Fosun’s Global Strategies: Opportunities to Link Fosun and Australia

复星的全球战略：将复星与澳大利亚相连的商机

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Healthcare Holdings, Fosun Group
Fosun was founded in 1992 in Shanghai. Fosun International (00656.HK) was listed on the Main Board of the Hong Kong Stock Exchange on July 16, 2007. The group has been actively implementing its investment model of “Combining China’s Growth Momentum with Global Resources”. It’s business lines include insurance, investment, wealth management, healthcare, aged care, tourism and resort, fashion, entertainment, property development, steel and oil, etc.

“Insurance + Investment” - Buffett model

“保险 + 投资” - 巴菲特模型
Revenue & Profit (2014 – 2015, RMB million)
收入与利润（2014 – 2015，百万人民币）

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<tbody>
<tr>
<td>Revenue</td>
<td>9,016.2</td>
<td>15,615.8</td>
<td>11,938.2</td>
<td>15,614.9</td>
<td>-</td>
<td>7,441.6</td>
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<tr>
<td>Profit</td>
<td>3,615.7</td>
<td>5,730.4</td>
<td>1,096.0</td>
<td>1,754.2</td>
<td>473.5</td>
<td>175.1</td>
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Assets in 2014
205,416 million RMB

Assets in 2015
303,385 million RMB
Fosun’s Healthcare & Elderly Care • 复星的医疗与养老

Medical service system of Fosun - hospital and senior living*

复星的医疗服务体系—医院与老年社区

<table>
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<tr>
<th>Hospitals</th>
<th>Healthcare Units</th>
<th>Private Clinics</th>
<th>Total Beds</th>
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<tr>
<td>13</td>
<td>2</td>
<td>7</td>
<td>3,777</td>
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Existing Senior Community
96,700 m² (1,090 beds)

Senior Community under Construction
342,259 m² (2,977 beds)

*As of 31 December 2015

“Insurance + Medical Care + Rehabilitative Elderly Care”

“保险 + 医疗服务 + 老年康复护理”

In Portugal, Fosun Insurance Portugal and Luz Saúde cooperated in launching the product MultiCare.

In China, Yong’an P&C Insurance launched health insurance products with United Family Hospital and Foshan Chancheng Hospital and launched healthcare management with Star Healthcare.
Strategic Investment in Healthcare · 医疗战略投资

Healthcare+
- Equipment
- Pharmaceutical
- Tourism
- Aged Care
- Internet
- Rehabilitation
- Physician Group
- Insurance
Healthcare in China・中国医疗行业

Current Situation・现况

- Total healthcare expenditure accounts for only about 5% of the total GDP.
- Approximately 600 Million people are considered urban residents.
- 700 Million are considered rural residents.
- Huge difference between the tier one cities and the rural areas.
- Rural population is disadvantaged in terms of access to quality of care.
- In the cities, there exist huge difference in the level of healthcare services provided by the hospital and small clinics.
- Chinese healthcare market is very diverse in nature due to presence of multiple hierarchies of healthcare institutions.
- Large population base with large proportion of elderly people.
- Growing prevalence of lifestyle diseases.
Healthcare in China • 中国医疗行业

Macro Economic Drivers • 宏观经济驱动力

• People’s income increasing
• Incredibly high decease-related death rate
• Increase in urbanization
• Population is aging
• Government investments on social insurance and healthcare services
Trends and Opportunities

- Chinese Healthcare Industry is entering into a new era of development.
- Healthcare system in transformation driven by reform process.
- Government spending, has accelerated the development of healthcare infrastructure.
- Increasing private sector participation.
- Double digit growth in recent years.
- Healthcare market would continue growing at an intense pace.
- The pharmaceutical market will continue to be one of the main sectors in the economy of China.
- China has growing market in the area of bio-pharmaceuticals.
- Many of overseas pharmaceutical corporations have already set up or expanded their presence in China.
Summary · 总结

• The Healthcare industry in China is in transformation. It faces the new reality that the high, noncyclical growth rates.

• This recognition triggered increase in M&A activity among local healthcare firms, which bolstered their portfolios with growth assets, shedding low-growth assets and tried to take advantage of financial opportunities.

• As a result, strategic healthcare M&A activity in China has reached an all-time high, even after adjusting for deals that were canceled after announcement.
The state Council of China has encouraged the opening of the healthcare market to private investments. The demand for high quality of healthcare products is steadily rising. The health care sector in China has increased from pharmaceuticals to medical products to consumer health. China will remain as the world’s most attractive markets as it is growing faster in the field of health care.
• Investors in China and Australia should broaden their companies' portfolios or deepen their penetration of a product category.

• Pharmaceutical and medical technology companies and private equity owners with assets in these industries have more to gain from pursuing category leadership, whether by acquiring assets that expand a company's market share within a category or by divesting non-core businesses.
Thank You

Q&A