

Confidential

Independent Market Research on Lifestyle Household Goods Industry

For

X.J. ELECTRICS (HUBEI) CO., LTD
湖北香江電器股份有限公司

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Agenda

- 1** Overview of Global Lifestyle Household Goods Industry
- 2** Overview of Global Small Home Appliance Industry
- 3** Overview of Global Garden Hose Industry
- 4** Appendix



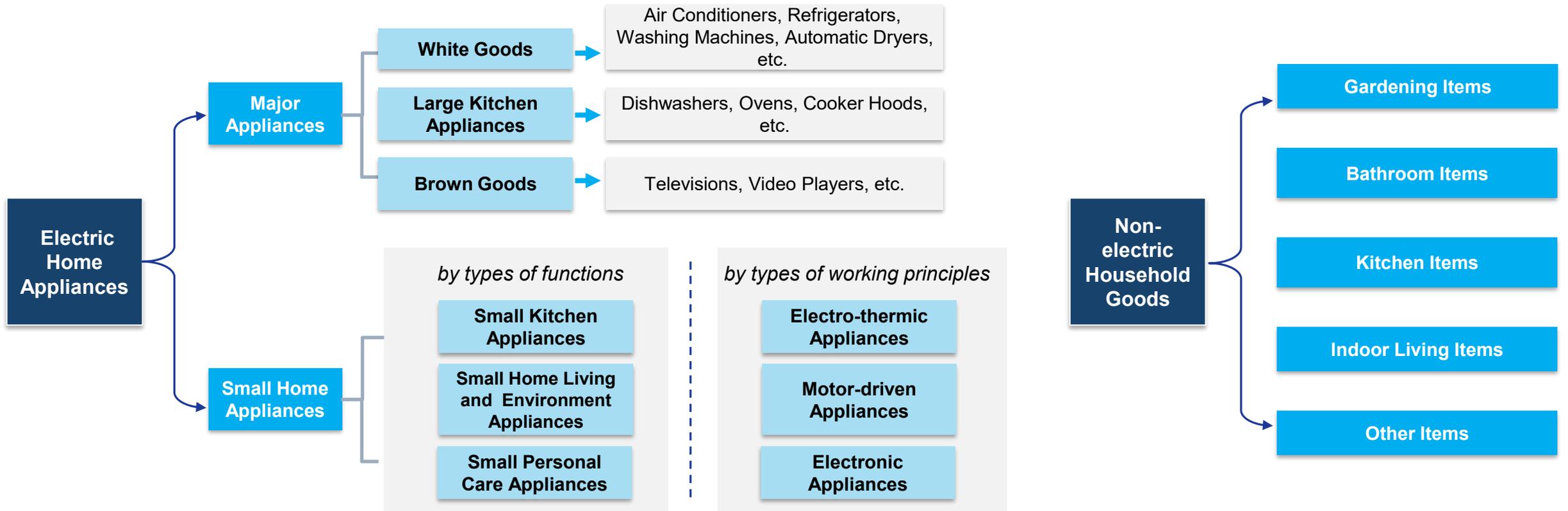
Overview of Global Lifestyle Household Goods Industry

Definition and Classification

Definition of Lifestyle Household Goods

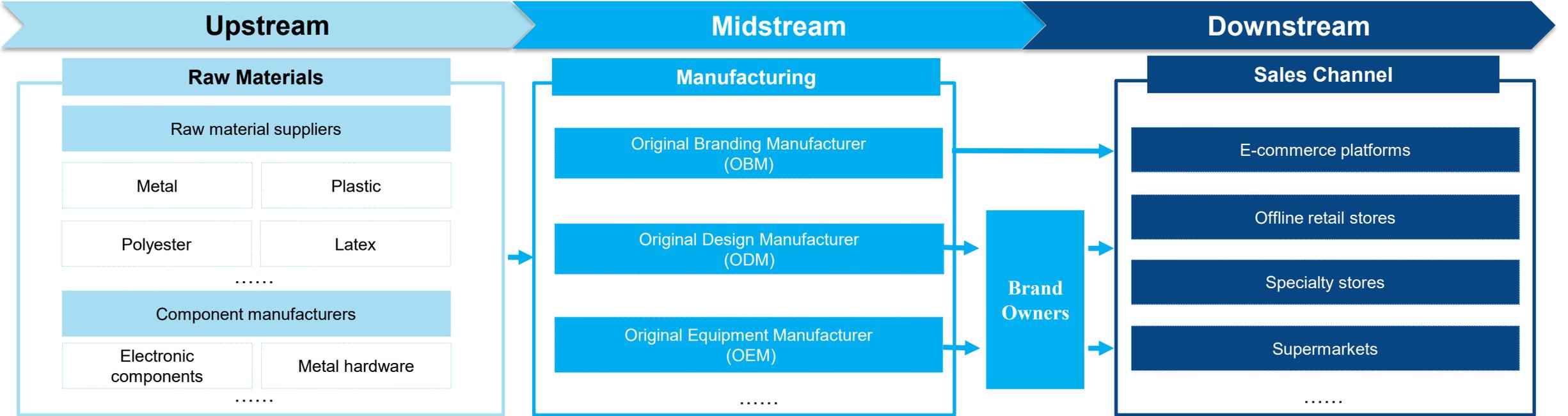
- Lifestyle household goods encompass a range of items designed to optimize modern home environments and elevate living experiences and can be categorized into **electric home appliances** and **non-electric household goods** based on their usage characteristics and modes of operation. Electric home appliances consist of major home appliances and small home appliances. Non-electric household goods mainly consist of non-electric household items relating to gardening, bathroom, kitchen, indoor living, etc.

Classification of Lifestyle Household Goods



Overview of Global Lifestyle Household Goods Industry

Value Chain Analysis

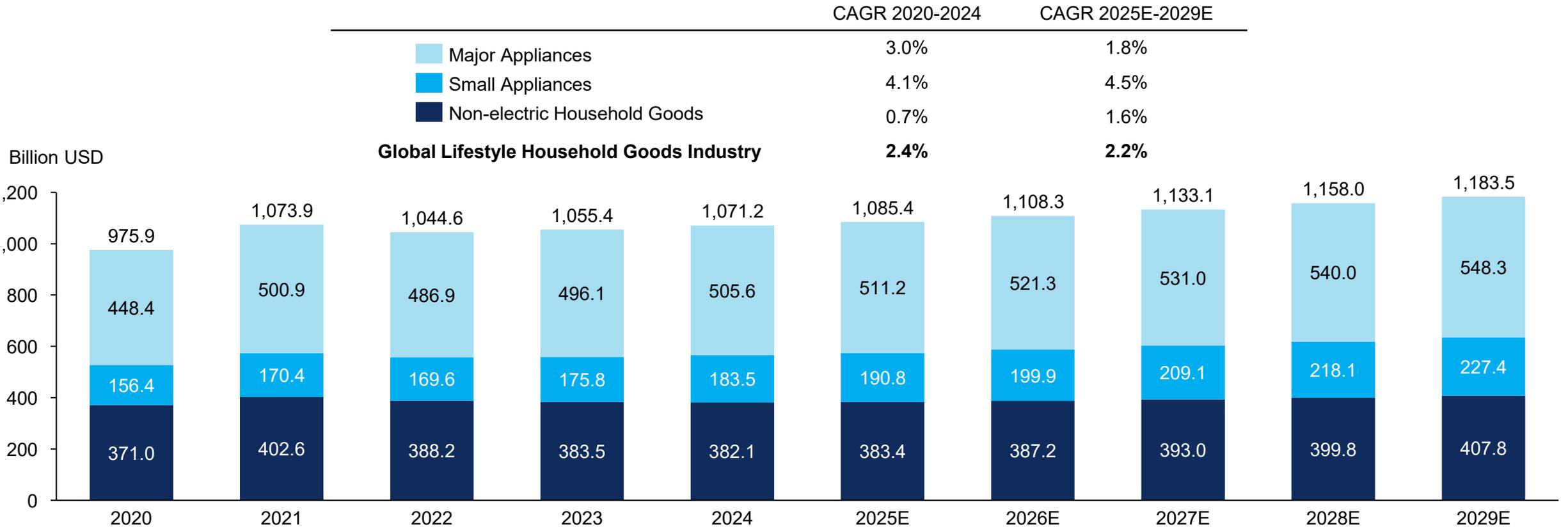


- The upstream of the lifestyle household goods industry supply chain includes raw material suppliers and component manufacturers. Raw material suppliers for lifestyle household goods provide a diverse array of materials such as metals, plastics, glass, sponges, paper, polyester and latex. The quality of these raw materials directly impacts the final product's quality. Component manufacturers focus on producing various parts needed for household goods, such as metal hardware and electronic components. These components also play a critical role in the overall quality and performance of the products.
- The midstream of the lifestyle household goods industry involves the production and manufacturing process of lifestyle household goods, encompassing stages such as design and production, and incorporating various business models. Design is one of the core competitive strengths of lifestyle household goods. Excellent design can enhance the added value of products, meet consumers' personalized needs, and strengthen the brand's market competitiveness. The production stage is the process of converting design blueprints into physical products, including raw material processing, assembly, quality inspection, and multiple other procedures. The business models in the lifestyle household goods industry mainly include the Original Branding Manufacturer (OBM) and the Original Design Manufacturer (ODM)/Original Equipment Manufacturer (OEM) model. In the OBM model, brand owners manage their own brands, manufacturing and selling products under their own brand names. At the same time, brand owners can collaborate with manufacturers through ODM and OEM models. ODM and OEM are common production models in the lifestyle household goods industry. In the ODM model, manufacturers design and produce products according to the requirements of brand owners. In the OEM model, manufacturers are responsible solely for production based on design drawings or samples provided by brand owners. These two models enable manufacturers to respond flexibly to market demands while reducing production costs and risks for brand owners.
- The downstream of the lifestyle household goods industry is the sales channel such as e-commerce platforms, offline retail stores, specialty stores, and supermarkets. These channels provide consumers with a convenient shopping experience and a variety of choices.

Overview of Global Lifestyle Household Goods Industry

Market Size of Global Lifestyle Household Goods Industry

Market Size of Global Lifestyle Household Goods Industry by Retail Value, 2020-2029E



- Driven by rising personal incomes and an increasing focus on quality of life, the global lifestyle household goods industry has experienced a steady growth, even amidst the challenges posed by COVID-19. The market size of the global lifestyle household goods industry, measured by retail value, increased from USD975.9 billion in 2020 to USD1,071.2 billion in 2024, reflecting a CAGR of 2.4%. Notably, small home appliances grew at a CAGR of 4.1% from 2020 to 2024, outpacing the growth of major appliances and non-electric household goods. Looking ahead, the trend toward specialized product segmentation and personalized customization is expected to further propel the global lifestyle household good industry. The market size of global lifestyle household good industry, by retail value, is projected to rise from USD1,085.4 billion in 2025 to USD1,183.5 billion in 2029, representing a CAGR of 2.2%. Small home appliances are anticipated to continue leading the growth, with a projected CAGR of 4.5% from 2025 to 2029.

Overview of Global Lifestyle Household Goods Industry

Market Drivers and Trends Analysis (1/2)

Income Growth and Quality Pursuits

With the steady growth of the global economy, marked by a global GDP reaching USD105.4 trillion and a rise in global gross national income per capita to USD13,212.0 in 2023, consumers' expectations for household goods have increasing continuously. No longer content with basic functionality, consumers now emphasize material selection, exquisite craftsmanship, unique design, and overall enhancement of their quality of life. This heightened demand for quality living has fueled rapid development in the household goods market, prompting companies to increase their investment in research and development to elevate product quality and fulfill consumers' aspirations for a more refined lifestyle.

Quality Segmentation and Personalized Customization

The lifestyle household goods market is evolving to meet diverse demands for quality living, with a clear trend toward segmentation. Exquisite kitchenware, smart home appliances, and premium bed textiles are emerging in each niche, offering a wide range of high-quality options. At the same time, personalized customization services are gaining popularity, allowing consumers to create unique household items that seamlessly blend quality with individuality, tailored to their preferences and needs. This trend not only satisfies consumers' personalized demands but also drives continuous innovation and growth in the household goods market.

Quality Pursuits and Environmental Protection

As consumers pursue a higher quality of life, they are increasingly focused on environmental protection and sustainable development. There is a growing preference for lifestyle household goods made from eco-friendly materials, produced through environmentally responsible processes, and designed for longevity. This dual emphasis on quality and environmental sustainability is driving household good companies to prioritize eco-friendly practices, utilizing greener materials and processes to minimize environmental impact. Simultaneously, these companies are enhancing product sustainability and market competitiveness through green design and energy-saving measures. In line with these trends, the Chinese government introduced the "Notice on Measures to Resume and Expand Consumption" (关于恢复和扩大消费措施的通知) in 2023, proposing to improve the level of smart and green home living and encourage the consumption of green electric home appliances. This initiative complements the market's shift towards higher quality and more sustainable living solutions.

Overview of Global Lifestyle Household Goods Industry

Market Drivers and Trends Analysis (2/2)

Global Perspective on the Lifestyle Household Goods Market

In the era of globalization, the lifestyle household goods market has transcended regional and national boundaries, exhibiting cross-border and cross-cultural characteristics. Consumers can now easily access high-quality household goods from around the world through cross-border e-commerce platforms, enjoying the convenience of a global standard of living. This global perspective fosters the growth and development of the household goods market while providing enterprises with broader market opportunities and avenues for expansion. As international exchanges and cooperation deepen, the market competition will become more intense, driving companies to continually enhance product quality and service standards to meet the needs of global consumers.

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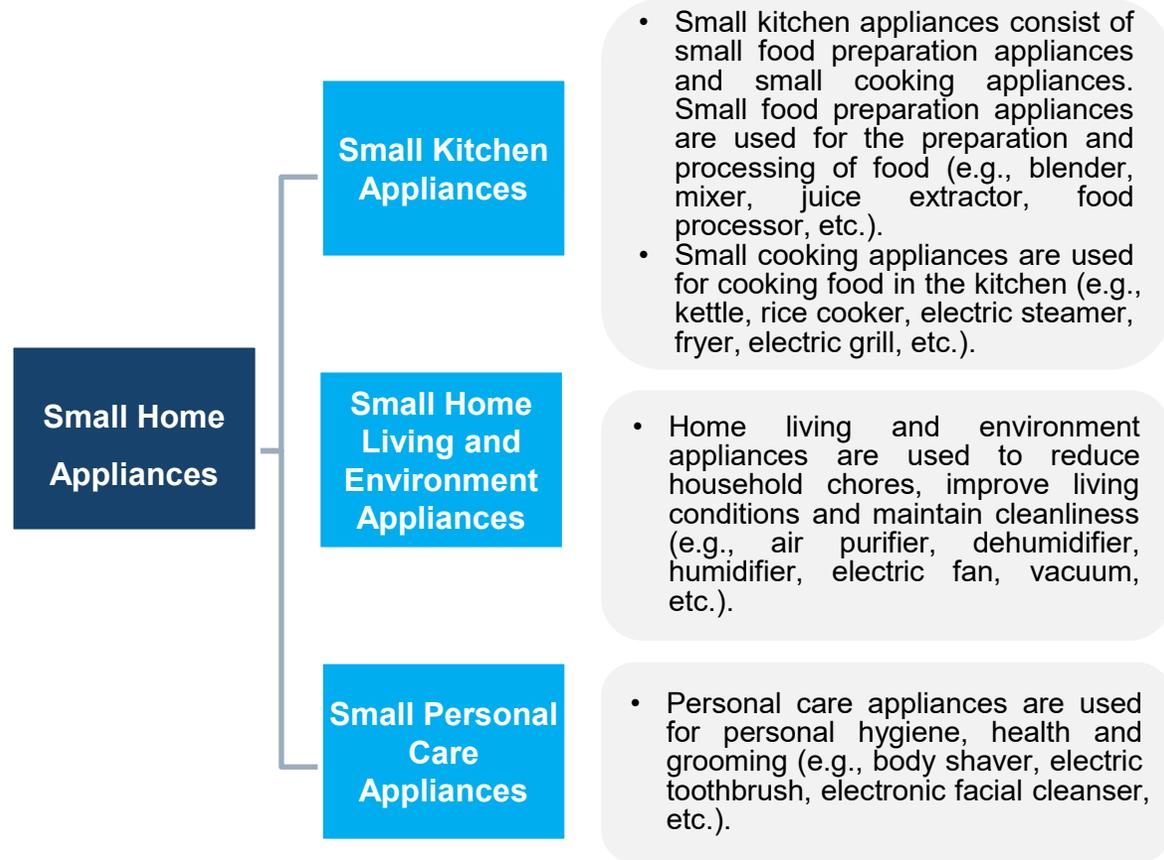
Overview of Global Small Home Appliance Industry

Definition and Classification

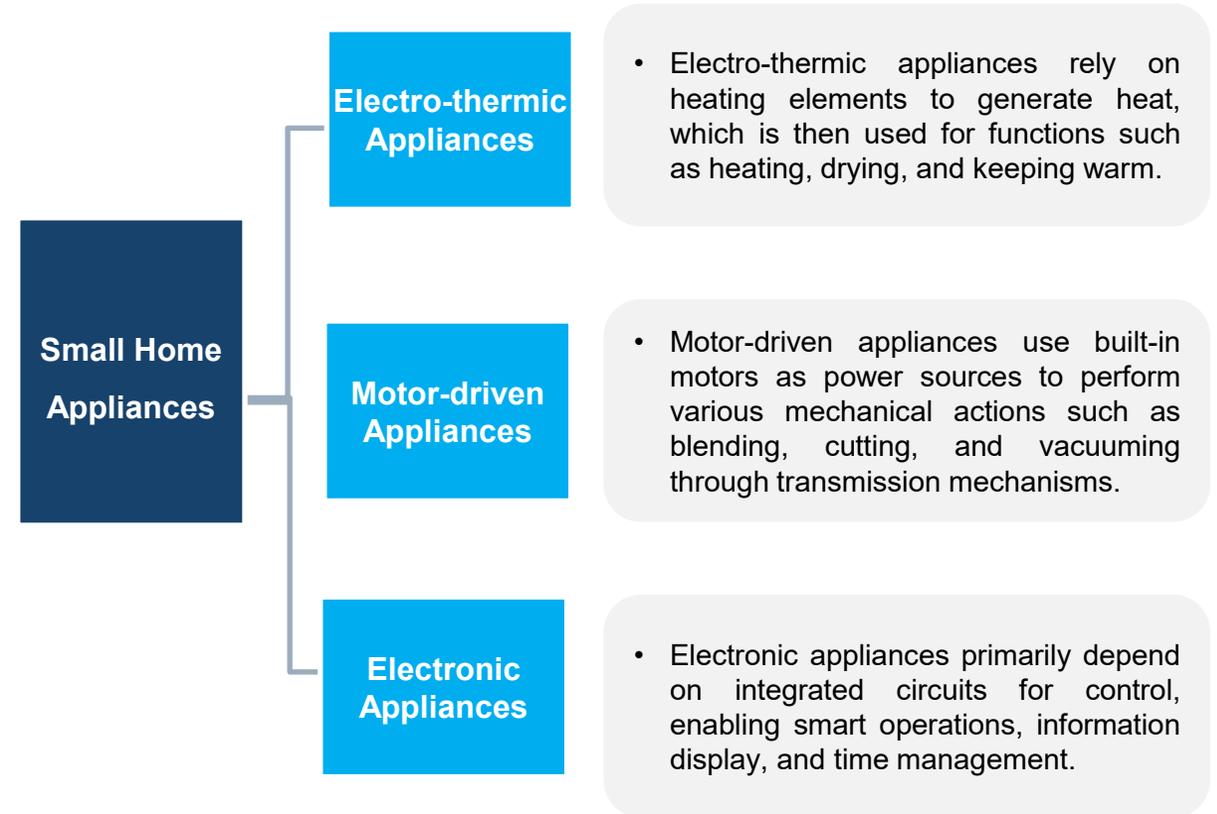
Definition of Small Home Appliances

Small home appliances are compact household devices that consume minimal electricity, exclude high-power output, and are designed to enhance quality of life. They are integral to modern living, providing convenience and efficiency in various aspects of daily life. Small home appliances can be categorized based on their functions into small kitchen appliances, small home living and environment appliances, and small personal care appliances.

Classification by Functions



Classification by Working Principles



Overview of Global Small Home Appliance Industry

Development History Analysis

Development of Small Home Appliance

The evolution of small home appliances reflects a continuous journey of technological innovation and improvement. From basic electric devices to intelligent, interconnected systems, each stage has contributed to enhancing the functionality, efficiency, and safety of these indispensable household tools. As technology continues to advance, the future of small home appliances promises even greater integration with smart technologies, further enriching the quality of life for users around the world.

Development Stage

- As electrification became more widespread, the variety of small home appliances expanded significantly. The manufacturing processes began to mechanize, which improved production efficiency and product quality. During this period, the functionality of these appliances started to diversify, catering to a broader range of household needs. Additionally, the establishment of production standards helped enhance product consistency and safety, setting the foundation for more sophisticated advancements.

Intelligent Stage

- In the intelligent stage, small home appliances began to integrate with smart home systems, creating interconnected ecosystems. The application of artificial intelligence (AI) and big data further revolutionized small home appliances, making them more intelligent and adaptive to user needs. Additionally, the focus on high efficiency and multifunctionality continued to drive innovation, resulting in products that are not only smarter but also more energy-efficient and versatile..

Initial Stage

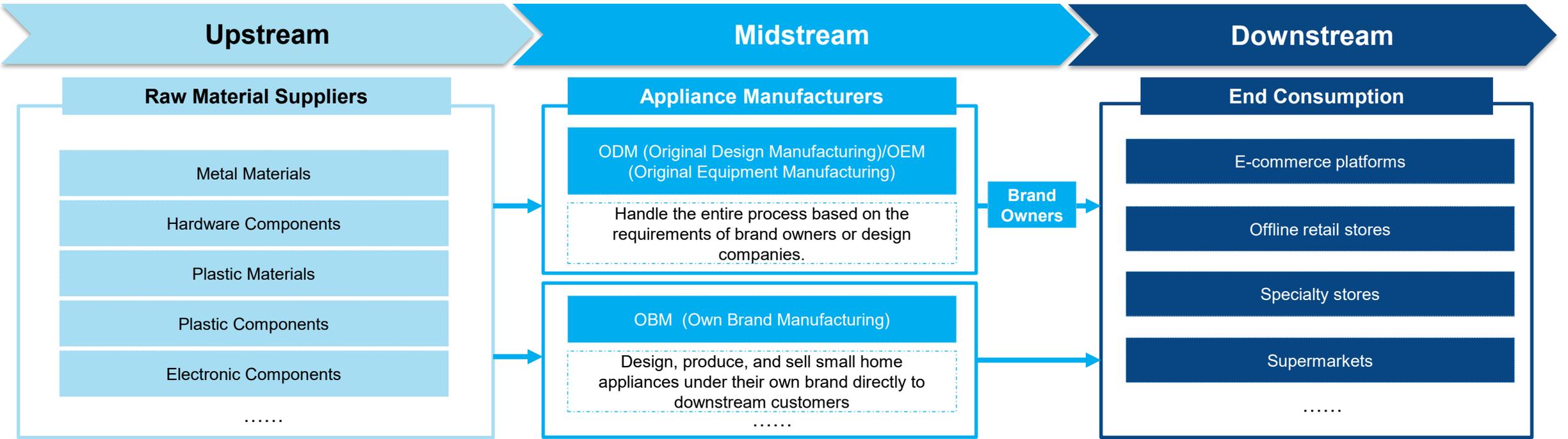
- In the initial stage, the development of small home appliances focused on basic, simple devices such as electric irons, electric fans, and electric shavers. The technology used in these early products was relatively straightforward, primarily relying on fundamental motors and heating elements. This stage marked the beginning of incorporating electrical components into household items, aiming to simplify daily chores and improve convenience.

Technology Maturity Stage

- The maturity stage of small home appliances was characterized by the integration of electronic control technologies, which made the appliances more powerful and intelligent. The use of integrated circuits (ICs) enabled the development of smaller, more multifunctional appliances, significantly enhancing their utility. Alongside these technological advancements, the improvement of safety standards greatly increased the overall safety and reliability of small home appliances, making them a staple in modern homes.

Overview of Global Small Home Appliance Industry

Value Chain Analysis

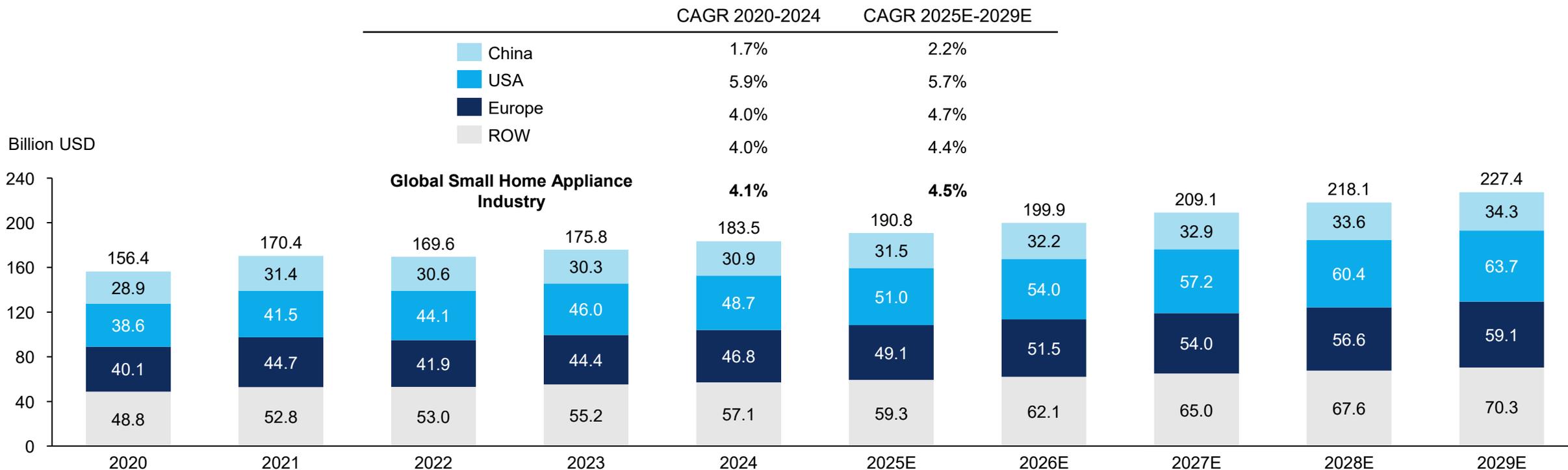


- The upstream of the industry primarily consist of raw material suppliers, which provide essential materials for the production of small home appliances, including metal materials, hardware components, plastic materials, plastic components as well as electronic components. The quality of these raw materials directly impacts the performance, durability, and safety of small home appliances.
- The midstream segment is composed mainly of small home appliance manufacturers, who operate primarily under ODM, OEM or OBM models. ODM or OEM manufacturers handle entire process from raw material procurement to product processing, production, and assembly based on the requirements of brand owners or design companies. The final products are branded and sold under the brand owner's label. This model allows brand owners to focus on market promotion and brand building while manufacturers concentrate on production and technological innovation. Additionally, some leading companies with strong design capabilities and brand influence adopt the OBM model, where they design, produce, and sell small home appliances under their own brand directly to downstream customers.
- The downstream consumption of industry is the end market, which includes e-commerce platforms, offline retail stores, specialty stores, and supermarkets. These channels provide consumers with a convenient shopping experience and a variety of choices.

Overview of Global Small Home Appliance Industry

Market Size of Global Small Home Appliance Industry by Retail Value by Region

Market Size of Global Small Home Appliance Industry by Retail Value by Region, 2020-2029E

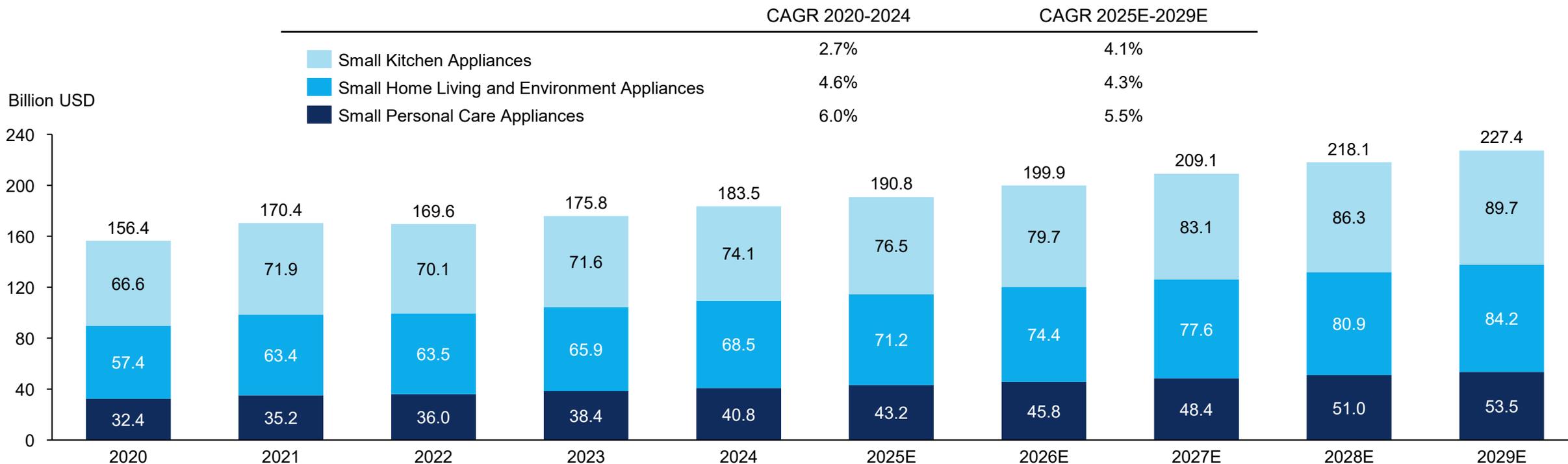


- Driven by advancements in technology, increasing consumer demand for energy-efficient products and the rise of smart home solutions, the global small home appliance industry has experienced a steady growth in recent years, with its retail value increasing from USD156.4 billion in 2020 to USD183.5 billion in 2024, representing a CAGR of 4.1%. The COVID-19 pandemic led to more people staying at home and reducing social gatherings, which boosted global demand for small home appliances in 2020 and 2021. As the world transitioned into the post-pandemic period, combined with factors such as geopolitical tensions and a global macroeconomic downturn, the retail value of global small home appliance industry declined in 2022. Moving forward, with ongoing technological advancements and environmental-friendly innovations, the global small home appliance industry is expected to keep a steady growth from USD190.8 billion in 2025 to USD227.4 billion in 2029, representing a CAGR of 4.5%. Driven by increasing demand for convenient, time-saving and energy efficient products, the market size of the small home appliance industry in the USA has experienced rapid growth in recent years, with its retail value rising from USD38.6 billion in 2020 to USD48.7 billion in 2024, with a CAGR of 5.9%. With advancements in technology and changing lifestyle preferences, increasing number of households are adopting innovative appliances. Fueled by ongoing innovation, rising disposable incomes and growing focus on sustainability, the upward trend is expected to accelerate further over the next five years, with retail value in small home appliance industry in the USA growing from USD51.0 billion in 2025 to USD63.7 billion in 2029, representing a CAGR of 5.7%.

Overview of Global Small Home Appliance Industry

Market Size of Global Small Home Appliance Industry by Retail Value by Type

Market Size of Global Small Home Appliance Industry by Retail Value by Types of Functions, 2020-2029E

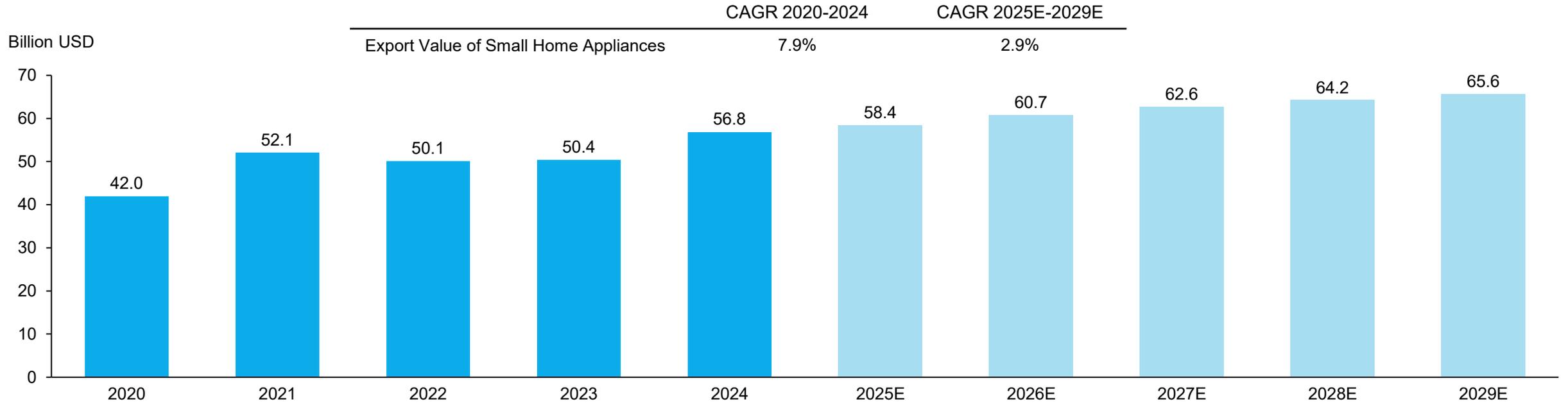


• The global small home appliance industry has undergone notable advancements with significant growth across various product types, driven by increasing consumer demand for convenience, health and sustainability. Small kitchen appliances account for the largest share of the market, with the retail value increasing from USD66.6 billion in 2020 to USD74.1 billion in 2024 at a CAGR of 2.7%. The retail value of small home living and environment appliances increased from USD57.4 billion in 2020 to USD68.5 billion in 2024, with a CAGR of 4.6%. Meanwhile, fueled by growing focus on personal wellness, beauty trends and adoption of smart, portable personal care technologies, small personal care appliances have experienced a rapid growth over the past few years, with its retail value increasing from USD32.4 billion in 2020 to USD40.8 billion in 2024 at a CAGR of 6.0%. As the industry moves forward, small kitchen appliances are expected to maintain the dominance, with the retail value increasing from USD76.5 billion in 2025 to USD89.7 billion in 2029 at a CAGR of 4.1%.

Overview of Global Small Home Appliance Industry

Export Value of China's Small Home Appliances

Export Value of China's Small Home Appliances, 2020-2029E



- After years of development, China's small home appliance industry has evolved from simple assembly to lean manufacturing, becoming one of the world's leading production bases. The export value of China's small home appliances increased from USD42.0 billion in 2020 to USD56.8 billion in 2024, with a CAGR of 7.9%. Looking forward, the continued recovery of the global economy, particularly the rising demand for small home appliance in developing countries, combined with China's ongoing technological innovations and diverse range of exported small home appliances, is expected to drive the export value of China's small home appliance from USD58.4 billion in 2025 to USD65.6 billion in 2029, with a CAGR of 2.9%.

Overview of Global Small Home Appliance Industry

Market Drivers and Trends Analysis of Global Small Home Appliance Industry and Small Kitchen Appliance Industry (1/2)

Growing Demand for Small Home Appliances in the United States

The U.S. small home appliance market has experienced rapid growth over the past few years and now holds an important position in the global landscape. As one of the largest markets in the world, it sets trends and influences manufacturing and product development across the global home appliance industry. The growing demand for small home appliances in the United States can be attributed to rising domestic consumer focus on convenience and lifestyle and decreasing trend of family size. First, in the United States, appliances that offer convenience and time-saving solutions are seeing strong demand. Smart kitchen appliances, in particular, are gaining popularity as consumers increasingly prefer efficient, user-friendly products that fit into modern lifestyles. The market size of the small kitchen appliance industry in the U.S. increased from USD17.2 billion in 2020 to USD21.2 billion in 2024, with an expectation to further increase from USD22.1 billion in 2025 to USD26.8 billion in 2029 at a CAGR of 5.0% from 2025. Among the industry, market size of some of the small kitchen appliances is expected to increase. For example, the market size of electric fryer, electric griddle and kettle in the U.S. will increase to USD2,169.5 million by a CAGR of 8.1%, USD682.3 million by a CAGR of 5.3% and USD314.2 million by a CAGR of 5.1%, respectively, in 2029. Second, the decreasing trend in family size as well as the rise of the “lazy single economy”, particularly in developed countries like the United States, has fueled growth in the small home appliance industry, as single consumers increasingly purchase small home appliances to enhance personal well-being and convenience. For example, according to data released by U.S. Census Bureau, the average number of people per household in the USA decreased from 2.6 in 2010 to 2.5 in 2024. In addition, the share of one-person households in the United States increased from 26.7% in 2010 to 29.0% in 2024. As households become smaller, consumers are looking for compact, space-efficient home appliances that cater to their individual needs. This shift in household dynamics is expected to further drive the growth in small home appliance industry, aligning with the evolving lifestyle preferences in the United States.

Overview of Global Small Home Appliance Industry

Market Drivers and Trends Analysis of Global Small Home Appliance Industry and Small Kitchen Appliance Industry (1/2)

Rising Demand for Innovative and Eco-friendly Small Home Appliances

As global living standards continue to rise, consumers are demanding more functional small home appliances. They are no longer satisfied with basic operational capabilities and instead seek advanced performance, user-friendly designs, and greater convenience. The rise of the “lazy single economy” has fueled growth in the small home appliance industry, as single consumers increasingly purchase small home appliances to enhance personal well-being and convenience. The single population is also steadily increasing, particularly in developed countries. In the United States, nearly half of adults are currently single, with 117.6 million unmarried, divorced, or widowed Americans over 18 making up 46% of the population, according to U.S. Census Bureau data. Therefore, innovative multifunctional small home appliances cater especially well to this demographic, offering practical and time-saving solutions for individual lifestyles. In addition, the growing demand is further influenced by increasing awareness of low-carbon and green living principles. Modern consumers prioritize products that are efficient, environmentally friendly, made from sustainable materials, and safe for personal health. For example, with a rising emphasis on hygiene, there is a growing demand for small kitchen appliances that incorporate sterilization, antibacterial, and non-toxic features. Electric griddles and skillets are preferred to be polytetrafluoroethylene (PTFE) and perfluorooctanoic acid (PFOA) free, making it safe for customers. Thus, consumers are increasingly opting for products that support a cleaner, healthier lifestyle. Consequently, small home appliance manufacturers are investing heavily in research and development to enhance product quality and functionality, aiming to meet the diverse and evolving needs of consumers. This trend signifies a significant move towards innovation and sustainability within the small home appliance industry, reflecting broader societal values and consumer expectations.

Innovative Technological Advancements on Product, Manufacture and Quality Control

Technological innovation is profoundly shaping the global small home appliance industry, driven by advanced product design, automated manufacturing technology, better quality control system, and enhanced product performance. Companies are significantly increasing their R&D investments to introduce appliances with cutting-edge features such as smart connectivity, remote control, and automated operations. For example, modern smart small kitchen appliances now feature app-based controls, voice activation, and automated heating or cooking schedules, enabling users to effortlessly customize their settings. Further, intelligent production lines are improving efficiency and product quality while reducing costs. For example, leading companies adopt modular standard designs and optimize processes to enhance traditional production lines by incorporating equipment such as temperature sensing systems and reciprocating lifts, achieving automated production. Based on the adoption of automated manufacturing technology, leading companies implement automated quality control systems for collecting production volume and quality data, achieving integrated automated testing. This reduces manual involvement, lowers the defect rate of finished products, and prevents issues such as mis-assembly, missing components, incorrect measurements, and missed tests, thereby enhancing product quality and reliability. Moreover, product performance is continuously enhanced through innovative technological advancements. For instance, some leading players in the industry are upgrading motors to reduce heat generation, extending product lifespan. Additionally, advanced product designs contribute to improved heat dissipation. Innovations in product development, manufacturing, and quality control are set to significantly elevate the performance and standards of future products.

Overview of Global Small Home Appliance Industry

Market Drivers and Trends Analysis of Global Small Home Appliance Industry and Small Kitchen Appliance Industry(2/2)

Transformation of Traditional Business Model

The global small home appliance industry is undergoing a significant shift in business models, transitioning from traditional OEM approaches to more integrated ODM and OBM models. Historically, many manufacturers focused primarily on producing appliances for established brands. However, as market competition intensifies and consumer demands diversify, companies are increasingly adopting the ODM model, where they design, produce, and sell their own products to boost market competitiveness. Additionally, enterprises with strong design capabilities and brand influence are embracing the OBM model, creating and marketing their proprietary brands. This shift enables companies to better control market channels and brand image, enhancing brand value and market share. This evolution has led to the emergence of some Chinese small home appliance brands, which are adopting a hybrid ODM/OEM+OBM approach. By redefining product design, manufacturing processes, and brand positioning, these companies are adding significant value to their products. High quality, cost-effectiveness, and excellent service have helped these emerging Chinese brands gain recognition and support from global consumers, securing a strong position in the competitive market.

Accelerated Path of Chinese Companies to Set up Factories in Southeast Asia

The rapid economic growth, favorable geographical location, supportive partnerships and relatively free global trade mechanism across Southeast Asia have positioned the region as an attractive destination for Chinese companies seeking to expand their presence in overseas markets, particularly in the small home appliance sector. From 2020 to 2024, Southeast Asia's GDP grew at a robust CAGR of 6.6%, with projections indicating a rise from USD3.5 trillion in 2025 to USD4.4 trillion by 2029, achieving a CAGR of 6.0%. Southeast Asia has an increasing flow of foreign investment and trade and investment facilitated by regional economic cooperation. Besides, Southeast Asia has a well-developed network of land, sea, and air transportation that conveniently connects it to various parts of the world, such as Europe and the Americas. Furthermore, with the deepening of the China-ASEAN Free Trade Area (ACFTA), the full implementation of the "Regional Comprehensive Economic Partnership" (RCEP) and the comprehensive progress of the "Belt and Road Initiative", Chinese home appliance companies are actively pursuing opportunities in the Southeast Asian market. For example, under the "Belt and Road" initiative, the Rayong Industrial Park in Thailand is one of the first overseas economic and trade cooperation zones established by China. Currently, nearly 250 Chinese companies have set up operations in the industrial park, most of which are leading enterprises in various industries. China is also Thailand's largest source of foreign investment. Looking ahead, in light of potential impacts from the US-China trade war, strategic positioning in Southeast Asia will enable Chinese companies, especially small home appliance manufacturers operating on an ODM/OEM basis, to ensure stable exports to the United States and other places while controlling product costs and quality. This strategy supports the implementation of a globalized industrial approach and mitigates risks associated with globalization policies for Chinese small home appliance companies.

Overview of Global Small Home Appliance Industry

Industry Barrier Analysis of Global Small Home Appliance Industry and Small Kitchen Appliance Industry (1/2)

1

Technological Barrier

- As consumers increasingly prioritize the functionality, aesthetics, environmental friendliness, and health attributes of products, small home appliance manufacturers must continuously innovate in technology and processes to meet rapidly evolving market demands. The application of new technologies, materials, and manufacturing techniques drives product iterations and upgrades, creating significant technological barriers for new entrants. These newcomers must invest substantial resources into research and development to keep pace with industry advancements. Additionally, they need to continuously advance their production equipment to effectively respond to market trends such as intelligent and automated manufacturing. The complexity of manufacturing processes and the precision required in production further elevate the challenges and costs for new entrants. This environment necessitates a high level of technical expertise and substantial financial investment, making it difficult for new companies to compete with established players who already possess the necessary technological capabilities and manufacturing efficiencies. Thus, the technological sophistication and innovation within the small home appliance industry act as formidable barriers, safeguarding the competitive edge of established manufacturers while deterring less-equipped newcomers from entering the market.

2

Customer Recognition Barrier

- The small home appliance market is characterized by high demand for quality, and the nature of the ODM/OEM industry necessitates that manufacturing enterprises gain recognition and establish stable business partnerships with overseas clients based on their long-term experience and solid reputation in the small home appliance industry. The supplier certification process for well-known international customers is typically very rigorous, involving comprehensive assessments of a manufacturer's operational qualifications, production capacity, quality management, human rights policies, anti-terrorism and factory safety measures, and environmental protection practices. This thorough vetting process generally spans 2-3 years, encompassing initial client contact, factory inspections, sample trials, small-scale trial production, and finally, large-scale orders. Once a manufacturer achieves certified supplier status and begins cooperation, large clients are unlikely to switch suppliers easily due to high switching costs. This creates a significant barrier for new entrants, who find it challenging to quickly establish trust and business relationships with potential clients. Therefore, the lengthy and demanding process of gaining customer recognition, coupled with the reluctance of established clients to change suppliers, forms a formidable barrier to entry in the global small home appliance industry.

3

Qualification Barrier

- The small home appliance industry is governed by stringent requirements for production qualifications and product certifications, posing significant barriers for new entrants. To legally manufacture and sell products, newcomers must obtain relevant production licenses and certifications. Various countries and regions around the world have established mandatory certification systems for electric home appliances. For example, products exported to the United States and Canada must pass safety certifications such as ETL and UL, as well as FDA food-grade certifications. Exports to Europe require CE, GS, and UKCA safety certifications, along with food-grade certifications such as Germany's LFGB, France's DGCCRF, and Italy's DM. Australian exports need SAA safety certifications, while exports to the Asia-Pacific region require PSE and CB safety certifications. Additionally, with growing environmental awareness, companies must also secure appropriate environmental qualifications to meet ecological standards. The process of obtaining these certifications is complex and time-consuming, significantly increasing the difficulty for new entrants to break into the market. These rigorous certification requirements ensure that only manufacturers who can meet high standards of safety, quality, and environmental compliance can compete in the global small home appliance industry, thereby protecting established players and maintaining industry standards.

Overview of Global Small Home Appliance Industry

Industry Barrier Analysis of Global Small Home Appliance Industry and Small Kitchen Appliance Industry (2/2)

4

Capital Barrier

- Entering the small home appliance industry demands substantial capital investment in key areas such as research and development, marketing, production line construction, and global expansion. The industry's downstream customers, particularly global well-known brands, have stringent requirements for delivery times and product quality, making supplier selection highly dependent on the supplier's capacity for large-scale production. As a result, companies must invest heavily in building standardized factories, acquiring advanced production lines, and implementing automation technologies to meet these demands. Achieving economies of scale is essential and can only be realized after reaching a certain volume of business, which necessitates ongoing capital expenditure to expand production capacity in response to growing market demand. New entrants often lack the financial resources or effective financing capabilities required to rapidly establish large-scale production facilities and deploy comprehensive resources on a global scale. This financial barrier, combined with the need for continuous investment to scale operations, makes it challenging for new competitors to establish a foothold in the market and compete with established players who already possess the necessary capital and production capabilities.

Overview of Global Small Home Appliance Industry

Major Development Challenge Analysis of Global Small Home Appliance Industry and Small Kitchen Appliance Industry

Uncertainties in International Trade

- Ongoing trade disputes, particularly the US-China trade tensions, have heightened trade barriers between the two countries, posing significant challenges for the export and import of small home appliances. High tariffs and stringent trade restrictions are likely to increase export costs, potentially undermining the competitiveness of Chinese small home appliance companies in the U.S. market. The uncertainties in international trade may further impact the development of the small home appliance industry. In response to this international landscape, some leading Chinese small home appliance manufacturers are establishing factories in Southeast Asia to effectively deploy their production capacity on a global scale and enhance risk management capabilities. This strategic move aims to improve resilience against fluctuations in international trade policies and enhance the overall competitiveness of these companies.

Diverse Consumer Demand

- In the small home appliance industry, consumer demands are evolving rapidly. Today's customers increasingly seek products that are not only intelligent and personalized but also of the highest quality. This shift in consumer expectations calls for constant innovation in product development and marketing strategies to stay ahead of the curve. For example, some smart small kitchen appliance products have gained increasing popularity due to their ability to offer diverse options, time-saving features, and app-based controls that allow users to monitor and adjust settings remotely. Companies in the small home appliance industry need to invest in cutting-edge technologies and sophisticated design features that cater to the growing demand for smarter, more customized appliances. To succeed in a highly competitive market, small home appliance companies must ensure their products exceed evolving consumer preferences, allowing them to stand out from the competition.

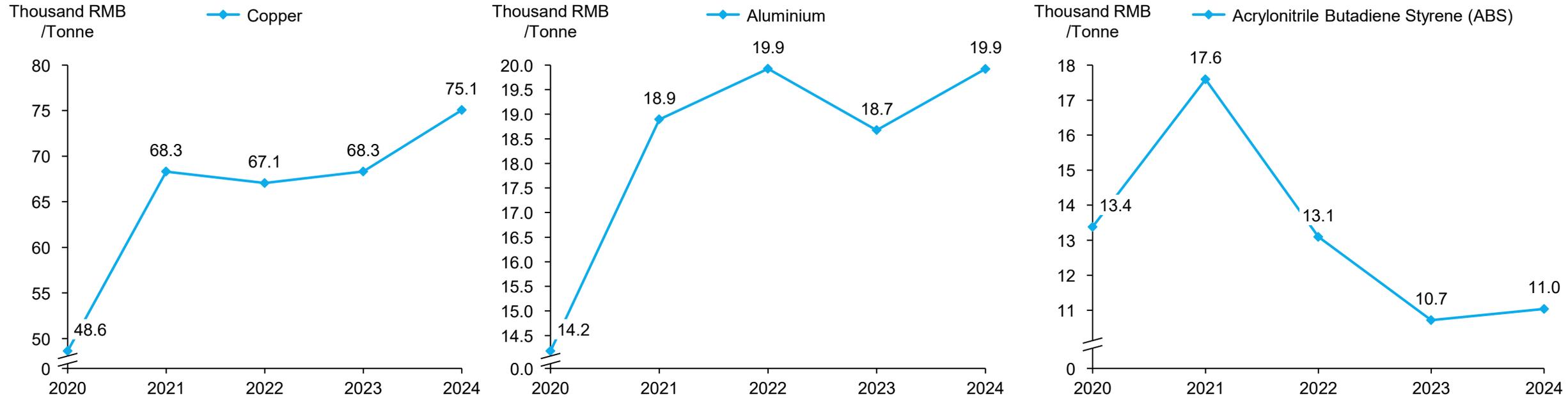
Rising Environmental Standards

- The global focus on environmental protection and sustainable development is intensifying, with countries implementing stricter environmental regulations and standards. Manufacturers of small home appliances must adhere to these regulations by integrating eco-friendly materials and technologies into their product design and production processes. This compliance increases production costs and technical challenges, forcing companies to balance environmental responsibility with economic viability. However, adopting sustainable practices not only fulfills regulatory requirements but also resonates with environmentally conscious consumers, fostering long-term brand loyalty and driving market growth.

Overview of Global Small Home Appliance Industry

Raw Material Price Analysis

Average Prices of Copper, Aluminium and Acrylonitrile Butadiene Styrene (China), 2020-2024



- The small home appliance industry faces challenges due to the fluctuating prices of key raw materials such as copper, aluminum and ABS. These fluctuations necessitate efficient procurement strategies and cost management practices to ensure manufacturers can maintain profitability and competitiveness in the market. Copper, a primary raw material for metal components and electronic parts, has seen its average price in China rise from RMB48.6 thousand per tonne in 2020 to RMB75.1 thousand per tonne in 2024. This increase is driven by growing demand and limited supply in the market. The high cost of copper affects various components of small home appliances such as power cords, thermostats, and PCB boards, which rely on copper for their production. Consequently, manufacturers must navigate these rising costs to maintain profitability and competitive pricing. Aluminium is a key material for various appliance components such as aluminium motors, heating pipes, etc., and its price changes directly impact manufacturing costs. Aluminium prices have also shown notable fluctuations, impacting the small home appliance sector. The average price of aluminium in China has increased from RMB14.2 thousand per tonne in 2020 to RMB19.9 thousand per tonne in 2024. This surge is driven by rising downstream demand from emerging sectors such as automotive and renewable energy, alongside supply constraints due to capacity lags and operational disruptions related to regulatory interventions and environmental concerns. The average price of ABS, a crucial plastic material for small home appliances, has experienced significant volatility over the past few years in China. The average price of ABS in China peaked at RMB13.4 thousand per tonne in 2020 then dropped to RMB11.0 thousand per tonne in 2024. The Acrylonitrile Butadiene Styrene (ABS) industry is currently experiencing a potential oversupply due to expanding production capacity and increased supply.

Overview of Global Small Home Appliance Industry

Global Policy Analysis

Policy Name	Issuing Countries	Issuing Agency	Release Year	Policy Summary
Appliance Standards Rulemaking	United States	Department of Energy	2023	Sets updated energy efficiency standards for residential appliances, including refrigerators, washers, and dryers, aimed at reducing energy consumption and utility costs.
조명기기 및 가전제품의 효율기준 (Efficiency Standards for Lighting and Appliances)	South Korea	Ministry of Trade, Industry and Energy	2023	Establishes minimum energy performance standards for small home appliances to reduce energy consumption and enhance efficiency.
UKCA Marking (UK Conformity Assessed Marking)	United Kingdom	Department for Business, Energy & Industrial Strategy	2023	Replaces CE marking with UKCA marking post-Brexit, ensuring compliance with UK-specific product safety, health, and environmental standards for small home appliances.
家電リサイクル法 (Home Appliance Recycling Law)	Japan	Ministry of Economy, Trade and Industry	2022	Enforces recycling and proper disposal of home appliances, promoting sustainability and reducing environmental impact.
Bundes-Immissionsschutzgesetz (BImSchG) (Federal Emission Control Act)	Germany	Federal Ministry for the Environment, Nature Conservation and Nuclear Safety	2022	Implements strict emission control standards for manufacturing processes, impacting the production of small home appliances to ensure reduced environmental impact.
EnEV 2021 (Energy Efficiency Regulation 2021)	Germany	Federal Ministry for Economic Affairs and Energy	2021	Mandates higher energy efficiency standards for household appliances, promoting reduction in energy consumption and carbon emissions.
Étiquetage énergétique des appareils électroménagers (Energy Labelling for Household Appliances)	France	Ministry of Ecological Transition	2021	Requires clear energy labelling on household appliances to guide consumers towards more energy-efficient choices.
Decreto Legislativo 49/2014 (Legislative Decree 49/2014)	Italy	Ministry for Ecological Transition	2021	Enhances regulations on the disposal and recycling of electrical and electronic equipment, including small home appliances, to improve environmental sustainability.
Reglamento de Instalaciones Térmicas en los Edificios (Regulation on Thermal Installations in Buildings)	Spain	Ministry for the Ecological Transition and the Demographic Challenge	2020	Promotes energy efficiency and renewable energy use in building installations, impacting the market for small heating and cooling appliances.
Ecodesign Directive ERP EC No 1275/2008 & EU No 801/2013	European Union	European Commission	2013	Establishes requirements for energy-related products to reduce their environmental impact and improve energy efficiency throughout their lifecycle.
Restriction of Hazardous Substances Directive (RoHS) 2011/65/EU	European Union	European Commission	2011	Restricts the use of certain hazardous substances in electrical and electronic equipment to protect human health and the environment.
European Food Contact Materials Regulations 1935/2004/EC, (EU) 10/2011	European Union	European Commission	2011	Regulates materials and articles intended to come into contact with food, ensuring they do not release harmful substances and are safe for use.

Overview of Global Small Home Appliance Industry

China Policy Analysis

Policy Name	Issuing Agency	Release Year	Policy Summary
《轻工业稳增长工作方案（2023-2024年）》 Light Industry Growth Plan (2023-2024)	Ministry of Industry and Information Technology (MIIT), etc	2023	Organizes to focus on innovation in key areas such as smart home appliances, key components, and new material applications to enhance technological advancement.
《关于做好2023年促进绿色智能家电消费工作的通知》 Notice on Promoting Green and Smart Home Appliance Consumption in 2023	Ministry of Commerce, National Development and Reform Commission (NDRC), etc.	2023	Establishes a plan to replace old home appliances with new ones, focusing on enhancing energy efficiency and providing subsidies to encourage consumer upgrades.
《关于深化电子电器行业管理制度改革的意见》 Opinions on Deepening the Reform of Management System in the Electronics and Electrical Appliances Industry	State Council	2022	Streamlines the access and circulation management of the electronics and electrical appliances industry, improves efficiency, and enhances quality and brand building.
《关于促进绿色智能家电消费若干措施的通知》 Notice on Measures to Promote Green and Smart Home Appliance Consumption	Ministry of Commerce and 13 other departments	2022	Supports the promotion of green and smart home appliances through policy measures, enhancing consumer awareness and promoting sustainable consumption.
《中国家电工业“十四五”发展指导意见》 Guidelines for the 14th Five-Year Plan Development of the Chinese Home Appliance Industry	China Household Electrical Appliances Association	2021	Promotes innovation and technological advancement in the home appliance industry, encouraging sustainable and high-quality development.
《中华人民共和国国民经济和社会发展第十四个五年规划和2035年远景目标》 The 14th Five-Year Plan for National Economic and Social Development and Long-Range Objectives for 2035	State Council	2021	Sets long-term development goals, including improving consumption patterns and promoting sustainable economic growth.
《关于完善废旧家电回收处理体系推动家电更新消费的实施方案》 Implementation Plan for Improving the Recycling and Treatment System of Waste Household Appliances and Promoting the Consumption of Updated Appliances	National Development and Reform Commission (NDRC)	2020	Enhances recycling systems for waste appliances and promotes the consumption of updated, energy-efficient appliances.
《2019年制造业与互联网融合发展试点示范实施方案》 Implementation Plan for the Integration of Manufacturing and the Internet	Ministry of Industry and Information Technology (MIIT)	2019	Encourages the integration of manufacturing with internet technologies to enhance productivity and innovation in the manufacturing sector.
《关于加快发展流通促进商业消费的意见》 Opinions on Accelerating the Development of Circulation to Promote Commercial Consumption	State Council	2019	Aims to boost commercial consumption and expand market access for domestic and foreign goods, enhancing economic growth.
《中国家用电器协会团体标准管理办法》 Management Measures for Group Standards of the China Household Electrical Appliances Association	China Household Electrical Appliances Association	2019	Establishes management standards for the development and implementation of group standards in the home appliance industry.

Overview of Global Small Home Appliance Industry

Competitive Landscape Analysis of Global Small Home Appliance Industry and Small Kitchen Appliance Industry

Top Ten Companies in China's Small Kitchen Appliance Industry by Export Value, 2024

Ranking	Company Name	Export Value of Small Kitchen Appliances in 2024 (RMB Billion)	Market Share
1	Guangdong Galanz Electrical Appliances Manufacturing Co., Ltd.	20.0	14.1%
2	Guangdong Xinbao Electrical Appliances Holdings Co.,Ltd	9.0	6.4%
3	Midea Group Co., Ltd.	7.0	4.9%
4	Zhejiang Supor Co., Ltd.	6.0	4.2%
5	Guangdong WELLY Electrical Appliances Co, Ltd.	2.2	1.6%
6	Zhejiang Biyi Electric Appliance Co., Ltd.	1.9	1.3%
7	Ningbo careline Electric Appliance Co.,Ltd	1.8	1.3%
8	Ningbo Borine Electric Appliance Co., Ltd.	1.7	1.2%
9	Joyoung Co.,Ltd.	1.6	1.1%
10	our Group	1.1	0.8%
TOP 10		52.3	36.9%

- The global garden hose market is highly fragmented with numerous participants, especially in China. Many companies operate on a smaller scale, focusing on mid-to-low-end products, which intensifies competition. However, as technology advances and consumer preferences shift towards higher-quality and innovative products, there is increasing emphasis on product differentiation. Companies that invest in R&D to develop advanced features—such as enhanced durability and self-retracting mechanisms—can gain a competitive edge. Additionally, global competition and existing patents create barriers for new entrants, making it essential for companies in the garden hose industry to continually innovate and adapt to thrive in this dynamic market.
- In 2024, the export value of small kitchen appliances in China reached approximately RMB141.7 billion. The top ten companies accounted for a total market share of 36.9% by export value in 2024. The export value for our Group was approximately RMB1.1 billion in 2024, ranking the 10th among the market participants in China and accounting for a market share of 0.8%.

Source: Annual Reports of Listed Companies, China Chamber of Commerce for Import and Export of Machinery and Electronic Products, Interviews with Industry Experts, Frost & Sullivan

Overview of Global Small Home Appliance Industry

Competitive Landscape Analysis of Global Small Home Appliance Industry and Small Kitchen Appliance Industry

Company Name	Establish Year and Registered Place	Listed or Not	Major Types of Small Home Appliances	Major Business Model of Overseas Business
Guangdong Galanz Electrical Appliances Manufacturing Co., Ltd.	2011 Zhongshan, Guangdong	Unlisted	<ul style="list-style-type: none"> Small Kitchen Appliances 	OBM+OEM/ODM
Guangdong Xinbao Electrical Appliances Holdings Co.,Ltd	1995 Foshan, Guangdong	Listed (002705.SZ)	<ul style="list-style-type: none"> Small Kitchen Appliances Small Home Living and Environment Appliances Small Personal Care Appliances 	OEM/ODM
Midea Group Co., Ltd.	2000 Foshan, Guangdong	Listed (000333.SZ)	<ul style="list-style-type: none"> Small Kitchen Appliances Small Home Living and Environment Appliances Small Personal Care Appliances 	OBM+OEM/ODM
Zhejiang Supor Co., Ltd.	1996 Yuhuan, Zhejiang	Listed (002032.SZ)	<ul style="list-style-type: none"> Small Kitchen Appliances Small Home Living and Environment Appliances 	OBM+OEM/ODM
Joyoung Co.,Ltd	2002 Jinan, Shandong	Listed (002242.SZ)	<ul style="list-style-type: none"> Small Kitchen Appliances Small Home Living and Environment Appliances 	OBM+OEM/ODM
Guangdong WELLY Electrical Appliances Co, Ltd.	2005 Zhongshan, Guangdong	Unlisted	<ul style="list-style-type: none"> Small Kitchen Appliances 	OEM/ODM
Ningbo careline Electric Appliance Co.,Ltd	2010 Ningbo, Zhejiang	Unlisted	<ul style="list-style-type: none"> Small Kitchen Appliances 	OEM/ODM
Ningbo Borine Electric Appliance Co., Ltd.	2007 Ningbo, Zhejiang	Listed (873083.NQ)	<ul style="list-style-type: none"> Small Kitchen Appliances 	OEM/ODM
Zhejiang Biyi Electric Appliance Co., Ltd.	2001 Yuyao, Zhejiang	Listed (603215.SH)	<ul style="list-style-type: none"> Small Kitchen Appliances 	OEM/ODM

Source: Frost & Sullivan

Overview of Global Small Home Appliance Industry

Competitive Landscape Analysis of Global Small Home Appliance Industry and Small Kitchen Appliance Industry

- According to the data released by the General Administration of Customs of PRC, the following is the proportion of the export volume of our Group's major small home appliance product series to China's export volume to the corresponding countries:

Customs Goods and HS Codes	Exporter Country	Units	China's Export Volume in 2024	Our Group's Export Volume in 2024	Our Group's Market Share in China (%)
Food grinder and blender (85094090) ¹	The U.S.	Piece	71,329,719	2,678,751	3.76%
Food grinder and blender (85094090)	Australia	Piece	5,521,711	64,602	1.17%
Food grinder and blender (85094090)	Netherlands	Piece	12,203,807	46,070	0.38%
Food grinder and blender (85094090)	Switzerland	Piece	373,038	1,196	0.32%
Other electric furnace; electric pot, electric heating plate, heating ring, barbecue oven, etc. (85166090) ²	The U.S.	Piece	49,867,199	4,361,181	8.75%
Other electric furnace; electric pot, electric heating plate, heating ring, barbecue oven, etc. (85166090)	German	Piece	8,045,708	116,739	1.45%
Other electric furnace; electric pot, electric heating plate, heating ring, barbecue oven, etc. (85166090)	France	Piece	10,257,515	230,001	2.24%
Other electric furnace; electric pot, electric heating plate, heating ring, barbecue oven, etc. (85166090)	The U.K.	Piece	9,536,980	86,684	0.91%
Other electric furnace; electric pot, electric heating plate, heating ring, barbecue oven, etc. (85166090)	Switzerland	Piece	326,236	10,220	3.13%
Other electric coffee and tea maker (85167190) ³	The U.S.	Piece	6,428,613	1,579,649	24.57%
Other electric coffee and tea maker (85167190)	Canada	Piece	532,974	317,453	59.56%
Other electric coffee and tea maker (85167190)	France	Piece	251,169	13,252	5.28%
Other electric coffee and tea maker (85167190)	Sweden	Piece	45,258	1,800	3.98%
Scale, including baby scale, household scale (84231000) ⁴	The U.S.	Ten Thousand Pieces	3,143	82.36	2.62%

Notes: 1. Corresponds to the Company's products including mixer and other motor-driven products; 2. Corresponds to the Company's products including electric oven, electric fryer, electric boiler, air fryer, dried fruit machine, slow cooker, football oven, waffle machine and other electro-thermic products; 3. Corresponds to the Company's products including electric kettle; 4. Corresponds to the Company's products including electronic scale series (kitchen scale, human scale, etc.).

Overview of Global Small Home Appliance Industry

Competitive Landscape Analysis of Global Small Home Appliance Industry and Small Kitchen Appliance Industry

- Some models of mixing series products, electric cooker series products, kettle series products, etc. sold by the Company to customers such as Sensio, Hamilton Beach, Storebound (subsidiary of SEB), etc., rank at the top of Amazon's Best Sellers rankings. In addition, the Company's "Weighmax" and "Accuteck" electronic scale series products are at the forefront of similar products on Amazon's Best Sellers rankings.

Customer Name	Product Name	Customer Brand	Category of Amazon Best Sellers	Ranking (13 May, 2025)
Hamilton Beach	Kettle	Hamilton Beach	Kitchen & Dining-Small Appliances-Coffee, Tea & Espresso	TOP 30
Hamilton Beach	Steamer	Hamilton Beach	Kitchen & Dining-Small Appliances-Specialty Appliances-Steamers	TOP 10
Sensio	Electric Skillet	BELLA	Kitchen & Dining-Small Appliances-Specialty Appliances-Electric Skillets	TOP 10
Sensio	Electric Skillet	CRUX	Kitchen & Dining-Small Appliances-Specialty Appliances-Electric Skillets	TOP 20
Sensio	Electric Griddle	BELLA	Kitchen & Dining-Small Appliances-Indoor Grills & Griddles-Electric Griddles	TOP 10
Sensio	Steamer	BELLA	Kitchen & Dining-Small Appliances-Specialty Appliances-Steamers	TOP 10
Storebound	Stand Mixer	DASH	Kitchen & Dining-Small Appliances-Mixers-Stand Mixers	TOP 20
Storebound	Rice Cooker	DASH	Kitchen & Dining-Small Appliances-Rice Cookers	TOP 10
Weighmax	Electronic Scale	Weighmax	Office Products-Envelopes, Mailers & Shipping Supplies-Postal Scales	TOP 20
Accuteck	Electronic Scale	Accuteck	Office Products-Envelopes, Mailers & Shipping Supplies-Postal Scales	TOP 10
Pocket Hose	Garden Hose	Pocket Hose	Patio, Lawn & Garden-Gardening-Watering Equipment-Garden Hoses	TOP 10

Agenda

- 1** Overview of Global Lifestyle Household Goods Industry
- 2** Overview of Global Small Home Appliance Industry
- 3** Overview of Global Garden Hose Industry
- 4** Appendix

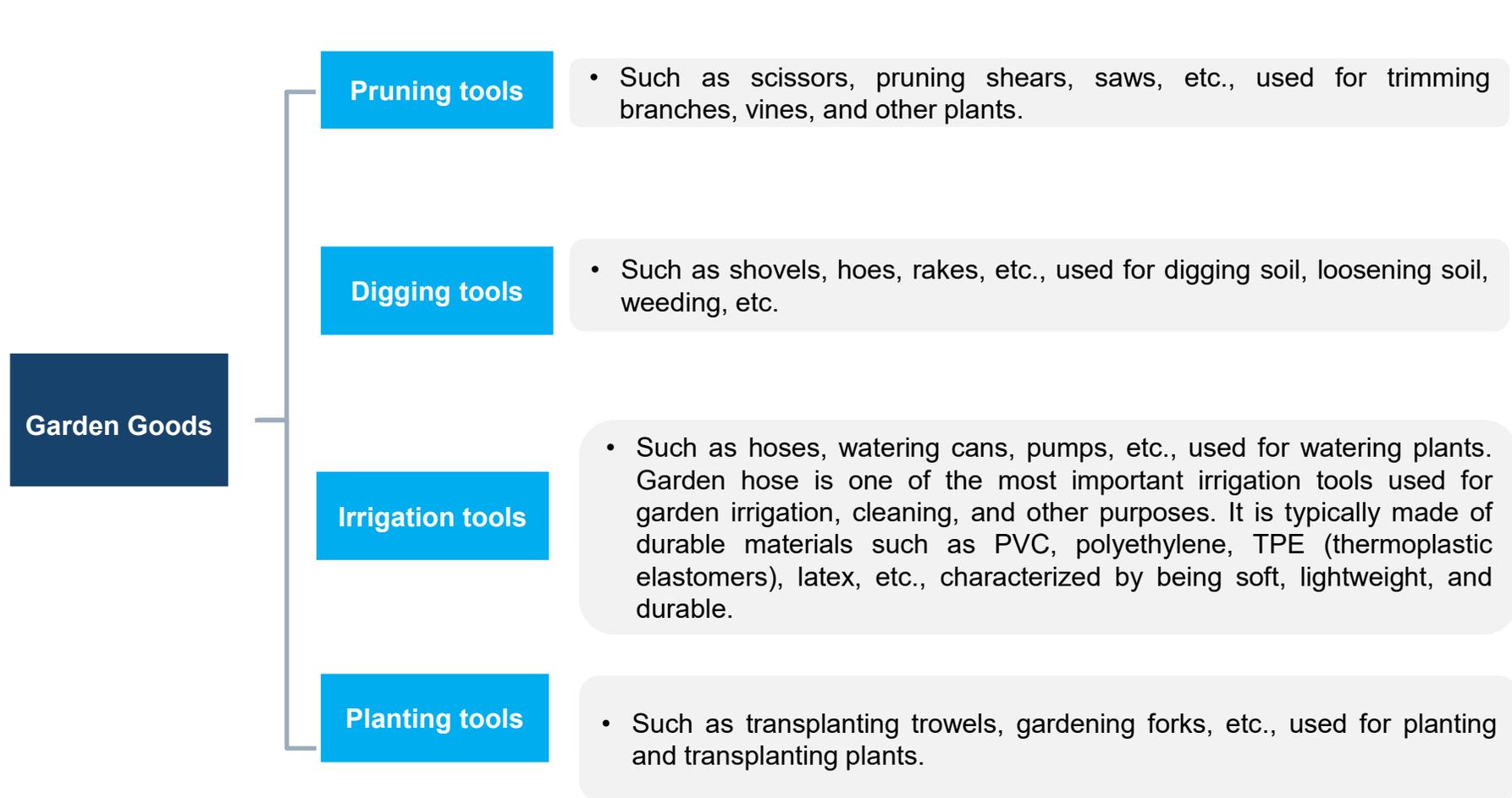


Overview of Global Garden Hose Industry

Definition and Classification

Garden Goods

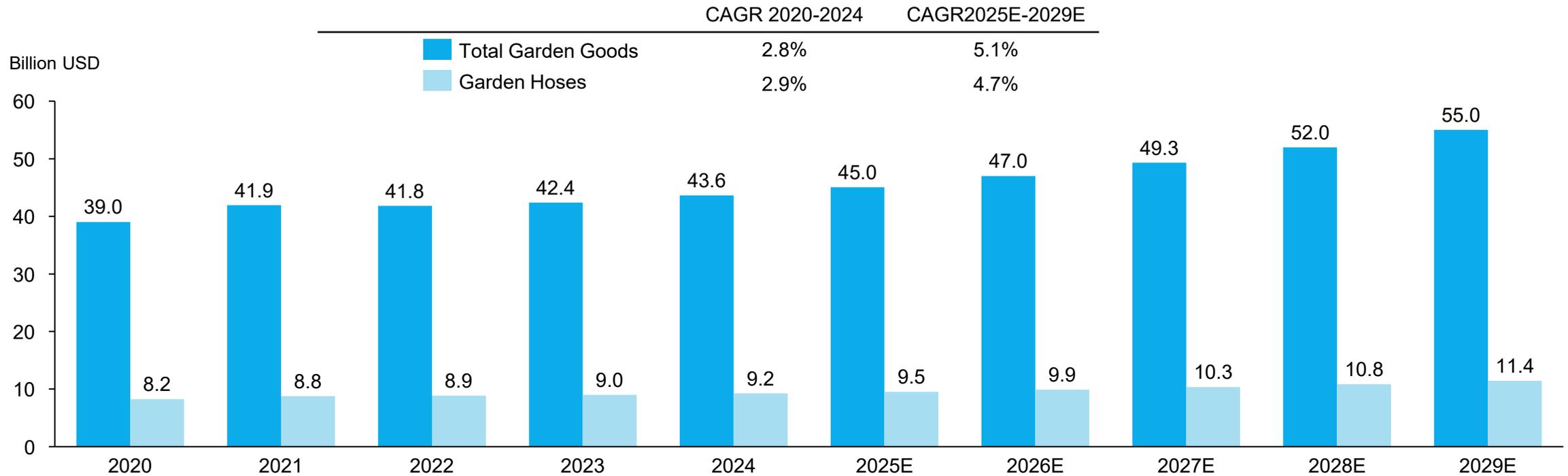
Garden goods refer to tools, machines, or devices specifically designed for gardening and outdoor maintenance. These tools assist with various tasks such as planting, trimming, watering, mowing, and overall garden landscape maintenance.



Overview of Global Garden Hose Industry

Market Size of Garden Hose and Garden Goods Industry

Market Size of Garden Hose and Garden Goods Industry by Retail Value, 2020-2029E

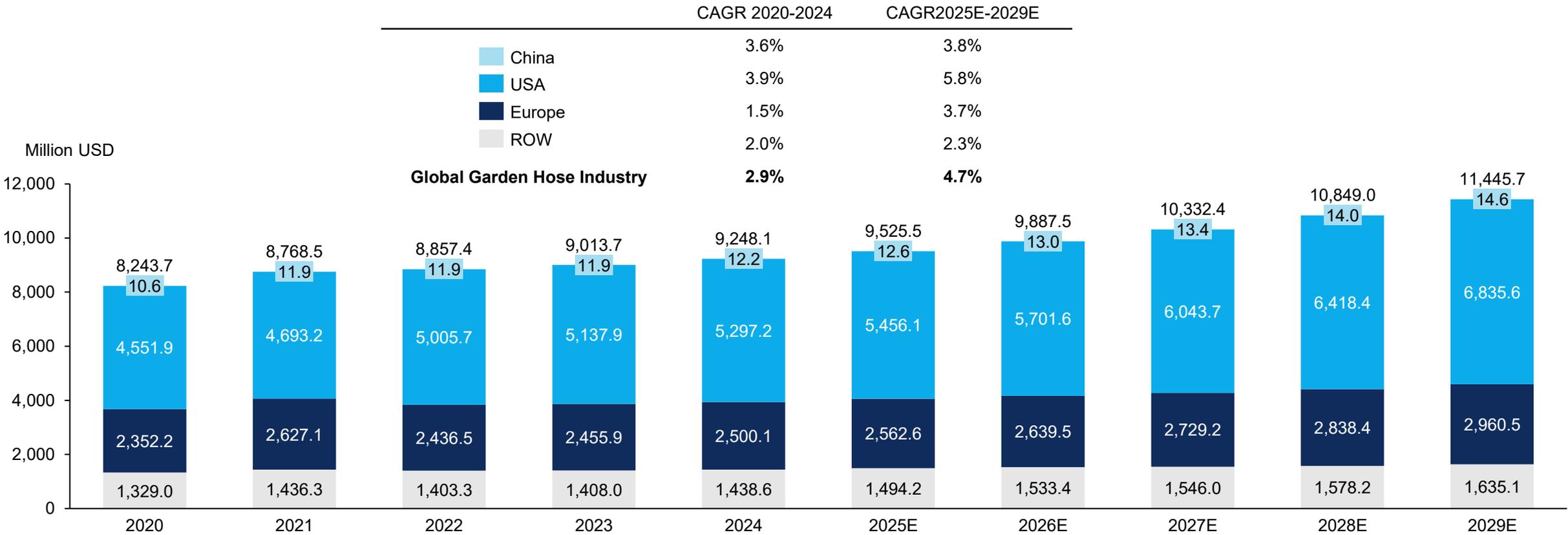


- As the global economy expands and the demand for high-quality lifestyles rises, an increasing number of consumers are investing in personal gardens and there are ongoing shift towards outdoor living and rising popularity of gardening as a leisure activities which fueled the significant growth of the garden goods market. Within this broader market of garden goods, garden hoses represent a critical segment. The retail value of the garden hose market increased from USD8.2 billion in 2020 to USD9.2 billion in 2024, reflecting a CAGR of 2.9%. This growth is attributed to the increasing adoption of high-performance and durable garden hose products that cater to both amateur gardeners and professional landscapers. As the garden goods industry continues to expand, the market size of garden hoses is projected to grow from USD9.5 billion in 2025 to USD11.4 billion by 2029, with a CAGR of 4.7%.

Overview of Global Garden Hose Industry

Market Size of Garden Hose Industry by Retail Value by Region

Market Size of Garden Hose Industry by Retail Value by Region, 2020-2029E



- The United States has been the largest garden hose market in the world over the past five years, accounting for over 50% of the global market. Driven by the growing popularity of gardening, the U.S. garden hose industry has seen rapid growth in recent years, with its retail value rising from USD4.6 billion in 2020 to USD5.3 billion in 2024, with a CAGR of 3.9%. Looking ahead, the market is expected to continue its upward trajectory, fueled by rising participation in gardening activities, increased gardening spending, and ongoing innovation in garden hose products. The retail value of the U.S. garden hose industry is projected to grow from USD5.5 billion in 2025 to USD6.8 billion in 2029, representing a CAGR of 5.8%.

Overview of Global Garden Hose Industry

Market Drivers and Trends Analysis

Increasing Gardening Activities in Pursuit of high-quality life

Gardening has a rich tradition in the United States and Europe, fostering widespread participation that creates a large, stable market for garden hoses and related products. As living standards improve, gardening has gained popularity not only as a hobby but also as a means of home maintenance. This shift has led to a significant increase in demand for gardening supplies, particularly garden hoses, which are essential for maintaining garden spaces and enhancing the aesthetic appeal of living environments. In developed regions like the United States and Europe, higher average incomes enable many households to enjoy and care for their private gardens. The rising interest in gardening, coupled with the pursuit of a higher quality of life, is driving steady expansion in the garden hose market. Garden hoses, as essential tools, are well-positioned to meet consumer expectations for quality and functionality. Moreover, increasing expenditures on gardening reflect a growing trend as more consumers invest in outdoor spaces for recreation, aesthetics, and sustainable practices. As households continue to embrace gardening for leisure, beauty, and self-sufficiency, the garden hose industry benefits from a reliable customer base and a strong demand pipeline.

Emerging Planting Demand and Consumer Groups

The trend toward home-grown vegetables and eco-friendly landscaping has spurred the need for high-quality, durable hoses. As urban and suburban residents expand their gardening activities, demand grows for specialized hoses, including those designed for drip irrigation, flexibility, and eco-friendly materials, making garden hoses an essential component of household gardening expenses. In addition, growing participation in gardening activities is driving increasing demand for garden hoses. The gardening household population in the United States increased from 95.8 million in 2020 to over 120.0 million in 2024. Moreover, rising expenditures on gardening activities reflect a growing trend as more consumers invest in outdoor spaces for recreation, aesthetics, and sustainable practices. The average household gardening expenditure in the U.S. rose from USD458 in 2020 to over USD700 in 2024. This growing investment in gardening is driving demand for related products, including garden hoses, and is expected to further expand the market for garden hose products as more consumers engage in outdoor home improvement and landscaping.

Advancements in Technology and Product Performance

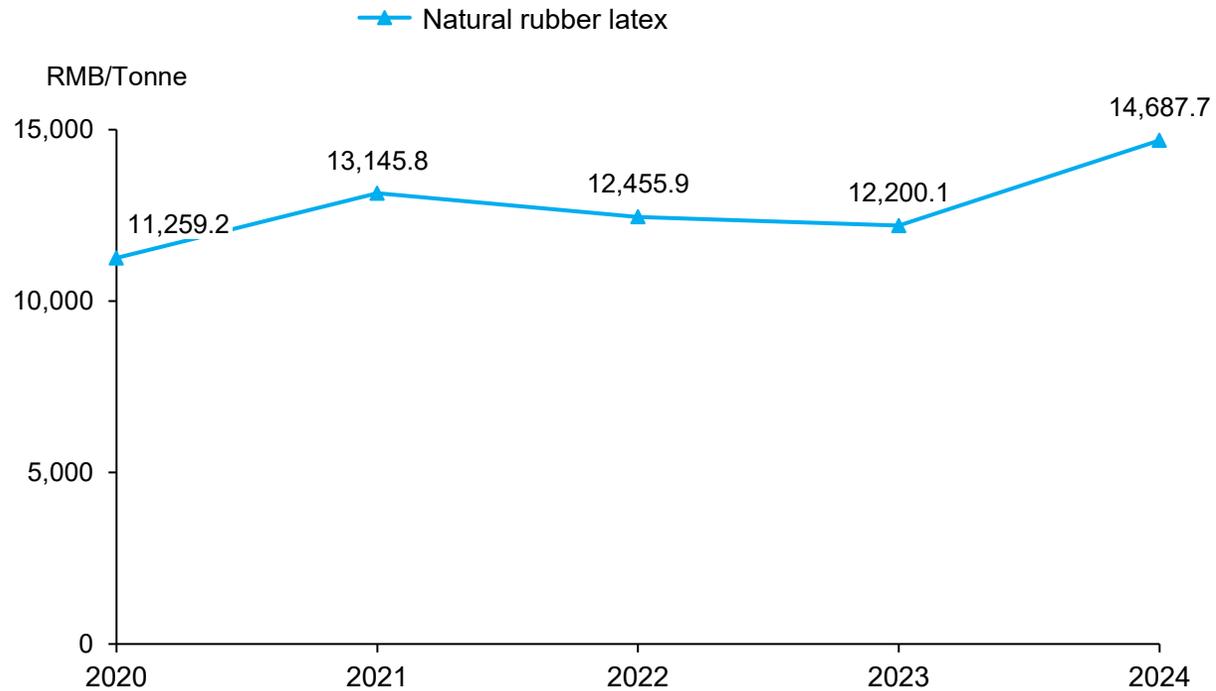
The garden hose market is undergoing substantial evolution in technology and product performance, driven by consumer demand for enhanced functionality and convenience. Automatic extension garden hoses are increasingly popular for their ease of handling, storage, and transport, making them particularly well-suited for garden spaces. Durability is a top priority, with consumers seeking hoses that resist kinking, extreme temperatures, and long-term wear. New models incorporate advanced features such as ultra-high temperature and burst tolerance, as well as the ability to function under extreme low temperatures. In addition, the industry is focusing on material innovations, utilizing soft yet resilient materials and thicker inner tube designs for added reliability. New designs featuring polyester-braided outer layers and latex inner tubes offer superior elasticity, high-temperature resilience, and freeze resistance, making them versatile for a variety of outdoor tasks. Furthermore, the growing emphasis on eco-friendly materials and sustainable production methods contributes to product longevity and safety while aligning with consumer interest in environmentally responsible gardening tools. This combination of advanced features, durability, and sustainability is driving continuous innovation in the garden hose market, ensuring that products not only meet but exceed evolving consumer expectations.

Source: Frost & Sullivan

Overview of Global Garden Hose Industry

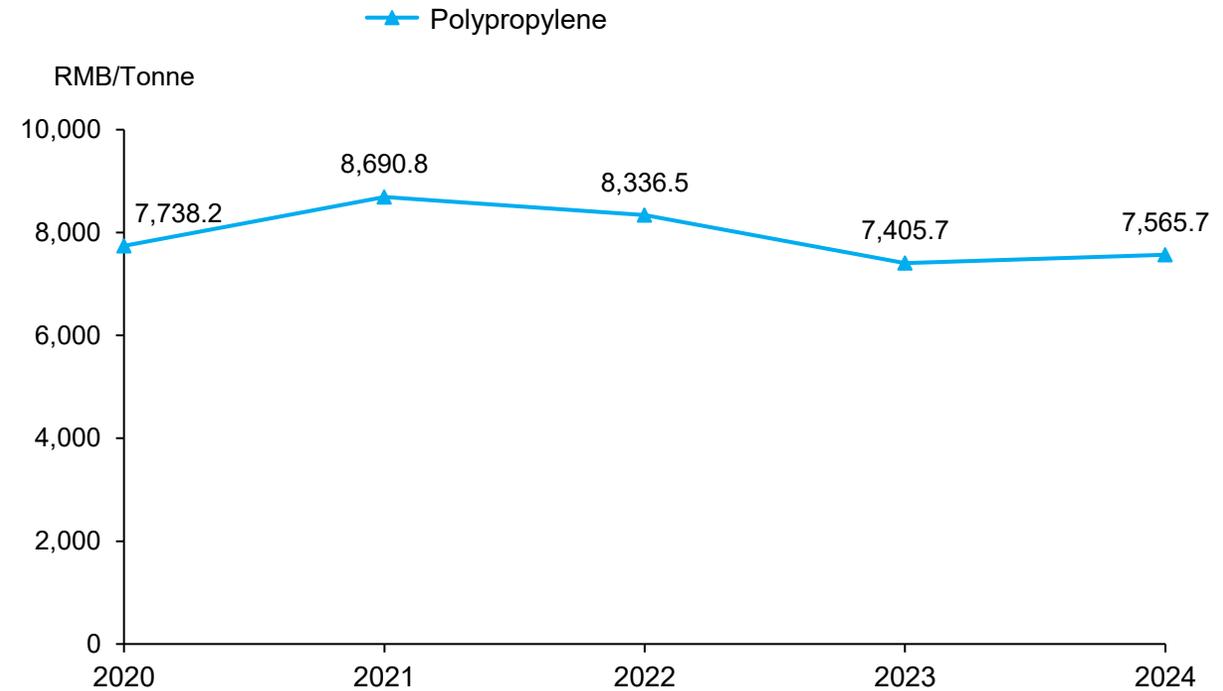
Raw Material Analysis

Average Prices of Nature Rubber Latex (China), 2020-2024



- Natural rubber latex is a milky fluid that is collected from the rubber tree. It is composed mainly of water along with rubber particles, proteins, lipids, sugars, and other compounds. Natural rubber latex is widely used in the production of various products such as gloves, balloons, garden hose, and other rubber products. Affected by tight supply caused by abnormal weather, the average price of rubber latex in China rose to RMB14,687.7 per tonne in 2024.

Average Prices of Polypropylene (China), 2020-2024



- PP (Polypropylene) is a lightweight, chemically resistant material recognized for its durability and versatility. It is widely used in the production of various types of pipes and hoses, including garden hoses, due to its ability to endure harsh environmental conditions and chemical exposure. The average price of polypropylene in China has remained relatively stable, reaching RMB7,565.7 per tonne in 2024.

Overview of Global Garden Hose Industry

Industry Barrier Analysis

1

Technological Barrier

- In the garden hose market, technical barriers encompass the use of advanced materials and construction techniques, as well as innovative design features that complicate product development. Achieving high performance in areas such as temperature and pressure resistance, as well as freeze resistance, involves complex engineering that new entrants may find challenging to replicate without significant investment in R&D. The existing patents and intellectual property rights on these technologies present substantial hurdles, requiring new entrants to navigate legal constraints while striving to develop competitive products. In addition, the leading suppliers in the garden hose industry are continuously promoting the deployment of automated and intelligent production equipment in their manufacturing factories, which will further strengthen their competitive position in the market.

2

Customer Network Barrier

- Established garden hose manufacturers have built extensive customer networks over time, leveraging their OEM/ODM models to secure long-term partnerships and client relationships. New entrants must navigate the complexities of establishing their own customer networks, often requiring significant effort to forge new partnerships and build credibility within the industry. Additionally, existing manufacturers benefit from established relationships and loyalty among their clientele, which new entrants must develop from the ground up.

3

Supply Chain Barrier

- Building relationships with reliable suppliers for raw materials and components can be both challenging and time-consuming for new entrants. Effective supply chain management is essential for controlling costs and ensuring timely product delivery, which new players may initially struggle with. Furthermore, established companies often have well-developed risk management strategies to handle supply chain disruptions—a capability new entrants will need to develop to effectively mitigate potential risks.

4

Capital Barrier

- Establishing production facilities for garden hoses requires a significant investment in machinery, equipment, and raw materials, necessitating substantial capital for infrastructure and technology. Additionally, developing innovative products demands considerable funding for research and development. New entrants must also invest heavily in marketing, advertising, and brand-building campaigns to gain market visibility and attract consumers, which can be particularly costly in the initial stages.

Overview of Global Garden Hose Industry

Development Challenge Analysis

Supply Chain Disruptions

- Managing a global supply chain for garden hoses can be complex and vulnerable to disruptions. Fluctuations in the availability and cost of raw materials, transportation delays, and geopolitical tensions can impact production schedules and cost control. Especially in today's escalating trade tensions, leading garden hose manufacturers are strategically expanding their global production networks to enhance the resilience of their supply chains and improve their capacity for global delivery. Ensuring a reliable supply of components and managing logistics effectively are critical for maintaining consistent product availability and competitive pricing.

Regulatory Compliance and Environmental Standards

- The industry faces increasing pressure to meet stringent environmental regulations and sustainability standards. Compliance with these regulations requires investment in eco-friendly materials and production processes, which can drive up costs. Additionally, navigating varying regulatory requirements across different regions can be challenging for global manufacturers.

Technological Innovation and Competition

- The rapid pace of technological advancements in garden hoses, such as smart technologies and energy-efficient features, requires continuous investment in research and development. Manufacturers must stay ahead of trends and incorporate the latest innovations to remain competitive. This need for ongoing innovation can be resource-intensive and requires balancing technological advancements with cost-effectiveness.

Overview of Global Garden Hose Industry

Competitive Landscape Analysis

- The global garden hose market is highly fragmented with numerous participants, especially in China. Many companies operate on a smaller scale, focusing on mid-to-low-end products, which intensifies competition. However, as technology advances and consumer preferences shift towards higher-quality and innovative products, there is increasing emphasis on product differentiation. Companies that invest in R&D to develop advanced features—such as enhanced durability and self-retracting mechanisms—can gain a competitive edge. Additionally, global competition and existing patents create barriers for new entrants, making it essential for companies in the garden hose industry to continually innovate and adapt to thrive in this dynamic market.
- In 2024, the export value of the Company's garden hose series products (Customs HS Codes 39173900 and 40091200) to the U.S. accounted for 11.72% of China's total export value to the U.S., securing a leading position in the industry.

Customs Goods and HS Codes	Exporter Country	Units	China's Export Value in 2024	Our Group's Export Value of Garden Hose in 2024	Our Group's Market Share in China (%)
Plastic pipes, not specified (39173900) & pipes with accessories not reinforced or combined with other materials (40091200) ¹	The U.S.	RMB Million	2,348.97	275.30	11.72%

Notes: 1. The corresponding company products under "Customs HS Code 39173900" are garden hose series (aluminum head hoses, ribbed bungee hoses etc.); the corresponding company products under "Customs HS Code (40091200)" are latex garden hoses.

Overview of Global Garden Hose Industry

Competitive Landscape Analysis

Top Five Companies in China's Garden Hose Industry by Export Value, 2024

Ranking	Company Name	Export Value of Garden Hoses in 2024 (RMB Million)	Market Share
1	Our Group	285.1	2.7%
2	Ningbo Daye Garden Industry Co., Ltd.	230	2.2%
3	Puning Xinhongjie Plastic Co., Ltd.	200	1.9%
4	Zhejiang Helen Garden Co., Ltd.	160	1.5%
5	Zhejiang Tianti Rubber & Plastic Technology Co., Ltd.	130	1.2%
TOP 10		1,005.1	9.5%
TOTAL		10,607.5	

- The total export value of garden hoses in China reaching approximately RMB10.6 billion in 2024, and the top five players holding a market share of approximately 9.5%. The export value for our Group was approximately RMB285.1 million in 2024, ranking the 1st among the market participants in China and accounting for a market share of 2.7%.

Source: General Administration of Customs of PRC, Interviews with Industry Experts, Frost & Sullivan

Overview of Global Garden Hose Industry

Competitive Landscape Analysis

Company Name	Establish Year and Registered Place	Listed or Not	Major Business Model
Ningbo Daye Garden Industry Co., Ltd.	2001 Ningbo, Zhejiang	Unlisted	OEM/ODM
Puning Xinhongjie Plastic Co., Ltd.	2009 Puning, Guangdong	Unlisted	OEM/ODM
Zhejiang Helen Garden Co., Ltd.	2001 Taizhou, Zhejiang	Unlisted	OEM/ODM
Zhejiang Tianti Rubber & Plastic Technology Co., Ltd.	2012 Taizhou, Zhejiang	Unlisted	OEM/ODM

Source: Frost & Sullivan

Agenda

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Impact Analysis of Sino-U.S. and the Global Trade Tension on the Global Small Home Appliances and Non-electric Household Goods Industry (1/2)

- **Price Competitiveness of Chinese Manufacturing and Market Adaptability:** Small home appliances and non-electric household goods are typically sold at relatively low prices, with consumers showing less sensitivity to price changes. Consumers tend to be less sensitive to price changes for low-priced small home appliances and non-electric household goods due to certain key factors. Firstly, such products are often associated with convenience-oriented and routine purchasing behavior. For small kitchen appliances or garden hoses, they are replaced based on practical daily needs rather than planned spending cycles. Secondly, these items typically fall within a low-to-moderate price range, where consumers may be less inclined to conduct extensive price comparisons or delay purchases in anticipation of discounts. As a result, modest price fluctuations may not significantly affect consumer demand, particularly when the products are purchased for daily needs and use. China is one of the cheapest sources for these products to the U.S., thanks to its established supply chain and experience in manufacturing at lower costs while maintaining quality. Therefore, even though the U.S. is imposing additional tariffs on Chinese products, which could lead to price increases, this change has limited impact on consumers' purchasing decisions. With their inherent cost advantage, Chinese manufacturers are likely to maintain competitiveness in the U.S. market, even in the face of higher tariffs.
- **The Continued Dependence of the U.S. on Imports from China:** For many years, the U.S. has been heavily reliant on imports of small home appliances and non-electric household goods from China, making China one of the largest export countries for these products to the U.S. Over the past decade, China's role as a key supplier has been firmly established. According to data from the International Trade Administration of the U.S. Department of Commerce, over the past ten years, China has consistently been the largest source of U.S. imports in the Electrical Equipment, Appliances & Components category. Imports from China have accounted for approximately 30% of the total U.S. import value in this category, highlighting the country's pivotal role in the U.S. supply chain for these products. Due to the long-term and stable relationships between U.S. importers and Chinese manufacturers, it is difficult to quickly alter this dependence in the short term. The dependence of U.S. importers on Chinese manufacturers has been built over decades, driven by cost efficiency, large-scale production capabilities, and a well-integrated industrial ecosystem spanning raw materials, manufacturing, and logistics. Long-term partnerships with Chinese suppliers have ensured reliability, quality, and competitive pricing. Shifting away from these established relationships is not simply about finding new suppliers. It involves reconfiguring entire supply chains, which demands time, investment, and strategic planning. In the short term, diversification efforts are limited by infrastructure gaps, workforce constraints, and insufficient capacity in alternative markets. Additionally, new supply chain setups may lead to higher labor costs, logistical inefficiencies, and regulatory complexities, making it difficult for U.S. importers to quickly reduce their reliance on China without facing disruptions, cost increases, or quality concerns. As a result, while the additional tariffs may increase import prices, this does not imply that the U.S. market will be able swiftly pivot to domestic supplies or other countries, not to mention when other popular manufacturing hubs, such as Vietnam, are also subject to tariff. The established supply chain and experience in manufacturing at lower costs with consistent quality continue to give Chinese manufacturers a competitive edge, even amidst the tariff challenges.

Source: Frost & Sullivan

Impact Analysis of Sino-U.S. and the Global Trade Tension on the Global Small Home Appliances and Non-electric Household Goods Industry (2/2)

- **China's Advantage in Global Supply Chains:** China's mature and efficient supply chain network has long been a key factor in its dominance in producing and shipping small home appliances and non-electric household goods globally at low costs. This comprehensive advantage in material procurement, production efficiency, technological accumulation and labor resources enables Chinese manufacturers to maintain a leading position in the global market, particularly in the U.S. Although manufacturers in regions such as Southeast Asia are gradually becoming more competitive in terms of price and capacity, they still lag behind China in crucial areas such as production technology, supply chain management and infrastructure development. These gaps make it difficult for U.S. importers to find viable alternatives in the short term, given that they face significant time and financial costs when switching to new suppliers due to a range of complex and interrelated factors. The process involves extensive sourcing and evaluation, including factory audits and product testing, which demand both time and investment. Legal and administrative burdens also increase as new contracts are negotiated and regulatory certifications updated. Operationally, retailers must adapt logistics, inventory systems, and shipping arrangements which also means there are risks of delays or stock outs. In addition, integrating new suppliers often requires modifications to production processes, system upgrades and staff retraining. Compounding these challenges are reputational risks, because any lapse in quality or delivery during the transition can erode consumer trust and necessitate further spending on customer retention and brand repair. The foregoing collectively ensures China's continued dominance in the sector despite increasing competition from other countries. As a result, Chinese manufacturers are likely to remain the preferred supplier to the U.S. market in the near future.
- **Overseas Retailers' Preference for Stable Suppliers:** Overseas retail chains and reputable brand owners tend to maintain long-term stable relationships with a limited number of approved suppliers. Switching to new suppliers involves significant time and financial costs. Despite the rising tariffs, these retailers are likely to continue their collaboration with Chinese suppliers due to the latter's reliability in terms of quality, price and supply chain stability, avoiding the risks and uncertainties of changing suppliers.
- **International Expansion of Leading Chinese Small Home Appliance Manufacturers:** Leading Chinese small home appliance and non-electric household goods manufacturers have been actively expanding their overseas production capacity. Through international production layouts, they can better cope with the challenges brought about by trade tension. By establishing overseas production bases or partnerships, these manufacturers reduce their dependence on single markets and gain the flexibility to adjust production capacity and supply chains, thereby maintaining their competitive edge in the global market.

Source: Frost & Sullivan

Supporting Statements

- “Our Group generally record relatively higher revenue in the second half of each year which coincides with festivities in the second half of a year.” This seasonality trend is consistent with the industry norm.
- Chinese small kitchen appliance manufacturing companies are establishing overseas production facilities and as at the Latest Practicable Date, six (excluding Our Group) out of the top 10 companies in China’s small kitchen appliance industry in terms of export value in 2024 have established or have plans to establish their overseas production facilities in Southeast Asia to diversify their supply chain in this mature manufacturing hub.
- The global small home appliance industry is undergoing a significant shift in business models, transitioning from traditional OEM approaches to more integrated ODM + OBM models. A mix of the business models allow these manufacturers to diversify their source of revenue and attain market recognition, expanding market position in the industry.
- In recent years, the PRC government has shown strong support and placed emphasis on revving up and transforming the manufacturing sector in China which was once characterized by bustling assembly lines and labour intensiveness. Series of smart manufacturing pilot initiatives had been launched by the PRC government including the artificial intelligence plus initiative.
- Internationale Funkausstellung Berlin (IFA) is one of the world’s largest consumer electronics and home appliances trade show.
- International product design competitions include Reddot and MUSE Design Awards.
- While the outbreak of COVID-19 had affected various sectors widely in a global context and overall market sentiment, the pandemic also brought opportunities to a number of industries including the household good industry due to change of lifestyle and consumer habits. The COVID-19 pandemic led to more people staying at home and reducing social gatherings, which boosted global demand for small home appliances in 2021.
- China has been investing in Southeast Asia, particularly in the manufacturing sector, that China’s foreign direct investment in the manufacturing sector in Southeast Asia reached USD9.16 billion in 2023, representing an increase of 11.4% from 2022.
- It is estimated that there are around 100 brand owners of small home appliances in the U.S. that had an annual revenue of at least USD50 million.

Research Methodologies

- Frost & Sullivan is an independent global consulting firm, which was founded in 1961 in New York. It offers industry research and market strategies and provides growth consulting and corporate training. Its industry coverage includes automotive and transportation, chemicals, materials and food, commercial aviation, consumer products, energy and power systems, environment and building technologies, healthcare, industrial automation and electronics, industrial and machinery, and technology, media and telecom.
- The Frost & Sullivan's report includes information on global lifestyle household goods industry, global small home appliance industry and global garden hose industry.
- Frost & Sullivan has conducted detailed primary research which involved discussing the status of the industry with certain leading industry participants and conducting interviews with relevant parties. Frost & Sullivan has also conducted secondary research which involved reviewing company reports, independent research reports and data based on its own research database. Frost & Sullivan has obtained the figures for the estimated total market size from historical data analysis plotted against macroeconomic data as well as considered the above-mentioned industry key drivers.
- Frost & Sullivan's Market Engineering Forecasting Methodology integrates several forecasting techniques with the Market Engineering Measurement-based System. It relies on the expertise of the analyst team in integrating the critical market elements investigated during the research phase of the project. These elements include:
 - ✓ Expert-opinion forecasting methodology
 - ✓ Integration of market drivers and restraints
 - ✓ Integration with the market challenges
 - ✓ Integration of the Market Engineering Measurement trends
 - ✓ Integration of econometric variables
- In compiling and preparing the Report, Frost & Sullivan has adopted the following assumptions:
 - ✓ The social, economic and political environment of the globe is likely to remain stable in the forecast period
 - ✓ Related industry key drivers are likely to drive the market in the forecast period

Source: Frost & Sullivan