



QuantaSing Opens Office in Hong Kong and Launches White Paper on China's Silver Economy

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HONG KONG, June 25, 2024 (GLOBE NEWSWIRE) -- QuantaSing Group Limited (NASDAQ: QSG) ("QuantaSing" or the "Company"), a leading online learning service provider in China, today opened its office in Hong Kong. Timed with the opening, the company launched co-branded research on China's Silver Economy, entitled "White Paper on Unveiling Golden Opportunities in China's Silver Economy, 2023" ("White Paper").

The inaugural Hong Kong office is the company's first office outside Mainland China. Located strategically in the Exchange Square, a prime area near investors and business leaders, this new hub represents a significant milestone in QuantaSing's market expansion and global outreach. From this Hong Kong base, QuantaSing is actively seeking new business opportunities with a global perspective, broadening its reach beyond its original market.

"For QuantaSing, going international extends beyond simply market expansion. It's about fostering cultural exchanges and integration," said Mr. Peng Li, Chairman and Chief Executive Officer of QuantaSing. "As an international hub, Hong Kong offers the ideal platform to gather resources, exchange ideas, grow our business, and deliver quality services to global users. We will also seek to apply global best practices to enhance our products and services."

Launched in partnership with China Insights Consultancy (CIC), the release of the White Paper at the office opening event draws upon QuantaSing's comprehensive data and statistical analysis. Leveraging the Company's large user base, strong user engagement, and rich experience in serving middle-aged and elderly users, the report provides critical insights into the demographic trends, consumption patterns, channels, and preferences of the elderly population in China.

The White Paper delves into the current state and development potential of China's middle-aged and elderly market from three dimensions: 'people, products, and places.' The research focuses on key factors and pain points in middle-aged and elderly consumption, the development trends of segmented product and service markets, and the evolution of consumption channels. Based on extensive research covering 5,710 middle-aged and elderly consumers, the White Paper collects crucial data and information, providing in-depth insights and important reference conclusions for understanding and developing the middle-aged and elderly market.

Mr. Li, adds, "The report underlines QuantaSing's commitment to improving the quality of life for the middle-aged and elderly demographic. Guided by this White Paper, we hope to move forward with like-minded partners, creating a supportive ecosystem for the elderly population."

As China transitions into an aging society, it is critical that companies fill the gap to provide relevant products and services that both meet market demand and provide for a more fulfilling life in later years.

Access the full White Paper here: <https://qr61.cn/oVZJlW/q8otzaZ>

White Paper Executive Summary

With the rapid socio-economic development, increase in life expectancy, and the decline in fertility rates, China is gradually transitioning into an "aging society". China's population pyramid is transitioning from a pyramid shape to a pillar shape. The silver demographic (45+) is gradually becoming an important social resource and consumer force. Currently, products and services targeting the silver demographic are not yet fully mature, presenting a substantial market potential for investment and growth.

This White Paper, jointly released by QuantaSing Group and CIC, provides an in-depth analysis of the current market conditions and development potential of the silver economy in China in a "People-Product-Place" Framework. The report focuses on key factors and pain points of the silver economy, the current market conditions and future trends of segmented products and services markets, and the changes in purchase channels for the silver demographic. Through extensive surveys of 5,710 respondents aged 45 and above, this paper has collected a large amount of data and opinions, offering insights and conclusions for better understanding and developing the silver economy.

"People" — The market size of the silver demographic consumption continues to expand, with high quality and high value becoming key factors.

Daily necessities: When purchasing daily necessities, product quality is the most important factor for the silver demographic, and poor product quality is also their biggest pain point. For the silver demographic aged 45-64, they place greater emphasis on brands. Manufacturers should prioritize brand building alongside maintaining high standards of product quality, competitive pricing, and functional appeal.

Healthcare service: Service quality is the most important factor for the silver demographic when choosing healthcare service. According to the survey, 81.9% of the silver demographic report service quality as a key factor, far ahead of other options. The silver demographic face issues like high prices, low brand recognition, and poor service experience. Consumers under 65 primarily cite price issues and poor service experience.

Wellness products: Only 27.3% of the silver demographic select price as the most important factor when purchasing wellness products, while product quality, safety, and efficacy are the top three considerations. Due to false advertising by manufacturers and fraudulent practices by dishonest individuals, the silver demographic has developed a profound sense of distrust towards wellness products. Manufacturers of wellness products need to improve product quality, enhance brand reputation, and strengthen market education efforts.

Well-rounded life: Over half of the silver demographic show preference for exercise, interest-based courses, and travel. The silver demographic demonstrate a high willingness to pay for a well-rounded life, indicating significant market potential.

“Product” — Huge spending potential from the silver demographic, highlights attractive market opportunities for products and services catering to this demographic

Nutritional health products: Major concerns are quality and safety (47%) and effectiveness (43%). There are significant opportunities for growth in terms of brand recognition, product quality, and customer service. Traditional Chinese medicine health products have significant market potential given their popularity among the silver demographic.

Baijiu: Baijiu is a highly social product in China. In 2023, the scale of China’s baijiu industry exceeded RMB750 billion, with the silver demographic accounting for more than 30% of the market, highlighting a massive market opportunity.

Online education: Learning is one of the foremost ways for the silver demographic to stay engaged. Online education for the silver demographic is not yet mature but has clear advantages in convenience, course options and availability, learning mobility, and lower costs, signaling huge market potential. Health and wellness courses are the most popular according to our survey, with 65% of respondents expressing a desire for online education to include health and wellness content.

Milk Powder: Higher sales growth rate of milk powder for the silver demographic make this sector a key competitive focus for dairy companies. Survey results show that only 30.2% of respondents have purchased this product and 19.8% of those who have never bought this product are either unaware of or have never heard of it, highlighting the need for market education and cultivating a consumer purchasing mindset.

Beauty and Skincare Products: Women in the silver demographic are experiencing a lifestyle transition, entering a phase where they have more time and money for leisure. This leads to a resurgence in beauty awareness. Their demand for beauty and skincare products is more complex and diverse. To capitalize on growing market opportunities, brands must develop tailored products and marketing strategies.

Tourism: The silver tourism industry in China is still developing, with noticeable trends towards product upgrades. Study tours that combine cultural elements with travel are well suited to the preferences of the silver demographic. China’s silver tourism products lack diversity and are discouragingly expensive. Despite this, the silver demographic shows a strong desire to spend on travel.

“Place” — The potential of the silver demographic on social media continues to be unleashed, with content e-commerce platforms increasingly playing a crucial role.

The potential of the silver demographic on social media: The silver demographic’s presence on social media is rapidly expanding. Platforms such as Douyin, other video-sharing sites, as well as e-commerce platforms, are continuously attracting this group through various means.

Channels for obtaining products and services for the silver demographic: For the silver generation, accessing products and services primarily revolves around traditional e-commerce platforms and traditional offline stores in China. As an emerging channel, content e-commerce platforms are currently a preferred channel for 25.3% of the silver demographic.

Potential of content e-commerce platforms: 34.7% of the silver demographic aged 45-54 choose content e-commerce platforms as one of their usual shopping channels, while only 11.3% of those over 75 years old do so. As more seniors use and become familiar with content e-commerce platforms, their overall penetration rate will increase, providing momentum to the development of these platforms.

Live-streaming e-commerce and silver demographic influencers: Influencers are increasingly popular with the silver demographic. Live broadcasts provide instant feedback and interactivity, offering psychological comfort that satisfies basic emotional needs. Also, Live e-commerce replaces traditional product displays, meeting the silver demographic’s generally cautious and skeptical approach toward product selection. Therefore, there is significant potential for content e-commerce platforms among the silver demographic.

About QuantaSing Group Limited

QuantaSing is a leading online service provider in China dedicated to improving people’s quality of life and well-being by providing lifelong personal learning and development opportunities. The Company is the largest service provider in China’s online adult learning market and China’s adult personal interest learning market in terms of revenue, according to a report by Frost & Sullivan based on data from 2022. By leveraging its proprietary tools and technology, QuantaSing offers easy-to-understand, affordable, and accessible online courses to adult learners, empowering users to pursue personal development. Leveraging its extensive experience in individual online learning services and its robust technology infrastructure, the Company has expanded its services to corporate clients, and diversified its operations into its e-commerce business and its AI and technology business.

For more information, please visit: <https://ir.quantasing.com>.

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