

Eastern Drumbeats in the Song of AI – Key Takeaways from WAIC 2025

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VMS has maintained a strong focus on artificial intelligence (AI) since 2016, recognizing its transformative potential across industries and investment landscapes. Our recent attendance at the **World Artificial Intelligence Conference (“WAIC”)** provided us with valuable insights into cutting-edge AI developments, and we are pleased to share these observations with our investors.

I. Key Takeaways from WAIC

As the four-day WAIC ended in Shanghai, the buzz generated by the conference continues to reverberate in public media, inspiring further discussions and analysis on the state of artificial intelligence.

2025 has been hailed as the most popular year on record for WAIC, with offline visitors exceeding 350,000 and online traffic surpassing 2.5 billion. Over 800 companies participated in the exhibition, showcasing more than 3,000 cutting-edge technologies, among which over 100 were “global premieres” or “China debuts”. Amid this wave of global AI technological development, China has also been paving its own unique path.

Three Key Signals We Observed at WAIC:

- 1. Technological Inflection Point:** AI is no longer merely conceptual, with innovations pushing technology to a new stage of implementation. Embodied intelligence has evolved from static demonstrations to dynamic practical applications. AI infrastructure has broken through the constraints of computing power density. Large models are accelerating their penetration from “general-purpose” to “vertical domain implementation”, and AI has achieved technological breakthroughs in multiple scenarios in the healthcare field, including auxiliary drug research and development, hospital diagnosis, treatment, rehabilitation, and multi-agent collaborative applications.
- 2. Policy Trend:** “Independence and control” has become the core theme of AI infrastructure policy support in China, with clear orientations towards domestic substitution and full-stack independent research and development.
- 3. Differences in Market Preference:** Consumer-facing AI applications are rapidly acquiring new users as consumers tend to have lower fault standards when it comes to

AI-generated results. On the other hand, business users have to adhere to a higher fault standard, and make sure that the closed-loop between data and its generated capabilities can be properly validated. For example, B2B applications in healthcare are particularly reliant on making sure high-value needs can be met, high-quality data can be supported, and that there is robust infrastructure; while also making sure the application can address regulatory and data security risks.

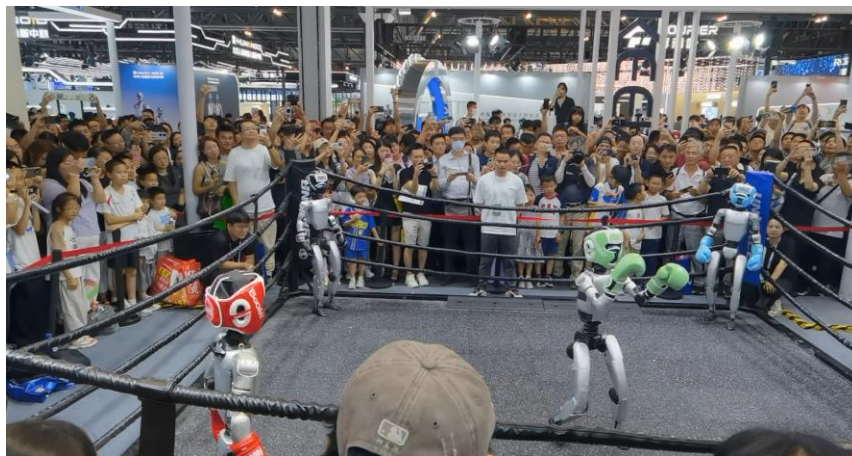
II. Analysis of Key Sub-Sectors and Investment Insights

1) Embodied AI

Core Developments

Embodied AI was the hottest highlight in the exhibition area of this year’s conference. At last year’s conference, most of the humanoid robots were mere displays or could more or less only follow fixed and rehearsed scripts. This year, there has been a significant leap that more robots can demonstrate dynamic movement capabilities, with a more diverse range of unscripted demos.

In a special exhibition area of WAIC, a commercial block scene replicating the Shanghai alleys of the 1980s and 1990s was set up. Products from companies such as *Galbot*, *Epoch Lab*, *Surgical AI*, *Xixi Zhineng (希夕智能)*, *Flexiv*, *Noematrix*, *KEENON Robotics*, *Zhiyuan Robot*, and *SIASUN* demonstrated operations such as drum beating, dragon dancing, calligraphy, cooking, egg peeling, drink mixing, and even repair maintenance. In the smart retail exhibition area, Mech-Mind conducted on-site demonstrations of robots folding, sorting, placing, and picking clothes by virtue of its self-developed robot platform, consisting of an “eye-brain-hand” system — namely the 3D camera, VLA model, and dexterous hand.



Crowd observing the boxing robots at Unitree (Source: VMS Internal)

The exhibition area of Unitree attracted the largest crowd (pictured above), with its combat robot boxing demo drawing numerous spectators. The coordination of the boxing robots' 29 flexible joints and intelligent balance algorithm was impressive. In fact, there were *numerous* companies specializing in robot body components, including various types of dexterous hands, robotic arms, and even more underlying motors, reducers, sensors, etc., with the parameter comparisons in product manuals almost hard to distinguish. The robot "brain", as the core control center, has always been the most concerned field in the development of embodied intelligence, because it needs to solve the problem of specific and accurate recognition yet generalizable ability in the physical world. Galbot demonstrated all-weather intelligent capabilities in real supermarket scenarios, with real-time responses and non-remote operations for commodities of various shapes, complex lighting conditions, and different placement postures. Its underlying model has broken through the separated design of "traditional vision + trajectory planning" to control robots. The completion of high-difficulty recognition and grasping operations for items like flexible packaging, transparent plastic bottles, and jelly cups, has also improved significantly.

In industrial scenarios, bin handling and complex material picking were the focus of demonstrations by many companies. Various interactive demonstrations in the form of robot dogs showed the feasibility of their commercial applications in fields such as entertainment and companionship, urban services (garbage picking, logistics delivery, etc.), and special operations (emergency rescue, inspection in harsh environments, security, etc.).

Potential Risks

However, behind the dazzling excitement, there still remains many questions and challenges. Firstly, the technology spillover effect of robots is much faster than expected. Whether in body control or algorithm models, the first-mover advantage is not inherently obvious. Whether the great lengths to which companies invest in the R&D of embodied AI will result in beating the competition is unclear when real commercial applications have not yet begun. Secondly, the 2C market has the largest potential for new imaginative applications, but capability iteration requires data support, and the industry mostly expects data capture and accumulation to come from 2B deployment. Yet 2B applications come with extremely high requirements on cost, efficiency, and fault tolerance. How to truly form a closed loop from available data to generated capability remains to be seen. Thirdly, the pattern evolution of embodied AI will probably replicate the path of semiconductor chips and large language models. Solutions for vertical sector applications are expected to gradually return to the valuation system of collaborative robots. As a result, how to increase the success of an investment while trying not to miss opportunities is a problem that tests one's recognition of the underlying trends in this space.

2) AI Infrastructure

Core Developments

AI Infra was the focus of the conference’s forum activities. The overall theme can be summed up as “responding to blockades and achieving independent control”. A prime example was Huawei’s “Ascend Supernode 384”, composed of 12 computing cabinets and 4 bus cabinets. The Ascend 384 can be expanded into a super node computing cluster supporting tens of thousands of cards, fully demonstrating how companies are able to find solutions that achieve computing power volume while under limited computing power density. Companies with self-developed clusters of computing power chips have rushed to launch new-generation products, among which inference chips are the main focus. The support of products and technical solutions such as optical interconnection and optical switching, ultra-large bandwidth storage, and heterogeneous hybrid training platforms are indispensable components of super node computing clusters. The domestically produced high-density computing power system launched by Suanova, in conjunction with multiple institutions, is an ecosystem-level exploration demonstrating full-stack independent R&D of domestic computing power infrastructure.



Huawei booth at WAIC 2025 (Source: Kuaikeji)

Potential Risks

The development of AI requires the support of underlying architecture. There is a chance for algorithmic progress to reach a singularity, but making up for the capabilities of base hardware is an unavoidable challenge. In some ways, the global restrictions on chips and AI infrastructure have given domestic Chinese companies an opportunity to catch up. If it were still an open market with global division of labor, it would be difficult for both talents and capital to invest so intensively in the wave of independent industrial chains.

3) AI Applications

Core Developments

We believe that AI applications are garnering the most investment attention in the market at the moment and represents the field where Chinese teams are best at. At this conference, various exhibitors provided dazzling demos and interactive experiences. In the consumer field, the combination of AI and hardware has opened a wide space for creativity: from wearable exoskeletons, to lifelike bionic facial expression displays, and even AI knowledge graphs offering rich audio-visual reading experiences, exclusive digital human generation within the metaverse and two-dimensional culture, VR headsets and AR glasses rekindling consumers' enthusiasm, AI pets integrated with various consumer products, companion and cultivation-style role AI partners, the list goes on... In consumer scenarios, 2C end-users have higher fault tolerance, are more friendly towards AI interaction experiences, and, with the bonus of "freshness", have a shorter acceptance cycle for new AI consumer products and services. During our exchanges, many companies expressed their expectation to open users' minds with blockbuster products, rely on user data and usage stickiness, and build upon underlying technology platforms to create more ecosystem-level interfaces.

Potential Risks

However, companies need to consider issues in specific business development, such as how to retain user stickiness, how to select and define the embedding of AI functions within the attribute framework of traditional consumer goods, how to cope with the impact of homogeneous competition, and how to maintain its user ecosystem.

The upgrade of large language models, the launch of vertical-specific models, and the demonstration and release of AI Agents occupied the electronic screens in various forums and exhibition areas of the conference. In addition to the well-known major manufacturers, many SOEs, universities, and start-ups have also joined the ranks of releasing vertical-specific models, such as *the large models of East China Normal University's SmithRM financial reasoning, Banma's Banma Yuanshen AI, China Coal Technology and Engineering Group's ChinamjGPT (煤科卫士), State Grid's Guangming Power, China Mobile's Jiutian, China Tower's Jingwei, Baosight Software's Baoliandeng industrial large model, Zhongke Wenge's Yayi (雅意) AI Scientist scientific large model, Tianwu Technology (天鹫)'s AIACCLBIO model for protein function prediction and design general artificial intelligence, etc.* The release of various AI agents is also emerging in an endless stream. Whether it is vertical-specific models or AI agents, their ability to solve practical problems still needs to be validated, and their specific application effects need to be further understood. However, the trend of using algorithms to improve production efficiency, assist or even replace human resources, is irresistible. The development of tools is no longer a problem – instead, the question lies in how the industry pattern will evolve. The game boundary between start-ups and

major manufacturers, and the competition-cooperation balance between technology enterprises and industry leaders are the core of future-oriented thinking.

4) AI Healthcare

Core Developments

AI-assisted Drug Design and Innovative Drug Research and Development

“AI-assisted drug design methods and innovative drug research” was one of the focus topics at this year’s WAIC. Currently, AI is being used to design new molecules, screen candidate drugs, and accelerate the process of new drug discovery. These AI-driven tools can predict ideal drug structures from massive compounds and biological data, improving the efficiency and success rate of new drug research and development. In addition, researchers are using AI to predict drug carrier materials to optimize drug delivery and controlled release, further enhancing the targeting and effectiveness of drugs.

AI-assisted Hospital and Rehabilitation Care Solutions

AI has also made important progress in hospital diagnosis, treatment, and rehabilitation care. WAIC 2025 introduced breakthrough applications of Brain-Computer Interface (BCI): with the help of AI to decode brain neural signals, BCI is helping paralyzed or aphasic patients regain communication and motor functions. At the same time, embodied AI technology has begun to integrate into medical practice, including medical robots, intelligent prostheses, and rehabilitation training platforms. These AI-driven devices can assist patients in physical therapy and daily care, improving rehabilitation effects and care efficiency. In addition, intelligent diagnosis systems have been deployed in hospitals; for example, an AI pathological diagnosis platform for complex lung diseases has been put into application to assist in identifying difficult diseases such as interstitial lung disease. Overall, AI is helping hospitals improve operational efficiency, enhance diagnostic accuracy, and provide personalized rehabilitation treatment plans.

Application of Multi-agent AI in Healthcare

Multi-agent AI, referring to AI systems where multiple agents work collaboratively, is showing promising potential in the medical field. Forums at WAIC 2025 pointed out that multi-agent systems can simulate complex medical scenarios to accelerate decision-making and research and development. For example, the “MetaBio” multi-agent virtual disease biology platform, released at the conference, consists of multiple AI agents collaborating to simulate disease processes, which is used for early target discovery and drug screening. In the future, multi-agent AI can also be used to optimize hospital diagnosis, treatment processes, and medical resource scheduling. For instance, simulating the scenario of multi-team cooperation in the emergency department to find the optimal patient triage strategy, or allowing different agents to focus on analyzing various data such as images, tests, and medical history, and finally integrating decisions. Such collaborative AI is

expected to address complex problems in healthcare and achieve more comprehensive and efficient solutions than single AI.

Potential Risks

We believe that AI can truly succeed in the medical field only if it meets unmet clinical needs and be closely aligned with the business goals of medical institutions and needs of patient. In addition, high-quality medical data is the cornerstone of AI models. Experts point out that AI effects are highly dependent on the diversity and completeness of training data. Without a large amount of credible data, even the strongest algorithms cannot provide reliable results. At the same time, sufficient computing power and infrastructure are also necessary conditions. Currently, less than half of medical institutions believe that their data platforms and IT systems are ready for AI, indicating that hospitals need to strengthen data governance and digital transformation to give full play to the value of AI.

In addition, the challenges of regulatory compliance and clinical verification could be underestimated. Medical AI products usually need to go through strict clinical trials and regulatory approval, with a long development cycle. Second, data privacy and security risks cannot be ignored — surveys show that up to 91% of medical institutions are worried about privacy protection and security issues of existing data systems. Data leakage or improper use will deal a severe blow to relevant enterprises. Third, companies need to have a clear used case and monetization model.

III. Conclusion

With the development of artificial intelligence technology, the risk of AI generating autonomous consciousness, as well as the coexistence and symbiosis between silicon-based intelligence and carbon-based life, have triggered deeper discussions at this conference, mainly due to a speech from *Geoffrey Hinton, known as the "Godfather of Deep Learning" and winner of the Turing Award and Nobel Prize*. Are humans “fostering a blessing” or “containing a menace”? Whether controllable or not, the door to the future has already been opened. Whether AI is Prometheus' fire or a Pandora's box for humanity is probably hard to determine at this current moment. The wheel shaping humanity's future is already in motion, and each person must adapt. Embracing AI and finding one's role in this new era is not just for tech firms—it is becoming vital to everyone's life and destiny.

As the AI revolution surges forward, with China rising in the East and the U.S. leading in the West—a grand stage where every economy must find its rhythm and place. Though WAIC has concluded, the AI era is just dawning, and the drumbeats from the East continues to ring through the night.

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