
INDUSTRY OVERVIEW

The information and statistics that appear in this Industry Overview section have been prepared by CIC and reflect estimates of market conditions based on publicly available sources and trade opinion surveys, and are prepared primarily as a market research tool. References to CIC should not be considered as the opinion of CIC as to the value of any security or the advisability of investing in our Company. Our Directors believe that the sources of information contained in this Industry Overview are appropriate sources for such information and have taken reasonable care in reproducing such information. Our Directors have no reason to believe that such information is false or misleading or that any material fact has been omitted that would render such information false or misleading. The information prepared by CIC and set out in this Industry Overview has not been independently verified by our Group, the Sole Sponsor or any other party involved in the Spin-off and none of them gives any representations as to its accuracy and the information should not be unduly relied upon. The information and statistics contained in this section may not be consistent with other information and statistics compiled within or outside of the PRC.

SOURCE OF INFORMATION

We commissioned CIC, a market research and consulting company founded in Hong Kong and engaging in the provision of professional consulting services across multiple industries, to conduct an analysis of and report on aerosol products used in the automotive beauty and maintenance market in China. The CIC Report was prepared by CIC independent of our influence. The fees paid for the preparation of the CIC Report was HK\$720,000, which we believe reflects the market rate for such reports.

The information and data collected by CIC have been analyzed, assessed, and validated using CIC's in-house analysis models and techniques. Primary research was conducted via interviews with key industry experts and leading industry participants. Secondary research involved analyzing market data obtained from several publicly available data sources, such as the International Monetary Fund and the National Bureau of Statistics of China. The methodology used by CIC is based on analyzing information gathered from multiple levels and ensures that this information is cross-referenced for reliability and accuracy.

The CIC Report contains a variety of market projections which were produced with the following key assumptions: (i) economic and industrial development in China is likely to maintain a steady growth trend during the forecast period; (ii) related key industry drivers are likely to drive the continued growth in China's manufacturing of aerosol products used in the automotive beauty and maintenance market in the forecast period, and these drivers include the increasing purchasing power of households, expanded car parc and changing consumer behavior, supportive policies and regulations for the automobile market in China, and the expansion of online channels for automotive beauty and maintenance services as offered in China; and, (iii) there is no extreme force majeure or unforeseen industry regulations in which the market may be affected dramatically or fundamentally. CIC believes that the assumptions used in preparing the CIC Report, including those used to make future projections, are factual, correct, and not misleading. The reliability of the CIC Report may be affected by the accuracy of the foregoing assumption and factors as well as the choice of primary and secondary sources.

Our Directors confirm that after taking reasonable enquiries, there had been no material adverse change in the market information since the date of the CIC Report which may qualify, contradict, or have an impact on the information set out in this section.

Except otherwise mentioned, all data and forecasts contained in this section are extracted from the CIC Report.

AUTOMOTIVE BEAUTY AND MAINTENANCE MARKET IN CHINA

Overview of the automotive beauty and maintenance market

The automotive beauty and maintenance market consists of automotive beauty market, automotive maintenance market, and automotive minor repair market.

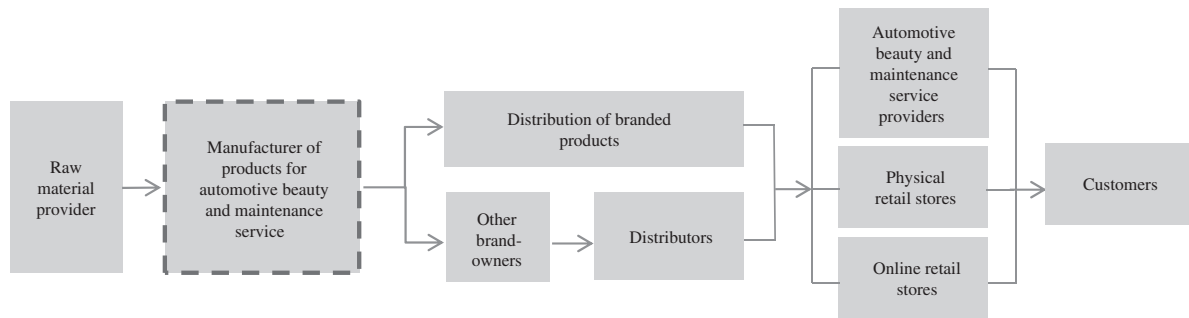
- Automotive beauty services refer to services that can help improve the exterior appearance of automobiles, with such services often focusing on increasing surface gloss, removing dust, blocking out ultraviolet rays, and preventing surface aging.
- Automotive maintenance services refer to the cleaning and maintenance of an automobile's interior appearance as well as auto parts, with such services often focusing on preventing the failure of auto parts in advance and extending the service life of the automobile.

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- Automotive minor repair services refer to the servicing of minor repairs and the replacement of auto parts, with such services often focusing on fixing minor problems, and ensuring the safety of automobiles.

Value chain of the automotive beauty and maintenance market

The graph below presents the value chain of the automotive beauty and maintenance market in China:



Manufacturer is responsible for the manufacturing of automotive beauty and maintenance products in production lines, turning raw material into final products. A strong distribution network can provide a great deal of support for the sale of automotive beauty and maintenance products in terms of enhancing a brand's presence and increasing its overall share in the market.

A majority of customers in the PRC tend to consume automotive beauty and maintenance service directly from service providers, such as 4S stores, franchised maintenance service stations, comprehensive repair workshops, quick repair chain stores, special repair shops and a large number of smaller roadside shops. In some cases, a minority of customers will also choose to purchase automotive beauty and maintenance products directly from physical retail stores or order from online retail stores on their own.

Market size of the automotive beauty and maintenance market

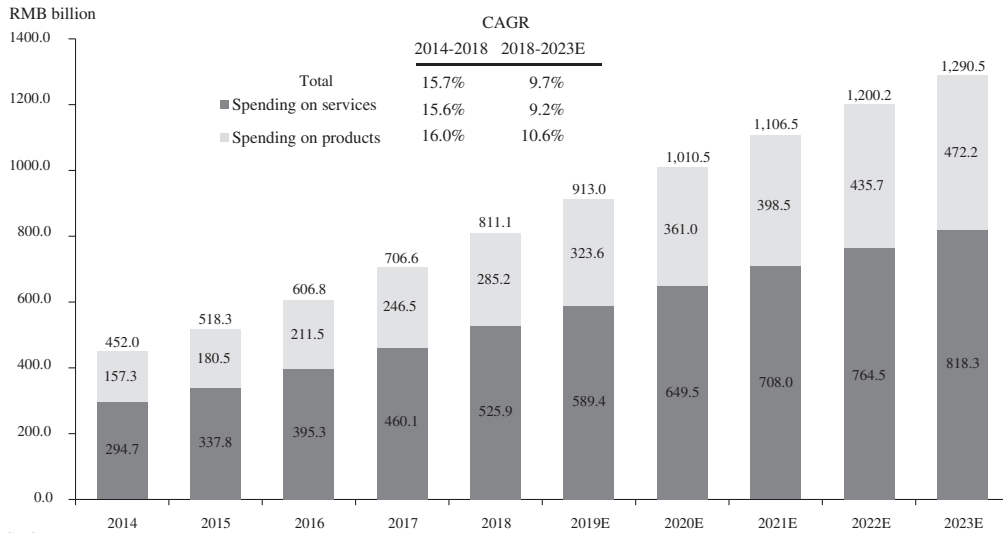
Based on different types of private consumption, the customer expenditures in the automotive beauty and maintenance market can be categorised into spending on either services or products in meeting different consumption demands.

With ongoing changes in consumer behavior and a shift towards higher automobile ownership, consumption in the automotive beauty and maintenance market have expanded significantly between 2014 and 2018. Total expenditures, including spending on both products and services, increased from RMB452.0 billion in 2014 to RMB811.1 billion in 2018, representing a CAGR of 15.7% between 2014 and 2018. Since an increasing number of cars is expected to stimulate private consumption in the automotive beauty and maintenance market, total expenditures on products and services are therefore expected to continue growing to RMB1,290.5 billion by 2023, with a CAGR of 9.7% between 2018 and 2023.

Total customer expenditures on products in the market increased from RMB157.3 billion in 2014 to RMB285.2 billion in 2018, representing a CAGR of 16.0% between 2014 and 2018. It is forecasted that along with the development of the automotive beauty and maintenance market, expenditures on products will continue growing to RMB472.2 billion by 2023, with a CAGR of 10.6% between 2018 and 2023.

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Consumer expenditure of automotive beauty and maintenance services and products, China, 2014-2023E



Source: CIC

In the automotive beauty and maintenance product market, based on the form of product, major products used in the automotive beauty and maintenance market can be categorised into aerosol products, liquid products, and cream products.

ANALYSIS OF AEROSOL PRODUCTS USED IN THE AUTOMOTIVE BEAUTY AND MAINTENANCE MARKET IN CHINA

Overview of aerosol products used in the automotive beauty and maintenance market

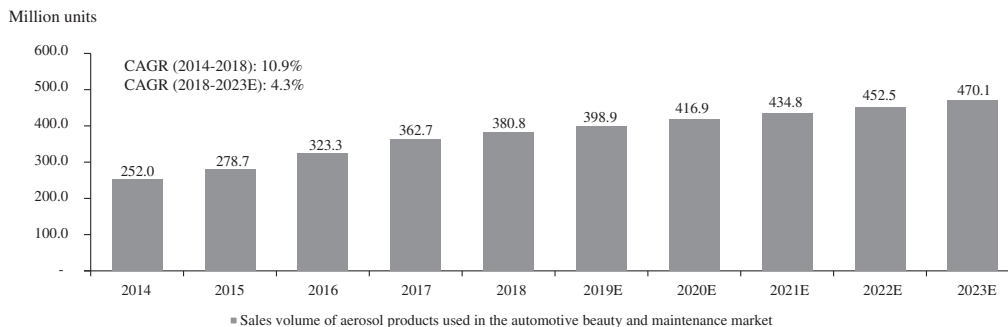
Aerosol products are a mixture of liquefied gas, propellant, solvent, and active ingredients that are packaged under pressure in a container that includes a valve.

Major aerosol products used in the automotive beauty and maintenance market include auto interior decoration cleaning products, engine & auto parts maintenance products, tire & wheel cleaning and care products, auto air conditioner cleaning products, brakes & auto parts cleaning products, glass cleaning products, and others.

Market size of aerosol products used in the automotive beauty and maintenance market

In keeping with the continued development of the automotive beauty and maintenance market, the total sales volume of aerosol products in this market increased significantly from 252.0 million units in 2014 to 380.8 million units in 2018, representing a CAGR of 10.9% between 2014 and 2018. Driven by the expansion of sales channels for aerosol products and increasing purchasing power enjoyed by consumers, the total sales volume of aerosol products used in the automotive beauty and maintenance market is forecasted to continue expanding at a CAGR of 4.3% between 2018 and 2023 to reach 470.1 million units by 2023.

Sales volume of aerosol products used in the automotive beauty and maintenance market, China, 2014-2023E

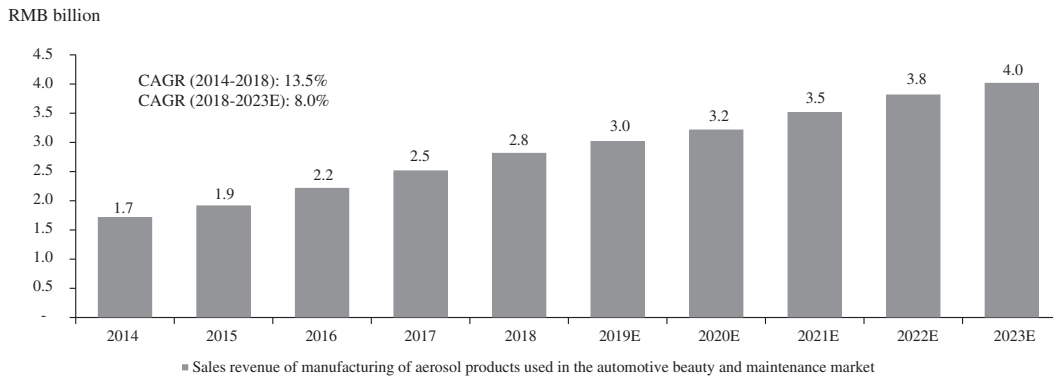


Source: China Packaging Federation, CIC

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In terms of the ex-factory price, the total sales revenue of manufacturing of aerosol products used in automotive beauty and maintenance market increased from RMB1.7 billion in 2014 to RMB2.8 billion in 2018, representing a CAGR of 13.5% between 2014 and 2018. With increasing procurement costs of major raw materials, the average price of final product is forecasted to slightly increase in the following years. Hence, with expanded sales volumes and an expected increase in price, the sales revenue of aerosol products used in the automotive beauty and maintenance market is expected to continue growing to RMB4.0 billion by 2023, with a CAGR of 8.0% between 2018 and 2023.

Sales revenue of the manufacturing of aerosol products used in the automotive beauty and maintenance market in terms of ex-factory price, China, 2014-2023E



Source: China Packaging Federation, CIC

Market drivers of the automotive beauty and maintenance market:

1) Increasing purchasing power of households in China

With increasing purchasing power, driven by the growing disposable incomes, more households in China will be able to purchase private passenger cars for the convenience of transportation, which will accordingly drive the automotive beauty and maintenance service market, as these services and related products are necessities for the continuous usage of passenger cars.

Given the steady economic growth and on-going urbanisation in China, annual per capita disposable incomes have been increasing, which indicates that consumers in China have gained greater purchasing power. The annual per capita disposable income of urban households is expected to increase with a CAGR of 6.9% between 2018 and 2023, and reach RMB54,906 by 2023; while the annual per capita net income of rural households is expected to increase to reach RMB21,399 by 2023, with a CAGR of 7.9% between 2018 and 2023.

Meanwhile, per capita consumption on transportation and communication, according to the National Bureau of Statistics of China, accounted for 13.5% of the per capita total consumption in 2018, and with the growing disposable incomes, this consumption is expected to continue increasing in the following years. Hence, with the increasing purchasing power, the sales volume of new passenger cars is expected to continue growing at a CAGR of 3.7% between 2018 and 2023, which will accordingly drive the demand for automotive beauty and maintenance services and products.

2) Expanded car parc and changing consumer behaviors

The total car parc in China has expanded steadily during the track record period. It is forecasted that with the continued growth in the sales volume of new automobiles, the total car parc will continue expanding to reach 350.7 million units by 2023, with a CAGR of 8.0% between 2018 and 2023. In particular, the share of the premium cars is forecasted to increase, as its sales volume as a percentage of the total sales volume of cars in China increased from 8.9% in 2014 to 12.7% in 2018. Considering the high-end parts and materials such as premium leather and paint used in premium cars, the owners of these cars are more aware of the importance of automotive beauty and maintenance. According to CIC, over 50% of premium car owners in China are used to purchase automotive beauty and maintenance services and products from external service providers, and they are also more willing to make regular purchase of automotive beauty and maintenance products such as spray paints, tire and wheel cleaning products, wax sprays, etc. Therefore, the expanded car parc, especially the increase in premium cars, will contribute to the continuous increasing sales volume of automotive beauty and maintenance products in China.

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3) Expansion of online sales channels

With the continued increase in the internet penetration rate and the rapid development of the e-commerce market in China, the expansion of online channels has provided great opportunities for the development of the automotive beauty and maintenance market. In addition to e-commerce platforms where car owners can easily purchase automotive beauty and maintenance products and have them delivered to their home, self-operated business platforms have emerged. It provides online-to-offline (O2O) services, that is, service reservation and physical store reservation online, and thus offers greater mobility and convenience for car owners, which in turn stimulate the growth of aerosol products used in the automotive beauty and maintenance market.

Future trends of aerosol products used in the automotive beauty and maintenance market

1) Upgrading of product variety and product features

With continuous advancement of technology in the automotive industry, automobiles have been upgraded continuously. Hence, aerosol products used for automotive beauty and maintenance purposes will likely be constantly upgraded in order to meet new demands arising from upgrades of automobile along with the evolving needs of consumers.

2) Increasing concentration in the manufacturing market of aerosol products

Considering the continuous need for upgrades to aerosol products, those manufacturers of aerosol products having certain proven advantages, including a strong financial base, R&D capabilities, and the ability to provide high-quality products, will likely remain the most qualified manufacturers in the market. The higher standards and requirements in the production of aerosols have prompted manufacturers of aerosol products to implement a full regime covering the supervision of production safety, and to invest in new professional equipment for manufacturing. Therefore, it has become much more difficult for small-sized manufacturers of aerosol products to effectively compete in the market. Under these circumstances, the number of aerosol products manufacturers is expected to decrease, and the market is expected to be more mature and more concentrated.

3) Expansion of creative sales channels

The manufacturing market of aerosol products is facing intense competition resulted from product homogeneity. In order to sustain profitability, manufacturers will continue to expand their sales channels through increasing cooperation with automotive service providers, such as automotive financing service providers and second-hand automobile service providers. These moves are all taking into consideration of the trend of the expansion of sales channels so as to attract more potential customers and thus make greater profits.

Market challenges of aerosol products used in the automotive beauty and maintenance market

1) Increasingly fierce competition

A high degree of product homogeneity has exacerbated the market competition in terms of price competition. Since aerosol products used in the automotive beauty and maintenance market tend to have similar product packaging and similarities in their functionality, market participants usually compete in terms of pricing, which ultimately intensifies competition among manufacturers and puts further pressure on the growth of existing companies in the market.

2) Risk of environment pollution in the process of recycling of aerosol products

The recycling of used aerosol products poses another challenge in the automotive beauty and maintenance market. Catalysts and propellants, which are used in the aerosol products, are categorised into fine chemicals and are therefore considered as hazardous waste when disposed of after use. Given the fact that the recycling process of hazardous waste carries an added risk of fire and explosions, the requirements and standards for the recycling of aerosol products are relatively higher than those of other products used in the automotive beauty and maintenance services, which therefore poses another challenge for the sales of aerosol products used in the automotive beauty and maintenance market.

3) Lack of high-skilled talents in R&D

The automotive beauty and maintenance market in China also faces a challenge given the relatively low skill level of employees for the research and development of new products. With the continued technological upgrading of automobiles, the demand for skilled personnel in developing better aerosol products for automotive beauty and maintenance service has also increased, which poses higher requirements for market participants to employ and retain qualified and high-skilled talents. Therefore, a lack of high-skilled employees in R&D department is considered to be an impediment to the continued development of the automotive beauty and maintenance market.

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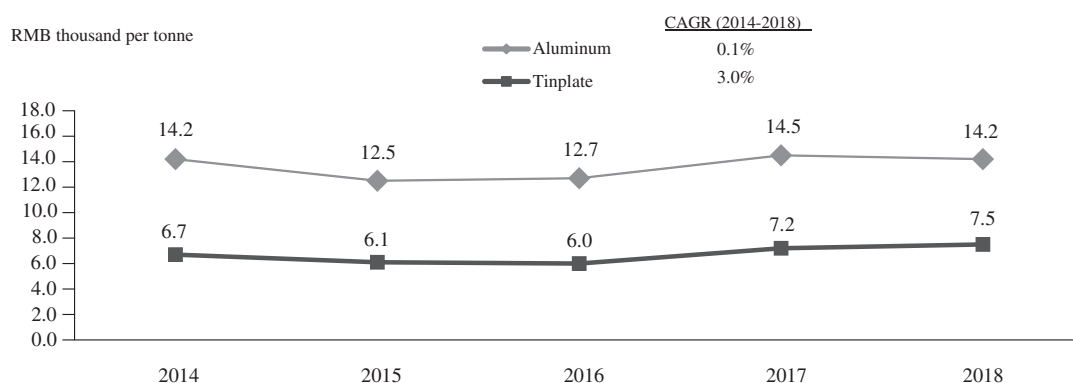
Analysis of raw material of the aerosol products used in the automotive beauty and maintenance market

Packaging cost is one of the major procurement costs for aerosol products manufacturers. The average market price of aluminum decreased from RMB14,206 per tonne in 2014 to RMB12,479 per tonne in 2015, and recovered to RMB14,241 per tonne in 2018, representing a CAGR of 0.1% between 2014 and 2018. The average market price of tinplate decreased from RMB6,665 per tonne in 2014 to RMB5,990 per tonne in 2016, and recovered to RMB7,497 per tonne in 2018, representing a CAGR of 3.0%.

The expected continuous economic growth in China will stimulate the demand for industrial products, such as aluminum and tinplate, thereby the average market price of aluminum and tinplate is expected to increase in the near future.

The table below outlines the average market prices of tinplate and aluminum in China during the period from 2014 to 2018:

Average market prices of tinplate and aluminum, China, 2014-2018



Note:

1. The average market price of tinplate is calculated based on the annual average price of tinplate produced by BaoGang (寶鋼) with a thickness of 0.25mm, 0.28mm, and 0.30mm, that is traded in the Shanghai market.
2. The average market price of aluminum is calculated based on the annual average spot price of A00 aluminum in China's domestic market.

Source: National Bureau of Statistics of China, CIC

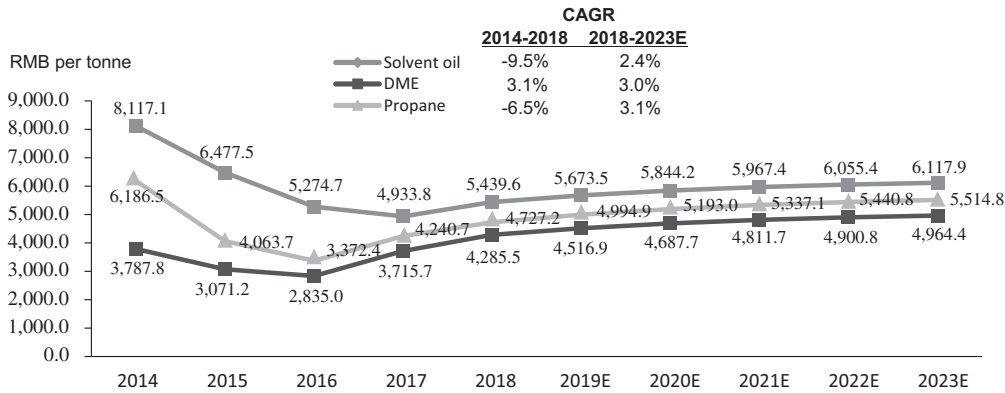
Solvent oil, DME, and propane are the major solvents used in the production of aerosol products. The average market price of solvent oil decreased significantly from RMB8,117.1 per tonne in 2014 to RMB4,933.8 per tonne in 2017, and then recovered to RMB5,439.6 per tonne in 2018, representing a negative CAGR of 9.5% between 2014 and 2018. Due to the drop in the price of global crude oil, the average market price of propane and DME decreased significantly from 2014 to 2016. The average market price of propane decreased from RMB6,186.5 per tonne in 2014 to RMB3,372.4 per tonne in 2016, and then recovered to reach RMB4,727.2 per tonne in 2018, representing a negative CAGR of 6.5% between 2014 and 2018. The average market price of DME decreased from RMB3,787.8 per tonne in 2014 to RMB2,835.0 per tonne in 2016, and recovered to RMB4,285.5 per tonne in 2018, representing a CAGR of 3.1% between 2014 and 2018.

Given the recovery of global crude oil prices since 2017, the average market prices of DME, solvent oil and propane are expected to be relatively stable with slight increase in the forthcoming years, registering CAGRs of 3.0%, 2.4%, and 3.1%, respectively, between 2018 and 2023.

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The table below outlines the average market prices of solvent oil, DME and propane in China during the period from 2014 to 2023:

Average market prices of solvents in aerosol products, China, 2014-2023E



Note:

- The average market price of propane is calculated based on the average ex-factory prices of propane produced by 39 factories in China.
- The average market price of solvent oil is calculated based on the annual average market prices of solvent oil (200#) traded in the Southern, Coastal, Eastern, Northern, and West-northern markets of China.

Source: Jin Yin Dao, CIC

COMPETITIVE LANDSCAPE OF THE MANUFACTURING OF AEROSOL PRODUCTS USED IN THE AUTOMOTIVE BEAUTY AND MAINTENANCE MARKET IN CHINA

The manufacturing of aerosol products used in the automotive beauty and maintenance market is relatively concentrated, with the leading five companies accounting for approximately 35.7% of the total market in terms of sales revenue in 2018.

In 2018, our Company is the leading market participant and ranked in the first place in the market. Its manufacturing business of aerosol products used in the automotive beauty and maintenance market generated a total revenue of HK\$417.5 million (equivalent to RMB363.2 million), accounting for approximately 13.2% of the total manufacturing market for these products in China.

The table below outlines the top 5 market participants in the market in terms of revenue derived from the manufacturing of aerosol products used in the automotive beauty and maintenance market:

Ranking of major competitors in terms of revenue, 2018

Ranking	Company	Listing status	Major products	Revenue (RMB million)	Market share, 2018
1	Our Company	Private	<ul style="list-style-type: none"> • Wax spray, air conditioner cleaning spray, throttle valve cleaner, carburetor cleaner, tire foam cleaner, brake cleaner, anti-fog spray, pitch cleaner, etc. 	363.2*	13.2%
2	Company A	Private	<ul style="list-style-type: none"> • Spray paints, air conditioner cleaners, pitch cleaners, engine surface cleaners, carburetor cleaners, etc. 	290.7	10.5%
3	Company B	Private	<ul style="list-style-type: none"> • Anti-fog spray, anti-rust lubricant, brake cleaner, wax spray, pitch cleaner, etc. 	211.3	7.7%
4	Company C	Private	<ul style="list-style-type: none"> • Spray paint, carburetor cleaner, engine surface cleaner, air conditioner cleaner, etc. 	63.4	2.3%
5	Company D	Public	<ul style="list-style-type: none"> • Spray paint, pitch cleaner, engine surface cleaner, carburetor cleaner, etc. 	55.8	2.0%
			<ul style="list-style-type: none"> • Household air freshener spray 		
	Sub-total			984.4	35.7%
	Other participants			1,774.5	64.3%
	Total			2,758.9	100.0%

*Note: The revenue of our Company is converted to RMB based on the exchange rate of 0.87

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Entry barriers of the manufacturing of aerosol products used in the automotive beauty and maintenance market

1) Licenses for manufacturers of aerosol products

The Chinese government requires that any company engaged in the manufacturing of aerosol products in China to have first obtained a production safety license for hazardous chemicals as issued by the Ministry of Emergency Management of the PRC. Given the increasingly stringent national regulations and requirements on the production of aerosol products, obtaining a manufacturing license is difficult and it creates an initial barrier for new entrants in the market.

2) Large initial capital investment

A large initial capital investment is required before establishing a factory for the manufacturing of aerosol products, such as investments in manufacturing premises, facilities, electrical appliances, personnel recruitment, and so on, which is potentially a large burden for new entrants. If new entrants are not strong financially, they may find it difficult to successfully operate their manufacturing business of aerosol products.

3) Established cooperation with raw material providers and distributors

A well-established cooperative relationship with raw material providers is essential in order to ensure the stable supply of raw materials with a consistent quality. Meanwhile, established cooperation with a strong network of distributors guarantees a continuous revenue stream and a stable number of purchasing orders. Hence, new entrants must be willing to commit a great deal of time in developing partnerships with raw material providers and downstream distributors.

4) Management of manpower and associated costs

The management of manpower and its associated costs remains an important factor when operating a manufacturing business for aerosol products. High labour costs, an aging workforce, labour shortages, and the rising costs of raw materials have all resulted in higher overall operating costs in the manufacturing industry, which continues to remain an entry barrier for new entrants in the market.

Key success factors of the manufacturing of aerosol products used in the automotive beauty and maintenance market

1) Large-scale production capability

The expansion of a manufacturer's production scale serves a number of purposes, including increasing a manufacturer's production efficiency, minimizing operating costs, and maximizing overall profitability. Considering the nature of the business involved in the manufacturing market for aerosol products, developing large-scale production capabilities remains a key success factor for manufacturers if they are to benefit from economies of scale and increase their overall competitiveness in the market.

2) Strong distribution network

The sales and marketing of aerosol products mainly relies on distribution networks that cover downstream markets. A strong capacity for the sound management of dealerships and stable cooperation with famous brand-owners is seen as a critical factor if manufacturer's aerosol products are to succeed in the market. Hence, companies with a long-term accumulation of distribution resources have easier access to downstream distribution channels, ultimately enabling them to be more competitive in the market.

3) Established brand reputation

The popularity of a product's brand has a direct and profound impact on the manufacturer's business development. Since the overall level of a brand's reputation demonstrates the trust and confidence of consumers, a good reputation can provide a huge boost to the sales volumes of branded aerosol products sold in the market. In addition, the reputation enjoyed by aerosol products can help a manufacturer better differentiate its products in what is considered to be a highly competitive. Hence, a strong brand reputation can be one of the major factors in determining the success of a company operating in the market.

Competitive advantages of our Company

Our Company is the leading manufacturer of automotive beauty and maintenance aerosol products in the PRC. Our Company is equipped with high-tech automated production facilities that enable our Company to have unparalleled production capabilities among its peers and be able to develop and produce a wide range of customised aerosol products. Our Company's stringent quality

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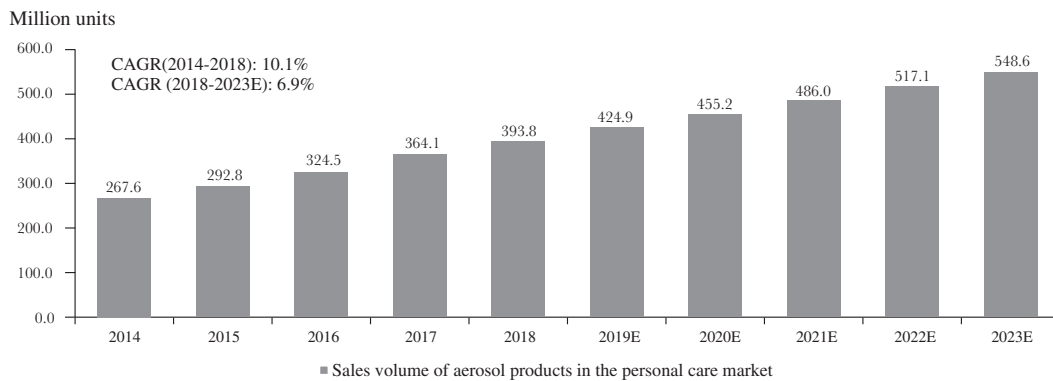
content standards, outstanding product quality, and advanced research and development capability, are essential to its well-established presence and excellent brand image in this competitive market. In addition, our Company has established a strong distribution network in the PRC and a long-term relationship with overseas companies, providing it with a competitive edge over its competitors in the PRC.

ANALYSIS OF AEROSOL PRODUCTS USED IN THE PERSONAL CARE MARKET

Given the advantages of aerosol products, including ease of use, portability, and hygiene, aerosol products have been widely used in the personal care market. The aerosol products used in the personal care market can be categorised into four segments based on the different usage on the body, including hair care products, facial care products, body care products, and foot care products.

Along with the increasing awareness of personal appearance and the development of personal care products market, the sales volume of aerosol products in this market increased significantly from 2014 to 2018, representing a CAGR of 10.1%. Driven by the expansion of distribution channels for aerosol products and with the increasing purchasing power enjoyed by consumers, the sales volume of aerosol products used in the personal care market is forecasted to rise continually at a CAGR of 6.9% between 2018 and 2023 to reach 548.6 million units by 2023.

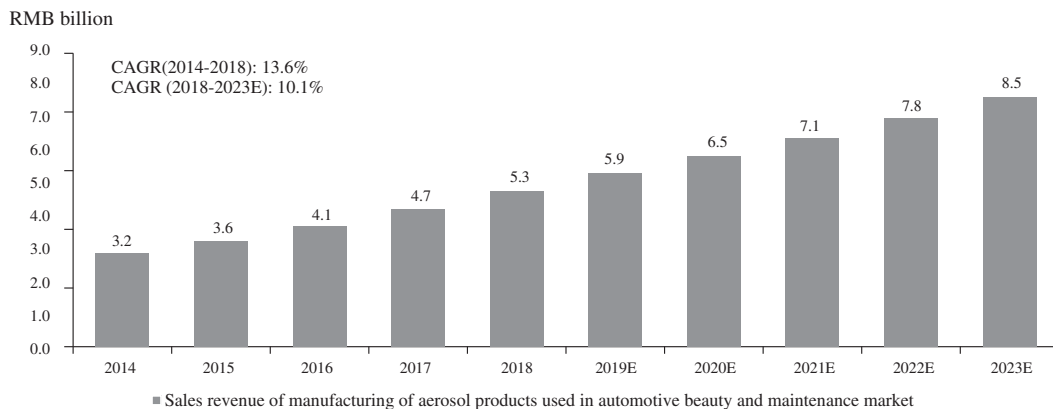
Sales volume of aerosol products used in the personal care market, China, 2014-2023E



Source: China Packaging Federation, CIC

In terms of ex-factory price, the total sales revenue of manufacturing of aerosol products used in the personal care market increased from RMB3.2 billion in 2014 to RMB5.3 billion in 2018, representing a CAGR of 13.6% between 2014 and 2018. Given the increased awareness on personal appearance, and an expected increase in per capita household income over the forecast period, the total sales revenue of manufacturing of aerosol products used in the personal care market in terms of ex-factory price is expected to continue increasing with a CAGR of 10.1% between 2018 and 2023, and reach RMB8.5 billion by 2023.

Sales revenue of manufacturing of aerosol products used in the personal care market in terms of ex-factory price, China, 2014-2023E



Source: China Packaging Federation, CIC

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Market drivers of aerosol products used in the personal care market

1) Increasing purchasing power of residents

Along with the economic growth in China, the annual per capita disposable income of urban households has increased from RMB28,844 in 2014 to RMB39,251 in 2018, indicating that consumers in China have gained greater purchasing power. According to National Bureau of Statistics of China, per capita cash spending on personal care products increased from RMB124.4 in 2014 to RMB213.9 in 2018. Thus, the increase of purchasing power of residents has stimulated consumer spending on the personal care products, which provides more opportunities for the growth of aerosol products used in the personal care market.

2) Increasing awareness of personal appearance

With social and business activities more accessible and popular among the females in China, girls and women have paid more attention on their personal appearance in order to make a good impression. Therefore, the consumption demand for personal care products, such as facial care, body care, and hair care products, among the females are expected to increase along with their increasing disposable incomes. As aerosol products are commonly used in the personal care markets, the growth in the personal care market will drive the sales of aerosol products used in the personal care market.

3) Expansion of distribution channels

In the internet era, according to National Bureau of Statistics of China, the penetration rate of internet users in China increased from 47.9% in 2014 to 59.6% in 2018, which has helped to boost the development of the e-commerce market in China. The significant growth in online market creates more opportunities for the sales of aerosol products in China, and enables the manufacturers to practice their sales business in a more efficient and effective way.

AUTOMOTIVE BEAUTY AND MAINTENANCE MARKET AND PERSONAL CARE MARKET IN JAPAN

Overview of the automotive beauty and maintenance market in Japan

Total sales revenue of automotive beauty and maintenance products sold in Japan increased from HKD35.4 billion in 2014 to HKD37.0 billion in 2018, representing a CAGR of 1.1%. Along with the development of automobile market in Japan and the expansion of retail sales channels for automotive beauty and maintenance products, total sales revenue of automotive beauty and maintenance products is expected to continue increasing to reach HKD41.1 billion by 2023, with a CAGR of 2.1% between 2018 and 2023.

China is the major importer of aerosol products to Japan's automotive beauty and maintenance products market. In 2018, the import volume from China accounted for a share of approximately 30% to 40% of the total import volume of Japan's aerosol products used for automotive beauty and maintenance market.

Overview of the personal care market in Japan

Total sales revenue of personal care products in Japan grew from HKD156.8 billion in 2014 to HKD217.0 billion in 2018, registering a CAGR of 8.5%. The continued demand from inbound tourists and increasing household expenditure on personal care products are the key factors contributing to the future growth of Japan's personal care products market. The sales revenue of this market is expected to continue growing to reach HKD309.8 billion by 2023, with a CAGR of 7.4% between 2018 and 2023.

China is one of the major importers of aerosol products to Japan's personal care products market. In 2018, the import volume of personal care aerosol products from China accounted for approximately 10% to 15% of the total import volume of personal care aerosol products in Japan.