

# Chindex and Fosun Pharma Ink Joint Venture



**C**hindex International, a leading independent American provider of Western healthcare products and services in China, and Shanghai Fosun Pharmaceutical, a leading manufacturer and distributor of western and Chinese medicine and devices in China, has announced the formation of the previously-proposed joint venture to independently operate certain combined medical device businesses, including Chindex's Medical products division. The formation of the joint venture represents a basis of the strategic alliance between the two companies, which aims to capitalize on the long-term opportunity presented by medical product sectors in China.

The joint venture entity, Chindex Medical Limited, a Hong Kong entity, will focus on marketing, distributing, selling and servicing medical devices in China, including in Hong Kong, as well as activities in R&D and manufacturing of medical devices for the Chinese and export markets. The joint venture is owned 51 percent by Fosun Pharma and 49 percent by Chindex.

The joint venture owns the Chindex-contributed businesses (principally the medical products division) and is entitled to a pending and obligatory final investiture of the Fosun Pharma-contributed businesses. The Fosun Pharma-contributed businesses have been segregated and, until such investiture, will be operated and managed by the joint venture under an entrustment arrangement. Such investiture will be finished once all requisite governmental and other approvals and other closing conditions have been satisfied.

Roberta Lipson, President and CEO of Chindex said, "We had explored various strategic options for our Medical Products division and believe that the joint venture with Fosun Pharma represents a superlative opportunity with a formidable partner and great upside potential. Following our mutual cooperation during the course of this year, we are delighted to see the joint venture launch as we enter the New Year. We believe that this integration of complementary businesses offers synergies, economies of scale and presence in China not available to either of the combined businesses on a stand-alone basis."

As the successor to Chindex's Medical Products division, the joint venture will market, sell and service medical products manufactured by various major multinational companies, including Siemens AG, Hologic, Candela, Cutera and Intuitive Surgical, for which the Joint Venture will be the distribution partner for the sale and servicing of color ultrasound systems, mammography, aesthetic lasers and surgical robotic systems, respectively. It

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also will arrange financing packages for the supply of medical products to hospitals in China utilizing the export loan and loan guarantee programs of both the U.S. Export-Import Bank and the German KfW Development Bank. Upon investiture, Fosun Pharma will contribute its medical device business, excluding clinical diagnostic products and including dental products and consumables, surgical consumables including sutures and needles, and disposable transfusion supplies.

#### **About Chindex**

Chindex was founded in 1981 by Roberta Lipson and Elyse Beth Silverberg, two young American women who had moved to China in the late 1970s, following re-establishment of diplomatic and commercial relations between the US and China, to establish a cross-cultural bridge in the early days of China's commercial opening to the West. Their vision was to bring all varieties of advanced Western healthcare technologies to China and provide excellent customer service to buyers and suppliers alike. Their motivation went well beyond the bottom line, to improving the lives of Chinese people

#### **About Focun Pharmaceutical**

Shanghai Fosun Pharmaceutical (Group) Co., Ltd., was established in 1994 and listed on the Shanghai Stock Exchange in August 1998. It has now become a top listing enterprise in Chinese pharmaceutical industry. Since it was listed on the market in 1998, the net profits of Fosun Pharmaceutical have increased by 39 times in twelve years and the compound annual growth rate reached 39.59%. Net assets and net profit are listed front rank among the Chinese pharmaceutical companies. ■



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