

WORKSHOP 3 WHAT TO CONSIDER WHEN INVESTING IN EUROPE

Facilitated by



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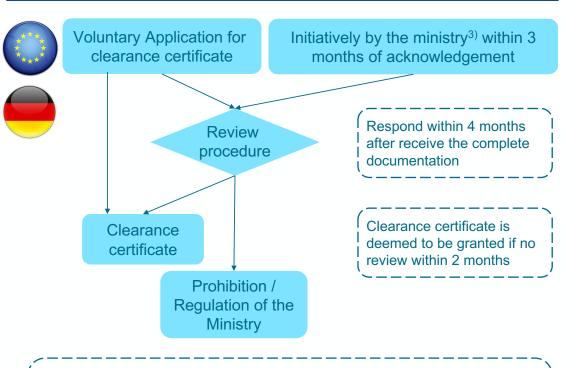


REGULATIONS FROM BOTH SIDES

Chinese Regulatory Process

Check country and First check industry of target Sensitive investment need approval from Sensitive? NDRC¹⁾, otherwise record-filing Indirect Direct investment investment Central SOEs need SOE? 2) NDRC record-filing Deal size over \$ 300m will be Deal size? Deal size? treated differently < \$ 300m > \$ 300m < \$ 300m No action needed NDRC record-filing provincial record-filing

European Examination Process (e.g. Germany)



- The German foreign trade regulations AWV authorized BMWi ³⁾ to set a new threshold for foreign investors, which has been reduced from 25% to 10% for specific-sector investments
- Including: electricity, petrol, water suppliers and the telecommunication sectors as well as the arm industry

- 1) National Development and Reform Commission
- 2) State Owned Enterprise

In Germany, the ministry is BMWi: the Federal Ministry for Economic Affairs and Energy, i.e. Bundesministerium für Wirtschaft und Energie



Invitation and firm

Exclusivity

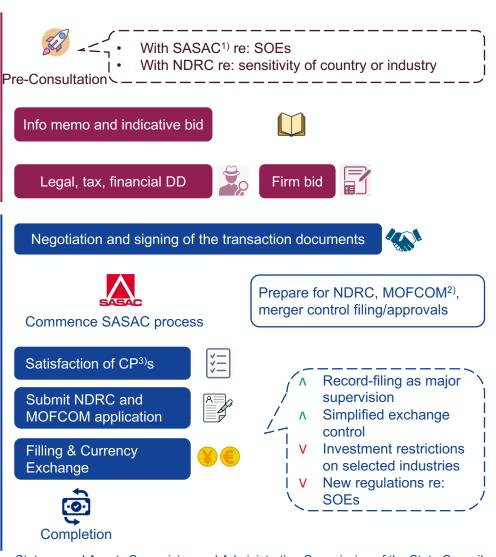
completion

and pre-

period

bid

M&A PROCEDURES AND PREPARATIONS



M&A logic and preparation

- Buyer identification
- KYC, Investment Rationale
- Understanding of target & industry
- Onsite visit for bilateral understanding

Clear M&A strategy & plan



- Onshore/Offshore/Approval Regime
- Debt/Equity/Co-Investments

- Understand the regulations in both countries
- Prepare for exchange

- Transaction certainty
- PRC Approval Process (MOFCOM, NDRC, SAFE, SASAC)
- Foreign Investment Restrictions (Merger Clearance, CFIUS, Sector Analysis)
- Process

Engagement of international & professional deal advisors at early stage

- Buyer behavior
- Consult expert advisers
- Ensure that key decision makers involved when quick acting required (SPA negotiations)
- Check key process dates (Public holidays)
- Organize trustworthy translators (for MP, expert session, negotiations)
- 1) State-owned Assets Supervision and Administration Commission of the State Council
- 2) Ministry of Commerce
- 3) Conditions Precedent



FINANCIAL SERVICES EXPERTISE

Operating Highlights

Pre-tax RoE (1) 2018:





Among all German private banks

EBT⁽²⁾ 2018:







Among all German private banks

AUC(+7% y-o-y):



85%

CIR (FY 2018)

18.7%

CET1

Business Structure

Private Banking

- Corporate Lending
- Advisory Service
- Private Equity
- Discretionary Portfolio Management
- Successor Financing
- Digital Wealth Management

Investment Banking

- Equity research, S&T and Designated Sponsoring
- Corporate Finance: ECM,DCM and M&A

Financial Markets

- Execution, S&T
- Customized Solutions
- Asset Liability Management
- Securities Financing & Collateral Optimization

Asset Servicing

- Custodian ("Depotbank") and fund administration for UCITS and Alternative Investment Funds
- Cooperation with well known leading investment companies





China Desk is gateway and experts of Chinese and German markets

H&A Global Investment Management (HAGIM) (3)



GLOBAL INVESTMENT MANAGEMENT

- Customized trading and investment strategies
- Fixed Income / Equities / Commodities / Certificates Mutual Funds / Special Funds
- Multi-Asset Strategies and Alternative Investments
- Conservative / Balanced / Dynamic / Market independent
- Capital Preservation- and Overlay Methods

2018 Pre-tax RoE: 8.7% 2019 1H Pre-tax RoE: 11.7%

2019 1H EBT: €15.0m

Joint Venture with Frankfurter Lebensversicherung



Seamless cross-border services

Cross-Border Solutions & Services

Institutional Clients

- Diversified investment strategies to leverage maximum returns in asset management and asset servicing
- Bridge building between EU and China to match supply and demand
- Experience-backed understanding of risks and opportunities in target markets

Asset Management / Servicing

Corporate Clients

- Assisting companies with M&A advisory and corporate strategies
- Capital markets advisory to meet our clients' diversified investment requirements: D-share listing, CDR, EURO bonds issuance
- Cross border advisory with a highly dedicated Sino-German team located in China and Germany

Corporate Finance Advisory

Individual Clients

- Trusted LT relationships and an excellent understanding of crossborder clients' interest
- Professional cross border wealth management solutions
- Great private banking expertise with cross border innovative solutions

Private Banking

FOSUN Synergies

Bridge between Fosun and H&A

- To support Fosun companies to diversify its investment in different investment strategies: equity, bonds, multiple-assets and absolute return
- To provide fund service and custodian services and solutions for financial institutions of Fosun Group
- To Support Fosun to invest into Europe as transactional advisor
- To support Fosun setup partner network in Europe

Asset Management / Servicing Corporate Service



THANK YOU

This event is organised with the kind support of:























