

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



## UMP HEALTHCARE HOLDINGS LIMITED

### 聯合醫務集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 722)

## ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2021

	Year ended 30 June		Increase/ (decrease)	Notes
	2021	2020		
	HK\$'000	HK\$'000		
<b>FINANCIAL HIGHLIGHTS</b>				
<b>Revenue</b>	<b>622,765</b>	557,484	11.7%	
Profit before tax	<b>51,320</b>	73,406	(30.1%)	
Depreciation and amortisation	<b>76,868</b>	78,269	(1.8%)	
EBITDA <sup>(1)</sup>	<b>128,478</b>	149,640	(14.1%)	
<b>Net profit</b>	<b>31,537</b>	60,310	(47.7%)	
<b>Revenue by business lines</b>				
Hong Kong & Macau Corporate Healthcare Solution Services	<b>232,387</b>	242,740	(4.3%)	
Hong Kong & Macau Clinical Healthcare Services	<b>449,326</b>	368,710	21.9%	
Mainland China Healthcare business	<b>43,293</b>	38,381	12.8%	
Total before elimination of inter-business lines sales	<b>725,006</b>	649,831	11.6%	
<b>Reconciliation:</b>				
Elimination of inter-business lines sales	<b>(102,241)</b>	(92,347)		
	<b>622,765</b>	557,484	11.7%	

	Year ended 30 June		Increase/ (decrease)	Notes
	2021 HK\$'000	2020 HK\$'000		
<b>Operating profit/(loss) by business lines</b>				
Hong Kong & Macau Corporate				
Healthcare Solution Services	<b>38,441</b>	52,005	(26.1%)	
Operating profit margin	<b>16.5%</b>	21.4%		
Hong Kong & Macau Clinical				
Healthcare Services	<b>83,727</b>	36,337	130.4%	
Operating profit margin	<b>18.6%</b>	9.9%		
Mainland China Healthcare Business	<b>(48,602)</b>	(33,487)	45.1%	
Operating loss margin	<b>(112.3%)</b>	(87.2%)		
<b>Adjusted EBITDA<sup>(2)</sup></b>				
EBITDA	<b>128,478</b>	149,640	(14.1%)	(a)
<b>Reconciliations:</b>				
Equity-settled share-based payment expense	<b>2,391</b>	3,912		(b)
Reversal of equity-settled share-based payment expense	–	(15,150)		(c)
Gain on disposal and deregistration of subsidiaries	<b>(2,610)</b>	(1,926)		(d)
Write-off of items of property, plant and equipment	–	445		(e)
Impairment of items of property, plant and equipment and right-of-use assets	–	192		(f)
Fair value loss/(gain) on other assets	<b>910</b>	(6,544)		(g)
Fair value gain on derivative financial instrument	–	(743)		(h)
Non-recurring special dividend from an equity investment	–	(4,200)		(i)
Gain on deemed disposal of previously held interest in an associate	<b>(1,576)</b>	–		(j)
Impairment of goodwill	<b>20,015</b>	–		(k)
Impairment of prepayments, other receivables and other assets	<b>4,082</b>	–		(l)
Beijing office closure	<b>2,899</b>	–		(m)
Non-recurring project cost	<b>6,397</b>	–		(n)
Government subsidies (note 3)	<b>(14,559)</b>	(2,944)		(o)
Interest expense and depreciation of lease liabilities and right-of-use assets	<b>(54,771)</b>	(51,960)		(p)
	<b>91,656</b>	70,722	29.6%	(q)

(q) = (a) + (b) + (c) + (d) + (e) + (f) + (g) + (h) + (i) + (j) + (k) + (l) + (m) + (n) + (o) + (p)

(1) EBITDA represents earnings before interest (including interest expenses on lease liabilities), tax, depreciation and amortisation.

(2) Adjusted EBITDA is adjusted for certain non-recurring items, non-cash items and interest expense and depreciation of right-of-use assets, giving shareholders a proxy of operating cash flow generated by the Group's businesses in Hong Kong, Macau and Mainland China.

(3) The comparative amount of adjusted EBITDA has been adjusted in respect of "Government subsidies" in order to match with the current year disclosure and provide a more comprehensive comparison in light of the current year amount.

Operating profit/(loss) by business lines and EBITDA are not standard measures under Hong Kong Financial Reporting Standards ("HKFRS") and therefore should not be considered in isolation or constructed as substitutes for analysis of HKFRS financial measures. The consolidated results of the Company and its subsidiaries for the year ended 30 June 2021 are shown on page 10 to 13.

## **CHAIRMAN'S STATEMENT**

### **Overview**

COVID-19 has continued to present unprecedented challenges to the overall business environment of the Group during the last financial year. As a socially responsible healthcare group, we expanded our online product offerings in a timely manner to include virtual care telemedicine services and same-day-delivery COVID-19 screening test kits in the past year to help individuals and enterprises overcome the barriers of social distancing and achieve peace of mind amid concerns over the lingering healthcare crisis.

Despite the challenging economic environment, our Group continued to record steady performance for the financial year ended 30 June 2021. Our revenue increased by 11.7% from HK\$557.5 million in FY2020 to HK\$622.8 million, mainly due to strong growth in our imaging and specialist lines of business and health assessments performed. Our reported net profit decreased by 47.7% from HK\$60.3 million in FY2020 to HK\$31.5 million, mainly due to one-off adjustments recognised in both the current and prior year. Despite the macroeconomic uncertainty, we have taken prompt measures to mitigate the adverse impact of the pandemic on our operations, and the Group's financial position has remained healthy. Our adjusted EBITDA increased by 29.6% from HK\$70.7 million in FY2020 to HK\$91.7 million in FY2021, mainly attributable to strong growth in our imaging and specialist lines of business and health assessments performed which enjoyed relatively higher margin, while our corporate healthcare solutions service has been affected by the knock-on impact on corporates, particularly those in the travel, hospitality and retail sectors. Backed by our recognised business and financial strengths, the Board has recommended, subject to shareholders' approval, a final dividend of HK2.8 cents per share, taking our full year dividend to HK3.8 cents per share (FY2020 full year dividend: HK3.3 cents per share).

To achieve our strategic goals of expanding the number of our online and offline patient visits in Hong Kong, Macau and the Mainland China markets, we are determined to realise transformation on our solid foundation and have carried out a number of strategic decisions to update our internal governance structure and external business approaches during the year.

### **Enhanced Corporate Governance Structure**

To foster growth of our business, ensure our strategic goals are aligned among our business units and streamline decision-making process, we have created UMP functional units comprising medical, finance and internal audit, legal and compliance, investor relations, technology and innovation as well as brand management reporting directly to a newly-established UMP Group management committee consisting of our Executive Directors. We believe strong commitment and clear strategic direction from the board is essential for our Group to achieve further milestones in our expansion plan. The synergies inspired by the newly-created functional units will allow us to retain, upskill and expand our talent pool and ensure we have the right enablers to achieve our strategic goals.

As part of our continued strategic approach of talent recruitment and retention, we expanded our senior management team during the year by on-boarding professionals that have significant experience and knowledge in clinic chain management, information technology, finance, legal, and talent acquisition and resources to support the robust growth of our businesses.

### **Talent Attraction and Retention**

We place an immense emphasis on strategic talent acquisition and efficient talent retention which we believe have lasting impact on our long-term business sustainability and growth. Employee engagement and competency building remain a key priority of our talent management approach. As an incentive scheme for our senior management members, we granted a total of 20,686,000 share options during the year to attract and retain talents who have made significant contribution to our business performance and results.

Despite the ongoing influence of the pandemic, our Group remains optimistic of the business outlook and seizes the opportunity of business expansion. As such, in July 2021, we expanded and relocated our headquarters in Central, Hong Kong to accommodate our rapid business growth. The new, enlarged office space supports our growth strategy and allows us to further expand our team and capabilities to serve a wider range of patients in the region.

### **Business Overview & Strategies**

#### ***Hong Kong and Macau***

Leveraging 31 years of strong development and industry experience, our Hong Kong and Macau business is the foundation for our past and future success. With a well-established team of clinical and business development professionals, we continue to generate good investment returns for our Hong Kong and Macau business notwithstanding the recent challenges imposed by COVID-19 and the associated economic worries. We continue to see significant potential for growth in our Hong Kong and Macau business, which allows us to cement our leading position in healthcare management services, as well as to expand our scope of clinical services.

As with many other developed economies around the globe, Hong Kong is witnessing a rapidly aging population. Such demographic traits lead to the rising prevalence of chronic diseases such as hypertension, diabetes and heart diseases. A full-service medical care is therefore crucial to serve the needs of individuals across different demographic.

With our proactive approach in seizing market opportunities, the Group is expanding its flagship medical centre at Wing On House in Central, Hong Kong, with a newly leased floor on 16/F with a total gross floor area of approximately 11,000 sq. ft. The new medical centre will provide dedicated specialist medical services, including the Group's first cardio metabolic centre, first physiotherapy and rehabilitation centre and a newly-extended specialist centre featuring elderly care, diabetes and chronic disease management, as well as preventive cardiology. This new flagship centre will be used to fulfill the huge demand rising from the aging population for years to come.

Health assessment is another key segment of our clinical healthcare services, which has seen rapid growth during the year driven by enhanced focus on healthcare in the post-COVID era as well as immigration visa requirements. To cope with such growing demand, the Group is also renovating its existing leased floor on 14/F Wing On House with gross floor area of approximately 16,000 sq. ft. The floor will be dedicated to the Group's businesses of general medical services, including but not limited to a new dedicated health checkup centre and a new business unit targeting the B2B2C market, which is expected to be our growth engine for the next financial year. The expansion of our two medical floors will allow us to realise a one-stop medical care ecosystem to cater the needs of the B2B2C market, particularly in Central district. It is within our strategic plan to develop such healthcare ecosystem in areas with increasing demand.

As part of our growth strategy, we are also strategically expanding our medical network to untapped locations to expand the offerings of our offline clinical services to areas that have seen the most rapid population growth in recent years. Consumer behaviour has seen expected changes due to the pandemic. The launch of new medical service points at strategic locations will further expand our large medical networks to enable our Group to cater for patients with different demands and preferences.

Our professional team of General Practitioners, specialist practitioners and other medical specialists are our valuable assets to help us realise our mission of becoming a trusted and preferred partner offering quality and affordable healthcare services to an inclusive clientele. We have been growing our professional medical team and have recruited additional medical expertise in specialties including family medicine, internal medicine, geriatric care, radiology, imaging and laboratory during the year to support the aforementioned expansion and development.

Against the backdrop of the profound impact of COVID-19 and increasing healthcare concern driven by an aging population in Hong Kong, the demand for advanced medical imaging services has seen rapid growth with enormous development potential. Our medical imaging and laboratory business delivered strong performance during the year, achieving significant revenue growth of over 50% year-on-year.

To support our growth in this sector, we completed the acquisition of 75% of the beneficial interests of an MRI centre. Following the acquisition, UMP has become one of the largest private medical imaging and laboratory operators in Hong Kong with 10 service points, offering a broad service coverage including PET-CT, CT Scan, MRI, ultrasound, mammogram and other medical imaging and laboratory services in some of the most populated areas in Hong Kong such as Causeway Bay, Central, Tsim Sha Tsui and Mongkok. Smooth business integration of the acquired MRI centre has generated revenue growth of more than 20% as at 30 June 2021.

With our diversified development strategy, we have been proactively exploring new mergers and acquisitions opportunities to expand the scope of our advanced medical imaging and laboratory services. Our other acquired units of medical imaging and laboratory services continued to deliver strong growth during the year. Axon Scanning Centre Limited, our wholly-owned subsidiary engaged in the provision of magnetic resonance imaging, scanning and laboratory services in Hong Kong, achieved strong growth of over 70% in revenue since its acquisition in FY2020. Acton Digital PET-CT Centre, which commenced operations in January 2021, achieved cash flow breakeven in merely 6 months as at 30 June 2021. In addition, we upgraded the equipment and laboratory information system for our ProCare laboratory during the year to enhance its operating capacity and efficiency.

Leveraging the economies of scale and synergy generated from our acquired units of medical imaging and laboratory services, we have been able to attract and retain a large team of radiologists to ensure high standards of services. We believe our strong medical team and extended business scale will provide a strong foothold to broaden our presence in the medical imaging and laboratory business and strengthen our customer base, enabling us to diversify our source of income and achieve synergies with our other business units.

When social distancing in Hong Kong became commonplace, our clients and their employees relied more than ever on our continuous, innovative corporate healthcare solutions and tailor-made third-party administration services such as 24/7 customer care hotline to address their rising needs. Our agile business models also gave us the flexibility to seize online business opportunities while contributing to the containment of the COVID-19 impact as a socially responsible healthcare group. Our UMP Health e-Shop has provided preventive care related packages and online sales in response to higher health awareness and changes in consumption behavior among the general public in the post-COVID era.

We continued to expand the breadth and depth of our healthcare services in Hong Kong through strategic cooperation during the year. We collaborated with a virtual insurance company in providing convenient healthcare services for members of its new health membership programme boasting our extensive medical network of more than 1,100 self-owned and affiliated service points. Our strategic collaborations also encompassed joining hands with major Hong Kong insurers to launch online outpatient insurance products based on our virtual care telemedicine services. Such strategic approach allowed us to complement our robust offline healthcare services through collaborating with insurers with our expanding online platform.

We attach great importance to technology and believe that modern healthcare providers must leverage technology to provide efficient medical services. As part of our continuous digitalisation of patient journey, we introduced a fully-digital clinic visit experience with the use of electronic medical card and eVoucher device. Being the first electronic medical vouchers system in Hong Kong’s healthcare industry, our self-developed proprietary software eVoucher connects with digital insurers to provide O2O medical services, offering customers with contactless registration process and a comprehensive clinic visit experience. Our robust data management strategy contributed to the improvements of clinic operations efficiency and patient data management to satisfy patients’ needs, ultimately enhancing our patient relationship management.

Person-centric care and patient empowerment are imperative for effective disease prevention and control. During the year, we actively promoted preventive health education by sharing trending medical knowledge on our website and social media platforms. We believe strengthening individual participation and patient empowerment in health promotion is of utmost importance in sustaining a long-lasting service structure and establishing a healthier community in the long run.

### ***Mainland China***

Headquartered in Shenzhen with clinical teams operating across offices in Beijing and Shanghai, our Mainland China business is our growth business, targeting ample opportunities driven by a huge demand for accessible, affordable and quality healthcare services across Mainland China.

Our strategic approach in Mainland China differentiates us from all our competitors. We go “upstream” to raise our own source of qualified family doctors and primary care professionals to comparable international standards. By engaging with medical professionals through education and hands-on practice, we are well-positioned to expand our medical footprint in Mainland China with a focus in the Greater Bay Area (“GBA”). We developed a revered General Practice Oriented Learning and Development (“GOLD™”) Training Programme, as well as innovative public-private-partnership (“PPP”) UMP medical centres and product innovations with insurance companies, all of which enable the Group to capture the growing need for primary care professionals in Mainland China.

GOLD™ Training Programme provides multi-leveled, evidence-based practical training for General Practitioners (“GPs”) in China. The excellence of the programme can be validated by the accreditation by the Royal College of General Practitioners, and was quickly recognised by Chinese local municipal governments. Following the launch of GOLD™-EN Training Programme in October 2019 to further empower nurses engaged in primary care, the number of trainees rose from an original 11 GPs from Panyu district in the GBA in 2018, to now over 1,200 GPs and nurses across Mainland China.

The COVID-19 pandemic has presented a huge challenge for our Mainland China business, but also a huge opportunity for GOLD™ Training Programme. Our online training has been extremely popular. We have also developed our telemedicine platform in Mainland China, promoting a seamless integration for patients to visit GOLD™-trained doctors online and offline at their convenience.

Beyond our one-of-a-kind training, we address the demand arising from Mainland China's recent healthcare reform with our continued collaboration with the local government. UMP-branded PPP clinics have been set up in over 150 government community healthcare centres across the GBA as an initiative to deploy a sustainable supply of trained GPs for our business expansion in Mainland China. Gaining wide recognition from regional governments, our extensive PPP clinic network has become one of the largest clinic networks in the GBA. We will deploy more GOLD™-trained doctors and GOLD™-EN-trained nurses to our existing and new PPP clinics or to our virtual care platform in the near future to enhance the standard and reach of medical services in the GBA.

To maximise the effectiveness of our GOLD™ training and ensure the quality of clinical recommendations made by our GOLD™-trained doctors, we believe the future of primary care delivery lies in the power of data. Analyzing recorded consultations and its available data using artificial intelligence (“AI”) are of paramount importance in the continuous enhancement of our service standard. In support of our AI initiatives, we are pleased to have successfully achieved funding from the Enterprise Support Scheme organised by Hong Kong Government's Innovation and Technology Commission, which aims to encourage private sector investment in in-house research and development. The funding will be used to develop an approx. HK\$12 million project leveraging AI and big data to produce quality services for the benefit of the wider public.

We are constantly in search of joining forces with medical expertise to fulfil the rising needs of the GBA. Along this vein, we established UMP Charity Foundation Limited (“UMP Charity Foundation”) during the year with an aim to promote the enhancement of medical care in Mainland China by working with outside expertise to provide training and conducting clinical research to guide future health policies. As one of our early initiatives, UMP Charity Foundation established a strategic partnership with the Jockey Club School of Public Health and Primary Care of the Faculty of Medicine at The Chinese University of Hong Kong to promote the development of an evidence-based medical platform for primary care doctors and nurses. The platform will provide primary care professionals with hands-on resources and international standards on training and assessment leveraging our GOLD™ Training Programme, with an aim to enhance the quality of primary care clinical services in the GBA. We are excited to see the growth and transformation of many more family medicine professionals to create value for our society.

With our strong confidence in the development potential of the Mainland China market especially in the field of healthcare, our stable cash flow position enabled us to ramp up our expansion plan during the year to open a new headquarter in the central business district of Shenzhen with a total floor space of approximately 11,000 sq. ft. This enhances our training facilities facilitating GOLD™ and GOLD™-EN training as well as capturing of potential of GBA-based business opportunities.

We believe the future of digital healthcare includes greater connectivity between general and specialist medical services. As the only Hong Kong-based healthcare platform with an Internet hospital license during the year, our Hainan UMP Internet Hospital entered into a strategic partnership with Aurora Tele-Oncology Limited, an oncology-specific teleconsultation platform, to bring high quality oncology medical services to Hainan Province and the rest of Mainland China, leveraging our virtual care telemedicine services and establishing a leading oncology medical services platform in Mainland China.

During the year we continued to explore strategic partnerships based on shared vision and values. We partnered with Towngas China Company Limited to join hands with its extended services brand Towngas Lifestyle to provide comprehensive health management services for residents in Panyu District, Guangzhou City. We also partnered with Shenzhen Qianhai Shekou Free Trade Zone Hospital to push forward cross-border integration of quality medical resources through the introduction of our GOLD™ Training Programme and PPP clinics in the district, enabling GBA residents to enjoy innovative healthcare services in line with international standards. Other strategic partnerships fostered in Mainland China during the year included the collaboration with a reputable insurance company to launch the first online outpatient and inpatient insurance product featuring our real-time virtual care telemedicine services carried out by certified GPs from our GOLD™ Training Programme.

### **Appreciation**

On behalf of the Board, I would like to extend my heartfelt gratitude to our shareholders, clients and business partners for their unwavering trust and steadfast support over the years. Sincere gratitude also goes to our dedicated staff and management team for their professional contributions and efforts to safeguard public health under the challenging business environment.

Leveraging our solid business foundation, we will continue to carry out our responsibility to contribute to the healthcare industry, while steadily enhancing the quality and scope of our service offerings to create sustainable value for our shareholders as we pursue our vision: giving everyone access to trusted and affordable care, so that everyone can freely pursue their dreams without worrying about their health.

**SUN Yiu Kwong**

*Chairman and Chief Executive Officer*

The board (“Board”) of directors (“Directors”) of UMP Healthcare Holdings Limited (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 30 June 2021, together with the comparative amounts for the year ended 30 June 2020, as follows:

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the year ended 30 June 2021*

	<i>Notes</i>	<b>2021</b> <b>HK\$'000</b>	2020 HK\$'000
<b>REVENUE</b>	5	<b>622,765</b>	557,484
Other income and gains	6	<b>10,335</b>	25,634
Professional services expenses		<b>(221,339)</b>	(216,653)
Employee benefit expense		<b>(148,280)</b>	(140,923)
Property rental and related expenses		<b>(10,784)</b>	(12,317)
Cost of inventories consumed		<b>(34,382)</b>	(30,851)
Depreciation and amortisation		<b>(76,868)</b>	(78,269)
Other expenses, net		<b>(86,639)</b>	(28,384)
Finance cost		<b>(3,566)</b>	(3,825)
Share of (loss)/profit of:			
A joint venture		<b>(1,255)</b>	(167)
Associates		<b>1,333</b>	1,677
<b>PROFIT BEFORE TAX</b>	7	<b>51,320</b>	73,406
Income tax expense	8	<b>(19,783)</b>	(13,096)
<b>PROFIT FOR THE YEAR</b>		<b>31,537</b>	60,310
Attributable to:			
Owners of the Company		<b>34,834</b>	58,915
Non-controlling interests		<b>(3,297)</b>	1,395
		<b>31,537</b>	60,310
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b>	<i>10</i>		
Basic		<b>HK4.58 cents</b>	HK7.79 cents
Diluted		<b>HK4.58 cents</b>	HK7.76 cents

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the year ended 30 June 2021*

	<b>2021</b>	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>PROFIT FOR THE YEAR</b>	<b>31,537</b>	<b>60,310</b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Changes in fair value of debt investments at fair value through other comprehensive income	–	(256)
Release of reserve upon disposal of debt investment at fair value through other comprehensive income	(27)	–
Exchange differences on translation of foreign operations	<b>2,372</b>	(1,463)
Share of other comprehensive loss of a joint venture	–	(44)
Share of other comprehensive loss of an associate	–	(37)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	<b>2,345</b>	(1,800)
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
Changes in fair value of equity investments designated at fair value through other comprehensive income	<b>4,833</b>	(29,495)
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX</b>	<b>7,178</b>	(31,295)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>38,715</b>	<b>29,015</b>
Attributable to:		
Owners of the Company	<b>42,012</b>	27,620
Non-controlling interests	<b>(3,297)</b>	1,395
	<b>38,715</b>	<b>29,015</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 June 2021*

	<i>Notes</i>	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>99,430</b>	96,424
Right-of-use assets		<b>73,666</b>	82,152
Goodwill	<i>11</i>	<b>164,768</b>	171,264
Other intangible assets		<b>61,681</b>	76,972
Investments in joint ventures		<b>7,970</b>	–
Investments in associates		<b>4,501</b>	8,546
Financial assets at amortised cost	<i>12</i>	<b>19,025</b>	20,206
Investments at fair value through other comprehensive income	<i>13</i>	<b>23,603</b>	23,187
Deferred tax assets		<b>1,417</b>	1,691
Deposits		<b>20,544</b>	21,977
		<hr/>	<hr/>
Total non-current assets		<b>476,605</b>	502,419
<b>CURRENT ASSETS</b>			
Inventories		<b>9,198</b>	9,083
Trade receivables	<i>14</i>	<b>83,364</b>	74,354
Prepayments, other receivables and other assets		<b>18,088</b>	32,423
Financial assets at fair value through profit or loss		<b>27,115</b>	1,723
Financial assets at amortised cost	<i>12</i>	<b>14,046</b>	35,646
Amounts due from associates		<b>3,730</b>	2,204
Amount due from a joint venture		<b>451</b>	–
Amounts due from related companies		<b>1,220</b>	1,220
Tax recoverable		<b>551</b>	210
Pledged deposits		<b>1,893</b>	1,354
Cash and cash equivalents		<b>293,974</b>	230,671
		<hr/>	<hr/>
		<b>453,630</b>	388,888
Assets of disposal groups classified as held for sale		<b>39,742</b>	–
		<hr/>	<hr/>
Total current assets		<b>493,372</b>	388,888
		<hr/> <hr/>	<hr/> <hr/>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

*As at 30 June 2021*

	<i>Notes</i>	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>CURRENT LIABILITIES</b>			
Trade payables	15	62,185	36,370
Other payables and accruals		64,376	62,584
Amounts due to associates		–	184
Amounts due to related companies		5,618	2,020
Amount due to a joint venture		561	203
Lease liabilities		38,731	43,420
Tax payable		26,848	14,994
		<u>198,319</u>	<u>159,775</u>
Liabilities associated with the disposal groups classified as held for sale		<u>24,441</u>	<u>–</u>
Total current liabilities		222,760	159,775
<b>NET CURRENT ASSETS</b>		<u>270,612</u>	<u>229,113</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>747,217</u>	<u>731,532</u>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		39,296	43,145
Deferred tax liabilities		12,238	14,572
Provision		2,627	3,308
Total non-current liabilities		<u>54,161</u>	<u>61,025</u>
Net assets		<u>693,056</u>	<u>670,507</u>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Issued capital	16	775	766
Reserves		638,723	611,080
		<u>639,498</u>	<u>611,846</u>
Non-controlling interests		<u>53,558</u>	<u>58,661</u>
Total equity		<u>693,056</u>	<u>670,507</u>

## NOTES

### 1. CORPORATE AND GROUP INFORMATION

UMP Healthcare Holdings Limited is a limited company incorporated in the Cayman Islands. The principal place of business of the Company is located at Room 1404–1408, 14/F., Wing On House, 71 Des Voeux Road Central, Hong Kong.

During the year, the Group was principally engaged in the provision of healthcare services which include:

- corporate healthcare solution services;
- medical and dental services;
- medical imaging and laboratory services;
- other auxiliary medical services; and
- healthcare management services

The shares of the Company were listed on the Main Board of the Stock Exchange on 27 November 2015.

### 2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance (“CO”). They have been prepared under the historical cost convention, except for equity investments, debt investments, other assets and derivative financial instrument which have been measured at fair value. The financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

The financial information relating to the financial years ended 30 June 2021 and 2020 included in this announcement of annual results does not constitute the Group’s statutory annual financial statements for those financial years but is derived from those financial statements.

### 3. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group:

- Amendments to HKFRS 3, *Definition of a Business*
- Amendment to HKFRS 16, *Covid-19-related Rent Concessions*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRSs are discussed below:

#### **Amendment to HKFRS 3, *Definition of a Business***

The amendments clarify the definition of a business and provide further guidance on how to determine whether a transaction represents a business combination. In addition, the amendments introduce an optional “concentration test” that permits a simplified assessment of whether an acquired set of activities and assets is an asset rather than business acquisition, when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group has applied the amendments prospectively to transactions for which the acquisition date is on or after 1 July 2020.

#### **Amendment to HKFRS 16, *Covid-19-Related Rent Concessions***

The amendment provides a practical expedient that allows a lessee to by-pass the need to evaluate whether certain qualifying rent concessions occurring as a direct consequence of the COVID-19 pandemic (“COVID-19-related rent concessions”) are lease modifications and, instead, account for those rent concessions as if they were not lease modifications.

The Group has adopted the amendments and applies the practical expedient to all qualifying COVID-19-related rent concessions granted to the Group during the year. Consequently, rent concessions received have been accounted for as negative variable lease payments recognised in profit or loss in the period in which the event or condition that triggers those payments occurred. There is no impact on the opening balance of equity at 1 July 2020.

#### 4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

- (a) Corporate healthcare solution services (“Corporate Healthcare Solution Services to Contract Customers”) segment engages in the provision of corporate healthcare solutions to contract customers; and
- (b) Clinical healthcare services (“Clinical Healthcare Services”) segment engages in the provision of medical and dental services, health check and other auxiliary services.

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group’s profit before tax except that interest income, other income and gains, and share of profits and losses of joint ventures and associates as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude goodwill, investments in joint ventures and associates, financial assets at fair value through profit or loss, financial assets at amortised cost, investments at fair value through other comprehensive income, other assets and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude derivative financial instrument and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

**Year ended 30 June 2021**

	<b>Corporate Healthcare Solution Services to Contract Customers HK\$'000</b>	<b>Clinical Healthcare Services HK\$'000</b>	<b>Total HK\$'000</b>
<b>Segment revenue:</b>			
External sales	237,507	385,258	622,765
Intersegment sales	1,263	100,978	102,241
	<u>238,770</u>	<u>486,236</u>	<u>725,006</u>
<i>Reconciliation:</i>			
Elimination of intersegment sales			<u>(102,241)</u>
Revenue			<u><u>622,765</u></u>
<b>Segment results</b>	<b>36,316</b>	<b>74,897</b>	<b>111,213</b>
<i>Reconciliation:</i>			
Interest income			3,276
Other income			7,059
Share of profits and losses of:			
A joint venture			(1,255)
Associates			1,333
Corporate and other unallocated expenses			<u>(70,306)</u>
Profit before tax			<u><u>51,320</u></u>
<b>Segment assets</b>	<b>176,009</b>	<b>221,602</b>	<b>397,611</b>
<i>Reconciliation:</i>			
Elimination of intersegment receivables			(31,129)
Corporate and other unallocated assets			<u>603,495</u>
Total assets			<u><u>969,977</u></u>
<b>Segment liabilities</b>	<b>91,676</b>	<b>207,405</b>	<b>299,081</b>
<i>Reconciliation:</i>			
Elimination of intersegment payables			(31,129)
Corporate and other unallocated liabilities			<u>8,969</u>
Total liabilities			<u><u>276,921</u></u>
<b>Other segment information:</b>			
Depreciation and amortisation	8,747	68,121	76,868
Capital expenditure*	13,919	18,376	32,295
Impairment of goodwill	–	20,015	20,015
Impairment of prepayments, other receivables and other assets	–	4,082	4,082
	<u>–</u>	<u>4,082</u>	<u>4,082</u>

\* Capital expenditure consists of additions to property, plant and equipment (including additions from the acquisition of a subsidiary) and deposits paid for purchases of items of property, plant and equipment.

**Year ended 30 June 2020**

	<b>Corporate Healthcare Solution Services to Contract Customers HK\$'000</b>	<b>Clinical Healthcare Services HK\$'000</b>	<b>Total HK\$'000</b>
<b>Segment revenue:</b>			
External sales	245,556	311,928	557,484
Intersegment sales	1,526	90,821	92,347
	<u>247,082</u>	<u>402,749</u>	<u>649,831</u>
<i>Reconciliation:</i>			
Elimination of intersegment sales			<u>(92,347)</u>
Revenue			<u><u>557,484</u></u>
<b>Segment results</b>	55,267	31,643	86,910
<i>Reconciliation:</i>			
Interest income			5,860
Other income			19,774
Share of profits and losses of:			
A joint venture			(167)
Associates			1,677
Corporate and other unallocated expenses			<u>(40,648)</u>
Profit before tax			<u><u>73,406</u></u>
<b>Segment assets</b>	149,406	174,179	323,585
<i>Reconciliation:</i>			
Elimination of intersegment receivables			(24,854)
Corporate and other unallocated assets			<u>592,576</u>
Total assets			<u><u>891,307</u></u>
<b>Segment liabilities</b>	72,322	170,089	242,411
<i>Reconciliation:</i>			
Elimination of intersegment payables			(24,854)
Corporate and other unallocated liabilities			<u>3,243</u>
Total liabilities			<u><u>220,800</u></u>
<b>Other segment information:</b>			
Depreciation and amortisation	8,886	69,383	78,269
Capital expenditure*	6,118	20,429	26,547
Impairment of items of property, plant and equipment	–	135	135
Write-off of items of property, plant and equipment	–	445	445
Write-off of trade receivables	222	12	234
	<u><u>222</u></u>	<u><u>12</u></u>	<u><u>234</u></u>

\* Capital expenditure consists of additions to property, plant and equipment (including additions from the acquisitions of subsidiaries/business) and deposits paid for purchases of items of property, plant and equipment.

## 5. REVENUE

An analysis of revenue is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Revenue from contracts with customers</b>		
Provision of corporate healthcare solution services to contract customers:		
Medical services	215,821	221,079
Dental services	21,686	24,477
Provision of clinical healthcare services:		
Medical services	329,831	260,310
Dental services	55,427	51,618
	<u>622,765</u>	<u>557,484</u>

### Disaggregated revenue information

For the year ended 30 June 2021

#### Segments

	Corporate Healthcare Solution Services to Contract Customers <i>HK\$'000</i>	Clinical Healthcare Services <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Type of services</b>			
Medical services	215,821	329,831	545,652
Dental services	21,686	55,427	77,113
	<u>237,507</u>	<u>385,258</u>	<u>622,765</u>
<b>Geographical markets</b>			
Hong Kong	214,788	344,704	559,492
Mainland China	6,383	36,910	43,293
Macau	16,336	3,644	19,980
	<u>237,507</u>	<u>385,258</u>	<u>622,765</u>
Total revenue from contracts with customers	<u>237,507</u>	<u>385,258</u>	<u>622,765</u>

**For the year ended 30 June 2020**

**Segments**

	<b>Corporate Healthcare Solution Services to Contract Customers</b> <i>HK\$'000</i>	<b>Clinical Healthcare Services</b> <i>HK\$'000</i>	<b>Total</b> <i>HK\$'000</i>
<b>Type of services</b>			
Medical services	221,079	260,310	481,389
Dental services	24,477	51,618	76,095
	<hr/>	<hr/>	<hr/>
Total revenue from contracts with customers	245,556	311,928	557,484
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Geographical markets</b>			
Hong Kong	223,379	275,078	498,457
Mainland China	4,125	34,256	38,381
Macau	18,052	2,594	20,646
	<hr/>	<hr/>	<hr/>
Total revenue from contracts with customers	245,556	311,928	557,484
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## 6. OTHER INCOME AND GAINS

An analysis of the Group's other income and gains is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Administrative support fees	803	1,330
Bank interest income	114	1,405
Interest income on financial assets at amortised cost	2,881	4,078
Interest income on investments at fair value through other comprehensive income	281	377
Rental income	709	13
Dividend income from financial assets at fair value through profit or loss	–	96
Dividend income from investments at fair value through other comprehensive income	85	4,747
Fair value gain on financial assets at fair value through profit or loss, net	188	–
Fair value gain on other assets	–	6,544
Fair value gain on derivative financial instrument	–	743
Gain on disposal of subsidiaries	2,610	1,229
Gain on deregistration of subsidiaries	–	697
Reversal of impairment losses on amounts due from associates	–	746
Gain on deemed disposal of previously held interest in an associate	1,576	–
Others	1,088	3,629
	<u>10,335</u>	<u>25,634</u>

## 7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Cost of services rendered	221,339	216,653
Depreciation of property, plant and equipment	21,173	20,877
Depreciation of right-of-use assets	51,205	48,135
Amortisation of other intangible assets	4,490	9,257
Equity-settled share-based payment expense (including employees, professional consultants and other business partner)	2,391	3,912
Reversal of equity-settled share-based payment expense ( <i>note (i)</i> )	–	(15,150)
Foreign exchange differences, net	1,270	222
Write-off of items of property, plant and equipment	–	445
Impairment of items of property, plant and equipment	–	135
Impairment of right-of-use assets	–	57
Lease modification	(6)	–
Impairment of goodwill	20,015	–
Impairment of prepayments, other receivables and other assets	4,082	–
Lease payments not included in the measurement of lease liabilities/ minimum leases payments under operating leases	3,806	5,988
Write-off of trade receivables	–	234
Impairment of investment cost in an associate	–	630
Reversal of impairment of amounts due from associates	–	(746)
Fair value (gain)/losses on financial assets at fair value through profit or loss, net ( <i>note (iii)</i> )	(188)	677
Fair value loss/(gain) on other assets ( <i>note (iii)</i> )	910	(6,544)
Government subsidies ( <i>note (ii)</i> )	(14,559)	(2,944)
	<u><u>          </u></u>	<u><u>          </u></u>

*Notes:*

- (i) For the year ended 30 June 2020, due to certain non-market conditions not being fulfilled upon expiration of the contractual arrangement, the corresponding equity-settled share-based payment expense of HK\$15,150,000 was reversed.
- (ii) The subsidies were granted under Employment Support Scheme from the Government of Hong Kong Special Administrative Region and were deducted in the line item of "Employee benefit expense" in the consolidated statement of profit or loss. There were no unfulfilled conditions relating to the grant.
- (iii) The net fair value gain was credited in the line item of "other income and gains" in the consolidated statement of profit or loss. The net fair value loss was debited in the line item of "other expenses, net" in the consolidated statement of profit or loss.

## 8. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2020: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime effective from the year of assessment 2018/2019. The first HK\$2,000,000 of assessable profits of this subsidiary is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current – Hong Kong		
Charge for the year	18,994	12,835
Overprovision in prior years	(12)	(519)
Current – Elsewhere		
Charge for the year	697	1,575
Withholding tax	69	69
Overprovision in prior years	(31)	(192)
Deferred	66	(672)
	<u>19,783</u>	<u>13,096</u>
Total tax charge for the year	<u><u>19,783</u></u>	<u><u>13,096</u></u>

## 9. DIVIDENDS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Dividend recognised as distribution during the year:		
Final 2020 – HK2.65 cents (2019: HK2.55 cents) per ordinary share	20,293	19,324
Less: Dividend for shares held under the share award scheme	<u>(233)</u>	<u>(259)</u>
	<u>20,060</u>	<u>19,065</u>
Interim 2021 – HK1.00 cent (2020: HK0.65 cent) per ordinary share	7,754	4,985
Less: Dividend for shares held under the share award scheme	<u>(96)</u>	<u>(64)</u>
	<u>7,658</u>	<u>4,921</u>
	<u>27,718</u>	<u>23,986</u>
Dividend proposed after the end of the reporting period:		
Proposed final 2021 (with scrip option) – HK2.80 cents (2020: HK2.65 cents, with scrip option) per ordinary share	<u>21,710</u>	<u>20,293</u>

The proposed final 2021 dividend of HK2.80 cents per ordinary share for the year, with a scrip dividend alternative, is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

## 10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company of HK\$34,834,000 (2020: HK\$58,915,000), and the weighted average number of ordinary shares of 760,907,224 (2020: 756,478,586) in issue during the year, as adjusted to exclude the shares held under the share award scheme.

The calculation of the diluted earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company of HK\$34,834,000 (2020: HK\$58,915,000). The weighted average number of ordinary shares used in the calculation is the number of ordinary shares of 760,907,224 (2020: 756,478,586) in issue during the year and excluded the shares held under the share award scheme, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares of nil (2020: 2,596,315) assumed to have been issued at no consideration on the deemed exercise of all share options and warrants (2020: share options and warrants) into ordinary shares.

The weighted average number of ordinary shares for the years ended 30 June 2021 and 2020 have been adjusted to reflect the bonus element in respect of scrip dividend distributed during the year.

## 11. GOODWILL

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
At beginning of year	171,264	163,711
Acquisitions of subsidiaries/business ( <i>note 17</i> )	18,768	7,553
Impairment	(20,015)	–
Reclassified as disposal groups held for sale	(5,249)	–
	<u>164,768</u>	<u>171,264</u>

## 12. FINANCIAL ASSETS AT AMORTISED COST

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Financial assets at amortised cost</b>	<b><u>33,071</u></b>	<b><u>55,852</u></b>
Analysed into:		
Non-current portion	19,025	20,206
Current portion	<u>14,046</u>	<u>35,646</u>
	<b><u>33,071</u></b>	<b><u>55,852</u></b>

As at 30 June 2021, the Group's financial assets at amortised cost represented listed debt investments with fixed maturity dates between 2022 and 2023 and fixed interest rates ranging from 4.25% to 8.5% per annum (2020: 4.25% to 8.5% per annum).

### 13. INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Investments at fair value through other comprehensive income</b>		
Unlisted equity investments, at fair value	5,367	4,745
Listed equity investment, at fair value	18,236	12,948
Listed debt investments, at fair value	–	5,494
	<u>23,603</u>	<u>23,187</u>

The above investments were designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

During the year, the Group received dividends in the approximate amounts of Nil (30 June 2020: HK\$4,200,000) and HK\$85,000 (30 June 2020: HK\$547,000) from an unlisted equity investment and a listed equity investment, respectively.

### 14. TRADE RECEIVABLES

The Group's trading terms with its contract customers are mainly on credit. The credit period is generally one month, extending up to two months for certain customers. Each contract customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a designated policy to monitor and minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An aging analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Within 1 month	50,580	54,404
1 to 2 months	13,710	6,235
2 to 3 months	6,230	6,861
Over 3 months	12,844	6,854
	<u>83,364</u>	<u>74,354</u>

## 15. TRADE PAYABLES

An aging analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Within 1 month	37,560	23,861
1 to 3 months	23,860	11,392
Over 3 months	765	1,117
	<u>62,185</u>	<u>36,370</u>

The trade payables are non-interest-bearing and are normally settled on terms ranging from 30 to 90 days.

## 16. SHARE CAPITAL

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Authorised:		
5,000,000,000 (2020: 5,000,000,000) ordinary shares of HK\$0.001 (2020: HK\$0.001) each	<u>5,000</u>	<u>5,000</u>
Issued and fully paid:		
775,350,089 (2020: 765,759,953) ordinary shares of HK\$0.001 (2020: HK\$0.001) each	<u>775</u>	<u>766</u>

The movements in the Company's authorised and issued share capital during the years ended 30 June 2021 and 2020 are as follows:

	<i>Notes</i>	<b>Number of ordinary shares</b>	<b>Nominal value of ordinary shares HK\$'000</b>
Authorised:			
At 1 July 2019, at 30 June 2020, at 1 July 2020 and at 30 June 2021		5,000,000,000	5,000
Issued and fully paid:			
At 1 July 2019		757,818,000	758
Shares issued in lieu of cash dividend	<i>(a)</i>	<u>7,941,953</u>	<u>8</u>
At 30 June 2020 and at 1 July 2020		765,759,953	766
Shares issued in lieu of cash dividend	<i>(b)</i>	<u>9,590,136</u>	<u>9</u>
At 30 June 2021		<u>775,350,089</u>	<u>775</u>

(a) On 20 November 2019, the Company's shareholders approved at the annual general meeting a final dividend of HK2.55 cents per ordinary share payable in cash with a scrip dividend alternative ("the Scrip Dividend Scheme 2019") for the year ended 30 June 2019 (the "2019 Final Dividend"). During the year ended 30 June 2020, 7,941,953 new shares were issued by the Company at a deemed price of HK\$1.32 per ordinary share, credited as fully paid, to shareholders of the Company who had elected to receive scrip shares in lieu of cash to settle the 2019 Final Dividend of HK\$10,483,000. The remaining balance of the 2019 Final Dividend of HK\$8,841,000 was satisfied by cash. Further details of the Scrip Dividend Scheme 2019 are set out in the Company's circular dated 20 December 2019.

(b) On 20 November 2020, the Company's shareholders approved at the annual general meeting a final dividend of HK\$2.65 cents per ordinary share payable in cash with a scrip dividend alternative (the "Scrip Dividend Scheme 2020") for the year ended 30 June 2020 (the "2020 Final Dividend"). During the year ended 30 June 2021, 9,590,136 new shares were issued by the Company at a deemed price of \$1.19 per ordinary share, credited as fully paid, to shareholders of the Company who had elected to receive scrip shares in lieu of cash to settle the 2020 Final Dividend of HK\$11,412,639. The remaining balance of the 2020 Final Dividend of HK\$8,880,000 was satisfied by cash. Further details of the Scrip Dividend Scheme 2020 are set out in the Company's circular dated 14 December 2020.

## 17. BUSINESS COMBINATIONS

In order to develop the Group's corporate healthcare solution and clinical healthcare businesses and to continually provide comprehensive and integrated healthcare services for the benefit of the patients, the Group entered into the following transactions during the years ended 30 June 2020 and 2021:

- (a) On 1 November 2019, the Group acquired 100% equity interest in Axon Scanning Centre Limited ("Axon") from several independent third parties for a consideration of HK\$12.5 million. Axon is engaged in the provision of magnetic resonance imaging, scanning and laboratory services in Hong Kong.
- (b) On 25 March 2021, the Group entered into a sale and purchase agreement to acquire the remaining 75% equity interest in Flash Mover Limited ("Flash Mover") at a total consideration of HK\$15,120,000. The principal activity of Flash Mover is the provision of MRI services.

During the year, the Group has recognised identifiable net assets of HK\$657,000 and goodwill of HK\$18,768,000 in connection with the acquisition of Flash Mover in accordance with HKFRS 3 (Revised) *Business Combinations*.

## MANAGEMENT DISCUSSION AND ANALYSIS

### OUR BUSINESS

UMP's business scope consists of the following business lines:

#### 1. Hong Kong & Macau Corporate Healthcare Solution Services

UMP provides corporate healthcare solutions through the design and administration of tailored healthcare benefits plans for its Contract Customers. The extension of Third Party Administration service to our insurance company clients since last year enriched UMP's corporate healthcare solutions scope. UMP aims to provide convenient, reliable, coordinated, comprehensive and affordable healthcare services through the well-established and multi-specialties UMP Network. As at 30 June 2021, the UMP Network comprises more than 1,100 points of services located across Hong Kong and Macau.

The Group's Contract Customers comprise (i) insurance companies, which enter into contracts with the Group for healthcare services for their policyholders or employees of their policyholders and (ii) corporations, which enter into contracts with the Group for healthcare services for their employees and/or their dependants. When designing healthcare benefits plans, the Group collaborates closely with the Contract Customers and designs and refines corporate healthcare benefits plans, with each plan tailored to each customer's needs based on factors such as industry or occupational health-related concerns, scope of healthcare benefits desired, employee demographic as well as their budget.

#### 2. Hong Kong & Macau Clinical Healthcare Services

UMP provides Medical, Dental, medical imaging and laboratory services, and Auxiliary Services to Self-paid Patients. For medical services, UMP provides (i) general practice services, which serves as the first point of contact for the patients and (ii) specialist services covering more than 18 different specialties. For Dental Services, UMP provides both primary dental care and secondary dental care such as dental implants. For Auxiliary Services, UMP provides services such as physiotherapy and vision care.

### **3. Mainland China Healthcare Business**

Our Mainland China Healthcare Business currently consists of (i) health check-up business, (ii) corporate healthcare solutions business (online merged to offline), (iii) within the clinics we own and operate, revenue from selected outpatient services such as family medicine and paediatric services and (iv) provision of professional training to doctors and nurses under our GOLD™ training programme. Our current focus is on the development of our online merged to offline corporate healthcare solution business in the Greater Bay Area where we have made significant operating milestones in the past year in building our core infrastructure, which is starting to reach a critical mass. Number of GOLD doctors now exceeds 1,250 while the number of contracted PPP clinics has exceeded 150. However, as the past year has been one of development, the revenue and operating result for this business segment is primarily contributed by our health check-up business. Our health check-up business in Mainland China has been severely impacted over the past period by the travel restriction measures arising from covid. As measures have somewhat eased, we saw a recovery in the second half of the year and this has continued.

## **BUSINESS LINES ANALYSIS**

### **Hong Kong & Macau Corporate Healthcare Solution Services**

Revenue for this business line has marginally decreased by 4.3% from HK\$242.7 million to HK\$232.4 million (before inter-segment elimination) and our operating profit (operating profit before tax and before non-recurring items) has decreased by 26.1% from HK\$52.0 million to HK\$38.4 million. Covid-19 has severely impacted corporate clients particularly those relying on travel hospitality and retail, hence putting pressure on covered members and margins.

### **Hong Kong & Macau Clinical Healthcare Services**

Revenue for this business line has increased by 21.9% from HK\$368.7 million to HK\$449.3 million (before inter-segment elimination) and our operating profit (operating profit before tax and before non-recurring items) has increased by 130.4% from HK\$36.3 million to HK\$83.7 million. This is mainly attributable to strong growth in our imaging and specialist lines of business and health assessments performed which enjoy relatively higher margin, and which is a point of focus and growth for the Group. During FY2022, our specialist line of business will expand with a new flagship medical centre in Central, Hong Kong with a total gross floor area of approximately 11,000 sq. ft. while our imaging business acquisition in FY2021 will contribute a full year of financial performance.

### **Mainland China Healthcare Business**

Revenue for this business line has increased by 12.8% from HK\$38.4 million to HK\$43.3 million (before inter-segment elimination) primarily due to the increase in the number of patient visits and health check-ups, while our operating loss (operating loss before tax and before non-recurring items) has increased 45.1% from HK\$33.5 million to HK\$48.6 million. We continue to invest in people and technology for the rapid development of our GOLD™ medical professional training business in Mainland China and mainly the GBA. Mainland China presents significant growth opportunities and is a point of focus for us as we continue to innovate and develop new business lines including our online merged to offline corporate healthcare solutions.

The following table sets out the revenue and operating profit for our business lines for FY2021 and FY2020 for comparison:

*Revenue by business lines*

	<b>Year ended 30 June</b>		Increase/ (decrease)
	<b>2021</b>	2020	
	<i>HK\$'000</i>	<i>HK\$'000</i>	
Hong Kong & Macau Corporate Healthcare Solution Services	<b>232,387</b>	242,740	(4.3)%
Hong Kong & Macau Clinical Healthcare Services	<b>449,326</b>	368,710	21.9%
Mainland China Healthcare Business	<b>43,293</b>	38,381	12.8%
<b>Total before elimination of inter-business lines sales</b>	<b>725,006</b>	649,831	11.6%
<i>Reconciliation:</i>			
Elimination of inter-business lines sales	<b>(102,241)</b>	(92,347)	
<b>TOTAL</b>	<b>622,765</b>	557,484	11.7%

*Operating profit by business lines*

	<b>Year ended 30 June</b>		Increase/ (decrease)
	<b>2021</b>	2020	
	<i>HK\$'000</i>	<i>HK\$'000</i>	
Hong Kong & Macau Corporate Healthcare Solution Services	<b>38,441</b>	52,005	(26.1)%
<i>Operating profit margin</i>	<b>16.5%</b>	21.4%	
Hong Kong & Macau Clinical Healthcare Services	<b>83,727</b>	36,337	130.4%
<i>Operating profit margin</i>	<b>18.6%</b>	9.9%	
Mainland China Healthcare Business	<b>(48,602)</b>	(33,487)	45.1%
<i>Operating profit margin</i>	<b>(112.3%)</b>	(87.2%)	
Total operating profit by business lines	<b>73,566</b>	54,855	
<i>Reconciliation:</i>			
Other income and gains	<b>10,335</b>	25,634	
Share of profits/(losses) of:			
A joint venture	<b>(1,255)</b>	(167)	
Associates	<b>1,333</b>	1,677	
Corporate and other unallocated expenses	<b>(32,659)</b>	(8,593)	
Profit before tax	<b>51,320</b>	73,406	

(1) Business lines revenue presented above are before intersegment sales elimination.

(2) Operating profit by business lines represent operating profit before tax for each business line and excluding non-recurring items.

## FINANCIAL REVIEW

*FY2021 compared to FY2020*

### Revenue

During FY2021, we primarily generated revenue from (i) the provision of corporate healthcare solutions to Contract Customers in Hong Kong and Macau, (ii) the provision of clinical healthcare services to Self-paid Patients in Hong Kong and Macau and (iii) the provision of healthcare services in Mainland China.

Total consolidated revenue increased by 11.7% from HK\$557.5 million in FY2020 to HK\$622.8 million in FY2021, primarily due to strong growth in our imaging and specialist lines of business and health assessments performed, which enjoy relatively higher margin.

#### *Provision of corporate healthcare solution services to Contract Customers in Hong Kong and Macau*

Revenue from the provision of corporate healthcare solution services to Contract Customers in Hong Kong and Macau decreased by 4.3% from HK\$241.4 million in FY2020 to HK\$231.1 million in FY2021.

Our corporate healthcare solutions services revenue model falls under two main categories, those subject to capitation plans, and those charged on a fee-for-service basis. Total registered members under capitation schemes decreased by approximately 4.5% during FY2021 reflecting a cut-back in insured members and employees, an underlying impact of covid as certain sectors such as travel, hospitality and retail being hit hard.

With this backdrop, patient visit count was also down 23.4% while average spend per visit had conversely increased.

#### *Provision of clinical healthcare services in Hong Kong and Macau*

Revenue from the provision of clinical healthcare services in Hong Kong and Macau increased by 25.5% from HK\$277.7 million in FY2020 to HK\$348.3 million in FY2021.

This revenue growth in our clinical healthcare services was mainly attributable to strong growth in our imaging and specialist lines of business and health assessments performed which enjoy relatively higher margin.

### *Mainland China Healthcare Business*

Revenue contribution from the Mainland China Healthcare Business increased by 12.8% from HK\$38.4 million in FY2020 to HK\$43.3 million in FY2021, primarily due to an increase in the patient visit. Our current focus is on the development of our online merged to offline corporate healthcare solution business in the Greater Bay Area where we have made significant operating milestones in the past year in building our core infrastructure, which is starting to reach a critical mass. Number of Gold doctor now exceeds 1,250 while the number of contracted PPP clinics has exceeded 150. However, as the past year has been one of development, the revenue and operating result for this business segment is primarily contributed by our health check-up business.

Our health check-up business in Mainland China has been severely impacted over the past period by the travel restriction measures arising from covid. As measures have somewhat eased, we saw a recovery in the second half of the year and this has continued.

### **Professional Services Expenses**

Professional services expenses primarily comprise fees paid to Doctors, Dentists and Auxiliary Services Providers for Medical Services, Dental Services, medical imaging and laboratory services and Auxiliary Services rendered within the UMP Network, as well as fees paid to third party laboratories and medical imaging centres for services rendered to the Group.

Professional services expenses increased by 2.2% from HK\$216.7 million for FY2020 to HK\$221.3 million for FY2021, in line with the nature of the services provided and turnover growth during the year.

### **Employee Benefit Expense**

Employee benefit expense primarily comprise salaries and related costs, equity-settled share-based payment expense, as well as pension scheme contributions for nurses and administrative personnel, and also include those of the Directors and key management personnel.

Employee benefit expense increased by 5.2% from HK\$140.9 million for FY2020 to HK\$148.3 million for FY2021. The increase in employee benefit expense reflects the Group's talent strategy as we continue to increase the talent pool in preparation for the next phase of our development strategy. While the employee benefit expense is not a direct variable cost, its increase is in line with business growth.

### **Property Rental and Related Expenses**

Property rental and related expenses decreased by 12.5% from HK\$12.3 million for FY2020 to HK\$10.8 million for FY2021, primarily due to certain rent concessions granted by landlords as a direct result of the economic conditions caused by the pandemic.

## Other Expenses, Net

Other expenses, net primarily comprise provision for and reversals of impairment of goodwill, prepayments, other receivables and other assets, warrant expenses and general overhead expenses such as utilities, operating and other administrative expenses such as professional fees, repair and maintenance expenses incurred with respect to the Group's offices and medical equipment, printing expenses and bank charges.

Other expenses, net, increased by 205.2% from approximately HK\$28.4 million for FY2020 to HK\$86.6 million for FY2021, primarily due to the following expenses in the current year (i) impairment of goodwill of HK\$20.0 million, (ii) impairment of prepayments, other receivables and other assets of HK\$4.1 million, (iii) non-recurring project cost of HK\$6.3 million, and other expenditure due to business expansion, while there was a reversal of equity-settled share-based payment expense of HK\$15.2 million in FY2020.

## Summary of operational data for FY2021 with comparative figures for FY2020:

### Revenue by operating segment

	Year ended 30 June		Increase/ (decrease)
	2021	2020	
	HK\$'000	HK\$'000	
<b>Provision of corporate healthcare solution services</b>	<b>237,507</b>	245,556	(3.3)%
Medical	<b>215,821</b>	221,079	(2.4)%
Dental	<b>21,686</b>	24,477	(11.4)%
<b>Provision of clinical healthcare services</b>	<b>385,258</b>	311,928	23.5%
Medical	<b>329,831</b>	260,310	26.7%
Dental	<b>55,427</b>	51,618	7.4%
<b>TOTAL</b>	<b>622,765</b>	557,484	11.7%

### Number of visits by operating segment

	Year ended 30 June		Increase/ (decrease)
	2021	2020	
<b>Provision of corporate healthcare solution services</b>	<b>848,024</b>	1,106,304	(23.4)%
Medical	<b>820,648</b>	1,082,228	(24.2)%
Dental	<b>27,376</b>	24,076	13.7%
<b>Provision of clinical healthcare services</b>	<b>276,641</b>	242,769	14.0%
Medical	<b>247,201</b>	211,786	16.7%
Dental	<b>29,440</b>	30,983	(5.0)%
<b>TOTAL</b>	<b>1,124,665</b>	1,349,073	(16.6)%

## **KEY FINANCIAL POSITION ITEMS**

### **Right-of-use assets**

Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The recognised right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term.

As at 30 June 2021, the Group's right-of-use assets amounted to HK\$73.7 million (30 June 2020: HK\$82.2 million).

### **Goodwill**

Goodwill primarily represents the excess of the aggregate of the consideration over the fair value of the identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

As at 30 June 2021 the Group's goodwill amounted to HK\$164.8 million (30 June 2020: HK\$171.3 million). The net decrease in goodwill is primarily due to (i) impairment of goodwill of HK\$20.0 million during the year (ii) additional goodwill of HK\$18.8 million in relation to the acquisition of 75% interest in Flash Mover Limited ("Flash Mover") during the year; and (iii) reclassification of HK\$5.2 million to assets of disposal groups classified as held for sale.

### **Investments at fair value through other comprehensive income, financial assets at fair value through profit or loss and financial assets at amortised cost**

Investments at fair value through other comprehensive income, financial assets at fair value through profit or loss and financial assets at amortised cost primarily represent unlisted equity investments at fair value, listed equity and debt investments at fair value and investment funds. Certain equity investments are designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

As at 30 June 2021, the Group's investments at fair value through other comprehensive income, financial assets at fair value through profit or loss and financial assets at amortised cost amounted to HK\$23.6 million, HK\$27.1 million and HK\$33.1 million (30 June 2020: HK\$23.2 million, HK\$1.7 million and HK\$55.9 million), respectively. The increase is primarily due to changes in fair value and acquisition of investment funds.

## **LIQUIDITY AND FINANCIAL RESOURCES**

The Group has historically funded its operations primarily by cash generated from operating activities. Upon the listing of the shares of the Company on the Stock Exchange, the Group intended to satisfy its liquidity requirements using a combination of cash generated from operating activities, net proceeds from the Global Offering and the net considerations received from the series of transactions. As of 30 June 2021, the Group had cash and cash equivalents of HK\$294.0 million.

As of the date of this announcement, the Group did not have any bank borrowings or outstanding bank loans and did not enter into any bank loan facilities.

## **GEARING RATIO**

As at 30 June 2021, the Group had no net debt. The Group's gearing ratio was not applicable as at 30 June 2021.

## **CAPITAL STRUCTURE**

### **Issue of unlisted warrants**

The Company entered into a subscription agreement with Zheng He and LAW Siu Wah, Eddie, the ultimate beneficial owner and ultimate controller of Zheng He on 24 October 2018.

Details regarding the issue of unlisted warrants were already set out in the Company's announcements dated 27 July 2018, 30 August 2018, and 6 December 2018, and in the Company's circular dated 29 October 2018. On 6 December 2018, the Company issued an aggregate of 110,411,000 Warrants to three (3) Zheng He Parties as nominated by Zheng He, entitling them to subscribe for up to an aggregate of 110,411,000 Warrant Shares at HK\$2.06 per Warrant Share in accordance with the terms and conditions of the Warrant Instrument. During FY2019, 36,803,667 Warrants were vested and the remaining 73,607,333 unvested and unexercised Warrants lapsed on 14 November 2019.

During FY2019, the subscription price of 36,803,667 Warrants were adjusted due to the distribution of the interim dividend of HK0.65 cent per Share for the six months ended 31 December 2018 resulted in the adjustment of the initial subscription price ("Initial Subscription Price") of the issued unlisted warrants of the Company from HK\$2.06 to HK\$2.0521 (the "First Adjusted ISP") in accordance with the Warrant Instrument.

In January 2020, the distribution of the final dividend of HK2.55 cents per Share for year ended 30 June 2019 by the Company resulted in the adjustment of the Initial Subscription Price from the First Adjusted ISP of HK\$2.0521 to HK\$2.0136 ("Second Adjusted ISP") in accordance with the Warrant Instrument.

In April 2020, the subscription price of 36,803,667 Warrants were further adjusted due to the distribution of the interim dividend of HK0.65 cent per Share for the six months ended 31 December 2019 resulted in the adjustment of the Initial Subscription Price from the Second Adjusted ISP of HK\$2.0136 to HK\$2.0042 (the “Third Adjusted ISP”) in accordance with the Warrant Instrument.

In January 2021, the distribution of the final dividend of HK2.65 cents per Share for year ended 30 June 2020 by the Company resulted in the adjustment of the Initial Subscription Price from the Third Adjusted ISP of HK\$2.0042 to HK\$1.9609 (the “Fourth Adjusted ISP”) in accordance with the Warrant Instrument.

In April 2021, the distribution of the interim dividend of HK1 cent per Share for year ended 30 June 2021 by the Company resulted in the adjustment of the Initial Subscription Price from the Fourth Adjusted ISP of HK\$1.9609 to HK\$1.9382 in accordance with the Warrant Instrument.

There has been no change in the capital structure of the Company during the year ended 30 June 2021. The capital of the Company comprises ordinary shares and other reserves.

#### **MATERIAL ACQUISITIONS OR DISPOSAL OF SUBSIDIARIES**

On 31 March 2021, the Group acquired 75% equity interest in Flash Mover from several independent third parties in a consideration of HK\$15.1 million. Flash Mover is engaged in the provision of magnetic resonance imaging, scanning and laboratory services in Hong Kong. Upon the completion of the acquisition, Flash Mover became an indirect wholly-owned subsidiary of the Company.

Save as aforesaid, there was no material acquisitions or disposal of subsidiaries undertaken by the Group during FY2021.

#### **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

Save as disclosed in this announcement, the Group did not have any specific future plan for material investments or capital assets as of 30 June 2021.

#### **CAPITAL EXPENDITURE**

The capital expenditure during the year was primarily related to deposits paid for and expenditures on additions of property, plant and equipment for the Group’s Medical, Dental and Auxiliary Services centres. For FY2021, the Group incurred capital expenditure in an aggregate amount of approximately HK\$32.3 million (FY2020: HK\$26.8 million).

#### **INDEBTEDNESS**

##### **Contingent Liabilities**

As at 30 June 2021, the Group did not have any material contingent liabilities.

## **Capital Commitment**

As at 30 June 2021, the Group has material capital commitments of approximately HK\$2.4 million in relation to the acquisition of property, plant and equipment.

## **RISK MANAGEMENT**

### **Foreign Currency Risk**

During the reporting period, the Group undertook certain transactions in foreign currencies, which exposed the Group to foreign currency risk, primarily relating to the Renminbi against Hong Kong dollars.

The Group did not use any derivative contracts to hedge against its exposure to currency risk. The management manages the currency risk by closely monitoring the movement of the foreign currency rates and will consider hedging against significant foreign exchange exposure when the need arises.

### **Credit Risk**

The credit risk of the Group's financial assets arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and concentrations of credit risk are managed by customer/counterparty.

## **PLEDGE OF ASSETS**

As at 30 June 2021, the Group has pledged certain deposits with an aggregate carrying amount of HK\$1.9 million (30 June 2020: HK\$1.4 million) in connection with a surety bond issued by a bank in favour of respective independent third parties for potential damages of Dental equipment and potential disruption of Medical Services, and a bank guarantee issued by a bank in favour of a landlord for leasing of a medical centre of the Group.

## **EMPLOYEE AND REMUNERATION POLICY**

As at 30 June 2021, the Group had a total of 519 full-time employees (FY2020: 452 full-time employees). For FY2021, the staff cost (including Directors' remuneration in the form of salaries and other benefits) was approximately HK\$148.3 million (FY2020: HK\$140.9 million).

The Group ensures that the pay levels of its employees are competitive and employees are rewarded on a performance related basis, together with reference to the profitability of the Group, prevailing remuneration benchmarks in the industry, and market conditions within the general framework of the Group's remuneration system.

The Company adopted the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme, where eligible participants are entitled to subscribe for the ordinary shares in the Company for their past and potential contribution to the growth of the Group. As at 30 June 2021, 27,008,000 options under the Pre-IPO Share Option Scheme remained outstanding and none of share options under the Pre-IPO Share Option Scheme have been exercised during FY2021. As at 30 June 2021, 36,286,000 options remained outstanding under the Post-IPO Share Option Scheme and none of share options under the Post-IPO Share Option Scheme have been exercised during FY2021.

In addition, the Company has also adopted the Share Award Scheme on 30 June 2016 to provide an incentive and reward to selected participants for their contribution or potential contribution to the Group. During FY2021, 600,000 awarded shares have been granted under the Share Award Scheme (2020: 1,390,000 awarded shares) and 600,000 awarded shares have been vested (2020: 2,555,000 awarded shares).

The remuneration of the Directors are reviewed by the Remuneration Committee and approved by the Board, according to the relevant Director's experience, responsibility, workload and the time devoted to the Group, the Company's operating results and comparable market statistics.

## **FINAL DIVIDEND**

The directors proposed the payment of a final dividend of HK2.80 cents per Share for FY2021 (FY2020: HK2.65 cents) and proposes that Shareholders be given the option to receive the proposed 2021 final dividend of HK2.80 cents per Share in new Shares in lieu of cash (the "Scrip Dividend Option"). The Scrip Dividend Option is subject to the approval of Shareholders at the forthcoming AGM and the Stock Exchange granting the listing of and permission to deal in the new Shares to be issued pursuant thereto. The proposed 2021 final dividend is expected to be distributed on Wednesday, 26 January 2022 to the Shareholders whose names appear on the Register of Members of the Company on Friday, 10 December 2021. A circular containing details of the Scrip Dividend Option will be despatched together with a form of election for scrip dividend in December 2021.

## **ANNUAL GENERAL MEETING**

The 2021 AGM will be held on Friday, 26 November 2021 at 2:30 p.m.. A notice convening the 2021 AGM will be published and dispatched to the Shareholders in accordance with the requirements of the Listing Rules in due course.

## **CLOSURE OF REGISTER OF MEMBERS FOR THE 2021 AGM**

For determining the entitlement to attend and vote at the 2021 AGM, the register of members of the Company will be closed from Tuesday, 23 November 2021 to Friday, 26 November 2021, both days inclusive, during which period no transfer of shares will be registered. In order to qualify as members entitled to attend and vote at the meeting, investors should lodge all transfers of shares accompanied by the relevant share certificates and transfer forms with the Company's branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Monday, 22 November 2021.

## **CLOSURE OF REGISTER OF MEMBERS FOR FINAL DIVIDEND**

For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Thursday, 9 December 2021 to Friday, 10 December 2021 (both dates inclusive), during which period no transfer of shares will be registered. In order to qualify for the entitlement to the proposed final dividend, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 8 December 2021.

## **CORPORATE GOVERNANCE PRACTICES**

The Company is committed to maintaining high standards of corporate governance and transparency. The Company confirms that it has complied with the code provisions of the Corporate Governance Code during FY2021, save for the deviation from code provision A.2.1 as mentioned below.

According to code provision A.2.1 of the Corporate Governance Code, the roles of the chairman and chief executive should be separate and should not be performed by the same individual. Dr. SUN Yiu Kwong, the Chairman, is also the Chief Executive Officer. The Board believes that vesting the roles of both chairman and chief executive officer in an experienced and qualified person such as Dr. SUN Yiu Kwong provides the Company with strong and consistent leadership while allowing effective and efficient planning and implementation of business decisions and strategies. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Group. The Board will review the corporate governance structure and practices from time to time and shall make necessary arrangement when the Board considers appropriate.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code as its own code for dealings in the securities by Directors.

Having made specific enquiry with all Directors, the Company confirmed that the Directors have complied with the Model Code during FY2021.

Relevant employees who are likely to be in possession of inside information of the Group are also subject to compliance with the Code of Conduct for Securities Transactions by Employees on terms that are no less exacting than those set out in the Model Code. To the best knowledge of the Company, there was no incident of non-compliance of the Code of Conduct for Securities Transactions by Employees during FY2021.

## **SCOPE OF WORK OF THE COMPANY'S AUDITOR IN RESPECT OF THIS PRELIMINARY ANNOUNCEMENT**

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for FY2021 as set out in the preliminary announcement have been agreed by the Company's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor.

## **AUDIT COMMITTEE**

Audit Committee comprises three independent non-executive Directors, namely Mr. LEE Luen Wai, John *BBS JP* (chairman), Dr. LI Kwok Tung, Donald *SBS JP* and Mr. YEUNG Wing Sun, Mike, all of whom possess extensive experience in financial and general management. The Audit Committee has also adopted written terms of reference which clearly set out its duties and obligations for ensuring compliance with the relevant regulatory requirements.

The Audit Committee has reviewed the consolidated financial statements of the Group for FY2021, and has reviewed with the management of the Group regarding the accounting principles and practices adopted by the Group, and discussed with them the internal controls and financial reporting matters.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

During the reporting period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

## **SUFFICIENCY OF THE PUBLIC FLOAT**

Based on the information publicly available to the Company and provided by the Snow Lake Group to the Company as of the date of this announcement, and to the best knowledge, information and belief of the Directors, the Directors confirm that the Company had maintained a sufficient public float as required under the Listing Rules during FY2021.

## **EVENTS AFTER REPORTING PERIOD**

There were no material subsequent events undertaken by the Company or by the Group after 30 June 2021 and up to the date of this announcement.

## **OUTLOOK AND FUTURE DEVELOPMENT**

A review of the business of the Group during the year and discussion on the Group’s future business development are set out on pages 3 to 9 of this announcement.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT ON THE WEBSITES OF THE COMPANY AND THE STOCK EXCHANGE**

This announcement is required to be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.ump.com.hk](http://www.ump.com.hk)), respectively. The annual report of the Company for FY2021 containing all the information required under the Listing Rules will be dispatched to the shareholders of the Company and published on the websites of the Stock Exchange and the Company in due course.

## **DEFINITIONS**

“2021 AGM”	the annual general meeting of the Company to be held on Friday, 26 November 2021;
“Affiliated Clinic(s)”	clinic(s) which is not operated by the Group but which has entered or will enter into an agreement directly with the Group to offer Medical Services, Dental Services and/or Auxiliary Services to the Plan Members;
“Affiliated Doctor”, “Affiliated Dentist”, “Affiliated Auxiliary Services Providers”	doctor(s)/dentist(s)/Auxiliary Services Provider(s) who has entered or will enter into an agreement directly with the Group to provide services to Plan Members and who, in accordance with the terms of such agreement, has received or will receive an amount from the Group based on the volume of Plan Members treated;

“Audit Committee”	the audit committee of the Board;
“Auxiliary Services”	includes physiotherapy, traditional Chinese medicine, vision care and optometry and child health assessment;
“Auxiliary Services Provider”	auxiliary services provider(s) who is/are or will be engaged directly by the Group as a consultant to provide Auxiliary Services in the UMP Medical Centres in accordance with the terms of a consultancy agreement with the Group, and the Affiliated Auxiliary Services Providers;
“B2B2C”	means an e-commerce model that combines business to business (B2B) and business to consumer (B2C) for a complete product or service transaction. B2B2C is a collaboration process that, in theory, creates mutually beneficial service and product delivery channels;
“BBS”	Bronze Bauhinia Star;
“Board”	the board of Directors;
“Chairman”	the chairman of the Board;
“Chief Executive Officer”	the chief executive officer of the Company;
“COVID-19”	means coronavirus disease 2019, a disease caused by a novel virus designated as severe acute respiratory syndrome coronavirus 2;
“Code of Conduct for Securities Transactions by Employees”	the Code of Conduct for Securities Transactions by Employees adopted by the Company;
“Company”	UMP Healthcare Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock code: 722);

“Contract Customers”	collectively, insurance companies and corporations which have entered or will enter into corporate plans with the Group for healthcare benefits for Plan Members;
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules;
“Dental” or “Dental Services”	include primary dental services such as scaling and polishing and secondary dental services such as crown and bridge, orthodontics, implants and whitening;
“Dentists”	dentists who is/are or will be engaged directly by the Group as a consultant to provide Dental Services in the UMP Medical Centres in accordance with the terms of a consultancy agreement with the Group, and the Affiliated Dentists;
“Directors”	directors of the Company;
“Doctors”	doctors who is/are or will be engaged directly by the Group as a consultant to provide Medical Services in the UMP Medical Centres in accordance with the terms of a consultancy agreement with the Group and the Affiliated Doctors;
“FY2020”	the financial year ended 30 June 2020;
“FY2021”	the financial year ended 30 June 2021;
“General Practitioners”	Doctors trained in general practice and best suited to act as first point of contact for patients, having the required knowledge to refer patients to the appropriate specialists or services required;
“Global Offering” or “IPO”	the offer of the shares of the Company to the public in Hong Kong and outside the United States of America in offshore transactions in reliance on Regulation S, the details of which are set out in the section headed “Structure of the Global Offering” of the prospectus of the Company dated 17 November 2015;

“Group”, “we”, “our”, “us”, “UMP” or “UMP Healthcare Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Hong Kong & Macau Clinical Healthcare Services”	provision of clinical healthcare services to Self-paid Patients in Hong Kong and Macau;
“Hong Kong & Macau Corporate Healthcare Solution Services”	provision of corporate healthcare solutions services in Hong Kong and Macau;
“JP”	Justice of the Peace;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Macau”	the Macau Special Administrative Region of the People’s Republic of China;
“Mainland China”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, Macau and Taiwan);
“Medical” or “Medical Services”	include general practice and specialist practice;
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules;
“O2O”	means a business model that draws potential customers from online channels to make purchases in physical stores;
“Plan Members”	members of the Group’s corporate healthcare benefits plans, who typically include group medical insurance policyholders and employees of corporations and/or their dependants;

“Post-IPO Share Option Scheme”	the post-IPO share option scheme approved and adopted by the Company on 2 November 2015;
“Pre-IPO Share Option Scheme”	the pre-IPO share option scheme approved and adopted by the Board on 18 August 2015;
“Remuneration Committee”	the remuneration committee of the Board;
“RMB”	Renminbi, the lawful currency of the People’s Republic of China;
“SBS”	Silver Bauhinia Star;
“Self-paid Patients”	patients who visit a UMP Medical Centre operated by the Group and pays for services using cash or credit card;
“Share Award Scheme”	the share award scheme approved and adopted by the Board on 30 June 2016;
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.001 each in the share capital of the Company;
“Shareholder(s)”	the holder(s) of Share(s);
“Snow Lake Group”	based on the publicly available information so far, Snow Lake China Master Long Fund, Ltd., Snow Lake China Master Fund, Ltd., Snow Lake China Offshore Fund, Ltd. (which holds 80.93% of Snow Lake China Master Fund, Ltd.), Snow Lake Capital (HK) Limited (as investment manager of Snow Lake China Master Long Fund, Ltd. and Snow Lake China Master Fund, Ltd.);
“specialist practice” or “specialist services”	the range of specialist practice offered by UMP, including Cardiology, Dermatology, Endocrinology, Diabetes and Metabolism, Family Medicine, Gastroenterology and Hepatology, General Surgery, Internal Medicine, Nephrology, Neurology, Neurosurgery, Obstetrics and Gynaecology, Ophthalmology, Orthopaedics and Traumatology, Otorhinolaryngology (ENT), Paediatrics, Paediatrics Surgery, Radiology, Respiratory Medicine, Rheumatology and Urology, an updated list of which is available on <a href="http://www.ump.com.hk">www.ump.com.hk</a> ;

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“UMP Medical Centre(s)”	medical centre(s) offering Medical Services, Dental Services and/or Auxiliary Services which is operated by the Group;
“UMP Network”	consist of (i) UMP Medical Centres which are operated by the Group and (ii) Affiliated Clinics which are clinics not operated by the Group but which has entered into an agreement with the Group to offer Medical Services, Dental Services and/or Auxiliary services to Plan Members; and
“Zheng He”	Zheng He Health and Medical Resources Limited, a private company limited by Shares incorporated in the British Virgin Islands.

In this announcement, the terms “associate”, “connected person”, “connected transaction”, “subsidiary” and “substantial shareholder” shall have the same meanings given to such terms in the Listing Rules, unless the context otherwise requires.

By the order of the Board  
**UMP Healthcare Holdings Limited**  
**SUN Yiu Kwong**  
*Chairman and Chief Executive Officer*

Hong Kong, 23 September 2021

*As at the date of this announcement, the Board comprises Dr. SUN Yiu Kwong as Chairman, Chief Executive Officer and executive director, Ms. KWOK Cheuk Kwan, Jacquen, as managing director and executive director, Mr. TSANG On Yip, Patrick, Dr. SUN Man Kin, Michael, Mr. LEE Kar Chung, Felix and Dr. LEE Pak Cheung, Patrick as executive directors, and Mr. LEE Luen Wai, John BBS JP, Dr. LI Kwok Tung, Donald SBS JP and Mr. YEUNG Wing Sun, Mike as independent non-executive directors.*