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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)

POSITIVE PROFIT ALERT

This announcement is made by UMP Healthcare Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on the information currently available to the Board and the preliminary review of the unaudited management accounts of the Group, the Board expects that, for the six months ended 31 December 2019 (“**1HFY2020**”), the Group will report a net profit of approximately HK\$49 million as compared to a reported net loss of approximately HK\$15 million for the six months ended 31 December 2018 (“**1HFY2019**”).

Such comparatively significant increase in the net profit for 1HFY2020 as compared to the reported net loss in 1HFY2019 was primarily due to (i) a non-cash equity-settled share-based payment expense of HK\$46 million incurred in 1HFY2019 in connection with the issuance of 110,411,000 Warrants of the Company to Zheng He in accordance with terms and conditions of the Warrant Instrument, which did not recur in 1HFY2020; and (ii) during 1HFY2020, a reversal of the non-cash equity-settled share-based payment expense of approximately HK\$15 million was recorded since the associated terms and conditions for the Second and Third Vesting Milestones had not been met before its expiration on 14 November 2019. Please refer to the announcements of the Company dated 27 July 2018, 30 August 2018 and 6 December 2018 and the circular of the Company dated 29 October 2018 (the “**Circular**”) for further details. Terms defined in the Circular shall have the same meanings when used in this announcement.

Based on the preliminary review of the unaudited management accounts of the Group, the Company expects to report (i) 1HFY2020 revenue of approximately HK\$307 million (1HFY2019: HK\$262 million) and (ii) 1HFY2020 adjusted EBITDA¹ of approximately HK\$50 million (1HFY2019 adjusted EBITDA: HK\$39 million), representing a period to period increase of approximately 17% and 28%, respectively. The Company will provide additional breakdown of financial and operational information in its interim results announcement for 1HFY2020.

The Company has yet to finalise its interim results for 1HFY2020. The information contained in this announcement is only based on the preliminary review of the Company's management accounts with reference to the information currently available to the Board and is not based on any figures or information that has been audited or reviewed by the auditors or the audit committee of the Company. Shareholders and investors are advised to read carefully the interim results announcement of the Company for 1HFY2020, which is expected to be published before the end of February 2020.

Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 11 February 2020

As at the date of this announcement, the board of directors of the Company 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.

¹ Adjusted EBITDA represents earnings before interest, tax, depreciation and amortization and further adjusted selected non-cash and non-operating related items. Adjusted EBITDA is aimed at providing to shareholders a proxy of the operating cash flow generated by the Group. The Adjusted EBITDA is 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.