



TEL: 012 345-2044
FAX: 086 539 7237
E-mail: info@capmed.co.za

P.O. BOX 37760
FAERIE GLEN
0043

EXECUTIVE SUMMARY

CAPMED HOLDINGS LTD

("CAPMED")

A INTRODUCTION

Capmed took note of the increasing number of medical benefits created by the insurance industry as a substitute for medical schemes.

With its knowledge of such products and its experience in the industry, Capmed created a unique product, specifically for the lower middle class, underwritten by insurance companies of repute specializing in such market.

All the relevant agreements have been signed, but implementation of the sales strategy was delayed by court action by the Registrar of Medical Schemes against Guardrisk, a subsidiary of Alexander Forbes, to prevent it from marketing similar products as a "gap-filler" added on to existing medical schemes. The Registrar was concerned that such insurance products will ruin the medical schemes market.

With the Supreme Court of Appeal finding against the Registrar, the field is open for Capmed and other groups to exploit the growing market.

B CAPMED BUSINESS

Due to the development sketched above, Capmed will do business via three divisions.

1. Medical scheme: The company's main expertise remains in this industry and it regards its capitation based scheme (as opposed to the general "fee-for-service" schemes) as the only framework that can lift the industry from its present doldrums and increase the total number of members covered. Especially if the freedom of choice of medical service providers provided by Capmed is maintained.

Although all the basic arrangements regarding administration, health care, marketing and service networks have been in place for some time, additional capital is required to fully implement the scheme. The initial strategy to accommodate the capitation scheme as an option under another major scheme, or to sign up a major financial institution active in the industry as a joint venture partner, has not yet been successful.

2. The African ventures will all be broad based, with Capmed not only providing financial services but also health care support such as medicine, clinic administration, networks etc.

This will be done via its interest in and control of Afrimed (Pty) Ltd, which has already entered into agreements with various government departments in African countries.

3. From an early stage Capmed realized that, due to the saturated nature of the medical scheme industry in South Africa, access to new members would be easier in the rest of Africa. To this end it entered into a major agreement directly with the government of the DRC in 2005 which, although termed a “private healthcare insurance agreement”, would not only provide financial medical cover to patients, but also medical and medical infrastructure such as clinics et cetera.

The Agreement between Capmed Holdings, via its subsidiary Afrimed , and the DRC Government, has a total gross value of an estimated \$4 billion. Due to delays in arranging the required supporting capital, implementation will only commence later in 2015. Final negotiations have been entered into:

- This DRC Agreement, have been extended indefinitely , in the form of the **Decree** between Afrimed RDC, (full subsidiary of Capmed Holdings) and the Government of the DRC.
- In terms of the **Decree** and the contribution of the members from the Minister of Health, all government employees in the DRC have to join Capmed’s Insurance Products.
- Capmed appointed Hexor, as our Strategic-Advisor, to compile a Project overview of the Afrimed / DRC Project .

As part of the adapted DRC contract, the Decree, and the 1,2 million members, contribute by the Minister of Health, as well as to support the financial medical products provided by Capmed, and to create a link with a number of medical professionals, Capmed is creating an in-house **pharmaceutical-group** via its subsidiary Capmed Bio Extract.

To broaden the base of Capmed Bio Extract, Capmed signed joint venture agreements, with EPASA and with Inkanyezi, in South Africa, and Argeville and Arkopharma in Europe, making the Capmed Bio Extract, a major player in the alternative medicinal industry.

To help fund this massive Project, arrangements for an approved mining concession from the DRC-Government, towards Capmed, are in process. Capmed also entered into two private agreements with Emiset, whereby Capmed obtain two concessions. The first is a gold concession namely, Glory Mining, with a value of \$24 million.

The second concession is a Diamond concession, (PIC), with a value of , \$27 billion.

Since it is not the intention of either Afrimed or Capmed to participate in mining operations, Capmed is negotiating with a number of major mining groups to sell the mining concession to them for cash only, or for cash plus a sizable passive participation interest. In both instances Afrimed (and therefore Capmed) will receive a substantial capital inflow.

4. For the short term Capmed's focus will however, be on the newly created insurance package. The attractive elements thereof include:

4.1 The quality of the group of underwriters all with substantial experience in this industry.

4.2 The service providers.

4.3 The broadness of the cover including hospital benefits, an anti-aids package of substance, health cover, and most important, almost unlimited visits to a general practitioner, acute and chronic medicine. These benefits are underwritten by a reputable Insurance Company through our administrative partner.

4.4 The affordability, costing approximately R500 per month per member in South Africa. The pricing structures in African countries are more complex due to infrastructure and other resources and will differ from country to country.

The key element in any such project is clearly the marketing of the product. Apart from interest already expressed by labour and other groups, Capmed has entered into agreements with various parties taking the product to the general market via call centres, loyalty programmes and multi-level marketing systems. Capmed believes that the quality of the product is such that it will comfortably trigger the multiplier effect that is the essence of self-generating sales.

This turnover support the listing, with the listing itself again boosting sales due to the company's higher profile.

MP BESTER
Managing Director
Capmed Holdings Ltd.