



WORKSHOP 3

WHAT TO CONSIDER WHEN INVESTING IN EUROPE

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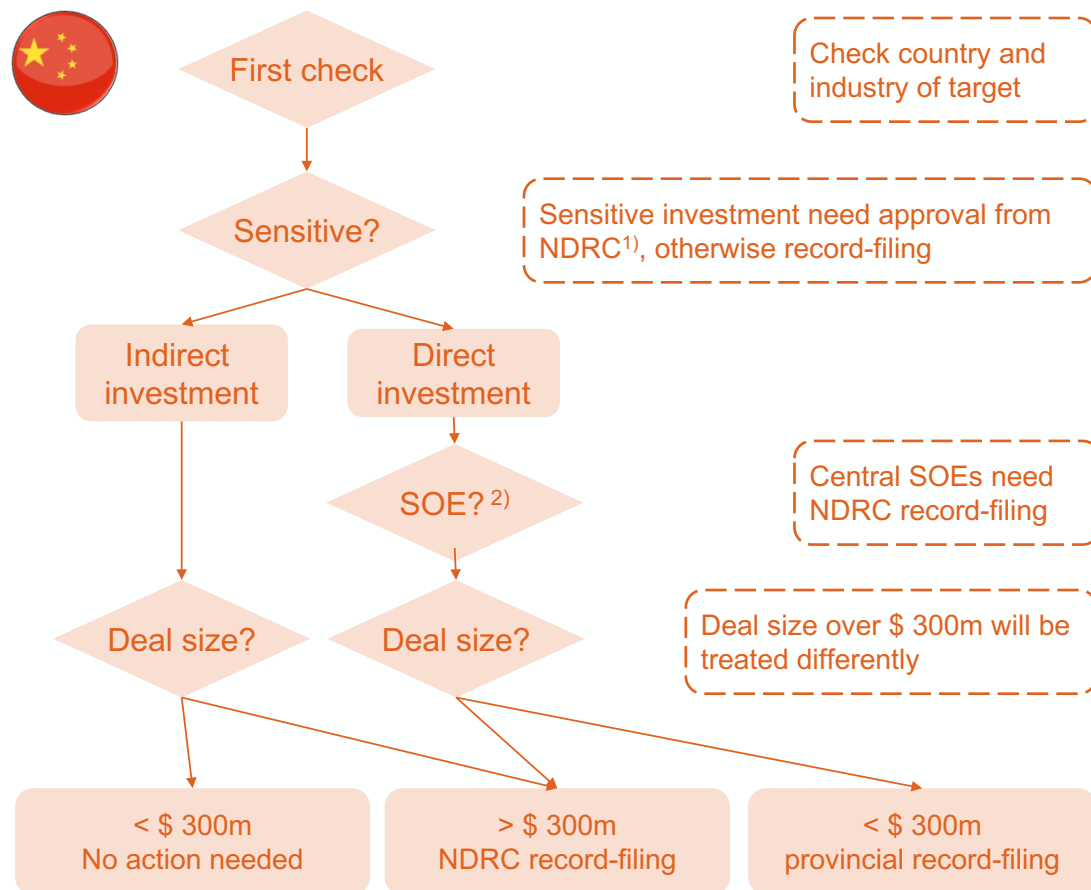


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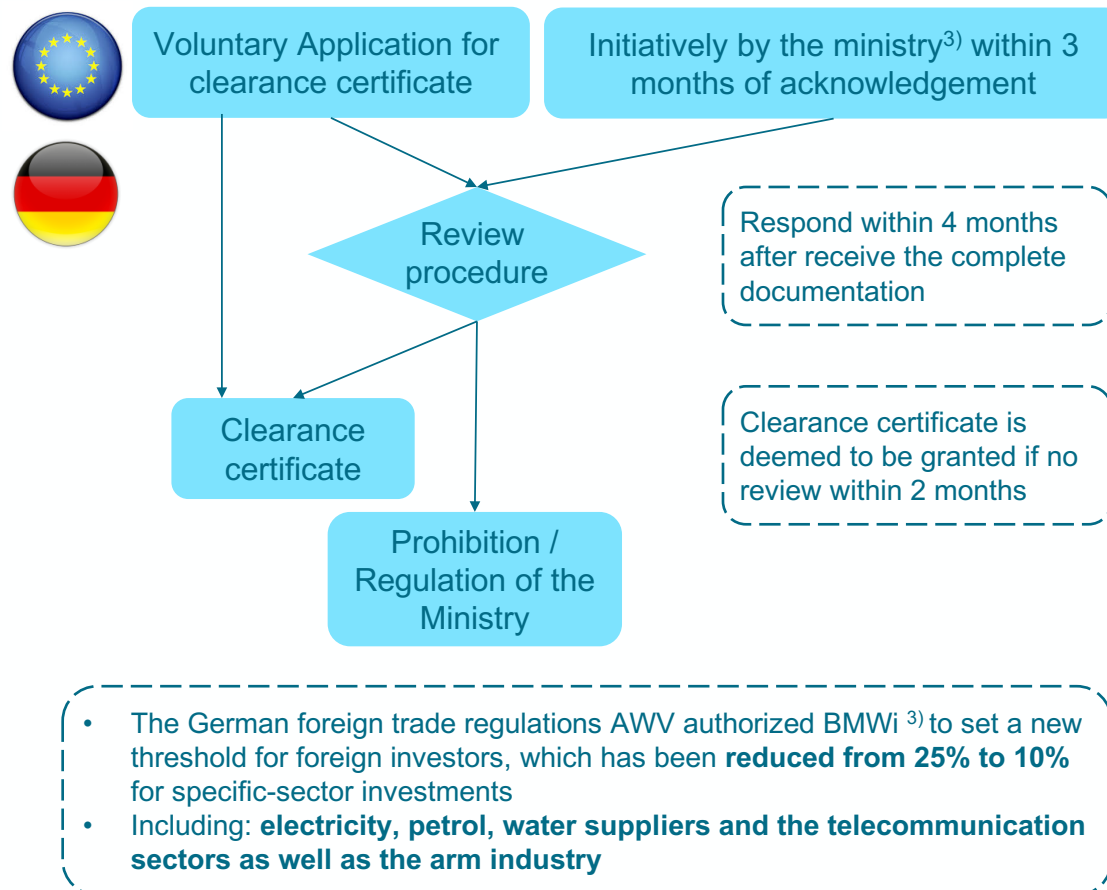
REGULATIONS FROM BOTH SIDES

Chinese Regulatory Process



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

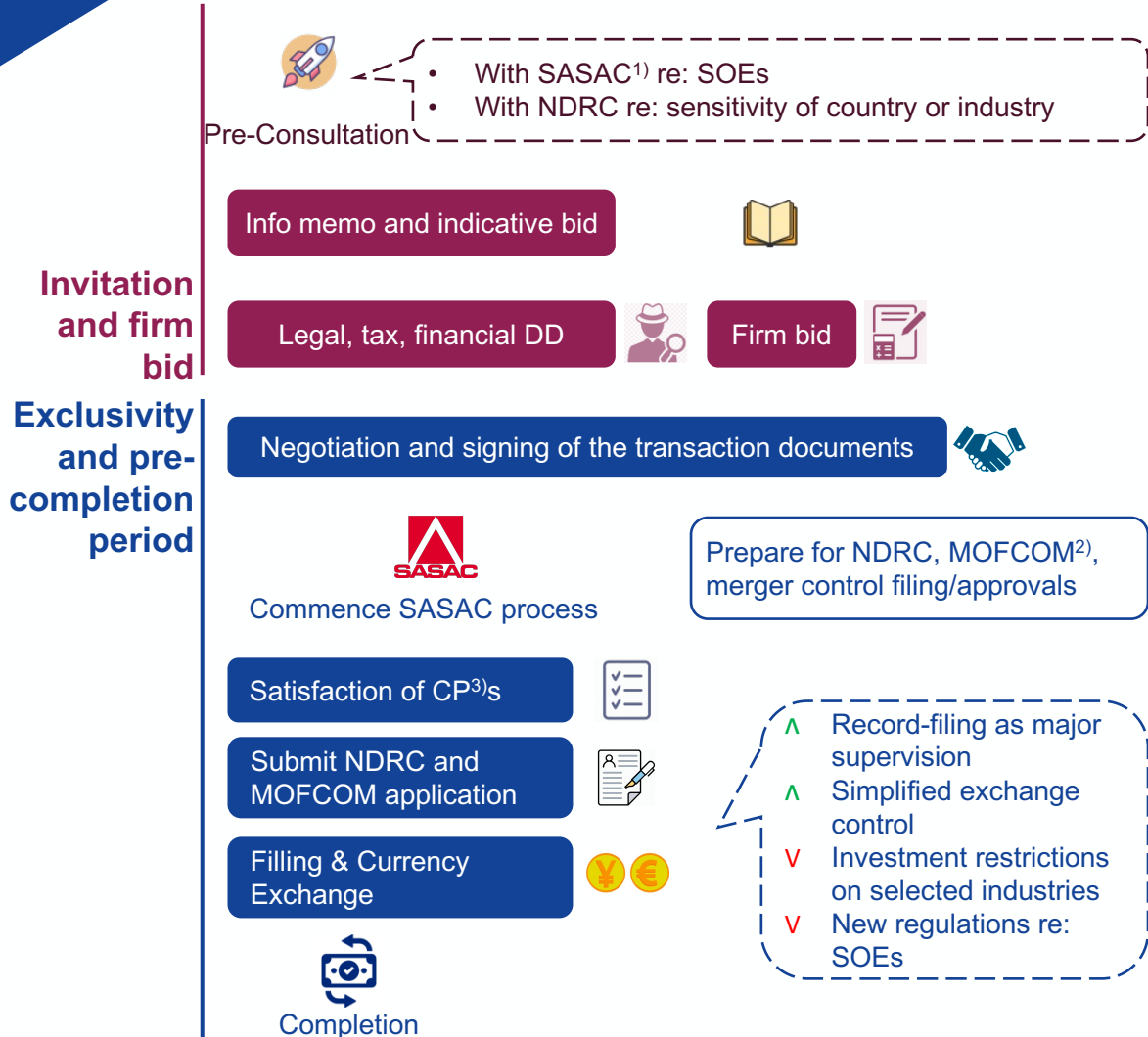
European Examination Process (e.g. Germany)



- The German foreign trade regulations AWV authorized BMWi³⁾ 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**

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

M&A PROCEDURES AND PREPARATIONS



1) State-owned Assets Supervision and Administration Commission of the State Council
 2) Ministry of Commerce
 3) Conditions Precedent

M&A logic and preparation

Buyer identification

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

Clear M&A strategy & plan

Funding

- 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

- 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)

- Engagement of international & professional deal advisors at early stage



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



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

2) 2018 EBT: €17.0m ; 2019 1H EBT: €15.0m

3) 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 cross-border 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:

ALLEN & OVERY

