HEALTHCARE TECHNOLOGY AND TELEMEDICINE IN CHINA

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Agenda

1. Introduction to the Chinese Healthcare Market
2. Telemedicine as a Disruptor to the Traditional Healthcare Model
3. The Future of Telemedicine Market in China
Introduction to the Chinese Healthcare Market
Demand for the Chinese healthcare industry has grown significantly over the last decade.

**Health Expenditure in China (2000-2020)**

Healthcare expenditure in China has grown significantly over the last two decades.

- **Source**: MOH (China); National Bureau of Statistics of China

**Factors Driving Demand in Healthcare Market**

- Economic growth
- Improved living standard
- Aging population
- Regulatory reforms
Supply of care under the traditional healthcare system presents opportunities for change.

Current Health Expenditure as a % of GDP

China’s share of healthcare spend is still relatively low, suggesting further opportunities for growth.

Factors Limiting Supply in Healthcare Market

- Overcrowded public hospitals
- Long hospital wait times
- Poorer access to healthcare for rural areas
- Lack of general medical practitioners

Source: WHO database
To understand the solution, we need to first understand the problem.

1. **Convenience**
   - Top tier hospitals are far away

2. **Access**
   - Long queue: hours of waiting
   - Specialist appointments are hard to get
   - Top tier hospitals are difficult to book
   - Hard to guarantee quality of doctor

3. **Quality**
   - Trustworthy medical info is hard to find
Telemedicine as a disruptor to the traditional healthcare model

Offline Meets Online

Provider centric

Patient centric
Innovations based on a patient-centric model have fueled significant growth in telemedicine.

**Digital Healthcare Market Size**

<table>
<thead>
<tr>
<th>Year</th>
<th>Market size (USD bil)</th>
<th>Growth rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>7.9</td>
<td>21.7%</td>
</tr>
<tr>
<td>2016</td>
<td>10.3</td>
<td>30.5%</td>
</tr>
<tr>
<td>2017</td>
<td>12.8</td>
<td>24.1%</td>
</tr>
<tr>
<td>2018</td>
<td>15.6</td>
<td>22.1%</td>
</tr>
<tr>
<td>2019</td>
<td>21.2</td>
<td>35.6%</td>
</tr>
<tr>
<td>2020</td>
<td>31.0</td>
<td>46.7%</td>
</tr>
</tbody>
</table>

Source: Analysys 易观
The telemedicine providers have been successful in tackling existing healthcare issues, each is approaching them slightly differently.

<table>
<thead>
<tr>
<th>Where they come from</th>
<th>How they approach it</th>
<th>What are they solving</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health insurer going digital</td>
<td>Seamless customer experience</td>
<td>1 Convenience</td>
</tr>
<tr>
<td>Social platform building on their reach</td>
<td>Connecting doctors with patients</td>
<td>2 Access</td>
</tr>
<tr>
<td>Medical website extending their offerings</td>
<td>Reliable services and information</td>
<td>3 Quality</td>
</tr>
</tbody>
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Telemedicine as a Disruptor to the Traditional Healthcare Model
Solving for Convenience

Example: PingAn Good Doctor online consultation

PingAn Good Doctor’s online consultation utilizes the same AI doctor algorithm to direct patients to the most appropriate doctor for diagnosis and prescription.

- Directly employs doctors that are available 24/7 to provide Free consultation
- Partner with online pharmacy for medicine delivery

Consult start with AI doctor

Choose the doctor

Discuss condition

Prescribe medication and delivery

Significantly reduce effort of visiting doctor for minor conditions

You can see where the doctor works and their specialty

Also support voice chat, picture upload and video consults

Pay now and have your medication delivered

AI doctor does the initial screening

Electronic script issued
PingAn Good Doctor has created an easily accessible AI clinic by combining consultation, prescription and dispensing into a single access terminal.

- "AI doctor" consult
- Transfer to real doctor
- Make diagnosis & prescribe medication
- Purchase via vending machine

Assistant to real doctor
Improve efficiency in response to patient queries

One minute clinic
Medication vending machine

100 common medication refrigerated to ensure quality.

in 8 provinces
Over 1000 terminals
Serving over 3 million customers
WeDoctor has created the largest hospital directory in the country, allowing users to book for hospital visits online and have direct access to majority of the tier 3A hospitals in the country.