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UMP HEALTHCARE HOLDINGS LIMITED

聯合醫務集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 722)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

The Board of UMP Healthcare Holdings Limited is pleased to announce the interim results of the Company and its subsidiaries for the six months ended 31 December 2023 together with the comparative figures for the corresponding period in 2022.

INTERIM RESULTS HIGHLIGHTS

	Six months ended		Increase/(decrease)	
	31 December 2023	2022		
(A) Operating results (HK\$'000)				
Revenue	375,845	365,102	10,743	2.9%
EBITDA ^(note a)	75,554	101,820	(26,266)	(25.8%)
Profit for the period	13,209	42,289	(29,080)	(68.8%)
Profit attributable to owners of the Company	<u>15,668</u>	<u>42,469</u>	(26,801)	(63.1%)
(B) Per share data (HK cents)				
Earnings per share – basic and diluted	1.96	5.43	(3.47)	(63.9%)
Dividend per share – interim	<u>1.30</u>	<u>1.70</u>	(0.40)	(23.5%)
(C) Key ratios (%)				
EBITDA/Revenue	20.1%	27.9%	(7.8% points)	
Net profit margin	3.5%	11.6%	(8.1% points)	
Return on shareholders' funds	<u>2.2%</u>	<u>5.9%</u>	(3.7% points)	
(D) Financial Position (HK\$'000)				
as at	31 Dec 2023	30 Jun 2023		
Cash, bank balances and deposits	317,237	290,495	26,742	9.2%
Net current assets	206,357	224,413	(18,056)	(8.0%)
Shareholders' funds	<u>721,029</u>	<u>740,547</u>	(19,518)	(2.6%)

Note a: EBITDA represented profit for the period before interest income, finance cost, income tax expense and depreciation and amortisation.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Six months ended 31 December 2023

		Six months ended 31 December	
	<i>Notes</i>	2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)
REVENUE	5	375,845	365,102
Other income and gains	5	8,644	8,873
Professional services expenses		(137,184)	(122,988)
Employee benefit expense		(100,597)	(90,202)
Property rental and related expenses		(8,694)	(6,479)
Cost of inventories consumed		(28,618)	(19,960)
Depreciation and amortisation		(57,118)	(49,893)
Other expenses, net		(30,777)	(29,379)
Finance cost		(3,623)	(2,966)
Share of (losses)/profits of:			
Joint ventures		(327)	(198)
Associates		136	(1,990)
		17,687	49,920
PROFIT BEFORE TAX	6	17,687	49,920
Income tax expense	7	(4,478)	(7,631)
		13,209	42,289
PROFIT FOR THE PERIOD		13,209	42,289
Attributable to:			
Owners of the Company		15,668	42,469
Non-controlling interests		(2,459)	(180)
		13,209	42,289
		13,209	42,289
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	9		
Basic and diluted		HK1.96 cents	HK5.43 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six months ended 31 December 2023

	Six months ended 31 December	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
PROFIT FOR THE PERIOD	<u>13,209</u>	<u>42,289</u>
OTHER COMPREHENSIVE (LOSS)/INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>806</u>	<u>311</u>
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	806	311
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:		
Changes in fair value of equity investments designated at fair value through other comprehensive income	<u>(11,670)</u>	<u>6,812</u>
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX	<u>(10,864)</u>	<u>7,123</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>2,345</u>	<u>49,412</u>
Attributable to:		
– Owners of the Company	4,804	49,592
– Non-controlling interests	<u>(2,459)</u>	<u>(180)</u>
	<u>2,345</u>	<u>49,412</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2023

		31 December 2023 <i>HK\$'000</i> (Unaudited)	30 June 2023 <i>HK\$'000</i> (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		194,319	205,543
Right-of-use assets		119,432	107,932
Goodwill		164,768	164,768
Other intangible assets		47,287	48,200
Investments in joint ventures		7,695	8,022
Investments in associates		3,547	16,719
Investments at fair value through other comprehensive income	11	37,640	36,844
Finance lease receivables		2,900	3,904
Deferred tax assets		12,877	9,168
Deposits	13	34,391	24,630
		624,856	625,730
CURRENT ASSETS			
Inventories		14,008	12,372
Trade receivables	12	116,269	121,095
Prepayments, other receivables and other assets	13	35,263	32,814
Finance lease receivables		1,991	1,954
Financial assets at fair value through profit or loss		30,062	29,447
Financial assets at amortised cost	10	–	–
Amounts due from associates		5,455	3,391
Amount due from joint ventures		–	50
Amounts due from related companies		1,360	1,335
Tax recoverable		2,217	2,571
Cash, bank balances and deposits		317,237	290,495
		523,862	495,524
Total current assets			

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

31 December 2023

		31 December 2023	30 June 2023
	<i>Notes</i>	HK\$'000 (Unaudited)	HK\$'000 (Audited)
CURRENT LIABILITIES			
Trade payables	14	91,528	64,061
Other payables and accruals	15	87,606	71,941
Loans from non-controlling shareholders of subsidiaries		53,437	48,800
Amounts due to associates		43	1,131
Amounts due to joint ventures		1,277	–
Amounts due to related companies		2,170	2,122
Provision		6,878	5,593
Lease liabilities		61,204	58,483
Tax payable		13,362	18,980
		<u>317,505</u>	<u>271,111</u>
Total current liabilities			
		<u>317,505</u>	<u>271,111</u>
NET CURRENT ASSETS		<u>206,357</u>	<u>224,413</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>831,213</u>	<u>850,143</u>
NON-CURRENT LIABILITIES			
Lease liabilities		73,631	64,932
Deferred tax liabilities		8,930	9,183
Provision		4,910	6,309
		<u>87,471</u>	<u>80,424</u>
Total non-current liabilities			
		<u>87,471</u>	<u>80,424</u>
NET ASSETS		<u>743,742</u>	<u>769,719</u>
EQUITY			
Equity attributable to owners of the Company			
Issued capital	16	811	811
Reserves		720,218	739,736
		<u>721,029</u>	<u>740,547</u>
Non-controlling interests		22,713	29,172
		<u>22,713</u>	<u>29,172</u>
TOTAL EQUITY		<u>743,742</u>	<u>769,719</u>

NOTES

1. CORPORATE AND GROUP INFORMATION

UMP Healthcare Holdings Limited is a limited liability company incorporated in the Cayman Islands. The principal place of business of the Company is located at 27/F., Wing On House, 71 Des Voeux Road Central, Hong Kong.

During the period, the Group was principally engaged in the provision of healthcare services which include:

- corporate healthcare solution services;
- medical and dental services;
- medical imaging and laboratory services;
- other auxiliary medical services; and
- healthcare management services.

The shares of the Company were listed on the Main Board of the Hong Kong Stock Exchange on 27 November 2015 (the “Listing”).

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the six months ended 31 December 2023 have been prepared in accordance with the Hong Kong Accounting Standard (“HKAS”) 34 “*Interim Financial Reporting*” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). They have been prepared under the historical cost convention, except for equity investments, debt investments and a contingent consideration receivable which have been measured at fair value. The unaudited condensed consolidated financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

The unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 30 June 2023.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the unaudited condensed consolidated financial statements of the Group for the six months ended 31 December 2023 are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 30 June 2023, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards (“HKFRSs”), which are effective for the Group’s annual period beginning on 1 July 2023.

- HKFRS 17, *Insurance contracts*
- Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to HKAS 1, *Presentation of financial statements* and HKFRS Practice Statement 2, *Making materiality judgements: Disclosure of accounting policies*

- Amendments to HKAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to HKAS 12, *Income taxes: International tax reform – Pillar Two model rules*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the new and amended HKFRSs are discussed below:

HKFRS 17, *Insurance contracts*

HKFRS 17 replaces HKFRS 4 Insurance Contracts and is effective for annual periods beginning on or after 1 January 2023, with early adoption permitted.

HKFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance and reinsurance contracts. Under certain fixed-fee service contracts, the Group accepts significant insurance risk by agreeing to compensate the customer if a specified uncertain future event adversely affects the customer. Some of these contracts could be insurance contracts within the scope of HKFRS 17. Where the Group mitigates the risk by using other contracts to transfer part of the risk to insurance companies, those other contracts would be reinsurance contracts within the scope of HKFRS 17.

The premium allocation approach is an optional measurement model in HKFRS 17 that is available for insurance and reinsurance contracts that meet the eligibility criteria. As the coverage period of each of the Group’s insurance and reinsurance contracts would be one year or less, they are expected to meet the eligibility criteria and be measured using the premium allocation approach.

HKFRS 17 may change how balances of insurance and reinsurance contracts and the related income and expenses are presented and disclosed in the Group’s consolidated financial statements. However, the Group expects that the premium allocation approach would result in similar measurements of contract balances as under the Group’s current accounting policies. Therefore, the adoption of HKFRS 17 is expected to have no material impact on the Group’s total equity at 1 July 2023 and 1 July 2022.

Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*

The amendments provide further guidance on the distinction between changes in accounting policies and changes in accounting estimates. The amendments do not have a material impact on these financial statements as the Group’s approach in distinguishing changes in accounting policies and changes in accounting estimates is consistent with the amendments.

Amendments to HKAS 1, *Presentation of financial statements* and HKFRS Practice Statement 2, *Making materiality judgements: Disclosure of accounting policies*

The amendments require entities to disclose material accounting policy information and provide guidance on applying the concept of materiality to accounting policy disclosure. The Group has revisited the accounting policy information it has been disclosing and considered it is consistent with the amendments.

Amendments to HKAS 12, Income taxes: Deferred tax related to assets and liabilities arising from a single transaction

The amendments narrow the scope of the initial recognition exemption such that it does not apply to transactions that give rise to equal and offsetting temporary differences on initial recognition such as leases and decommissioning liabilities. The amendments do not have a material impact on these financial statements.

Amendments to HKAS 12, Income taxes: International tax reform – Pillar Two model rules

The amendments introduce a temporary mandatory exception from deferred tax accounting for the income tax arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (“OECD”) (income tax arising from such tax laws is hereafter referred to as “Pillar Two income taxes”), including tax laws that implement qualified domestic minimum top-up taxes described in those rules. The amendments do not have a material impact on these financial statements.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- (a) Hong Kong & Macau Corporate Healthcare Solution Services segment engages in the provision of corporate healthcare solutions to Contract Customers in Hong Kong and Macau;
- (b) Hong Kong & Macau Clinical Healthcare Services segment engages in the provision of medical and dental services, medical imaging and laboratory services, health check-up and other auxiliary services in Hong Kong and Macau; and
- (c) Mainland China Clinical Healthcare Services segment engages in the provision of health check-up service and selected outpatient services in Mainland China.

Management monitors the results of the Group’s operating segments separately for the purpose of facilitating decision-making process of resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measurement of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group’s profit before tax excluding interest income, other income and gains, and share of profits and losses of joint ventures and associates as well as head office and corporate expenses.

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

(a) Revenue and results

	Hong Kong and Macau		Mainland China	
	Corporate Healthcare Solution Services <i>HK\$'000</i>	Clinical Healthcare Services <i>HK\$'000</i>	Clinical Healthcare Services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Six months ended				
31 December 2023 (unaudited)				
Segment revenue:				
External sales	127,979	228,569	19,297	375,845
Inter-segment sales	868	70,858	–	71,726
	<u>128,847</u>	<u>299,427</u>	<u>19,297</u>	<u>447,571</u>
<i>Reconciliation:</i>				
Elimination of inter-segment sales				<u>(71,726)</u>
Revenue				<u><u>375,845</u></u>
Segment results	16,054	4,811	6,285	27,150
<i>Reconciliation:</i>				
Interest income				2,775
Other income and gains				4,288
Share of (losses)/profits of:				
Joint ventures				(327)
Associates				136
Corporate and other unallocated expenses, net				<u>(16,335)</u>
Profit before tax				17,687
Income tax expense				<u>(4,478)</u>
Profit for the period				<u><u>13,209</u></u>

	Hong Kong and Macau		Mainland China	
	Corporate Healthcare Solution Services <i>HK\$'000</i>	Clinical Healthcare Services <i>HK\$'000</i>	Clinical Healthcare Services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Six months ended				
31 December 2022				
(unaudited)				
Segment revenue:				
External sales	128,371	217,962	18,769	365,102
Inter-segment sales	201	63,293	–	63,494
	128,572	281,255	18,769	428,596
<i>Reconciliation:</i>				
Elimination of inter-segment sales				(63,494)
Revenue				<u>365,102</u>
Segment results	23,498	30,071	6,114	59,683
<i>Reconciliation:</i>				
Interest income				959
Other income and gains				7,914
Share of losses of:				
Joint ventures				(198)
Associates				(1,990)
Corporate and other unallocated expenses, net				(16,448)
Profit before tax				49,920
Income tax expense				(7,631)
Profit for the period				<u>42,289</u>

(b) **Information about major customers**

Revenue from two major customers from the Corporate Healthcare Solution Services segment is set out below:

	Six months ended 31 December	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Customer A	19,851	23,241
Customer B	16,175	14,713

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

Disaggregated revenue information

Six months ended 31 December 2023

	<i>Note</i>	Six months ended 31 December	
		2023	2022
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Provision of corporate healthcare solution services in Hong Kong and Macau			
Medical	(a)	118,048	118,499
Dental		9,931	9,872
Provision of clinical healthcare services in Hong Kong and Macau			
Medical		202,693	186,253
Dental		25,876	31,709
Mainland China Clinical Healthcare Services		19,297	18,769
TOTAL		375,845	365,102

Note:

- (a) The amount represents the revenue from contracts with customers within the scope of HKFRS 15 of HK\$114,758,000 (31 December 2022: HK\$114,859,000) and the revenue from contracts measured under the premium allocation approach (PAA) of HK\$3,290,000 (31 December 2022: HK\$3,640,000) respectively.

An analysis of other income and gains is as follows:

	Six months ended 31 December	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Administrative support fees	209	189
Bank interest income	2,775	579
Interest income on financial assets at amortised cost	–	244
Interest income for finance lease	99	135
Rental income	1,481	1,059
Dividend income from investments at fair value through other comprehensive income	2,661	5,106
Fair value gain on financial assets at fair value through profit or loss	615	609
Others	804	952
	8,644	8,873

6. PROFIT BEFORE TAX

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

	Six months ended 31 December	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Amortisation of intangible assets	914	914
Depreciation of property, plant and equipment	20,422	14,744
Depreciation of right-of-use assets	35,782	34,235
Equity-settled share-based payment expense (including employees and professional consultants)	218	1,903
Fair value gain on financial assets at fair value through profit or loss	(615)	(609)
Foreign exchange differences, net	236	(78)
Write-off of items of property, plant and equipment	32	31

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 31 December 2022: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

The amount of income tax charged to condensed consolidated statement of profit or loss represents:

	Six months ended 31 December	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current – Hong Kong		
Charge for the period	6,406	11,579
Current – Mainland China/Macau		
Charge for the period	1,398	245
Under/(over)-provision in prior years	635	(1,300)
Deferred	(3,961)	(2,893)
	<u>4,478</u>	<u>7,631</u>
Total tax charge for the period	<u>4,478</u>	<u>7,631</u>

8. DIVIDENDS

	Six months ended 31 December	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Dividend recognised as distribution during the period:		
Final dividend for the year ended 30 June 2023:		
HK3.00 cents (year ended 30 June 2022: HK3.00 cents)		
per ordinary share	24,329	23,780
	<u>24,329</u>	<u>23,780</u>
Dividend proposed after the end of the reporting period:		
Interim dividend for the six months ended		
31 December 2023:		
HK1.30 cent (six months ended 31 December 2022:		
HK1.70 cent) per ordinary share	10,542	13,786
	<u>10,542</u>	<u>13,786</u>

The proposed interim dividend of HK1.30 cent per ordinary share in respect of the year ending 30 June 2024 was approved by the board of directors on 28 February 2024. The interim dividend of HK1.70 cent per ordinary share in respect of the year ended 30 June 2023 was approved by the board of directors on 23 February 2023.

The final dividend of HK3.00 cents per ordinary share in respect of the year ended 30 June 2023 was approved by the Company's shareholders at the annual general meeting held on 24 November 2023. The final dividend of HK3.00 cents per ordinary share in respect of year ended 30 June 2022 was approved by the Company's shareholders at the annual general meeting held on 25 November 2022.

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

The calculation of the basic earnings per share amount is based on the unaudited consolidated profit for the six months ended 31 December 2023 attributable to ordinary equity holders of the Company of HK\$15,668,000 (six months ended 31 December 2022: HK\$42,469,000), and the weighted average number of ordinary shares of 799,314,186 (six months ended 31 December 2022: 782,842,495) in issue which have excluded the shares held under the share award scheme during the period.

Diluted earnings per share for the six months ended 31 December 2023 and 2022 were the same as their respective basic earnings per share as there were no potentially dilutive ordinary shares issued in existence during both periods.

10. FINANCIAL ASSETS AT AMORTISED COST

	31 December 2023 HK\$'000 (Unaudited)	30 June 2023 HK\$'000 (Audited)
Financial assets at amortised cost	6,240	6,240
Impairment	<u>(6,240)</u>	<u>(6,240)</u>
	<u>–</u>	<u>–</u>

As at 31 December 2023, the balance after the provision of impairment is nil (30 June 2023: Nil).

11. INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	31 December 2023 HK\$'000 (Unaudited)	30 June 2023 HK\$'000 (Audited)
Investments at fair value through other comprehensive income		
Unlisted equity investments, at fair value	17,634	5,167
Listed equity investments, at fair value	<u>20,006</u>	<u>31,677</u>
	<u>37,640</u>	<u>36,844</u>

The above investments were designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

During the period, the Group received dividends in the amounts of nil (six months ended 31 December 2022: HK\$30,000) and HK\$2,661,000 (six months ended 31 December 2022: HK\$5,002,000) from an unlisted equity investment and a listed equity investment, respectively.

On 31 August 2023, Dr. Sun Yiu Kwong has resigned from the board of director in The GBA Healthcare Group Limited and the Group lost its significant influence over The GBA Healthcare Group Limited. As a result, the investment in The GBA Healthcare Group Limited and its subsidiaries was no longer accounted for as an associate and has been reclassified as investments at fair value through other comprehensive income from investments in associates.

12. TRADE RECEIVABLES

	31 December 2023 HK\$'000 (Unaudited)	30 June 2023 HK\$'000 (Audited)
Trade receivables	116,269	121,095

The Group's trading terms with its contract customers are mainly on credit. The credit period is generally one month, extending up to two months for major customers. Each contract customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a designated policy to monitor and minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An aging analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	31 December 2023 HK\$'000 (Unaudited)	30 June 2023 HK\$'000 (Audited)
Within 1 month	76,044	75,143
1 to 2 months	23,121	20,972
2 to 3 months	9,965	12,308
Over 3 months	7,139	12,672
	116,269	121,095

13. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

		31 December	30 June
		2023	2023
		<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>Notes</i>	(Unaudited)	(Audited)
Prepayments		6,804	6,658
Deposits paid for purchases of items of property, plant and equipment		17,068	5,968
Rental and other deposits	<i>(a)</i>	31,377	33,345
Other receivables	<i>(a)</i>	10,728	10,864
Reinsurance contract assets	<i>(b)</i>	3,677	609
		69,654	57,444
Less: Portion classified as non-current assets		(34,391)	(24,630)
Current portion		35,263	32,814

Notes:

- (a) The above balances relate to deposits and other receivables for which there was no recent history of default and past due amounts as at 31 December 2023 and 30 June 2023. The loss allowance was assessed to be minimal.
- (b) The reinsurance contract assets are measured under the PAA.

14. TRADE PAYABLES

An aging analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	31 December	30 June
	2023	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Within 1 month	39,816	36,925
1 to 3 months	48,113	26,157
Over 3 months	3,599	979
	<u>91,528</u>	<u>64,061</u>

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

15. OTHER PAYABLES AND ACCRUALS

		31 December 2023	30 June 2023
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Audited)
Contract liabilities	<i>(a)</i>	12,884	19,135
Other payables	<i>(b)</i>	22,395	32,084
Dividend payable		24,329	2,003
Accruals	<i>(b)</i>	16,876	13,646
Insurance contract liabilities	<i>(c)</i>	7,536	1,083
Deposits received		2,023	2,177
Due to non-controlling shareholders of subsidiaries		1,563	1,813
		87,606	71,941

Notes:

(a) Details of contract liabilities are as follows:

		31 December 2023	30 June 2023
		<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Audited)
Advances received from customers			
Provision of corporate healthcare solution services to Contract Customers		6,697	13,301
Provision of clinical healthcare services		6,187	5,834
		12,884	19,135

(b) Other payables and accruals are non-interest-bearing and are normally repayable on demand.

(c) The insurance contract liabilities are measured under the PAA.

16. SHARE CAPITAL

	31 December 2023 HK\$'000 (Unaudited)	30 June 2023 HK\$'000 (Audited)
Authorised:		
5,000,000,000 (30 June 2023: 5,000,000,000) ordinary shares of HK\$0.001 (30 June 2023: HK\$0.001) each	5,000	5,000
Issued and fully paid:		
810,955,244 (30 June 2023: 810,955,244) ordinary shares of HK\$0.001 (30 June 2023: HK\$0.001) each	811	811

The movements in the Company's authorised and issued share capital during the period from 1 July 2022 to 31 December 2023 are as follows:

	<i>Note</i>	Number of ordinary shares	Nominal value of ordinary shares HK\$'000
Authorised:			
At 1 July 2022, at 31 December 2022, at 30 June 2023, at 1 July 2023 and at 31 December 2023		5,000,000,000	5,000
Issued and fully paid:			
At 1 July 2022		792,666,555	793
Shares issued in lieu of cash dividend	(a)	18,288,689	18
At 30 June 2023, at 1 July 2023, and at 31 December 2023		810,955,244	811

- (a) On 25 November 2022, the Company's shareholders approved at the annual general meeting a final dividend of HK3.00 cents per ordinary share payable in cash with a scrip dividend alternative ("the Scrip Dividend Scheme") for the year ended 30 June 2022 (the "2022 Final Dividend"). During the year ended 30 June 2023, 18,288,689 new shares were issued by the Company at a deemed price of HK\$0.78 per ordinary share, credited as fully paid, to shareholders of the Company who had elected to receive scrip shares in lieu of cash to settle the 2022 Final Dividend of HK\$14,265,000. The remaining balance of the 2022 Final Dividend of HK\$9,515,000 was satisfied by cash. Further details of the Scrip Dividend Scheme are set out in the Company's circular dated 23 December 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

The momentum of global and local economic recovery slowed during the Interim Period 2023/24 under economic uncertainties, high interest rates and inflationary pressure. The business environment of the healthcare industry remained challenging and competitive. We have demonstrated our resilience in the midst of adversity and recorded a revenue of HK\$375.8 million for the Interim Period 2023/24, representing an increase of 2.9% as compared to the Interim Period 2022/23. The increase in revenue was mainly contributed by our Hong Kong and Macau Clinical Healthcare Services segment, which had new medical and imaging centres opened during the previous financial year.

Despite a mild increase in revenue, profit attributable to owners of the Company decreased by 63.1% from HK\$42.5 million for the Interim Period 2022/23 to HK\$15.7 million for the Interim Period 2023/24. The decrease was mainly attributable to (i) the increase in the cost of service including the professional services expenses and cost of inventories consumed during the Interim Period 2023/24 compared to the Interim Period 2022/23; (ii) the increase in human resources costs and rental charges, mainly to complement the opening of two new imaging centres that commenced business in February and May 2023 respectively and are currently in a ramping-up phase; and (iii) the increase in depreciation charge in relation to the capital investment in medical equipment and leasehold improvements for the new medical and imaging centres.

The Group continued to exercise due care in pursuing business development while delivering sustainable long-term returns. Having completed a strategic expansion phase and forming commercial alliances in recent years, we currently focus on strengthening interconnectivity within our service network to allow seamless and coordinated referrals and follow-up. This results in a truly patient-centric experience that provides convenient, reliable, comprehensive and affordable healthcare services. By reinforcing internal ecosystem synergy across our business lines and ramping up the new medical and imaging centres, we expect to improve our operational efficiency and financial performance.

Following a review of our existing clinical chains, we consolidated certain service points within same regions during the reporting period. The consolidations not only reduced the rental charges, but also lowered other overhead expenditures and improved operational efficiency. Moreover, we have made an effort to manage our operating costs while consistently delivering excellence to our customers. After reviewing our operation flow, we implemented effective cost control measures such as restructuring, refining the doctor fee sharing and streamlining operational processes. A more profound recurring cost improvement is anticipated in the coming financial periods with a full-period effect.

Advanced medical imaging and laboratory services remain an integral part of our business. Our brand “ProCare” inaugurated a new integrated imaging centre at Lee Garden Two in Causeway Bay in January 2024. Strategically occupying an entire floor with a medical centre managed by a private hospital institution, the centre offers a range of medical imaging services including but not limited to CT scans, bone density scans, mammograms, biopsies and X-ray services. This new one-stop multi-service medical and imaging outpatient clinic will combine our specialised expertise, extensive networks and innovative technologies to meet the diverse needs of patients with seamless, coordinated and all-round efficient care. The Group believes that the collaboration with the private hospital institution will maximize collective resources and create synergistic effects in the operation of the clinical network.

Furthermore, we have been earnestly exploring new business opportunities in Mainland China to meet the evolving needs of the general population. With the accelerated development in the Greater Bay Area leading to more frequent cross-boundary travel, the demand for cross-boundary medical and healthcare services has surged significantly. To grasp this rising demand, the Group proactively promotes cross-boundary services. We took a momentous step in the reporting period to establish a strategic partnership with an international insurance company that we have long-term cooperation with, to provide their eligible customers with cashless services at UMP Network in Mainland China. Customers can also benefit from cross-boundary specialist referral services if further medical attention is required. Medical transportation services can be arranged for customers to return to Hong Kong for further treatment and follow-up care.

BUSINESS REVIEW

During the period under review, the Group was primarily engaged in the provision of (a) Hong Kong and Macau Corporate Healthcare Solution Services; (b) Hong Kong and Macau Clinical Healthcare Services; and (c) Mainland China Clinical Healthcare Services.

(a) Hong Kong and Macau Corporate Healthcare Solution Services

Hong Kong and Macau Corporate Healthcare Solution Services is one of our core business lines. Through our professional knowledge and extensive medical service network, we have designed, provided and administered comprehensive and cost-effective healthcare solutions for a range of local and international companies, insurance companies and insurance brokerage firms.

Our extensive and long-term relationships with our customers and service providers have culminated a strong and stable customer base. During the period under review, this business line reported a positive contribution to the Group. Revenue (before inter-segment elimination) of this business line marginally increased by 0.2% from HK\$128.6 million for the Interim Period 2022/23 to HK\$128.8 million for the Interim Period 2023/24. Our operating profit of this business line decreased by 31.7% from HK\$23.5 million for the Interim Period 2022/23 to HK\$16.1 million for the Interim Period 2023/24, mainly attributable to the increase in professional services expenses paid to Doctors, Dentists and Auxiliary Services Providers within the UMP Network.

(b) Hong Kong and Macau Clinical Healthcare Services

Our extensive clinical chains have been well-established for many years, supporting our corporate healthcare solution service segment while also serving walk-in users.

Revenue (before inter-segment elimination) of Hong Kong and Macau Clinical Healthcare Services increased by 6.5% from HK\$281.3 million for the Interim Period 2022/23 to HK\$299.4 million for the Interim Period 2023/24, of which HK\$90.1 million was derived from our medical imaging and laboratory services for the Interim Period 2023/2024 (Interim Period 2022/23: HK\$78.8 million). Such increase was mainly contributed by the new medical and imaging centres that commenced operation during last financial year.

Our operating profit of this business line decreased by 84.0% from HK\$30.1 million for the Interim Period 2022/23 to HK\$4.8 million for the Interim Period 2023/24. This drop is mainly attributable to (i) the increase in the cost of service; and (ii) the increase in human resources costs, rental charges and depreciation charge mainly in relation to the new medical and imaging centres. These new centres are ramping up progressively, and some have achieved EBITDA breakeven for the Interim Period 2023/24.

(c) Mainland China Clinical Healthcare Services

Our clinical healthcare services in Mainland China mainly consist of the provision of healthcare check-up services and selected outpatient family medical services in Beijing and Shanghai. Driven by the ongoing demand for quality healthcare services in Mainland China, this business line maintained momentum and reported a growing result for the six months ended 31 December 2023.

Revenue (before inter-segment elimination) of this business line increased by 2.8% from HK\$18.8 million for the Interim Period 2022/23 to HK\$19.3 million for the Interim Period 2023/24, and its operating profit increased by 2.8% from HK\$6.1 million for the Interim Period 2022/23 to HK\$6.3 million for the Interim Period 2023/24. Such growth was mainly attributable to improved operational efficiency and effective cost control.

OUTLOOK

Despite the continuing operational challenges ahead, we remain optimistic for the long term. The Group has long valued preventive care and primary care. The Hong Kong government's emphasis on public health encourages public-private collaboration to maximize community benefit through a multidisciplinary approach. Due to a rising public health awareness and a growing demand for healthcare services by an aging population in Hong Kong, it is expected that the demand for comprehensive medical services, advanced imaging, microscopic health assessment and multiple ancillary medical services will remain strong. The rising public health consciousness has also led to the increase in average spending on health screenings and related preventive medical services.

Favorable policies and rising demand have given us confidence to launch a number of new centres in recent years to expand our coverage footprint and provide comprehensive multi-discipline healthcare services. Given the current scale of our imaging and laboratory services, the Group intends to develop specialty medical facilities, such as oncology, cardiology, and orthopaedics, to enhance collective advantages through cross-referrals. We will continue to strengthen interconnectivity and integration among our divisions to maximize synergies and improve resource efficiency. Our integrated service strategy helped cushion volatility and created a solid foundation for future growth.

The Group has been providing corporate healthcare solutions in collaboration with a wide range of insurance companies for many years. As one of the few integrated providers offering both third-party administration (TPA) and medical services, we are uniquely positioned to deliver cost-effective healthcare programs tailored to payer needs. The Voluntary Health Insurance Scheme (VHIS) initiated by the Hong Kong government aims to increase individual healthcare protection, which is expected to accelerate private market demand. Leveraging our expertise and networks, we see significant potential to capture this growing commercial market for workplace health benefits and individual medical cost management programs. We will continue to make healthcare more accessible, inclusive and affordable through effective product innovation and scheme design, while generating sustainable profit.

Our establishment of strategic partnerships with reputable medical institutions have enhanced our service capabilities and extended our reach. These collaborations enable us to tap into specialized expertise, capitalize on our respective strengths, and create seamless referral channels and synergies within our ecosystem. These strategic alliances will also provide competitive advantages to our corporate healthcare solution business and bring in more business opportunities. It is expected to result in increased revenue stream and improve overall profitability.

Moreover, our Mainland China business saw an increase in operating profits. We will continue to seek growth opportunities and replicate our successes across Mainland China in the coming future. We believe that our Mainland China business will generate supplementary income and increase the profit margin of the Group in the long run.

The following table sets out the revenue, operating profit and number of visits by our business lines for the six months ended 31 December 2023 and the corresponding period for comparison:

Revenue by business lines

	Six months ended 31 December		Increase
	2023	2022	
	HK\$'000	HK\$'000	
<i>Hong Kong & Macau:</i>			
Corporate Healthcare Solution			
Services	128,847	128,572	0.2%
Clinical Healthcare Services	299,427	281,255	6.5%
<i>Mainland China:</i>			
Clinical Healthcare Services	19,297	18,769	2.8%
Total revenue before elimination of inter-service unit sales	447,571	428,596	4.4%
Reconciliation:			
Elimination of inter-business lines sales	(71,726)	(63,494)	13.0%
TOTAL REVENUE	375,845	365,102	2.9%

Operating profit by business lines

	Six months ended 31 December		Increase/ (decrease)
	2023	2022	
	HK\$'000	HK\$'000	
<i>Hong Kong & Macau:</i>			
Corporate Healthcare Solution Services	16,054	23,498	(31.7%)
Clinical Healthcare Services	4,811	30,071	(84.0%)
<i>Mainland China:</i>			
Clinical Healthcare Services	6,285	6,114	2.8%
TOTAL OPERATING RESULTS	27,150	59,683	(54.5%)

Number of visits by operating segment

	Six months ended 31 December		Increase/ (decrease)
	2023	2022	
Provision of corporate healthcare solution services in Hong Kong and Macau	623,288	428,481	45.5%
Medical	610,402	416,156	46.7%
Dental	12,886	12,325	4.6%
Provision of clinical healthcare services in Hong Kong and Macau	120,945	133,411	(9.3%)
Medical	106,022	117,700	(9.9%)
Dental	14,923	15,711	(5.0%)
Mainland China Clinical Healthcare Services	16,187	14,507	11.6%
TOTAL	760,420	576,399	31.9%

FINANCIAL REVIEW

Interim Period 2023/24 compared to Interim Period 2022/23

Revenue

During Interim Period 2023/24, we primarily generated revenue from (i) the provision of corporate healthcare solutions to Contract Customers in Hong Kong and Macau; (ii) the provision of clinical healthcare services in Hong Kong and Macau; and (iii) the provision of clinical healthcare services in Mainland China.

Total consolidated revenue increased by 2.9% from HK\$365.1 million in Interim Period 2022/23 to HK\$375.8 million in Interim Period 2023/24, primarily due to growth in our imaging and specialist lines of business.

Other Income and Gains

Other income and gains primarily comprise bank interest income, dividend income from investments at fair value through other comprehensive income and fair value gain on financial assets at fair value through profit or loss and other income.

Other income and gains decreased by 2.6% from HK\$8.9 million for Interim Period 2022/23 to HK\$8.6 million for Interim Period 2023/24, primarily due to a decrease in the dividend income from investments at fair value through other comprehensive income, which was net off with the increase of bank interest income.

Professional Services Expenses

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

Professional services expenses increased by 11.5% from HK\$123.0 million for Interim Period 2022/23 to HK\$137.1 million for Interim Period 2023/24 due to increase in the cost of services rendered by doctors, dentists and other professionals.

Employee Benefit Expense

Employee benefit expense primarily comprise salaries and related costs, equity-settled share-based payment expense, as well as pension scheme contributions for nurses and administrative personnel, and also include those of the Directors and key management personnel.

Employee benefit expense increased by 11.5% from HK\$90.2 million for Interim Period 2022/23 to HK\$100.6 million for Interim Period 2023/24. The increase in employee benefit expense was mainly attributable to the expansion of operating team in relation to the two newly operated medical and imaging centres which started to operate in February and May 2023. Its increase was also in line with the Group's talent strategy in preparation for our development.

Cost of inventories consumed

Cost of inventories consumed increased by 43.4% from HK\$20.0 million for Interim Period 2022/23 to HK\$28.6 million for Interim Period 2023/24, primarily due to an increase in the amount of drugs and other medical consumables consumed in relation to the provision of oncology services.

Depreciation and Amortisation

Depreciation and amortisation, which comprises of depreciation of the right-of-use assets and depreciation and amortisation of other non-current assets.

Depreciation and Amortisation increased by 14.5% from HK\$49.9 million for Interim Period 2022/23 to HK\$57.1 million for Interim Period 2023/24, which was mainly relating to the capital expenditure in last financial year.

Other Expenses, net

Other expenses, net primarily comprise general overhead expenses such as utilities, operation and other administrative expenses such as audit fees, legal fees, repair and maintenance expenses incurred with respect to the Group's offices and medical equipment, printing expenses and bank charges, remained stable in Interim Period 2023/24 when compared with Interim Period 2022/23.

KEY FINANCIAL POSITION ITEMS

Right-of-use assets

Under HKFRS 16, right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The recognised right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term.

As at 31 December 2023, the Group's right-of-use assets amounted to HK\$119.4 million (30 June 2023: HK\$107.9 million).

Goodwill

Goodwill primarily represents the excess of the aggregate of the consideration over the fair value of the identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

As at 31 December 2023, the Group's goodwill amounted to HK\$164.8 million (30 June 2023: HK\$164.8 million).

Investments at fair value through other comprehensive income and financial assets at fair value through profit or loss

Investments at fair value through other comprehensive income and financial assets at fair value through profit or loss primarily represent unlisted equity investments at fair value and listed equity at fair value and investment funds. Certain equity investments are designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

As at 31 December 2023, the Group's investments at fair value through other comprehensive income and financial assets at fair value through profit or loss amounted to HK\$37.6 million and HK\$30.1 million (30 June 2023: HK\$36.8 million and HK\$29.4 million), respectively. The increase of investments at fair value through other comprehensive income is primarily due to the reclassification of investment in The GBA Healthcare Group Limited and its subsidiaries and net off with decrease in fair value of other investments.

On 31 August 2023, Dr. Sun Yiu Kwong has resigned from the board of director in The GBA Healthcare Group Limited and the Group lost its significant influence over The GBA Healthcare Group Limited. As a result, the investment in The GBA Healthcare Group Limited and its subsidiaries was no longer accounted for as an associate and has been reclassified as investments at fair value through other comprehensive income from investments in associates.

Lease liabilities

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

As at 31 December 2023 and 30 June 2023, the carrying amount of lease liabilities amounted to HK\$134.8 million (of which HK\$61.2 million is classified as current liabilities and HK\$73.6 million is classified as non-current liabilities) and HK\$123.4 million (of which HK\$58.5 million is classified as current liabilities and HK\$64.9 million is classified as non-current liabilities) respectively.

LIQUIDITY AND FINANCIAL RESOURCES

	31 December 2023 <i>HK\$'000</i>	30 June 2023 <i>HK\$'000</i>
Current Assets	523,862	495,524
Current Liabilities	317,505	271,111
Net Current Assets	206,357	224,413
Current Ratio	1.65	1.83

The Group's current ratio was 1.65 as at 31 December 2023 (30 June 2023: 1.83), reflecting a strong liquidity in its financial position. Working capital position of the Group remains strong.

The Group has historically funded its operations primarily by cash generated from operating activities. The Group has adopted a conservative approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Interim Period 2023/24. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time. As of 31 December 2023, the Group had a cash, bank balances and deposits (excluded pledged deposits) of HK\$315.9 million.

As of the date of this announcement, the Group did not have any bank borrowings or outstanding bank loans and did not enter into any bank loan facilities.

GEARING RATIO

The gearing ratio expressed as a percentage of loans from non-controlling shareholders of subsidiaries divided by consolidated total equity of the Group as at 31 December 2023 as approximately 7.2% (30 June 2023: 6.3%).

CAPITAL STRUCTURE

There has been no significant change in the capital structure of the Company during the period ended 31 December 2023. The capital of the Company comprises ordinary shares and other reserves.

SIGNIFICANT INVESTMENTS HELD

Save for the investments at fair value through other comprehensive income, financial assets at fair value through profit or loss and financial assets at amortised cost held by the Group, as elaborated in further details in the section headed “FINANCIAL REVIEW” of this announcement, the Group did not hold any significant investment as at 31 December 2023.

MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES

There was no material acquisition or disposal of subsidiaries undertaken by the Group during Interim Period 2023/24.

CAPITAL EXPENDITURE AND COMMITMENT

The capital expenditure during the period was primarily related to decoration and the acquisitions of plant and equipment for the Group’s medical and imaging centres. For Interim Period 2023/24, the Group incurred capital expenditure in an aggregate amount of approximately HK\$20.3 million (Interim Period 2022/23: HK\$28.0 million). As at 31 December 2023, the Group’s outstanding capital commitment were HK\$51.6 million (30 June 2023: HK\$50.6 million).

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group continues to strengthen its current business and explore growth opportunities. Save as disclosed in this announcement, the Group did not have any specific future plan for material investments or capital assets as of 31 December 2023.

CONTINGENT LIABILITIES

As at 31 December 2023, the Group did not have any material off-balance sheet arrangements.

TREASURY MANAGEMENT

The Group employs a conservative approach to cash management and risk control. To achieve better risk control and efficient fund management, the Group’s treasury activities are centralised.

During the period, the Group’s receipts were mainly denominated in Hong Kong dollars and Renminbi. Payments were mainly made in Hong Kong dollars and Renminbi. Cash was generally placed in short-term deposits denominated in Hong Kong dollars.

The objective of the Group’s treasury policies is to minimise risks and exposures due to the fluctuations in foreign currency exchange rates and interest rates. The Group does not have any significant interest rate risk at present as the Group did not have any bank borrowings or outstanding bank loans and did not enter into any bank loan facilities.

The Group will continue to allocate funds for business development and capture market opportunities and meeting general corporate operational purposes. The Group will also continue to execute its treasury management policy to enhance the yield of cash reserves.

RISK MANAGEMENT

Foreign Currency Risk

During the reporting period, the Group undertook certain transactions in foreign currencies, which exposed the Group to foreign currency risk, primarily relating to the Renminbi against Hong Kong dollars.

The Group did not use 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 will consider hedging against significant foreign exchange exposure when the need arises.

Credit Risk

The credit risk of the Group's financial assets arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and concentrations of credit risk are managed by customer/counterparty.

PLEDGE OF ASSETS

As at 31 December 2023, the Group has pledged certain deposits with an aggregate carrying amount of HK\$1.4 million (30 June 2023: HK\$1.4 million) in connection with a surety bond issued by a bank in favour of an independent third party for potential disruption of Medical and Dental Services.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2023, the Group had a total of 504 (30 June 2023: 508) full-time employees. For Interim Period 2023/24, the staff cost (including Directors' remuneration in the form of salaries and other benefits) was approximately HK\$100.6 million (Interim Period 2022/23: HK\$90.2 million).

The Group ensures that the pay levels of its employees are competitive and employees are rewarded on a performance related basis, together with reference to the profitability of the Group, prevailing remuneration benchmarks in the industry, and market conditions within the general framework of the Group's remuneration system.

In addition, the Company also adopted the 2023 Share Option Scheme on 24 November 2023, where eligible persons are entitled to subscribe for the Shares for their contribution to the Group. The Company has not granted any share options under the 2023 Share Option Scheme since its adoption. The Post-IPO Share Option Scheme was terminated on 24 November 2023. As at 31 December 2023, there were 14,140,000 share options under the Post-IPO Share Option Scheme remained outstanding. Under the Post-IPO Share Option Scheme, 11,600,000 share options were lapsed or forfeited and no share options were granted or exercised during the Interim Period 2023/24.

The Company has also adopted the Share Award Scheme to provide an incentive and reward to selected participants for their contribution to the Group. No Shares have been granted under the Share Award Scheme during Interim Period 2023/24.

The remuneration packages of the Directors are reviewed by the Remuneration Committee and approved by the Board, according to the relevant Director's experience, responsibility, workload and the time devoted to the Group, the Company's operating results and comparable market statistics.

INTERIM DIVIDEND

The Board has declared an interim dividend of HK1.30 cent per ordinary share for the six months ended 31 December 2023 (FY2023 interim dividend: HK1.70 cent). The interim dividend will be payable to the shareholders of the Company whose names appear on the register of members of the Company on Friday, 22 March 2024. It is expected that the interim dividend will be paid on or about Friday, 19 April 2024.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to the interim dividend, the register of members of the Company will be closed from Wednesday, 20 March 2024 to Friday, 22 March 2024, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the entitlement to the interim dividend, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 19 March 2024.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standards of corporate governance and transparency. The Company confirms that it has complied with the code provisions of the Corporate Governance Code contained in Appendix C1 to the Listing Rules during the six months ended 31 December 2023.

The Board will review the corporate governance structure and practices from time to time and shall make necessary arrangements when the Board considers them appropriate.

MODEL CODE FOR SECURITIES TRANSACTIONS

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

Having made specific enquiry with all Directors, the Company confirmed that the Directors have complied with the Model Code during the six months ended 31 December 2023.

Relevant employees who are likely to be in possession of inside information of the Group are also subject to compliance with the Code of Conduct for Securities Transactions by Employees on terms of which are no less exacting than those set out in the Model Code. To the best knowledge of the Company, there was no incident of non-compliance with the Code of Conduct for Securities Transactions by Employees during the six months ended 31 December 2023.

REVIEW OF INTERIM RESULTS

The Audit Committee, which comprises three independent non-executive Directors, namely Mr. Lee Luen Wai, John *BBS JP* (chairman), Dr. Li Kwok Tung, Donald *SBS JP* and Mr. Yeung Tak Bun, has reviewed, together with the management of the Company, the unaudited interim results of the Group for the six months ended 31 December 2023 and considered that they were prepared in compliance with the relevant accounting standards, the Listing Rules and the applicable legal requirements, and that the Company has made appropriate disclosure thereof.

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

During the six months ended 31 December 2023, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

EVENTS AFTER REPORTING PERIOD

There are no material events from the end of the period to the date hereof.

PUBLICATION OF THE UNAUDITED INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is required to be published on the website of the Hong Kong Stock Exchange at www.hkexnews.hk and the designated website of the Company at www.ump.com.hk, respectively. The interim report of the Company for the six months ended 31 December 2023 will be despatched to the shareholders of the Company and published on the websites of the Hong Kong Stock Exchange and the Company in due course.

DEFINITIONS

“2023 Share Option Scheme”	the new share option scheme approved and adopted by the Company on 24 November 2023;
“Affiliated Clinic(s)”	clinic(s) which is/are not operated by the Group but which has entered or will enter into an agreement directly with the Group to offer Medical Services, Dental Services and/or Auxiliary Services to the Plan Members;
“Affiliated Doctor(s)”, “Affiliated Dentist(s)” or “Affiliated Auxiliary Services Provider(s)”	doctor(s)/dentist(s)/auxiliary services provider(s) who has entered or will enter into an agreement directly with the Group to provide services to Plan Members and who, in accordance with the terms of such agreement, has received or will receive an amount from the Group based on the volume of Plan Members treated;
“Audit Committee”	the audit committee of the Board;
“Auxiliary Services”	include imaging and laboratory services, physiotherapy, traditional Chinese medicine, vision care and optometry and child health assessment;
“Auxiliary Services Provider(s)”	auxiliary services provider(s) who is/are or will be engaged directly by the Group as a consultant to provide Auxiliary Services in the UMP Medical Centres in accordance with the terms of a consultancy agreement with the Group, and the Affiliated Auxiliary Service Providers;
“BBS”	Bronze Bauhinia Star;
“Board”	the board of Directors of the Company;

“Chairman”	the chairman of the Board;
“Chief Executive Officer”	the chief executive officer of the Company;
“Code of Conduct for Securities Transactions by Employees”	the Code of Conduct for Securities Transactions by Employees as adopted by the Company;
“Company” or “UMP”	UMP Healthcare Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the main board of the Hong Kong Stock Exchange (stock code: 722);
“Contract Customers”	collectively, insurance companies and corporations which have entered or will enter into corporate plans with the Group for healthcare benefits for Plan Members;
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules;
“Dental Services”	include primary dental services such as scaling and polishing and secondary dental services such as crown and bridge, orthodontics, implants and whitening;
“Dentist(s)”	dentist(s) who is/are or will be engaged directly by the Group as a consultant to provide Dental Services in the UMP Medical Centres in accordance with the terms of a consultancy agreement with the Group, and the Affiliated Dentists;
“Director(s)”	the director(s) of the Company;
“Doctor(s)”	doctor(s) who is/are or will be engaged directly by the Group as a consultant to provide Medical Services in the UMP Medical Centres in accordance with the terms of a consultancy agreement with the Group, and the Affiliated Doctors;
“FY2023”	the year ended 30 June 2023;

“general practice”	doctors trained in general practice and best suited to act as first point of contact for patients, having the required knowledge to refer patients to the appropriate specialists or services as required;
“Greater Bay Area”	Guangdong-Hong Kong-Macau Greater Bay Area, a geographical region of China comprising Guangzhou, Shenzhen, Zhuhai, Foshan, Huizhou, Dongguan, Zhongshan, Jiangmen, Zhaoqing, the Special Administrative Regions of Hong Kong and Macau for the purposes of this announcement;
“Group”, “we”, “our” or “us”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Hong Kong & Macau Clinical Healthcare Services”	provision of clinical healthcare services to Self-paid Patients in Hong Kong and Macau;
“Hong Kong & Macau Corporate Healthcare Solution Services”	provision of corporate healthcare solutions to Contract Customers in Hong Kong and Macau;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Interim Period 2022/23”	the six months ended 31 December 2022;
“Interim Period 2023/24”	the six months ended 31 December 2023;
“JP”	Justice of the Peace;
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange;
“Macau”	the Macau Special Administrative Region of the PRC;
“Mainland China” or “PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, Macau and Taiwan);

“Mainland China Clinical Healthcare Services”	provision of clinical healthcare services to Self-paid Patients in Mainland China;
“Medical” or “Medical Services”	includes general practice and specialist practice;
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules;
“Plan Members”	members of the Group’s corporate healthcare benefits plans, who typically include group medical insurance policyholders and employees of corporations and/or their dependants;
“Post-IPO Share Option Scheme”	the post-IPO share option scheme approved and adopted by the Company on 13 November 2015 and terminated by the Board with effect from 24 November 2023;
“Remuneration Committee”	the remuneration committee of the Board;
“SBS”	Silver Bauhinia Star;
“Self-paid Patients”	patients who visit a UMP Medical Centre operated by the Group and pay for services using cash or credit card;
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.001 each in the share capital of the Company;
“Share Award Scheme”	the share award scheme approved and adopted by the Board on 30 June 2016 and amended by the Board with effect from 24 November 2023;
“specialist practice”	a range of specialist practice, including Family Medicine, Internal Medicine, Surgery, Paediatrics, Cardiology, Dermatology, Otorhinolaryngology, Orthopaedics, Ophthalmology, Urology, Gastroenterology and Hepatology, Radiology, Endocrinology and Diabetes. Please see www.ump.com.hk for the updated list of specialist practices;

“UMP Medical Centre(s)” medical centre(s) offering Medical Services, Dental Services and/or Auxiliary Services which is operated by the Group; and

“UMP Network” consists of (i) UMP Medical Centres which are operated by the Group and (ii) Affiliated Clinics which are clinics not operated by the Group but which has entered into an agreement with the Group to offer Medical Services, Dental Services and/or Auxiliary Services to Plan Members.

In this announcement, the term “subsidiary” shall have the same meaning given to such term in the Listing Rules, unless the context otherwise requires.

By the order of the Board
UMP Healthcare Holdings Limited
SUN Yiu Kwong
Chairman

Hong Kong, 28 February 2024

As at the date of this announcement, the Executive Directors of the Company are Dr. SUN Yiu Kwong (Chairman), Dr. SUN Man Kin, Michael (Vice-chairman and Co-Chief Executive Officer), Ms. KWOK Cheuk Kwan, Jacquen (Co-Chief Executive Officer), Mr. TSANG On Yip, Patrick, Dr. LEE Pak Cheung, Patrick; the Non-executive Director is Dr. LEE Kar Chung, Felix; and the Independent Non-executive Directors are Mr. LEE Luen Wai, John, Dr. LI Kwok Tung, Donald and Mr. YEUNG Tak Bun.