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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)

## INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

The board of directors (“Board”) of UMP Healthcare Holdings Limited (the “Company” or “UMP”) is pleased to announce the interim results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 31 December 2020 together with the comparative figures for the corresponding period in 2019.

### INTERIM RESULTS HIGHLIGHTS

	Six months ended		Increase/ (decrease)
	31 December 2020	2019	
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	
<b>Revenue</b>	<b>302,143</b>	306,813	(1.5%)
Profit before tax	42,567	58,304	(27.0%)
Depreciation and amortisation	40,432	35,392	14.2%
EBITDA <sup>(1)</sup>	83,358	92,610	(10.0%)
<b>Net profit</b>	<b>32,574</b>	49,166	(33.7%)
<i>Revenue by business lines</i>			
Hong Kong & Macau Corporate Healthcare Solution Services	122,275	129,914	(5.9%)
Hong Kong & Macau Clinical Healthcare Services	213,054	201,633	5.7%
PRC Healthcare Business	20,406	27,697	(26.3%)
Total before elimination of Inter-business lines sales	355,735	359,244	(1.0%)
<i>Reconciliation:</i>			
Elimination of inter-business lines sales	(53,592)	(52,431)	
	<b>302,143</b>	306,813	(1.5%)

(1) EBITDA represents earnings before interest (including interest expenses on lease liabilities), tax, depreciation (including depreciation on right-of-use assets) and amortisation.

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*Six months ended 31 December 2020*

	<i>Notes</i>	Six months ended 31 December	
		2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Unaudited)
<b>REVENUE</b>	5	<b>302,143</b>	306,813
Other income and gains	5	<b>3,827</b>	10,922
Professional services expenses		<b>(110,765)</b>	(122,181)
Employee benefit expense		<b>(60,045)</b>	(72,585)
Property, rental and related expenses		<b>(4,129)</b>	(6,270)
Cost of inventories consumed		<b>(15,006)</b>	(15,455)
Depreciation and amortisation		<b>(40,432)</b>	(35,392)
Other expenses, net		<b>(32,233)</b>	(6,378)
Finance cost		<b>(1,975)</b>	(1,968)
Share of profits and losses of:			
Joint ventures		–	(169)
Associates		<b>1,182</b>	967
<b>PROFIT BEFORE TAX</b>	6	<b>42,567</b>	58,304
Income tax expense	7	<b>(9,993)</b>	(9,138)
<b>PROFIT FOR THE PERIOD</b>		<b>32,574</b>	49,166
Attributable to:			
Owners of the Company		<b>31,079</b>	45,551
Non-controlling interests		<b>1,495</b>	3,615
		<b>32,574</b>	49,166
<b>EARNINGS PER SHARE</b>			
<b>ATTRIBUTABLE TO ORDINARY EQUITY</b>			
<b>HOLDERS OF THE COMPANY</b>	9		
Basic		<b>HK4.105 cents</b>	HK6.046 cents
Diluted		<b>HK4.105 cents</b>	HK5.990 cents

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six months ended 31 December 2020

	Six months ended 31 December	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>PROFIT FOR THE PERIOD</b>	<b>32,574</b>	<b>49,166</b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	2,494	(587)
Share of other comprehensive loss of an associate	–	(18)
Reclassification adjustments for amount transferred to profit or loss on disposal of a subsidiary	1,279	–
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	3,773	(605)
Other comprehensive 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	(2,411)	(11,376)
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX</b>	<b>1,362</b>	<b>(11,981)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>33,936</b>	<b>37,185</b>
Attributable to:		
Owners of the Company	32,441	33,570
Non-controlling interests	1,495	3,615
	<b>33,936</b>	<b>37,185</b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2020

		31 December 2020	30 June 2020
	<i>Notes</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>99,081</b>	96,424
Right-of-use assets		<b>75,455</b>	82,152
Goodwill	<i>10</i>	<b>171,264</b>	171,264
Other intangible assets		<b>75,769</b>	76,972
Investments in associates		<b>9,729</b>	8,546
Financial assets at amortised cost	<i>11</i>	<b>32,878</b>	20,206
Investments at fair value through other comprehensive income	<i>12</i>	<b>21,814</b>	23,187
Deferred tax assets		<b>1,865</b>	1,691
Deposits		<b>43,116</b>	21,977
		<hr/>	<hr/>
Total non-current assets		<b>530,971</b>	502,419
<b>CURRENT ASSETS</b>			
Inventories		<b>12,492</b>	9,083
Trade receivables	<i>13</i>	<b>85,067</b>	74,354
Prepayments, other receivables and other assets		<b>36,609</b>	32,423
Financial assets at fair value through profit or loss		<b>14,522</b>	1,723
Financial assets at amortised cost	<i>11</i>	<b>17,120</b>	35,646
Due from associates		<b>3,100</b>	2,204
Due from related companies		<b>1,186</b>	1,220
Tax recoverable		<b>356</b>	210
Pledged deposits		<b>1,029</b>	1,354
Cash and cash equivalents		<b>235,016</b>	230,671
		<hr/>	<hr/>
Total current assets		<b>406,497</b>	388,888

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
(CONTINUED)**

31 December 2020

	<i>Notes</i>	<b>31 December 2020 HK\$'000 (Unaudited)</b>	30 June 2020 HK\$'000 (Audited)
<b>CURRENT LIABILITIES</b>			
Trade payables	14	40,997	36,370
Other payables and accruals		88,709	62,584
Due to associates		18	184
Due to related companies		4,491	2,020
Due to a joint venture		34	203
Lease liabilities		51,391	43,420
Tax payable		18,566	14,994
		<hr/>	<hr/>
Total current liabilities		204,206	159,775
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		202,291	229,113
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		733,262	731,532
		<hr/>	<hr/>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		31,646	43,145
Deferred tax liabilities		14,242	14,572
Provision		3,360	3,308
		<hr/>	<hr/>
Total non-current liabilities		49,248	61,025
		<hr/>	<hr/>
Net assets		684,014	670,507
		<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Issued capital	15	766	766
Reserves		623,767	611,080
		<hr/>	<hr/>
		624,533	611,846
		<hr/>	<hr/>
Non-controlling interests		59,481	58,661
		<hr/>	<hr/>
Total equity		684,014	670,507
		<hr/> <hr/>	<hr/> <hr/>

## NOTES

### 1. CORPORATE AND GROUP INFORMATION

UMP Healthcare Holdings Limited is a limited liability 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 period, 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 Hong Kong Stock Exchange on 27 November 2015 (the “Listing”).

### 2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the six months ended 31 December 2020 have been prepared in accordance with the Hong Kong Accounting Standard (“HKAS”) 34 “*Interim Financial Reporting*” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). They have been prepared under the historical cost convention, except for equity investments, debt investments and a contingent consideration receivable which have been measured at fair value. The unaudited condensed consolidated financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

The unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 30 June 2020.

### 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the unaudited condensed consolidated financial statements of the Group for the six months ended 31 December 2020 are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 30 June 2020, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards (“HKFRSs”), which are effective for the Group’s annual period beginning on 1 July 2020.

- 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 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.

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-up and other auxiliary services.

Management monitors the results of the Group’s operating segments separately for the purpose of facilitating decision-making process of resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measurement of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group’s profit before tax excluding 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.

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

(a) Revenue and results

	Corporate Healthcare Solution Services to Contract Customers <i>HK\$'000</i>	Clinical Healthcare Services <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Six months ended 31 December 2020 (unaudited)</b>			
<b>Segment revenue (note 5):</b>			
External sales	124,523	177,620	302,143
Inter-segment sales	<u>660</u>	<u>52,932</u>	<u>53,592</u>
	125,183	230,552	355,735
<i>Reconciliation:</i>			
Elimination of inter-segment sales			<u>(53,592)</u>
Revenue			<u><u>302,143</u></u>
<b>Segment results</b>	<b>27,461</b>	<b>35,889</b>	<b>63,350</b>
<i>Reconciliation:</i>			
Interest income			1,618
Other income and gains			2,209
Share of profits and losses of:			
Joint ventures			–
Associates			1,182
Corporate and other unallocated expenses, net			<u>(25,792)</u>
Profit before tax			<u><u>42,567</u></u>



	<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>Six months ended 31 December 2019 (unaudited)</b>			
<b>Segment revenue (note 5):</b>			
External sales	132,418	174,395	306,813
Inter-segment sales	791	51,640	52,431
	<u>133,209</u>	<u>226,035</u>	<u>359,244</u>
<i>Reconciliation:</i>			
Elimination of inter-segment sales			<u>(52,431)</u>
Revenue			<u><u>306,813</u></u>
<b>Segment results</b>	21,927	30,902	52,829
<i>Reconciliation:</i>			
Interest income			3,054
Other income and gains			7,868
Share of profits and losses of:			
Joint ventures			(169)
Associates			967
Corporate and other unallocated expenses, net			<u>(6,245)</u>
Profit before tax			<u><u>58,304</u></u>

(b) **Information about major customers**

Revenue from a major customer which accounted for 10% or more of the Group's revenue from the Corporate Healthcare Solution Services to Contract Customers segment is set out below:

	<b>Six months ended 31 December</b>	
	<b>2020</b>	<b>2019</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Customer A	<b>20,654</b>	<b>22,095</b>

**5. REVENUE, OTHER INCOME AND GAINS**

An analysis of revenue is as follows:

	<b>Six months ended 31 December</b>	
	<b>2020</b>	<b>2019</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Revenue from contracts with customers</b>		
Provision of corporate healthcare solution services:		
Medical services	<b>112,723</b>	119,962
Dental services	<b>11,800</b>	12,456
Provision of clinical healthcare services:		
Medical services	<b>150,164</b>	145,952
Dental services	<b>27,456</b>	28,443
	<b>302,143</b>	<b>306,813</b>

**Disaggregated revenue information**  
**Six months ended 31 December 2020**

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	112,723	150,164	262,887
Dental services	11,800	27,456	39,256
	<hr/>	<hr/>	<hr/>
Total revenue from contracts with customers	<b>124,523</b>	<b>177,620</b>	<b>302,143</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Geographical markets</b>			
Hong Kong and Macau	121,615	160,122	281,737
PRC	2,908	17,498	20,406
	<hr/>	<hr/>	<hr/>
Total revenue from contracts with customers	<b>124,523</b>	<b>177,620</b>	<b>302,143</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Six months ended 31 December 2019**

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	119,962	145,952	265,914
Dental services	12,456	28,443	40,899
	<hr/>	<hr/>	<hr/>
Total revenue from contracts with customers	<b>132,418</b>	<b>174,395</b>	<b>306,813</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Geographical markets</b>			
Hong Kong and Macau	129,123	149,993	279,116
PRC	3,295	24,402	27,697
	<hr/>	<hr/>	<hr/>
Total revenue from contracts with customers	<b>132,418</b>	<b>174,395</b>	<b>306,813</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

An analysis of other income and gains is as follows:

	<b>Six months ended 31 December</b>	
	<b>2020</b>	2019
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	(Unaudited)
<b>Other income and gains</b>		
Administrative support fees	<b>341</b>	663
Bank interest income	<b>84</b>	902
Interest income on financial assets at amortised cost	<b>1,345</b>	1,962
Interest income on investments at fair value through other comprehensive income	<b>189</b>	190
Dividend income from investments at fair value through other comprehensive income	–	4,447
Dividend income from financial assets at fair value through profit or loss	<b>61</b>	66
Gain on disposal of subsidiaries	–	1,162
Others	<b>1,807</b>	1,530
	<u><b>3,827</b></u>	<u>10,922</u>

## 6. PROFIT BEFORE TAX

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

	Six months ended 31 December	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Amortisation of intangible assets	1,203	1,203
Depreciation of property, plant and equipment	12,096	10,897
Depreciation of right-of-use assets	27,133	23,292
Equity-settled share-based payment expense (including employees and professional consultants)	709	2,714
Reversal of equity-settled share-based payment expense	–	(15,150)
Fair value (gain)/loss on financial assets at fair value through profit or loss	(197)	81
Foreign exchange differences, net	(103)	(16)
Gain on disposal of subsidiaries	–	(1,162)
Loss on disposal of a subsidiary	1,279*	–
Write-off of items of property, plant and equipment	–	153
Impairment of other assets	4,082	–
Impairment of deposit	4,146	–
	<u>4,146</u>	<u>–</u>

\* The loss on disposal of a subsidiary above is excluded in note 5 “Revenue, other income and gains”.

## 7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 31 December 2019: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/ jurisdictions in which the Group operates.

	Six months ended 31 December	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Current – Hong Kong		
Charge for the period	10,231	8,001
Current – Mainland China/Macau		
Charge for the period	266	1,583
Deferred	(504)	(446)
	<u>9,993</u>	<u>9,138</u>

## 8. DIVIDENDS

	Six months ended 31 December	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Dividend recognised as distribution during the period:		
Final dividend for the year ended 30 June 2020:		
HK2.65 cents (year ended 30 June 2019: HK2.55 cents)		
per ordinary share	<u>20,293</u>	<u>19,324</u>
Dividend proposed after the end of the reporting period:		
Interim dividend for the six months ended 31 December 2020:		
HK1.00 cent (six months ended 31 December 2019:		
HK0.65 cent) per ordinary share	<u>7,754</u>	<u>4,926</u>

The proposed interim dividend of HK1.00 cent per ordinary share in respect of the year ending 30 June 2021 was approved by the board of directors on 25 February 2021. The interim dividend of HK0.65 cent per ordinary share in respect of the year ended 30 June 2020 was approved by the board of directors on 26 February 2020.

The final dividend of HK2.65 cents per ordinary share, with a scrip dividend alternative, in respect of the year ended 30 June 2020 was approved by the Company's shareholders at the annual general meeting held on 20 November 2020. The final dividend of HK2.55 cents per ordinary share in respect of year ended 30 June 2019 was approved by the Company's shareholders at the annual general meeting held on 20 November 2019.

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

The calculation of the basic earnings per share amount is based on the unaudited consolidated profit for the six months ended 31 December 2020 attributable to ordinary equity holders of the Company of HK\$31,079,000, and the weighted average number of ordinary shares of 757,019,355 in issue during the period. The calculation of the basic earnings per share amount for the six months ended 31 December 2019 was based on the unaudited consolidated profit of HK\$45,551,000, and the weighted average number of ordinary shares of 753,422,467 in issue which have excluded the shares held under the share award scheme during the period.

The calculation of the diluted earnings per share amount is based on the unaudited consolidated profit for the six months ended 31 December 2020 attributable to ordinary equity holders of the Company of HK\$31,079,000. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares of 757,019,355 in issue during the period 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 102,542 assumed to have been issued at no consideration on the deemed exercise of all share options and shares under the share award scheme into ordinary shares.

**9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (Continued)**

The calculation of the diluted earnings per share amount is based on the unaudited consolidated profit for the six months ended 31 December 2019 attributable to ordinary equity holders of the Company of HK\$45,551,000. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares of 753,422,467 in issue during the period 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 7,053,638 assumed to have been issued at no consideration on the deemed exercise of all share options and shares under the share award scheme into ordinary shares.

**10. GOODWILL**

	<b>31 December 2020 HK\$'000 (Unaudited)</b>	30 June 2020 HK\$'000 (Audited)
At beginning of period/year	<b>171,264</b>	163,711
Acquisitions of subsidiaries/businesses	<u>–</u>	<u>7,553</u>
At end of period/year	<b><u>171,264</u></b>	<b><u>171,264</u></b>

**11. FINANCIAL ASSETS AT AMORTISED COST**

	<b>31 December 2020 HK\$'000 (Unaudited)</b>	30 June 2020 HK\$'000 (Audited)
<b>Financial assets at amortised cost</b>	<b><u>49,998</u></b>	<b><u>55,852</u></b>
Analysed into:		
Non-current portion	<b>32,878</b>	20,206
Current portion	<u>17,120</u>	<u>35,646</u>
	<b><u>49,998</u></b>	<b><u>55,852</u></b>

As at 31 December 2020, the Group's financial assets at amortised cost have fixed maturity dates between 2021 and 2023 and fixed interest rates ranging from 4.25% to 8.50% per annum (30 June 2020: 4.25% to 8.50% per annum).

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

	<b>31 December</b>	30 June
	<b>2020</b>	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	(Audited)
<b>Investments at fair value through other comprehensive income</b>		
Unlisted equity investments, at fair value	<b>5,348</b>	4,745
Listed equity investments, at fair value	<b>10,941</b>	12,948
Listed debt investments, at fair value	<b>5,525</b>	5,494
	<u><b>21,814</b></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.

## 13. TRADE RECEIVABLES

	<b>31 December</b>	30 June
	<b>2020</b>	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	(Audited)
Trade receivables	<b>85,067</b>	74,354

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 major 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 and net of loss allowance, is as follows:

	<b>31 December</b>	30 June
	<b>2020</b>	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	(Audited)
Within 1 month	<b>72,281</b>	54,404
1 to 2 months	<b>9,239</b>	6,235
2 to 3 months	<b>1,269</b>	6,861
Over 3 months	<b>2,278</b>	6,854
	<u><b>85,067</b></u>	<u>74,354</u>



#### 14. 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:

	<b>31 December</b>	30 June
	<b>2020</b>	2020
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	(Audited)
Within 1 month	<b>21,653</b>	23,861
1 to 3 months	<b>16,812</b>	11,392
Over 3 months	<b>2,532</b>	1,117
	<u><b>40,997</b></u>	<u>36,370</u>

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

#### 15. SHARE CAPITAL

	<b>31 December</b>	30 June
	<b>2020</b>	2020
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	(Audited)
Authorised:		
5,000,000,000 (30 June 2020: 5,000,000,000) ordinary shares of HK\$0.001 (30 June 2020: HK\$0.001) each	<u><b>5,000</b></u>	<u>5,000</u>
Issued and fully paid:		
765,759,953 (30 June 2020: 765,759,953) ordinary shares of HK\$0.001 (30 June 2020: HK\$0.001) each	<u><b>766</b></u>	<u>766</u>

The movements in the Company's authorised and issued share capital during the period from 1 July 2019 to 31 December 2020 are as follows:

	<i>Note</i>	<b>Number of ordinary shares</b>	<b>Nominal value of ordinary shares HK\$'000</b>
Authorised:			
At 1 July 2019, at 31 December 2019, at 30 June 2020, at 1 July 2020 and at 31 December 2020		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>	7,941,953	8
At 30 June 2020, at 1 July 2020 and at 31 December 2020		765,759,953	766

- (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") 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 are set out in the Company's circular dated 20 December 2019.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS OVERVIEW AND OUTLOOK**

Healthcare is not only a cornerstone to the overall well-being of citizens but it is also the foundation of economic and social development. In the last six months, COVID-19 continued to pose unprecedented risks and opportunities for our Group. As the third and fourth waves of COVID-19 hit the shores of Hong Kong, widespread fear of the contagion as well as sustained economic volatility ensued. Against this backdrop, however, our Group continued to record steady revenue performance in the six months ended 31 December 2020, which testified to our reputation as one of the premier medical service providers in Hong Kong. Further, the perceptible shock of COVID-19 and the resulting social distancing protocols validated our continued investment in technology. We believe COVID-19 has expedited public reception toward medical technology and we are poised to use it as an enabler to enhance our service quality and reach.

In Hong Kong, despite the impact of the contagion, we were able to capitalize on our extensive business network to provide uninterrupted offline clinical services to outpatients as well as policyholders of corporates and insurance companies at the primary care entry level. Our commitment to communal healthcare extended to provide year-round, all-encompassing medical services in areas such as general and specialist services, regular health check-ups, medical imaging and laboratory services, dental services, physiotherapy clinics and cosmetic dermatology centre. We firmly believe that our core strength in Hong Kong lies in our dynamic, full-service ecosystem that can fulfill our clients' shifting demand.

Our competitive differentiation shone through in the time of COVID-19. 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. As concerns over the rising COVID-19 rose to an alarming level, we expanded our online products offering to include same-day-delivery of COVID-19 screening test kits. We believe our swift response and expansion in time of crisis are testament to our professionalism and our belief in the growth prospects within the region.

In the last six months, while our offline clinics uncharacteristically dropped in patient volume during the COVID-19 outbreak, our online consultation services have garnered significant interest from our existing and new customers as Hong Kong citizens became wary of going to public places. The abrupt shift in market sentiment justifies our timely decision to augment our offline network with an expanding online presence. To further improve our digital footprint, our information technology teams in Hong Kong and China have been working around the clock to refine our web-and-app-based telemedicine platforms in both regions. As an indication to our adaptability to the evolving needs of our customers, during the peak of the COVID-19 pandemic, we leveraged on technology to overcome the barriers of social distancing and provide cutting-edge, web-based teleconsultation to multiple Hong Kong-based conglomerates, reputable insurance companies and private clients.

We believe the future delivery of healthcare is hinged upon finding an optimal balance between online and offline service platforms. In the coming future, we will continue to invest in technology to connect patients to the most appropriate care medium to make healthcare more accessible and affordable to the general public. Capitalizing on our vast customer base, in-house medical teams, and proprietary technology, we will continue to deepen the integration between online and offline healthcare services.

Our focus on providing quality health services expands beyond the borders of Hong Kong. Currently, our Greater China network boasts more than 800 self-owned and affiliated medical service points across Hong Kong, Macau, Beijing, Tianjin, Shanghai, as well as other major cities in the GBA including Guangzhou, Shenzhen, Zhuhai, Zhongshan, Dongguan and Foshan. Further, our remote consultation platform in China serves as a crucial portal to connect family doctors to deliver on-demand, face-to-face online consultations to insured policyholders.

In recent years, consistent with the Chinese government's emphasis on improving the quality of primary care, the Group has broadened the breadth and depth of our family doctor and nurse training through our revered GOLD™ training and GOLD™-EN training programmes, respectively. Despite the restrictions placed upon cross-border traveling during COVID-19, we continued to administer a combination of online and offline trainings to our students in the Mainland to optimum effect.

We undertook the mission of fostering efficient collaboration between well-trained doctors and patients in a bid to build a scalable but agile medical service platform. Our unique GOLD™ and GOLD™-EN programmes have delivered training to almost 1,000 doctors and nurses cumulatively in Mainland China, with a focus on GBA. Our clinic network with various regional and local governments consists of 45 established PPP with over 40 others scheduled to be built. Our expansion even in the time of global economic uncertainty made us one of the largest outpatient clinic networks in the GBA. We will deploy more GOLD™-trained doctors and GOLD™-EN-trained nurses to our existing and new PPP or to our virtual care platform down the road to enhance the standard and reach of medical services in GBA.

Innovation is the key to sustained success especially in a vast and growing market such as Mainland China. Our Group has made tremendous headway in being a market-leading trendsetter. In August 2020, we have officially launched our Internet hospital business. As the only Hong Kong-based healthcare platform with an Internet hospital license, we will continue to provide patients and Mainland residents with licensed telemedicine services through our network of highly qualified doctors and the development of strategic partnerships with new and existing specialist groups.

The technique of making use of the right time to introduce the right business decision for the future is the essence of the art of management. This is what we meant by: “運籌帷幄，決勝千里 (Devising strategies within a command post that will assure victory a thousand miles away)”. Contrary to widespread pessimism in the economic outlook, we have confidence in the growth engine of China especially in the field of healthcare. Our stable cashflow position enabled us to ramp up our expansion plan to open a new headquarter in the central business district of Shenzhen with a total floor space of approximately 11,000 sq. feet to facilitate the administration of GOLD™ and GOLD™-EN trainings as well as the capturing of potential GBA-based business opportunities.

Our unwavering commitment in GBA will also bring synergy to the heart of our Hong Kong business. Spurred on by our service excellence and increasing brand presence in the GBA, once traveling resumes, Mainland travelers will be gravitated towards our existing primary care network, growing specialist services scope and differentiated healthcare solutions in Hong Kong. We are poised to strengthen our self-reinforcing business flywheel by capturing the flows of talent and business opportunities between the two regions.

Our goal is to build on our existing business practice that exemplifies our corporate vision, which is “to give everyone access to trusted and affordable care so that everyone can freely pursue their dreams without worrying about their health.” Such vision and our development trajectory are intertwined. We firmly believe that we can maximize our growth potential while continuing to be a pioneer of change in the healthcare space.

## **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 our well-established and multi-specialties UMP Network. As at 31 December 2020, the UMP Network comprises more than 800 points of services located across Hong Kong and Macau.

The Group's Contract Customers comprise (i) insurance companies, who enter into contracts with the Group for healthcare services for their policyholders or employees of their policyholders and (ii) corporations, who 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 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 16 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 medical imaging and laboratory services, physiotherapy and vision care.

## **3. PRC Healthcare Business**

Our PRC Healthcare Business currently consists of (i) health check-up business; (ii) corporate healthcare solutions business for contract customers; (iii) selected outpatient services such as family medicine within the clinics we own and operate; (iv) provision of online tele-consultation service and (v) provision of professional training to doctors and nurses under our GOLD™ training programme. Our current focus is on the development of our PRC Healthcare Business in Beijing, Shanghai, Guangzhou, Shenzhen and other GBA, through both building a sizeable offline PPP network and an online presence through our tele-consultation platform.

## **BUSINESS LINES ANALYSIS**

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

Revenue for this business line has decreased 5.9% from HK\$129.9 million to HK\$122.3 million (before intersegment elimination) due to a general decrease in patient visits.

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

Revenue for this business line has increased approximately 5.7% from HK\$201.6 million to HK\$213.1 million (before intersegment elimination) due to a general increase in number of health check-ups and average spending per visit.

Our business in Hong Kong and Macau are mature and continue to generate profit and operating cash flows for investment in new growth areas.

## PRC Healthcare Business

Revenue for this business line has decreased approximately 26.3% from HK\$27.7 million to HK\$20.4 million (before intersegment elimination) primarily due to the decrease in the number of health check-ups which was a direct result of COVID-19 impacted travel restrictions. We continue to invest in people and technology investment for the rapid development of GOLD™ medical professional training and the virtual care businesses 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.

The following table sets out the revenue for our business lines for the six months ended 31 December 2020 and the corresponding period for comparison:

### Revenue by business lines

	Six months ended 31 December		Increase/ (decrease)
	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>	
Hong Kong & Macau Corporate Healthcare Solution Services	122,275	129,914	(5.9%)
Hong Kong & Macau Clinical Healthcare Services	213,054	201,633	5.7%
PRC Healthcare Business	20,406	27,697	(26.3%)
<b>TOTAL</b>	<b>355,735</b>	<b>359,244</b>	<b>(1.0%)</b>

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

## FINANCIAL REVIEWS

### 1HFY2021 compared to 1HFY2020

#### *Revenue*

During 1HFY2021, 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 in Hong Kong and Macau and (iii) the provision of healthcare services in the PRC.

Total consolidated revenue decreased by 1.5% from HK\$306.8 million in 1HFY2020 to HK\$302.1 million in 1HFY2021, primarily due to a decrease in revenue from HK\$27.7 million to HK\$20.4 million from the PRC Healthcare Business.

*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 5.8% from HK\$129.1 million in 1HFY2020 to HK\$121.6 million in 1HFY2021.

- **Medical.** Revenue generated from the provision of Medical Services to Contract Customers decreased by 5.9% from HK\$116.7 million for 1HFY2020 to HK\$109.8 million for 1HFY2021, primarily due to a decrease in the number of visits from patients seeking Medical Services.
- **Dental.** Revenue generated from the provision of Dental Services to Contract Customers decreased by 4.8% from HK\$12.4 million for 1HFY2020 to HK\$11.8 million for 1HFY2021, primarily due to a decrease in the number of visits from the patients seeking Dental Services.

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

- **Medical.** Revenue generated from the provision of Medical Services to Self-paid Patients increased by 9.2% from HK\$121.5 million for 1HFY2020 to HK\$132.7 million for 1HFY2021, primarily due to an increase in the average spending per visit.
- **Dental.** Revenue generated from the provision of Dental Services to Self-paid Patients decreased by approximately 3.5% from HK\$28.4 million for 1HFY2020 to HK\$27.4 million for 1HFY2021 due to the decrease in number of self-paid patient visits.

*PRC Healthcare Business*

Revenue generated from the PRC Healthcare Business decreased from HK\$27.7 million in 1HFY2020 to HK\$20.4 million in 1HFY2021, primarily due to a decrease in the number of health check-ups for PRC residents traveling abroad for study or work and health check-ups for corporate employees and insurance scheme members, which was significantly impacted by COVID-19 related travel restrictions.

**Other Income and Gains**

Other income and gains primarily comprise administrative support fees (including fees derived from providing administrative support to Affiliated Doctors, Affiliated Dentists and Affiliated Auxiliary Services Providers), bank interest income, interest income from financial assets at amortised cost, dividend income from investments at fair value through other comprehensive income and investments at fair value through profit or loss, gain on disposal of subsidiaries and fixed assets, and other income.



Other income and gains decreased by 65.1% from HK\$10.9 million in 1HFY2020 to HK\$3.8 million in 1HFY2021. The decrease was primarily due to decrease in dividend income received from an investment at fair value through other comprehensive income.

### **Professional Services Expenses**

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

Professional services expenses decreased by 9.3% from HK\$122.2 million for 1HFY2020 to HK\$110.8 million for 1HFY2021, primarily due to a decrease in the cost of services rendered by doctors, dentists and other professionals.

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

Property rental and related expenses decreased by 34.9% from HK\$6.3 million for 1HFY2020 to HK\$4.1 million for 1HFY2021, primarily due to the rental concessions granted by landlords of various premises.

### **Depreciation and Amortisation**

Depreciation and amortisation which comprises of depreciation of the right-of-use-assets and the depreciation and amortisation of other non-current assets, increased by 14.1% from HK\$35.4 million 1HFY2020 to HK\$40.4 million for 1HFY2021, primarily due to the increase of depreciation because of decoration and acquisitions of plant and equipment.

### **Other Expenses, net**

Other expenses, net primarily comprise provision of impairment loss, warrants expenses and general overhead expenses such as utilities, operation and other administrative expenses such as audit fees, legal 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 403.1% from approximately HK\$6.4 million in 1HFY2020 to HK\$32.2 million in 1HFY2021, primarily due to an impairment of other assets of HK\$4.1 million, an impairment of deposit of HK\$4.1 million in 1HFY2021, and a reversal of the non-cash equity-settled share-based payment expense of approximately HK\$15.2 million was recorded in 1HFY2020 since the associated terms and conditions for the Second and Third Vesting Milestones had not been met before its expiration on 14 November 2019, which did not recur in 1HFY2021.

**Summary of operational data for 1HFY2021 with comparative figures for 1HFY2020**

*Revenue by operating segment*

	<b>Six months ended 31 December</b>		<b>Increase/ (decrease)</b>
	<b>2020</b>	<b>2019</b>	
	<i>HK\$'000</i> <b>(Unaudited)</b>	<i>HK\$'000</i> <b>(Unaudited)</b>	
<b>Provision of corporate</b>			
<b>healthcare solution services</b>	<b>124,523</b>	132,418	(6.0%)
Medical	<b>112,723</b>	119,962	(6.0%)
Dental	<b>11,800</b>	12,456	(5.3%)
<b>Provision of clinical</b>			
<b>healthcare services</b>	<b>177,620</b>	174,395	1.8%
Medical	<b>150,164</b>	145,952	2.9%
Dental	<b>27,456</b>	28,443	(3.5%)
<b>TOTAL</b>	<b>302,143</b>	<b>306,813</b>	<b>(1.5%)</b>

*Number of visits by operating segment*

	<b>Six months ended 31 December</b>		<b>Increase/ (decrease)</b>
	<b>2020</b>	<b>2019</b>	
	<b>Provision of corporate</b>		
<b>healthcare solution services</b>	<b>408,427</b>	636,819	(35.9%)
Medical	<b>395,260</b>	621,427	(36.4%)
Dental	<b>13,167</b>	15,392	(14.5%)
<b>Provision of clinical</b>			
<b>healthcare services</b>	<b>119,542</b>	144,134	(17.1%)
Medical	<b>105,127</b>	124,749	(15.7%)
Dental	<b>14,415</b>	19,385	(25.6%)
<b>TOTAL</b>	<b>527,969</b>	<b>780,953</b>	<b>(32.4%)</b>

## **KEY FINANCIAL POSITION ITEMS**

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

Under HKFRS 16, right-of-use assets are recognised at the commencement date of the lease. 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 31 December 2020, the Group's right-of-use assets amounted to HK\$75.5 million (30 June 2020: HK\$82.2 million).

### **Financial Assets at Amortised Cost**

Financial assets at amortised cost primarily represent the marketable corporate bonds issued by listed corporations with fixed interest rates from 4.25% to 8.50% per annum. The marketable debt securities which will mature within one year and more than one year are classified as current assets and non-current assets, respectively. The Group receives related interest payments semi-annually and annually.

As at 31 December 2020 and 30 June 2020, the Group's financial assets at amortised cost amounted to HK\$50.0 million (of which HK\$17.1 million is classified as current assets and HK\$32.9 million is classified as non-current assets) and HK\$55.8 million (of which HK\$35.6 million is classified as current assets and HK\$20.2 million is classified as non-current assets), respectively.

### **Lease liabilities**

Under HKFRS 16, lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

As at 31 December 2020 and 30 June 2020, the carrying amount of lease liabilities amounted to HK\$83.0 million (of which HK\$51.4 million is classified as current liabilities and HK\$31.6 million is classified as non-current liabilities) and HK\$86.5 million (of which HK\$43.4 million is classified as current liabilities and HK\$43.1 million is non-current liabilities).

## **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 Hong Kong Stock Exchange, the Group intended to satisfy its liquidity requirements using a combination of cash generated from operating activities and net proceeds from the Global Offering. The Group may also seek to borrow to satisfy liquidity requirements. As of 31 December 2020, the Group had a cash and cash equivalents of HK\$235.0 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.

## **CAPITAL STRUCTURE**

There has been no significant change in the capital structure of the Company during the period ended 31 December 2020. The capital of the Company comprises ordinary shares and other reserves.

## **MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES**

There was no material acquisition or disposal of subsidiaries undertaken by the Group during 1HFY2021.

## **CAPITAL EXPENDITURE**

The capital expenditure during the period was primarily related to decoration and the acquisitions of plant and equipment for the Group's medical centres. For 1HFY2021, the Group incurred capital expenditure in an aggregate amount of approximately HK\$15.0 million (1HFY2020: HK\$17.8 million).

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

The Group continues to strengthen its current business and explore growth opportunities. The Group did not have any specific future plan for material investments or capital assets as of 31 December 2020.

## **INDEBTEDNESS**

### **Contingent Liabilities**

As at 31 December 2020, the Group did not have any material off-balance sheet arrangements.

### **Capital Commitment**

The Group has no material outstanding capital commitment as at 31 December 2020.

## **PLEDGE OF ASSETS**

As at 31 December 2020, the Group has pledged certain deposits with an aggregate carrying amount of HK\$1.0 million (30 June 2020: HK\$1.4 million) in connection with a surety bond issued by a bank in favour of an independent third party 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 31 December 2020, the Group had a total of 451 (30 June 2020: 452) full-time employees. For 1HFY2021, the staff cost (including Directors' remuneration in the form of salaries and other benefits) was approximately HK\$60.0 million (1HFY2020: HK\$72.6 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.

In addition, the Company also adopted the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme, where eligible employees and consultants are entitled to subscribe for the Shares for their contribution to the Group. As at 31 December 2020, 27,008,000 options remained outstanding under the Pre-IPO Share Option Scheme and none of the share options under the Pre-IPO Share Option Scheme have been exercised during 1HFY2021. As at 31 December 2020, 19,270,000 options granted under the Post-IPO Share Option Scheme and none of the share options under the Post-IPO Share Option Scheme have been exercised during 1HFY2021.

The Company has also adopted the Share Award Scheme to provide an incentive and reward to selected participants for their contribution to the Group. Certain Shares have been purchased and no Shares have been granted under the Share Award Scheme during 1HFY2021.

The remuneration packages 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.

## **INTERIM DIVIDEND**

The Board has declared an interim dividend of HK1.00 cent per ordinary share for the six months ended 31 December 2020 (FY2020 interim dividend: HK0.65 cent). The interim dividend will be payable to the shareholders of the Company whose names appear on the register of members of the Company on Thursday, 18 March 2021. It is expected that the interim dividend will be paid on or about Friday, 9 April 2021.

## **CLOSURE OF REGISTER OF MEMBERS**

For determining the entitlement to the interim dividend, the register of members of the Company will be closed from Tuesday, 16 March 2021 to Thursday, 18 March 2021, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the entitlement to the interim 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 Monday, 15 March 2021.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

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 the six months ended 31 December 2020, 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 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 arrangements when the Board considers appropriate.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

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

Having made specific enquiry with all Directors, the Company confirmed that the Directors have complied with the Model Code during the six months ended 31 December 2020.

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 of which 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 the six months ended 31 December 2020.

## **REVIEW OF INTERIM RESULTS**

The Audit Committee, which 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, has reviewed, together with the management of the Company, the unaudited interim results of the Group for the six months ended 31 December 2020 and considered that they were prepared in compliance with the relevant accounting standards, the Listing Rules and the applicable legal requirements, and that the Company has made appropriate disclosure thereof.

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

During the six months ended 31 December 2020, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

## **EVENTS AFTER REPORTING PERIOD**

There was no material acquisition or disposal of subsidiaries undertaken by the Group after 31 December 2020 and up to the date of this announcement.

## **PUBLICATION OF THE UNAUDITED INTERIM RESULTS AND INTERIM REPORT**

The interim results announcement is required to be published on the website of the Hong Kong Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the designated website of the Company at [www.ump.com.hk](http://www.ump.com.hk), respectively. The interim report of the Company for the six months ended 31 December 2020 will be despatched to the shareholders of the Company and published on the websites of the Hong Kong Stock Exchange and the Company in due course.

## **DEFINITIONS**

“1HFY2020”	the six months ended 31 December 2019;
“1HFY2021”	the six months ended 31 December 2020;
“Affiliated Clinic(s)”	clinic(s) which is/are 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(s)”, “Affiliated Dentist(s)” or “Affiliated Auxiliary Services Provider(s)”	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”	include, among others, imaging and laboratory services, physiotherapy, traditional Chinese medicine, vision care and optometry and child health assessment;
“Auxiliary Services Provider(s)”	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 Service Providers;
“Board”	the board of Directors of the Company;
“Company” or “UMP”	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 Hong Kong 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;
“COVID-19”	means coronavirus disease 2019, a disease caused by a novel virus designated as severe acute respiratory syndrome coronavirus 2;
“Dental Services”	include primary dental services such as scaling and polishing and secondary dental services such as crown and bridge, orthodontics, implants and whitening;
“Dentist(s)”	dentist(s) 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;
“Director(s)”	the director(s) of the Company;



“Doctor(s)”	doctor(s) 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;
“FY2019”	the year ended 30 June 2019;
“GBA”	city cluster cross the Guangdong-Hong Kong-Macau region, consisting of Hong Kong, Macau and nine cities in Guangdong Province, namely, Dongguan, Foshan, Guangzhou, Huizhou, Jiangmen, Shenzhen, Zhaoqing, Zhongshan and Zhuhai;
“general practitioner”, “general practice” or “GP”	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 as required;
“Global Offering”	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 “Structure of the Global Offering” of the Prospectus;
“Group”, “we”, “our” or “us”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Hong Kong & Macau Clinical Healthcare Services”	provision of clinical healthcare services to Self-paid Patients as described in “Business Overview and Outlook” of this announcement;
“Hong Kong & Macau Corporate Healthcare Solution Services”	provision of corporate healthcare solutions as described in “Business Overview and Outlook” of this announcement;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange;
“Macau”	the Macau Special Administrative Region of the PRC;

“Medical” or “Medical Services”	includes general practice and specialist practice;
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules;
“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 Board on 2 November 2015;
“PPP”	Public-Private Partnership;
“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, Macau and Taiwan);
“PRC Healthcare Business”	consists of (i) health check-up business; (ii) corporate healthcare solutions business; (iii) selected outpatient services such as family medicine within the clinics we own and operate and (iv) provision of professional training to doctors and nurses under our GOLD™ training programme etc.;
“Pre-IPO Share Option Scheme”	the pre-IPO share option scheme approved and adopted by the Board on 18 August 2015;
“Prospectus”	the prospectus of the Company dated 17 November 2015;
“Remuneration Committee”	the remuneration committee of the Board;
“Self-paid Patients”	patients who visit a UMP Medical Centre operated by the Group and pay for services using cash or credit card;
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.001 each in the share capital of the Company;
“Share Award Scheme”	the share award scheme approved and adopted by the Board on 30 June 2016;

“specialist practice” or “specialist services”	a range of specialist practice, including Family Medicine, Internal Medicine, Surgery, Paediatrics, Cardiology, Dermatology, Otorhinolaryngology, Orthopaedics, Ophthalmology, Urology, Gastroenterology and Hepatology, Radiology, Endocrinology and Diabetes. Please see <a href="http://www.ump.com.hk">www.ump.com.hk</a> for the updated list of specialist practices;
“UMP Medical Centre”	medical centre offering Medical Services, Dental Services and/or Auxiliary Services which is operated by the Group;
“UMP Network”	consists 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
“Warrants”	an aggregate of 110,411,000 warrants of the Company issued by the Company on 6 December 2018, and that are exercisable, subject to certain conditions, onto a total of 110,411,000 new Shares of the Company. 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 for details.

In this announcement, the terms “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, 25 February 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.*