## COMPANIES IN NON-HEALTHCARE INDUSTRY IN CHINA ARE EAGER TO GET INTO HEALTHCARE SECTOR

Companies from non-healthcare or healthcare industry are using multiple types of strategies to establish or expand in medical device field. The traditional pharmaceutical companies are extending their product portfolio with devices. The stimuli come from the capital infusion from both private funds and the publically traded companies. There are more than 200 A stock type of public pharmaceutical companies and other non-pharma companies are transforming themselves.

Aier Ophthalmology Group, for example, is a chain that provides eye care and related services and products. Through establishing merger and acquisition funds and expanding partnership participation, it has expanded significantly from its traditional areas. Aier is considered to be the first group of IPO specialty chain healthcare providers. It went IPO in 2009. Before its IPO, its revenue is less than 10M USD. 5 years later, it has grown 5 times to $40M. In its first year of IPO, it quickly consolidated ophthalmology specialty hospitals. It also created the "Healthcare Partners" model to consolidate. Its market value has reached $900M USD.

Operational Data of Aier Eye Hospital Group Co.,Ltd. 2006-2014($Million)
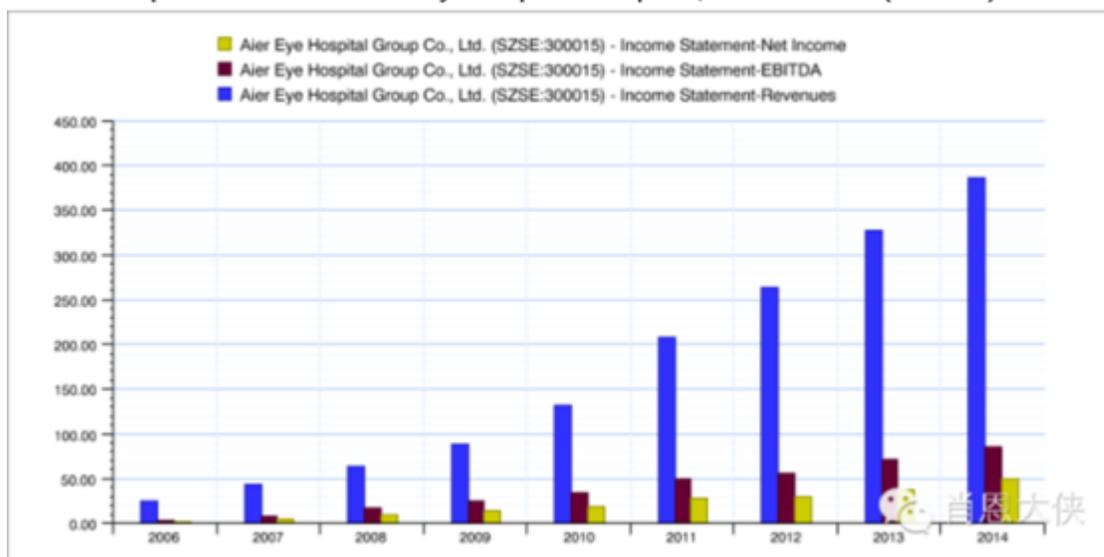
Source: Capital IQ
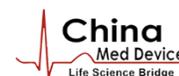
COMPANY	GROSS PROFIT MARGIN(2009)	NET PROFIT MARGIN(2009)	EPS(2009)	GROSS PROFIT MARGIN(2014)	NET PROFIT MARGIN(2014)	EPS(2014)
Aier Eye Hospital Group Co., Ltd.	57.00%	14.80%	0.900	44.90%	13.00%	0.478

Source: Annual Report of Listed Company

Yanhua Intelligence Corp was a civil engineering firm. With direct acquisition, it is growing around intelligence healthcare, mobile health and the well-being development. LePu Medical was originally a stent manufacturer. Now it has set its foot print in pharma, other medical device, mobile health and healthcare services through direct acquisition and fund raising. There are many other companies that are diversifying and expanding in the healthcare sector with strong vertical and horizontal integration.