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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)

PROFIT WARNING

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 the net profit of the Company for the six months ended 31 December 2016 will represent a significant decrease of approximately 60% as compared with the corresponding period for the six months ended 31 December 2015. Such decrease is mainly attributable to the incremental expenses relating to the development of the PRC Developing Business (as defined in the Company's annual report for the year ended 30 June 2016 (the "**Annual Report**")). Please also refer to "Risk factors — Risks relating to the Group's business and industry — The Group's historical results of operations and financial performance are not indicative of future performance, and the Group may not be able to achieve or sustain the historical level of growth for revenue and profitability" in the prospectus of the Company dated 17 November 2015.

The incremental expenses, being the increase in such expenses as compared to the same period for the six months ended 31 December 2015, primarily include:

— incremental professional services expenses and employee benefit expense of approximately HK$4.6 million primarily relating to the clinical staff expenses relating to the operation of the Shanghai clinic (which commenced operations in July 2016), the establishment of the corporate head office in Shanghai and the expansion of team members in Shanghai for the PRC corporate healthcare solutions business;

— incremental rental expenses of approximately HK$3.4 million for the Shanghai clinic (which commenced operations in July 2016) and the new corporate head office in Shanghai;

— incremental share of losses of joint ventures of approximately HK$6.2 million, which includes within such losses (i) incremental employee benefit expense relating to the establishment of the corporate head office in Beijing, (ii) clinical staff expenses relating to the operation of the Beijing clinic in Fortune Plaza (which commenced operations in October 2016), (iii) pre-opening expenses (both rental and employee benefit expenses) relating to the establishment of another two clinics in Beijing, which are expected to commence operations in first half of 2017 and (iv) rental expenses for the corporate head office in Beijing;

— incremental depreciation expense of approximately HK$3.8 million primarily relating to the setting up of the new clinics in China, refurbishment of existing facilities in Hong Kong and the set-up of the new imaging center and day surgery center in Kowloon; and

— start up losses of approximately HK$2.8 million for the ramp up of the new imaging center and day surgery center in Kowloon, which officially commenced operation in late July 2016.

The Company is fully aware of the negative financial impact arising from the operating expenses relating to the PRC Developing Business. Moreover, as the Company continues to expand its clinic network in the PRC in order to support the development of the PRC corporate healthcare solutions business, the Company currently expects that it will likely continue to incur increasing losses that are inherent with the long ramp up period required for newly established clinics in the PRC.

To address such negative impact, the Company has prepared a proposal, subject to shareholders' approval, whereby the Company will be partnering up with Healthcare Ventures Holdings Limited (a substantial shareholder of the Company) and NWS Holdings Limited (659:HK) to pursue an asset-light operating model. Under such asset-light operating model, Healthcare Assets Management Limited, ("**HAML**") (a 50:50 joint venture owned by Healthcare Ventures Holdings Limited and NWS Holdings Limited) will take the lead to invest, establish and acquire clinics in the PRC and will appoint the Company as the manager to manage such clinics. Subject to meeting certain requirement, the Company will receive a management fee. HAML will also acquire the four PRC clinics recently established by the Company. Going forward, the Company will instead be focusing on the development of its corporate healthcare solutions business in the PRC, leveraging both on the network of clinics owned by HAML, as well as clinics owned and operated by other owners. The Company believes that such new asset-light model will be beneficial to the Company and its shareholders as a whole. Please refer to the Company's announcement dated 15 December 2016 for further details.

The Company's (i) Hong Kong & Macau Corporate Healthcare Solution Services (as defined in the Company's interim report for the six months ended 31 December 2015), (ii) Hong Kong & Macau Clinical Healthcare Services and (iii) PRC Health Check-up Business (each as defined in the Annual Report) for the six months ended 31 December 2016 have continued to perform well and are in line with historical performances. Based on the preliminary review of the unaudited management accounts of the Group, the Company expects to record a total revenue of approximately HK$250 million, representing a year on year increase of approximately 15%. The total number of patient visits also increased from approximately 670,000 for the six months ended 31 December 2015 to approximately 703,000 for the six months ended 31 December 2016. The Company will provide additional breakdown of financial and operational information in its interim results announcement.

The Company has yet to finalise its interim results for the six months ended 31 December 2016. 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 the six months ended 31 December 2016, which is expected to be published before the end of February 2017.

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, 3 February 2017

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 Mr. JIANG Tianfan 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.