27 Oct 2026 10:29:41 ET | 46 pages

China's Silver Economy III

Retiring Wealthier, Aging Better via Elderly Care, Active Lifestyles & Preventive Health

Super - Sector Analysis

China Insurance

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CITI'S TAKE

What does a modern Chinese retirement look like for China's new silver generation? Perhaps it means learning ballet for the first time at age 70, hiking in the mountains, or proactively managing health and nutrition well into retirement. Retirement in China is increasingly shifting from simply living longer to ageing better. This matters because today's retirees are different. Having benefited from decades of economic growth and wealth accumulation, many are entering retirement with both the means and willingness to invest in their quality of life. We believe this trend sits at the heart of China's silver economy, creating opportunities across elderly care, active lifestyles, and preventive health. In this report, we highlight insurance, sportswear, and health supplements as key beneficiaries of a wealthier, healthier, and more active generation of retirees.

From retirement preparedness to better retirement living — As the 3rd installment of our China Silver Economy series, following our discussions on retirement planning and senior leisure consumption in the 1st report and elderly healthcare and insurance solutions in the 2nd report, we focus on how the new silver generation is redefining retirement that is increasingly shifting from simply living longer to ageing better, creating opportunities across elderly care, active lifestyles, and preventive health.

China insurers: PA & CPIC to benefit most from retirement-service ecosystems — Insurers are evolving beyond traditional protection providers into integrated retirement-service platforms spanning home-based care, retirement communities, healthcare management, and lifestyle services. Leveraging China's "9073" elderly-care framework, we estimate senior-care ecosystems could facilitate up to **Rmb3.6tn of insurance premiums by 2030E**. Among listed insurers, we prefer **Ping An** for its leading home-based elderly-care ecosystem and demonstrated insurance-sales synergies, while **CPIC** offers the strongest exposure to institutional senior care through its rehabilitation-focused retirement-community platform.

China sportswear: Anta & Li Ning to benefit from active ageing — Rising participation in walking, hiking, fitness activities and outdoor recreation is creating incremental demand from older consumers. Supported by a growing elderly population, rising spending power, increasing emphasis on health and safety, and a shift toward self-improvement and outdoor activities, we expect active ageing to become a more important growth driver for CN sportswear market. **Anta** remains our preferred beneficiary given its multi-brand strategy and broad category exposure.

China health supplements: H&H best positioned to capture healthy-ageing demand — As consumers increasingly prioritize preventive healthcare and healthy longevity, demand for health supplements and targeted wellness products continues to expand. Demographic ageing, rising health awareness, online-channel penetration, and product innovation should support long-term growth. Within our coverage, **H&H** is best positioned to benefit, supported by its leading online market position, strong brand portfolio, and exposure to China's healthy-ageing trend.

See Appendix A-1 for Analyst Certification, Important Disclosures and Research Analyst Affiliations.

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Executive Summary

What does a modern Chinese retirement look like for China's new silver generation?

It could mean learning ballet at 70, hiking in the mountains at 75, and proactively managing health and nutrition at 80. For a growing number of Chinese retirees, retirement is no longer about slowing down, but about staying active, healthy, and engaged in life. As a result, China's silver economy is increasingly shifting from addressing the needs of ageing to enabling better ageing, creating new opportunities across insurance, sportswear, health supplements, and other sectors serving the evolving lifestyles of seniors.

China's population ageing, driven by the post-war baby boom and decades of declining birth rates, is giving rise to one of the most important long-term structural themes in the country: the silver economy. Importantly, today's "young elderly" generation, broadly defined as those aged 50-64, differs meaningfully from previous generations of retirees. Having benefited from decades of rapid economic growth, rising incomes, and property appreciation, many are entering retirement with substantial wealth accumulation and a greater willingness to invest in their health, well-being, and quality of life. We believe this emerging cohort will be a key force shaping China's silver economy, and understanding their evolving preferences, lifestyles, and retirement aspirations is increasingly important for identifying the industries and companies best positioned to benefit from this long-term demographic trend.

Importantly, ageing in China is no longer solely a story of longevity. It is increasingly a story of healthier, more active, and more aspirational retirement lifestyles. According to McKinsey's Global Healthy Aging Survey (2023), respondents aged 55-64 reported noticeably lower satisfaction with their physical health than with their mental, social, and spiritual well-being. This suggests that while many seniors remain socially engaged and eager to pursue new experiences, they are increasingly seeking products and services that help maintain mobility, health, independence, and overall well-being throughout retirement.

Against this backdrop, we identify three sectors that are particularly well positioned to benefit from the rise of China's silver economy.

First, insurers are becoming architects of modern retirement lifestyles. Leveraging China's "9073" elderly-care framework, insurers are evolving beyond traditional protection providers into integrated retirement-service platforms spanning home-based care, healthcare management, retirement communities, and lifestyle services. Home-based care offers a scalable and asset-light solution for the nearly 90% of seniors who prefer to age in place, while retirement communities are emerging as a powerful tool for attracting affluent customers seeking active ageing, healthcare access, and social engagement. Based on our estimates, senior care-related services could facilitate up to **Rmb3.6tn of insurance premiums by 2030E**, highlighting the significant opportunities created by China's ageing population. Among listed insurers, we prefer **Ping An** for its leading home-care ecosystem and proven insurance-sales synergies, while **CPIC** offers the strongest leverage to growing demand for retirement communities and rehabilitation-focused elderly care.

Second, active ageing is creating a new growth avenue for China's sportswear industry. As seniors increasingly embrace walking, hiking, fitness activities, and outdoor recreation, demand is rising for products that emphasize comfort, functionality, health, and safety. Beyond demographic tailwinds, we believe higher spending power, stronger interest in self-improvement, and growing participation in outdoor activities are driving a structural expansion of demand from older

consumers. The new generation of retirees is increasingly viewing physical activity not as an option, but as an essential component of healthy ageing. We believe the market underestimates the spending power and rising sports participation of China's silver generation. With a multi-brand strategy, **Anta** (Citi's China sportswear sector Top Buy) is the best proxy to monetize the growth tailwind across multiple categories.

Third, healthy longevity is driving demand for health supplements and preventive wellness solutions. As the focus shifts from simply living longer to living healthier, seniors are becoming increasingly proactive in managing their health. Rising health awareness, supportive regulation, product innovation, expanding online channels, and the growing spending power of elderly consumers are supporting demand for vitamins, minerals, and health supplements. In our view, preventive healthcare and daily health management are becoming integral parts of modern retirement lifestyles. In Citi's China health supplement coverage, **H&H** is best positioned with largest online market share, strong brand and rich product portfolio to benefit from China's longevity economy.

I. China's Silver Economy 3.0: Retire Wealthier, Ageing Better

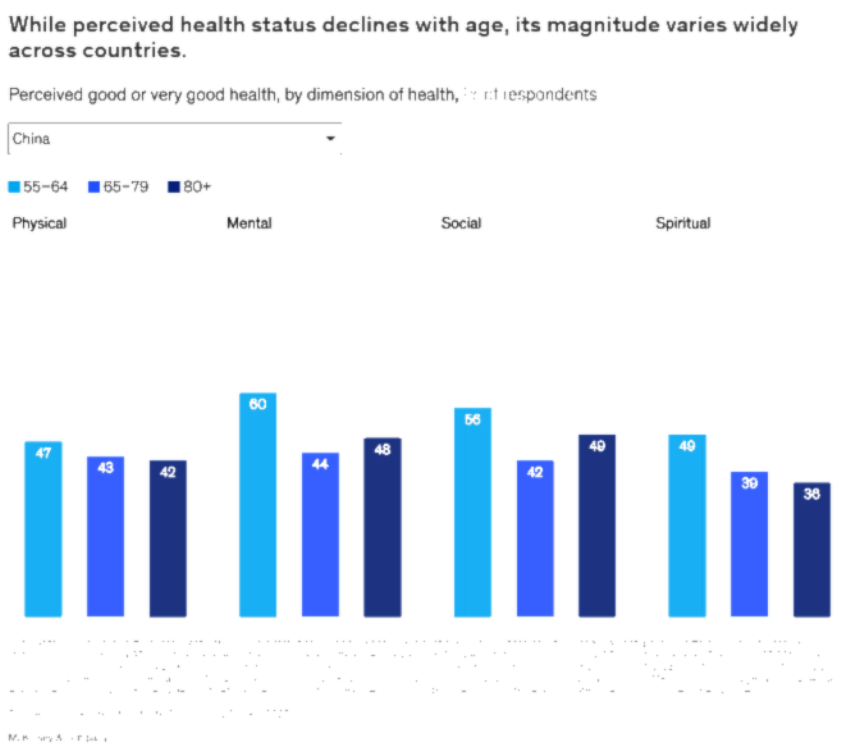
China's population ageing, driven by the post-war baby boom and decades of declining birth rates, is giving rise to one of the most important long-term structural themes in the country: the silver economy. Importantly, today's "young elderly" generation, broadly defined as those aged 50-64, differs meaningfully from previous generations of retirees. Having benefited from decades of rapid economic growth, rising incomes, and property appreciation, many are entering retirement with substantial wealth accumulation and a greater willingness to invest in their health, well-being, and quality of life. We believe this emerging cohort will be a key force shaping China's silver economy, making it increasingly important for investors to understand their evolving preferences, lifestyles, and retirement aspirations when identifying future industry trends and investment opportunities.

Importantly, ageing in China is no longer solely a story of longevity. It is increasingly a story of healthier, more active, and more aspirational retirement lifestyles. According to McKinsey's Global Healthy Aging Survey (2023), respondents aged 55-64 reported noticeably lower satisfaction with their physical health than with their mental, social, and spiritual well-being. This suggests that while many seniors remain socially engaged and eager to pursue new experiences, they are increasingly seeking products and services that help maintain mobility, health, independence, and overall well-being throughout retirement.

Against this backdrop, in this third installment of our China Silver Economy series, following our premier piece I: Pension and Lodging and second piece II: Healthcare & Insurance, three areas are particularly identified as well positioned to benefit from the new spending patterns. First, insurers are building elderly-care ecosystems that support seniors through home-based care, retirement communities, and healthcare services. Second, rising participation in outdoor activities, fitness, and active lifestyles is creating incremental demand for sportswear tailored to older consumers. Third, increasing health consciousness and preventive healthcare spending are driving demand for vitamins, minerals, health supplements, and other wellness products. These sectors are all beneficiaries of a common trend: a new generation of retirees seeking to live longer, healthier, more active, and more fulfilling lives.

Figure 1. China's "young elderly" remain socially engaged but see greater room for improvement in physical well-being

Respondents aged 55-64 report lower satisfaction with physical health than with mental, social and spiritual well-being, creating demand for products and services that support active and healthy ageing.



Source: McKinsey

II. China Insurance: Retirement Reimagined, Unlocking the Silver Economy

Michelle Ma, CFA[AC]
Amy Jy Chen

What does retirement look like? For a growing number of Chinese retirees, it is no longer about slowing down. It may mean learning ballet for the first time in their seventies, joining a concert band, attending university-style classes, or living in a community that combines healthcare, wellness and social engagement. As retirement expectations evolve, China's elderly-care landscape is expanding beyond the traditional choices of aging at home or moving into a nursing home. In our view, China is developing a unique retirement ecosystem where insurers are becoming increasingly important participants.

For Chinese life insurers, this is far more than a social trend. We believe elderly-care ecosystems will become one of the industry's most important competitive differentiators over the next decade. Insurers are evolving beyond traditional protection providers into integrated retirement-service platforms, offering home-based care, health management, retirement communities and senior lifestyle services. These ecosystems help insurers identify affluent customers, increase customer engagement, strengthen retention and, ultimately, drive insurance sales. Based on our estimates, senior care-related services could facilitate up to Rmb3.6tn of insurance premiums by 2030E.

Under China's widely adopted "9073" elderly-care framework, approximately 90% of seniors age at home, 7% rely on community-based support and 3% reside in institutional care settings. Chinese life insurers are increasingly building their strategies around this structure. **Ping An** has emerged as the leader in home-based elderly care through its healthcare ecosystem such as Good Doctor and "Ping An Home" platform, while Taikang and **CPIC** have invested heavily in building retirement communities that offer an alternative vision of retirement centered on active aging, healthcare access and lifelong learning. Overall, we see elderly-care ecosystems delivering three strategic benefits for insurers: better access to affluent customers, stronger customer stickiness through recurring engagement, and higher insurance sales as retirement planning becomes an increasingly important financial priority.

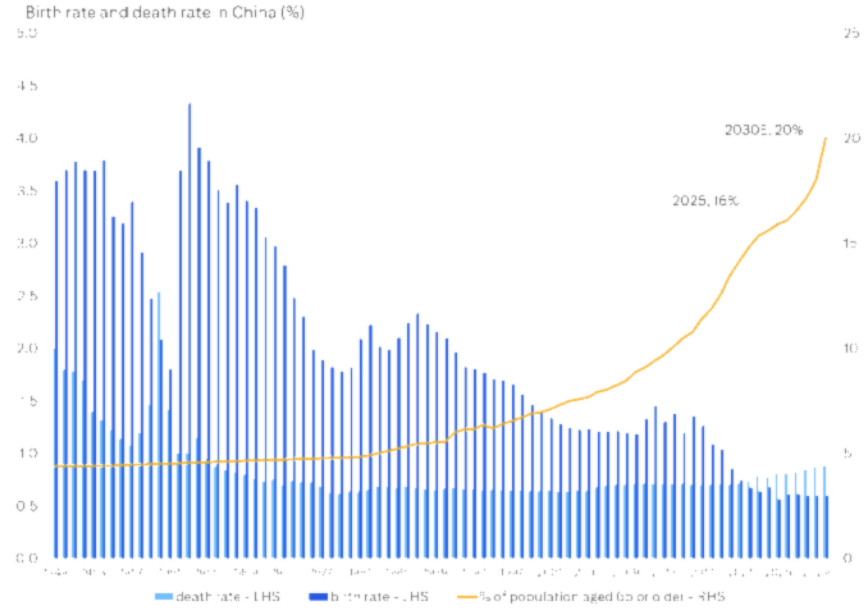
1. China insurers becoming a key pillar of the "9073" elderly care service landscape

China's elderly care system is evolving against a backdrop of rapid population ageing, shrinking family sizes, and rising demand for professional long-term care. Against this backdrop, we believe insurers are becoming an increasingly important pillar of China's elderly care system, building ecosystems that span home-based, community-based, and institutional care solutions aligned with the country's widely adopted "9073" elderly care framework where approximately 90% of seniors age at home, 7% rely on community-based support and 3% reside in institutional care settings.

China is on track to become a "super-aged society". According to the National Bureau of Statistics, individuals aged 65 and above accounted for 15.9% of the population at YE25. This ratio is expected to exceed 20% by 2030, according to the *China Population Forecast Report 2023* published by YuWa Population Research Institute. At the same time, demographic and social changes are reducing the capacity of families to provide elderly care. The average household size declined to 2.62 persons in 2020 from 3.10 in 2010, according to the National Bureau of Statistics. In addition, China Daily reported that approximately 60% of people aged

60 and above were living either alone or only with their spouse in 2021, up by 10ppt from a decade earlier.

Figure 2. China is approaching "super-aged society" status, creating structural demand for elderly-care services



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Note: data beyond 2025 per estimates in UN World Population Prospects

Source: Citi Research, National Bureau of Statistics, United Nations

The scale of this demographic transition is gradually transforming elderly care from a predominantly family responsibility into a coordinated system involving families, communities, healthcare providers, professional operators, insurers and local governments. Recognizing these challenges, policymakers have actively encouraged private-sector participation in elderly care. The *14th Five-Year Plan for National Ageing Development and the Elderly Care Service System* highlighted several areas requiring improvement, including insufficient home- and community-based services, shortages of professional caregivers, uneven service provision across regions, and limited availability of high-quality and affordable elderly care services.

In 2005, Shanghai introduced the "9073" elderly care framework, under which approximately 90% of seniors age at home, 7% rely primarily on community-based support, and 3% live in professional elderly care institutions. The framework subsequently became a widely adopted reference model across China. Today, we are seeing insurers increasingly align their elderly care strategies with this structure and develop service ecosystems across all three segments.

Figure 3. China's "9073" framework provides the foundation for insurer-led elderly-care ecosystems



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Source: Citi Research

Home-based care, the "90", remains the cornerstone of China's elderly care system. Beyond support provided by family members, the segment increasingly encompasses professional services delivered directly to the home, including meal delivery, housekeeping, bathing assistance, rehabilitation, nursing visits, chronic disease management, emergency response and home safety modifications. Among listed insurers, Ping An was the first to establish a dedicated home-based elderly care platform and has since developed one of the most comprehensive service offerings in the market.

Community care, the "7", functions as the operating hub supporting ageing in place. Community facilities typically provide meals, day-care services, rehabilitation programs, social activities, short-term respite care and coordination of home-based services. For example, many local governments have established community canteens to provide seniors with convenient and affordable meal options.

Institutional care, the "3", represents the most comprehensive form of professional elderly care. This segment includes public and private nursing homes, retirement communities and integrated medical-care facilities. Insurers have increasingly invested in retirement communities and senior living facilities as a value-added extension of their insurance offerings, particularly for affluent and mass-affluent customers.

We believe the expansion into elderly care offers three important strategic benefits for Chinese life insurers.

First, elderly care ecosystems enhance customer acquisition and segmentation. Customers willing to commit to retirement solutions linked to home care services, retirement communities or long-term care arrangements typically exhibit higher levels of wealth and insurance purchasing power, allowing insurers to identify and target affluent and high-net-worth households more effectively.

Second, elderly care services strengthen customer stickiness through more frequent engagement. Unlike traditional life insurance products, which often involve limited customer interaction after policy issuance, elderly care services generate recurring touchpoints through health management, medical consultations, caregiver coordination, hospital accompaniment, rehabilitation support and wellness monitoring. These engagements can improve retention while creating opportunities for cross-selling and up-selling.

Third, elderly care ecosystems can become a powerful driver of insurance sales. As retirement preparedness becomes an increasingly important financial priority, access to high-quality home-based care services or retirement communities is emerging as a key differentiating factor in insurance purchasing decisions. In our view, the economic value of elderly care lies less in standalone service profitability and more in its ability to facilitate insurance sales and deepen customer relationships. Based on our estimates, senior care-related services could facilitate approximately Rmb3.6tn of insurance premiums by 2030E, including Rmb2.3tn from home-based care offerings, supported by the large population choosing to age at home, and Rmb1.2tn from institutional care solutions targeting affluent and high-net-worth customers.

Figure 4. China insurers unfolding a Rmb3.6trn market facilitated by senior care services by 2030E

Senior Care Related Insurance Premium TAM (2030)

Population aged between 45-65 years old by 2030E (mn)	435
% of people who started retirement planning	80%
Number of people who started retirement planning by 2030E (mn)	348

Number of people who prefer **home-based senior care** (mn)	313
% of people who prefer home-based senior care	90%
Number of people who plan to access home-based senior care through insurers (mn)	16
% of people who plan to access home-based senior care through insurers	5%
Accumulated premiums required to access home-based senior care (Rmb)	150,000
Insurance premiums facilitated by home-based senior care services (Rmb bn)	**2,349**

Number of people who prefer **institutional senior care** (mn)	12
% of people who prefer institutional senior care	3.5%
Number of people who plan to access institutional senior care through insurers (k)	1,218
% of people who plan to access institutional senior care through insurers	10%
Accumulated premiums required to access institutional senior care (Rmb)	1,000,000
Insurance premiums facilitated by institutional senior care services (Rmb bn)	**1,218**

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Source: Citi Research Estimates

2. Home-based elderly care services: capturing the broadest audience in China's silver economy

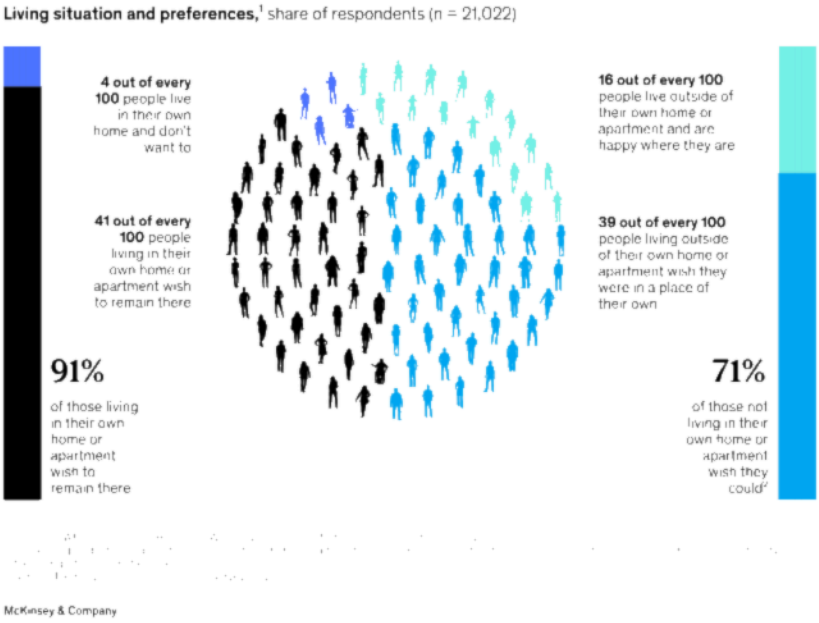
90% of Chinese seniors prefer aging in place

Home-based elderly care represents the largest opportunity within China's elderly care market, in our view, as it aligns with the strong preference among Chinese seniors to age in familiar surroundings while maintaining close connections with their families and communities. For insurers, home-based care is particularly attractive because it addresses the broadest customer base under China's "9073" elderly care framework and creates frequent engagement opportunities through healthcare and lifestyle services.

Survey evidence consistently points to a strong preference for aging in place. According to McKinsey's Global Healthy Aging Survey conducted in 2023, 91% of respondents aged 55 or above who currently live in their own homes wish to remain there. Similarly, China CITIC Bank's 2025 survey found that approximately 90% of respondents preferred home-based or community-based elderly care, while only around 10% favored institutional care.

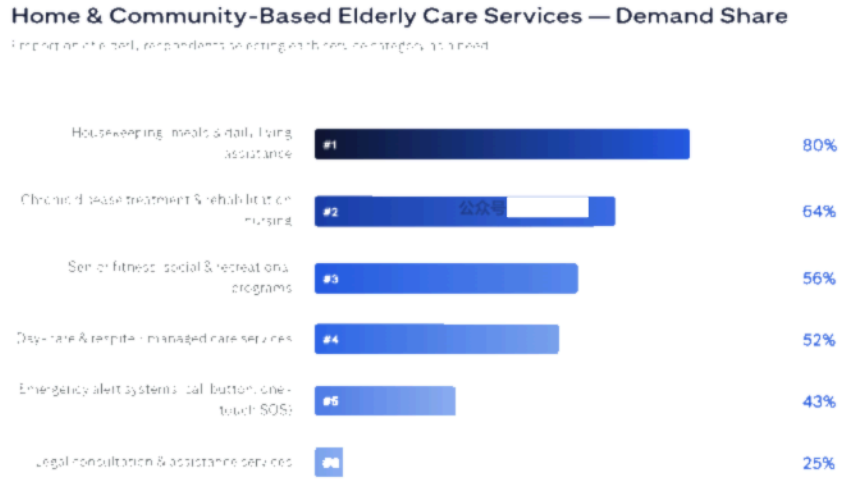
Among respondents preferring home- and community-based care, the three most sought-after services were: 1) housekeeping, meals and daily living assistance (80%), 2) chronic disease treatment and rehabilitation nursing (64%), and 3) senior fitness, social and recreational activities (56%). These findings suggest that future demand is likely to extend beyond basic elderly care and increasingly encompass healthcare management, rehabilitation and lifestyle-related services.

Figure 5. Ageing in place remains the dominant retirement preference, supporting demand for home-based elderly care



Source: McKinsey & Company

Figure 6. Seniors' care needs extend beyond daily assistance to healthcare and rehabilitation



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Note: n=10137

Source: Citi Research, China CITIC Bank

Comparison between listed players' home-based services and synergies with core insurance business

Ping An was the pioneer among listed insurers in building a home-based elderly care ecosystem, launching its first pilot programs in 2021. Since then, CPIC, New China Life and Taiping Life have introduced their own home-based care offerings, while China Life remains in the exploration stage of an asset-light elderly care model.

Across the industry, home-based care offerings generally focus on three areas: 1) daily living support, including nutrition, sleep and household assistance; 2) healthcare services, such as hospital accompaniment, chronic disease management and rehabilitation; and 3) safety-related services, including senior-friendly home modifications, safety monitoring and emergency response.

Among listed players, we believe Ping An, Taiping Life and CPIC currently have the broadest geographic coverage. Ping An remains the clear leader in healthcare ecosystem capabilities, supported by a network of more than 50,000 in-house and contracted doctors and over 38,000 partner hospitals. Importantly, management disclosed that synergies with its core insurance business have already become evident, with first-year premiums from "Ping An Home" customers increasing 9.7x YoY in 1H26.

Figure 7. Home-based elderly care services provided by listed insurers

Company	Ping An Life	CPIC Life	China Life	New China Life	Taiping Life
Service Brand	平安居家	百岁居	NA	新华安	太平乐享居
Launch Time	Pilots launched in 2021; Brand upgraded in 1H26	Pilots launched in 2023; with new high-end brand "NanShanJu" (南山居) launched in Apr26	Pilot programs launched in 2023; continued to explore home-based elderly care system in 1H26	Fully rolled out since Aug24	Pilot launched in 2023; officially launched in 1H26
Geo Reach	140 cities nationwide (as of June 2026)	127 cities with 235 offline experience centers (as of June 2026)	pilot in 5 cities (Beijing, Shanghai, Guangzhou, Hangzhou, Chengdu)	42 cities with rehabilitation communities	170 cities nationwide (as of August 2026)
Customer Reach	over 320,000 entitled customers (as of June 2026)	over 100,000 customers across its whole wellness ecosystem	limited public disclosure	over 4mn customers across its whole wellness ecosystem	limited public disclosure
Service Offering	Flagship 7 Benefits: ① sleep management which improves sleep for vitality; ② nutrition management which optimizes diet for wellness; ③ functional improvement which stimulates a better state; ④ comorbidity management which eectively addresses chronic diseases; ⑤ medical visit guidance which assists in seeking medical care; ⑥ smart guard which ensures home safety; and ⑦ global medical consultation and drug sourcing	3 Housekeepers on ① Safety, ② Hospital Visits, ③ Care Services; 1 Platform covering five key dimensions of elderly care: healthcare, nutrition, safety, elderly support, and caregiving	limited public disclosure	① healthcare services, e.g. chronic disease management and online healthcare services, ② safety monitoring services, ③ elderly-adapted home modification services, ④ daily activities assistance services; ⑤ home-based caring services or rehabilitation services	3 major scenarios: ① home-based care services, ② hospital visit/online hospital services, ③ elderly-adapted home modification services
Service Providers / Network	50,000+ in-house & contracted doctors; 38,000+ partner hospitals; 245,000 partner pharmacies	1,210 partnered healthcare service providers	limited public disclosure	partnered with New Frontier Group and other service providers	limited public disclosure
Synergies with Insurance Business	FYP for "Ping An Home" customers increased 9.7x; health users' upsell rate 5-9 pps higher than non-users	High net worth life customers driven by retirement programs increased 37% yoy in 1H26	Complementary to its institutional elderly care service system	Integrated with "Xinhua Yue" (新华悦) travel-based care	AUM of the second pillar annuities reached Rmb767bn, while the scale of the third pillar commercial pension business reached Rmb26.3bn

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Source: Citi Research, Company Reports

Case study on Ping An – the first listed insurer to tap into home-based elderly care

In our view, Ping An provides the clearest example of how elderly care services can deepen customer engagement while driving insurance sales, supported by the company's healthcare ecosystem, technology capabilities and extensive provider network.

Ping An's integrated healthcare ecosystem provides a useful example of how insurers can leverage healthcare resources to extend into elderly care services, including home-based diagnosis and treatment, rehabilitation and nursing services, chronic disease management and emergency rescue capabilities.

Ping An was the **first** listed insurer to enter the home-based senior care space, starting pilots in 2021. In 1H26, Ping An upgraded its home-based senior care services into the "Ping An Home" (平安居家) service brand. This upgrade shifted the service model from reactive response to proactive health management, supported by a new dedicated app platform.

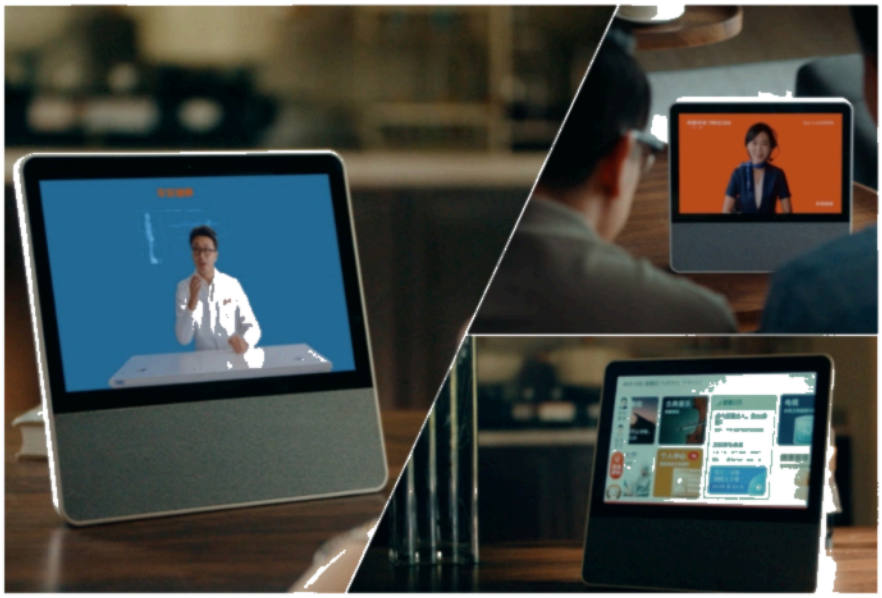
Ping An's "Three-in-One" Elderly Care Manager model is the core service system developed under its "Insurance + Home-based Elderly Care" strategy. It integrates a Smart Care Manager (智能管家), a Lifestyle Care Manager (生活管家), and a Doctor Care Manager (医生管家), covering over 10 major scenarios, namely healthcare, dining, housing, mobility, wealth management, rehabilitation, elderly care, recreation, nursing, and safety.

- **Doctor Care Manager**: Doctor Care Manager provides end-to-end healthcare support for elderly people at home. Its major functions include health record management, regular health assessments, chronic disease management, specialist consultations, hospital appointment and admission arrangements, medical escort services, and post-discharge rehabilitation follow-up. Overall, the Doctor Care Manager serves as the customer's primary point of contact for 7*24, maintains a comprehensive understanding of the customer's health profile, conducts preliminary assessments, and coordinates the overall care journey. When specialist medical expertise is required, the Doctor Care Manager connects the customer with the appropriate specialists for further diagnosis, treatment recommendations, or y consultations. Case managers provide the operational support needed to implement the recommended care plan. This may include coordinating hospital and specialist appointments, arranging medical escort services, facilitating referrals and hospital admissions, maintaining medical records, and following up on treatment and rehabilitation progress.

- **Smart Care Manager**: Powered by an AI platform, connected IoT devices, and a 24/7 response center, the Smart Care Manager provides continuous remote monitoring and emergency support for elderly customers at home. Key functions include one-touch SOS alerts, fall detection, sleep monitoring, abnormal activity detection, emergency contact notifications, and rescue coordination. If an elderly customer falls, remains inactive for an extended period, or displays other unusual activity, the system automatically generates an alert and initiates the appropriate response process. By November 2025, Ping An Smart Care Manager has served more than 100,000 clients and reported a 100% response rate for alerts generated by its Smart Protection system.

- **Lifestyle Care Manager**: Online Lifestyle Care Managers serve as a one-stop concierge and service coordinator for elderly customers, providing 24/7 online human support for their daily living and elderly care needs. The care managers hold professional qualifications in areas such as emergency first aid, elderly care, and health management, enabling them to respond to routine requests as well as urgent situations. Through a single point of contact, Lifestyle Care Managers can coordinate hundreds of services across ten key areas: healthcare, food, housing, mobility, financial planning, rehabilitation, elderly care, recreation, nursing, and home safety. These services may include home cleaning, meal delivery, appliance repairs, accompanied hospital visits and transportation, senior-friendly travel, elderly care facility referrals, and access to rehabilitation and wellness resources. Customers therefore do not need to identify, assess, or manage individual service providers themselves, as the Lifestyle Care Manager coordinates the entire process and helps address the major, minor, and urgent needs that may arise during home-based elderly care.

Figure 8. Ping An's online doctor, online concierge, and AI-powered smart system provided to qualified policyholders



Source: Company Reports

More broadly, we believe home-based elderly care represents the largest opportunity within China's elderly care market as it addresses the needs of approximately 90% of the senior population under the "9073" framework. Compared with retirement communities, the model is relatively asset-light, more scalable across regions, and easier to replicate nationally through partnerships with healthcare providers and service operators. Importantly, home-based care creates recurring customer interactions through health management, medical consultations, rehabilitation support and daily-living services, allowing insurers to engage customers far more frequently than traditional insurance products. This, in turn, facilitates cross-selling opportunities across healthcare, elderly care and insurance offerings.

3. Institutional elderly care: heavy-asset mode a differentiator for insurers targeting affluent retirees

Institutional care gaining traction, particularly among younger retirees

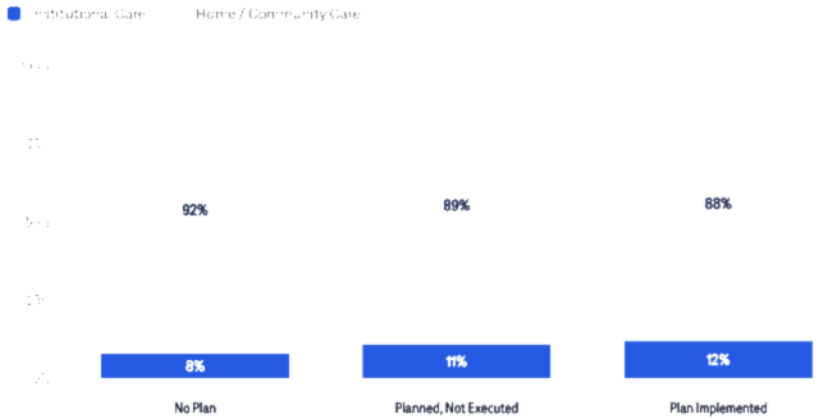
While institutional care remains a niche segment in China's elderly care market, consumer acceptance is gradually increasing, and demand has gained notable traction in recent years. Importantly, we view institutional care not as a mass-market opportunity, but as a differentiated proposition that enables insurers to attract affluent and high-net-worth customers, strengthen retirement planning offerings, and facilitate insurance sales.

We see three factors supporting the long-term growth of institutional care in China: i) stated consumer preference already exceeds current penetration levels; ii) financially prepared consumers demonstrate a greater willingness to pay for institutional care; and iii) younger retiree cohorts place greater emphasis on professional healthcare, nursing services, and personalized retirement experiences.

Compared with today's older cohorts, individuals aged 45-65 and approaching retirement over the next decade generally place greater emphasis on retirement quality, healthcare access, social engagement, and professional care services. These consumers tend to be more urbanized, financially prepared, and receptive to market-based retirement solutions. According to China CITIC Bank's *Report on Retirement Wealth Management Development of Chinese Residents (2025)*, more than 10% of respondents preferred institutional care over home-based or community-based care. This compares with current penetration of only c.3%, measured by the approximately 8mn elderly-care beds available nationwide at YE25, suggesting a supply gap as demand for institutional care gradually increases.

Moreover, willingness to adopt institutional care appears positively correlated with retirement preparedness. According to the same survey, 12% of respondents who had already started implementing their retirement plans preferred institutional care, compared with 11% among those still planning and 8% among those who had not started retirement planning. This suggests that demand for institutional care is likely to increase alongside greater retirement awareness, wealth accumulation, and financial preparedness.

Figure 9. Institutional care gains appeal as consumers become more financially prepared for retirement

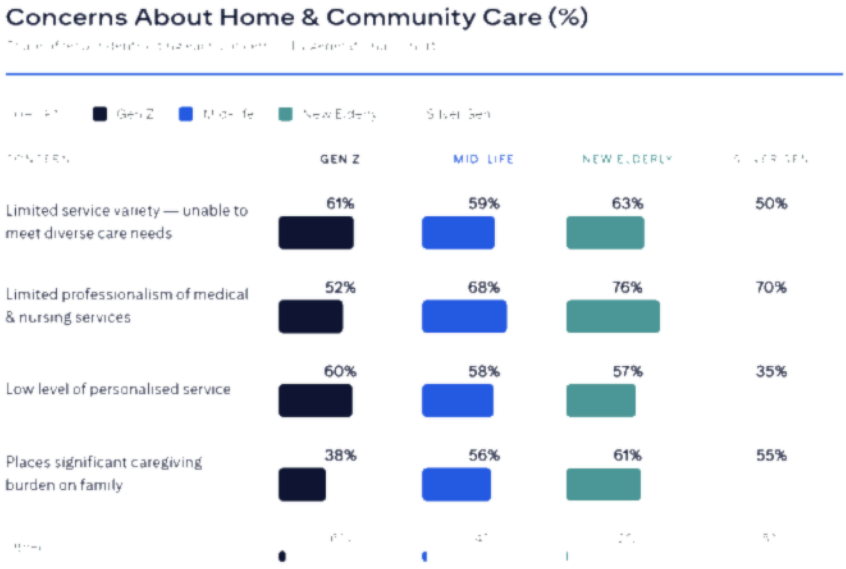


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Note: n=10137

Source: Citi Research, China CITIC Bank (2025)

We also believe younger retiree cohorts are likely to be more receptive to institutional care. According to China CITIC Bank's *White Paper on Retirement Communities (2024)*, younger elderly groups (males aged 55-64 and females aged 50-59) express the strongest concerns regarding the limitations of medical and nursing services available through home-based and community-based care. At the same time, they exhibit greater demand for professional healthcare support and more personalized service offerings relative to older age groups.

Figure 10. Younger retirees place greater emphasis on professional care and personalized retirement services



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Note: n=10137

Source: Citi Research, China CITIC Bank

Roughly half of China's retirement communities are operated by private-sector participants, including life insurers. Importantly, these facilities have evolved far beyond traditional nursing homes and increasingly offer integrated healthcare, wellness, rehabilitation, lifestyle, and social services. In our view, institutional elderly care has become an important differentiating factor for insurers targeting affluent and mass-affluent retirees. While the model is capital-intensive and serves a relatively small population segment, its primary strategic value lies in facilitating insurance sales, strengthening customer engagement, and enhancing customer lifetime value.

Comparison between listed players' institutional elderly care services and synergies with core insurance business

Among domestic life insurers, we see that various approaches have been taken: Taikang and CPIC went along the heavy-asset mode; China Life, NCI, and Taiping combined both light-asset and heavy-asset strategies; whereas Ping An is more focused on home-based elderly care and maintained a lean investment in institutional care with only a few high-end propositions.

In our view, we rank insurers' institutional care deployments as below:

1. **Taikang Home** remains the undisputed leader in terms of a) scale and customer reach, with 48 heavy-asset projects deployed across 37 cities, b) the s of services, boasting its "five-in-one" lifestyle model, comprising a home, a medical center, an open university, an activity club and a spiritual community, and c) easy access to healthcare services with one hospital at each community.

2. **CPIC** is the second largest player in terms of heavy-asset mode institutional care deployment, with 15 projects across 13 cities deployed. Unlike Taikang who positioned most of its communities in suburban areas, CPIC Home adopted a balanced approach, with a mix of urban and resort locations. In particular, CPIC boasts a strong focus on rehabilitation, leveraging its partnership with the European elderly care service provider ORPEA, and it would continue to strengthen its rehabilitation service capabilities going forward. The synergies with CPIC's core insurance business have prevailed: in 1H26, high net worth life customers driven by retirement programs increased 37% yoy.

3. **Ping An** chose to focus on high-net-worth individuals and only deployed a few heavy-asset projects in city-centers in key cities such as Shenzhen, Shanghai, Hangzhou, Guangzhou, and Foshan, correspondingly its retirement community eligibility has the highest minimum premium requirement at Rmb5.88mn. Unlike Taikang and CPIC, which directly operate large retirement communities, Ping An's core strength lies in leveraging its broader healthcare ecosystem to support elderly care services. We like Ping An's institutional care strategy given its unique value proposition, and such high-end institutional care has translated into insurance sales growth: in 1H26, customers with premium senior care services saw life FYP lifted by 48.8x yoy.

4. **Taiping Life** integrated its institutional care with travel-based services, boasting a wide reach to 56 cities through both light-asset and heavy-asset deployments. For its senior home ecosystem (乐享家), there are 15 projects deployed, of which 6 were self-built. As to its travel-based elderly care ecosystem (乐享游), there are 48 partnered projects available. In particular, we would like to flag that Taiping Life can leverage its onshore/offshore connection to promote Mainland Chinese elderly care services to overseas customers. Mgmt disclosed that the issuance of 26.8k retirement community eligibility drove HK$13.6bn of new policy premiums in 2025.

5. **China Life** has established a credible presence through its institutional care network, spanning across city-center residence, suburban residence, senior travel living, and inclusive community-based living, etc. The

company took a hybrid approach with both light-asset and heavy-asset deployments, and a balanced deployment in city centers, suburban areas, and resort locations.

6. **New China Life** mainly relied on third-party service providers in expanding its institutional care network, with only three out of a total 61 projects self-built. We think this could potentially lead to less control over service quality and customer satisfaction level. That said, as its network covers 42 cities, we think it would bode well with customers who value travel-based services.

Figure 11. Comparison between life insurers' deployment in institutional elderly care in China

Company	Taikang Life	Ping An Life	CPIC Life	China Life	New China Life	Taiping Life
Service Brand	泰康之家	平安臻颐年 (Zhen Living)	太保家园 (CPIC Home)	国寿嘉园 (China Life Care Garden)	新华悦	太平乐享养老 (乐享家+乐享游)
Launch Time	strategic planning started in 2007; community layout started in 2012; first live project launched in 2015	strategic planning started in 2021; first live project launched in 2025	strategic planning started in 2018; first live project launched in 2021	strategic planning started in 2019; first live project launched in 2019	strategic planning started in 2012; first live project launched in 2016	strategic planning started in 2014; rebrandedd in 2021; first live project launched in 2019
No. of Cities Covered	37	5	13	19	46	56
Business model	heavy-asset	heavy-asset	heavy-asset	heavy-asset + light-asset	mainly light-asset projects	heavy-asset + light-asset
No. of Projects Deployed	48	6	15	14 (43 if including community-based inclusive projects)	65 (3 self-built)	15 (6 self-built) senior homes + 48 travel living projects
No. of Projects in Operation	32	2	14	7 (10 if including community-based inclusive projects)	65 (3 self-built)	15 (5 self-built) senior homes + 48 travel living projects
No. of Beds Deployed	c.90k (or c.60k units)	>2.1k	c.16.5k	c.11k	na	na
No. of Beds in Operation	over 23k residents	over 700 residents	over 3.5k residents	over 1.4k residents	na	na
Residence location	mostly suburban areas	city-center (Shenzhen, Shanghai, Hangzhou, Guangzhou, Foshan)	mix of urban (Shanghai, Beijing, Qingdai, Xiaman, Suzhou) and resort locations (Shanghai, Chengdu, Hangzhou, Nanjing, Dali, etc.)	mix of urban (Qingdao, Shijiazhuang, Hangzhou, Kunming, Shenzhen), suburban (Beijing, Tianjin, Chengdu, Xiamen), and resort locations (e.g. Suzhou, Sanya)	mainly city-center; mainly via external partership	mix of urban (Guangzhou, Shenzhen, Nanning), suburban (Shanghai, Beijing, Hangzhou, Tianjin), and resort locations (e.g.Kunming, Qingdao,Sanya, Suzhou)
Service Offerings/Key Attractions	"five-in-one" lifestyle model, comprising a home, a medical center, an open university, an activity club and a spiritual community	Ping An Group's healthcare resources; focused on elderly's seven-dimension of wellness	strong rehabilitation focus leveraging European elderly care provider ORPEA's expertise; three service lines covering 1) senior travel living for the young elderly; 2) independent living for the healthy retirees; and 3) assisted living for those in need	comprehensive offering across city-center residence, suburban residence, senior travel living, community-based living, etc.; spanning across elderly care, rehabilitation, and nursing services	integrated institutional care with travel-based services	integrated institutional care with travel-based services; offering mainland Chinese elderly care service access to overseas customers
Eligibility	min. total premiums of Rmb2mn (varying among Rmb1.2~3mn depending on region)	min. total premiums of Rmb18.88mn for tier I cities (or Rmb5.88mn for tier II cities)	min. total premiums of Rmb1.5mn (or deposit of Rmb0.5~1.5mn)	min. total premiums of Rmb2mn (Rmb3mn for new customers)	min. total premiums of Rmb1mn	min. total premiums of Rmb1.5mn
Synergies with Insurance Business	facilitated insurance sales across HNWIs, esp. for long duration products	1) enhanced customer tiering; 2) better retention (retention rate of customers with seniorcare services >99%); 3) boosted sales (customers with premium seniorcare saw life FYP lifted by 48.8x yoy in 1H26)	high net worth life customers driven by retirement programs increased 37% yoy in 1H26	limited public disclosure	issuance of 1.2k retirement community eligibility drove Rmb370mn of FYP in 1Q24	the issuance of 26.8k retirement community eligibility drove HK$13.6bn of new policy premiums in 2025

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Source: Citi Research, Company Reports

Case study on Taikang Home – reimaging retirement homes as "Senior Disneyland"

Taikang Home (泰康之家) is perhaps the most prominent example of how Chinese insurers have moved beyond traditional insurance products into the broader retirement ecosystem. Since introducing China's first Continuing Care Retirement Community (CCRC) model in 2007, Taikang has sought to redefine retirement living from a care-oriented necessity into a lifestyle proposition. Management often describes the concept as a "retirement community" or even a "senior Disneyland" rather than a conventional nursing home.

Today, Taikang Home operates 48 retirement communities across 37 cities, serving more than 18,000 residents, making it one of the largest senior-care platforms in China.

Figure 12. Taikang Home has deployed 48 projects across 37 cities in China



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Source: Citi Research, Company Reports

A key differentiator of Taikang Home is its "five-in-one" model, integrating a residence, a medical center, an open university, an activity club, and a spiritual community. Residents have access to healthcare through Taikang's "**one community, one hospital**" model, with services ranging from chronic disease management and rehabilitation to nursing care and memory-care facilities. The communities also provide a continuum of care, allowing residents to transition from independent living to assisted living and skilled nursing while remaining within the same ecosystem.

Figure 13. The bedside emergency pull cord at Taikang Home



Source: 21st Century News

What particularly distinguishes Taikang Home is its emphasis on "活力养老" (active aging) and "文化养老" (cultural aging). Rather than focusing solely on healthcare and caregiving, the company seeks to help residents continue learning, socializing, and pursuing personal interests throughout retirement.

Across its communities, Taikang offers approximately 600 courses, 350 resident clubs, and more than 400 volunteer lecturers. Activities range from calligraphy, painting, photography, and choir to swimming, yoga, dancing, and theatre. Many of the instructors are residents themselves, including university professors, retired academics, artists, and former industry professionals.

One example frequently highlighted by the company is residents taking up entirely new hobbies after retirement. Through initiatives such as the "First Time in Life" and "Dream-Chasing Program", individuals in their seventies and eighties are encouraged to pursue aspirations they never had time for during their working years. At Taikang Home Yanyuan in Beijing, for example, a former electronic engineer began learning ballet at the age of 77, fulfilling a childhood dream. Today, ballet groups with average participant ages above 70 regularly perform at community events and public exhibitions.

Residents also have access to Taikang's senior university, "Le Tai Academy" (乐泰学院), which offers more than 60 courses spanning arts, academics, wellness, and personal development. Importantly, residents are encouraged not only to participate but also to become teachers, mentors, club leaders, and volunteers. In this way, the communities are designed to transform seniors from service recipients into active contributors.

Figure 14. Ballet practices at Taikang Home



Source: Company Reports

Figure 15. Concert Band at Taikang Home



Source: Company Reports

In our view, the significance of the Taikang model lies in its ability to address multiple dimensions of retirement simultaneously, including healthcare, social interaction, recreation, culture, financial planning, and a sense of belonging. As a result, the retirement community becomes far more than a real-estate product or care facility; it functions as an integrated lifestyle and service ecosystem.

From an insurance perspective, this ecosystem has also become a powerful customer acquisition and retention tool. Eligibility for most Taikang communities requires customers to purchase designated pension or annuity products, with premium thresholds typically around Rmb2mn, although requirements vary from Rmb1.2mn to Rmb3mn according to location and project. Residents subsequently pay monthly service fees ranging from Rmb5,000 to Rmb34,000 depending on the community and level of care required. Effectively, the insurance policy serves as an entry ticket to a broader platform encompassing housing, healthcare, rehabilitation, recreation, lifelong learning, and social engagement.

To obtain the qualification to enter these communities, consumers would need to purchase Taikang's high-end pension products or annuity products with total premiums threshold usually at **Rmb2mn** (varies between Rmb1.2mn~Rmb3mn for different regions/communities). After moving in, they would be charged a monthly fee of Rmb5,000~Rmb34,000, depending on the region and service package they choose. For the consumers, **the insurance policy effectively acts as an entry ticket** into a lifestyle platform that combines housing, healthcare, rehabilitation, recreation and lifelong learning.

Xiaopo Wei, CFA [AC]
Vincent Young

III. China Sportswear

1. An emerging large sportswear consumption group

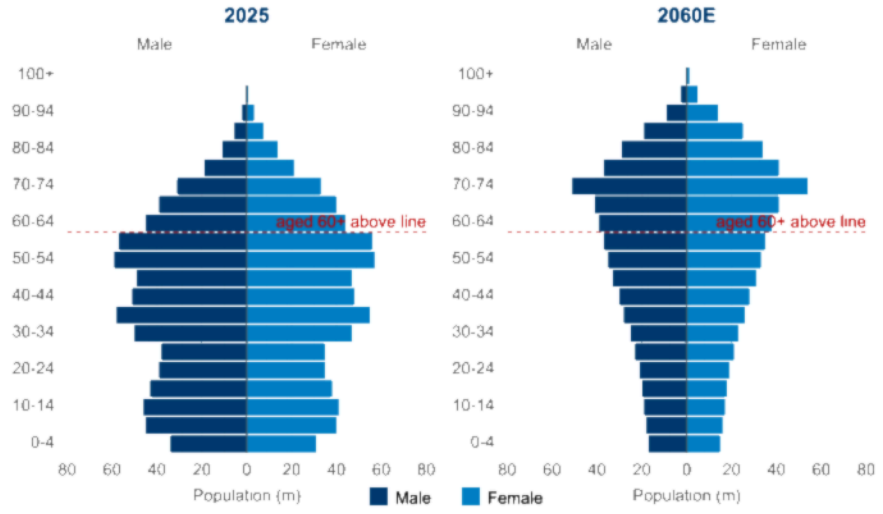
We see four drivers for the rising sportswear demand of senior consumers: (1) an enlarged population group aged 60+, (2) a rising wallet tilted towards apparel consumption, (3) rising demand of seniors for outdoor products, (4) the elderly's dominant consideration on "health & safety" in purchase decisions, and (5) a spending shift from family to self-improvement.

An enlarged population group of aged 60+

Per NBS data, China's population aged 60+ was 323m at end-2025 (23.0% of total) and grew by 13m in 2025. We expect ~10m of annual addition to this age group up to 2030E, with much faster growing pace than groups aged below 60.

In China's current population aging profile, 50-60 age group are the largest age block and this group will all move to 60+ in the next decade (Figure 16). The 50-64 age group (ie. the young elderly) is still working and is currently one of the major sportswear consumption groups, in our view. We expect this group to maintain their sportswear consumption pattern amid aging.

Figure 16. China: estimated and projected population by age and sex, 2025 and 2060



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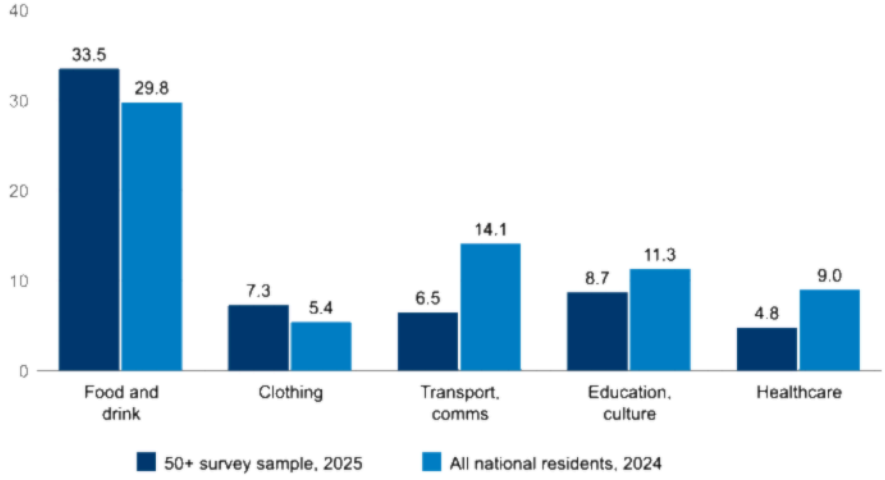
Totals tie to NBS 2025 within 2% The 50-64 bands in 2025 move above the 60+ line over the next decade

Source: US Census Bureau International Database, Citi Research

A rising wallet tilted towards apparel consumption

Seniors have a larger share of spending on apparel than the average Chinese consumer. Clothing/apparel was 7.3% of per-capita consumption spending of consumers aged 50+ in 2025 (Rmb2,800 a year), vs 5.4% for all residents in 2024 (Rmb1,500), per the Silver Consumption Survey of China National Committee on Ageing (Figure 17). Food, tobacco and alcohol plus clothing together took 41% of senior's spending share, vs 35% nationally, per the survey. Seniors are also more likely to spend more on physical goods.

Figure 17. Share of per-capita consumption spending by category, aged 50+ vs all residents (%)



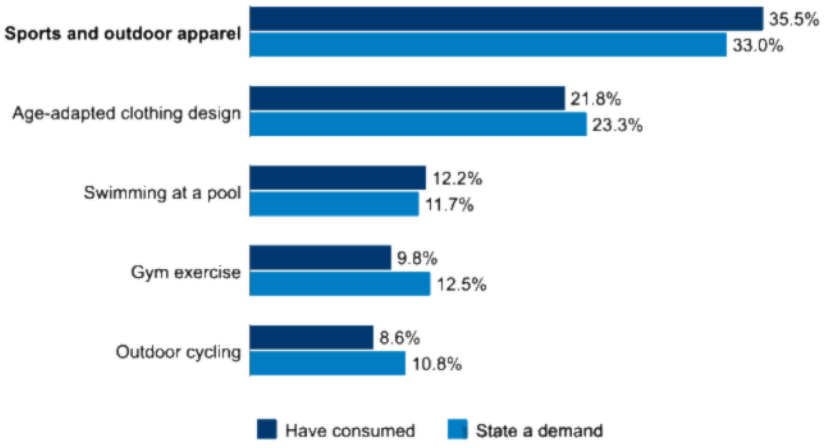
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Survey covers 6,117 valid samples aged 50+ across 31 cities in 10 provinces

Source: China National Committee on Ageing, Silver Consumption Survey (2026 Mar), Citi Research

Furthermore, per the Silver Consumption Survey of China National Committee on Ageing (2026), ~36% of respondents aged 50+ had bought sports and outdoor apparels in 2025 vs 33% "stating a demand for it" (Figure 18).

Figure 18. China: sport-related items consumed and demanded by consumers aged 50+, 2025 (%)



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Share of the 6,117 respondents aged 50+. Sports and outdoor apparel is the only item where consumption exceeds demand

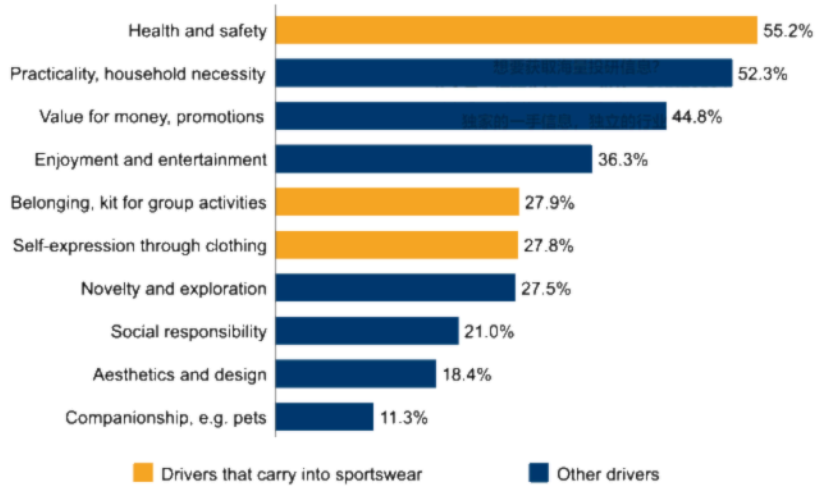
Source: China National Committee on Ageing, Silver Consumption Survey (2026 Mar), Citi Research

Dominant consideration on "health & safety" in purchase decisions

Per Kurun Data (Figure 19), "health & safety" (55%) was the leading purchase consideration by consumers aged 50+, ahead of "practicality" (52%) and "price promotions" (45%). In the same survey, Gen Z respondents ranked "health & safety" as No. 4 (at 43%).

Further looking at the purchase decisions by consumers aged 50+, "belonging & kit for group activities" (28%) and "self-expression through clothing" (28%) were also highly ranked. In our view, those factors are highly related to sports activities, boding well for sportswear consumption of consumers aged 50+.

Figure 19. China: what consumers aged 50+ weigh most when buying (%)



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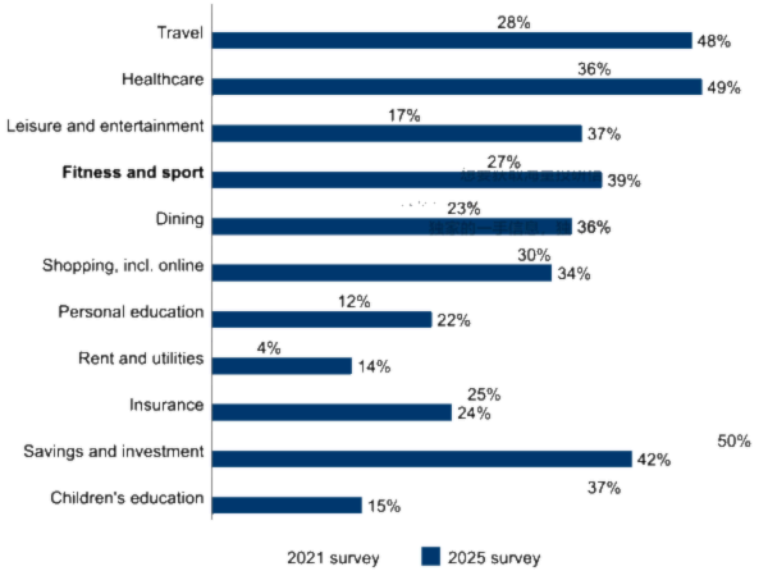
Multiple responses permitted. The three highlighted drivers are the ones that carry into sportswear demand

Source: Kurun Data (n=2,020), Citi Research

A spending shift from family to self-improvement.

Per the Accenture China Consumer Research (Figure 20), ~39% of consumers aged 55-65 plan to raise spending on fitness & sports over the next year (vs 27% in its 2021 survey). 48%/37% of consumers aged 55-65 plan to raise spending on travel in 2025 vs 28%/17% in 2021. The % of consumers aged 55-65 planning to raise spending on children's education fell to 15% in 2025 (from 37% in 2021) and that on savings dropped to 42% in 2025 (from 50% in 2021).

Figure 20. China: areas where consumers aged 55-65 plan to raise spending over the next year (%)



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Note: 2025 survey n=1,122 aged 55-65, 2021 survey n=1,945 for the same age band. Fitness and sport rose 12ppt between the two waves

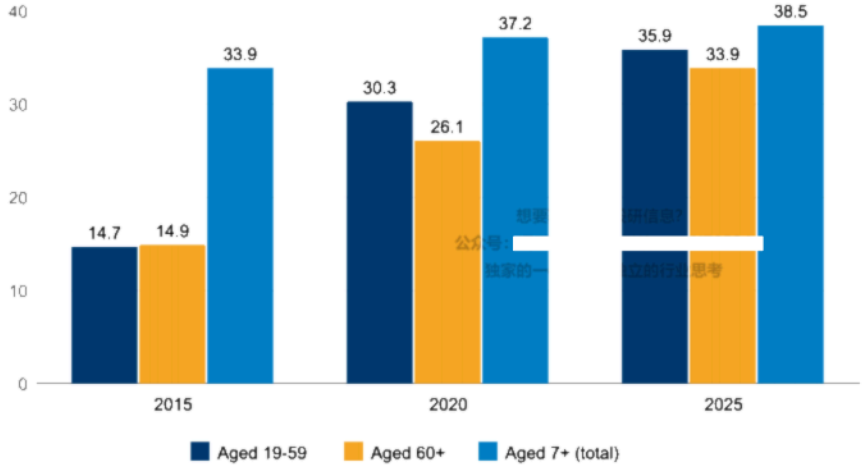
Source: Accenture China Consumer Research, Citi Research

2. Rising sports participation of elderly

Higher sports participation rate for consumers aged 60+

Per the State General Administration of Sport (Figure 21), the regular sports participation rate of aged 60+ population soared to 33.9% in 2025 (vs. 26.1% in 2020 and 14.9% in 2015) vs relatively smaller change for that of all population age 7+ (ie, 38.5% in 2025 vs 37.2% in 2020 and 33.9% in 2015).

Figure 21. China: regular sports participation rate by age group, 2015-2025 (%)



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Note: Regular participation means three or more sessions a week, each 30 minutes or more at moderate intensity or above 2025 survey ran Jan to Aug 2025 with 141,145 valid samples across all 31 provinces

Source: State General Administration of Sport, National Fitness Activity Survey Bulletin (2025 Dec), Citi Research

China's policy push to fuel senior sports participation & spending

China's policy framework for senior sports is anchored by two State Council documents issued in July 2026, at the start of the "15th Five-Year Plan": (1) **The National Fitness Plan (2026-2030)** targets a 40% regular sports participation rate and ~4 sqm of sports floor space per capita nationally by 2030, with specific provisions for senior-focused exercise-for-health models, R&D of age-appropriate fitness programs & products, and nationwide rollout of senior sports & health centers. (2) In parallel, the **Boosting Consumption Plan** aims to lift total retail sales of consumer goods to ~Rmb60tn by 2030 (from Rmb48.8tn in 2024), with explicit narratives on promoting the "silver economy".

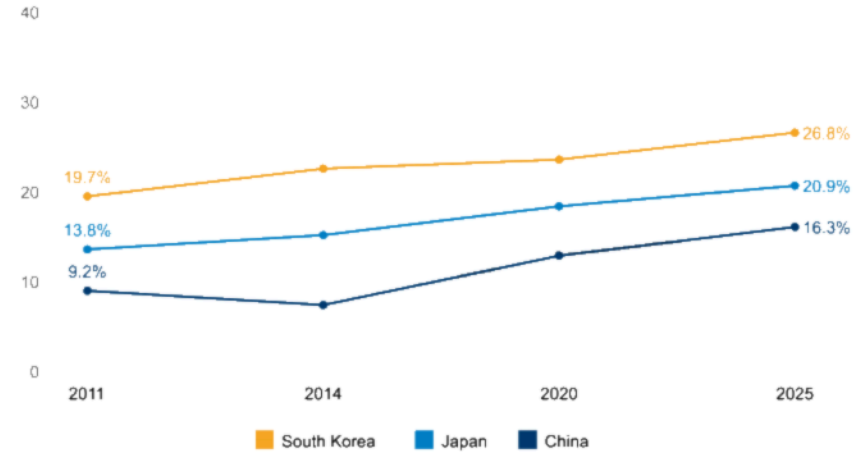
On the ground, we see government's sports facility build-out and YoY retirement pension increase in recent years have reinforced the effect of this policy push. For example, Shanghai had already built 200 senior sports and health centers by end-2025 and plans for over 100 more through 2030 (with 40 in 2026 alone), with only Rmb99/month for membership fees (after a Rmb30 government subsidy). Furthermore, Chinese government revised up basic retirement pension by 2% in 2025 after 3% increase in 2024. We expect the increased pension income for aged consumers to help to boost elderly's spending on sportswear looking forward.

Sportswear gained wallet share in such aged country as Japan

Per data of Euromonitor (Figure 22), sportswear represented 20.9% of Japan's apparel & footwear retail value in 2025, up from 13.8% in 2011. In 2011-2025, Japan's retail sales of apparel & footwear fell by 15% (based on constant prices) while Japan's sportswear retail sales rose by 28%, indicating sportswear's gained wallet share in an aged country. The same applies to Korea retail market in 2011-2025.

In 2025, sportswear represented 16.3% of China's apparel & footwear retail value in 2025, similar to the level in Japan in late 2010s. We expect further increased wallet share of sportswear in China's footwear & apparel retail sales when China's population ages.

Figure 22. Sportswear as a share of total apparel & footwear retail sales value (%)



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Note: Retail value RSP, constant 2025 prices. Over 2011 to 2025 Japanese apparel and footwear fell 15% while Japanese sportswear rose 28%.

Source: Euromonitor Passport (2026 Sep), Citi Research

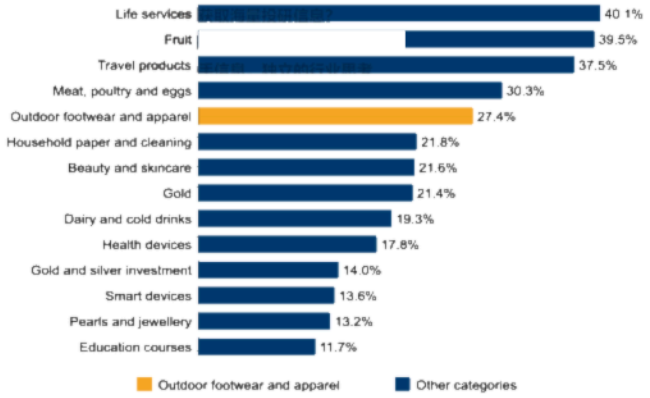
3. Elderly's strong demand for outdoor products

Per Kurun Data (Figure 23), the purchase intent of outdoor products (incl footwear & apparel) was ranked No.5 (at 27%) among consumers aged 50+, out of 20 product

categories. That for beauty & skincare (22%), gold (21%) and smart devices (14%) was all ranked lower than outdoor products.

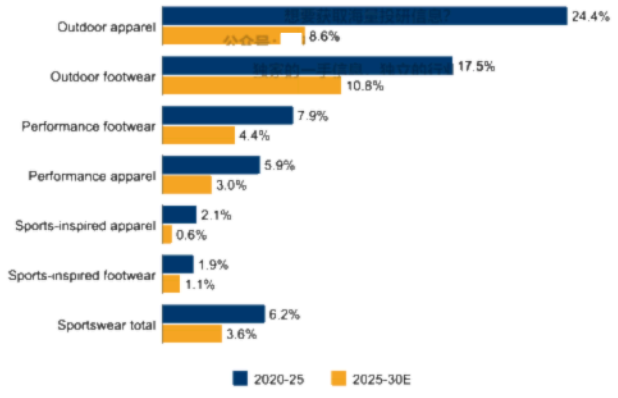
Interestingly, 25% of Gen Z respondents indicated their purchase intent of outdoor products in the same survey (vs 27% of surveyed consumers aged 50+).

Figure 23. China: categories 50+ consumers are most willing to spend on (%)



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Source: Kurun Data (n=2,020), Citi Research

Figure 24. China sportswear: retail value growth by subcategory, constant prices (% CAGR)



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Source: Euromonitor Passport (2026 Sep), Citi Research

Per Euromonitor data (Figure 24), outdoor was the only category in China sportswear market with double-digit growth over 2020-25. Outdoor apparel/footwear retail value grew at 24%/18% 2020-25 CAGR to Rmb56bn/Rmb20bn in 2025. Euromonitor forecast outdoor apparel/footwear retail value to grow at 9%/11% 2025-30E CAGR.

4. Anta to benefit the most from active ageing

Anta (2020.HK, Buy): Multi-brand strategy to monetize growth across multiple categories

In our view, **Anta Company**'s multi-brand portfolio makes its group-level growth more resilient amid uncertain macro environment by capturing the high growth of both mass-market (via **Anta**) and premium segments (via ***Fila***, ***Descente***, ***Kolon*** and other brands of **Amer Sports**), as well as demand of various demographics (incl elderly). **Anta Company** (together with its associate company **Amer Sports**) covers multiple sports categories (esp. outdoor) where aged consumers are actively involved.

Anta Company is Citi's Top Buy in both China sportswear sector and China consumer sector – *See detailed discussion in Citi's China sportswear sector note dated Sep 14: China Sportswear - Implication of Citi's Quarterly Global Athletic Survey: Sector Pecking Order: Anta >Li Ning >Topsports and China consumer sector note dated Sep 3: China Consumer - 1H26 Reporting Season Takeaways; Citi's Revised Pecking Orders.* Citi's China sportswear sector pecking order: **Anta (Buy)> Li Ning (Buy)> Topsports (Buy)**

Figure 25. Anta's "Single-focus, Multi-brand and Globalization" strategy

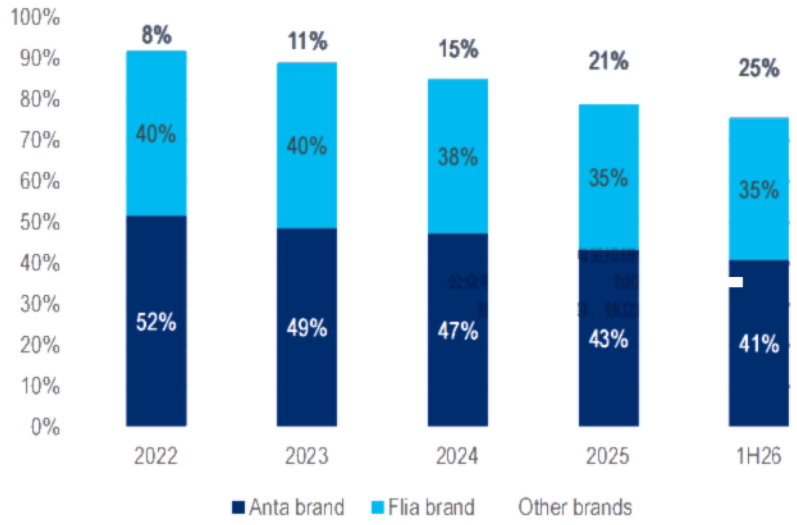


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Source: *Company Presentation*

Anta Company has a rich portfolio of outdoor brands with a wide spectrum of pricing points, incl. ***Jack Wolfskin***, ***Kolon, Descente*** as well as ***Arc'teryx*** and ***Salomon*** (via its 37.63% shareholding in **Amer Sports**). ***Jack Wolfskin*** (which was acquired by Anta in mid-2025) will launch its new products and a new retail format in China in Oct 2026. The company's core ***Anta*** brand cover mass-market walking, running and training categories through its 7,203 stores (as of end-2025) with deep penetration in China's lower-tier cities and residential areas. Its ***FILA*** and ***Descente*** cover everyday wear and golf category.

Furthermore, we expect sportswear Chinese brands to have more pronounced share gains from **Nike China** in 27E after **Nike**'s distribution strategy pivot in China (*see Citi's sportswear sector report series: Part 1, Part 2, Part 3, Part 4 & Part 5* in July-Oct 2026)

Figure 26. Anta company: sales contribution by brands



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*Other brands include *Kolon, Descente, MAIA Active, Jack Wolfskin*
Source: Citi Research, Company Reports

Figure 27. Anta's quarterly retail sales growth YoY

YoY growth	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2026
Anta brand	MSD	HSD	HSD	High-teen	MSD	HSD	MSD	HSD	HSD	LSD	LSD	LSD decline	HSD	LSD
- Anta offline*	HSD	HSD	HSD	High-teen**	MSD (incl. online)	HSD (incl. online)	MSD (incl. online)	HSD (incl. online)	MSD	LSD	LSD	Slightly decline	MSD	Decline
- E-commerce*	MSD decline	MSD	LSD	MSD	20-25%	20-25%	20%+	High-teen	low-teen	LSD	HSD	LSD	Mid-teen	Low-teen
- Anta Kids*	MSD	HSD	HSD	20-25%**	MSD (incl. online)	MSD (incl. online)	MSD (incl. online)	Low-teen (incl. online)	LSD	LSD	LSD	Slightly decline	HSD	Decline
Fila brand	HSD	High-teen	Low-teen	25-30%	HSD	MSD	LSD decline	HSD	HSD	MSD	LSD	MSD	Low teen	MSD
Others	75-80%	70-75%	45-50%	55-60%	25-30%	40-45%	45-50%	50-55%	65-70%	50-55%	45-50%	35-40%	40-45%	50-55%

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*Retail sales breakdown for Anta branded products were provided by management on analyst conference calls after each quarterly retail data release

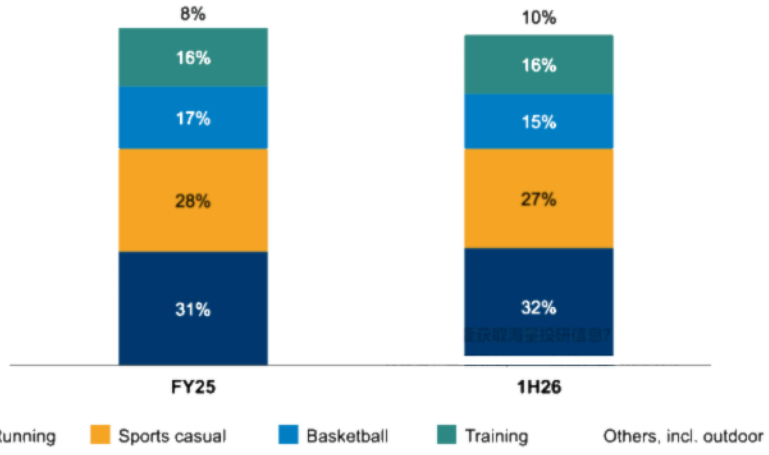
Source: Citi Research, Company data

Li Ning (2331.HK, Buy): A single brand with multi-category and multi-channel strategy

We also expect **Li Ning** to benefit from the rising silver economy in China. Operating a single brand, Li Ning's sports categories largely cover major categories which aged consumers are actively involved with (incl running, sports casual, training and outdoor, See Fig 14).

In 1H26, running (rep. 32% of retail sales), sports casual (rep. 27% of retail sales), and training (rep 16% of retail sales) together contributed 75% of **Li Ning**'s total retail sales.

Figure 28. Li Ning: retail sell-through mix by sport category (%)



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Source: *Company Presentation, Citi Research*

Per mgt, **Li Ning** currently has No.1 market share in both running and basketball categories in China. In badminton category, **Li Ning** currently has No.2 market share with YoY narrowed market share gap vs No.1 player.

Figure 29. Li Ning: retail sell-through growth by category, 1H26

Category	Mix	YoY change
Running	32%	+2%
Training	16%	-3%
Basketball	15%	+5%
Sports Casual	27%	-13%
Others (incl. outdoor)	10%	Flat

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Source: Company Reports, Citi Research

Figure 30. Li Ning's quarterly retail sell-through*

YoY growth	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26
Directly-operated retail stores	Mid-teen	High-20s	Low-20s	Low-50s	MSD	Flat	MSD decline	LSD decline	LSD decline	MSD decline	MSD decline	LSD decline	Low-teen	LSD decline
Franchised stores	MSD	Mid-teen	LSD	High-teen	MSD decline	HSD decline	HSD decline	MSD	LSD	LSD	HSD decline	MSD decline	LSD	MSD decline
E-commerce	Low-teen decline	Low-teen	LSD decline	MSD	Low-teen	HSD	MSD	Mid-teen	Low-teen	MSD	HSD	Flat	HSD	MSD
Overall retail sell-through	**MSD**	**Mid-teen**	**MSD**	**Low-20s**	**LSD**	**LSD decline**	**MSD decline**	**HSD**	**LSD**	**LSD**	**MSD decline**	**LSD decline**	**MSD**	**LSD decline**

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*Including China Li Ning; But excluding Li Ning Young & sales of badminton and football sales in specialty store channels;

Source: Company Reports, Citi Research

IV. China Health Supplement

Tiffany Feng [AC]
Brian Cho

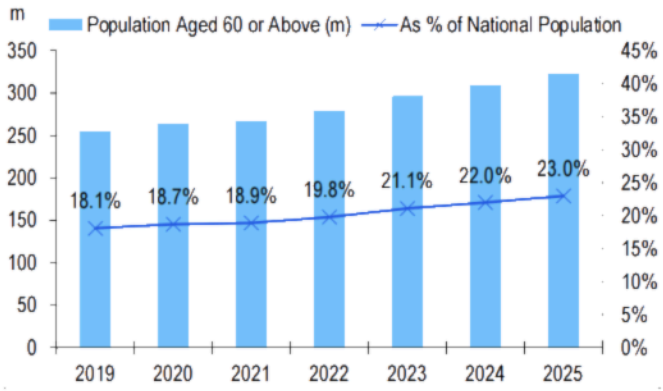
1. Emerging demand for VMHS (Vitamins, Minerals, and Health Supplements) amid population ageing

We believe there are five factors that are driving the VMHS growth in China: 1) demographic trend and strong spending power of elderly people, 2) online channel facilitation, 3) regulatory tailwind, 4) increasing health consciousness, and 5) product/technology improvement.

Aging population structure and strong spending power of elder people

China's elderly population has grown rapidly, with those aged 60 and above rising from 255.7mn (18.1% of the national population) in 2019 to 323.4mn (23.0%) in 2025, according to NBS. Concurrently, annual births have declined sharply from 14.65m in 2019 to just 7.92m in 2025, reinforcing the structural skew towards an older demographic. On the other side, China's per capita disposable income grew at a CAGR of ~6.9% from Rmb23,821 in 2016 to Rmb43,377 in 2025. Notably, consumers aged 50–69 demonstrate robust monthly expenditure of Rmb7,203–7,381, while those in Tier 1 cities reaching Rmb8,000, according to a survey conducted by HKDTC. These trends underscore the strong and resilient spending power of China's silver generation.

Figure 31. China population aged 60 or above

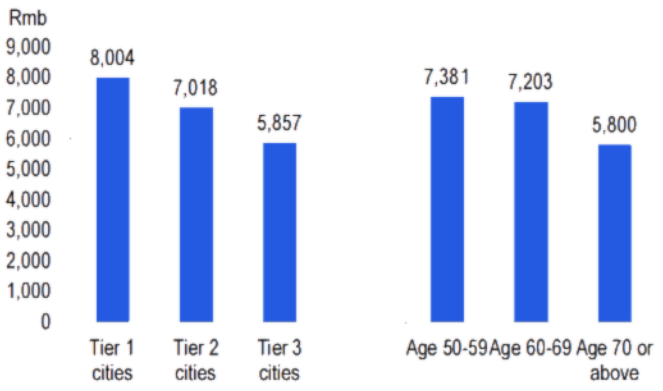


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Source: Citi Research, NBS

Figure 32. Average monthly expenditure of elder people in China



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Note: Survey conducted in 2Q25 to 3Q25 by HKTDC on aged 50 or above and average monthly spending of Rmb3,000 or above

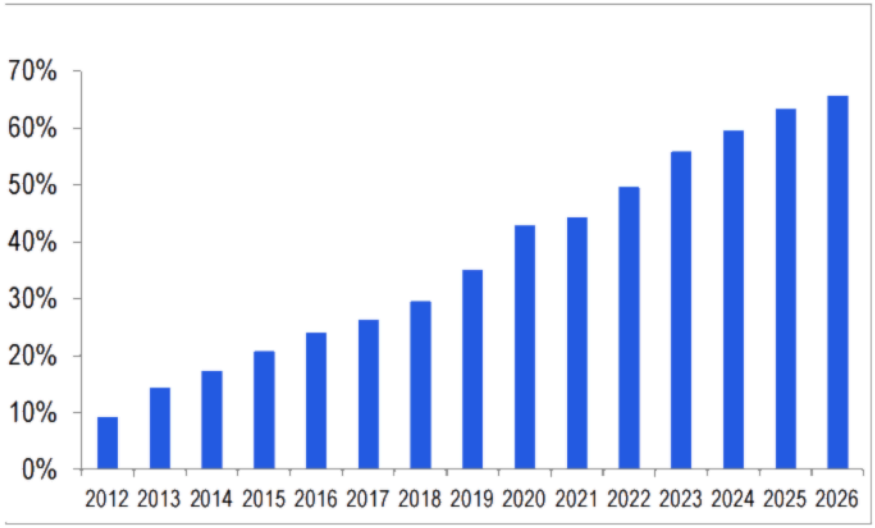
Source: Citi Research, HKTDC (Chinese Mainland Silver Economy Opportunities: Consumer Survey Findings, N=2,360)

Fast ecommerce development facilitates market penetration

Online channels have become an increasingly important driver of VMHS sales in China. E-commerce penetration in the VMHS market has grown steadily from 9.3% in 2012 to 65.8% in 2026, with acceleration particularly notable through the COVID period where penetration jumped from 35.1% in 2019 to 42.9% in 2020, and has continued to climb consistently since. The growing digital fluency of older consumers, combined with the convenience of online purchasing and the establishment of health-focused e-commerce platforms such as Ali Health and JD Health, has made online channels a powerful driver of VMHS market growth among the silver generation.

Moreover, China's elderly care is pivoting from a 90%/7%/3% home-/community-/institutional-based framework to a 99%/1% home & community- / institutional-based framework. Elders prefer ageing at home/community which also stimulates online shopping.

Figure 33. Online penetration of China VMHS industry



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Source: Citi Research, Euromonitor

Favorable policies provide regulatory tailwind

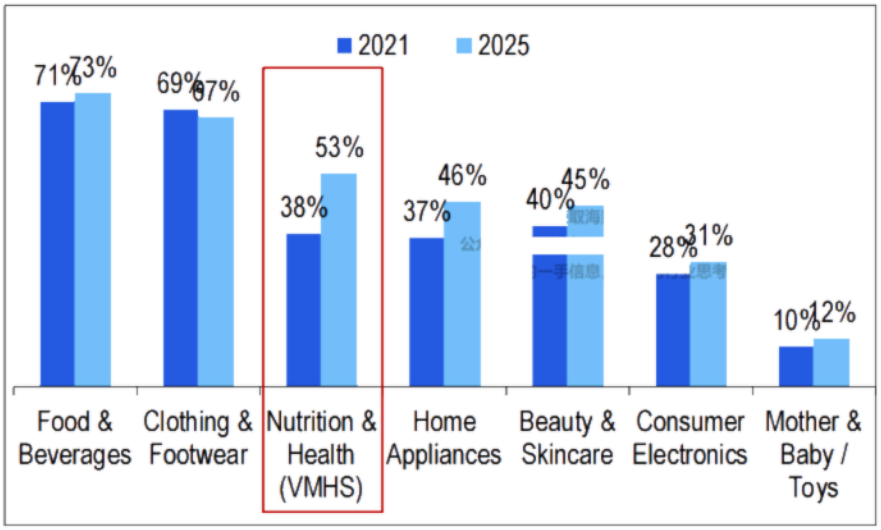
The Chinese government has established a clear and supportive policy framework for population health and ageing. In March 2026, Premier Li Qiang explicitly called for national strategies to actively address population ageing at the NPC. This builds on the "Healthy China 2030" Blueprint 《"健康中国 2030"规划纲要》(March 2025), targeting universal health coverage and a life expectancy of 79 years; the CPC Central Committee's Decision《中共中央关于进一步全面深化改革、推进中国式现代化的决定》 (January 2025), formally elevating people's health as a national priority; and the Food Safety Reform Opinion《关于深化改革加强食品安全工作的意见》 (October 2019), which tightened quality and production standards for health food manufacturers. Together, these policies provide a sustained regulatory tailwind for China's VMHS market.

Rising awareness of health and wellness

The proportion of Chinese with basic health literacy more than doubled from 17.0% in 2018 to 33.7% in 2024, according to the National Health Commission, reflecting growing awareness of preventive healthcare among the elderly. This has translated into stronger demand for science-based nutritional products, prompting manufacturers to develop age-appropriate VMHS formats tailored to the specific dietary and physical needs of older consumers.

Among the new silver generation (aged 55–65), Nutrition & Health (VMHS) recorded the largest increase of any product category between 2021 and 2025, rising from 38% to 53% in terms of recent purchase penetration, per Accenture.

Figure 34. Product categories purchased recently by elder people



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Source: Citi Research, Accenture, The 2026 China Consumer Insights Report

Innovative ingredients, advanced manufacturing, and product breakthroughs

Driven by the diverse nutritional needs of middle-aged and elderly consumers, China's VMHS industry has made significant progression in ingredient diversification, smart formulation, bioactive preservation, , and customized nutrition. These advances have enabled manufacturers to build a fully integrated technical capability spanning raw material application, production processes, and product innovation, supporting the development of more effective and targeted health solutions for the silver generation.

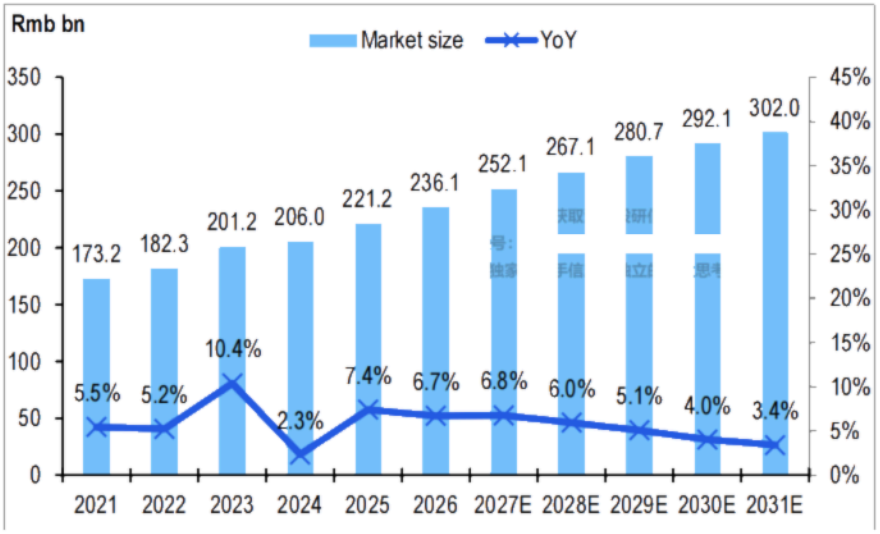
2. Sizing the elderly VMHS opportunity

VMHS market size

Per Euromonitor data, VMHS market includes dietary supplements (77%), tonics (7%) and vitamins (16%). In our analysis, we have excluded pediatric segment to better gauge the potential of China's VMHS industry on the backdrop of growing silver economy.

China's VMHS market size grew from Rmb173.2bn in 2021 to Rmb236.1bn in 2026, at a CAGR of 6.4%, driven by rising health awareness among Chinese consumers, expanding middle-class disposable incomes, and a broadening product offering catering to diverse nutritional needs, according to Euromonitor. The market is forecasted to grow to Rmb302.0bn in 2031E, implying a CAGR of 5.0% from 2026 to 2031E, reflecting a moderation in growth as the market matures but underpinned by sustained structural demand for preventive hea supplementation, with the silver economy expected to be an inc important demand driver as China's aging population trend cont

Figure 35. China VMHS Market Size (excluding pediatric segment)



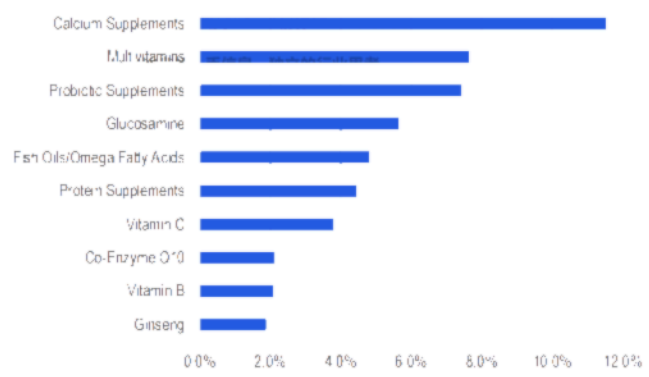
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Source: Citi Research, Euromonitor

Top products reflect growing demand from elderly consumers

The five largest product categories within VMHS in 2026 were Calcium Supplements (Rmb27.2bn, 12% of total), Multivitamins (Rmb18.1bn, 8% of total), Probiotic Supplements (Rmb17.5bn, 7% of total), Glucosamine (Rmb13.3bn, 6% of total), and Fish Oils/Omega Fatty Acids (Rmb11.4bn, 5% of total). We believe these products are strongly associated with the growing elderly population, who priorities bone health and immune system, and proactively manage cardiovascular health and cognitive function through supplementation.

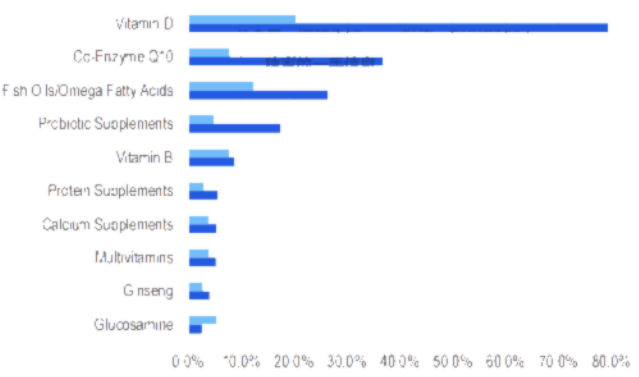
The five fastest-growing product categories over 2021–2026 were Vitamin D, Co-Enzyme Q10 (CAGR of 36.8%), Fish Oils/Omega Fatty Acids (CAGR of 26.4%), Probiotic Supplements (CAGR of 17.5%), and Vitamin B (CAGR of 8.6%), reflecting growing consumer interest in targeted, science-backed supplementation. Vitamin D emerging as the fastest-growing product category from a low base, driven by heightened awareness of Vitamin D deficiency especially amongst the elderly and closely linked to bone density and immune function.

Figure 36. Top 10 largest products' shares



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Source: Citi Research, Euromonitor

Figure 37. Top 10 fastest-growing products' CAGRs

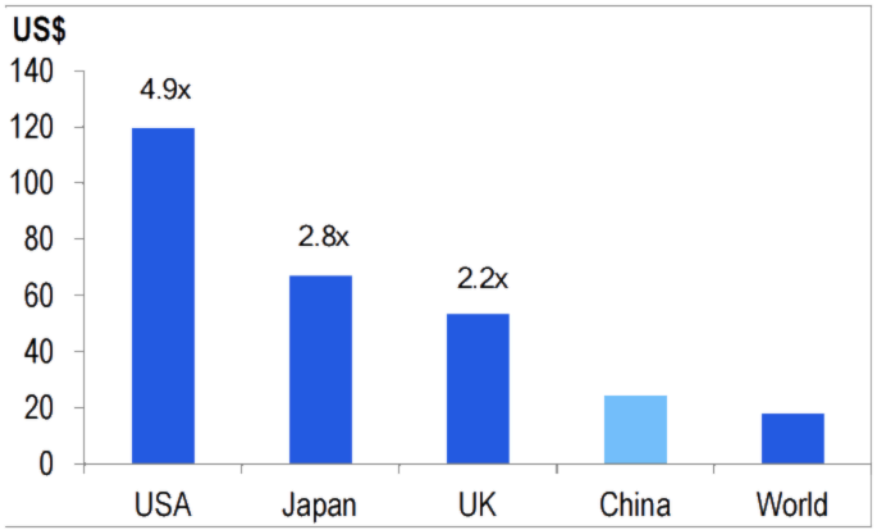


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Source: Citi Research, Euromonitor

Ample room for expansion from relatively low per capita spending

China's per capita spending on VMHS industry stood at US$24.4 in 2026, according to Euromonitor, significantly below that of more mature markets including the US (US$119.6, 4.9x of China), Japan (US$67.1, 2.8x of China) and UK (US$53.4, 2.2x of China), and only modestly above the global average of US$18.2. Considering China having one of the world's most rapidly ageing populations and a growing middle class increasingly focused on preventive healthcare, this substantial gap reflects ample headroom for per capita spending to converge towards developed market levels.

Figure 38. VMHS industry per capita spending



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Source: Citi Research, Euromonitor

3. H&H best positioned to tap into the silver market

H&H – Best positioned as China's No.1 online VMHS player

H&H is well positioned to benefit from China's structurally growing VMHS market, with a product portfolio spanning health supplements that increasingly cater to the needs of the silver generation. Its ANC (adult nutrition and care) business (46% of company revenue in 1H26) offers healthy supplement products across various categories including bone health, anti-aging, joint care and more under Swisse brand, ranking No.1 in China's online VMHS market consecutively per Early Data. Its high-end line under a mega brand strategy, Swisse Plus, targeting senior affluent consumers, has contributed 9% of the brand sales and 13% of its China direct sales in 1H26 by our estimates with fast growth and high profitability. We expect ANC segment to be the main driver of H&H in 2026E-28E with low teens growth in revenue and EBITDA.

Feihe – Still at early stage of the elderly nutrition development

Feihe has opportunity to capture the growing silver economy opportunity in China, leveraging its strong dairy nutrition expertise to expand beyond infant formula into adult and elderly nutrition. It offers senior milk powder and milk protein products, mainly under its adult nutrition brand "Aiben" (爱本). These products focus on addressing common health needs for middle-aged and elderly people, such as muscle loss, bone health, and immune support. That said, the adult nutrition

business is still small with <10% of revenue contribution by our estimates. We thus reckon that Feihe will continue to suffer from IMF weakness amid birth decline and competition increase.

Companies Mentioned:
Accenture Ltd (ACN.N; US$247.23; 2; 26 Oct 26; 16:00)
Amer Sports, Inc. (AS.N; US$28.55; 1; 26 Oct 26; 16:00)
Anta Sports Products (2020.HK; HK$72.05; 1; 27 Oct 26; 16:10)
China CITIC Bank (0998.HK; HK$8.3; 1; 27 Oct 26; 16:10)
China Feihe (6186.HK; HK$2.5; 3; 27 Oct 26; 16:10)
China Life Insurance (601628.SS; Rmb35.1; 2; 27 Oct 26; 15:00)
China Life Insurance (2628.HK; HK$23.82; 1; 27 Oct 26; 16:10)
China Pacific Insurance (601601.SS; Rmb29.56; 1; 27 Oct 26; 15:00)
China Pacific Insurance (2601.HK; HK$26.54; 1; 27 Oct 26; 16:10)
China Taiping Insurance (0966.HK; HK$17.32; 2; 27 Oct 26; 16:10)
Health and Happiness (H&H) (1112.HK; HK$23.64; 1; 27 Oct 26; 16:10)
Li Ning (2331.HK; HK$13.6; 1; 27 Oct 26; 16:10)
New China Life (601336.SS; Rmb50.95; 2; 27 Oct 26; 15:00)
New China Life (1336.HK; HK$38.98; 2; 27 Oct 26; 16:10)
Nike Inc (NKE.N; US$37.91; 2; 26 Oct 26; 16:00)
Ping An Insurance (601318.SS; Rmb52.61; 1; 27 Oct 26; 15:00)
Ping An Insurance (2318.HK; HK$48.68; 1; 27 Oct 26; 16:10)
Topsports (6110.HK; HK$0.97; 1; 27 Oct 26; 16:10)