

INDUSTRY OVERVIEW

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CHINA’S HEALTHCARE SYSTEM — VAST MARKET WITH PAIN POINTS TO TACKLE

Overview

China’s healthcare system is comprised of three main types of providers: hospitals, primary healthcare institutions, and other healthcare institutions. Currently, hospitals represent the cornerstone of this system, with around 39,000 facilities operating nationwide as of year-end 2024. China’s hospitals can be further categorized into public hospitals and private hospitals. Public hospitals are the mainstream of PRC’s hospital system, with its patient visits account for over 80% of the total patient visits at hospitals in 2024. China’s healthcare system has, for a long time, been facing challenges in medical resource shortages. With only 2.7 doctors per 1,000 population, China’s physician density falls substantially below countries like Canada and Italy, which maintain ratios exceeding five doctors per 1,000 residents. The nursing disparity is even more pronounced, with China reporting just 3.2 nurses per 1,000 population — a fraction of staffing levels in the United States, Canada, Japan, the United Kingdom, and Germany, all of which support more than 10 nurses per 1,000 population.

Healthcare Reform in China

In response to these critical challenges, China has implemented a series of healthcare reforms aimed at addressing workforce shortages and geographical disparities, characterized by two pivotal shifts: (i) the evolution from single-tier medical insurance dependency to a diversified multi-level ecosystem, and (ii) the strategic pivot from episodic disease treatment to comprehensive whole-course healthcare management.

Payer Transformation and Diversified Payment Model

China’s healthcare financing is transitioning from single-tier medical insurance reliance toward a multi-level payment ecosystem that includes personal payments, commercial insurance, and other diversified funding mechanisms to address sustainability challenges and meet evolving healthcare demands.

- **Multi-level Framework Transition.** Following the *Guidelines on Deepening the Reform of the Medical Security System* (《關於深化醫療保障制度改革的意見》) issued by the State Council in March 2020, China is establishing a comprehensive medical reimbursement system with basic medical insurance as the mainstay, medical assistance as the foundation, and supplementary medical insurance, commercial health insurance, charitable donations, and medical mutual aid as complementary components by 2030. This will lead to the establishment of a multi-tier medical reimbursement framework.
- **Extended Care Payment Segregation.** While hospitals maintain their core competency in acute-phase disease interventions — including health examinations, outpatient consultations, inpatient admissions, and surgical procedures, specialized third-party providers are increasingly assuming responsibility for extended care services such as post-treatment monitoring, revisit appointment coordination, and medication adherence management necessitating differentiated payment frameworks.

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- ***Enhanced Self-Payment Capacity and Healthcare Expenditure Diversification.*** Commercial insurance and personal payment capacity have become key complements to public healthcare, enabling access to specialized treatments and therapies not fully covered by public insurance. Large enterprises are increasingly bypassing traditional intermediaries to procure healthcare management services directly from specialized providers. Meanwhile, innovative financing mechanisms are broadening access to premium healthcare across diverse patient populations.
- ***Dual Risk Management for Healthcare Funds.*** The accelerating aging population in China creates dual risks — declining worker-to-retiree ratios reducing contributor proportions while chronic non-communicable disease management releases previously constrained medical demand, creating a growing “scissors gap” that necessitates diversified payer participation to address medical insurance fund sustainability pressures.
- ***Commercial Insurance Policy Support.*** The development of commercial insurance has received substantial policy support. For example, government-guided, insurer-operated “Huiminbao” (惠民保) products have emerged and gained increasingly diverse, and innovative healthcare models integrating commercial insurance continuing to emerge in growing variety as supplementary measures to ease pressure on public healthcare funds.

Whole-course Healthcare Management Enhancement

China’s healthcare delivery is transforming from disease-centered, episodic treatment models toward health-centered, comprehensive management approaches that prioritize prevention, continuous care, and integrated service delivery across the entire patient’s healthcare journey.

- ***Health-Centered Paradigm Shift and Integrated Service Implementation.*** China’s healthcare system has historically prioritized acute treatment over long-term health management, resulting in delayed interventions, fragmented post-treatment support, and underemphasized preventive care. In response, China has elevated the *Healthy China 2030 Planning Outline* (《“健康中國2030”規劃綱要》) to a national strategy, shifting toward a “health-centered” model, operationalized through the *Notice on the High-Quality Development Promotion Initiative for Public Hospitals (2021–2025)* (《公立醫院高質量發展促進行動(2021–2025年)》), which encourages public hospitals to establish integrated service centers encompassing healthcare management, disease prevention, health education, and coordinated care.
- ***Comprehensive Care Pathway Integration and Patient-Centered Approach.*** Modern healthcare delivery establishes integrated care pathways that extend beyond traditional clinical encounters to encompass prevention, screening, diagnosis, treatment, rehabilitation, and long-term revisit. China’s consistent adherence to a people-centered approach prioritizes public health as a strategic focus in national development, supporting the evolution toward comprehensive healthcare management service that span the entire patient’s healthcare journey and optimize health outcomes across diverse patient populations.
- ***AI-Empowered Prevention-Centric Care and Multidisciplinary Coordination.*** Healthcare management service providers are leveraging AI and predictive analytics to implement disease risk forecasting, personalized intervention protocols, and proactive healthcare management strategies that prioritize prevention over reactive treatment. Contemporary healthcare management adopts collaborative care models, exemplified by gestational diabetes management programs that integrate obstetricians, endocrinology specialists, nutritionists, and dedicated healthcare management professionals to provide comprehensive, coordinated care delivery.

The transformation creates substantial opportunities for innovative healthcare management service that bridge traditional care gaps while delivering measurable value to patients, healthcare institutions, and payment stakeholders across China’s evolving healthcare ecosystem.

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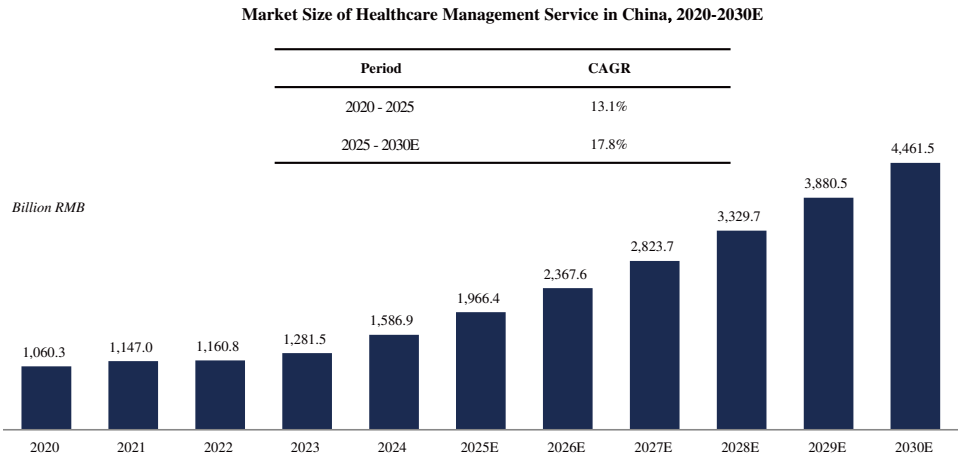
CHINA’S HEALTHCARE MANAGEMENT MARKET

Overview

Medical services focus on delivering clinically necessary care for existing conditions, while healthcare management takes a broader approach that includes preventive care, health promotion, and community advocacy. Where medical services are defined by clinical specialization, healthcare management is characterized by a systemic, service-oriented model that spans the full health continuum. Rather than addressing health episodically, healthcare management builds continuous relationships with patients and institutions, emphasizing proactive engagement through education, behavior change, and environmental interventions. In China’s evolving healthcare landscape, this shift toward healthcare management offers a strategic path to reducing disease burden, optimizing resource allocation, and improving health outcomes cost-effectively.

Market Size

China’s healthcare management service market is composed of China physical examinations market, disease screening and genetic testing, health insurance, digital diagnosis and treatment*, and whole-course healthcare management market. In 2024, China’s healthcare management service market had a market size of RMB1,586.9 billion, growing from RMB1,060.3 billion in 2020 at a CAGR of 13.1%. Driven by the favorable government policies, growing awareness of healthcare management service and increase in per capita disposable income, it is expected that China’s healthcare management service market will reach RMB4,461.5 billion in 2030, growing at a CAGR of 17.8% from 2025 to 2030.



Source: Frost & Sullivan Analysis

Note*: The digital diagnosis and treatment market encompasses all online medical consultation services, including pre-diagnosis light consultations and online consultations related to whole-course healthcare management.

Growth Drivers

- Set forth below are the major growth drivers for China’s healthcare management service market.
- Growing Awareness of Healthcare Management.** With China’s sustained economic growth and significant improvement in living standards, the healthcare sector has witnessed accelerated demand release. Both per capita disposable income and per capita healthcare expenditure have shown consistent growth. NHC data shows China’s health literacy rate hit 31.9% in 2024 (increasing by 2.17 p.p. YoY), reflecting accelerating health awareness. This trend is fueling demand for driving the quality upgrade of medical services, including better

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treatment experiences and ongoing healthcare management. Furthermore, this growing health awareness manifests in a paradigm shift — moving beyond reactive treatment to proactive prevention and holistic healthcare management.

- ***Favorable Government Policies.*** China’s whole-course healthcare management market is policy-driven, with reforms like the Action Plan for Comprehensively Improving Medical Quality (2023–2025) mandating integrated “pre/in/post-visit” services that align with our business model. Amid DRG/DIP payment pressures and patient satisfaction targets, our CareAI platform provides hospitals with compliance tools, new revenue from service fees, and AI-driven cost savings.
- ***Advancement of Digital And Intelligent Technologies.*** The proliferation of biosensors, wearable devices, AI algorithms and platforms has catalyzed exponential growth in the healthcare management market, enabling a shift from reactive treatment to proactive disease prevention and health optimization. AI further extends these capabilities through intelligent decision support systems and enhanced medical imaging analysis. Together, these technological capabilities have transformed China’s healthcare management landscape from a peripheral healthcare component to a central pillar in addressing the nation’s healthcare challenges.
- ***Aging Population.*** With advancing age, the risk of developing non-communicable diseases, such as cardiovascular diseases, cancer, and chronic respiratory diseases increases. Meanwhile, China’s aging population, rising health literacy, and growing demand for quality medical services have strengthened patients’ willingness to pay for post-discharge rehabilitation and chronic disease management. As the country’s aging trend continues to intensify, the number of people living with chronic diseases is expected to rise significantly. Consequently, there is a growing need for healthcare management services to effectively treat and control disease progression.

Future Trends

China’s healthcare management service market is expected to experience the following trends in the future.

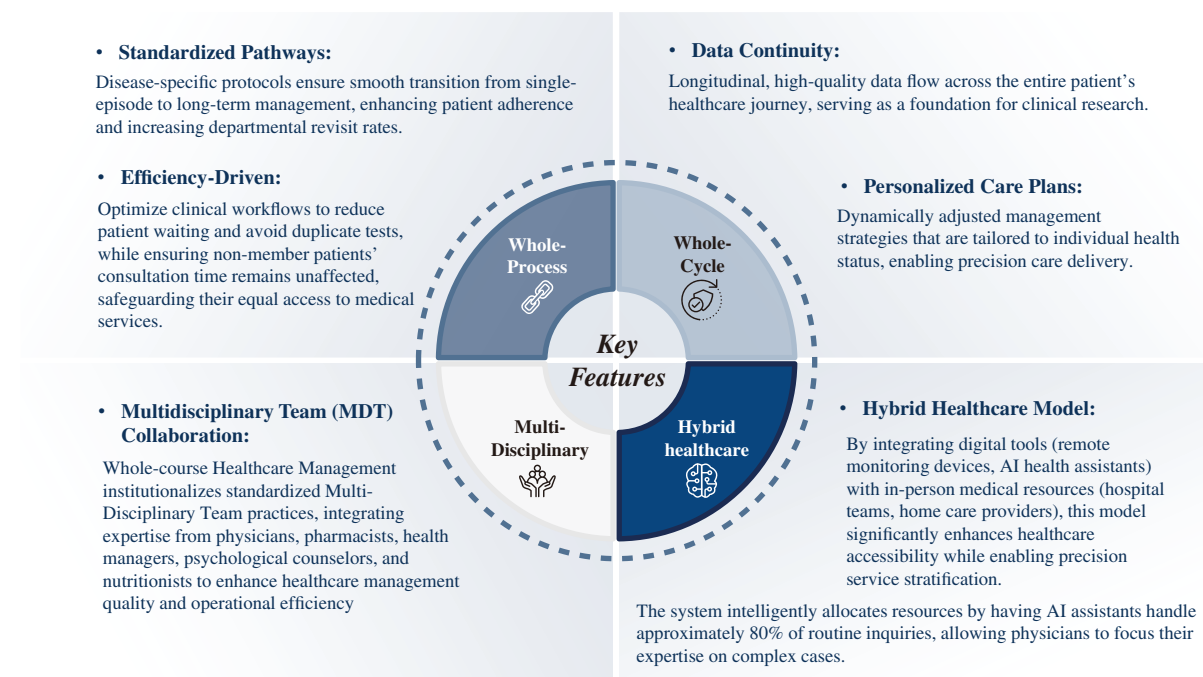
- ***Tailored service offering.*** Healthcare management services are provided for both healthy individuals and patients for various needs such as disease prevention, disease management, healthy inquiry, etc. More customized service packages covering the whole course of a patient’s treatment journey are needed for diverse patient populations to achieve optimal health outcomes and personalized care delivery.
- ***Consumer-Centric Management Approach.*** With the emergence of more platform-based healthcare enterprises, the healthcare management market is expected to further advance to an ecological development model. Consumers are shifting from passively receiving medical services from hospitals only to actively pursue long-term managed care services. By adopting more flexible and innovative solutions, enterprises are making healthcare management services more precise and better aligned with customers’ actual needs.
- ***Online and Offline Integration.*** Normally, enterprises establish connection with clients through online platform to improve the experience of clients and increase clients’ access. However, online platforms cannot fully address comprehensive patient needs. Traditional healthcare institutions provide essential medical services including clinical diagnosis, surgical procedures, and specialized interventions. The combination of online and offline service delivery models provides comprehensive healthcare solutions that fulfill the complete spectrum of patient requirements across the various in-hospital healthcare scenarios.

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CHINA’S WHOLE-COURSE HEALTHCARE MANAGEMENT MARKET

Overview

Whole-course healthcare management delivers patient-centric, closed-loop services spanning the various in-hospital healthcare scenarios — from prevention, screening, and diagnosis to treatment, rehabilitation, and long-term revisit. Key features of whole-course healthcare management are summarized as follows:

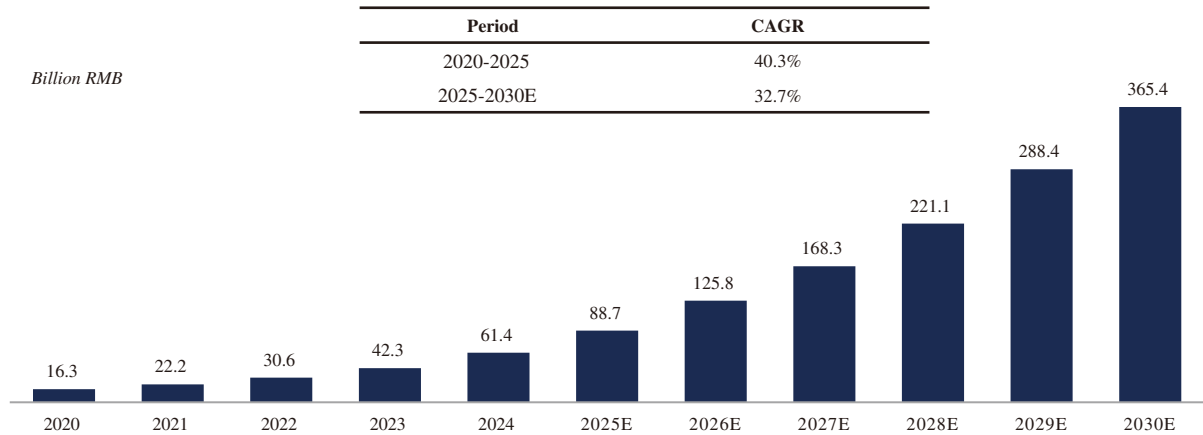


Market Size

In 2025, China's whole-course healthcare management market has a market size of RMB88.7 billion, growing from RMB16.3 billion in 2020 at a CAGR of 40.3%. It is expected that China's whole-course healthcare management market will continue its rapid growth and reach RMB365.4 billion in 2030, growing at a CAGR of 32.7% from 2025 to 2030.

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Market Size of Whole-course Healthcare Management in China, 2020-2030E



Note*: The Whole-course Healthcare Management Market primarily including: online consultations (specifically for whole-course healthcare management-related services), medication guidance, product sales (related to whole-course healthcare management), revisits and re-examinations, medical accompaniment services and home-based nursing care

Source: Frost & Sullivan Analysis

Competitive Landscape

Currently, China’s whole-course healthcare management market remains in a nascent stage. Although there are thousands of market players in China, most of them only have a limited business scale and only operate in limited geographic areas or medical specialties. In terms of revenue, WeiMai ranked third in China’s whole-course healthcare management market in 2024 with a market share of 0.71%. Among all the market players, WeiMai also achieved the highest per patient revenue of approximately RMB1,500 in 2025. This figure reflects the company’s focus on providing long-cycle, whole-course healthcare management. By comparison, the industry average of RMB 300 to RMB 400 typically covers only lighter, short-term services.

Ranking	Company	Revenue (Unit: Million RMB)	Market Share
1	Company A ¹	2,021	3.29%
2	Company B ²	786	1.28%
3	WeiMai 	436	0.71%
4	Company C ³	331	0.54%
5	Company D ⁴	312	0.51%

Source: Frost & Sullivan Analysis

Notes:

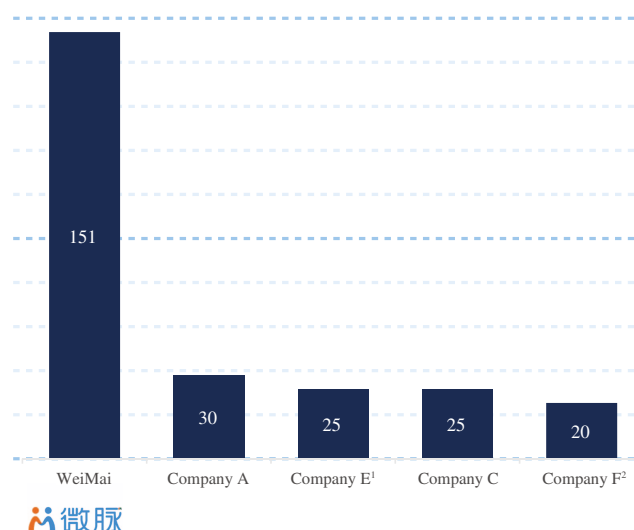
- Company A is a Beijing-based company founded in 2019, mainly focusing on integrating pharmaceutical supply chains with healthcare service. It was listed on the main board of the Hong Kong Stock Exchange in 2020.
- Company B is a Beijing-based company founded in 2014, mainly focusing on developing digital technologies and operational capabilities to deliver multi-scenario healthcare services. It was listed on the main board of the Hong Kong Stock Exchange in 2014.

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- Company C is a Fuzhou-based company founded in 2014, mainly focusing on subscription-based health services featuring health check-ups, remote medical consultations and comprehensive health packages. It was listed on the main board of the Hong Kong Stock Exchange in 2024.
- Company D is a Shanghai-based company founded in 2014, mainly focusing on family doctor and eldercare services, integrated with insurance payment models to provide comprehensive healthcare management services. It was listed on the main board of the Hong Kong Stock Exchange in 2018.

Among these market players, only a limited number of market players have entered into contract with hospitals and provide on-site services to provide in-depth whole-course healthcare management service. Among these companies, WeiMai ranked first among number of partner hospitals as of December 31, 2024.

Ranking of Hospitals with Signed In-Depth Whole-course Healthcare Management Service (Cumulative Total As of December 31, 2024)



Source: Frost & Sullivan Analysis

Notes:

- Company E is a private Hangzhou-based company founded in 2010, a digital health enterprise dedicated to transforming regional healthcare systems. By connecting multi-party resources through internet hospitals, it provides comprehensive AI-powered health solutions encompassing medical services, drug access, and insurance coordination.
- Company F is a private Shenzhen-based company founded in 2016, specializes in advancing medical digital infrastructure through dual engines of AI foundation models and C2B strategies. Leveraging its app ecosystem, it delivers integrated solutions including insurance payment systems, AI-assisted diagnostic tools, and smart hospital platforms.

Entry Barriers

Set forth below are the major entry barriers in China’s whole-course healthcare management service.

- Resource barrier.** Patients’ trust in physicians significantly influences their adoption of innovative healthcare management services, enabling whole-course healthcare management enterprises to rapidly expand market reach and cover broader patient populations through strategic partnerships with top-tier hospitals and respected physicians. Currently, most whole-course healthcare management services remain platform-based. Unlike simple online platforms, we embed ourselves within the public hospital ecosystem — requiring substantial

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trust-building, time investment, HIS system integration, data security compliance, and hospital workflow redesign — which creates formidable barriers that new entrants cannot replicate in the short term.

- **Technology barrier.** Effective whole-course healthcare management relies heavily on digital integration capabilities and the establishment of a robust service network. This involves the convergence of multi-dimensional data and technologies across healthcare institutions, enterprises, and patient-side devices (e.g., wearables, self-reported health records). However, in China’s current digital healthcare landscape, high costs associated with interface development, system deployment, and ongoing maintenance pose significant challenges. As of the Latest Practicable Date, our proprietary CareAI platform has accumulated over two billion tokens, incorporating million-scale dataset of anonymized, real-world patient management cases. Its clinical accuracy establishes a formidable technological moat. Whereas pure technology firms lack essential medical contexts, our deep hospital partnerships provide a scarce clinical data feedback loop that pure internet platforms cannot replicate.
- **Operational barrier.** Whole-course healthcare management presents significant entry barriers, requiring companies to manage complex stakeholder ecosystems — spanning physicians, hospitals, patients, pharmaceutical companies, and regulators — while efficiently deploying limited resources across diverse clinical scenarios. Companies that lack the organizational sophistication to balance these demands consistently struggle to achieve the service quality and operational efficiency needed to build sustainable business models in this specialized segment.
- **Brand barrier.** Top-tier public hospitals (e.g., Class III Grade A hospitals) prefer collaborating with well-established companies with a strong brand image, prioritizing proven track records and industry reputation. New entrants must commit to long-term trust-building efforts to gain traction in the space.

Despite these high entry barriers, we nonetheless face certain risks and challenges. On one hand, changes in cooperation arrangements with public hospitals may adversely affect the implementation of our existing services, and significant variations in digital infrastructure across hospitals could present obstacles to standardizing and scaling our successful model, thereby increasing implementation costs. On the other hand, the industry remains in its early stages and highly competitive, with a fragmented market structure that has yet to produce a clear leader; if major internet healthcare platforms leverage their scale advantages to intensify investments in public hospital-based whole-course healthcare management models, the current competitive landscape may shift materially.

Future Trends

China’s whole-course healthcare management service market is expected to experience the following trends in the future.

- **Extended business opportunities.** Whole-course healthcare management companies are strategically positioned to capture extended business opportunities through diversified revenue streams that leverage their unique market position and data assets. For example, companies can expand into healthcare product sales and insurance services as complementary business lines that enhance their comprehensive care portfolios. In addition, With increasing health consciousness in China, many consumers are choosing comprehensive lifetime health services, creating significant opportunities for whole-course healthcare management providers.

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- ***Specialty advancement.*** In the future, with the overall growth of the whole-course healthcare management market, its coverage across various clinical departments will continue to expand. Particularly, cardiovascular and endocrinology departments demonstrate significant growth potential. Moreover, due to distinct disease management logics, whole-course healthcare management presents differentiated characteristics across specialties, with variations in both management requirements and cycles.
- ***AI-technology empowerment.*** AI is comprehensively empowering whole-course healthcare management. The advancement of AI and related technologies is creating brighter prospects for whole-course healthcare management, with the potential to address physician productivity challenges in the future. AI-enabled solutions not only assist hospitals in pre-consultation screening, triage, clinical decision support, and report interpretation to enhance healthcare quality and efficiency, but more importantly, allow physicians to focus on higher-value clinical decision-making.
- ***Market consolidation benefiting comprehensive service providers.*** Currently, most of the market players in China’s whole-course healthcare management service market only provide services covering limited stages of a patient’s treatment journey. In addition, many market players can only cover a limited number of diseases and medical specialties. With the market continues to evolve, market players that can provide comprehensive services and cover a wide range of medical specialties will be able to capture a larger market share by market consolidation.

Hospital-partnered Whole-course Healthcare Management

Overview

Hospital-partnered whole-course healthcare management is a specialized service model delivered through direct on-site integration with public hospitals, which remain China’s primary medical service providers and central patient access points. By embedding within the hospital ecosystem, providers deliver continuous care pathways spanning prevention, screening, diagnosis, treatment, rehabilitation, and long-term follow-up. This approach utilizes a hybrid delivery system that integrates digital tools, such as remote monitoring, with in-person multidisciplinary teams (MDTs) to manage disease-specific protocols. Consequently, it addresses structural constraints in China’s healthcare system by alleviating medical staffing shortages, streamlining clinical workflows, and facilitating the transition from single-episode treatments to continuous lifecycle management, thereby improving patient adherence and hospital revisit rates.

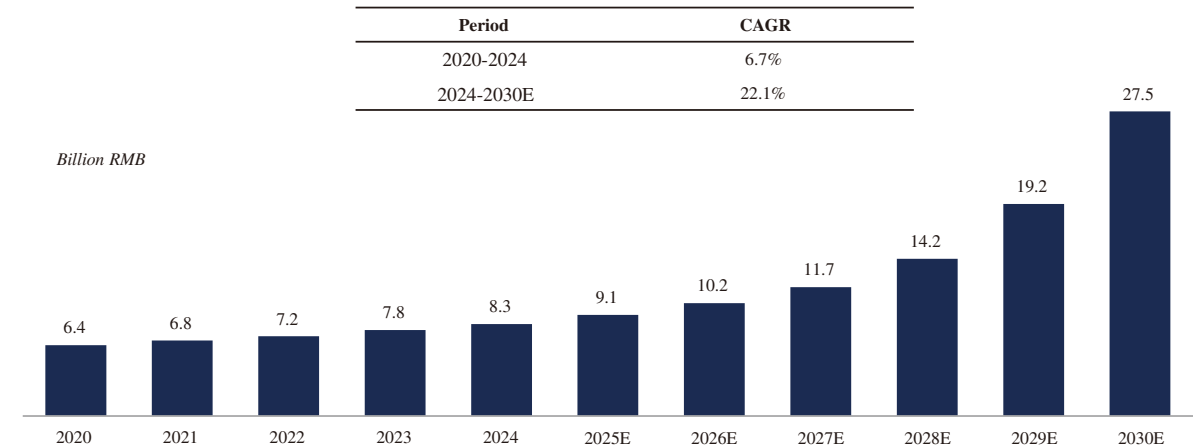
This hospital-partnered model presents distinct structural advantages compared to the asset-light, purely online platforms prevalent in the broader market. While standalone platforms typically feature lower entry barriers and faster initial revenue recognition, the hospital-partnered model requires a protracted ramp-up period to navigate competitive tendering, stringent data security compliance, hospital information system (HIS) integration, and department-level operational alignment. This extended implementation cycle establishes substantial barriers to entry. Once whole-course healthcare management systems are integrated into a hospital’s clinical workflows, the financial and operational costs of transitioning to an alternative provider become significant. Even under non-exclusive agreements, this institutional integration creates high switching costs and strong client retention that asset-light competitors cannot easily replicate, positioning hospital-partnered providers for long-term revenue visibility and market share retention.

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Market Size

China’s hospital-partnered whole-course healthcare management market has experienced continuous growth, increasing from RMB6.4 billion in 2020 to RMB8.3 billion in 2024, representing a CAGR of 6.7%. In 2030, the market is expected to further grow to RMB27.5 billion, with a CAGR of 22.1% from 2024 to 2030, reflecting a significant acceleration in adoption driven by expanding hospital partnerships and deepening policy support.

Market Size of Hospital-partnered Whole-course Healthcare Management in China, 2020-2030E



Source: Frost & Sullivan Analysis

Note: This market encompasses both online and offline scenarios and excludes direct sales of pharmaceuticals and medical devices. It covers comprehensive health management across diagnosis, treatment, and rehabilitation. Specific services include online consultations (strictly pertaining to whole-course disease management), medication counseling, product sales (incidental to whole-course disease management), follow-up consultations and examinations, medical escort services, patient follow-ups, health education, and home care services.

Competitive Landscape

China’s hospital-partnered whole-course healthcare management market remains nascent and fragmented, with only a limited number of players providing in-depth, on-site services. Because public hospitals are the dominant medical providers and primary patient access points, deeply embedded collaboration models establish formidable barriers to entry and high switching costs. Once integrated into a hospital’s clinical workflows, the substantial financial and operational costs of transitioning to an alternative provider create a durable competitive moat and high user stickiness that purely asset-light online platforms cannot easily replicate.

While asset-light models benefit from lower entry barriers and faster initial revenue recognition, hospital-partnered models structurally require a protracted ramp-up period. This is due to complex, time-consuming procedures such as competitive tendering, system integration, regulatory reviews, and operational alignment. Consequently, a temporal lag between executing a partnership agreement and generating meaningful revenue is an inherent structural feature of this market segment, reflecting deep institutional integration rather than diminished market demand.

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In terms of revenue, the top players in China’s hospital-partnered whole-course healthcare management market in 2024 are set out below:

Ranking	Company	Revenue* (Unit: Million RMB)	Market Share
1	WeiMai 	436.1 ⁽ⁱ⁾	5.2%
2	Company A	286.1	3.4%
3	Company B	262.3	3.2%
4	Company C	203.5	2.4%
5	Company F	189.6	2.3%

Note:

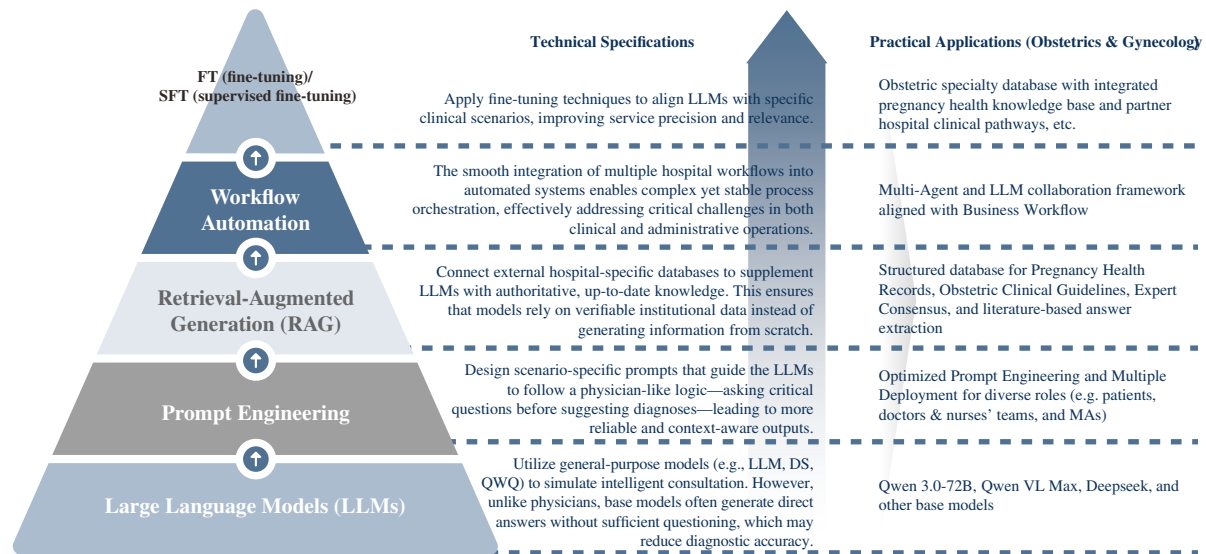
- (i) Weimai’s revenue presented in the table represented revenue generated from patient-end and institutional whole-course healthcare management services, excluding revenue generated from sales of whole-course healthcare management software.

AI-Application in Whole-course Healthcare Management

Overview

AI is transforming healthcare through three core capabilities — data acquisition, pattern recognition, and inference — enabling more accurate diagnoses, personalized care, and optimized resource allocation. Advanced AI platforms integrate multi-specialty medical knowledge with patient data to deliver tailored health guidance, though their effectiveness depends on access to high-quality, structured data within established clinical workflows. Whole-course healthcare management companies are uniquely positioned in this ecosystem, given their continuous engagement with patients across pre-consultation, diagnosis, and post-diagnosis phases, which generates naturally structured data — including online consultation dialogues, assessment scales, and standardized questionnaires — ideally suited for AI training. This creates a self-reinforcing cycle in which ongoing patient interactions continuously generate additional training data, further enhancing AI model accuracy and clinical utility.

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Source: Frost & Sullivan Analysis

AI Application in Whole-course Healthcare Management Service

Whole-course healthcare management services are becoming a cornerstone of healthcare AI implementation. Operating at the intersection between hospitals and patients, whole-course healthcare management service providers capture naturally occurring data during high-engagement clinical interactions and revisit communications. This continuous data collection creates a virtuous cycle of model refinement and improved outcomes. AI technologies support numerous critical healthcare functions throughout the patient's healthcare journey in whole-course healthcare management service — from initial risk assessment and digital triage to treatment coordination and long-term monitoring. These capabilities not only enhance operational efficiency and personalization but also foster sustained patient engagement across the various in-hospital healthcare scenarios. By strategically implementing AI across pre-diagnosis, diagnosis, and post-diagnosis phases, healthcare providers can elevate care quality, streamline operations, and develop valuable data assets that support sustainable value creation. In 2024, WeiMai ranked first in terms of revenue in patient-focused AI-empowered whole-course healthcare management service market.

Growth Drivers

- Growing demand with limited medical resources.** From the supply side, there exists extreme deficiency for quality doctors and medical resources in China. With only 2.7 doctors and 3.2 nurses per 1,000 population, China's physician density falls substantially below many developed countries. Meanwhile, the medical resource distribution is imbalanced. The medical expertise of doctors in the primary healthcare institutions can vary tremendously. Some of the primary institution doctors are in urgent need for support such as AI clinical decision support systems.
- Advancement of AI technologies and AI-related infrastructure.** The advancement of AI technologies such as machine learning and deep learning, driven by the increased amount of data collected, can accordingly enhance the capability of AI products. Moreover, the development of the supplementary hardware can also contribute to the capabilities of the AI-enabled healthcare services. The better AI healthcare services can better address the pain points of the healthcare market, thus leading to a fast growth of the market.

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- ***Favorable policies.*** The PRC government has actively promoted AI adoption across industries, with healthcare being a key focus. In 2018, the National Health Commission encouraged the use of AI for disease risk prediction, medical image diagnosis, clinical decision support, and intelligent hospital management. The same year, the government introduced grading standards for Electronic Medical Record systems, with AI applications such as Clinical Decision Support Systems and intelligent hospital management systems directly tied to these evaluations, incentivizing hospitals to adopt advanced technologies.

SOURCE OF INFORMATION

We have commissioned Frost & Sullivan, a market research and consulting company and an independent third party, to conduct an analysis of, and to report on the healthcare management market, the whole-course healthcare management market and the AI-empowered healthcare and whole-course healthcare management market in China. The report prepared by Frost & Sullivan for us is referred to in the document as the F&S Report. The F&S Report has been prepared by Frost & Sullivan independent of our influence. The fee payable to Frost & Sullivan for preparing the F&S Report is RMB0.7 million which we believe reflects market rates for similar services. Founded in 1961, Frost & Sullivan has over 45 global offices with more than 3,000 industry consultants, market research analysts, technology analysts and economists. Our Directors confirm, to the best of their knowledge, and after making reasonable enquiries, that there have been no adverse changes in the industry since the date of the F&S report and up to the Latest Practicable Date which may qualify, contradict or have an impact on the information set out in this section.

During the preparation of the F&S Report, Frost & Sullivan collected, analyzed, assessed, and validated the information and statistics using its in-house analysis models and techniques. Primary research was conducted via discussions and interviews with industry participants and industry experts. Secondary research involved analysis of market statistics obtained from several publicly available data sources, such as releases from the governments of the research countries, company reports, independent research reports, and Frost & Sullivan’s own internal database. The methodology applied by Frost & Sullivan is based on information and statistics gathered from multiple levels and allows such information and statistics to be cross-referenced for accuracy.

The F&S Report contains a series of market projections which were produced based on the following assumptions, without limitations: (i) China’s and global economy is likely to maintain steady growth in the next decade; and (ii) China’s and global social, economic, and political environment is likely to remain stable from 2025 to 2030.