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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)

VOLUNTARY ANNOUNCEMENT ACQUISITION OF 75% OF FLASH MOVER LIMITED

This announcement is made by the Company on a voluntary basis.

COMPLETION OF AN ACQUISITION OF AN MRI BUSINESS

The Board is pleased to announce that on 31 March 2021, UMP has completed the acquisition of 75% of the Target Shares of Flash Mover, a company that provides MRI services in the Yau Tsim Mong district.

The Consideration, being HK\$15,120,000, was arrived at after arm's length negotiations between the Company and the Vendors. The Group funded the Consideration by its internal resources.

Following the Completion, Flash Mover has become an indirect wholly-owned subsidiary of the Company and will be consolidated into the financial statements of the Group.

INFORMATION ON FLASH MOVER

Flash Mover is a company incorporated in Hong Kong with limited liability and was beneficially owned by the Vendors as to 75% of the Target Shares prior to Completion. The remaining 25% of the Target Shares has been held by UMP since May 2017.

REASONS FOR AND BENEFITS OF THE ACQUISITION

As disclosed in the 2021 Interim Report, the Group will focus on enhancing the competitiveness of its core business and simultaneously, continue exploring new business opportunities. The Group believes the Acquisition will provide a strong foothold for the Group to extend its presence in the diagnostic imaging and laboratory business and strengthen the Group's customer base, which will enable the Group to diversify and broaden its source of income.

The above is in line with the Group's strategy as set out in the 2021 Interim Report. With its diversified development strategy, the Group has been actively seeking new business opportunities to expand its portfolio. Leveraging its stable cash flow and recurring customer base, the Group is proactively exploring new mergers and acquisitions opportunities, aiming to solidify the foundation of its business, and expanding the scope of its advanced medical imaging services.

Due to the profound impact of the COVID-19, increasing health awareness and high demand for healthcare service by an aging population in Hong Kong, the demand for advanced medical imaging services has seen steady and continual growth with enormous development potential. Investing in Flash Mover enables the Group to acquire a controlling stake in a growing business that would allow it to carry out its mid- and long-term operative strategies more speedily and readily.

The Acquisition helps bring valuable synergy to the Group's stable primary care business with promising prospects. Overall, the inclusion of another MRI-focused business in the Group's service offering is in line with the Group's overall strategy to provide accessible and affordable full-spectrum medical care.

Upon Completion, the Group's advanced medical imaging services now encompass a broad service coverage, all situated within strategic business locations. Through its multiple wholly- or partially-owned centers, the Group offer 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. By doing so, it helps shorten the distance to be travelled by our customers upon obtaining referrals, which makes the Group's multiple service points more accessible and convenient, and help drive additional traffic to our clinics and create a more vertically-integrated healthcare ecosystem for our Group.

In the future, diversified healthcare products will continue to be a key growth driver, and the Group's products must be closely related and complementary to its core business. Accordingly, with a view to enhance the Group's long-term development potentials, the Acquisition will consolidate its position in the healthcare industry and is in the interests of the Shareholders.

IMPLICATIONS UNDER THE LISTING RULES

As all of the applicable percentage ratio(s) in respect of the Acquisition are less than 5%, the Acquisition did not constitute a notifiable transaction for the Company and thus the Company did not issue any announcement on the entering into of the Sale and Purchase Agreement.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“2021 Interim Report”	the interim report of the Company for the six months ended 31 December 2020;
“Acquisition”	pursuant to the terms and conditions of the Sale and Purchase Agreement, the acquisition by UMP of 75% of the Target Shares from the Vendors;
“Board”	the board of directors of the Company;
“Company”	UMP Healthcare Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 722);
“Completion”	being 31 March 2021, the date on which the Acquisition was completed;
“Consideration”	the consideration of the Acquisition pursuant to the terms and conditions of the Sale and Purchase Agreement;
“COVID-19”	coronavirus disease 2019, a disease caused by a novel virus designated as severe acute respiratory syndrome coronavirus 2;
“CT Scan”	computed tomography scan is a medical imaging technique used in radiology to get detailed images of the body noninvasively for diagnostic purposes;
“Flash Mover”	Flash Mover Limited;
“Group”	the Company and its subsidiaries, which include UMP;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“MRI”	magnetic resonance imaging, a procedure that uses magnetism, radio waves, and a computer to create images of areas inside the body;

“PET-CT”	positron emission tomography–computed tomography, a technology used for, amongst others, examining the human body for tumors;
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan;
“Sale and Purchase Agreement”	the sale and purchase agreement dated 25 March 2021 entered into between the UMP (as the purchaser) and the Vendors in relation to the Acquisition;
“Shareholders”	the shareholders of the Company;
“Stock Exchange”	the Stock Exchange of Hong Kong Limited;
“Target Shares”	the issued share capital of Flash Mover;
“UMP”	UMP Medical Centre Limited, an indirect wholly-owned subsidiary of the Company; and
“Vendors”	being two medical professionals who are both independent third parties of the Group and the vendors of 75% of the Target Shares.

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

Hong Kong, 19 April 2021

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.