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Union Medical Healthcare Limited
香港醫思醫療集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2138)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2017

ANNUAL RESULTS HIGHLIGHTS OF THE YEAR

- Sale contracts entered into during the year increased by 44.3% from HK$671.8 million for the year ended 31 March 2016 to HK$969.8 million for the year ended 31 March 2017.
- Total revenue increased by 36.9% from HK$704.9 million for the year ended 31 March 2016 to HK$964.9 million for the year ended 31 March 2017.
- Net profit increased by 36.3% from HK$149.3 million for the year ended 31 March 2016 to HK$203.5 million for the year ended 31 March 2017.
- Revenue contributed by the PRC clients as a percentage to the total revenue increased from 14% for the year ended 31 March 2016 to 25% for the year ended 31 March 2017.
- Our number of Key Clients increased by 72.3% from 9,400 for the year ended 31 March 2016 to 16,200 for the year ended 31 March 2017.
- Our number of Registered Practitioners increased by 91.3% from 23 for the year ended 31 March 2016 to 44 for the year ended 31 March 2017.
- Basic earnings per share for the year ended 31 March 2017 amounted to HK$0.21 (2016: HK$0.20).
- The Board recommended the declaration of a final dividend of HK$5.0 cents per Share and a special dividend of HK$7.9 cents per Share for the year ended 31 March 2017.

* *For identification purposes only*

The Board is pleased to announce the consolidated financial results of the Group for the Reporting Period together with the comparative figures for the corresponding prior period as set out below.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March
(Expressed in Hong Kong dollars)

	Notes	2017 HK$	2016 HK$
REVENUE	5	**964,927,119**	704,937,348
Other net income and gains	6	**27,484,976**	3,671,483
Cost of inventories		**(130,478,323)**	(70,687,271)
Registered practitioner expenses		**(77,483,595)**	(52,774,291)
Employee benefit expenses		**(277,865,036)**	(192,360,798)
Marketing and advertising expenses		**(68,460,929)**	(38,018,257)
Rental and related expenses		**(88,818,003)**	(62,165,511)
Credit card expenses		**(29,723,676)**	(22,995,785)
Depreciation		**(27,465,740)**	(24,068,889)
Finance costs	7	**(338,449)**	(411,762)
Listing expenses		**–**	(34,185,568)
Other expenses		**(47,138,253)**	(26,532,909)
Share of loss of joint venture		**(31,909)**	–
PROFIT BEFORE TAX	8	**244,608,182**	184,407,790
Income tax	9	**(41,111,965)**	(35,099,392)
PROFIT FOR THE YEAR		**203,496,217**	149,308,398
Attributable to:			
Equity shareholders of the Company		**200,702,539**	148,663,969
Non-controlling interests		**2,793,678**	644,429
		203,496,217	149,308,398
EARNINGS PER SHARE	10		
Basic		**0.21**	0.20
Diluted		**0.21**	0.20

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 March
(Expressed in Hong Kong dollars)

	2017	2016
	HK$	*HK$*
PROFIT FOR THE YEAR	**203,496,217**	149,308,398
Other comprehensive income for the year (after tax and reclassification adjustments)		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of subsidiaries outside Hong Kong, net of HK$Nil tax	**27,716**	11,633
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**203,523,933**	149,320,031
Attributable to:		
Equity shareholders of the Company	**200,730,255**	148,675,602
Non-controlling interests	**2,793,678**	644,429
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**203,523,933**	149,320,031

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March
(Expressed in Hong Kong dollars)

	Notes	**2017** *HK$*	2016 *HK$*
NON-CURRENT ASSETS			
Property, plant and equipment	*11*	**70,178,513**	59,155,532
Goodwill		**36,657,111**	3,421,318
Intangible assets		**35,906,450**	1,311,093
Interest in joint venture		**25,122,091**	–
Rental and other deposits	*14*	**23,589,387**	22,017,893
Prepayments	*14*	**7,884,968**	–
Deferred tax assets		**1,461,626**	637,917
Total non-current assets		**200,800,146**	86,543,753
CURRENT ASSETS			
Inventories	*12*	**19,116,280**	17,883,209
Trade receivables	*13*	**52,142,746**	32,484,344
Prepayments, deposits and other receivables	*14*	**60,729,829**	42,344,444
Deferred cost	*5*	**5,361,965**	–
Financial assets at fair value through profit or loss	*15*	**499,745,689**	103,516,892
Current tax recoverable		**–**	16,072,807
Pledged time deposits	*16*	**2,000,000**	2,000,000
Time deposits with original maturity over 3 months	*16*	**158,712,370**	500,000,000
Cash and cash equivalents	*16*	**200,644,165**	354,717,582
Total current assets		**998,453,044**	1,069,019,278
CURRENT LIABILITIES			
Trade payables	*17*	**6,468,211**	5,214,323
Other payables and accruals	*18*	**54,927,417**	96,694,780
Obligations under finance lease		**342,714**	–
Deferred revenue	*5*	**327,894,405**	312,891,746
Current tax payable		**11,428,555**	6,235,989
Total current liabilities		**401,061,302**	421,036,838
NET CURRENT ASSETS		**597,391,742**	647,982,440
TOTAL ASSETS LESS CURRENT LIABILITIES		**798,191,888**	734,526,193

	Notes	**2017** HK$	2016 HK$
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**3,107,841**	139,109
Obligations under finance lease		**581,724**	–
Provision for reinstatement costs	*18*	**4,650,000**	3,110,000
Total non-current liabilities		**8,339,565**	3,249,109
NET ASSETS		**789,852,323**	731,277,084
CAPITAL AND RESERVES			
Share capital	*19*	**9,808**	9,800
Reserves		**778,450,348**	731,360,424
Total equity attributable to equity shareholders of the Company		**778,460,156**	731,370,224
Non-controlling interests		**11,392,167**	(93,140)
TOTAL EQUITY		**789,852,323**	731,277,084

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located at Suites 7–9, L21 Langham Place Office Tower, 8 Argyle Street, Mong Kok, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (together referred to as the "Group") is principally engaged in the provision of medical, quasi-medical, health management and traditional beauty services, the sale of skincare, healthcare and beauty products, and investment holding.

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The financial information relating to the years ended 31 March 2017 and 2016 included in this preliminary announcement of annual results does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements.

The consolidated financial statements for the year ended 31 March 2017 comprise the Group and the Group's interest in joint venture.

The Company was incorporated in the Cayman Islands on 7 July 2015. On 18 September 2015 and as part of the corporate reorganisation, the entire issued share capital of Union (Group) Investment Limited ("UGIL") was transferred to Union Health Services, a wholly-owned subsidiary of the Company, which was in turn controlled by Mr. Tang Chi Fai ("the Controlling Shareholder") ("the Share Transfer"). Upon the completion of the Share Transfer, the Company and Union Health Services became the parent companies of UGIL and its subsidiaries, and the holding companies of the Group.

The companies that took part in the Share Transfer were controlled by the same ultimate equity shareholder before and after the Share Transfer and there were no changes in the business and operations of UGIL and its subsidiaries. The Share Transfer only involved incorporating the Company and Union Health Services with no prior substantive operations as the holding companies of UGIL and the Group. Accordingly, the Share Transfer has been accounted for using a principle similar to that for a reverse acquisition with UGIL treated as the acquirer for accounting purposes. The financial statements have been prepared and presented as a continuation of the consolidated financial statements of UGIL and its subsidiaries, with the assets and liabilities of the Group recognised and measured at their historical carrying amounts prior to the Share Transfer, and as if the group structure upon completion of the Share Transfer had been in existence at the beginning of the comparative period presented.

The measurement basis used in the preparation of the financial statements is the historical cost basis except as otherwise stated in the accounting policies.

The preparation of financial statements in conformity with Hong Kong Financial Reporting Standards ("HKFRSs") requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. CHANGES IN ACCOUNTING POLICIES

Except for the changes below, the Group has consistently applied the accounting policies to all periods presented in the consolidated financial statements.

The Group early adopted HKFRS 15, *Revenue from Contracts with Customers,* with a date of initial application of 1 April 2016. As a result, the Group has changed its accounting policies for revenue recognition and its incremental cost as detailed below.

The Group applied HKFRS 15 using the cumulative effect method – i.e. by recognising the cumulative effect of initially applying HKFRS 15 as an adjustment to the opening balance of equity at 1 April 2016. Therefore, the comparative information has not been restated and continues to be reported under HKAS 18, *Revenue*. The details of the significant changes and quantitative impact of the changes are set out below.

Provision of services

All of the services are sold on a prepaid basis. Payments received for prepaid packages are recorded as deferred revenue in the consolidated statement of financial position at the time of receipt. The service period of a prepaid package is generally one-year.

Revenue from the rendering of services is recognised when the services have been rendered to customers.

Deferred revenue is non-refundable and customers may not utilise all of their contracted rights within the service period.

Previously, any residual deferred revenue at the end of the service period is fully recognised in profit or loss. Under HKFRS 15, such unutilised service treatments are referred to as breakage. An expected breakage amount in deferred revenue is determined by historical experience and is recognised as revenue in proportion to the pattern of service treatments utilised by the customers.

Deferred costs

The incremental costs of obtaining a contract with a customer, which represent sales commissions and bonuses paid or payable to the staff and agencies calculated, are recognised as deferred costs in the consolidated statement of financial position. Such costs are recognised in profit or loss in the period in which the deferred revenue to which they relate is recognised as revenue.

Impacts on financial statements

The following tables summarise the impacts of adopting HKFRS 15 on the Group's consolidated financial statements for the year ended 31 March 2017

i. *Consolidated statement of financial position*

	Impact of changes in accounting policies		
31 March 2017	**As reported**	**Adjustments**	**Balances without adoption of HKFRS 15**
	HK$	*HK$*	*HK$*
Deferred cost	5,361,965	(5,361,965)	–
Other	1,193,891,225	–	1,193,891,225
Total assets	1,199,253,190	(5,361,965)	1,193,891,225
Deferred revenue	327,894,405	31,157,270	359,051,675
Current tax payable	11,428,555	(6,025,674)	5,402,881
Other	70,077,907	–	70,077,907
Total liabilities	409,400,867	25,131,596	434,532,463
Retained profit	150,628,023	(30,493,561)	120,134,462
Other	639,224,300	–	639,224,300
Total equity	789,852,323	(30,493,561)	759,358,762

ii. *Consolidated statement of profit or loss and other comprehensive income*

	Impact of changes in accounting policies		
For the year ended 31 March 2017	**As reported**	**Adjustments**	**Balances without adoption of HKFRS 15**
	HK$	*HK$*	*HK$*
Revenue	964,927,119	(31,157,270)	933,769,849
Employee benefit expenses	(277,865,036)	3,323,422	(274,541,614)
Marketing and advertising expenses	(68,460,929)	(8,685,387)	(77,146,316)
Other	(373,992,972)	–	(373,992,972)
Profit before tax	244,608,182	(36,519,235)	208,088,947
Income tax	(41,111,965)	6,025,674	(35,086,291)
Profit for the year	203,496,217	(30,493,561)	173,002,656
Other	27,716	–	27,716
Total comprehensive income for the year	203,523,933	(30,493,561)	173,030,372

4. OPERATING SEGMENT INFORMATION

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

(a) the provision of medical, quasi-medical, traditional beauty services and the sale of skincare, healthcare and beauty products; and

(b) the provision of health management services.

Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's management monitors the results attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of investment in joint venture, financial assets at fair value through profit or loss and deferred tax assets. Segment liabilities include trade payables, other payable and accruals.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. Segment revenue and expenses include the Group's share of revenue and expenses arising from the activities of the Group's joint venture. However, other than reporting inter-segment sales, assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

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, which is a measure of adjusted profit before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit before tax except that interest income, realised gains/(losses) on disposal of financial assets at fair value through profit or loss, net, equity-settled share-based payments are excluded from such measurement.

	The provision of medical beauty, traditional beauty and the sale of skincare, healthcare and beauty products		The provision of health management services		Elimination		Total	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016
	HK$	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*
Revenue:								
Sales to external customers	**913,616,536**	704,937,348	**51,310,583**	–	**–**	–	**964,927,119**	707,937,348
Inter-segment sales	**19,303,867**	–	**1,384,458**	–	**(20,688,325)**	–	**–**	–
Segment revenue	**932,920,403**	704,937,348	**52,695,041**	–	**(20,688,325)**	–	**964,927,119**	707,937,348
Segment result	**233,130,878**	181,751,295	**296,385**	–	**–**	–	**233,427,263**	181,751,295
Interest income							**2,820,796**	305,454
Realised gains/(losses) on disposal of financial assets at fair value through profit or loss, net							**1,278,713**	(1,209,090)
Others							**21,940,691**	3,560,131
Equity-settled share-based payments							**(14,859,281)**	–
Profit before tax							**244,608,182**	184,407,790

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's investment property, other property, plant and equipment, intangible assets, goodwill and investment in joint venture ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on (i) the physical location of the asset, in the case of property, plant and equipment, (ii) the location of the operation to which they are allocated, in the case of intangible assets and goodwill, and (iii) the location of operations, in the case of investment in joint venture.

Information about geographical areas

	Revenue from external customers		Specified non-current assets	
	2017	2016	**2017**	2016
	HK$	*HK$*	***HK$***	*HK$*
Hong Kong	**908,753,309**	667,409,203	**149,970,056**	56,767,918
Macau	**37,090,514**	28,613,885	**2,216,685**	2,738,251
The PRC	**19,083,296**	8,914,260	**12,832,705**	4,381,774
	964,927,119	704,937,348	**165,019,446**	63,887,943

Information about major customers

Since no revenue derived from sales to a single customer of the Group has individually accounted for over 10% of the Group's total revenue during each of the reporting periods presented, no information about major customers in accordance with HKFRS 8 *Operating Segments* is presented.

5. REVENUE

Revenue represents the value of medical, quasi-medical health management and traditional beauty services rendered and the net invoiced value of good sold, after allowances for return and trade discounts. An analysis of revenue is as follows:

	For the year ended 31 March	
	2017	2016
	HK$	*HK$*
Revenue		
Medical services	**501,829,649**	275,668,382
Quasi-medical services	**96,416,968**	74,073,840
Health management services	**51,310,583**	–
Traditional beauty services	**175,362,952**	65,042,514
Skincare, healthcare and beauty products	**61,899,875**	38,031,475
Revenue recognised from unutilised prepaid packages	**78,107,092**	252,121,137
	964,927,119	704,937,348

Since all the revenue comprises income from the provision of medical, quasi-medical, health management, traditional beauty services and sales of skincare, healthcare and beauty products transferred to customers at a point in time, no revenue derived from services transferred over time.

Deferred balances

The following table provides information about deferred liabilities from contract with customers and related deferred cost.

	31 March	31 March
	2017	2016
	HK$	*HK$*
Deferred revenue	**(327,894,405)**	(312,891,746)
Deferred cost	**5,361,965**	–

The deferred cost primarily related to the incremental costs of obtaining a contract with a customer, which represent sales commissions and bonus paid or payable to the staff and agencies calculated, are recognised as deferred costs in the consolidated statement of financial position. Such costs are recognised in profit or loss in the period in which the deferred revenue to which they relate is recognised as revenue.

6. OTHER NET INCOME AND GAINS

	For the year ended 31 March 2017 HK$	2016 HK$
Bank interest income	**2,820,796**	305,454
Interest income from listed debt investments and certificate of deposits	**1,701,330**	1,014,988
Write back on provision for penalty	**11,379,562**	–
Unrealised fair value gains on financial assets at fair value through profit or loss, net	**183,225**	–
Realised gains/(losses) on disposals of financial assets at fair value through profit or loss, net	**1,095,488**	(1,209,090)
Imputed interest income on non-current rental deposits	**328,801**	577,412
Others	**9,975,774**	2,982,719
	27,484,976	3,671,483

7. FINANCE COSTS

	For the year ended 31 March 2017 HK$	2016 HK$
Interest on bank overdraft	**–**	544
Finance charges on obligations under finance lease	**1,165**	–
Imputed interest expense on non-current rental deposits	**337,284**	411,218
	338,449	411,762

8. PROFIT BEFORE TAX

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

	For the year ended 31 March 2017 HK$	2016 HK$
Employee benefit expenses (including directors' emoluments):*		
Salaries, wages, allowances, bonuses, commission and benefits in kind	**287,674,052**	211,565,936
Equity-settled share-based payment expenses	**14,859,281**	–
Pension scheme contributions (defined contribution scheme)	**10,261,430**	7,039,202
	312,794,763	218,605,138
Minimum lease payments under operating leases in respect of:		
Land and buildings	**71,630,060**	49,519,995
Equipment	**269,837**	225,802
Auditors' remuneration	**2,873,395**	1,668,965
Depreciation	**27,465,740**	24,068,889
Impairment of goodwill	**282,940**	–
Amortisation of intangible assets	**1,708,016**	572,520
Loss on disposals and write-off of property, plant and equipment	**1,404,863**	1,032,361
Foreign exchange differences, net	**632,870**	(74,324)
Trade receivables written off as uncollectible	**–**	11,951

* *Included in staff costs are employee benefit expenses of HK$277,865,036 (2016: HK$192,360,798) and registered practitioner expenses of HK$34,929,727 (2016: HK$26,244,340) paid/payable to certain registered medical practitioners who are also employees of the Group.*

9. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Taxation in the consolidated statement of profit or loss represents:

	For the year ended 31 March	
	2017	2016
	HK$	*HK$*
Current — Hong Kong		
Provision for the year	**38,076,163**	35,165,609
Under-provision in respect of prior years	**1,336,399**	1,165,004
	39,412,562	36,330,613
Current — Outside Hong Kong		
Provision for the year	**2,390,983**	1,218,685
Deferred tax	**(691,580)**	(2,449,906)
Tax charge for the year	**41,111,965**	35,099,392

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

Hong Kong Profits Tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profits for the year. Taxes on profits assessable outside Hong Kong have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

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

Basic earning per Share

The calculation of basic earnings per Share is based on the profit for the year attributable to ordinary equity shareholders of the Company of HK$200,702,539 (2016: HK$148,663,969) and the weighted average of 964,770,157 ordinary Shares (2016: 749,095,890 ordinary Shares) in issue during the year, calculated as follows:

Weighted average number of ordinary Shares:

	For the year ended 31 March	
	2017	2016
Issued/deemed issued ordinary Shares at the beginning of the financial year	**980,000,000**	735,000,000
Effect of ordinary Shares issued upon the initial public offering	**–**	14,095,890
Effect of ordinary Shares issued	**788,482**	–
Effect of purchase of Shares held for share award scheme	**(16,018,325)**	–
Weighted average number of ordinary Shares at 31 March	**964,770,157**	749,095,890

Diluted earnings per share

The diluted earning per Share is the same as basic earnings per Share as there were no dilutive potential ordinary Shares in existence during the years ended 31 March 2017 and 2016.

11. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements *HK$*	Furniture and fixtures *HK$*	Operation equipment *HK$*	Office equipment *HK$*	Computers *HK$*	Motor vehicles *HK$*	Total *HK$*
Cost:							
At 1 April 2015	44,324,151	2,990,176	48,576,003	2,606,840	3,313,382	–	101,810,552
Additions	17,543,964	2,084,434	7,676,328	193,585	2,168,529	566,305	30,233,145
Business combination	1,937,393	245,852	–	–	–	–	2,183,245
Disposals	(530,778)	(743,299)	(3,918,255)	(657,927)	(360,088)	–	(6,210,347)
Exchange adjustment	(129,428)	(270,584)	–	–	–	–	(400,012)
At 31 Marh 2016	63,145,302	4,306,579	52,334,076	2,142,498	5,121,823	566,305	127,616,583
At 1April 2016	63,145,302	4,306,579	52,334,076	2,142,498	5,121,823	566,305	127,616,583
Additions	9,296,019	1,042,361	18,891,024	441,700	779,136	1,747,630	32,197,870
Business combination	5,122,093	1,638,767	1,025,599	37,364	–	–	7,823,823
Disposals	(901,958)	(135,857)	(1,519,515)	–	–	–	(2,557,330)
Exchange adjustment	(198,265)	(85,656)	–	–	–	–	(283,921)
At 31 March 2017	76,463,191	6,766,194	70,731,184	2,621,562	5,900,959	2,313,935	164,797,025
Accumulated depreciation							
At 1 April 2015	17,936,245	1,888,058	26,507,864	1,489,009	1,808,326	–	49,629,502
Charge for the year	14,149,461	642,377	8,191,363	433,011	624,362	28,315	24,068,889
Written back on disposals	(515,326)	(622,738)	(3,237,785)	(505,801)	(296,336)	–	(5,177,986)
Exchange adjustment	(56,210)	(3,144)	–	–	–	–	(59,354)
At 31 March 2016	31,514,170	1,904,553	31,461,442	1,416,219	2,136,352	28,315	68,461,051
At 1 April 2016	31,514,170	1,904,553	31,461,442	1,416,219	2,136,352	28,315	68,461,051
Charge for the year	15,411,957	1,142,024	9,539,773	288,423	927,430	156,133	27,465,740
Written back on disposals	(609,729)	(63,305)	(479,433)	–	–	–	(1,152,467)
Exchange adjustment	(140,209)	(15,603)	–	–	–	–	(155,812)
At 31 March 2017	46,176,189	2,967,669	40,521,782	1,704,642	3,063,782	184,448	94,618,512
Net book value:							
At 31 March 2017	30,287,002	3,798,525	30,209,402	916,920	2,837,177	2,129,487	70,178,513
At 31 March 2016	31,631,132	2,402,026	20,872,634	726,279	2,985,471	537,990	59,155,532

12. INVENTORIES

(a) Inventories in the consolidated statement of financial position comprise:

	As at 31 March	
	2017	2016
	HK$	*HK$*
Skincare, healthcare and beauty products	**5,440,773**	3,177,581
Consumables and other supplies	**13,675,507**	14,705,628
	19,116,280	17,883,209

(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	Year ended 31 March	
	2017	2016
	HK$	*HK$*
Carrying amount of inventories sold and consumed	**130,478,323**	70,687,271

13. TRADE RECEIVABLES

	As at 31 March	
	2017	2016
	HK$	*HK$*
Trade receivables	**52,142,746**	32,484,344

The Group's trading terms with its customers are mainly on credit card settlements. The credit period is generally 5 to 120 days for the credit card settlements from the respective financial institutions. The Group seeks to maintain strict control over its outstanding receivables and 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 ageing analysis of the trade receivables, based on the invoice date, is as follows:

	As at 31 March	
	2017	2016
	HK$	*HK$*
Within 1 month	**41,988,028**	26,249,632
1 to 3 months	**4,865,166**	4,065,694
Over 3 months	**5,289,552**	2,169,018
	52,142,746	32,484,344

The ageing analysis of the trade receivables based on the payment due date and net of provision is as follows:

	As at 31 March	
	2017	2016
	HK$	*HK$*
Neither past due nor impaired	**38,791,121**	27,093,828
Less than 3 months past due	**12,790,901**	4,068,655
3 to 6 months past due	**313,509**	687,861
7 to 12 months past due	**135,377**	392,787
More than 1 year past due	**111,838**	241,213
	52,142,746	32,484,344

At 31 March 2017, none of the trade receivables were individually determined to be impaired (2016: HK$11,951).

Trade receivables that were neither past due nor impaired relate to a number of receivables due from financial institutions in respect of credit card settlements for whom there was no recent history of default.

Trade receivables that were past due but not impaired also relate to a number of financial institutions and a related party that have a good track record with the Group. Based on past experience, the directors are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 31 March	
	2017	2016
	HK$	*HK$*
Prepayments	**42,234,973**	27,211,102
Deposits	**39,824,059**	31,967,628
Other receivables	**10,145,152**	5,183,607
	92,204,184	64,362,337
Portion classified as non-current		
— Rental and other deposits	**(23,589,387)**	(22,017,893)
— Prepayments	**(7,884,968)**	–
Current portion	**60,729,829**	42,344,444

The above assets are neither past due nor impaired. The financial assets included in the above balance relate to receivables for which there was no recent history of default.

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 March	
	2017	2016
	HK$	*HK$*
Financial assets at fair value through profit or loss		
Unlisted fund investments, at fair value, in Hong Kong	**–**	85,499,126
Unlisted bond investment, at fair value, in Hong Kong	**15,012,489**	–
Certificate of deposits, at fair value, in Hong Kong	**459,733,200**	18,017,766
Coupon note, at fair value, in Hong Kong	**25,000,000**	–
	499,745,689	103,516,892

Certificate of deposits earn interest at fixed rates from creditworthy banks with no recent history of default.

16. CASH AND CASH EQUIVALENTS AND TIME DEPOSITS

	As at 31 March	
	2017	2016
	HK$	*HK$*
Cash and cash equivalents	**200,644,165**	352,428,805
Time deposits	**160,712,370**	504,288,777
	361,356,535	856,717,582
Less: Pledged time deposits for banking facilities as security for credit card instalments programme	**(2,000,000)**	(2,000,000)
Time deposits with original maturity over 3 months	**(158,712,370)**	(500,000,000)
	200,644,165	354,717,582

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying period from one day to one year depending on the Group's immediate cash requirements, and earn interest at the respective time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

Included in cash and cash equivalents, HK$9,036,583 (2016: HK$3,346,862) are denominated in Renminbi and deposited with the banks in the PRC. These deposits are not freely convertible and the remittance of funds out of the PRC is subject to exchange restrictions imposed by the Government of the PRC.

17. TRADE PAYABLES

An ageing analysis of the trade payables, based on the invoice date, is as follows:

	As at 31 March	
	2017	2016
	HK$	*HK$*
Within 1 month	**5,422,769**	5,084,524
1 to 2 months	**404,531**	80,159
2 to 3 months	**7,155**	–
Over 3 months	**633,756**	49,640
	6,468,211	5,214,323

The trade payables are non-interest-bearing and generally have payment terms within 60 days.

18. OTHER PAYABLES AND ACCRUALS

	As at 31 March	
	2017	2016
	HK$	*HK$*
Other payables	**16,541,678**	5,896,845
Accruals	**37,085,739**	88,637,935
Provision for reinstatement costs	**5,950,000**	5,270,000
	59,577,417	99,804,780
Portion classified as non-current — provision for reinstatement costs	**(4,650,000)**	(3,110,000)
Current portion	**54,927,417**	96,694,780

Other payables are non-interest-bearing and have an average payment term of three months.

The provision for reinstatement costs represents management's best estimate of the Group's liabilities of the costs of dismantling and removing the leasehold improvements and restoring the sites on which they are located.

The movements in the provision for reinstatement costs are as follows:

	As at 31 March	
	2017	2016
	HK$	*HK$*
At the beginning of year	**5,270,000**	4,740,000
Additional provision	**1,110,000**	1,010,000
Amounts utilised during the year	**(430,000)**	(480,000)
At the end of year	**5,950,000**	5,270,000
Portion classified as current liabilities	**(1,300,000)**	(2,160,000)
Non-current portion	**4,650,000**	3,110,000

19. SHARE CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

(i) Dividends payable by the Company to equity shareholders:

	As at 31 March	
	2017	2016
	HK$	*HK$*
Interim dividends declared and paid of HK7.50 cents per ordinary Share (2016: HK12.58 cents per ordinary share)	**73,562,024**	124,441,636
Final dividend and special dividend proposed after the end of the Reporting Period of HK12.90 cents per ordinary Share) (2016: HK1.91 cents per ordinary Share)	**126,526,683**	18,733,796
	200,088,707	143,175,432

The final dividend and special dividend proposed after the end of the Reporting Period has not been recognised as a liability at the end of the Reporting Period.

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year:

	As at 31 March	
	2017	2016
	HK$	*HK$*
Final dividend in respect of the previous financial year, approved and paid during the year, of 1.91 cents per share (2016: Nil cents per Share)	**18,733,796**	–

(b) Share capital

	31 March 2017		31 March 2016	
	Number of Shares	***HK$***	*Number of Shares*	*HK$*
Authorised				
Ordinary Shares of HK$0.00001 each	**38,000,000,000**	**380,000**	38,000,000,000	380,000
Ordinary Shares, issued and fully paid				
At 1 April	**980,000,000**	**9,800**	–	–
Issuance of new Share before IPO and share sub-division *(i)*	**–**	**–**	100	–
Effect of share sub-division *(ii)*	**–**	**–**	99,900	1
Issuance of new Shares before initial public offering but after share sub-division *(ii)*	**–**	**–**	1,099,900,000	10,999
Repurchase of Shares before initial public offering but after share sub-division *(iii)*	**–**	**–**	(365,000,000)	(3,650)
Shares issued under initial public offering *(iv)*	**–**	**–**	245,000,000	2,450
Issuance of new Shares *(v)*	**827,000**	**8**	–	–
At 31 March	**980,827,000**	**9,808**	**980,000,000**	**9,800**

The holders of ordinary Shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All ordinary Shares rank equally with regard to the Company's residual assets.

The Company's issued and fully paid shares as at 31 March 2017 included 35,995,770 shares held in trust by the trustee under the share award scheme.

(i) The Company is an exempted company with limited liability incorporated in the Cayman. Islands on 7 July 2015 with an authorised share capital of HK$380,000 divided into 38,000,000 shares of HK$0.01 each, 1 nil paid Share was issued to the Controlling Shareholder. There was no authorised and issued capital as at 31 March 2015 since the Company has not been incorporated on 31 March 2015.

On 18 September 2015, additional 99 Shares were issued to the Controlling Shareholder. All shares together with the 1 nil paid Share issued on the date of incorporation were then transferred to Union Medical Care Holding Limited and were fully paid-up on 18 September 2015.

(ii) On 19 February 2016, the Company underwent a Share sub-division whereby each of the issued or unissued ordinary shares of par value of HK$0.01 each was sub-divided into 1,000 shares of par value of HK$0.00001 each. Upon completion of the share sub-division, the authorised share capital was HK$380,000, dividing into 38,000,000,000 Shares of par value of HK$0.00001 each, and 100,000 shares were issued and allotted. On the same date, a total of 1,099,900,000 Shares were further allotted and issued, at par.

(iii) On 26 February 2016, the Company repurchased 365,000,000 shares at par, the Company's issued Shares consisted of 735,000,000 Shares of par value of HK$0.00001 each.

(iv) On 11 March 2016, the Company issued 245,000,000 Shares with a par value of HK$0.00001 each, at price of HK$3.03 per share by way of a global initial public offering to Hong Kong and international investors. Net proceeds from such issue amounted to HK$703,437,478 (after offsetting share issuance expenses of HK$38,912,522) of which HK$2,450 and HK$703,435,028 were recorded in share capital and share premium respectively.

The holders of ordinary Shares are entitled to receive dividends as declared from time to time and are entitled to one vote per Share at general meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(v) On 18 April 2016, the Company issued 827,000 Shares at HK$3.03 per Share by way of over-allotment Shares under the global initial public offering to Hong Kong and International investors.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

During the Reporting Period, we continued to maintain our leading market position, as the largest aesthetic medical service provider in Hong Kong in terms of revenue. We are well-positioned to further extend our leading position in the growing aesthetic medical service market in Hong Kong and broaden the types of services and products that we offer, as well as to continue our expansion in the rest of the Greater China and Asia. Medical services continue to be the primary contributor to our revenue and profits. As at 31 May 2017, inclusive of our two flagships and three clinics in the PRC, our 38 centres offer wide range of services including aesthetic medical, traditional beauty, health management, chiropractic and physiotherapy. During the Reporting Period, our revenue and net profit increased by 36.9% and 36.3% from the previous year to HK$964.9 million and HK$203.5 million respectively.

Business Developments

We are to expand our business not only via diversification of services and products we can offer, but also geographically.

Riding on the growing demand for quality medical services with our superior professional ethics being recognised in the PRC and Hong Kong, the Company launched re:HEALTH in May 2016, a one-stop health management centre providing a full range of comprehensive health screening, health product and health management services in Hong Kong. During the Reporting Period, revenue from health management business was HK$51.3 million.

To extend our services and product offerings, we commenced offering chiropractic services to address some of the needs of health and beauty of individuals towards the end of 2016. On 7 October, 2016, the Group acquired 51% equity interest in each of the Target Companies at an aggregate consideration of HK$33.5 million in form of cash. The transaction constituted discloseable transaction for the Company under the Listing Rules. The Target Companies are one of the largest group of chiropractors, physiotherapists and other health professionals in Hong Kong which specialise in the musculoskeletal and nervous systems. Upon completion of the acquisition, all the Target Companies became indirect non-wholly owned subsidiaries of the Company and the financial results, assets and liabilities of the Target Companies be consolidated into the financial statements of the Group. Please refer to the announcement of the Company dated 23 September 2016 and 24 August 2016.

During the Reporting Period, we opened our aesthetic medical clinics in Guangzhou and Shanghai. Our business driven by medical tourism has experienced a significant increase and revenue contributed by our PRC clients represents 25% of the Group's revenue during the Reporting Period, such increase is primarily due to the recognition of our credibility as a reliable and trustworthy medical services provider.

We are also in the process of establishing additional aesthetic medical clinic in Shenzhen, which is anticipated to be opened in 2017.

To further prepare the Company in capturing the distribution opportunities in Hong Kong and the Greater China and gaining access to the latest medical technology, devices and drugs, the Company acquired a distributor for internationally renowned medical products. On 25 November 2016, the Group acquired 50% of Good Union Corporation Limited and Good Union Medical Limited at an aggregate consideration of HK$25.2 million in form of cash. This transaction constituted a connected transaction for the Company but was exempted from the circular and Shareholders' approval requirements under the Listing Rules. Upon completion of the acquisition, Good Union Corporation Limited and Good Union Medical Limited became jointly controlled entities of the Company and the financial results, assets and liabilities of these two companies accounted for as jointly controlled entities in the financial statements of the Group. Please refer to the announcements of the Company dated 2 November 2016 and 25 November 2016 for further details.

In order to enhance the customers' experience and facilitate the growing demand for quality medical services in Hong Kong, we have further expanded average g.f.a. to approximately 73,000 square feet at our flagship store in Langham Place, Mong Kok.

Contracted sales

Contracted sales, which refers to sales contracts entered into during the Reporting Period, is an important factor affecting our results of operations. Contracted sales are, in turn, primarily driven by the number of clients who have made at least one purchase during a financial period and the average spending per client. Contracted sales increased by HK$298.0 million or 44.3%, from HK$671.8 million for the year ended 31 March 2016 to HK$969.8 million for the year ended 31 March 2017, and the number of clients who made at least one purchase of services or products during the respective periods were 32,159 and 52,446 respectively, representing an increase of 63.1%.

We have achieved a strong and solid growth of contracted sales due to our ability to maintain and grow our client spending and number of clients who made purchases, especially our Key Clients. We will continue to aim to grow our Key Client base and increase their average spending through improvements in the following areas:

- big data and CRM System
- cross selling capabilities
- service floor area
- number and types of services and products
- number of Registered Practitioners
- retention of clients
- marketing channels
- quality of services
- efforts in PRC tourists to Hong Kong

Client Growth and Diversity

Our revenue is significantly affected by the number of clients who received our services, in particular the number of Key Clients. As at 31 March 2017, we have 16,200 Key Clients. If the new clients are excluded from our Key Clients, over 66% of our Key Clients have more than 3 years of relationship with us.

During the Reporting Period, approximately 89% and 66% of our clients who received at least one service session were females and between the ages of 26 to 55, respectively.

A year-over-year analysis of certain key metrics of our revenue and clients are set out below:

	For the year ended 31 March		
	2017	2016	% change
Total revenue *(HK$)*	**964,927,119**	704,937,348	36.9
Sales contracts entered into during the year *(HK$)*	**969,770,195**	671,822,226	44.3
Approximate number of Key Clients	**16,200**	9,400	72.3
% of number of Key Clients who had unutilised prepaid packages expired in the previous financial year who also made at lease one purchase during the year	**88%**	83%	–
Number of clients who made at least one purchase of services or products	**52,446**	32,159	63.1
Revenue contributed by PRC clients (%)	**25%**	14%	–
Material unfavourable feedback (Compensation and refund) (HK$million)	**1.5**	1.0	50.0
Material unfavourable feedback (Compensation and refund) (% of total Revenue)	**0.16%**	0.14%	–
Refunds and settlements to legal proceedings and claims (HK$million)	**0.10**	0.16	(37.5)
Refunds and settlements to legal proceedings and claims (% of Recognised Medical Revenue)	**0.02%**	0.06%	–

Our Professionals and Other Staff

The following table summarises the number of our Registered Practitioners who worked full-time for our Group as at 31 March 2017:

Type of Registered Practitioners	Location	Number of Registered Practitioners
Plastic Surgeons (in Hong Kong)	Hong Kong	1
Clinical Microbiologist	Hong Kong	1
Pathology	Hong Kong	1
Dentists	Hong Kong	6
Paediatrics	Hong Kong	1
Hong Kong Doctors who are General Practitioners	Hong Kong	10
Registered Chiropractors	Hong Kong	13
Chinese Medicine Practitioners (one Listed Chinese Medicine Practitioner & one Registered Chinese Medicine Practitioner)	Hong Kong	3
PRC Doctors	PRC	5
Macau Doctors	Macau	3
		44

As at 31 March 2017, we also had (i) 25 full time supplementary medical profession staff in Hong Kong and the PRC, including but not limited to dental hygienist, registered nurses, enrolled nurses and PRC nurses; (ii) 276 Trained Therapists, being employees who have completed mandatory internal training developed by our Doctors to provide quasi-medical services and/or traditional beauty services under our internal licensing programme; and (iii) 8 Registered Practitioners and 9 supplementary medical profession staff who worked part-time for our Group to facilitate our growth on a need-to basis, in particular our new health management centre.

Internal Control Protocols

Work safety and risk management

Professionalism and safety have always been our core values. Our experienced and well-trained Registered Practitioners perform and oversee all medically related operations, as well as participate in our senior management. Both our Registered Practitioners and supporting staff are scheduled to attend medically related trainings regularly to update their knowledge and skill sets. Prior to performing a procedure to a client, we require our Registered Practitioners and Trained Therapists to explain the procedures and associated risks and obtain consent in a new form. We apply certain medical standards even to our non-medical services, such as recommending our clients to consult with doctors prior to receiving any of our services.

Internal Control Measures regarding selling practices and unutilised prepaid packages

We have implemented a series of internal control measures, including a number of measures that reference applicable "best practice" guidelines issued by governmental bodies (such as the Hong Kong Consumer Council and the Commerce and Economic Development Bureau of Hong Kong), to help prevent our staff from engaging in coercive selling practices, such as:

- adopting a refund policy which includes a seven-day cooling-off period whereby our clients are allowed to request a full refund within seven days of purchase of any prepaid packages;
- adopting a policy that commission is not paid to our sales staff for contracted sales which are subsequently refunded;
- establishing procedures for recording and handling complaints;
- having written terms and conditions with clients;
- sharing media reports of forced selling cases with our staff to highlight the potential adverse consequences of such practices;
- proactively seeking clarification of the Trade Description Ordinance from the relevant government authorities and organising a seminar provided by the officers of the Hong Kong Customs and Excise Department relating to the Trade Description Ordinance for our staff;
- detailed employee guidelines on, inter alia, responsible selling practices (for example, not to harass or push clients in purchasing prepaid packages);
- video and voice recording devices in consultation rooms to monitor staff behaviour during consultations; and
- offering our employees compensation incentives which are linked to the actual utilisation of prepaid packages by the clients.

We have a client phone survey system in order to further our active solicitation of client feedback. Our client service team calls clients who have received our services on the previous day (excluding those who had already completed such survey in the past 30 days) on every working day. The survey is conducted based on a questionnaire where we ask clients to give us scores (out of five points) for 14 categories, such as level-of-care, attitude of staff and brand image. We compile the scores through our integrated information technology infrastructure and review such scores to identify targets for improvement. We had surveyed 6,438 and 9,360 clients for the years ended 31 March 2017 and 2016 respectively. We have been able to improve our scores from such client phone surveys since the implementation of such programme.

Information Technology Infrastructure

During the Reporting Period, we have further improved and upgraded the sophistication of our information technology systems and big data to better accommodate our clients' use of mobile internet applications, enhance efficiency and standardisation of operations among service and sales competence to further improve our service qualities and sales revenue. In terms of business intelligence, we have also implemented the SAP enterprise software since April 2016 to allow detailed and instant tracking of our client's redemption pattern, which provides us with more sophisticated ways to recognise revenue and estimate forfeited income.

Other claims and compliance

In order to provide top-quality and safe services to our clients, we encourage clients to provide feedback through client satisfaction surveys and face-to-face discussions. Where a client requests for a refund or a product return, our Registered Practitioners will participate in investigation of such requests. During the Reporting Period, there were 9 complaints filed against us with the Hong Kong Consumer Council as compared to 11 complaints for the year ended 31 March 2016. As at the date of this announcement, no formal court proceedings have commenced in respect of the medical incident as disclosed in the Prospectus under the section headed "BUSINESS — LEGAL PROCEEDINGS, CLAIMS AND COMPLIANCE — CLAIMS AND LITIGATION — CLAIMS AND THREATENED LITIGATION MADE BY CLIENTS — RECENT MEDICAL INCIDENT".

We refer to our previous late filing of profits tax returns as disclosed in the Prospectus (the "Relevant Disclosures") under the section headed "BUSINESS — LEGAL PROCEEDINGS, CLAIMS AND COMPLIANCE — NON-COMPLIANCE INCIDENTS — INLAND REVENUE ORDINANCE". As set out in the Relevant Disclosures, Tax Audit was conducted by the IRD. The Group has received 2 letters from the IRD (the "Letters") relating to the Relevant Subsidiaries and the Offer. Having considered the views of the Group's tax advisor, the tax provisions previously made in its consolidated financial statements for the potential tax liabilities, the previous discussions with the IRD and in order to avoid further protracted exchange of correspondences with the IRD, which may not be in the best interest of the Company from the commercial perspective, the Board has decided to proceed with the Offer as specified in the Letters to resolve the case. The Directors are of the view that, with the Offer having been accepted and the relevant amount paid to the IRD by the Relevant Subsidiaries, (i) the Tax Audit in respect of each of the Relevant Subsidiaries is now considered as fully and finally settled; (ii) except with the Offer, the Directors are not aware of any further allegations by, or concerns from, the IRD in relation to the performance of the related obligations of the Relevant Subsidiaries of the Company as mentioned in the Relevant Disclosures under the IRO; and (iii) the Relevant Subsidiaries and their directors would not be subject to any further legal proceedings under section 80(2) of the IRO relating to the Tax Audit of the Relevant Subsidiaries. Given that the Group has previously made tax provisions, the Company has written back such excess of the tax provision in the sum of approximately HK$11.3 million to its consolidated income statement for the Reporting Period. Please refer to the announcement of the Company dated 9 May 2017 for further details.

OUTLOOK AND STRATEGIES

Hong Kong

According to the report on March 2017 Monthly Survey of Retail Sales issued by the Hong Kong Census and Statistics Department, (i) the value of total retail sales in March 2017 was provisionally estimated at HK$35.7 billion, increased by 3.1% over the same month in 2016, and (ii) after netting out the effect of price changes over the same period, the volume of total retail sales in March 2017 increased by 2.7% compared with that of March 2016.

We are committed to offer the top notch customer experiences in addition to the safe and professional medical and beauty services.

With reference to the data gathered in our system, we are to leverage on our clients' trust on our quality services and to provide services in other medical disciplines. We will continue to offer the latest products and equipment in meeting the continued growing demand of clients in medical needs, in particular the medical aesthetic space. We may respond by identifying potential acquisition targets or via an organic expansion.

The PRC

Premier Li Keqiang announced an agenda for constructing Guangdong-Hong Kong-Macao greater bay area ("Greater Bay Area"*) in his work report to the 5th Session of 12th National People's Congress (NPC) on 5th March 2017. It aims to strengthen the collaboration amongst the cities of the Greater Bay Area and leverage on the unique advantages of Hong Kong and Macao to facilitate enhancement of the national economic development and its status and functions globally. Hong Kong is unique and strong in terms of its internationalization in the area of modern services, finance, legal, accounting and construction. Hong Kong's economic, social and legal system is well connected with the world and it has a large pool of international talent. The Greater Bay Area plays an important role as the world-class cluster of cities of the PRC to compete amongst other countries globally.

We will continue the expansion of our own medical aesthetic clinic in first-tier and selected second-tier cities in the PRC as disclosed in our Prospectus and we anticipate that our medical aesthetic clinic in Shenzhen will be opened by the end of this year.

To enhance our capability to service the medical tourism sector, we have equipped to facilitate travel arrangements via our in-house travel agent and divert PRC customers to obtain medical services in Hong Kong that are not readily available in the PRC. We are pro-actively exploring for acquisition targets as well as partnership opportunities with strong presence in the PRC, in particular players who share the same vision as we do — offering safe, professional and effective services as a concierge in customers' health and beauty.

* *The Greater Bay Area is comprised of Hong Kong, Macau and nine cities in Guangdong (namely, Guangzhou, Foshan, Zhaoqing, Shenzhen, Dongguang, Huizhou, Zhuhai, Zhongshan, Jiangmen).*

FINANCIAL REVIEW

In spite of the decline in consuming sentiment, the Company enhanced its operating performance for the Reporting Period.

Revenue

Our revenue increased by 36.9% from HK$704.9 million for the year ended 31 March 2016 to HK$964.9 million for the year ended 31 March 2017 primarily attributable to (i) the increase in revenue generated from medical services from HK$275.7 million for the year ended 31 March 2016 to HK$501.8 million for the year ended 31 March 2017; and (ii) revenue from our new health and management services of HK$51.3 million for the year ended 31 March 2017.

Medical services

Our revenue from medical services increased by 82.0% from HK$275.7 million for the year ended 31 March 2016 to HK$501.8 million for the year ended 31 March 2017, primarily attributable to the increase in revenue generated from minimally invasive procedures performed and increase in the number of, and variety of, energy-based aesthetic medical services provided to clients during the Reporting Period.

Quasi-medical services

Our revenue from quasi-medical services increased by 30.2% from HK$74.1 million for the year ended 31 March 2016 to HK$96.4 million for the year ended 31 March 2017, primarily attributable to the increase in the number of and variety of energy-based aesthetic medical devices provided to clients during the Reporting Period.

Traditional beauty services

Our revenue from traditional beauty services increased by 169.6% from HK$65.0 million for the year ended 31 March 2016 to HK$175.4 million for the year ended 31 March 2017, primarily attributable to the Group's marketing strategy to nurture and retain the new customers to become our Key Clients, in particular the PRC clients.

Health management services

Our revenue from health management services was HK$51.3 million for the year ended 31 March 2017, primarily attributable to the provision of services in the one-stop health management centre newly launched in May 2016.

Skincare, healthcare and beauty products

Our revenue from the sale of skincare, healthcare and beauty products increased by 62.8% from HK$38.0 million for the year ended 31 March 2016 to HK$61.9 million for the year ended 31 March 2017, primarily attributable to the healthcare products newly launched by re:HEALTH which commenced operations in May 2016.

Operating Segment Information

An analysis of the Group's revenue and contribution to results by business segments of the operations for the Reporting Period is set out in note 4 to the consolidated financial statements.

Other net income and gains

During the Reporting Period, our other net income and gains were approximately HK$27.5 million, an increase of approximately HK$23.8 million or 648.6% when compared to the year ended 31 March 2016, primarily due to the write back of excess of the provision for penalty and interest income gained from the unutilized net proceeds from IPO during the Reporting Period.

Cost of inventories

Our cost of inventories increased from HK$70.7 million for the year ended 31 March 2016 to HK$130.5 million for the year ended 31 March 2017, primarily attributable to an increase in the volume of medication and service consumables used, which was in line with the significant increase in the volume of service procedures performed. Our cost of inventories and consumables grew at a higher rate as compared to that of revenue from services provided due to the increase in effort to expand our market shares, along with an increase in product sales.

Registered practitioner expenses

For the year ended 31 March 2017, we incurred Registered Practitioner expenses of approximately HK$77.5 million, an increase of approximately HK$24.7 million or 46.8% when compared to the year ended 31 March 2016, primarily attributable to an increase in the number of Registered Practitioners from 23 as at 31 March 2016 to 44 as at 31 March 2017.

Employee benefit expenses and remuneration policy

For the year ended 31 March 2017, we incurred employee benefit expenses of approximately HK$277.9 million, an increase of approximately HK$85.5 million or 44.4% when compared to the year ended 31 March 2016, primarily due to increase in our overall headcount (excluding Registered Practitioners) from 693 as at 31 March 2016 to 808 as at 31 March 2017, as well as the increments to employees' salaries.

The Group is aware of the importance of human resources and is dedicated to retaining competent and talented employees by offering them competitive remuneration packages. Their salaries and bonuses were determined by reference to their duties, work experience, performance and prevailing market practices. The Group also participates in the Mandatory Provident Fund scheme in Hong Kong, and provides employees with medical insurance coverage. A share option scheme and a share award scheme are in place to reward individual employees for their outstanding performance and contribution to the success of the Group.

Marketing and advertising expenses

For the year ended 31 March 2017, the Group incurred marketing and advertising expenses of approximately HK$68.5 million, an increase of approximately HK$30.4 million or 80.1% when compared to the year ended 31 March 2016, primarily due to an increased level of marketing and advertising activities in promotion of the Group and our new business, in particular re:HEALTH.

Rental and related expenses

For the year ended 31 March 2017, the Group incurred rental and related expenses of approximately HK$88.8 million, an increase of approximately HK$26.7 million or 42.9% when compared to the year ended 31 March 2016, primarily due to the increase in the aggregate average g.f.a of approximately 35,000 sq. ft. as compared to 31 March 2016.

Credit card expenses

For the year ended 31 March 2017, the Group incurred credit card expenses of approximately HK$29.7 million, an increase of approximately HK$6.7 million or 29.3% when compared to the year ended 31 March 2016, primarily due to the significant increase in contracted sales generated during the Reporting Period, resulting in higher credit card expenses incurred.

Other expenses

For the year ended 31 March 2017, the Group incurred other operating expenses of approximately HK$47.1 million, an increase of approximately HK$20.6 million or 77.7% when compared to the year ended 31 March 2017, primarily due to (i) the professional expenses incurred as a result of obtaining relevant services from professional advisers and parties in relation to the transactions entered into by the Group and after the Company has become a listed company; (ii) donations; and (iii) the office expenses incurred as the scale of the business of the Group increased during the Reporting Period.

Profit Before Tax

For the year ended 31 March 2017, the Group has profit before tax of approximately HK$244.6 million, representing 25.3% of the revenue and an increase of approximately HK$60.2 million or 32.6% when compared to that of the year ended 31 March 2016.

Income Tax Expense

For the year ended 31 March 2017, the Group incurred income tax expense of approximately HK$41.1 million, an increase of approximately HK$6.0 million or 17.1% when compared to the year ended 31 March 2016, primarily due to significant increase in profit before tax.

Profit for the Year/Profit Margin

For the year ended 31 March 2017, the Group recorded profit for the year of approximately HK$203.5 million, an increase of HK$54.2 million or 36.3% when compared to the year ended 31 March 2016, primarily due to our development of the new businesses and efficient leverage on our cross-selling capabilities. Our profit margin remains at approximately 21.1%.

LIQUIDITY AND CAPITAL RESOURCES

Financial Resources

We continue to maintain a strong financial position with cash and cash equivalents of HK$200.6 million as at 31 March 2017. Our working capital was HK$597.4 million. Based on our steady cash inflow from operations, coupled with sufficient cash and bank balances, we have adequate liquidity and financial resources to meet the working capital requirements as well as to fund its budgeted expansion plans in the next financial year.

During the year ended 31 March 2017, the majority of our cash and bank balances were in Hong Kong dollar, and as we expand our operations in the PRC, there will be an increasing amount of our assets and transactions denominated in Renminbi.

CAPITAL EXPENDITURE AND COMMITMENTS

Capital Expenditure

Our capital expenditures during the year ended 31 March 2017 were primarily related to purchases of operation equipment, which primarily included medical, dental and beauty devices, and expenditure in leasehold improvements. We have financed our capital expenditures through cash flows generated from operating activities.

Capital Commitment

As at 31 March 2017, we do not have any capital commitments in respect of acquisition of property, plant and equipment.

Use of Proceeds from IPO

The net proceeds from the listing were approximately HK$703.4 million, after deducting the underwriting fees and commission and related total expenses paid and payable by us in connection with the IPO. We have, and will continue to utilise the net proceeds from the IPO for the purposes consistent with those set out in the section headed "FUTURE PLANS AND USE OF PROCEEDS" in the Prospectus. The below table sets out the planned application of the net proceeds and actual usage from Listing Date up to 31 March 2017:

Use of proceeds	Percentage of total net proceeds	Planned Applications	Actual usage up to 31 March 2017	Unutilised net proceeds as at 31 March 2017
			HK$ in million	
Establishing new, as well as expanding the scale of our existing, aesthetic medical service centres and clinics in Hong Kong and the Greater China	40%	281.4	36.4	245.0
Acquiring aesthetic medical centres and aesthetic medical clinics and entering into joint ventures	25%	175.9	69.6	106.3
Expanding our dental service business	10%	70.3	1.5	68.8
Establishing our dermatology-related business line	10%	70.3	–	70.3
Upgrading and improving our information technology systems	5%	35.2	1.1	34.1
Working capital and for other general corporate purposes	10%	70.3	67.5	2.8
		703.4	**176.1**	**527.3**

INDEBTEDNESS

Interest-bearing Bank Borrowings

As at 31 March 2017, the Group had no outstanding interest-bearing bank borrowings.

Contingent Liabilities and Guarantees

As at 31 March 2017, we had contingent liabilities not provided for in our financial statements of HK$2.0 million in relation to a bank guarantee given to a credit card institution for the use of certain credit card equipment. Save as disclosed herein, the Group had no significant contingent liabilities and guarantees as at 31 March 2017.

Charge of Assets

As at 31 March 2017, there was no charge on the assets of the Group except for the time deposits of HK$2.0 million pledged for banking facilities as security for credit card instalments programme.

Gearing Ratio

Gearing ratio equals total debt divided by total equity. As at 31 March 2017, the Group had interest-bearing liabilities of HK$924,438 and the gearing ratio is 0.001.

Foreign Currency Risk

The Group undertakes certain operating transactions in foreign currencies, which expose the Group to foreign currency risk, mainly pertaining to the risk of fluctuations in the Hong Kong dollar and U.S. dollar against Renminbi.

The Group has not used 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 considers hedging against significant foreign exchange exposure should such need arise.

Interest Rate Risk

The Group has no significant interest rate risk. The Group currently does not have specific policies in place to manage our interest rate risk and has not entered into interest rate swaps to mitigate the interest rate risk, but will closely monitor the interest rate risk in the future.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this announcement, there were no significant investments held by the Company during the Reporting Period, nor was there any material acquisitions and disposals of subsidiaries, associates and joint ventures during the Reporting Period. Save as disclosed in this announcement and the Prospectus, there is no plan authorised by the Board for other material investments or additions of capital assets as at the date of this announcement.

OTHER INFORMATION

ANNUAL GENERAL MEETING

The 2017 annual general meeting of the Company is proposed to be held on 22 August 2017. A notice convening the AGM will be published and dispatched to the Shareholders in accordance with the requirements of the articles of association of the Company and the Listing Rules in due course.

DIVIDEND

The Board recommends the declaration of a final dividend of HK$5.0 cents per Share and a special dividend of HK$7.9 cents per Share for the year ended 31 March 2017. The proposed final dividend and special dividend, if approved by the Shareholders at the AGM, will be paid on 12 September 2017 to the Shareholders whose names appear on the register of members of the Company on 29 August 2017.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 16 August 2017 to 22 August 2017 (both days inclusive), during which period no transfer of Shares will be effected, in order to determine the identity of the Shareholders who are entitled to attend and vote at the AGM. To be entitled to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 15 August 2017.

Subject to Shareholders' approval of the proposed final dividend and special dividend at the AGM, the proposed final dividend and special dividend will be paid on 12 September 2017 to Shareholders whose names appear on the register of members of the Company on 29 August 2017. The register of members of the Company will be closed from 28 August 2017 to 29 August 2017 for the purpose of ascertaining Shareholders' entitlement to the proposed final dividend and special dividend. All transfers of Shares accompanied by the relevant Share certificates and transfer forms must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 25 August 2017.

CORPORATE GOVERNANCE PRACTICE

The Board acknowledges the vital importance of good governance to the Group's success and sustainability by providing a framework for the Company to formulate its business strategies and policies, and to enhance its transparency, accountability and shareholder value.

The Board has committed to maintaining statutory and regulatory standards and adhering to the principles of corporate governance emphasising on transparency, independence, accountability, responsibility and fairness.

The Company has adopted the principles as set out in the CG Code contained in Appendix 14 to the Listing Rules. The Company has complied with all code provisions set out in the CG Code during the Review Period, save for the deviation from code provision A.2.1 as disclosed below.

Code Provision A.2.1

Pursuant to Code Provision A.2.1 of the CG Code, the roles of chairman and chief executive officer of the Company should be separate and should not be performed by the same individual. The role of chairman and chief executive officer of the Company have been performed by Mr. Tang Chi Fai ("Mr. Tang"). Although the dual roles of chairman and chief executive officer is a deviation from the code provision A.2.1 of the CG Code, the Board considers that having Mr. Tang acting as both the chairman and chief executive officer of the Company provides a strong and consistent leadership to the Company and allow the Company to have more effective planning and management. Further, in view of Mr. Tang's extensive experience in the industry, personal profile and role in the Group and the historical development of the Group as mentioned in the Prospectus under the section headed "Our History, Reorganisation and Corporate Structure", the Board considers that it is appropriate and beneficial to the business prospects of the Group that Mr. Tang continues to act as both the chairman and chief executive officer of the Company. The Board intends to regularly review the operations of the Company under Mr. Tang's leadership, and does not believe that this arrangement will have a negative influence on the balance of power between the Board and the management of the Group.

Further information of the corporate governance practice of the Company will be set out in the corporate governance report in the annual report of the Company for the year ended 31 March 2017.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. Specific enquiry has been made of all the Directors, and the Directors have confirmed that they have complied with the Model Code throughout the Reporting Period.

Senior management, executives and staff who, because of their offices in the Company are likely to possess inside information, have also been requested to comply with the Model Code for securities transactions. No incident of non-compliance with the Model Code by such employees was noted by the Company during the Reporting Period.

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

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the consolidated financial statements for the year ended 31 March 2017. The audit committee of the Company has also reviewed the accounting principles and practices adopted by the Company and discussed auditing, internal control and financial reporting matters.

SCOPE OF WORK OF KPMG

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2017 had been compared by the Company's auditors, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft consolidated financial statements for the year ended 31 March 2017 and the amounts were found to be in agreement. The work performed by KPMG in this respect was limited and did not constitute an audit, review or other assurance engagement and consequently no assurance has been expressed by the auditors on this announcement.

EVENTS AFTER THE REPORTING PERIOD

On 1 April 2017, United Link Corporation Limited, an indirect wholly-owned subsidiary of the Company, entered into a provisional agreement to purchase a property at Units 613 and 615, 6th Floor, Tower Two, Lippo Centre, 89 Queensway, Hong Kong at a total consideration of HK$60,000,000 and it is expected that such purchase of property will be completed on 30 June 2017.

On 20 April 2017, Union Medical Capital Management Limited, an indirect wholly-owned subsidiary of the Company, through Citibank N.A. (Hong Kong), subscribed for Class USD 95A2 shares of the Term Liquidity Fund at a total subscription amount of US$13,000,000 (equivalent to HK$101,072,400).

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement of the Company is published on the Company's website at www.umhgp.com and Hong Kong Exchanges and Clearing Limited website at www.hkexnews.hk. The annual report of the Company for the Reporting Period will be dispatched to the Shareholders and made available on the above websites in due course.

DEFINITION

"AGM"	the annual general meeting of the Company proposed to be held on 22 August 2017
"Articles of the Association"	the Company's articles of the association
"Board"	the board of Directors
"CG Code"	the Corporate Governance Code contained in Appendix 14 to the Listing Rules, as amended from time to time
"Chinese Medicine Ordinance"	the Chinese Medicine Ordinance (Chapter 549 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Chinese Medicine Practitioner(s)"	the Registered Chinese Medicine Practitioner and the Listed Chinese Medicine Practitioner who are employed by our Group
"Clinical Microbiologist"	a Hong Kong Doctor who is registered under the Specialist Register of the Hong Kong Medical Council for clinical microbiology and infection kept in accordance with the Medical Registration Ordinance
"Company"	Union Medical Healthcare Limited, an exempted company incorporated in the Cayman Islands with limited liability
"Dentist(s)"	person(s) who is (are) registered on the General Register kept in accordance with the Dentists Registration Ordinance
"Dentists Registration Ordinance"	the Dentists Registration Ordinance (Chapter 156 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Director(s)"	the director(s) of the Company
"Doctor(s)"	collectively, Hong Kong Doctors, Macau Doctors and PRC Doctors, and each, a "Doctor"
"General Practitioner(s)"	Hong Kong Doctor(s) who is (are) not a Specialist(s)
"General Register"	the register of registered medical practitioners kept by the Hong Kong Medical Council, as specified in the Medical Registration Ordinance
"Greater China"	the PRC, Hong Kong, Macau and Taiwan

"Group"	the Company and its subsidiaries
"g.f.a."	gross floor area
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong Doctors" or "registered medical practitioner(s)"	person(s) who is (are) qualified to practise medicine, surgery and midwifery in Hong Kong and is (are) registered as registered medical practitioner(s) of the Hong Kong Medical Council under the General Register or the Specialist Register kept in accordance with the Medical Registration Ordinance
"IPO"	initial public offering of the Shares on the Main Board of the Stock Exchange
"IRD"	the Inland Revenue Department of Hong Kong
"IRO"	Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Key Client(s)"	a client who has, in the relevant financial year, contributed at least HK$5,000 to our revenue from service provided and visited our service centres and/or clinics for at least four times
"Listed Chinese Medicine Practitioner(s)"	person(s) who is (are) listed as listed Chinese medicine practitioner(s) maintained by the Chinese Medicine Council of Hong Kong kept in accordance with the Chinese Medicine Ordinance
"Listing Date"	11 March 2016, being the date on which the Shares were first listed on the Main Board of the Stock Exchange

"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
"Macau Doctor(s)"	doctor(s) licensed by and registered with the department of health in Macau (澳門特別行政區政府衛生局)
"Medical Registration Ordinance"	the Medical Registration Ordinance (Chapter 161 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Memorandum and Article of Association"	the Company's memorandum and article of association
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
" NYMG (Pain Center)"	New York Medical Group (Pain Center) Limited, a company incorporated under the laws of Hong Kong with limited liability
"NYMG Central"	New York Medical Group Central Limited, a company incorporated under the laws of Hong Kong with limited liability
"NYGM Kwun Tong"	New York Medical Group Kwun Tong Limited, a company incorporated under the laws of Hong Kong with limited liability
"NYMG Midlevels"	New York Medical Group Midlevels Limited, a company incorporated under the laws of Hong Kong with limited liability
"NYMG North Point"	New York Medical Group North Point Limited, a company incorporated under the laws of Hong Kong with limited liability
"NYMG Quarry Bay"	New York Medical Group Quarry Bay Limited, a company incorporated under the laws of Hong Kong with limited liability
"NYMG Shatin"	New York Medical Group Shatin Limited, a company incorporated under the laws of Hong Kong with limited liability

"NYMG Tsimshatsui"	New York Medical Group Tsimshatsui Limited, a company incorporated under the laws of Hong Kong with limited liability
"NYMG Tsuen Wan"	New York Medical Group Tsuen Wan Limited, a company incorporated under the laws of Hong Kong with limited liability
"NYMG Wan Chai"	New York Medical Group Wan Chai Limited, a company incorporated under the laws of Hong Kong with limited liability
"Offer"	The IRD agrees not to commence proceedings against the Relevant Subsidiary under section 80(2) of the IRO relating to the Tax Audit if the Relevant Subsidiary agrees to pay the IRD the required sums specified in the Letters (such sums, in aggregate, amount to approximately HK$12.2 million)
"Plastic Surgeon(s)"	Hong Kong Doctor(s) who is (are) registered under the Specialist Register of the Hong Kong Medical Council for plastic surgery kept in accordance with the Medical Registration Ordinance
"PRC"	the People's Republic of China which, for the purpose of this annual report and unless the context suggests otherwise, excludes Hong Kong, Macau and Taiwan
"PRC Doctor(s) "	medical practitioner(s) with the qualification of a doctor (醫師) or assistant doctor (執業助理醫師) under the PRC Law on Medical Practitioners (中華人民共和國執業醫師法) and is practicing at a medical or healthcare institution
"Prospectus"	the prospectus dated 1 March 2016 issued by the Company
"Registered Chinese Medicine Practitioner(s)"	person(s) who is (are) registered as registered Chinese medicine practitioner(s) of the Chinese Medicine Council of Hong Kong under the Register of Chinese Medicine Practitioners kept in accordance with the Chinese Medicine Ordinance
"Registered Practitioner(s)"	Doctor(s), Chinese Medicine Practitioner(s) and/or Dentist(s)
"Relevant Disclosures"	the relevant disclosures made under the section headed "Business — Legal Proceedings, Claims and Compliance — Non-compliance Incidents — Inland Revenue Ordinance — Late Filing of Profit Tax Returns" of the Prospectus
"Relevant Subsidiaries"	Union Honor International Enterprise Limited and Union (Group) Investment Limited, and each the "Relevant Subsidiary"

"Reporting Period"	financial year ended 31 March 2017
"Share(s)"	ordinary share(s) in the share capital of the Company with par value of HK$0.00001 each
"Shareholder(s)"	holder(s) of Share(s)
"Specialist Register"	the register of registered medical practitioners who are Specialists and kept by the Hong Kong Medical Council, as specified in the Medical Registration Ordinance
"Specialist(s)"	Hong Kong Doctor(s) who is (are) registered under the Specialist Register of the Hong Kong Medical Council kept in accordance with the Medical Registration Ordinance
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company(ies)"	collectively, NYMG Central, NYMG Kwun Tong, NYMG North Point, NYMG Quarry Bay, NYMG Tsimshatsui, NYMG Tsuen Wan, NYMG Wan Chai, NYMG Midlevels, NYMG Shatin and NYMG (Pain Center)
"Tax Audit"	During the three years ended 31 March 2013, 2014 and 2015 and for the six months ended 30 September 2015, certain of the Group companies had been the subject of a tax audit
"Trade Descriptions Ordinance"	the Trade Descriptions Ordinance (Chapter 362 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Trained Therapists"	our employees who are trained in accordance with our internal guidelines to provide quasi-medical services and/or traditional beauty services
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"%"	per cent.

By order of the Board
Union Medical Healthcare Limited
Gabriel LEE
Executive Director

Hong Kong, 28 June 2017

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Tang Chi Fai, Mr. Lee Gabriel, Mr. Luk Kun Shing Ben and Mr. Yeung Chin Wan, and three independent non-executive directors, namely Mr. Ma Ching Nam, Dr. Yu Ka Fai Alexis and Mr. Look Andrew.