

INDUSTRY OVERVIEW

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SOURCE OF INFORMATION

We have commissioned Frost & Sullivan to provide industry information on interior design industry. We have agreed to pay a fee of RMB500,000 for the report, which will be fully paid prior to the [REDACTED]. Our Directors are of the view that the payment does not affect the fairness of the views and conclusions presented in the Frost & Sullivan Report.

In compiling and preparing the research report, Frost & Sullivan conducted primary research involving telephone and face-to-face interviews with industry participants. Also secondary research, which involved reviewing industry publications, annual reports and data based on its own database, was conducted. Frost & Sullivan presented the figures for various market size projections from historical data analysis plotted against macroeconomic data, as well as data with respect to the related industry drivers and integration of expert opinions. Frost & Sullivan assumed that (i) the social, economic and political environment is expected to remain stable and (ii) key industry drivers are likely to continue to affect the market over the forecast period from 2016 to 2020.

ABOUT FROST & SULLIVAN

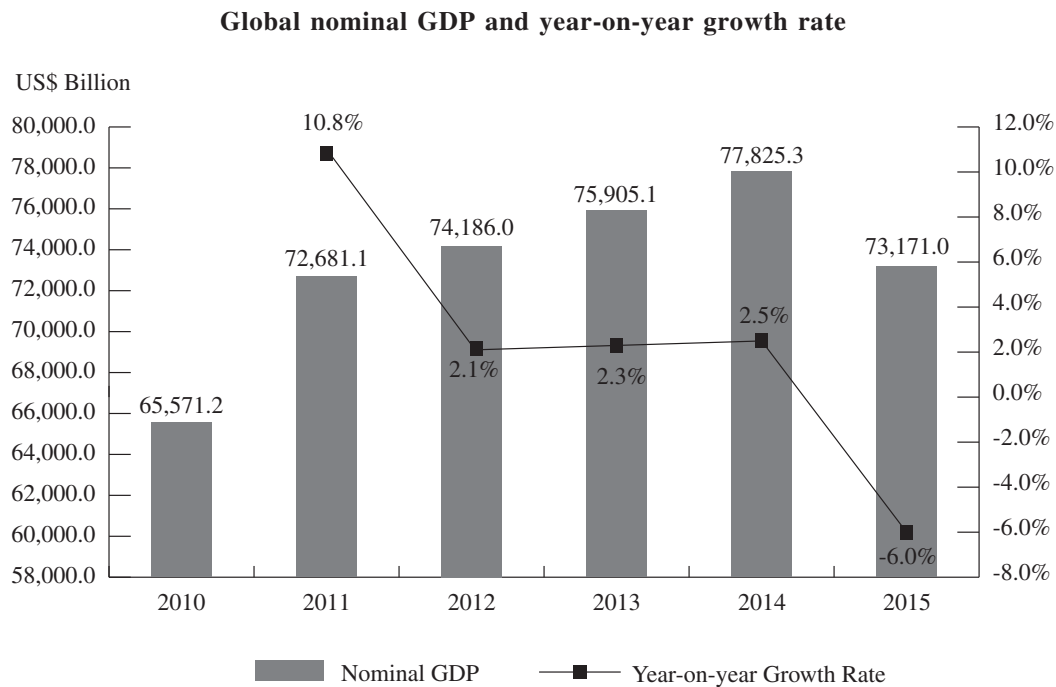
Frost & Sullivan is a global consulting company founded in 1961 with more than 1,800 industry consultants and analysts based in 40 global offices. Its professional services cover technology research, market research, mega trends, economic research, best practices, training, customer research, competitive intelligence, and corporate strategy.

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MACROECONOMIC ENVIRONMENT

Since the financial crisis which took place in late 2008, global economy has been in a period of adjustment and recovery. Despite the European debt crisis and slowdown of growth in emerging markets, driven by the recovery of the United States economy and continuous growth of the PRC, global nominal GDP has seen a CAGR of 2.2% from 2010 to 2015, arriving at US\$73,171.0 billion in 2015. In 2015, the global nominal GDP dropped by 6.0% compared to 2014, which was mainly attributable to the slowdown of economic growth of developed countries and regional political instability. Future growth is still expected to be driven by the United States and the PRC economies for a foreseeable period.

The chart below sets forth the global nominal GDP and year-on-year GDP growth rate from 2010 to 2015:

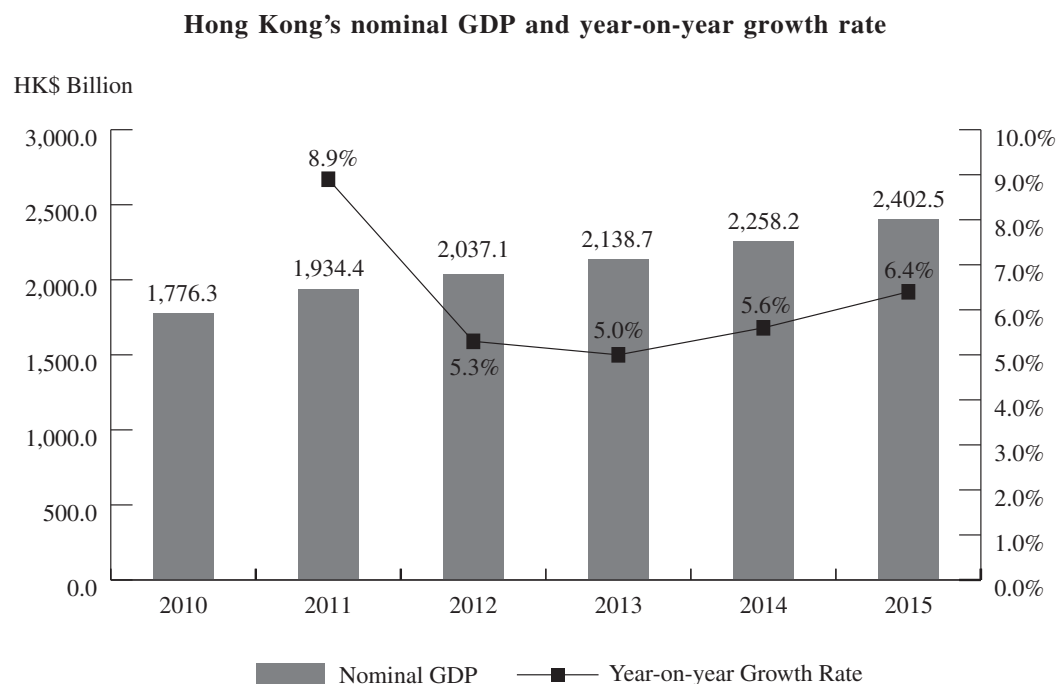


Source: International Monetary Fund

Hong Kong has shown a steady economic growth in the past few years, with the nominal GDP having increased from HK\$1,776.3 billion in 2010 to HK\$2,402.5 billion in 2015, which represented a CAGR of 6.2%. In the near future, Hong Kong’s economy is expected to maintain its stable growth driven by the remarkable potential of domestic demand and transit-trade export with mainland China.

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The chart below sets forth the GDP and year-on-year GDP growth rate in Hong Kong from 2010 to 2015:



Source: Census and Statistics Department Hong Kong Special Administration Region

RETAIL MARKET

Overview

Retail is the process of selling consumer goods and services to customers through channels of distribution. Within the retail market, the luxury goods and high-end fashion segment represents a group of high value, prestigious and exclusive consumer products which include jewelry, timepieces, leather goods, high-end apparel and accessories, retailed by global luxury brands, such as Graff Diamonds, Cartier, Rolex, Louis Vuitton, Chanel, Hermès, etc..

Global retail market

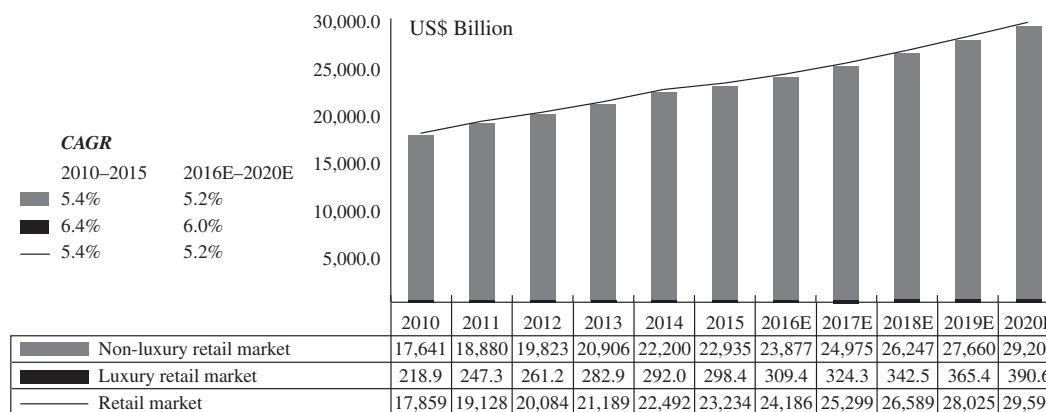
Global retail market has experienced a healthy growth and future incremental growth is estimated to remain stable. This is mainly attributable to the steady growth in global macro-economy, with the developed countries continuing to drive retail consumption while the developing countries heighten their consumption demand. Global retail market size achieved US\$23,234.2 billion in 2015, growing at a CAGR of 5.4% from 2010 to 2015, and is expected to realize a 5.2% CAGR from 2016 to 2020, representing a market size of US\$29,594.9 billion.

Global retail sales of luxury goods and high-end fashion in the retail market reached US\$298.4 billion in 2015, which increased at a CAGR of 6.4% over the past five year since 2010, and is expected to maintain growth with a CAGR of 6.0% from 2016 to reach US\$390.6 billion in 2020.

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The chart below sets forth the global retail market size by segment from 2010 to 2020:

Global retail market size by segment, 2010–2020E



Source: Frost & Sullivan

Hong Kong market

Hong Kong is one of the best performing retail markets in the world. With only 0.1% of the global population, Hong Kong’s retail market contributed to approximately 0.3% of the global retail market size in 2015. Given its international image, Hong Kong attracted 59.3 million visitors from overseas in 2015, which contributed to its remarkable retail sales performance. Benefiting from the continuous economic development in mainland China, tourists from mainland China have shown a strong demand for consumer goods, leading to a significant growth in retail market in Hong Kong. Visitor arrivals from mainland China have been increasing at a CAGR of 15.1% from 2010 to 2015, and reached 45.8 million in 2015, accounted for 77.2% of total visitors to Hong Kong. In addition, sales from retail market contributed to approximately 19.8% of the GDP of Hong Kong in 2015 and 18.3% in 2010. Retail market will still be underpinning Hong Kong’s economy to a great extent.

Hong Kong retail market has been growing vigorously over the past few years, with over 10% year-on-year growth in total retail sales since 2010. It reached a market size of HK\$475.2 billion in 2015, representing a CAGR of 7.9% from 2010 to 2015. This is propelled mainly by continuous visitor influx from mainland China. Along with the global economic downturn and declining number of visitor’s arrival from mainland China, Hong Kong demonstrated a retail sales slowdown since 2014. According to the statistics from Hong Kong Tourism Board, the number of tourist arrivals from mainland China showed a negative growth of 3.0% in 2015, with a decrease in 1.4 million visitors, resulting a negative growth of 3.6% in retail market size by revenue compared to 2014. However, as various recovery initiatives on tourism and retail have been put in place, Hong Kong retail market has a prospect of recovery in the near future. It is estimated that the retail market will reach HK\$544.2 billion in 2020, growing at a CAGR of 3.4% from 2016 to 2020.

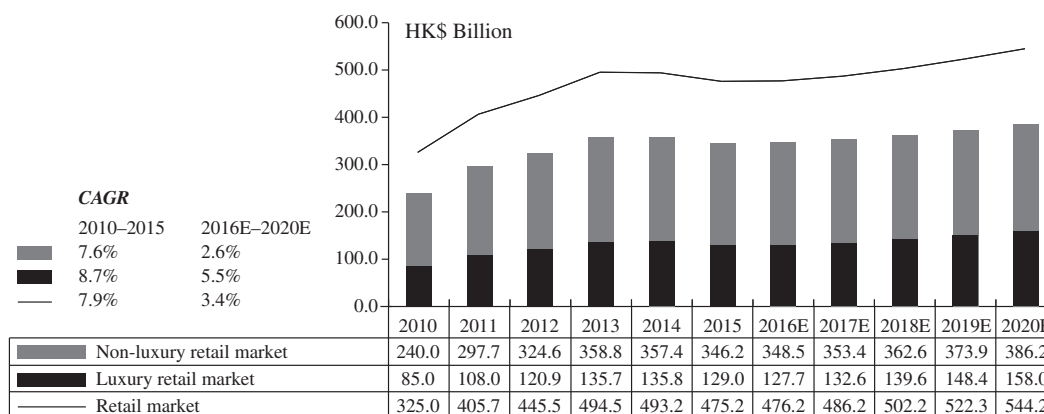
The luxury goods and high-end fashion retail segment in Hong Kong accounted for 5.6% of the global sales revenue in 2015, far higher than that in terms of overall retail sales. This indicated that Hong Kong is better known for its retail sales performance of global luxury goods and high-end fashion. It reached a sales revenue of HK\$129.0 billion in 2015, growing at a CAGR of 8.7% over the period

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from 2010 to 2015. This segment contributed to 27.1% of total revenue generated from the retail market in Hong Kong. In the future, this segment is expected to continue its growth at a higher rate compared to the overall retail market and will contribute to 29.0% of the total retail market revenue by 2020.

The chart below sets forth the Hong Kong retail market size by segment from 2010 to 2020:

Hong Kong retail market size by segment, 2010–2020E

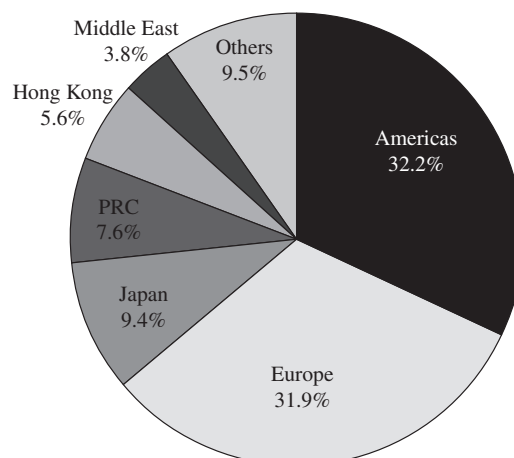


Source: Census and Statistics Department Hong Kong Special Administration Region, Frost & Sullivan

Globally, the market share of this segment was dominated by Americas and Europe, which took a combined share of 64.1% in 2015, followed by Japan, PRC, Hong Kong and the Middle East, which contributed an aggregate of 90.5% market share by revenue.

The chart below sets forth the global luxury goods and high-end fashion for retail by region in 2015:

Global share of global luxury goods and high-end fashion by region, in 2015



Source: Frost & Sullivan

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INTERIOR DESIGN FOR RETAIL OF GLOBAL LUXURY GOODS AND HIGH-END FASHION BRANDS

Overview

Interior design refers to the service of providing design solutions which mainly include design and management, construction and management (such as facade development and fabrication, fit-out construction) and decorative materials provision (such as millwork and furniture). It encompasses a wide range of sub-specialties in the areas of, for instance, residential, commercial (including retail and office buildings), industrial and infrastructural facilities. Luxury retail interior design refers to the design and decoration services for the physical retail stores of luxury goods and high-end fashion brands, such as Graff Diamonds, Cartier, Rolex, Louis Vuitton, Chanel, Hermès, etc. The size of this segment is defined by breaking down the revenue of interior design companies into the part of service catered to luxury goods and high-end fashion brands only.

Interior design for retail sector can be divided into two segments as follows:

Category	Features	Examples
Interior design for retail stores of global luxury goods and high-end fashion brands	Emphasize on the creation of an overall high-class, unique and personal shopping experience. Stores usually have wide display and fitting space	<ul style="list-style-type: none"> • Luxury jewelry stores • Luxury timepieces stores • Luxury leather goods stores • Luxury apparel and accessories stores
Interior design for stores of other retail goods	Emphasize on the utilization of space and attracting the targeted consumer group. Stores usually have limited display and fitting space	<ul style="list-style-type: none"> • Lower-priced or mainstream clothing and apparel stores

Market Size

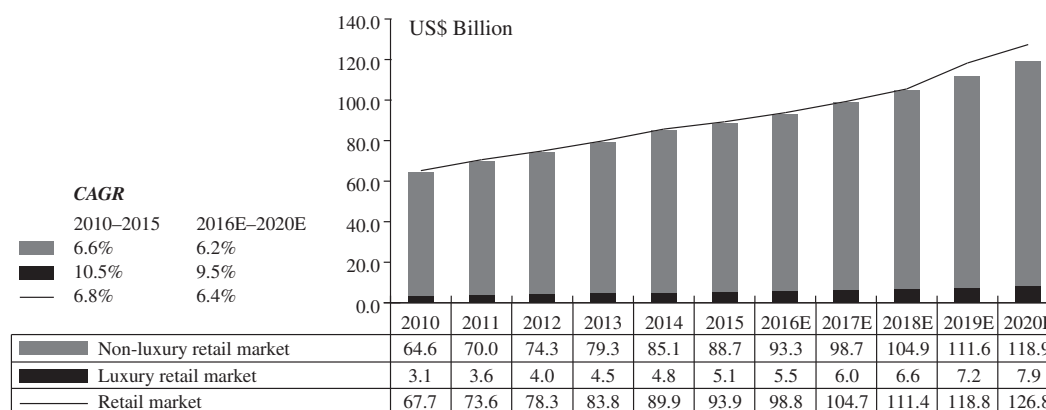
Global market

With the stable growth of global retail market, interior design serving this market has been growing at a CAGR of 6.8% from 2010 to 2015 reaching US\$93.9 billion in 2015. This market is expected to maintain its stable growth and will reach US\$126.8 billion in 2020. The segment of interior design targetting the global luxury goods and high-end fashion brands had a share of 5.4% in the overall interior design industry in 2015, with a total revenue of US\$5.1 billion. It is expected that the growth of this segment will continue through to 2020.

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The chart below sets forth the interior design for global retail market by segment from 2010 to 2020:

Interior design for global retail market by segment, 2010–2020E



Source: Frost & Sullivan

Hong Kong market

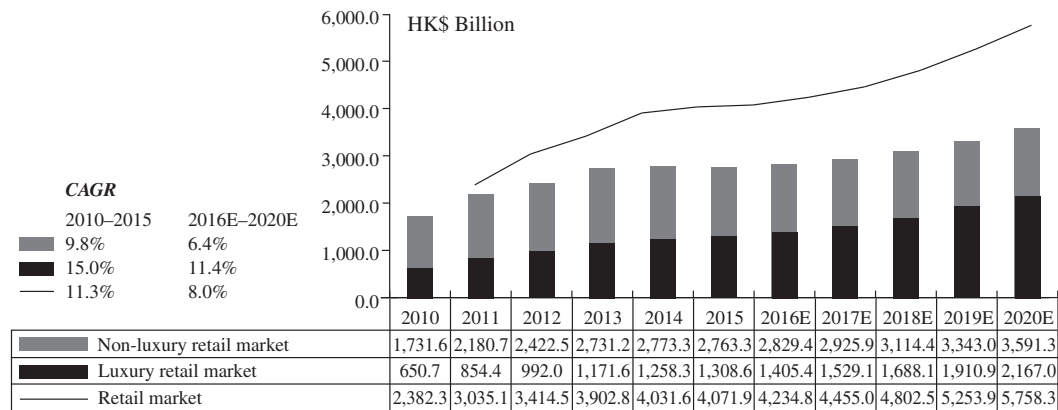
Attributed to the prosperous growth of the retail market, interior design for the overall retail market in Hong Kong reached HK\$4,071.9 million in 2015, increasing at a CAGR of 11.3% over the period from 2010 to 2015. Affected by the slowdown of retail market in 2014 and 2015, the interior design for retail market in Hong Kong is expected to be negatively impacted over the same period, but will maintain stable growth after 2015. The future CAGR from 2016 to 2020 is expected to reach 8.0%.

The interior design segment tailored to the global luxury goods and high-end fashion contributed to 32.1% of the interior design industry in 2015 and reached a market size of HK\$1,308.6 million, growing at a CAGR of 15.0% from 2010 to 2015. In the future, this segment is expected to follow the trend of the corresponding segment in the retail market, undergoing a short recovery period in 2015 and then embracing a stable future growth at a CAGR of 11.4% over the period from 2016 to 2020.

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The chart below sets forth the interior design for Hong Kong retail market by segment from 2010 to 2020:

Interior design for Hong Kong retail market by segment, 2010–2020E

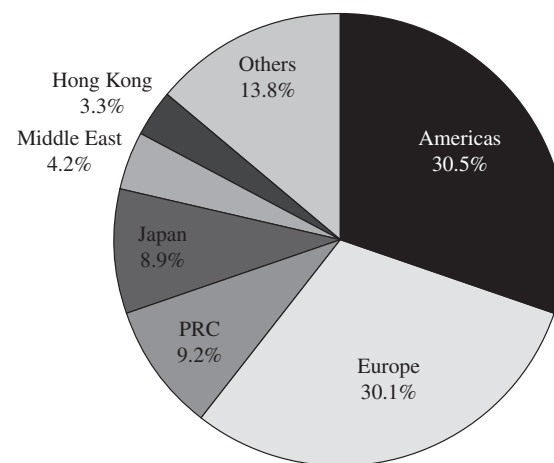


Source: Frost & Sullivan

This segment in Hong Kong accounted for 3.3% of the global sales revenue in 2015. Dominated by the Americas and Europe, with an aggregate of 60.6% market share, this market showed a consolidated landscape. Other leading territories include PRC, Japan and the Middle East.

The chart below sets forth the interior design segment targetting the global luxury goods and high-end fashion brands by region in 2015:

Interior design segment targetting the global luxury goods and high-end fashion market by region, 2015



Source: Frost & Sullivan

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Growth drivers and market trends

The growth drivers of the interior design segment for the luxury goods and high-end fashion market in Hong Kong are as follows:

Economic recovery and rising purchasing power. Given the export-oriented economy, international image and duty-free advantages in Hong Kong, visitors influx including businessmen and tourists are still regarded as the main consumers of prestigious fashion and luxury goods. Despite the economic slowdown in 2014 and 2015, the global economy is expected to show a recovering trend based on various initiatives. National economic development in mainland China would drive this market, not only in Hong Kong, but also overseas markets with outbound tourists with a high demand for luxury goods and high-end fashion. This presents huge market opportunities for interior design companies engaged in providing service in this segment.

Pursuit of premium shopping experience. Consumption upgrade represented a growing preference in pursuing better retail products and customer service, practically in the market with increasing consumer expenditure power. This premium shopping experience is delivered through a combination of pleasant shopping environment and customer service. In order to create a superb shopping experience, global luxury goods and high-end fashion brands put a strong emphasis on the quality of the interior design of their stores. This in turn drives the demand of high quality interior design services.

International presence of luxury brands. Luxury brands launch their stores globally at locations which attract affluent clientele and with lower risks of economic downturn or lack of expenditure incentives. Currently, Hong Kong is undergoing sluggish retail sales due to falling consumer demand from mainland China. In response, luxury brands will relocate their stores to areas within Hong Kong where they can have comparative advantages. Regardless of market sentiment, interior design companies will be engaged in the opening of new stores as well as relocation and reinstatement work of their existing stores. Thus, interior design companies are not usually affected by economic downturn as a whole.

New business strategies of luxury brands. Luxury goods brands are in the process of reinventing their business strategies to reduce the impact from global economic downturn. For instance, in mainland China, Chanel took the lead in lowering the retail sales price of its products, and later some other luxury goods brands followed suit. Louis Vuitton refurbished its storefront to launch cafe parlor adjacent to its retail store as an attempt to extend their customers’ time spent at its store. This brings about opportunities for refurbishment for interior design companies which focus on this segment.

Potential for greater growth. Given that global luxury goods brands place a strong emphasis in the Hong Kong market, interior design companies which focus on this segment have the potential to gain greater growth. In order to refresh the brand’s seasonal image, high-end luxury stores usually revamp the interior designs of their retail boutiques every two to six months or relocate their stores to different regions in order to capture sales opportunities from different groups of affluent clientele. Furthermore, these stores also undergo regular renovation as brand concept changes every two to three years, which leads to stable refurbishment projects in interior design.

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The key trends observed in the high-end interior design market in Hong Kong are as follows:

Value chain integration. Instead of providing conventional interior design service, current interior design companies are evolving to provide integrated service including millwork and furniture provision, fit-out construction, facade decoration and refurbishment. They are growing to become one-stop interior design solutions providers.

Business diversification. Due to keen competition within the segment, some interior design companies targeting the luxury goods and high-end fashion brands have branched out to new client types, such as office building and high-end residential construction.

Increased emphasis in research and development. Interior companies have been investing resources in research and development and recruiting talents to work with their clients closely for conceptual realization and to formulate proposal on new store layouts. This has become one of the key trends that companies engaged to succeed in the competition.

The growth drivers of the interior design segment for the luxury goods and high-end fashion market overseas are as follows:

Market focus shifted back to developed countries. The key driver for future luxury retail industry tends to be shifting from the developing countries to the developed markets. Benefited from the healthy financial markets, enlarged population and technological advancement, developed countries, especially the United States and Canada, are expected to generate considerable growth in individual wealth, which enhances consumers’ purchasing power for premium products and attracts premium retail stores back to the developed countries. As a result, there will be more demand for interior design services for luxury goods and high-end fashion brands emerging in developed countries.

Increased number of luxury retail stores at airports. There has been an increasing amount of business generated from premium retail stores located at the airport worldwide. In response, it is expected that the number of airport luxury retail stores will increase in the future. This in turn will create new opportunities for the interior design service providers which focus on the luxury goods and high-end fashion brands.

Growth in demand of luxury goods the United Kingdom. United Kingdom’s recent detachment from the European Union has resulted the sharp decline of the exchange rate of pound sterling. It is foreseen that overseas consumers of luxury goods may opt to make their purchases in the United Kingdom. Furthermore, the British luxury brands, such as Burberry, are anticipated to embrace a positive surge in sales in the near future, which is also reflected in their recent increase in stock price. Consequently, we might see more demand for the opening of luxury brand retail stores in the United Kingdom.

Higher demand for contemporary luxury goods brands. The millennials (current age from 18 to 36) create increasing demand for luxury goods, with a particular focus on items which can highlight their personal style and individuality. As a result, more contemporary luxury goods brands are on the rise to satisfy the millennials’ new appetites for high-end goods, which in turn will create more opportunities of new retail stores establishment of these brands.

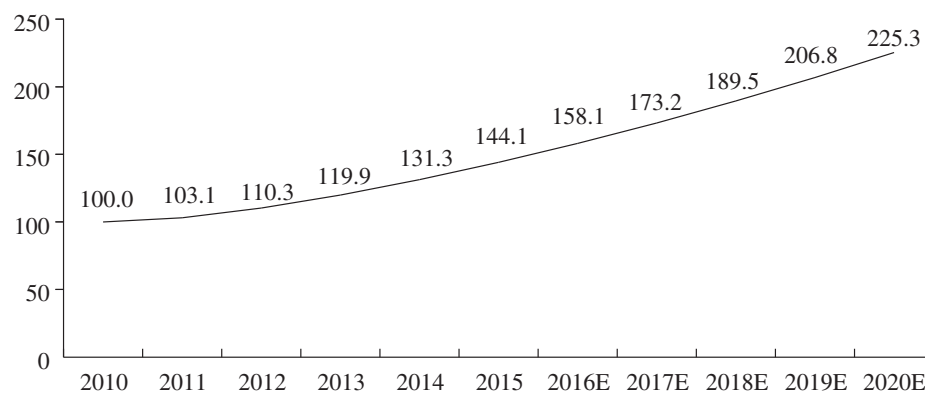
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COST FACTORS

It is observed that the average wage of workers in the interior design segment targetting the luxury goods and high-end fashion brands has been on an upward trend, which is mainly attributed to the labor shortage in this segment, while the demand has been increasing robustly. It is estimated that this trend would continue. However, given that interior design companies have been making effort in providing better services to their clients, labor cost is reflected in their overall service fees and would not constitute a major constraint.

The chart below sets forth the price index of average wage of workers in the interior design market for retail of prestigious fashion and luxury goods in Hong Kong from 2010 to 2020:

Average wage of workers in the interior design segment targetting the global luxury and high-end fashion brands in Hong Kong, 2010–2020E



Source: Census and Statistics Department of Hong Kong Special Administration Region, Frost & Sullivan

Competitive Landscape of the Interior Design Market

Global Market

Market Overview

The global interior design market for the luxury goods and high-end fashion brands is highly fragmented, and there are approximately over 30,000 companies competing globally in this industry. In order to maintain the premium brand image, luxury goods and high-end fashion brands usually engage reputational interior designers to provide design concept of their retail stores. Moreover, these brands tend to apply innovative material and design concept in their stores’ decoration to establish unique shopping atmosphere. Consequently, the competition lies on the designers’ reputation and design capability, as well as gaining long-term business relationship with the brand’s owner or direct communication with the headquarters’ level. Leading companies are usually good at leveraging on these factors to provide a global-wide design solutions and services for the brand’s retail stores in different regions.

North America and West Europe market are well developed, where the market concentration is relatively high and interior design companies in this industry are mainly fledged and early founded. The Middle East market has become robust in recent years and local interior design companies have been

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emerging. Africa saw an emerging interior design market for retail of luxury goods and high-end fashion brands, which is also considered as one of the most promising markets in the future. Competition in the African market is foreseen to become fierce in the next decade. Asia-Pacific market saw a complicated landscape, where some developed regions like Hong Kong, Japan and Singapore have represented high market maturity, while some regions like mainland China and India are still growing. However, the concentration in the Asia-Pacific region is still far lower than that in North America and Western Europe.

Key Market Players

The following companies are the key players in the global interior design market for the luxury goods and high-end fashion brands:

Company Name	Headquarters Location	Market Coverage
Peter Marino Architect	U.S.	North America, Europe, Asia
Baciocchi Associati	Italy	North America, Europe, Middle East, Asia
RDAI Architecture	France	North America, Europe, Asia
Permasteelisa Group	Italy	North America, Europe, Asia
Molteni & Co.	Italy	North America, Europe, Asia
Bussola & Ralph	Italy	North America, Europe, Asia
Decca Holdings Limited	Hong Kong	North America, Europe, Middle East, Asia
Kingsmen Design Pte Ltd	Singapore	North America, Europe, Middle East, Asia
Legend Interiors Limited	Hong Kong	North America, Europe, Asia
CROSSTEC Group Holdings Limited	Hong Kong	North America, Europe, Asia
Redwood Interior Pte Ltd	Singapore	North America, Europe, Asia
In Situ & Partners Ltd	Hong Kong	Europe, Middle East, Asia

Source: Frost & Sullivan

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European Market

Market Overview

The European interior design market for the luxury goods and high-end fashion brands showed a relatively higher market concentration compared to the global market as a whole. The world leading luxury goods and high-end fashion conglomerates such as LVMH, Richemont and Kering are all originated and headquartered in Europe. Their retail stores, especially their flagship stores in Europe, are paramount to their brands’ image. Consequently, they are more willing to splurge on engaging reputable designers to take charge of their interior design projects for their retail stores, which set a particularly high barrier for other less well-known interior design companies.

Key Market Players

The following companies are the key players in the European interior design market for the luxury goods and high-end fashion brands:

Company Name	Headquarters Location	Market Coverage
Baciocchi Associati	Italy	North America, Europe, Middle East, Asia
RDAI Architecture	France	North America, Europe, Asia
Permasteelisa Group	Italy	North America, Europe, Asia
Molteni & Co.	Italy	North America, Europe, Asia
Bussola & Ralph	Italy	North America, Europe, Asia

Source: Frost & Sullivan

U.K. Market

Market Overview

The U.K. interior design market for the luxury goods and high-end fashion brands is a well-developed market and the competition in the U.K. used to be moderate. However, since the U.K.’s departure from the Europe Union, it led to a sharp slump of pound sterling. Therefore, it is expected that large number of luxury goods consumers from overseas will visit the U.K. for their high-end luxury goods purchases. Increasing demand for new retail stores and renovation projects is foreseeable and the competition in U.K. market is foreseen to become fierce in near future.

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Key Market Players

The following companies are the key players in the U.K. interior design market for the luxury goods and high-end fashion brands:

Company Name	Headquarters Location	Market Coverage
David Chipperfield Architects	U.K.	North America, Europe
Shopworks	U.K.	North America, Europe, Asia
Brinkworth	U.K.	North America, Europe

Source: Frost & Sullivan

U.S. Market

Market Overview

The U.S. market is also well developed to its advanced economy and the consumers’ strong purchasing power. This led to a relatively higher market concentration among the global markets (only lower than Europe). In recent years, the trend of high-end interior design in the U.S. market has become more technology-focused. Many luxury brands, such as Givenchy and Hermès, have upgraded their retail stores to incorporate digital and high-technology elements.

Key Market Players

The following companies are the key players in the U.S. interior design market for the luxury goods and high-end fashion brands:

Company Name	Headquarters Location	Market Coverage
Peter Marino Architect	U.S.	North America, Europe, Asia
Spacesmith	U.S.	America, Europe, Asia
Micheal Neumann Architecture	U.S.	America, Europe

Source: Frost & Sullivan

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Hong Kong Market

Overview

The interior design segment targetting the luxury goods and high-end fashion market in Hong Kong and globally are highly fragmented. There are over 350 design companies in Hong Kong targetting this segment, most of which are small-scale. The competition among companies in this industry focuses on business relationship and design capability. The companies capable of providing total design solutions with particular focus on luxury goods and high-end fashion brands are scarce, because usually the clients in this segment have much higher requirements on conceptual image and the capabilities to realize the ideas. Companies engaged in this area usually have extensive project experience. Overseas project experience contributes to their competitive advantages against peers.

The top five Hong Kong-based interior design companies contributed to no more than 1.0% in aggregate in the interior design segment targetting the luxury goods and high-end fashion brands globally in 2015, as illustrated in the table below:

Company	Market Share, 2015⁽¹⁾	Business description
CROSSTEC Group Holdings Limited	0.29%	a Hong Kong-based company with main business in interior design solutions for global luxury goods and high-end fashion brands
Decca Holdings Limited	0.18%	a Hong Kong-based company with main business in interior design service for retail, hotels and office buildings
Legend Interiors Limited	0.10%	a Hong Kong-based company with main business in interior design service for office buildings, hotels, residence and retail
In Situ & Partners Ltd	0.07%	a Hong Kong-based company with main business in design service for commercial and residential facade construction work
East Joint Designs Limited	0.05%	a Hong Kong-based company with main business in interior design service for global prestigious luxury brands

Note:

1. The market shares of Hong Kong-based companies globally are calculated based on the revenue derived from the Hong Kong-based companies' luxury retail interior design services in the world, divided by the total revenue of the interior design for global luxury retail market and multiplied by 100%.

Source: Frost & Sullivan

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The top five interior design companies (Hong Kong-based and non-Hong Kong-based) had a combined market share of 16.3% in the interior design segment targetting the luxury goods and high-end fashion in Hong Kong in 2015, as illustrated in the table below:

Company	Market Share, 2015⁽¹⁾	Business description
Decca Holdings Limited	5.3%	a Hong Kong-based company with main business in interior design service for retail, hotels and office buildings
Kingsmen Design Pte Ltd	3.3%	a Singapore-based company with main business in retail, office buildings, exhibitions and museums
Legend Interiors Limited	3.1%	a Hong Kong-based company with main business in interior design service for office buildings, hotels, residence and retail
CROSSTEC Group Holdings Limited	2.3%	a Hong Kong-based company with main business in interior design solutions for global prestigious luxury brands
Redwood Interior Pte Ltd	2.2%	a Singapore-based company with main business in provision of decorative materials and design service for residential and commercial properties, including retail

Note:

1. The market shares of companies in Hong Kong are calculated by the revenue derived from the companies' luxury retail interior design services in Hong Kong, divided by the total revenue of the luxury retail interior design market in Hong Kong and multiplied by 100%.

Source: Frost & Sullivan

The overall interior design market in the world and in Hong Kong is highly fragmented with a large number of interior design companies. Most of them are small to medium scale interior design companies, which may provide a limited scope of design or construction services to residential buildings, office buildings, general retail stores, industrial and infrastructural facilities. In 2015, the market share of Hong Kong and non-Hong Kong based interior design companies in the global interior design market was approximately 0.2% and 99.8% respectively. Our Group's market share in the overall interior design industry in the world and in Hong Kong in 2015 was approximately 0.003% and 0.22% respectively.

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Entry Barriers

Barriers to enter interior design market with total design solution for luxury retail market are high. Design capability, industry experience, business relationship and reputation comprise the main barriers for new market entrants. Furthermore, the ability to manage cross-region project is also an important factor.

In general, entry barriers to the European, U.K., U.S. and Hong Kong high-end interior design markets include:

Extensive design and research and development capabilities. Extensive design and research and development capabilities enable an interior design company to realize conceptual and complicated design ideas and utilize materials in creative ways, which are usually the requirements from the high-end clients. Interior design companies that are capable of providing integrated services like millwork and furnishing provision, fitting-out and facade decoration can have better control and coordination over the process, which is essential to accomplish good design and ensure timely project completion. For the U.S. market, in addition to services like millwork and furnishing, fitting-out and facade decoration, digital technology is becoming widely applied in the U.S. market.

High quality of service and products. Luxury brands place emphasis on the quality of their store’s overall design. They also highly value interior designs that can enhance energy-conservation and construction materials that are environment-friendly. As such, these luxury brands go through stringent selection process in choosing their interior designers as well as providers of their facades and furniture to ensure high quality of service and products, and only those that can meet their requirements will be engaged.

Rich industry experience. Potential clients, and in particular, luxury brands, tend to approach interior design companies that have rich portfolio and experience in this industry. Extensive industry experience can also ensure adequate and efficient project management and coordination between various parties.

Business relationship and reputation. Strong client relationship is a must to ensure stable project sources. For instance, gaining long-term relationship with the brand’s owner or direct communication with the headquarters’ level will largely increase the competitiveness in the market. Besides client relationships, it is crucial to develop good business relationships with other parties involved in the whole process. Landlords of retail properties also tend to recommend interior design companies that have good reputation. Further, most of the interior design companies specialize in certain particular areas such as design, furnishing or facade decoration. Therefore, they might collaborate with their competitors in projects with larger scale. Therefore, good reputation is the key within the industry.

Project management capability. In order to compete in the global market, interior design companies have to take into consideration different factors such as material logistics, human resources and culture differences. As a result, only companies with strong project management capability are able to handle projects in different regions and their expand business to the globally.

Cross-region coverage capability. Given that most of the luxury goods and high-end fashion brands are globally posted, the interior design companies serving these high-end clients normally take on projects which coincide with their clients’ global footprint. Efficient communications and extensive industry know-how are key factors in building their cross-region coverage capability.