

INDUSTRY OVERVIEW

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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 the 3C accessories, small appliances, and home furnishings & building materials markets in Southeast Asia and Indonesia, and to prepare a report for use in this document, for which we have agreed to pay an engagement fee of RMB1,200,000, 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 data and forecasts in this section are derived from the Frost & Sullivan Report, which is prepared based on a combination of primary research with industry participants and secondary research from company reports, independent sources and its proprietary database. The Directors confirm that, after due and careful enquiry, there has been no material adverse change in the market information since the date of the report. Unless otherwise specified, all figures are presented using constant exchange rates, which do not reflect the impact of exchange rate fluctuations. The exchange rates applied for the period from 2020 to 2025 are as follows: USD to IDR at 14,967.1, USD to MYR at 4.4, USD to PHP at 53.3, USD to SGD at 1.4, USD to THB at 33.7, and USD to VND at 24,140.0.

MACROECONOMIC OVERVIEW

Southeast Asia and Indonesia Retail Market

The Southeast Asia retail market has demonstrated resilient growth, expanding from approximately USD693.4 billion in 2020 to approximately USD937.3 billion in 2025, at a CAGR of approximately 6.2% between 2020 and 2025. This positive trajectory is projected to continue, with the market expected to reach approximately USD1,261.9 billion by 2030, implying a CAGR of approximately 6.1% between 2025 and 2030. This expansion is supported by favorable demographic and economic fundamentals across Southeast Asia, including a young population, rising incomes and ongoing urbanization. At the same time, increasing digital adoption and improving infrastructure continue to enhance market accessibility and distribution efficiency, supporting sustained growth.

Within the Southeast Asia retail market, the Philippines and Vietnam remained the key growth markets from 2020 to 2030, while Thailand recorded comparatively slower expansion. Retail consumption in the Philippines increased from approximately USD115.4 billion in 2020 to approximately USD160.2 billion in 2025, and is projected to reach approximately USD220.5 billion by 2030, representing CAGRs of approximately 6.8% and 6.6%, respectively. Vietnam grew from

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approximately USD103.8 billion to approximately USD150.8 billion over the same period, and is expected to further reach approximately USD214.4 billion by 2030, with corresponding CAGRs of approximately 7.8% and 7.3%. By comparison, Thailand increased from approximately USD105.7 billion in 2020 to approximately USD126.8 billion in 2025, and is projected to reach approximately USD149.8 billion by 2030, representing CAGRs of approximately 3.7% and 3.4%, respectively.

Indonesia’s retail consumption increased from approximately USD243.4 billion in 2020 to approximately USD333.0 billion in 2025, representing a CAGR of approximately 6.5%, and is projected to reach approximately USD445.7 billion by 2030, reflecting a CAGR of approximately 6.0% from 2025 to 2030. Its share of the Southeast Asia retail market was approximately 35.1% in 2020 and 35.5% in 2025, and is expected to remain broadly stable at approximately 35.3% by 2030. This sustained expansion is supported by several underlying structural drivers within the domestic market. In particular, the country’s large and relatively young population provides a solid consumption base, while ongoing urbanisation is concentrating demand and facilitating the gradual modernisation of retail formats. At the same time, the continued expansion of both emerging and established middle-class consumer groups, together with rising disposable income, is driving a broader consumption upgrade from basic necessities towards more discretionary and branded products across both essential and lifestyle categories.



Note: The retail market includes food (purchased from supermarkets, markets), beverages, apparel, footwear & headwear, household appliances, furniture, daily necessities, household cleaning products, personal care & cosmetics, stationery, toys, sporting goods, second-hand goods, and other general merchandise.

Source: Statistics Indonesia (BPS), International Monetary Fund (IMF), Frost & Sullivan Analysis and Estimates

Indonesia’s retail market is evolving alongside the continued expansion of e-commerce, while offline retail remains the dominant channel. Online retail increased from approximately USD27.8 billion in 2020 to approximately USD69.5 billion in 2025 at an approximately 20.1% CAGR, with its share of total retail rising from about 11.4% to approximately 20.9% and projected to reach around 31.6% by 2030, supported by broader internet access and digital payment adoption. Despite this growth, offline retail continues to underpin Indonesia’s retail landscape, accounting for approximately 79.1% of the total retail market in 2025 and is expected to retain its dominant position over the forecast period. Within offline channels, retail formats can be broadly categorized into general trade and modern trade based on store scale and level of operational standardization. General trade refers to small-scale, independently operated outlets with limited standardization in merchandising, pricing and supply chain management, including warungs (kiosks), independent grocery stores, community stores and family-operated stores. Owing to their extensive geographic reach and proximity to residential areas, they are aligned with high-frequency, small-basket purchasing behavior and account for the majority of offline retail value, representing approximately 71.7% of offline retail in 2025. The segment is projected to expand from approximately USD189.0 billion in 2025 to approximately USD217.3 billion by 2030, at an approximately 2.8% CAGR. In contrast, modern trade refers to larger-scale, professionally managed formats with standardized operations and centralized procurement, including supermarkets, hypermarkets and chained convenience stores. It grew from approximately USD60.4

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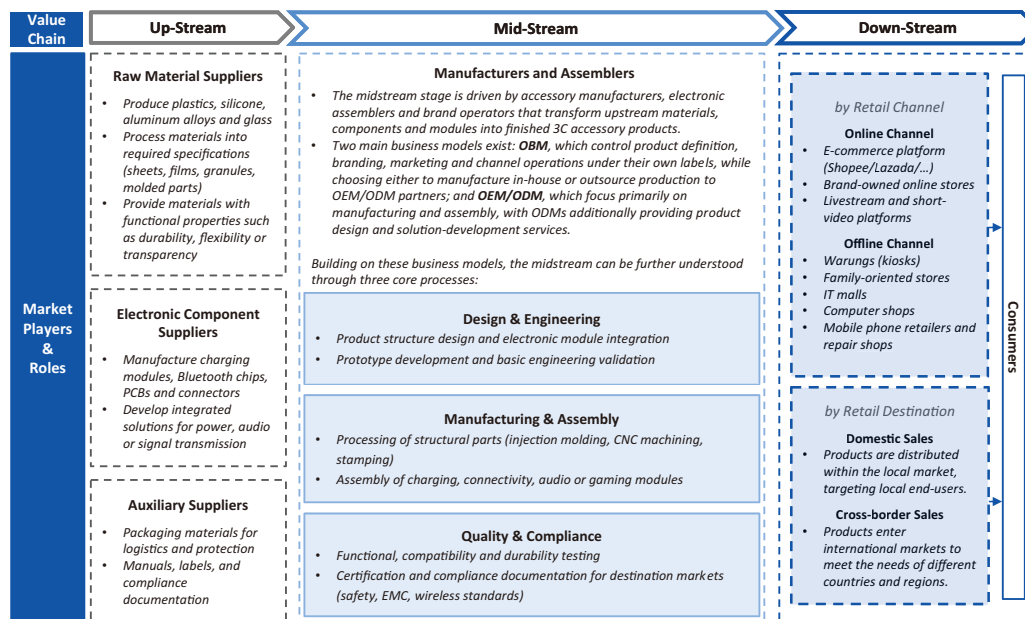
billion in 2020 to approximately USD74.6 billion in 2025 and is projected to reach approximately USD87.5 billion by 2030, supported by urbanization and demand for more organized retail environments.

OVERVIEW OF SOUTHEAST ASIA AND INDONESIA 3C ACCESSORIES MARKET

Value Chain Analysis

3C Accessories refer to products that are used together with 3C devices to provide additional features, protection or personalization. These products are not core devices but are purchased alongside primary equipment to support everyday use and improve the overall user experience. 3C Accessories can be classified into four categories based on their corresponding primary device groups: (i) computer accessories, (ii) communication accessories, (iii) consumer electronics accessories, and (iv) other 3C accessories.

The value chain of the 3C accessories market comprises upstream suppliers, midstream manufacturers and assemblers, and downstream sales channels. Upstream suppliers provide materials and electronic components, while downstream channels distribute products through online and offline retail networks. Within this value chain, midstream manufacturers and assemblers play a central role in linking component supply with end market demand. The midstream segment is led by accessory manufacturers, electronic assemblers and brand operators, whose activities mainly cover product design, manufacturing and assembly, as well as quality and compliance testing, transforming materials and components into finished 3C accessory products. Two main business models exist within this segment: OBM players, which focus on product definition, branding and channel operations, and OEM and ODM players, which primarily undertake manufacturing and assembly, with ODMs also providing design support.



Source: Frost & Sullivan Analysis

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Market Size of Southeast Asia 3C Accessories

The Southeast Asia 3C accessories market grew from approximately USD16.6 billion in 2020 to approximately USD23.7 billion in 2025, representing a CAGR of approximately 7.4% during the period. Market performance during this period was closely correlated with the replacement and upgrade cycles of major 3C device categories. In particular, the strong market performance in 2021 was driven by exceptional increases in digital usage during the pandemic, when remote working, online education and in-home entertainment materially accelerated device adoption and renewal, thereby stimulating incremental accessory demand. As these temporary factors gradually dissipated, the market experienced a correction in 2022 followed by further softening in 2023, reflecting a normalization of consumer replacement behavior. Meanwhile, continued enhancement of e-commerce ecosystems across the region improved product accessibility and broadened consumer coverage, supporting the circulation of 3C accessories across different user segments and price tiers.

Looking ahead, the Southeast Asia 3C accessories market is expected to reach approximately USD33.1 billion by 2030, representing a CAGR of approximately 6.8% from 2025 to 2030. Future growth is expected to be increasingly supported by the continued improvement in consumer purchasing power and the stabilization of device replacement cycles, reinforcing steady and recurring demand for 3C accessories. As consumption capacity strengthens across consumer groups and regional retail infrastructure continues to mature, 3C accessories are expected to maintain stable replacement-driven and usage-driven consumption characteristics. This supports a resilient and structurally sustainable market in Southeast Asia, underpinned by broad offline retail coverage and frequent, small-ticket purchasing behavior.

Within the Southeast Asia 3C accessories market, Vietnam and the Philippines remained the faster-growing markets during the period, while Thailand expanded at a relatively more moderate pace. Vietnam’s market size increased from approximately USD2,493.4 million in 2020 to approximately USD4,179.1 million in 2025, and is projected to further reach approximately USD6,017.2 million by 2030, representing CAGRs of approximately 10.9% and 7.6%, respectively. The Philippines grew from approximately USD2,709.5 million in 2020 to approximately USD4,442.7 million in 2025, and is expected to reach approximately USD6,149.5 million by 2030, reflecting CAGRs of approximately 10.4% and 6.7%, respectively. By comparison, Thailand increased from approximately USD1,994.7 million in 2020 to approximately USD3,029.9 million in 2025, and is projected to reach approximately USD4,265.0 million by 2030, representing CAGRs of approximately 8.7% and 7.1%, respectively.

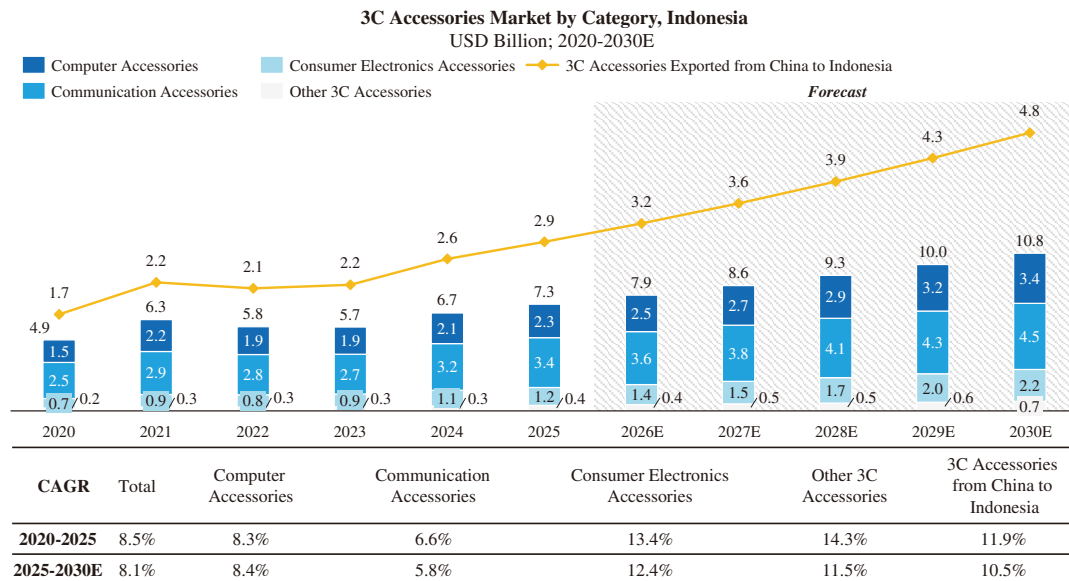
Market Size of Indonesia 3C Accessories

The Indonesia 3C accessories market grew from approximately USD4.9 billion in 2020 to approximately USD7.3 billion in 2025, representing a CAGR of approximately 8.5% during the period. Its share of the regional market increased from approximately 29.2% in 2020 to approximately 30.8% in 2025. Market performance during this period was materially influenced by device replacement dynamics. In 2021, market demand surged primarily due to the release of pent-up demand that had been suppressed in 2020 during the initial outbreak of the pandemic, leading to an accelerated cycle of purchases and upgrades of smartphones, computers and other connected devices. Subsequently, the market recorded slight declines in 2022 and 2023, as demand normalized from the unusually high base established in 2021 and consumer replacement behavior returned to a more typical rhythm. Following this adjustment phase, the market resumed growth in 2024, supported by Indonesia’s large and expanding base of connected-device users and the increasing integration of digital tools into communication, work, learning and entertainment activities.

Looking ahead, the Indonesia 3C accessories market is projected to reach approximately USD10.8 billion by 2030, representing a CAGR of approximately 8.1% from 2025 to 2030. Its share of the Southeast Asia 3C accessories market is projected to rise to approximately 32.7% by 2030. Future growth is expected to be driven by steadier device replacement cycles, the deepening of digital consumption habits among Indonesian consumers and improvements in logistics and distribution infrastructure, which will enhance availability and purchasing convenience.

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Meanwhile, the market size of 3C accessories exported from China to Indonesia followed a trajectory broadly consistent with the overall Indonesia 3C accessories market, declining in 2022 before recovering from 2023 onwards. It increased from approximately USD1.7 billion in 2020 to approximately USD2.9 billion in 2025, representing a CAGR of approximately 11.9% from 2020 to 2025. Over the same period, 3C accessories exported from China to Indonesia accounted for an increasing share of Indonesia’s overall 3C accessories market, rising from approximately 34.0% in 2020 to approximately 39.6% in 2025. Looking ahead, the market is projected to continue growing to approximately USD4.8 billion by 2030.

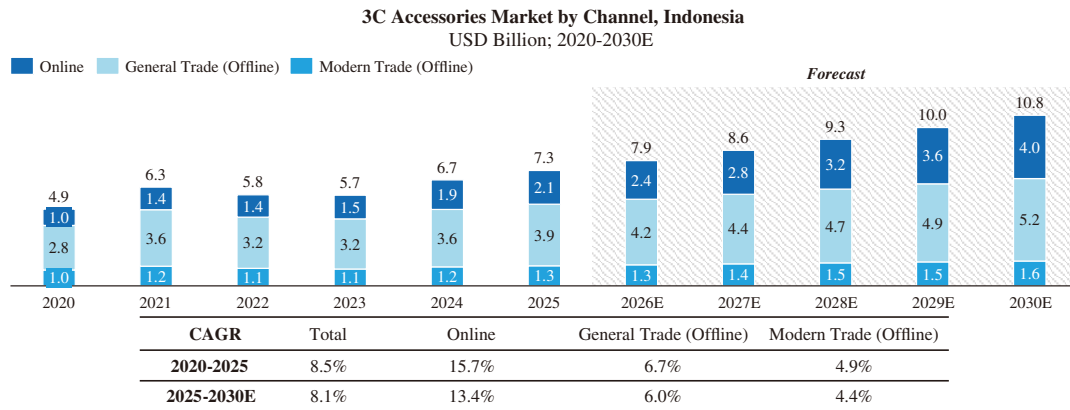


Note: The market size refers to the retail sales value of 3C accessories in Indonesia.

Source: International Monetary Fund (IMF), Annual Reports, Expert Interviews, Frost & Sullivan Analysis and Estimates

Between 2020 and 2025, Indonesia’s 3C accessories market recorded a gradual shift toward online retail, with the share of online sales increasing from approximately 21.2% to approximately 29.2% of total market sales. This development was supported by the continued expansion of Indonesia’s e-commerce ecosystem, where major platforms enhanced product discovery, improved price transparency and broadened regional service coverage. High consumer participation in promotional campaigns, together with the widespread adoption of digital payment tools, further facilitated frequent, small-ticket accessory purchases via online channels. Despite this trend, offline channels remained dominant, accounting for approximately 70.8% of total 3C accessory sales in 2025 and are expected to retain their dominant position over the forecast period. This reflects Indonesia’s geographically dispersed and fragmented retail environment, as well as the continued importance of physical retail for low-priced, high-frequency categories. Within the offline segment, general trade, including traditional kiosks and neighborhood convenience outlets, accounted for approximately 53.4% of total 3C accessory sales in 2025. These outlets play a key role in reaching consumers in lower-tier cities and densely populated residential communities, where immediacy, accessibility and low-commitment purchasing are particularly valued. Modern trade, comprising supermarkets, hypermarkets and organized electronics retail chains, represented approximately 17.4% of total 3C accessory sales in 2025.

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Note: The market size refers to the retail sales value of 3C accessories.

Source: International Monetary Fund (IMF), Annual Reports, Expert Interviews, Frost & Sullivan Analysis and Estimates

OVERVIEW OF SOUTHEAST ASIA AND INDONESIA SMALL APPLIANCES MARKET

Market Size of Southeast Asia Small Appliances

Small appliances refer to compact, electrically powered devices used in household settings for food preparation, cooking, home care and personal grooming. They encompass a wide range of products that support routine domestic tasks. Small appliances can be categorized into four major groups based on their primary household functions: (i) food preparation appliances, (ii) small cooking appliances, (iii) home care appliances and (iv) personal care appliances.

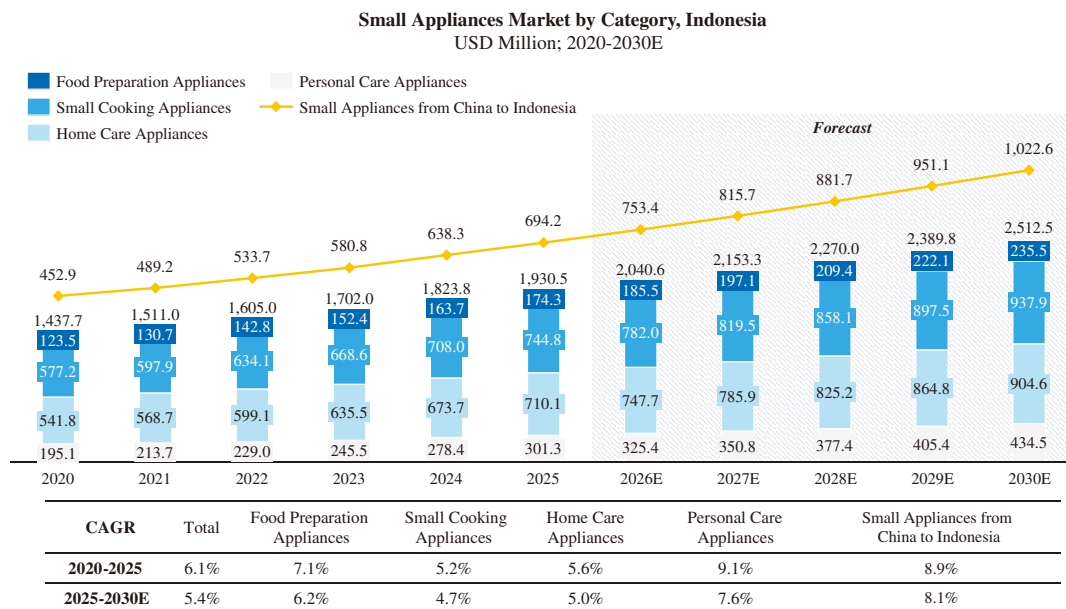
Between 2020 and 2025, Southeast Asia’s small appliances market expanded from approximately USD5.0 billion to approximately USD6.6 billion, representing a CAGR of approximately 5.7%. This growth was driven by steady improvements in household consumption and the deeper integration of small appliances into everyday life, covering food preparation, cooking, home care, and personal care needs. Structural lifestyle changes — including rising urbanization, the prevalence of smaller households, and stronger emphasis on convenience — further encouraged adoption of compact, easy-to-use appliances that support routine domestic activities. The rapid development of e-commerce across Southeast Asia also played an important role by broadening access, enhancing product visibility, and accelerating consumer discovery. Small appliances are particularly suited to online channels given their comparatively lower price points, more standardized features, and shorter decision-making cycles, which make them easier to evaluate and compare digitally, while offline retail remains relevant through its physical coverage and consumer reach. Looking ahead, the market is expected to maintain its positive trajectory, growing at a CAGR of approximately 5.2% from 2025 to 2030 to reach approximately USD8.4 billion. Rising penetration among emerging and established middle classes, continued enhancement of retail infrastructure, and ongoing product innovation are anticipated to support sustained growth across the region. Within the Southeast Asia small appliances market, Vietnam and the Philippines maintained relatively solid growth during the period, while Thailand expanded at a more moderate pace. Vietnam’s market size increased from approximately USD778.3 million in 2020 to approximately USD1,082.2 million in 2025, and is projected to further reach approximately USD1,458.1 million by 2030, representing CAGRs of approximately 6.8% and 6.1%, respectively. The Philippines grew from approximately USD862.6 million in 2020 to approximately USD1,172.6 million in 2025, and is expected to reach approximately USD1,550.8 million by 2030, reflecting CAGRs of approximately 6.3% and 5.8%, respectively. By comparison, Thailand increased from approximately USD684.1 million in 2020 to approximately USD851.6 million in 2025, and is forecast to reach approximately USD1,045.1 million by 2030, representing CAGRs of approximately 4.5% and 4.2%, respectively.

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Market Size of Indonesia Small Appliances

Between 2020 and 2025, Indonesia’s small appliances market expanded from approximately USD1.4 billion to approximately USD1.9 billion, representing a CAGR of approximately 6.1%. Its share of the Southeast Asia small appliances market remained relatively stable, at approximately 29.0% in 2020 and 29.5% in 2025. Demand is also supported by Indonesia’s relatively larger household size, which tends to increase the frequency of daily household activities and thereby sustains regular usage of small appliances for routine domestic needs. Further expansion has been supported by improvements in logistics infrastructure, which have strengthened product distribution across Indonesia’s major islands. These developments have broadened household access to small appliances and contributed to a gradual rise in first-time adoption and replacement demand as more families incorporate electrical devices into daily cooking and home care routines. From 2025 to 2030, Indonesia’s small appliances market is expected to grow from approximately USD1.9 billion to approximately USD2.5 billion, reflecting a projected CAGR of approximately 5.4%. Its share is projected to rise to 29.8% during this period. Future expansion is expected to be supported by the continued growth of Indonesia’s emerging middle class population, which broadens the addressable consumer base for small appliances and supports more regular upgrading from basic to higher-quality products. Further improvements in infrastructure and retail distribution are likely to enhance product accessibility across the archipelago, contributing to steady and geographically varied development.

The market size of small appliances exported from China to Indonesia recorded steady growth, broadly tracking the expansion of Indonesia’s overall small appliances market. It increased from approximately USD452.9 million in 2020 to approximately USD694.2 million in 2025, representing a CAGR of approximately 8.9%. Over the same period, the share of China exports in Indonesia’s overall small appliances market rose from approximately 31.5% to approximately 36.0%. Looking ahead, the market is projected to further grow to approximately USD1,022.6 million by 2030, with the corresponding share expected to increase to approximately 40.7%. This reflects the continued competitiveness of Chinese suppliers, supported by ongoing household formation, improving living standards and the broader adoption of electrical appliances in everyday life across Indonesia.



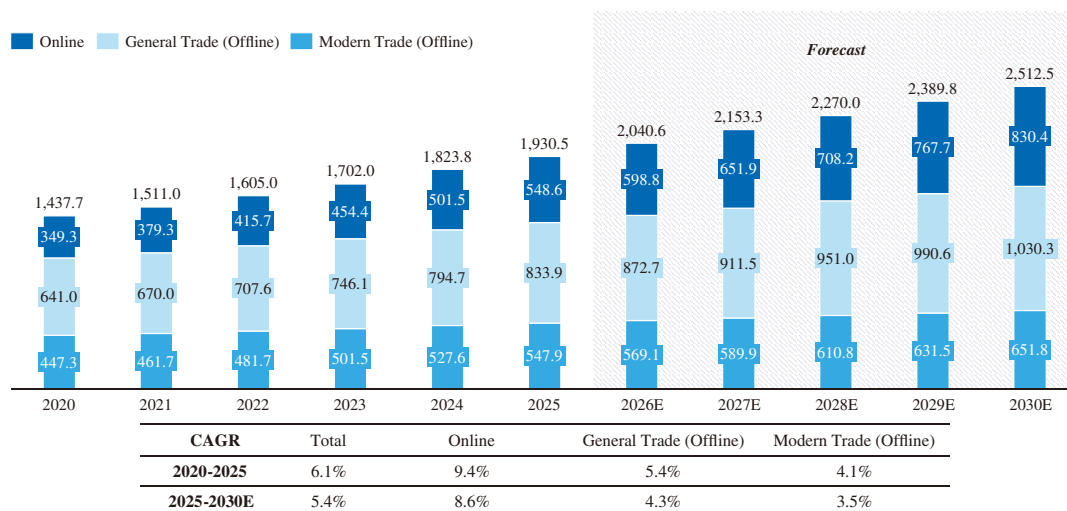
Note: The market size refers to the retail sales value of small appliances in Indonesia.

Source: International Monetary Fund (IMF), Annual Reports, Expert Interviews, Frost & Sullivan Analysis and Estimates

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Between 2020 and 2025, Indonesia’s small appliances market recorded a gradual increase in online sales, with the channel rising from approximately 24.3% to approximately 28.4% of total market value, valued at approximately USD349.3 million and approximately USD548.6 million, respectively. Online channels have become increasingly relevant as platforms provide clearer product specifications, capacity details, pricing transparency, user reviews, and warranty information, allowing consumers to compare models more efficiently and make more informed purchasing decisions. Meanwhile offline retail still remained the dominant channel, accounting for approximately 71.6% of sales in 2025, valued at approximately USD1,381.8 million. The continued importance of offline channels reflects several structural characteristics of the Indonesian market, including consumers’ preference for physical product inspection and in-store assistance, the broad geographic dispersion of households, and the entrenched role of physical retail formats. Offline channels also remain important in establishing purchase confidence, particularly among first-time appliance buyers and price-sensitive consumers. Within offline channels, general trade accounted for approximately 60.4% of offline sales in 2025, valued at approximately USD833.9 million. These neighbourhood outlets are widely embedded in local communities and typically serve as accessible purchase points for essential, entry-level small appliances and urgent replacement demand. Their product offerings are generally concentrated in practical, fast-moving models with clear value-for-money positioning, which aligns with mainstream consumer demand in Indonesia and has supported a continued increase in their relative share. Modern trade represented approximately 39.7% of offline small appliances sales in 2025.

Small Appliances Market by Channel, Indonesia
USD Million; 2020-2030E



Note: The market size refers to the retail sales value of small appliances in Indonesia.

Source: International Monetary Fund (IMF), Annual Reports, Expert Interviews, Frost & Sullivan Analysis and Estimates

OVERVIEW OF SOUTHEAST ASIA AND INDONESIA HOME FURNISHINGS & BUILDING MATERIALS MARKET

Market Size of Southeast Asia Home Furnishings & Building Materials

The home furnishings & building materials market refers to fixed products and materials commonly used in residential interior upgrades, including tiles, ceiling systems, paints and coatings, etc.

The Southeast Asian home furnishings & building materials market has demonstrated robust growth and significant potential. The market size expanded from approximately USD28.3 billion in 2020 to USD38.2 billion in 2025, achieving a CAGR of approximately 6.2% during the period. Looking forward, the market is projected to reach around USD49.5 billion by 2030. This translates to an

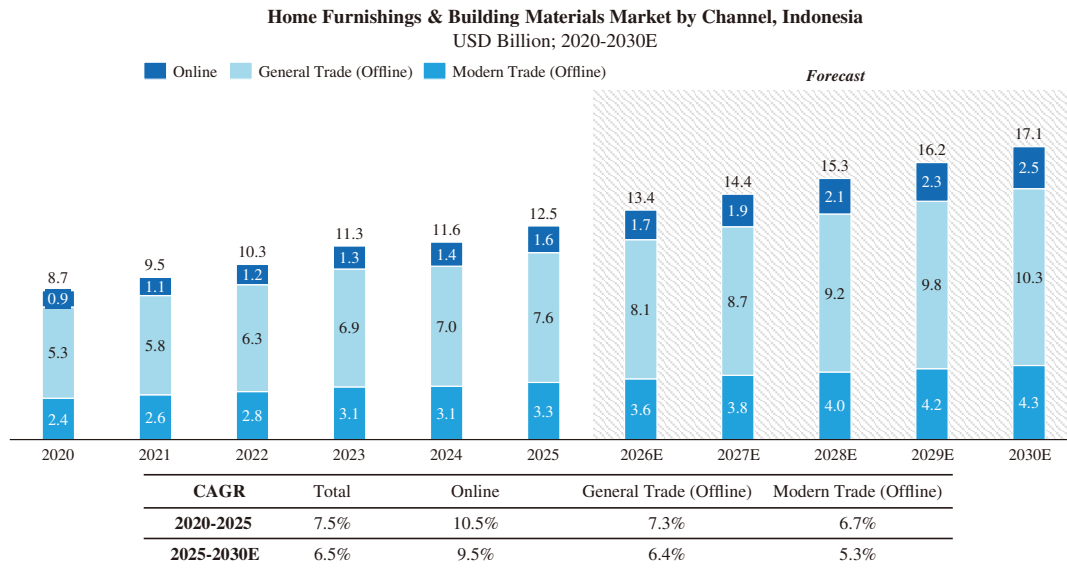
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expected CAGR of about 5.4% for the 2025–2030 period, indicating sustained, albeit slightly moderated, expansion. This growth trajectory is underpinned by several interconnected factors. Rapid urbanization and continued residential development are supporting steady demand for interior finishing, renovation, and upgrading activities. Rising disposable incomes and the expansion of the emerging middle class are enabling households to move beyond basic maintenance toward higher-value home furnishings & building materials spending, including functional enhancements and performance-oriented solutions. In addition, increased attention to living comfort and space efficiency — particularly in dense urban environments and hot, humid climates — is reinforcing demand for waterproofing, insulation, ventilation-related, and space reconfiguration products. Within the Southeast Asia home furnishings and building materials market, Vietnam and the Philippines remained key growth markets during the period, while Thailand recorded comparatively slower expansion. Vietnam’s market size increased from approximately USD4.4 billion in 2020 to approximately USD6.2 billion in 2025, and is projected to further reach approximately USD8.5 billion by 2030, representing CAGRs of approximately 7.3% and 6.4%, respectively. Its share of the regional market increased from approximately 15.5% in 2020 to approximately 16.4% in 2025, and is expected to further rise to approximately 17.2% by 2030. The Philippines followed a similar trend, with market size growing from approximately USD4.3 billion in 2020 to approximately USD6.2 billion in 2025, and further to approximately USD8.4 billion by 2030, representing CAGRs of approximately 7.5% and 6.2%, respectively. Its share of the regional market increased from approximately 15.3% in 2020 to approximately 16.3% in 2025, and is projected to reach approximately 17.0% by 2030. Thailand’s market size increased from approximately USD3.8 billion in 2020 to approximately USD4.7 billion in 2025, and is expected to further grow to approximately USD5.4 billion by 2030, representing CAGRs of approximately 4.2% and 3.2%, respectively.

Market Size of Indonesia Home Furnishings & Building Materials

Indonesia’s home furnishings & building materials market has experienced steady expansion in recent years, supported by structural demand fundamentals and continued progress in housing quality and consumption upgrading. The market grew from approximately USD8.7 billion in 2020 to approximately USD12.5 billion in 2025, representing a CAGR of approximately 7.5% during the period, reflecting both rising household spending and increasing awareness of home enhancement beyond basic construction needs. Its share of the Southeast Asia home furnishings & building materials market increased from approximately 30.8% in 2020 to 32.8% in 2025. Demand has been driven by urbanization, improving living standards, growth of emerging middle class, and the expansion of organized retail and e-commerce channels, which have enhanced product accessibility and consumer choice. Looking ahead, the market is expected to maintain its positive trajectory, reaching approximately USD17.1 billion by 2030, with a projected CAGR of approximately 6.5% from 2025 to 2030. Its share is projected to increase to 34.6% by 2030. Future expansion will be underpinned by continued residential development, ongoing upgrading of existing housing stock, and increasing adoption of value-added and functional home furnishings & building materials solutions. In addition, rising consumer emphasis on esthetics, comfort — together with the gradual formalization of distribution channels and contractor ecosystems — is expected to support sustained and resilient growth. Overall, Indonesia’s home furnishings & building materials market demonstrates strong underlying demand fundamentals and remains well positioned for medium-term expansion.

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Note: The market size refers to the retail sales value of home furnishings & building materials products.

Source: Statistics Indonesia (BPS), International Monetary Fund (IMF), Annual Reports, Expert Interviews, Frost & Sullivan Analysis and Estimates

In Indonesia’s home furnishings and building materials market, offline channels remained dominant, accounting for approximately 87.5% of total sales in 2025, or approximately USD10.9 billion. This reflects the category’s tactile and trust-based purchasing nature, as consumers often prefer physical inspection and in-person consultation. Within offline retail, general trade was the largest segment, generating approximately USD7.6 billion in 2025 and representing approximately 69.4% of offline sales, supported by its broad local presence and accessibility. By comparison, online sales are projected to increase from approximately USD1.6 billion in 2025 to approximately USD2.5 billion by 2030, representing a CAGR of approximately 9.5%.

COMPETITIVE LANDSCAPE OVERVIEW

Growth Drivers for Indonesia’s 3C Accessories, Small Appliances and Home Furnishings & Building Materials Market

- Demographic Structure and Evolving Consumer Aspirations:** Indonesia’s demographic and socio-economic profile, characterized by a large youth population and a rapidly expanding emerging middle class, serves as a foundational driver for consumer market growth, particularly across the 3C accessories, small appliances and home furnishings & building materials markets. This dual advantage creates a powerful synergy: the young demographic provides a dynamic, tech-savvy, and trend-sensitive consumer base that is quick to adopt products such as consumer electronics accessories and small appliances, while the emerging middle class, with its rising disposable income, supports spending on both everyday devices and home-related upgrades. This combination is fundamentally reshaping consumption patterns, propelling sustained growth in these sectors by fueling demand for both lifestyle enhancement products and technology-driven convenience.
- Urbanization and Changing Living Patterns:** Urbanization and the evolution of living patterns in Indonesia are fundamentally reshaping consumption dynamics across key retail sectors, including the 3C accessories, small appliances and home furnishings & building materials markets. The migration to urban centers, coupled with changes in housing types, space constraints, and modern lifestyles, creates distinct demand vectors for products, particularly those related to compact home solutions, everyday appliances and technology-enabled convenience. This structural shift transcends simple population movement; it directly influences how people interact with their living spaces, their daily routines, and the technologies that facilitate them.

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- **Expansion of the Digital Ecosystem and the Rise of Livestreaming Commerce:** The expansion of Indonesia’s digital ecosystem, characterized by rising Internet and smartphone penetration, and the growth of livestreaming commerce are significantly influencing consumer behavior and market development, including across the 3C accessories, small appliances and home furnishings & building materials markets. This trend is creating new pathways for product discovery, evaluation, and purchase. The integration of social media interaction with e-commerce functionality is altering traditional sales funnels, supporting evolving purchasing patterns across these sectors.
- **China’s Supply Chain Edge Drives Market Evolution in Indonesia:** The established manufacturing and supply chain advantages of China serve as a significant driver for Chinese cross-border brands in penetrating and shaping Indonesia’s consumer markets, particularly across the 3C accessories, small appliances and home furnishings & building materials markets. These advantages primarily manifest in two key dimensions: first, China’s mature industrial clusters and integrated production chains ensure high efficiency and notable cost competitiveness; second, its flexible supply chain system enables rapid adaptation to shifting market demands, supporting faster product iteration and broader product availability in these sectors, allowing for quicker response times compared to local or Western suppliers.
- **Business Drivers for China-sourced 3C Accessories and Small Appliances in Indonesia:** The growth of Indonesia’s 3C accessories and small appliance products market sourced from the Chinese Mainland was supported by both demand-side expansion in Indonesia and supply-side advantages of the Chinese Mainland. From the demand perspective, Indonesia’s large and young consumer base, rising digital penetration, expanding retail channels and increasing preference for affordable and functional consumer products have continued to support market growth. Specifically, demand for 3C accessories was mainly driven by the large installed base of smartphones and other consumer electronics, frequent product replacement and upgrade needs, as well as the increasing usage of mobile entertainment, social media, gaming and digital payment applications. Demand for small appliances was mainly supported by urbanisation, rising household consumption and growing preference for convenient, space-efficient and easy-to-use home products. From the supply perspective, the Chinese Mainland’s mature manufacturing ecosystem, broad product portfolio, efficient supply chain and cost-performance advantages enabled Indonesian distributors and brand owners to source diversified products at competitive prices and with relatively short product development and delivery cycles. For 3C accessories, Chinese Mainland manufacturers can respond quickly to changes in device models, charging standards and consumer preferences, while for small appliances, they offer strong capabilities in product design, component sourcing, mass production and quality control across different categories and price segments.

Future Trends for Indonesia’s 3C Accessories, Small Appliances and Home Furnishings & Building Materials Market

- **Strengthening Channel Partnerships Through Digital Enablement:** As Indonesia’s retail landscape remains highly fragmented, especially across small and mid-sized independent stores, leading brands are expected to deepen their channel partnerships by providing digital tools that can help enhance operational efficiency and strengthen in-store capabilities, particularly in the distribution of 3C accessories, small appliances and home furnishings & building materials, where product assortment, turnover and in-store presentation requirements vary significantly. Rather than relying solely on traditional trade relationships, brands will increasingly offer integrated solutions such as digital inventory management, data-supported merchandising and demand forecasting, enabling more efficient management of high-frequency, fast-moving items as well as bulkier or higher-value products. These tools help retailers improve turnover, raise sales productivity and expand profitability, reinforcing channel loyalty and creating a more defensible network advantage.
- **The Dual Expansion of Shelf-Based E-commerce and Livestreaming Commerce:** The rapid development of Indonesia’s digital economy is reshaping the retail channel landscape, particularly across categories such as 3C accessories, small appliances and home furnishings & building materials. Shelf-based e-commerce is evolving into a standardized transaction hub for routine product purchases, while the rise of livestreaming commerce has created new scenarios for

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product discovery and impulse consumption. Together, these two complementary channels are forming a dual-track structure, which is becoming an important trend for expanding sales and deepening brand penetration.

- **Product Innovation Increasingly Tailored to Local Culture and Climate:** Indonesia’s tropical climate and cultural diversity are expected to exert a stronger influence on product development in the coming years. As brands deepen their presence in the market, many will move beyond basic localization and adopt more systematic approaches to designing products that reflect local environmental conditions, lifestyle patterns and esthetic preferences, such as climate-adapted materials, usage-oriented features and locally preferred designs. This evolution is likely to enhance consumer relevance and create clearer differentiation across categories.
- **Gradual Brand Preference Upgrade:** As Indonesia’s consumer base evolves, the expansion of the emerging middle class is contributing to gradual changes in purchasing behavior. This segment typically exhibits improving income stability and increasing attention to product quality, reliability and service assurance, while remaining value-conscious. In parallel, brand awareness is developing progressively across consumer categories, particularly in products where durability, safety and after-sales support are relevant considerations, such as household devices and functional home-related products. As a result, branded products are increasingly evaluated alongside price, supporting a measured shift in consumer preferences over time.

Entry Barriers for Indonesia’s 3C Accessories, Small Appliances and Home Furnishings & Building Materials Market

- **Barriers in Balancing Cost Competitiveness and Brand Building:** A key challenge for Chinese cross-border brands lies in balancing cost advantages with sustainable brand building. While China’s manufacturing efficiency supports aggressive pricing, prolonged reliance on low-cost positioning can lock brands into low-margin segments and expose them to price competition. Building a trusted brand that supports price premiums requires long-term investment in localized marketing, consistent quality, and differentiated design. As Indonesian emerging and established middle classes become more brand-conscious, transitioning from commodity supplier to trusted brand remains a major hurdle for new entrants.
- **Barriers in Establishing Consumer Trust and Brand Equity:** Consumers, particularly for products involving safety, durability, or higher spending, tend to be cautious toward unfamiliar brands, with concerns around quality, after-sales service, and warranty fulfillment. Established local and cross-border brands benefit from stronger perceived reliability, while new entrants must invest heavily in credibility-building through transparent communication, customer service infrastructure, user reviews, and local endorsements. Such trust-building is resource-intensive and cannot be achieved through pricing alone.
- **Barriers in Navigating Complex and Fragmented Distribution Channels:** Indonesia’s fragmented retail landscape presents significant go-to-market challenges, spanning traditional trade, modern retail, and a rapidly expanding but logistically complex e-commerce sector. Online D2C expansion requires localized digital marketing and last-mile capabilities, while offline penetration depends on managing extensive distributor and retailer networks, local practices, inventory complexity, and trade margins. These channel requirements demand substantial local expertise, capital, and time, creating high entry barriers for newcomers without established partners.
- **Barriers in Maintaining End-to-End Supply Chain Control and Flexibility:** Maintaining supply chain control and responsiveness is difficult due to long international shipping cycles, inventory risks, and operational complexity. Leading players mitigate these challenges through hybrid models that combine local assembly, in-country warehousing, and strong logistics partnerships to improve replenishment speed and adaptability. Building such supply chain resilience requires significant upfront investment and local operational know-how, posing a meaningful barrier to new entrants and scalable expansion.

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- **Barriers in Addressing Regulatory Compliance and Product Localization:** Compliance with Indonesia’s regulatory standards is mandatory but time-consuming and costly, particularly for electronics, appliances, and selected home furnishings & building materials. Beyond certification, effective localization — including adaptation to local electrical standards, language requirements, living conditions, and esthetic preferences — is critical to achieving product-market fit. Inadequate localization can lead to compliance risks, weak consumer acceptance, and constrained market penetration.

Ranking of Leading 3C Accessories Companies in Indonesia

The 3C accessories market in Indonesia remains relatively dispersed, with leading participants differing in their product mix, pricing approach and customer focus. Such variation contributes to differences in commercial outcomes, as companies position themselves across diverse consumer segments and distribution channels. In 2025, the retail sales value of the top 5 3C accessories companies in Indonesia reached approximately RMB2,750.0 million, representing approximately 5.5% of the total market. Among these, our Group ranked first, with a retail sales value of approximately RMB1,090.0 million, accounting for approximately 2.2% of the total market. The table below presents the top 5 3C accessories companies in Indonesia by retail sales value in 2025:

Ranking of Leading 3C Accessories Companies in Indonesia,
by Retail Sales Value, 2025, RMB Million

Ranking	Company	Retail Sales Value ⁽¹⁾	Market Share ⁽²⁾
1	Our Group	1,090.0	2.2%
2	Company A ⁽³⁾	490.0	1.0%
3	Company B ⁽⁴⁾	470.0	0.9%
4	Company C ⁽⁵⁾	400.0	0.8%
5	Company D ⁽⁶⁾	300.0	0.6%
Top5	NA	2,750.0	5.5%

Notes:

- (1) Retail sales value refers to the retail value of 3C accessories sold by the company to end consumers in Indonesia.
- (2) Denominator of the percentage is the market size of 3C accessories in Indonesia.
- (3) Company A is a company headquartered in Switzerland. It is listed on the SIX Swiss Exchange. Established in 1981, it engages in the design, research and development, and sales of computer peripherals and related accessories. Its operations span categories such as keyboards and mice, video collaboration solutions, gaming peripherals, and audio devices. The company has a strong presence in overseas markets and extensive global reach, with its core 3C accessories business primarily marketed under brand A.
- (4) Company B is a company headquartered in Shenzhen, Guangdong Province. It is listed on the Shenzhen Stock Exchange. Established in 2012, it operates a 3C consumer electronics business covering product development, manufacturing and sales. Its offerings span transmission solutions, audio-visual accessories, charging products, storage devices and mobile peripherals. The company sells its products globally under brand B, with operations oriented toward overseas markets.
- (5) Company C is a company headquartered in Changsha, Hunan Province. It is listed on the Shenzhen Stock Exchange. Established in 2011, it engages in the design, research and development, and sales of smart accessories and smart hardware. Its operations span charging and energy storage products, smart home devices, and smart audio-visual solutions. The company manages a portfolio of proprietary brands serving different product segments, with a focus on overseas markets and broad global reach, including brand D for audio devices and brand H for charging products.
- (6) Company D is a company headquartered in Singapore. Established in 2005, it engages in the design, research and development, and sales of gaming hardware and related accessories. Its operations span categories such as gaming peripherals, laptops, and audio devices. The company has a strong presence in overseas markets and a broad global reach, with its core 3C accessories business primarily marketed under brand C.

Source: Annual Reports, Expert Interviews, Frost & Sullivan Analysis and Estimates

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Ranking of Leading 3C Accessories Brands in Indonesia

The 3C accessories market in Indonesia is characterized by a wide range of brands with varying positioning across product categories and price segments. In 2025, the retail sales value of the top 10 3C accessories brands in Indonesia reached approximately RMB3,115.0 million, representing approximately 6.2% of the total market. Among these, two of our Group’s brands were ranked within the top 10, with “ROBOT” ranking first with a retail sales value of approximately RMB700.0 million, accounting for approximately 1.4% of the total market, and “VIVAN” ranking sixth with a retail sales value of approximately RMB245.0 million, accounting for approximately 0.5% of the total market.

The table below presents the top 10 3C accessories brands in Indonesia by retail sales value in 2025:

Ranking of Leading 3C Accessories Brands in Indonesia,
by Retail Sales Value, 2025, RMB Million

Ranking	Brand	Retail Sales Value ⁽⁷⁾	Market Share ⁽⁸⁾
1	ROBOT	700.0	1.4%
2	Brand A	490.0	1.0%
3	Brand B	470.0	0.9%
4	Brand C	300.0	0.6%
5	Brand D	260.0	0.5%
6	VIVAN	245.0	0.5%
7	Brand E ⁽⁹⁾	185.0	0.4%
8	Brand F ⁽¹⁰⁾	175.0	0.3%
9	Brand G ⁽¹¹⁾	150.0	0.3%
10	Brand H	140.0	0.3%
Top10	NA	3,115.0	6.2%

Notes:

- (7) Retail sales value refers to the retail value of 3C accessories sold by the brand to end consumers in Indonesia.
- (8) Denominator of the percentage is the market size of 3C accessories in Indonesia.
- (9) Brand E is a global consumer audio brand focusing on products such as speakers and headphones, with a strong global presence and established brand recognition. The brand operates under a leading international technology group, established in 1969, which, through its audio and connected technologies business, covers consumer audio products, automotive audio systems and professional solutions.
- (10) Brand F is a smart accessories brand focusing on mobile-related products, including audio devices, charging products and smart wearables, with a strong presence in emerging markets. Backed by a company established in 2013 and headquartered in Shenzhen, Guangdong Province, the brand benefits from integrated capabilities across product development, manufacturing and distribution.
- (11) Brand G is a 3C accessories brand focusing on products such as charging devices, audio accessories and other mobile-related products, with a broad presence in international markets. Backed by a company established in 2011 and headquartered in Shenzhen, Guangdong Province, the brand benefits from capabilities in product development and brand management, as well as established overseas distribution networks.

Source: Annual Reports, Expert Interviews, Frost & Sullivan Analysis and Estimates

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Ranking of Leading Small Appliances Companies in Indonesia

Indonesia’s small appliances market shows a moderate level of concentration among leading players, while competition remains active across the broader market. In 2025, the top five market players accounted for approximately 30.8% of the market in terms of retail sales value, reflecting the advantages of established brands in consumer recognition, product quality, channel resources and after-sales service capabilities. In 2025, our Company ranked the 15th in terms of retail sales value with market share of approximately 1.3%. Meanwhile, our Company ranked No. 6 among China-based cross-border companies in the small appliances sector, with a market share of approximately 3.7% of the China-to-Indonesia small appliances export market. Indonesia’s small appliances market comprises international appliance brands, regional and China-based brands, local distributors and retailers, and emerging online-oriented brands. International brands compete mainly on brand premium, reliability and mid-to-high-end positioning, while regional and China-based brands focus on cost-efficient sourcing, diversified product portfolios and value-for-money offerings. Local distributors and retailers support offline penetration and after-sales services, whereas online-oriented brands expand through e-commerce, targeted marketing and flexible pricing. Overall, competition is driven by brand awareness, product range, pricing, channel coverage, supply chain efficiency and localisation capabilities.

Ranking of Leading Home Furnishings and Building Materials Companies in Indonesia

Indonesia’s home furnishing and building materials market is highly diversified due to its broad product categories and distribution channels. In 2025, our Company accounted for approximately 0.2% of the total market in terms of retail sales value. Market participants mainly include integrated home improvement retailers, specialised brand owners, local manufacturers, importers and distributors, and online-oriented sellers. Integrated retailers compete through broad product offerings, store networks and one-stop procurement capabilities, while specialised brands and local manufacturers focus on product quality, design, durability and brand recognition in selected categories. Importers and distributors support the supply of cost-competitive overseas products, including those sourced from the Chinese Mainland, and facilitate downstream channel penetration. Online sellers expand reach through e-commerce and social commerce. Overall, competition is driven by product range, brand awareness, pricing, channel coverage, sourcing capability, after-sales service and localisation capabilities.

Cost Analysis for 3C Accessories and Small Appliance

Raw Material Cost

Among the major raw materials used in 3C accessories and small appliances, gold, copper and aluminium recorded notable price increases between 2020 and 2025 and are expected to remain at moderate growth rate through 2030. The price of gold increased from approximately RMB387.5 per gram in 2020 to approximately RMB797.7 per gram in 2025 and is projected to reach approximately RMB1,212.4 per gram by 2030. The price of copper rose from approximately RMB48.9 thousand per ton to approximately RMB81.1 thousand per ton and is expected to increase to approximately RMB117.0 thousand per ton over the same period, while the price of aluminium increased from approximately RMB14.2 thousand per ton in 2020 to approximately RMB20.7 thousand per ton in 2025 and is projected to reach approximately RMB24.5 thousand per ton by 2030.

Polyvinyl chloride (“PVC”), used in insulation and casings, decreased from approximately RMB9.2 thousand per ton in 2021 to approximately RMB4.8 thousand per ton in 2025 and is expected to further decline to approximately RMB5.5 thousand per ton by 2030. Meanwhile, the PPI for electronic components and specialized electronic materials, which reflects the cost of key inputs used in circuit boards, semiconductors and other electronic components, decreased from 107.3 to 98.1 between 2021 and 2025, and is forecasted to remain broadly stable and reached approximately 97.0 by 2030.

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3C Accessories Component Cost

Given the significant variation in 3C accessories by product category, model, specification, function, brand and sales channel, there is limited publicly available data tracking ex-factory price movements of finished 3C accessories as a standalone category. As such products generally involve electronic components, connectors, circuit boards, batteries, cables and other specialised electronic materials, the PPI of electronic components and electronic specialised materials is used as an indicative proxy for upstream producer price trends in the Chinese Mainland. Although it does not directly represent finished-product ex-factory prices, it provides a relevant benchmark for the upstream cost environment. The PPI declined to 98.1 in 2025 and is expected to remain broadly stable, reaching approximately 97.0 by 2030.

Logistics Cost

Given that the Company sources products from the Chinese Mainland and exports them to Indonesia, ocean freight represents an important component of its logistics costs. The average price of very low sulphur fuel oil (“VLSFO”) is used as a representative indicator for logistics cost trends, as marine fuel is a key variable cost in international sea transportation and is commonly reflected in freight rates through fuel surcharges or bunker adjustment mechanisms. From 2020 to 2022, shipping costs increased significantly due to pandemic-related disruptions, including port congestion, container shortages and constrained shipping capacity, together with rising marine fuel prices. VLSFO prices increased from approximately USD374.4 per ton in 2020 to approximately USD810.4 per ton in 2022. From 2023 to 2025, shipping costs declined from peak levels as disruptions eased and vessel capacity improved, while VLSFO prices decreased to approximately USD508.8 per ton in 2025. Looking ahead, shipping costs are expected to remain broadly stable with a slight upward trend, as VLSFO prices are projected to increase at a CAGR of approximately 1.9% to approximately USD560.0 per ton by 2030, partly offset by continued fleet expansion and more balanced supply-demand dynamics.

The changes in raw material prices, component costs and logistics costs had limited and indirect pass-through effects on the selling prices of the Company’s final products during the Track Record Period. The Company’s products cover a broad range of 3C accessories, small appliances and related products with different models, specifications, functions, brands and sales channels, and their selling prices are primarily determined by product mix, functional configuration, brand positioning, channel strategy, market competition and consumer demand. Raw material and component cost fluctuations may also be partially absorbed or mitigated through supplier negotiations, procurement planning, inventory cycles, product design adjustments, economies of scale and changes in product portfolio. Logistics costs are typically allocated across a large number of SKUs and shipments, and therefore do not directly translate into proportional changes in individual product ASPs. Accordingly, the historical changes in the Company’s ASPs may not necessarily be directly aligned with the movements in major raw material prices, component costs or logistics costs.

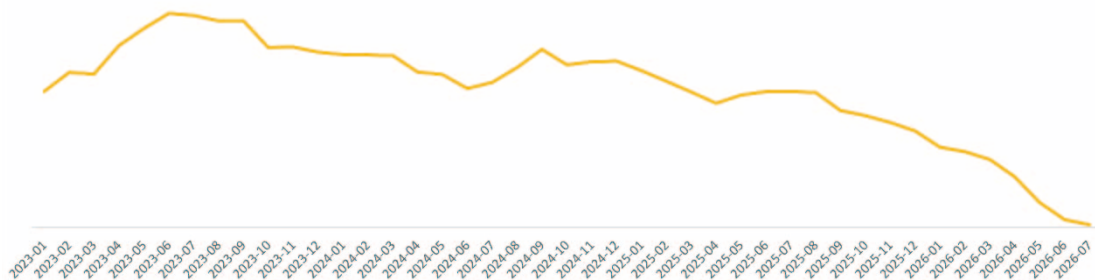
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Monthly IDR/RMB Exchange Rate Trend And Reasons For Depreciation

From 2023 to July 2026, the Indonesian rupiah generally weakened against the RMB, although the movement was not linear. The exchange rate broadly went through four stages: appreciation of the rupiah in the first half of 2023, gradual depreciation from the second half of 2023 to the first half of 2024, fluctuation and adjustment from the second half of 2024 to 2025, and more pronounced depreciation since 2026. The movement of the IDR/RMB exchange rate was largely shaped by the relative performance of both currencies against the US dollar. In the first half of 2023, the rupiah was supported by foreign exchange inflows from Indonesia’s commodity exports, while the RMB was relatively under pressure. Subsequently, the rupiah started to weaken as high US interest rates increased the attractiveness of US dollar assets, commodity-related foreign exchange support moderated, and emerging market currencies came under pressure. During 2024 and 2025, Bank Indonesia’s policy measures, including maintaining relatively high interest rates and stabilising market expectations, helped ease depreciation pressure at certain points, resulting in temporary stabilisation and rebounds. Since 2026, the depreciation of the rupiah against the RMB has become more visible, mainly due to stronger pressure on the rupiah against the US dollar amid concerns over Indonesia’s external balance, energy import costs, capital outflows and policy outlook, while the RMB remained relatively stable or strengthened against the US dollar during certain periods.

Monthly IDR/RMB Exchange Rate, 2023.01-2026.07

RMB per 100 IDR



Source: Bank of China