



CHC Health Care Group



承業生醫

投資控股(股)有限公司

CHC HEALTHCARE GROUP

4164TT



PRIMASIA

犇亞證券
2013年春季生技產業論壇

Mar. 21 ,2013

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Company Introduction

Name : **CHC Healthcare Group (4164 TT)**

Date of Establish : 2009/11/27 (the first subsidiary-Chiu Ho Medical was founded on 1977/08/12)

Chairman: Mr. Lee Pei-Lin

Business Location : Taipei

Major Business: Direct Selling, Leasing and Maintenance for Medical Equipment

Revenue structure : Radiotherapy/ophthalmology & dentistry sales, revenue sharing partnerships and services/maintenance

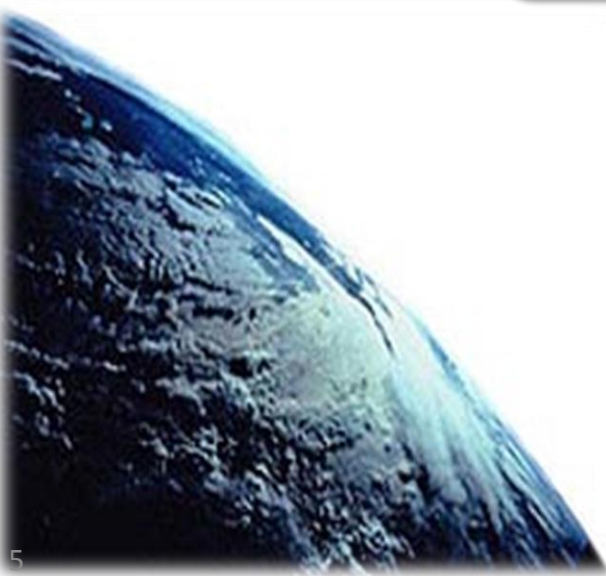
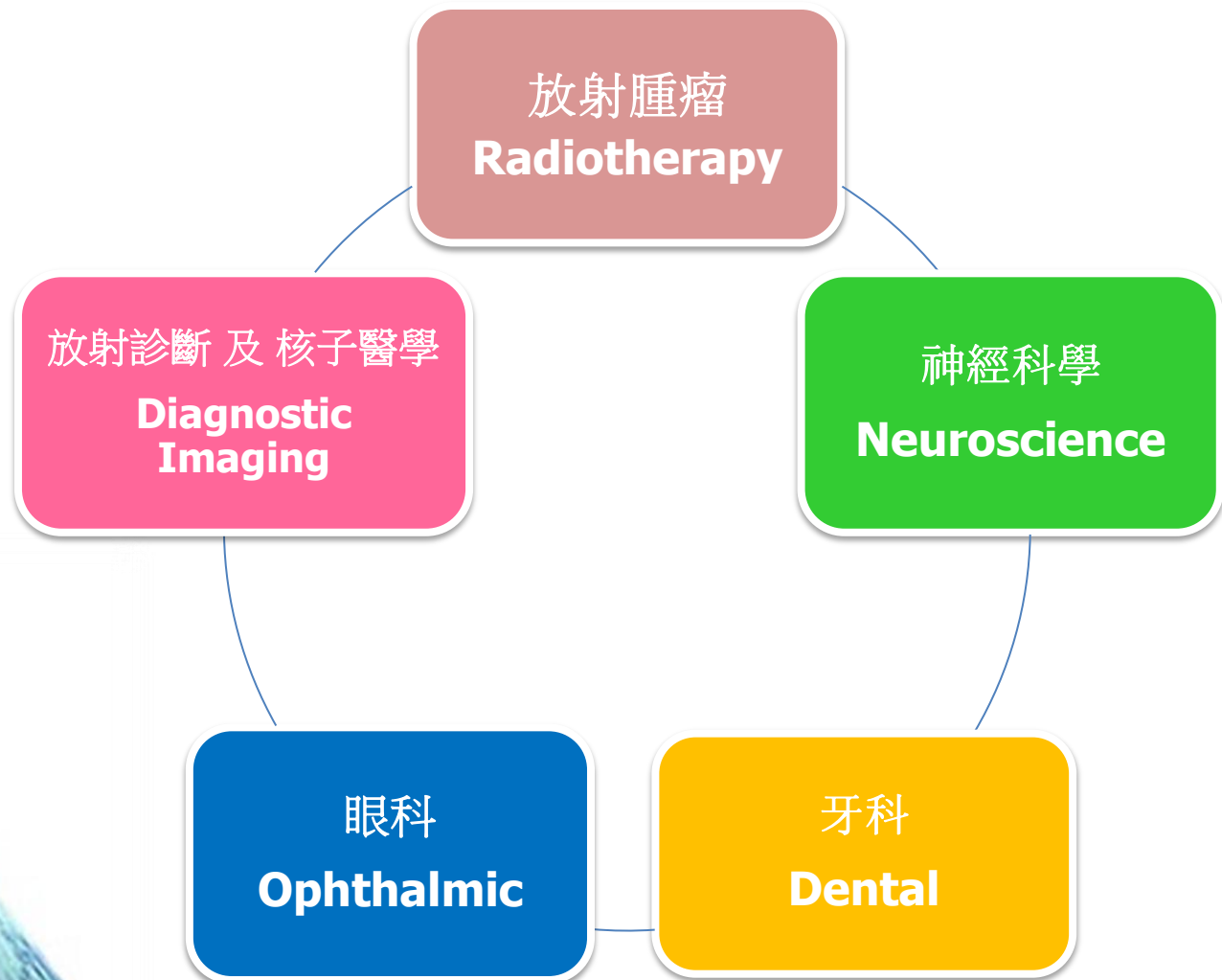
Listing Date: Oct. 24th ,2012

Executive Summary

- We are a leading Greater China full service solution provider for high-end Radiotherapy, Neurosurgery, Ophthalmology ,Dentistry and Diagnostic Imaging equipment.
- In terms of Taiwan's installed base of radiotherapy equipment, CHC holds a dominant 55% share via its sales of Elekta branded equipment; and this lead is increasing – since 2009, CHC installations of radiotherapy equipment have accounted for 80-90% of the total market.
- Starting in 2012, we set up a regional distribution platform last year to sell and market medical equipment in China.
- Taiwan is a leader in Asia in terms of its superior medical service. Over the past two years, increasing numbers of Chinese health care professionals have been visiting CHC in Taiwan, to study it as a model for implementation of advanced medical practices in China.
- We are the exclusive master distributor in Taiwan for Elekta, Nucletron, Swissray, Technolas, Leica, Lumenis and other brands.

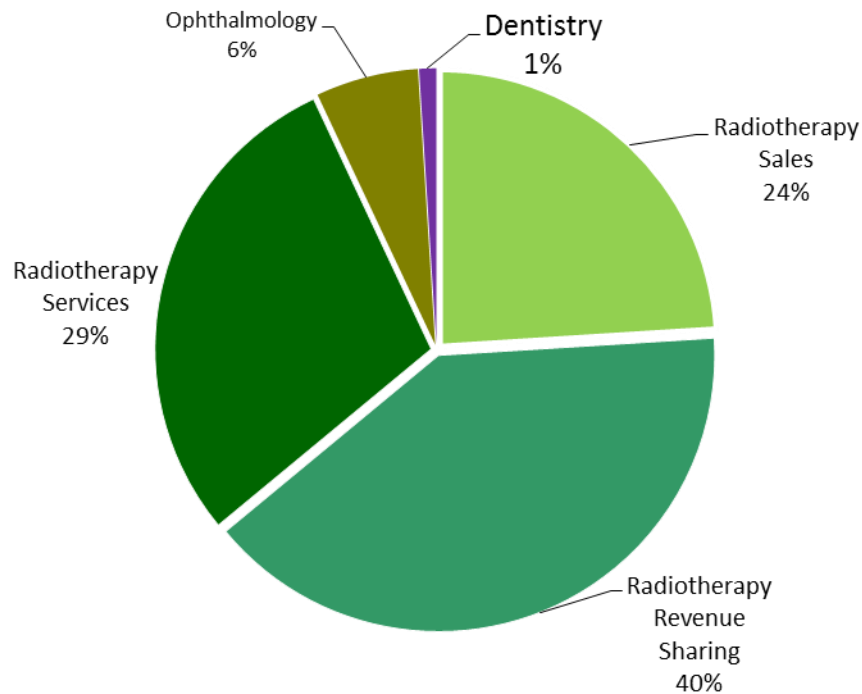


CHC Product portfolio



Radiotherapy is our focus

2012 Product Mix



- Radiotherapy sales, revenue sharing partnerships and services/maintenance in Taiwan accounted for 93% of 2012 revenue.
- The superior returns on this business, and in particular on our revenue sharing partnerships with customers, enabled CHC to achieve an ROE in excess of 20% in both 2010 and 2011.
- 7% of sales are derived from ophthalmology & dentistry-related equipment and supplements.

Major Business

全方位整合式服務

Full service solution Provider



A Robust and Flexible Distribution Channel Drives CHC Value Creation

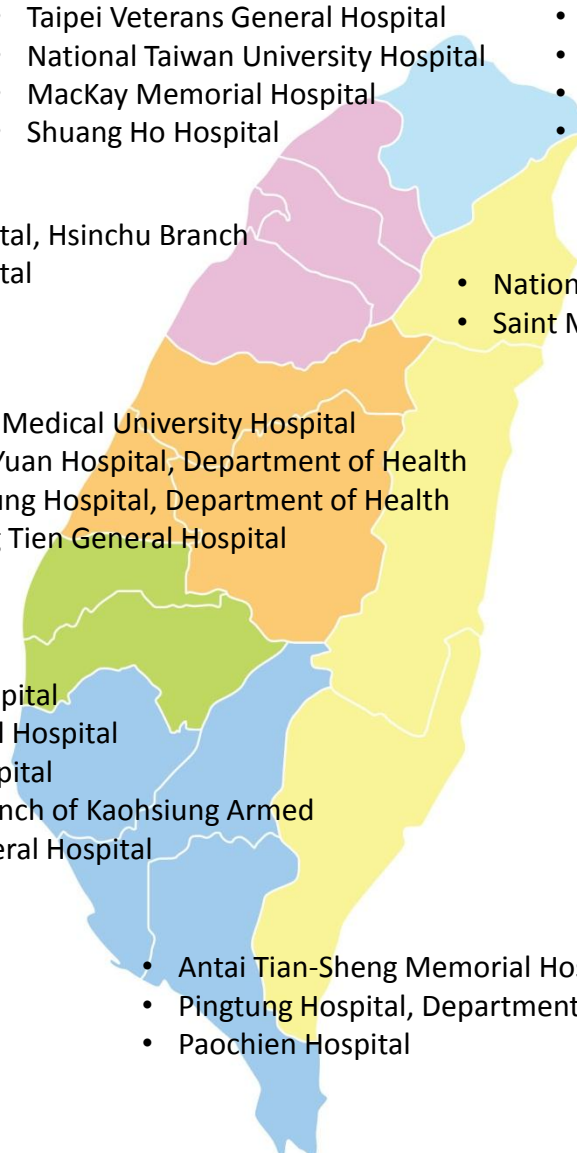
We have designed and built cancer treatment centers across Taiwan, establishing revenue-sharing agreements with many large-scale hospitals:

- CHC's three major product lines (Elekta, TomoTherapy, Gamma Knife) are used in 52 of the 68 hospitals with radiotherapy departments in Taiwan. In particular, our market share for Brachytherapy equipment is 90%+.
- Radiotherapy equipment revenue-sharing agreements as a percent of our overall sales is steadily increasing, and the contracts are signed for 12-15 years. As a result, this business should provide steady and growing cash flow for years to come.
- Annual equipment maintenance & repair service fees are equivalent to 5-7% of the total contract price, and are high margin. There is a high degree of technical skills involved in equipment installation, maintenance, and the changing of key parts, so such business is very 'sticky'.

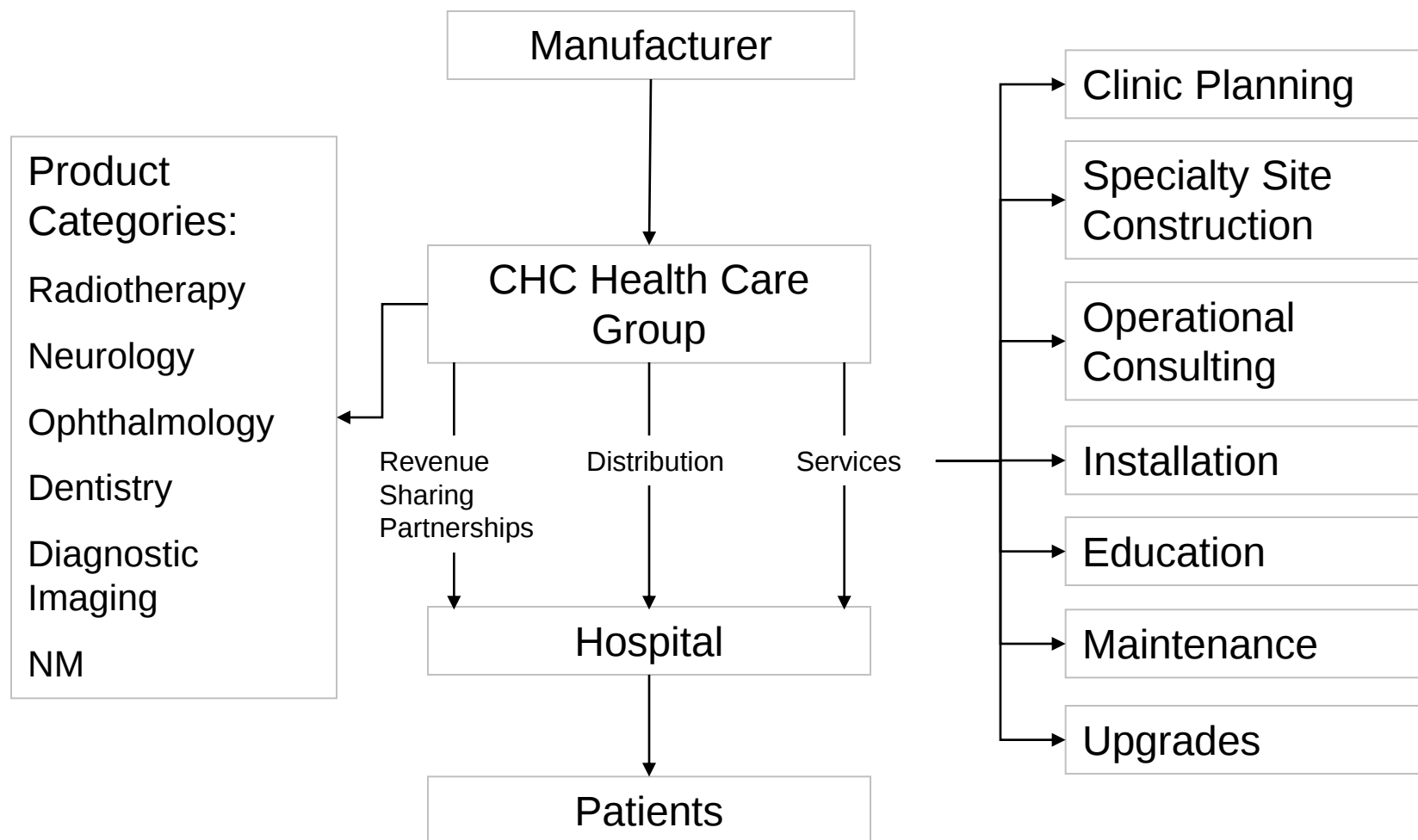
In the self-pay ophthalmology and dentistry markets, we mainly target private clinics, building channel value and customer loyalty with:

- Top product quality and complete product offerings
- Round-the-clock technical support by certified technicians

Some of our Key Cancer Treatment Revenue Sharing Partners

- 
- Taipei Veterans General Hospital
 - National Taiwan University Hospital
 - MacKay Memorial Hospital
 - Shuang Ho Hospital
 - Taipei Medical University Hospital
 - Taipei City Hospital Zhongxing Branch
 - Taipei City Hospital – Renai Branch
 - Wan Fang Hospital
 - Tao-Yuan General Hospital
 - National Taiwan University Hospital, Hsinchu Branch
 - Hsinchu Mackay Memorial Hospital
 - Min-Sheng General Hospital
 - National Yang-Ming University Hospital
 - Saint Mary's Hospital Luodong
 - China Medical University Hospital
 - Feng Yuan Hospital, Department of Health
 - Taichung Hospital, Department of Health
 - Kuang Tien General Hospital
 - Chi Mei Hospital
 - Kuo General Hospital
 - Sin-Lau Hospital
 - Zuoying Branch of Kaohsiung Armed Forces General Hospital
 - Antai Tian-Sheng Memorial Hospital
 - Pingtung Hospital, Department of Health
 - Paochien Hospital

CHC Provides a Full Spectrum of Services



We Know the Products, Markets and Regulations

CHC BOD Members

Lee, Pei-Lin MBA

Chairman



Ho, Chang-Jian MD

Independent Director

VS, National Taiwan Univ. Hospital



Lee, Tien-Ying MD

Director

Mackay Memorial Hospital



Chen, Gui-Duan PhD

Independent Director

ED, Taiwan CPA Association



Chang, Hang MD PhD

Director

Chairman, Taiwan Joint Commission
Hospital Accreditation



Lin, Guo-Dong

Supervisor

Chia Nan Univ. of Pharmacy & Sci.



Chiu, De-Cheng MBA

Director

Vice Chairman, Taiwan Life Ins.



Wang, Hwai MBA

Supervisor

Partner/VP, KPMG consulting



Huang, Chun-Shung MD

Director

Superintendent, Mackay Meml. Hosp.



Chen, Fu-Du PhD

Supervisor

Director-general, Chinese Assn.
of Radiology Technologists



We Know the Products, Markets and Regulations

Management Team

Chen Kung-Yu

CEO ; GM, Beijing Chiu Ho

Sales Director, GE Healthcare



Huang, Shi-Fen MBA

GM, Guangzhou Chiu Ho

Sales Director, COWealth Group



Lee, Tien-Ying MD

VP

Mackay Memorial Hospital



Chen, Yi-Chun

VP, Financial Accounting Dept.

AVP, PricewaterhouseCoopers



Lee, Ming-Lun

VP, Sales & Marketing

16 years experiences @ CHC



Chen, Yi-Hwa CIA

Head of Internal Audit Dept.

Senior Auditor, KPMG



Tsai, Yang-Wei MBA

Executive Assistant to Chairman

VP, KGI Securities



We work with world-renowned brands

Radiotherapy and Neurology



Ophthalmology and Dentistry



We Have an Experienced Medical Consulting Team

- CHC's experienced consulting and service team is the critical success factor in offering medical equipment turnkey solutions to hospitals and clinics. The manufacturers in the US, Europe and Japan rely on CHC to provide this operational support and after-sales service on site and locally.
- CHC's 30 years of continual investment in establishing, training and re-certifying its team is a key differentiating factor for CHC to stand out from its competitors.



羅俊偉 總工程師



簡立群 協理



冼武成 資深工程師



黃意翔 物理師



謝育修 Jordan Hsieh



劉益成



周允強 主任



林靜安 經理



Dedicated and Certified Consulting Team

installation, maintenance and upgrade services

- With its dedicated team of +60 fully –trained and long-tenured engineers
- CHC also provides turnkey solutions including installation, clinic planning, maintenance services and the upgrade of system....etc.
- CHC is capable of installing overseas for the client of Elekta and charge the service fee



Business Plan in Great China

SWISSRAY

Swissray



ELEKTA



ELEKTA

Dental



YOSHIDA

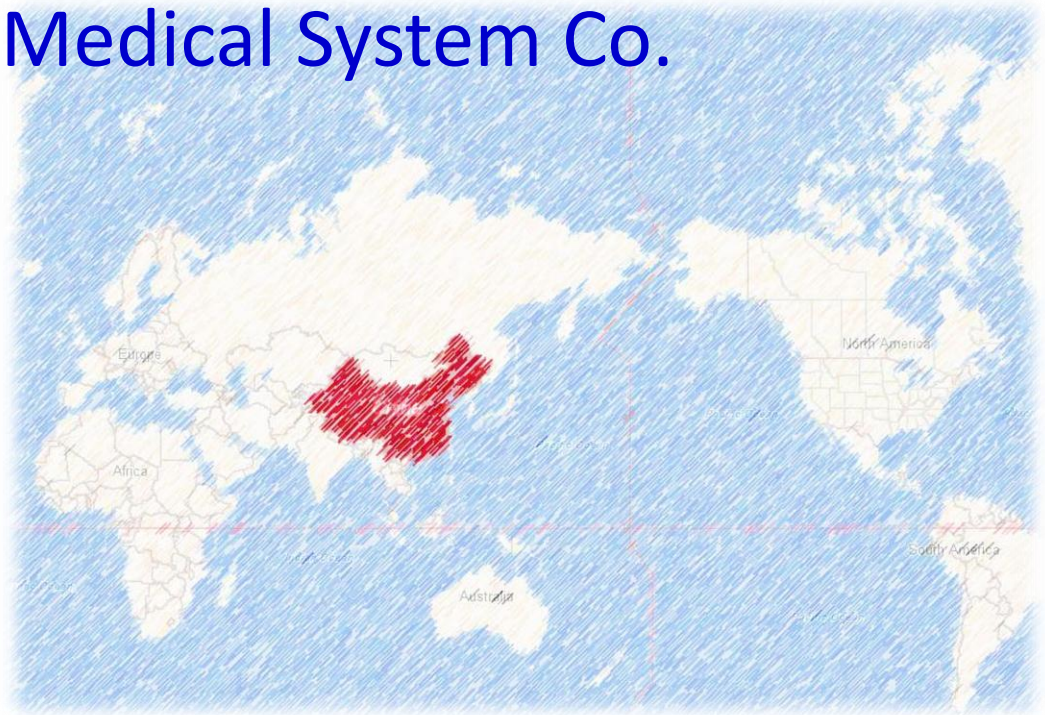
株式会社 ヨシダ

white
essence デンタルエステサロン
ホワイトエッセンス

- All areas sharing the same strong vision

广州市久和医疗器械有限公司

Guangzhou Chiu Ho Medical System Co.



Mainland China:

2011 through the CHC Healthcare (BVI) Limited investment in **Guangzhou Chiu Ho Medical System company**, distribution of ELEKTA radiation oncology equipment in south of China, the expansion path scale of cancer treatment equipment.



Distribution Provinces

- 福建 Fujian
- 广东 Guangdong
- 广西 Guangxi
- 湖南 Hunan
- 海南 Hainan



A complete portfolio for Radiation Therapy



Compact™



Precise Treatment System™



Precise Table



MOSAIQ®



Monaco®



Elekta Synergy®



Multileaf Collimator



X-Ray Volume Imaging



iViewGT™



VMAT



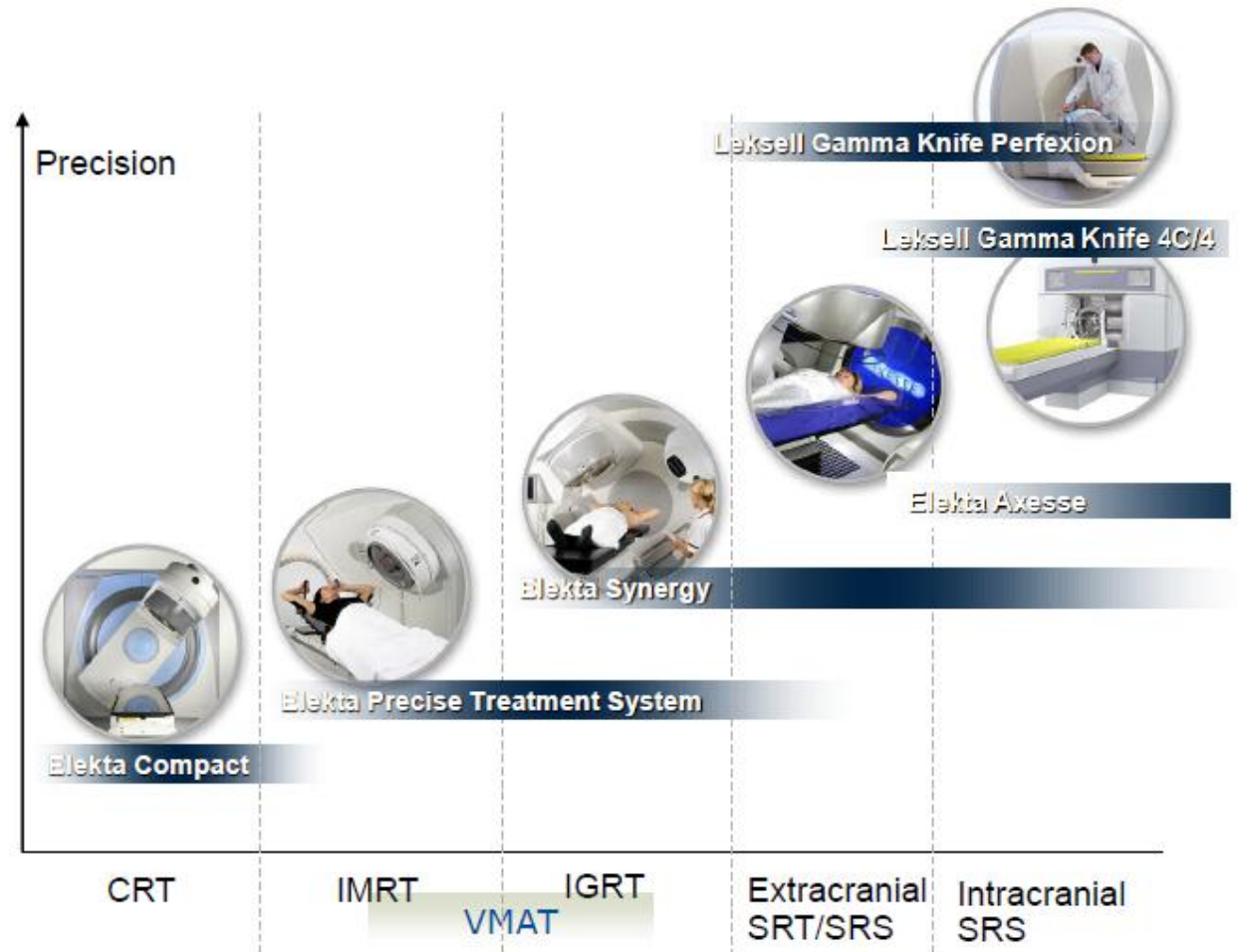
Active Breathing Coordinator™



HexaPOD evo RT System with BodyFix™

CHC's Competitive Advantage in China

- Complete Product Line
- Successful Taiwan Experience
- Full Service Solution Capability
- Clinical Education
- Flexible Sales Model
- Cross-strait Medical Conferences



We are Transplanting our Model into China

- Starting in 2012, CHC established a regional distribution platform. We plan to leverage our full service solution capabilities – which have been developed over the course 30 years of experience in Taiwan – to expand our business into the China market.
- We believe a key differentiating factor versus our competitors will be our ability to offer hospital personnel extensive training at advanced health care facilities in Taiwan which partner with us or which use our equipment.
- We will distribute Elekta radiotherapy equipment in 5 provinces in Southern China including Guangxi, Guangdong, Hunan, Fujian and Hainan.
- We are also the exclusive distributor for Swissray digital X-ray systems and Yoshida dentistry equipment for all of Greater China.

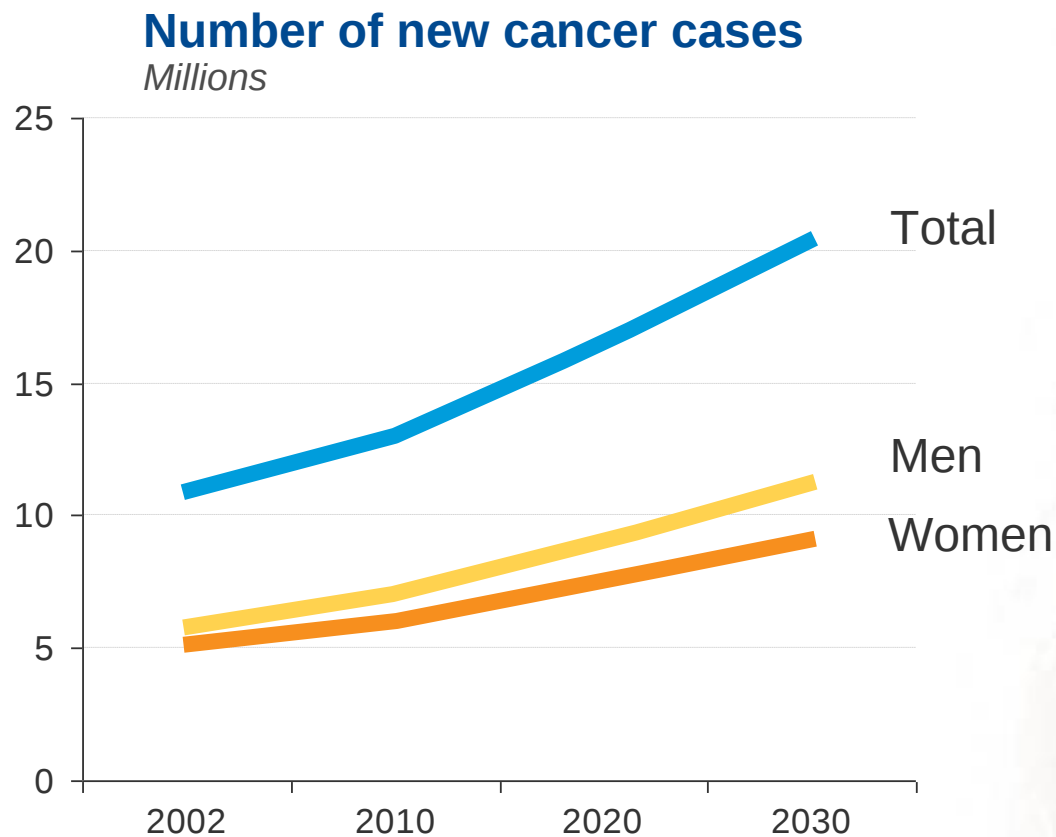


CHC's China Strategy

- Our China team is led by veteran health care professionals with experience in the China market.
- We will start building our franchise in areas of China that are demographically similar to Taiwan.
- We are targeting hospitals and clinics which are managed and/or owned by Taiwanese health care professionals, as well as hospitals and clinics with whom CHC already has an established consulting relationship.
- We are targeting Grade 3 hospitals in tier 1 cities.

Increased cancer incidence

Improved diagnosis, demographics, higher life expectancy



WHO forecast of new cancer excluding melanoma

The Role of Radiotherapy in Cancer Treatment

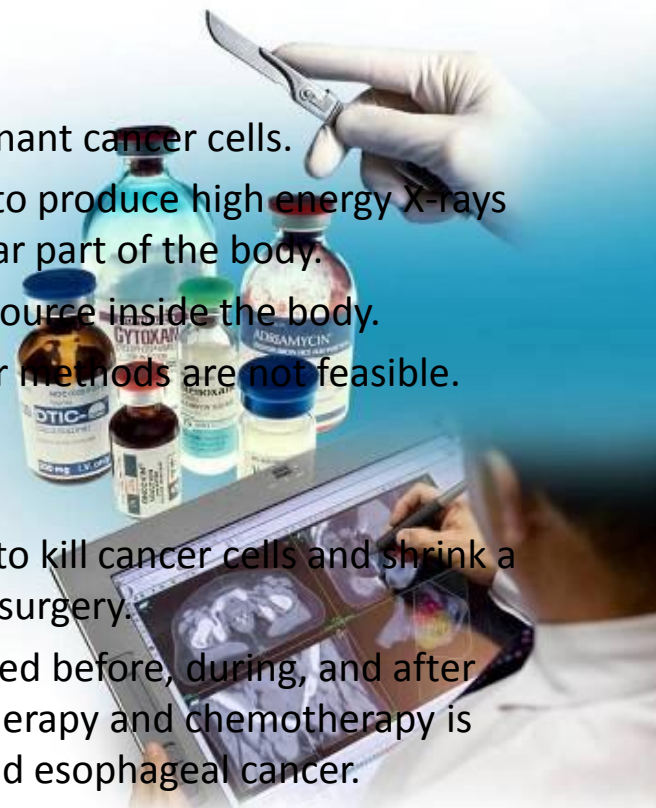
- The most common cancer treatments include surgery, chemotherapy, radiotherapy, immunotherapy and monoclonal antibody therapy.

What is radiotherapy?

- It is the medical use of ionizing radiation to control or kill malignant cancer cells.
- **External beam radiotherapy** involves using linear accelerators to produce high energy X-rays outside the body, which are directed at the tumor or a particular part of the body.
- **Internal beam radiotherapy (Brachytherapy)** uses a radiation source inside the body.
- Radiotherapy is usually **the only alternative** if a surgery or other methods are not feasible.

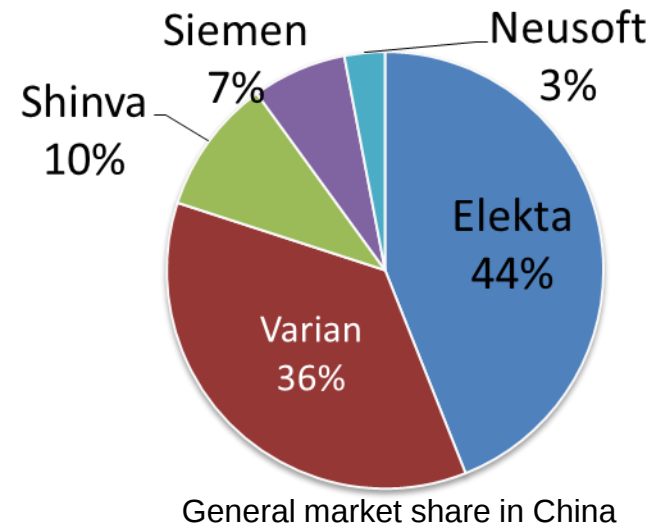
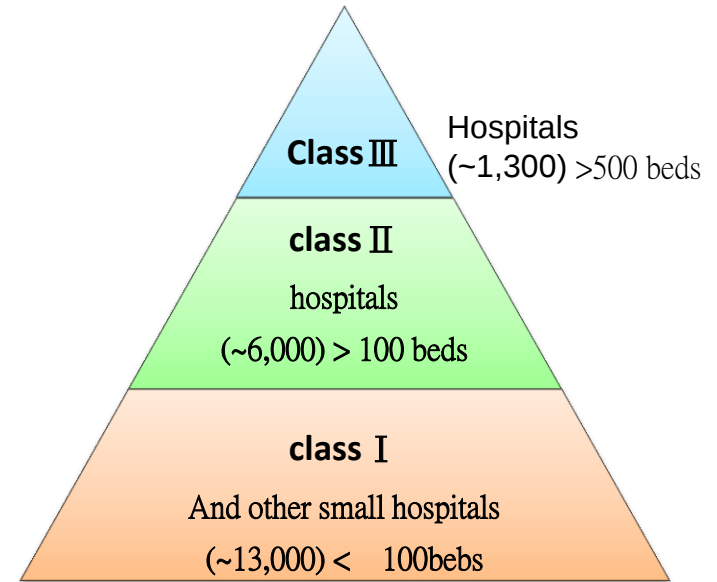
What are Radiotherapy's key applications?

- **Pre/Post-operative radiotherapy:** High energy X-rays are used to kill cancer cells and shrink a tumor before surgery or to kill any remaining cancer cells after surgery.
- **Pre/Post-chemotherapy radiotherapy:** Radiotherapy can be used before, during, and after chemotherapy in susceptible cancers. Synergistic use of radiotherapy and chemotherapy is commonly used in the treatments of nasopharyngeal cancer and esophageal cancer.
- **Palliative radiotherapy:** Radiotherapy is used to alleviate symptoms caused by localized tumors that can't be treated with other methods such as surgery. It is intended to improve quality of life and is not used to cure cancer.



Radiotherapy Equipment Market in China

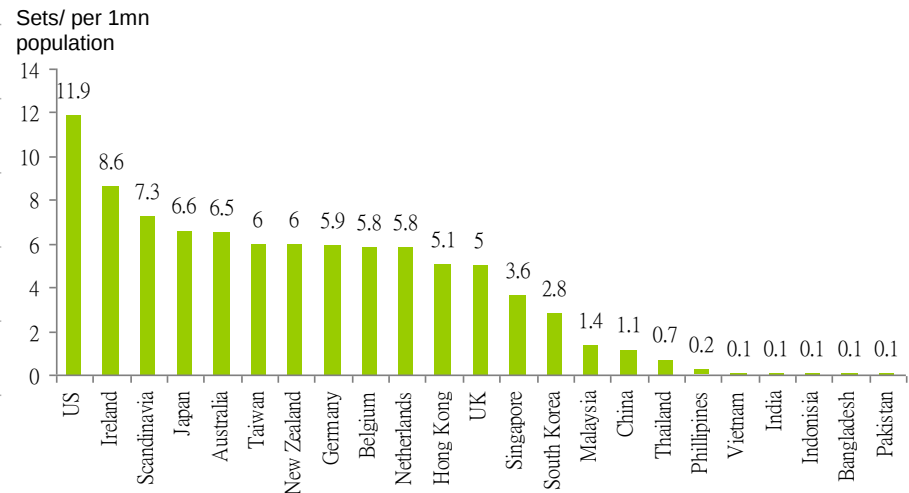
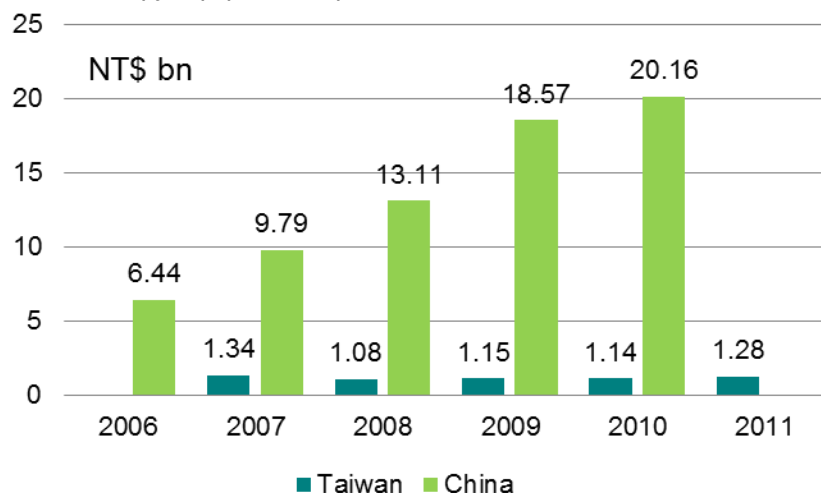
- There are about 1,300 Class III hospitals in China ; 7 of Top 10 clinics have Elekta equipment
- Third largest medical device market in the world- domestic manufacturers in low technology sector
- Elekta China, which sits in No.1 position in oncology has accounted for 44% market share and it needs the solid partner -CHC to be well positioned to maintain market leadership in China
- Total annual health care expenditure will be from 2006 120 bn uprise to 2015 700 bn , CAGR21% , Continued strong growth as country strives to deliver improved healthcare .



Greater China Demand for Radiotherapy Services is Strong and Growing

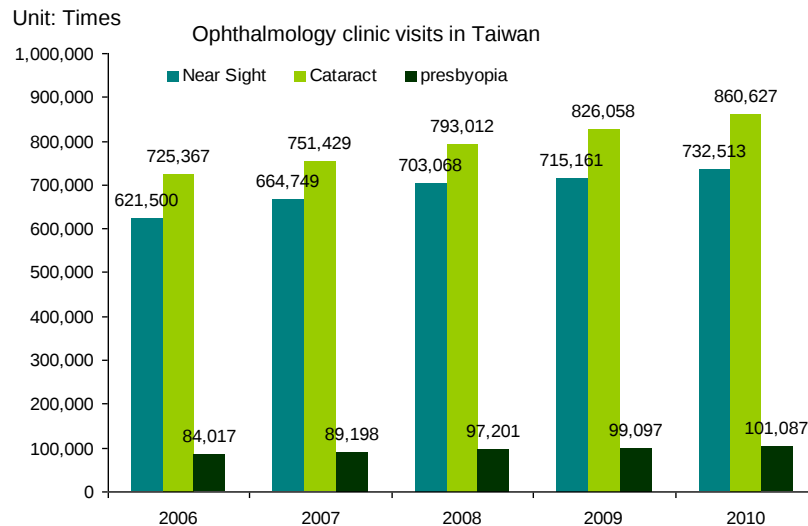
- In 2011, cancer accounted for 28% and 26% of deaths, respectively, in Taiwan and China, and was the #1 cause of death in both regions.
- From 2006-10, there were around 120,000 new cancer cases recorded in Taiwan annually. Radiotherapy treatment was applied in 30%-40% of these cases.
- In Western countries, 70% of cancer patients are treated with radiotherapy. This indicates the market potential in Greater China.
- Meanwhile, there are only 1.1 radiotherapy machines per 1mn ppl in China, 6 in Taiwan and 11.9 in the US. The unmet medical need is considerable in both China and Taiwan.
- We expect that a total of 150 more sets of radiotherapy equipment need to be installed in Taiwan, and 6,500 more sets need to be installed in China.

Radiotherapy equipment imports in China, Taiwan

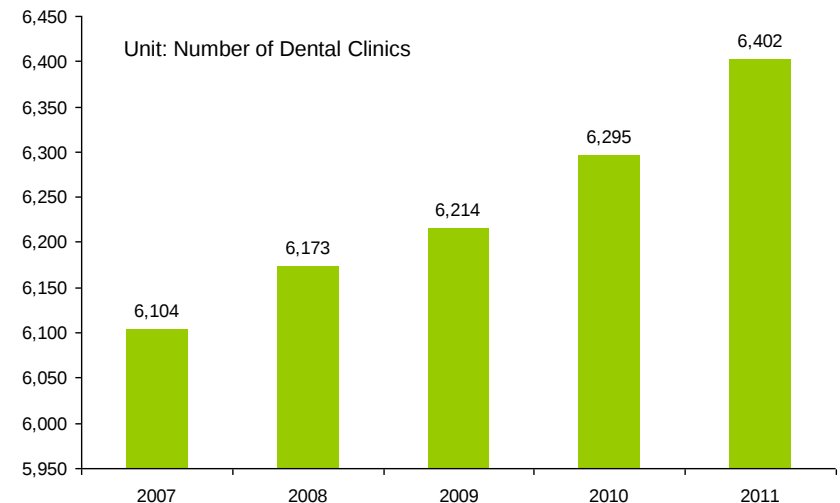


Greater China Ophthalmology and Dentistry Market: Steady Growth

- Based on Taiwan Bureau of Health Promotion data, cataracts are the 2nd most common chronic disease for the elderly. Yet the occurrence of this disease among younger people has increased by 50% vs the 1990s due to increased use of PCs.
- Taiwan also has the highest occurrence of near-sightedness per capita in the world. So, the market for Ophthalmological surgery is large.
- There are 6,000 dental clinics in Taiwan. This number increases by an avg of 80 clinics/year. Each clinic takes care of 3200-3500 patients.
- The dentistry equipment market in China is RMB 3bn/year, supplements are RMB 13bn/year.
- There are only 100,000 dental clinics in China. The market still needs at least 300,000 more to meet Taiwan's standard.

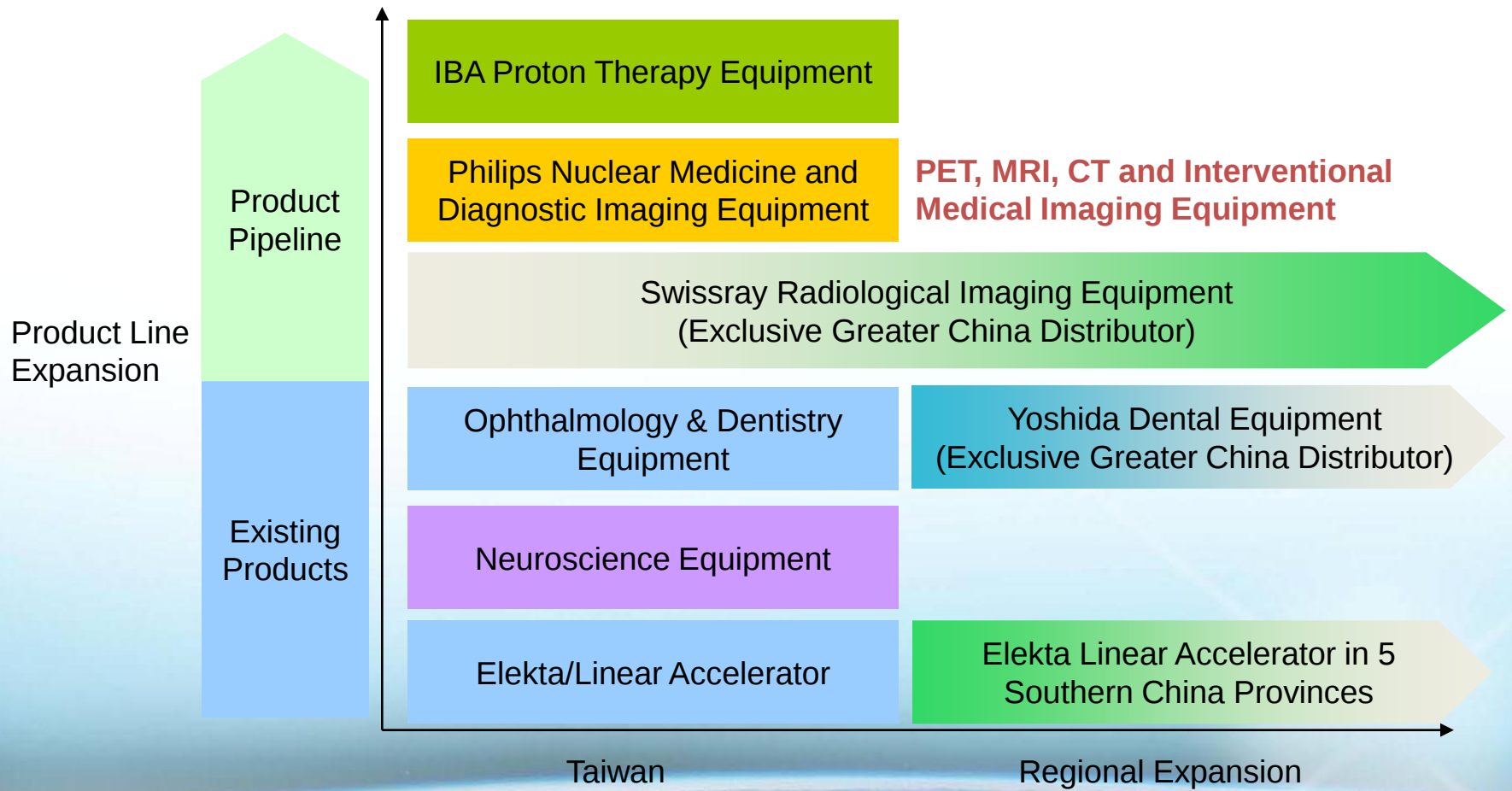


Source: Department of Health



Source: Department of Health (2012/06/29)

Our vision



We are Aggressively Introducing New Products

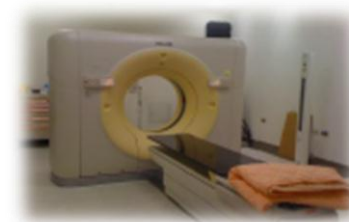
Diagnostic X-Ray (DR X-Ray)



Interventional X-Ray



Computed Tomography (CT)



PHILIPS

Proton therapy



Positron Emission Tomography/ Single Photon Emission Computed Tomography (PET/CT & SPECT)



Magnetic Resonance Imaging (MRI)





ddR Systems

直接數位式X光診斷影像系統



Chiu Ho Med is the SWISSRAY's Exclusive
Distributor in Great China



承業生醫

投資控股(股)有限公司
CHC HEALTHCARE GROUP

Solutions for any DR Application



Swissray



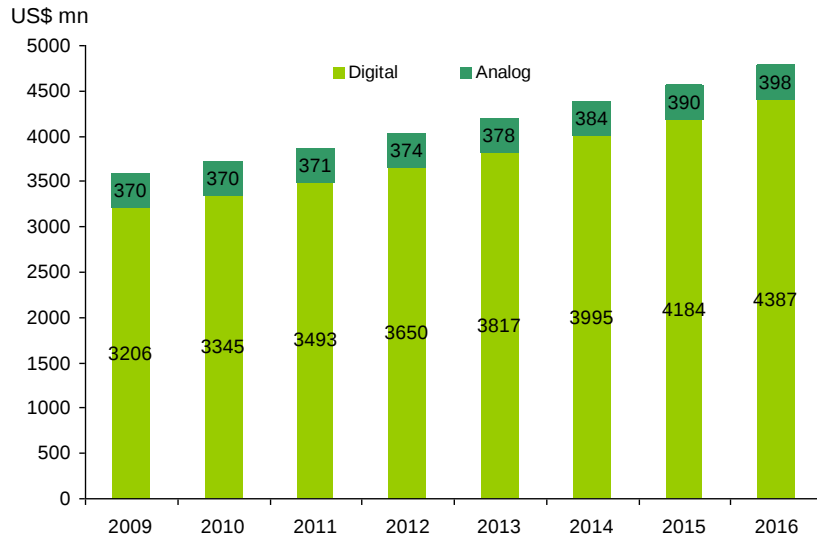
承業生醫 投資控股(股)有限公司
CHC HEALTHCARE GROUP



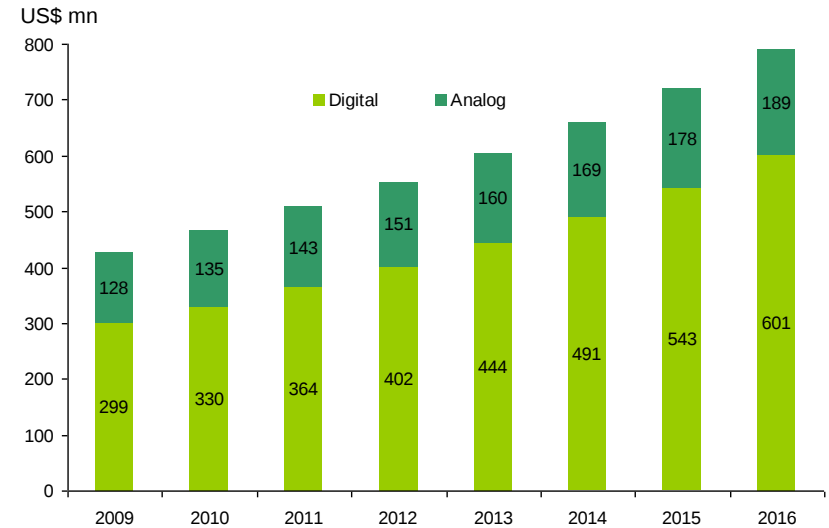
北京
中國久和公司

Digital Radiography (DR) Market

Global X-Ray Systems Market, Revenue Forecast



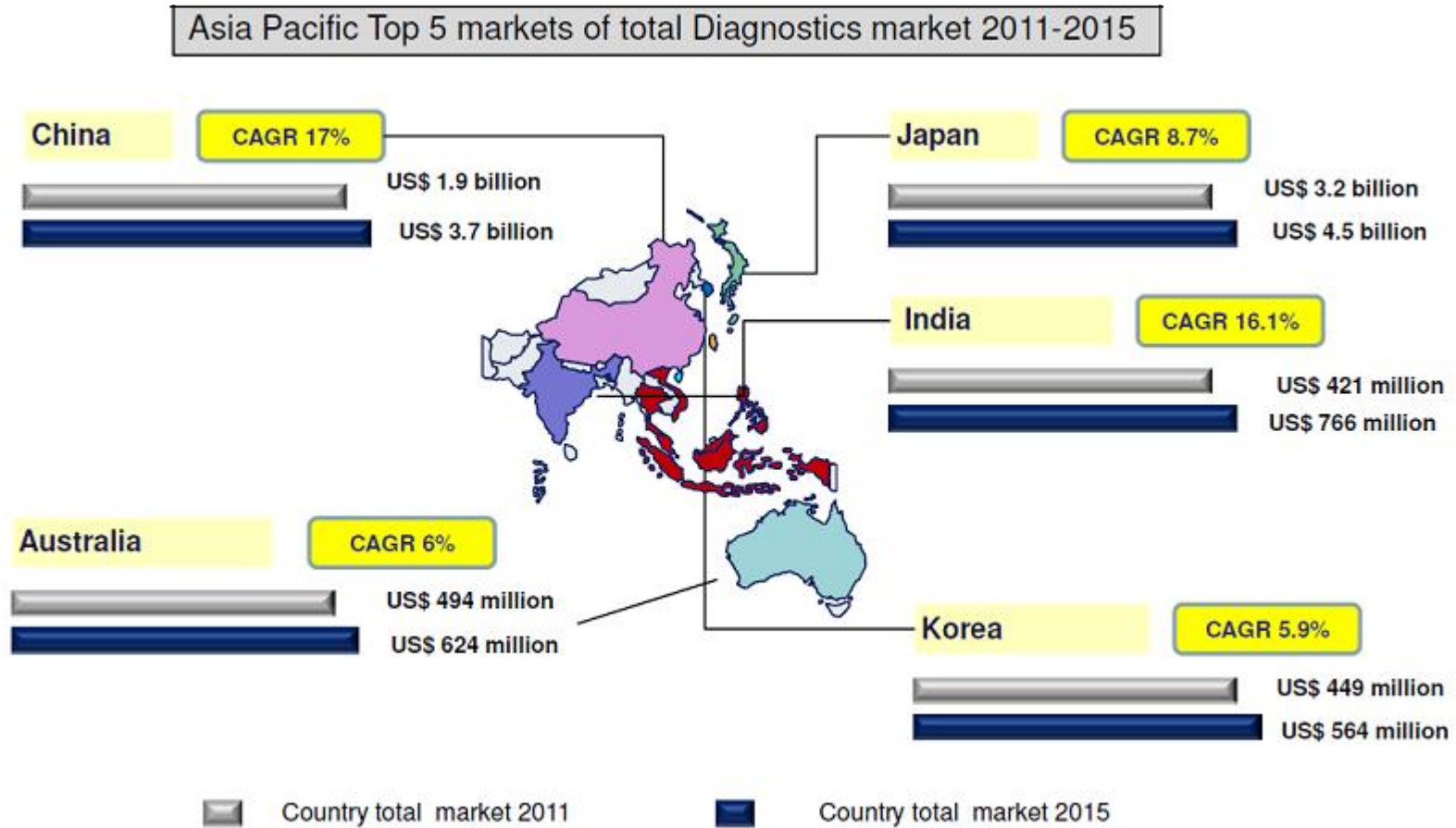
China X-Ray Systems Market, Revenue Forecast



China X-Ray Systems Market, Volume Forecast



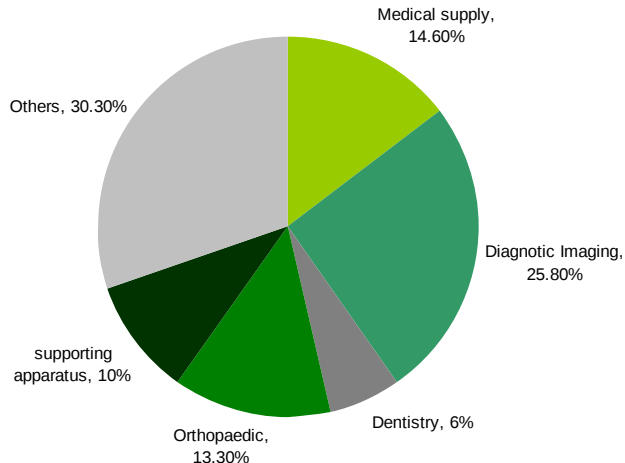
China Will be Driving the Growth of the Diagnostics Market



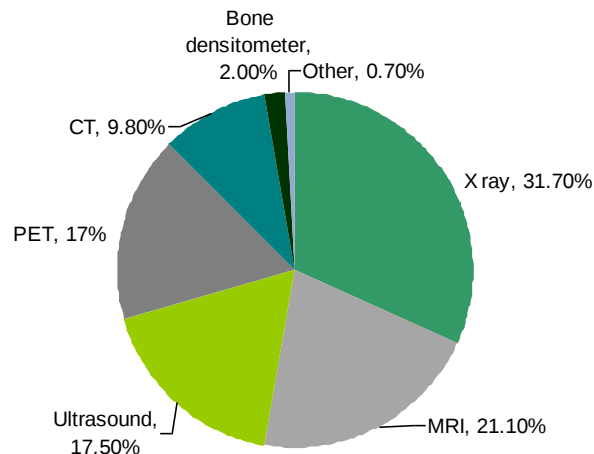
Source: Frost & Sullivan

Diagnostic Imaging Products Account for Over 25% of the Global Medical Device Market

Global Medical Device market breakdown



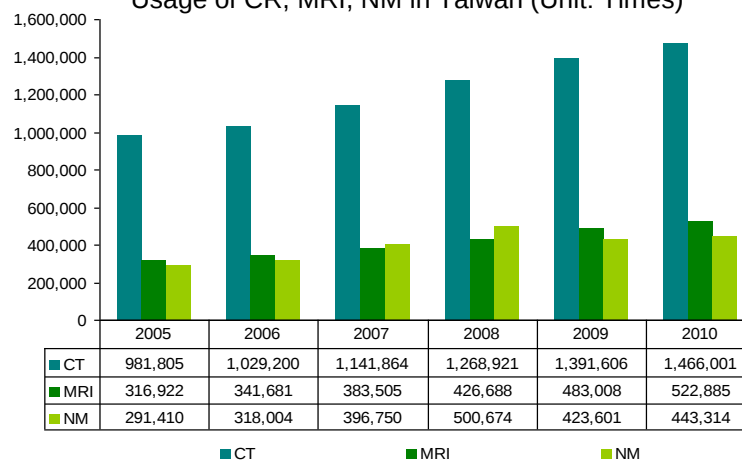
Global Diagnostic Imaging Market breakdown



Units of CR, MRI, NM in Taiwan (Unit: Sets)



Usage of CR, MRI, NM in Taiwan (Unit: Times)

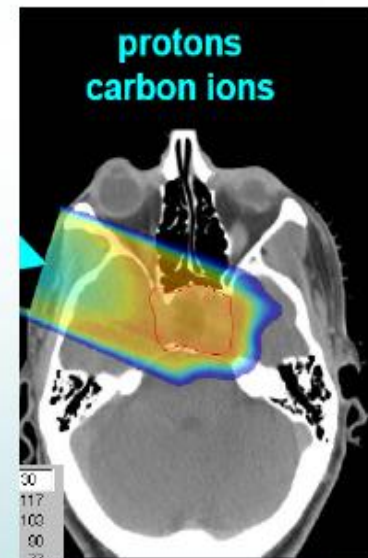
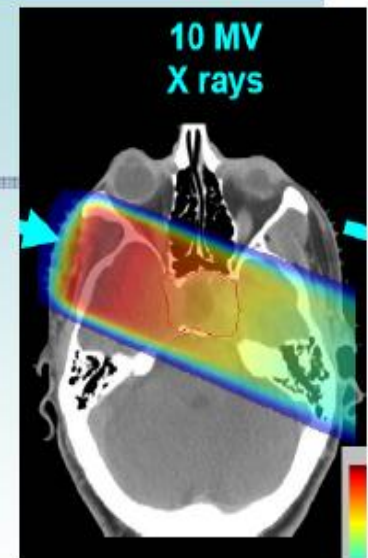
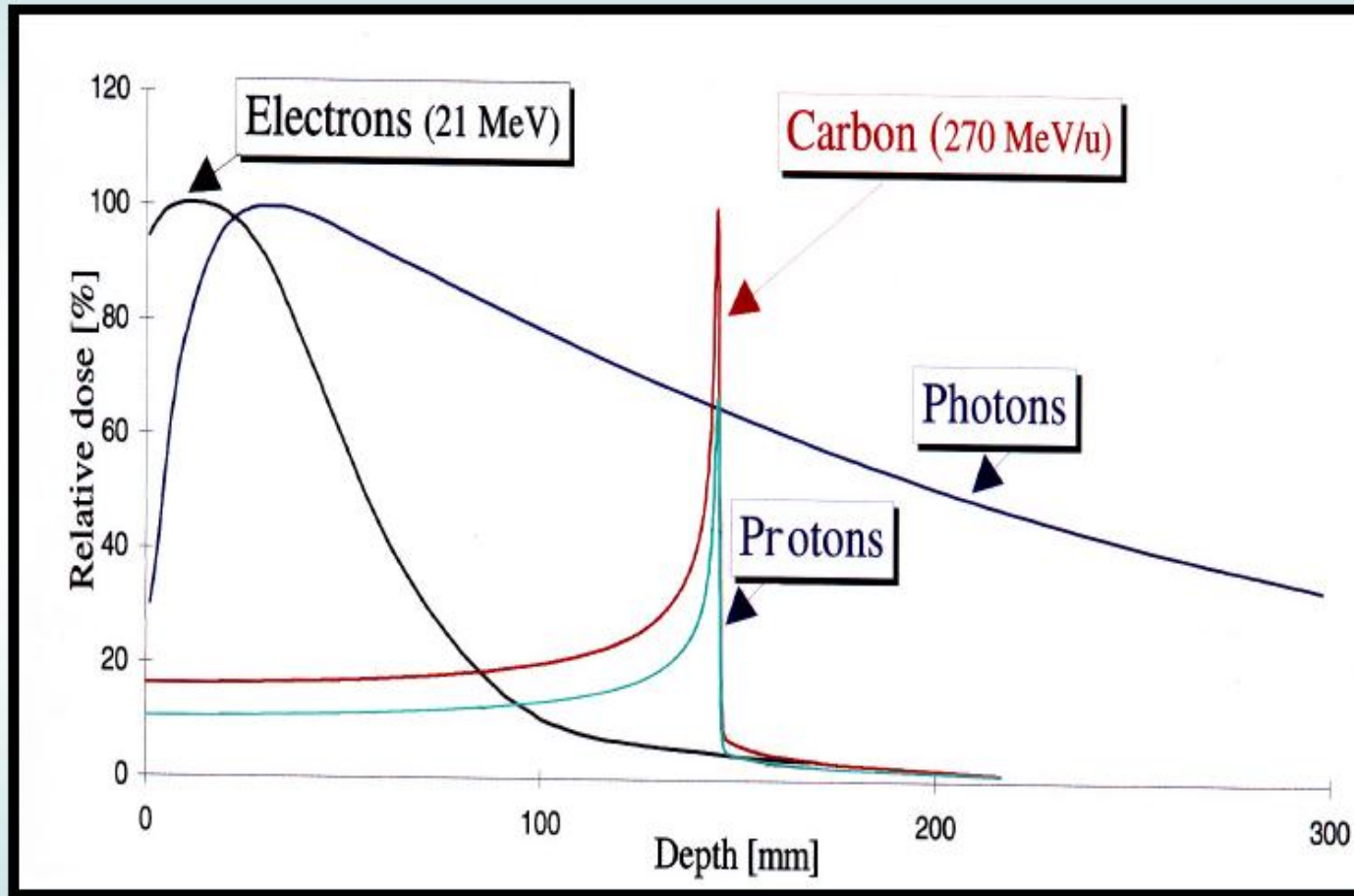


Source: Department of Health

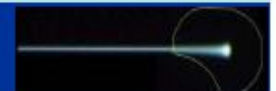


質子治療系統 Proton Therapy

Photons and Charged Particles



Protons give Conformal Dose and Low Integral Dose

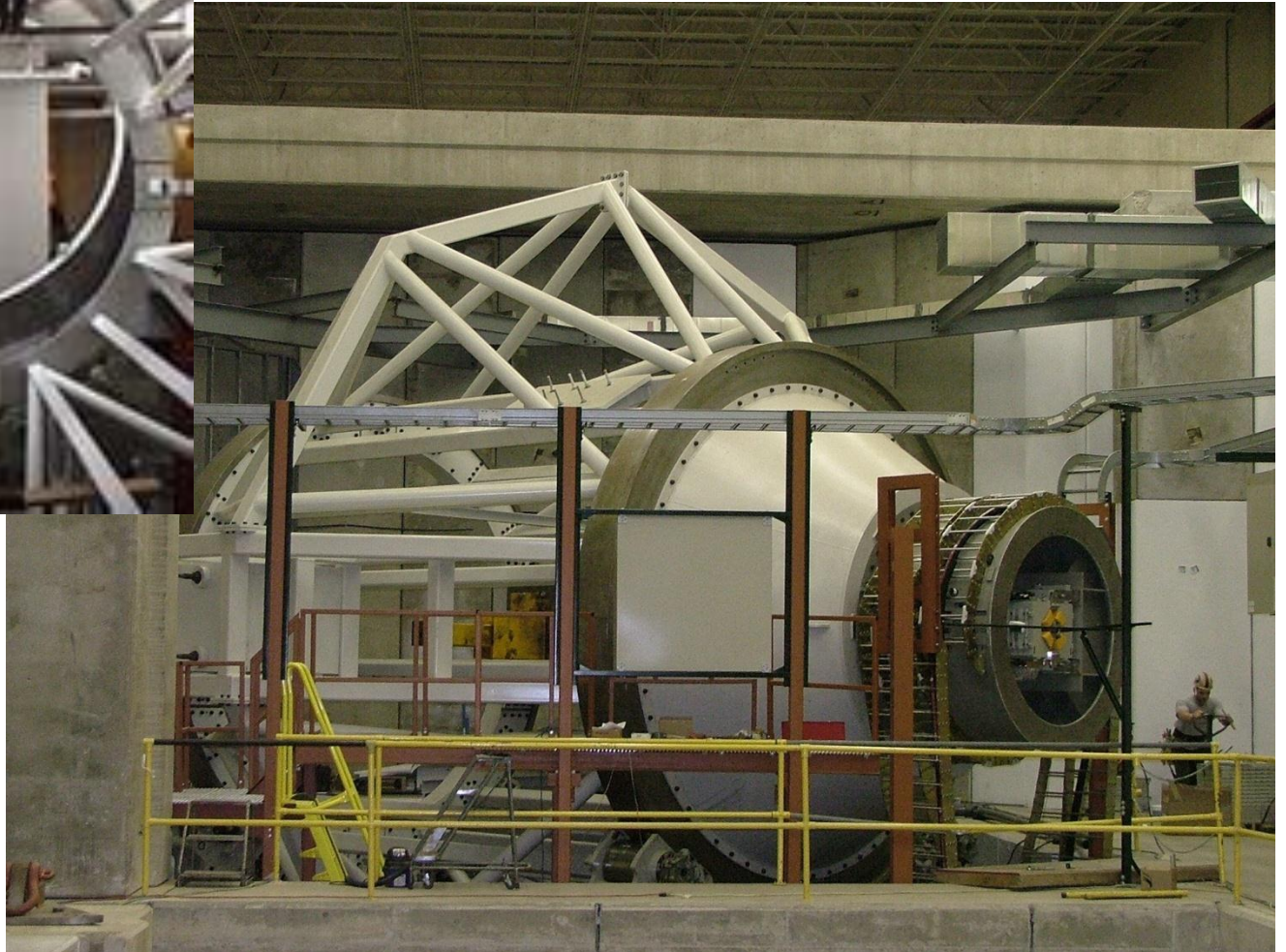




Aerial Photo (03/08/2011)



Conventional Proton Gantry 機身



IBA is the worldwide leader
in Proton Therapy.

IBA Particle Therapy

Truly Accessible

Clinical Experience

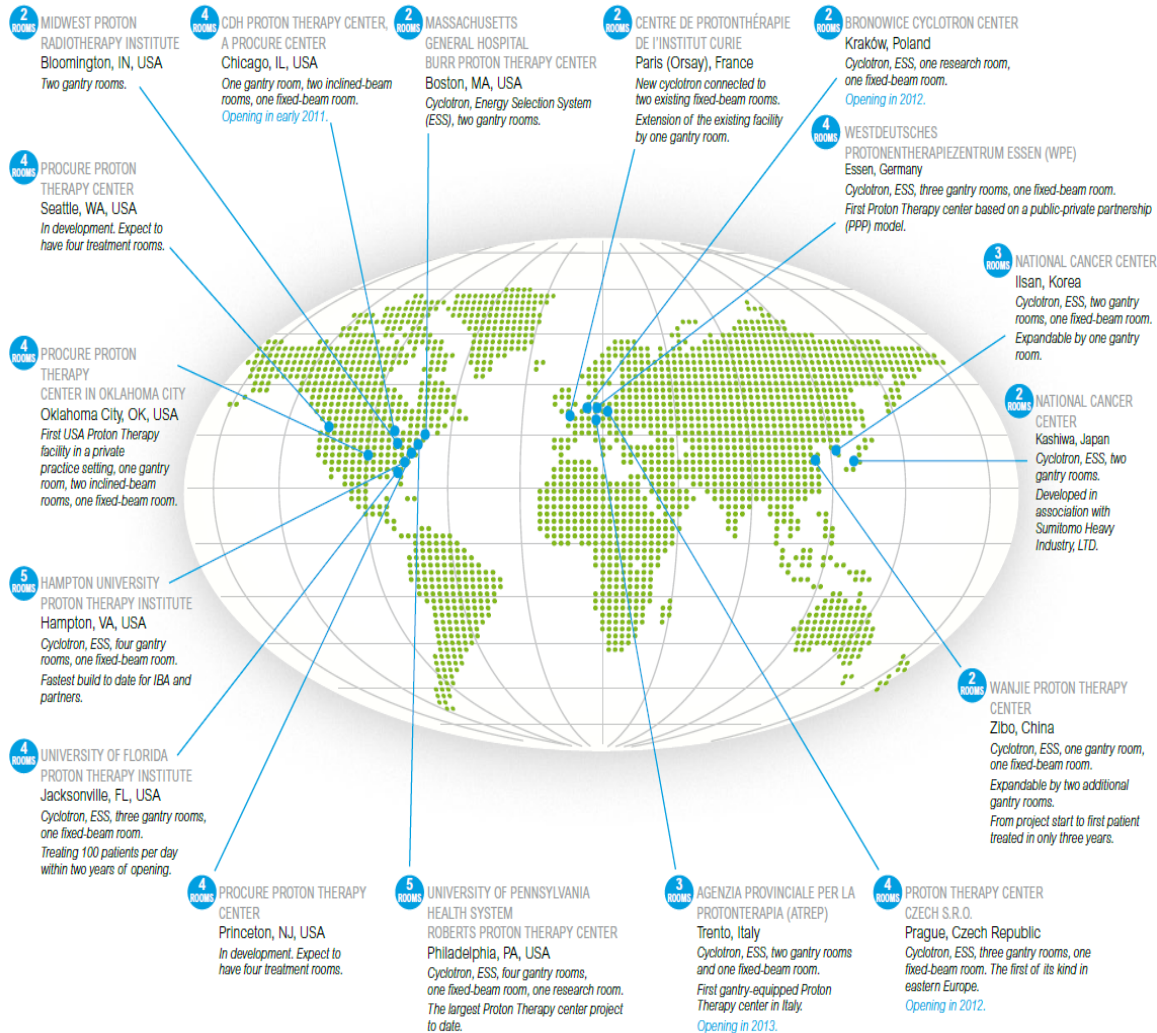
Planning Experience

Training Experience

**Making Proton
Therapy a reality
for 25 centers
worldwide**

**TAIWAN can access PT
successfully with IBA**

Truly Accessible – Clinical Experience



Clinical Operations (12)

Installation (13)

Total Capacity:
27,000 patients
per year

Proton Pencil Beam Scanning



PENCIL BEAM SCANNING BY IBA

ALLOWS INTENSITY MODULATED PROTON THERAPY

IBA 質子治療系統 Proton Therapy



*Proteus***PLUS**TM

UNIVERSAL PROTON THERAPY SOLUTION

Active and Passive treatment modes



*Proteus***ONE**TM

COMPACT PROTON THERAPY SOLUTION

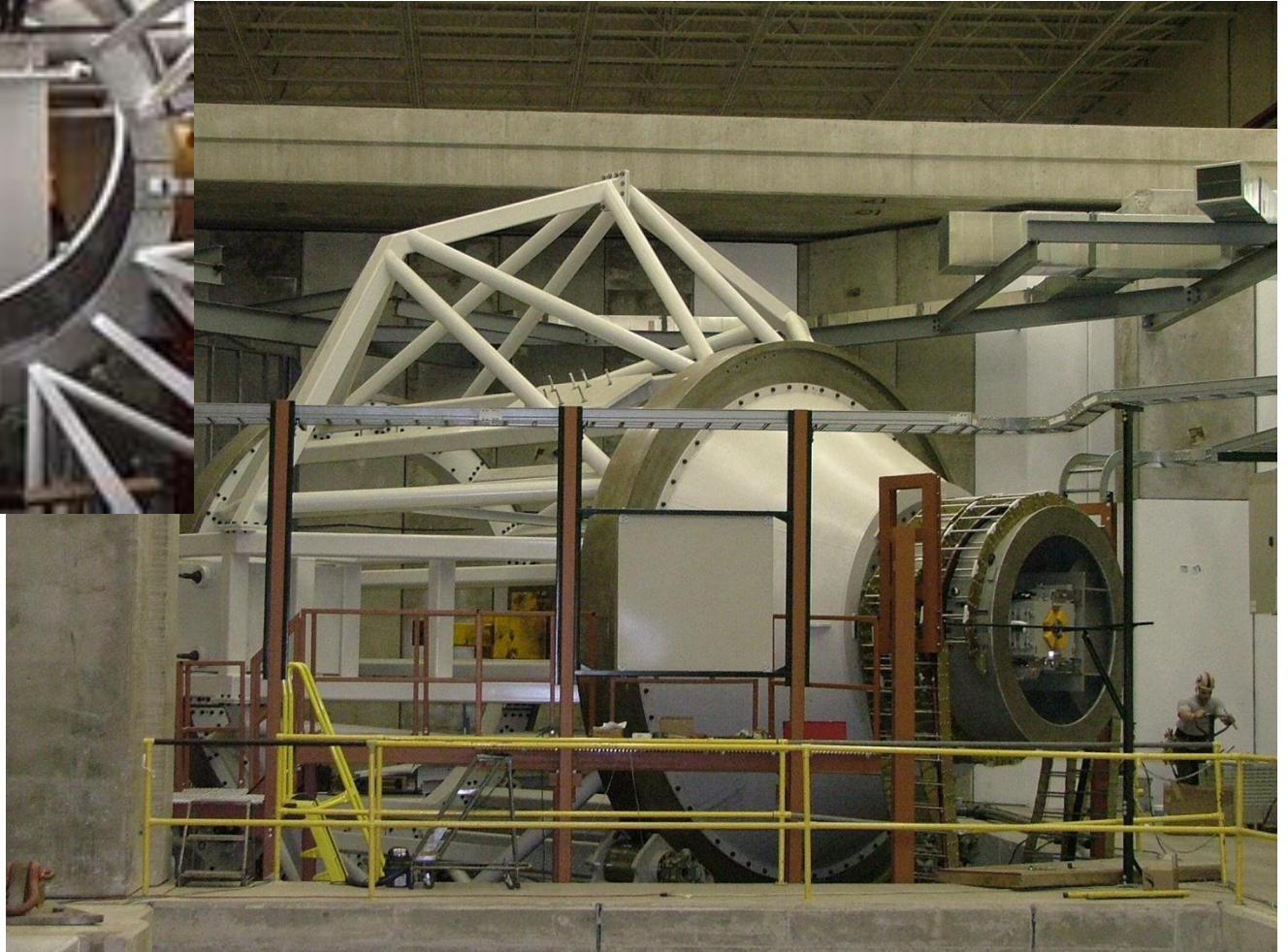
Active treatment only



Aerial Photo (03/08/2011)



Conventional Proton Gantry 機身



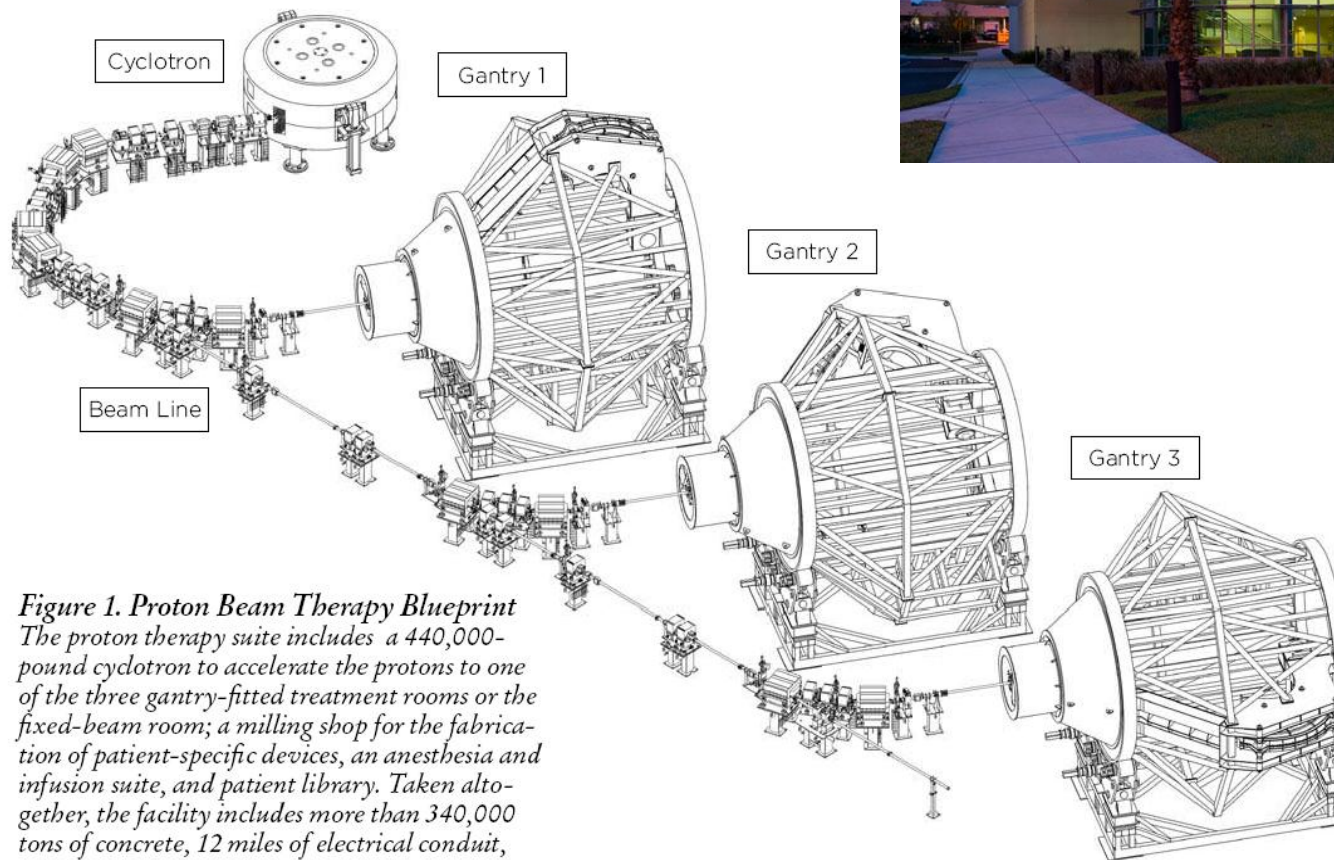
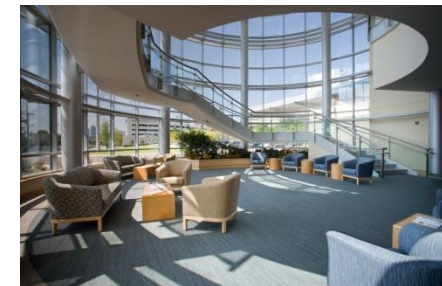


Figure 1. Proton Beam Therapy Blueprint

The proton therapy suite includes a 440,000-pound cyclotron to accelerate the protons to one of the three gantry-fitted treatment rooms or the fixed-beam room; a milling shop for the fabrication of patient-specific devices, an anesthesia and infusion suite, and patient library. Taken altogether, the facility includes more than 340,000 tons of concrete, 12 miles of electrical conduit, and 60 feet of beamline.



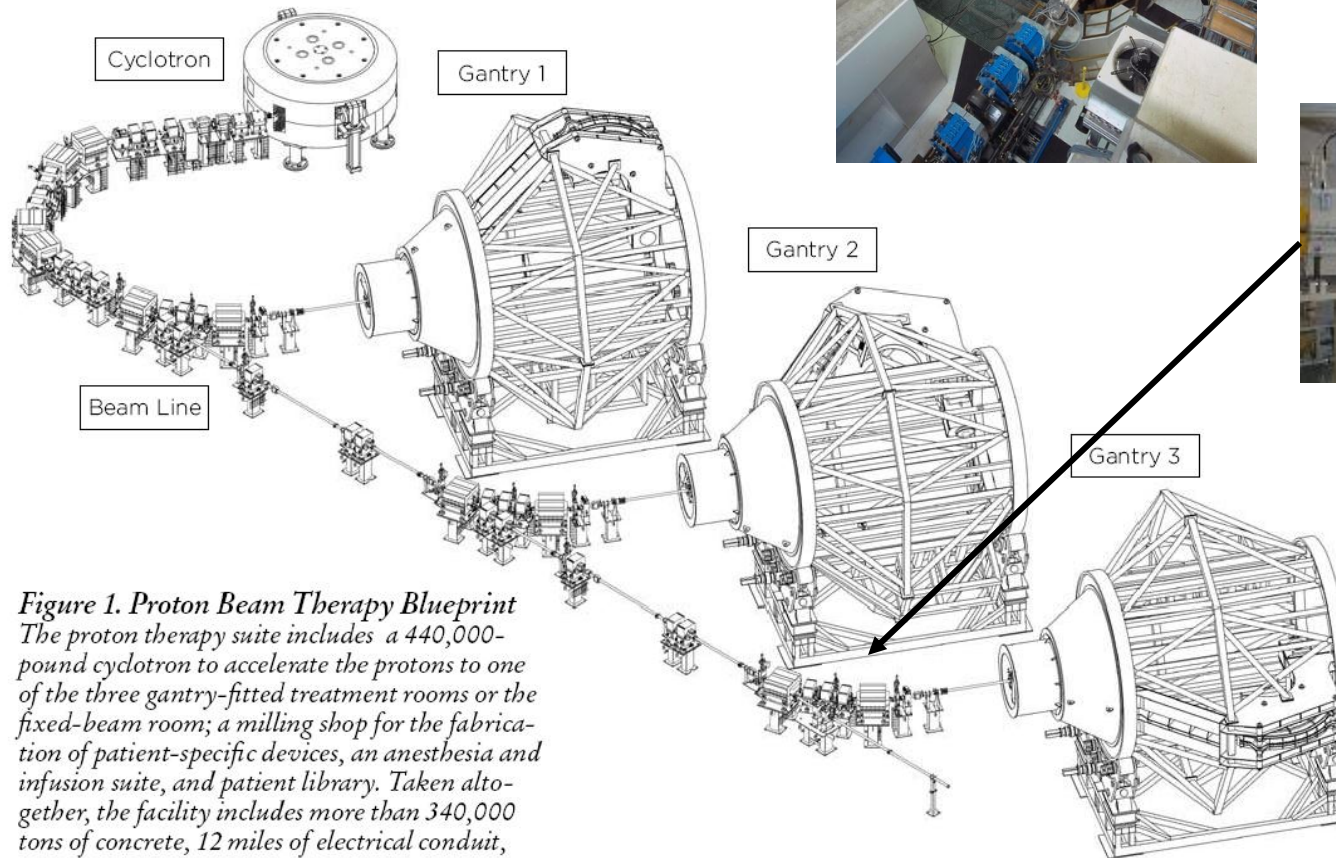
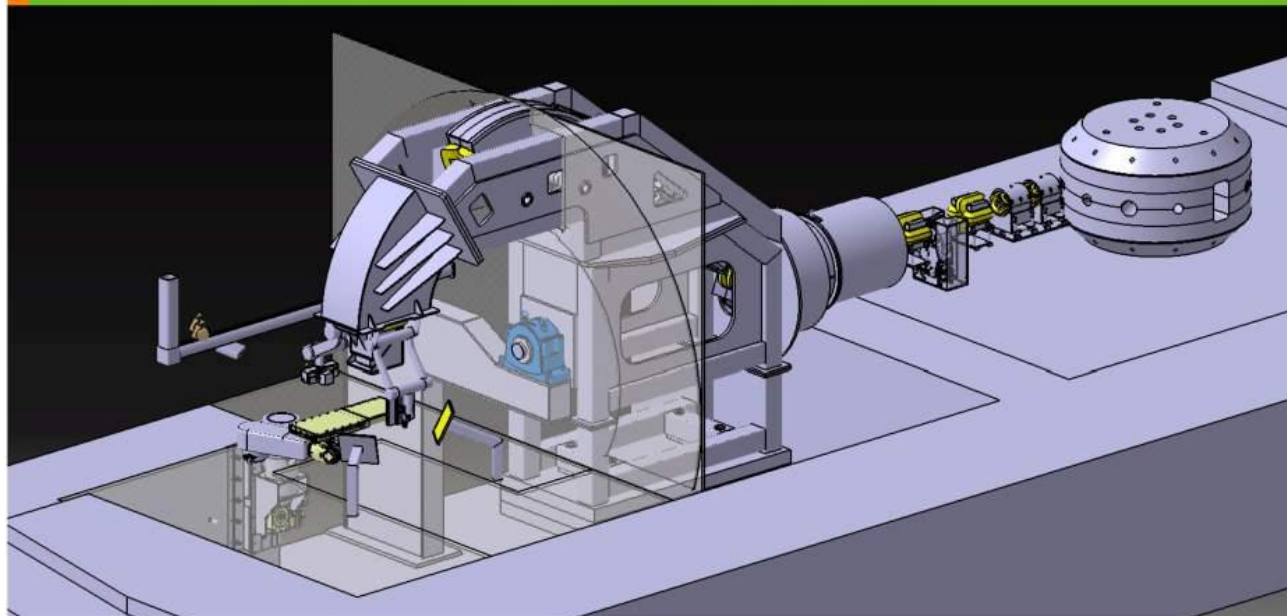
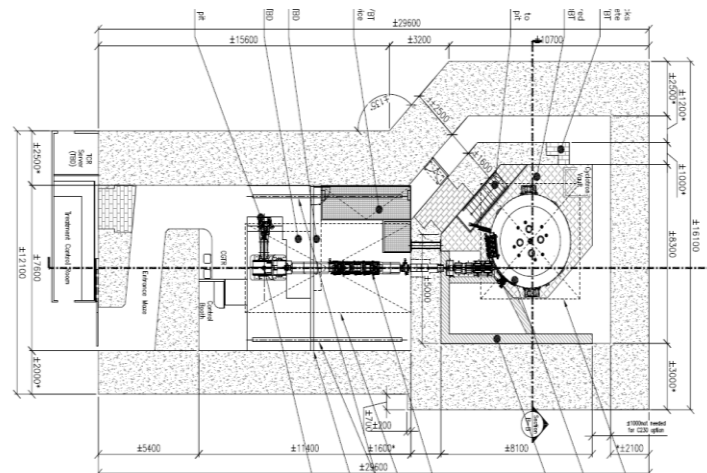
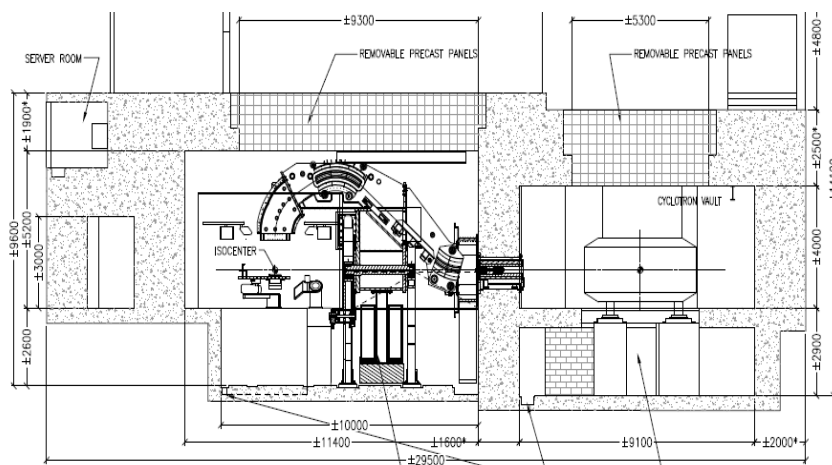


Figure 1. Proton Beam Therapy Blueprint
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Compact Cyclotron + Compact Gantry



ProteusONE™



Proton Room Flexibility



360° Gantry Treatment Room



**Fixed Beam
Treatment Room**

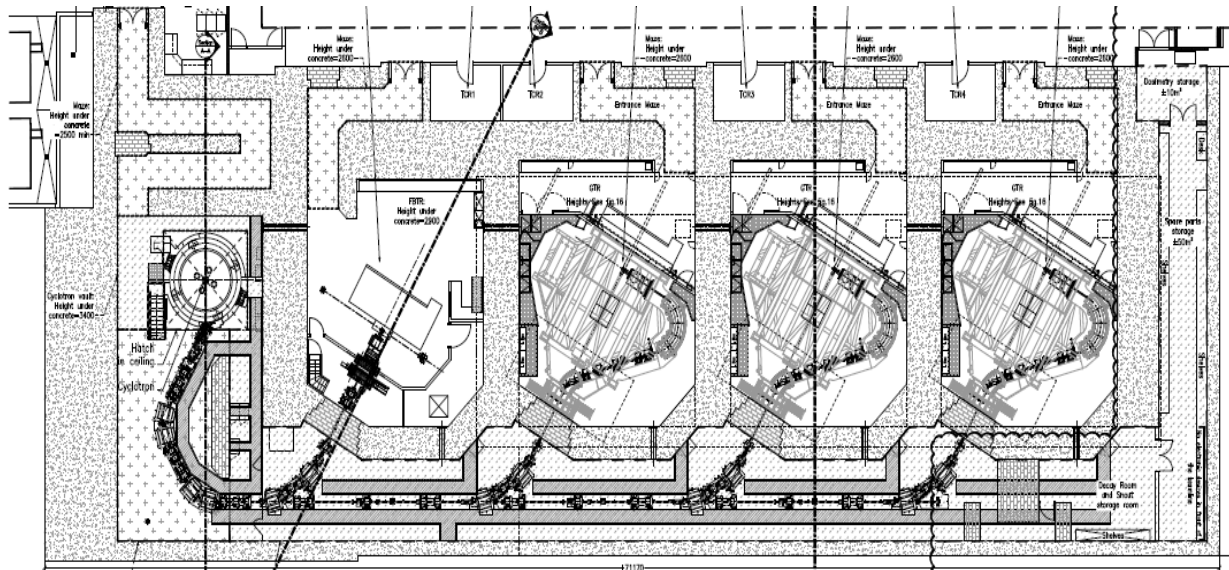
**Compact Gantry
Treatment Room**



**Small Fixed Beam
Treatment Room**

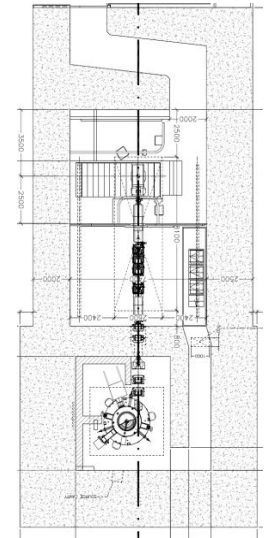
Proton Design Flexibility

*Proteus***PLUS**



1800 m²

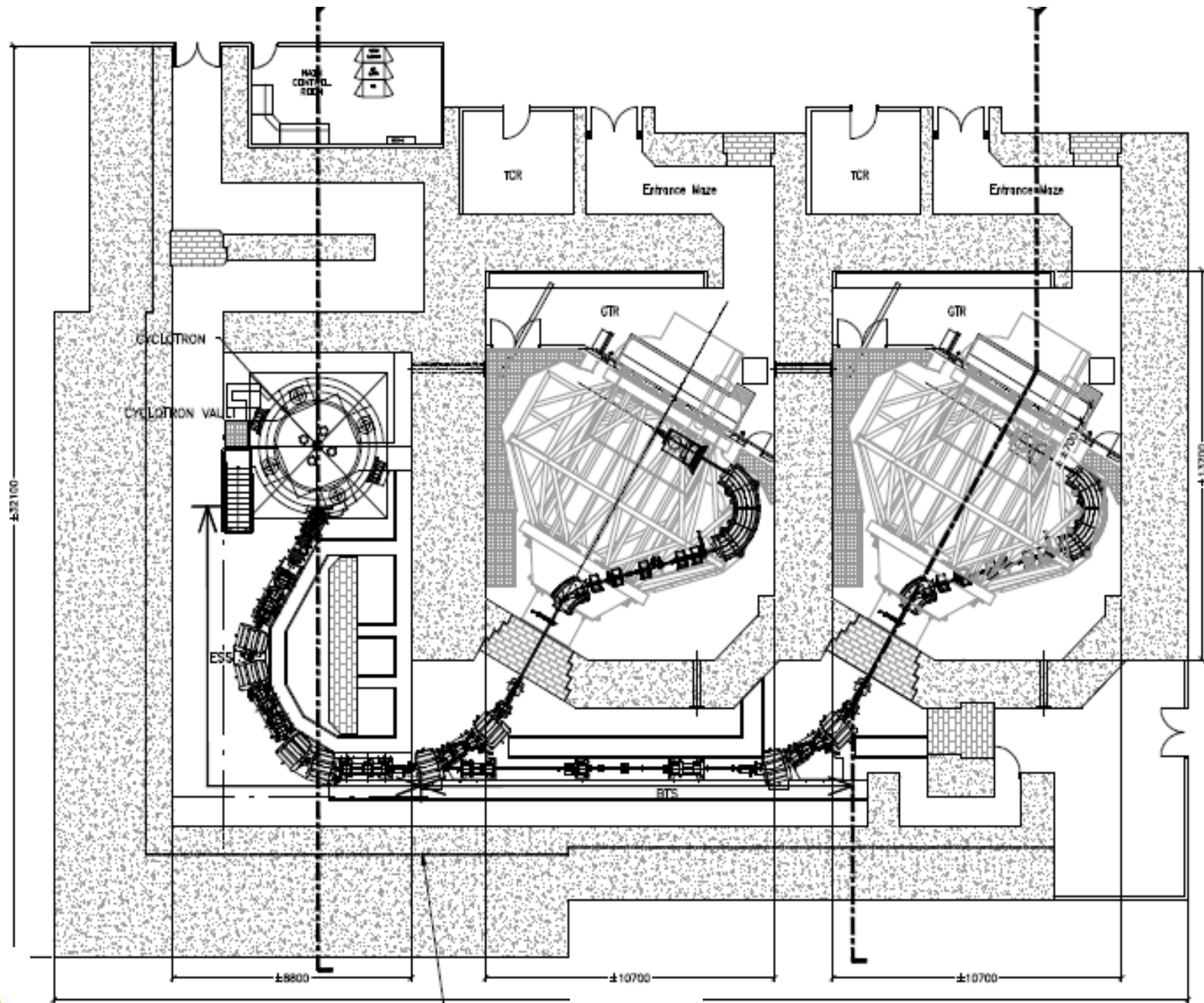
*Proteus***ONE**



300 m²

Profitable PT center for 1/6 the size

32 m



42 m

Proton Therapy Center



Our mission: To be a leader of health care provider in Asia-Pacific



	US美國		SE瑞典		DE德國		CH瑞士		JP日本
	US美國		NL 荷蘭		DE德國		CH瑞士		
	US美國		NL荷蘭		DE德國		IL以色列		
	US美國		DE德國						

Human Care Makes the Future Possible



Thank you