laminate flooring products in 2025.

The competitive landscape of China’s laminate flooring product exports remains consistent when measured by both sales volume and revenue. In terms of the export revenues generated from sales of laminate flooring products, Our Company ranked first with export revenue of approximately RMB288.2 million, representing a market share of approximately 8.5% in 2025.

Ranking of the Leading Wood Floor Manufacturers, China, 2025 By Export Sales Volume of Laminate Flooring Products, Million Square Meters

Ranking	Company	Sales Volume ⁽¹³⁾	Market Share ⁽¹⁴⁾
1.	Our Company	5.5	8.7%
2.	Company G ⁽¹⁵⁾	2.4	3.8%
3.	Company H ⁽¹⁶⁾	1.9	3.0%
4.	Company I ⁽¹⁷⁾	0.9	1.4%
5.	Company J ⁽¹⁸⁾	0.6	1.0%
Top 5		11.2	17.9%

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Notes:

- (13) The revenue represents the export sales volume of laminate flooring products.
- (14) Denominator of the percentage is the export sales volume of laminate flooring products from China in 2025, which reached approximately 63.0 million square meters.
- (15) Company G is an unlisted wood flooring manufacturer established in 2001 and headquartered in Huzhou, Zhejiang Province. The company is principally engaged in the R&D and manufacturing of flooring products, with a product portfolio covering solid wood, engineered, and laminate flooring, and serves broad distributor networks and project clients primarily across China, North America, and Europe.
- (16) Company H is an unlisted wood flooring manufacturer established in 2006 and headquartered in Zhongshan, Guangdong Province. The company is principally engaged in the R&D and manufacturing of premium flooring, with a product portfolio covering engineered wood and solid wood flooring, and sells its products to global home retailers and distributors.
- (17) Company I is an unlisted wood flooring manufacturer established in 1997 and headquartered in Jiaxing, Zhejiang Province. The company is principally engaged in the production of high-end engineered flooring, with a product portfolio covering multi-layer engineered wood flooring, and sells its products primarily to international markets, serving major brand owners and home improvement retailers in North America and Europe.
- (18) Company J is an unlisted wood flooring manufacturer established in 1995 and headquartered in Jilin Province. The company is principally engaged in the processing and manufacturing of wood products, with a product portfolio covering engineered wood and solid wood flooring, and sells its products to domestic and overseas markets.

Growth Drivers for Global PVC Flooring Market

- **Region-specific Real Estate and Renovation Dynamics:** The global PVC flooring market is supported by different property cycles and building demand across regions. In mature markets such as North America, ageing housing stock and active residential refurbishment continue to drive replacement demand, while commercial renovation in offices, retail, hospitality and rental properties further supports PVC flooring applications. In Europe, green building policies and energy-efficiency renovation programmes are accelerating upgrades of existing residential and commercial buildings. In emerging markets, demand is more closely linked to new construction, urbanisation and commercial property expansion, particularly in Southeast Asia, the Middle East and Africa. These region-specific dynamics collectively support sustained global demand for PVC flooring.
- **PVC Flooring Gaining Wider Adoption:** PVC flooring has gained wider adoption in both residential and commercial applications, supported by its balanced performance, installation efficiency, cost advantages and continuous product upgrades. Compared with ceramic tiles, PVC flooring is lighter, easier to install and more suitable for renovation projects requiring shorter installation periods and lower labour costs. Through improvements in product structure, backing layers and surface design, PVC flooring has also enhanced underfoot comfort, impact noise reduction and design flexibility. Compared with wood flooring, PVC flooring offers differentiated advantages such as water resistance, dimensional stability and lower maintenance requirements, making it suitable for moisture-prone and high-use areas. Compared with carpets, PVC flooring is easier to clean and more resistant to stains and wear, supporting its use in offices, retail stores, hospitality venues and public facilities. These attributes have made PVC flooring an increasingly attractive option for consumers and property owners seeking durable, cost-effective and easy-to-maintain flooring solutions.
- **Product Innovation and Performance Enhancement:** Continuous product innovation has improved the competitiveness of PVC flooring in terms of structural stability, wear resistance, water resistance, surface texture and installation efficiency. SPC flooring has become a representative product upgrade, as its rigid core structure generally provides stronger dimensional stability, indentation resistance and durability compared with traditional flexible LVT products. It is also typically denser and more rigid than WPC flooring, making it suitable for heavy-load and high-traffic applications while maintaining cost efficiency. In addition, click-lock installation systems and improvements in decorative film, embossing and surface treatment technologies have further enhanced the functionality, aesthetics and installation efficiency of PVC flooring.

INDUSTRY OVERVIEW

- **Design-led Aesthetic Upgrade:** The aesthetic upgrade of PVC flooring has further supported its market adoption. As flooring products increasingly serve not only as functional materials but also as key elements of interior style and consumer experience, manufacturers have placed greater emphasis on surface texture, colour tone, pattern design and overall visual presentation. Together with its functional advantages, these design improvements have enhanced the decorative value and consumer appeal of PVC flooring, supporting its wider use in residential and commercial spaces.

Entry Barriers for Global PVC Flooring Market

- **Strict Customer Qualification and Supplier Approval Systems:** For ODM/OEM suppliers serving major overseas brand owners and retailers, customer qualification is a key entry barrier. Leading customers typically conduct strict audits on product quality, environmental compliance, production capacity, delivery reliability, social responsibility and management systems. The approval process is often lengthy and resource-intensive. Once admitted into a customer’s supply chain, supplier relationships tend to be sticky, as customers value stable quality, reliable delivery, compliance records and joint product development capabilities. New entrants without established qualifications and customer trust are therefore unlikely to access mature procurement systems within a short period.
- **Technological R&D and Continuous Product Iteration:** PVC flooring manufacturers must continuously improve material formulations, structural design and surface treatment processes to enhance product performance and address segmented application needs. This requires sustained R&D investment, accumulated process know-how and rapid product iteration capabilities. In addition, products sold across different markets must comply with varying environmental, safety and performance standards, increasing the complexity of technology upgrading. Companies without continuous R&D capabilities and technical accumulation may struggle to maintain competitiveness.
- **Scale Production and Global Delivery Capability:** The PVC flooring industry requires large-scale production capacity, automated production lines, stable raw material procurement and robust quality control systems to support continuous global supply. Beyond manufacturing scale, companies also need cross-regional warehousing, logistics and capacity coordination capabilities to meet different delivery cycles and trade requirements. As such, competition is not limited to production capacity, but also depends on global operational efficiency, creating capital and execution barriers for new entrants.
- **Brand Reputation and Distribution Network Barriers:** In both project-based and retail channels, purchasing decisions are strongly influenced by suppliers’ historical delivery performance, brand credibility and market reputation. Manufacturers typically need to build customer trust through long-term stable supply, consistent product quality and successful project execution. Once established, brand perception and distribution partnerships are difficult to replicate. New entrants without proven track records and channel relationships may therefore face a prolonged market entry cycle.
- **Service Capability and End-to-end Customer Support:** OEM/ODM PVC flooring manufacturers are increasingly evolving from pure manufacturers into end-to-end solution partners for brand owners, retailers and distributors. Their services typically cover product development, technical testing, market trend response, customer communication, project coordination, logistics and warehousing support. These capabilities allow manufacturers to participate more deeply in customers’ product planning and supply chain management. New entrants lacking project experience, integrated service teams and customer coordination mechanisms may find it difficult to replicate such capabilities quickly.

INDUSTRY OVERVIEW

Future Trends for Global PVC Flooring Market

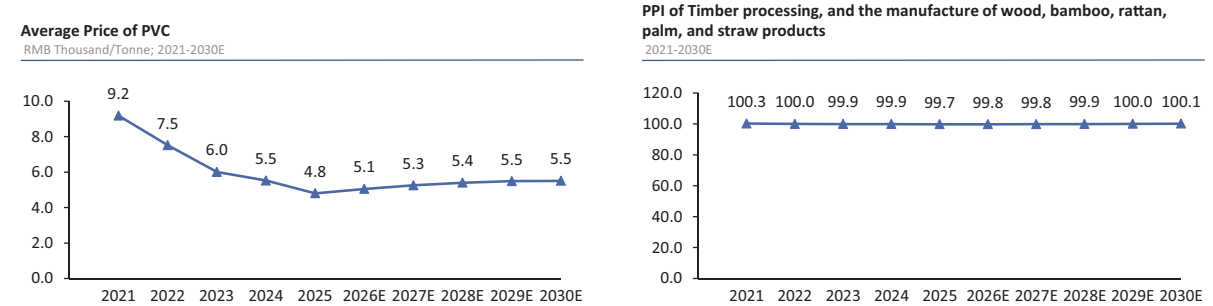
- **Evolution Towards Global Multi-region Production Capacity:** Asia Pacific, particularly China, remains the largest production base for PVC flooring globally, supported by an integrated supply chain, production efficiency and accumulated manufacturing know-how. However, increasing trade frictions, tariff uncertainties, longer cross-border delivery cycles and changing customer requirements have encouraged leading Chinese manufacturers to expand production capacity beyond China. By developing multi-region capacity layouts in markets with cost advantages, improving infrastructure and proximity to end customers, manufacturers can reduce reliance on a single production base, mitigate policy and logistics risks, optimise production and delivery costs, and respond more quickly to regional demand. As such, overseas capacity expansion has become an important trend for leading PVC flooring manufacturers to enhance supply chain resilience and global competitiveness.
- **Shift Towards Compliant, Low-emission and Health-conscious PVC Flooring Products:** Environmental compliance and indoor health considerations are becoming increasingly important in the PVC flooring market. Manufacturers are expected to improve product formulations, reduce VOC emissions, control restricted substances and meet stricter quality and certification requirements in major export markets, particularly for products used in residential, education, healthcare and hospitality settings. Leading manufacturers are also investing in cleaner production processes, recyclable materials and consistent quality control systems to strengthen product reliability and regulatory compliance. As a result, the market is expected to favour suppliers with stronger R&D capabilities, manufacturing discipline and international certification experience.
- **Shift towards Flexible Supply Chain Models:** Flexible supply chain capability is becoming increasingly important for PVC flooring manufacturers, as overseas procurement patterns have become more diversified and responsive. Customers increasingly require suppliers to support smaller-batch orders, multiple product styles, shorter lead times and frequent product adjustments across different regions and channels. At the same time, continuous product iteration in structure, thickness, locking systems, wear layers, backing materials, surface textures and decorative effects requires manufacturers to shorten sampling, testing and production conversion cycles. As a result, manufacturers need to strengthen flexible production planning, rapid sampling, raw material coordination, inventory management and order response capabilities. Such flexible supply chain models are expected to become an important foundation for manufacturers to maintain product competitiveness and customer stickiness.
- **Customised Product Strategy:** Customised product strategies are becoming an important development trend in the PVC flooring industry, as manufacturers need to address differentiated preferences across regional markets, sales channels and application scenarios. For example, North American customers may prefer wide planks, large formats, natural wood grains and warm or light colour tones, while European customers may place greater emphasis on environmental attributes, subtle colours and consistency with overall interior styles. In emerging markets, affordability, durability and ease of maintenance may be more important. In addition, the same brand owner may require different SKU portfolios for retail, e-commerce, project-based and distributor channels. As PVC flooring combines functional and aesthetic attributes, customised products help manufacturers achieve scenario-specific adaptation, strengthen product differentiation and enhance pricing power.

INDUSTRY OVERVIEW

Cost Analysis of Raw Materials

Between 2021 and 2025, the average price of PVC experienced continuous declines, falling from approximately RMB9.2 thousand per tonne to approximately RMB4.8 thousand per tonne, primarily driven by persistent supply overcapacity and collapsing feedstock costs triggered by global geopolitical dynamics. By 2030, the average price of PVC is projected to rebound to approximately RMB5.5 thousand per tonne.

Besides, timber prices remained relatively stable overall, with the PPI for timber processing and the manufacture of wood, bamboo, rattan, palm, and straw products only slightly decreasing from approximately 100.3 in 2021 to approximately 99.7 in 2025.



Source: Chemsino, National Bureau of Statistics, Frost & Sullivan Analysis and Estimates