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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 2024

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 2024 together with the comparative figures for the corresponding period in 2023.

INTERIM RESULTS HIGHLIGHTS

| | Six months ended 31 December | | | |
|--|---------------------------------|-------------------|---------------------|--------|
| | 2024 | 2023 | Increase/(decrease) | |
| (A) Operating results (HK\$'000) | | | | |
| Revenue | 371,271 | 375,845 | (4,574) | (1.2%) |
| EBITDA <i>(Note a)</i> | 46,552 | 39,772 | 6,780 | 17.0% |
| | | <i>(Note b)</i> | | |
| Profit for the period | 19,246 | 13,209 | 6,037 | 45.7% |
| Profit attributable to owners of the Company | 17,948 | 15,668 | 2,280 | 14.6% |
| | <u> </u> | <u> </u> | | |
| (B) Per share data (HK cents) | | | | |
| Earnings per share – basic and diluted | 2.25 | 1.96 | 0.29 | 14.8% |
| Dividend per share – interim | 1.40 | 1.30 | 0.10 | 7.7% |
| | <u> </u> | <u> </u> | | |
| (C) Key ratios (%) | | | | |
| EBITDA/Revenue | 12.5% | 10.6% | +1.9% points | |
| | | <i>(Note b)</i> | | |
| Net profit margin | 5.2% | 3.5% | +1.7% points | |
| Return on shareholders' funds | 2.5% | 2.2% | +0.3% points | |
| | <u> </u> | <u> </u> | | |
| (D) Financial Position (HK\$'000) | | | | |
| as at | 31 Dec 2024 | 30 Jun 2024 | | |
| Cash, bank balances and deposits | 303,259 | 256,139 | 47,120 | 18.4% |
| Net current assets | 231,769 | 218,719 | 13,050 | 6.0% |
| Shareholders' funds | 722,247 | 725,942 | (3,695) | (0.5%) |
| | <u> </u> | <u> </u> | | |

Note a: EBITDA represented profit for the period before interest income, finance cost, income tax expense and depreciation (excluded depreciation of right-of-use assets) and amortisation.

Note b: Since the definition of EBITDA has changed, the relevant figures in 1H FY23/24 have been restated as appropriate.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Six months ended 31 December 2024

| | | Six months ended 31 December | |
|--|-------|------------------------------|--------------|
| | | 2024 | 2023 |
| | Notes | HK\$'000 | HK\$'000 |
| | | (Unaudited) | (Unaudited) |
| REVENUE | 5 | 371,271 | 375,845 |
| Other income and gains | 5 | 6,519 | 8,644 |
| Professional services expenses | | (133,523) | (137,184) |
| Employee benefit expense | | (96,138) | (100,597) |
| Property rental and related expenses | | (7,594) | (8,694) |
| Cost of inventories consumed | | (27,799) | (28,618) |
| Depreciation and amortisation | | (52,832) | (57,118) |
| Other expenses, net | | (33,515) | (30,777) |
| Finance cost | | (3,637) | (3,623) |
| Share of (losses)/profits of: | | | |
| Joint ventures | | (787) | (327) |
| Associates | | 664 | 136 |
| PROFIT BEFORE TAX | 6 | 22,629 | 17,687 |
| Income tax expense | 7 | (3,383) | (4,478) |
| PROFIT FOR THE PERIOD | | 19,246 | 13,209 |
| Attributable to: | | | |
| Owners of the Company | | 17,948 | 15,668 |
| Non-controlling interests | | 1,298 | (2,459) |
| | | 19,246 | 13,209 |
| EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY | 9 | | |
| Basic and diluted | | HK2.25 cents | HK1.96 cents |

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six months ended 31 December 2024

| | Six months ended 31 December | |
|---|---------------------------------|-----------------|
| | 2024 | 2023 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| PROFIT FOR THE PERIOD | 19,246 | 13,209 |
| OTHER COMPREHENSIVE (LOSS)/INCOME | | |
| Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods: | | |
| Exchange differences on translation of foreign operations | (1,367) | 806 |
| Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods | (1,367) | 806 |
| Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods: | | |
| Changes in fair value of equity investments designated at fair value through other comprehensive income | (4,057) | (11,670) |
| OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX | (5,424) | (10,864) |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 13,822 | 2,345 |
| Attributable to: | | |
| – Owners of the Company | 12,524 | 4,804 |
| – Non-controlling interests | 1,298 | (2,459) |
| | 13,822 | 2,345 |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

| | | 31 December 2024 | 30 June 2024 |
|---|--------------|-----------------------------|-------------------------|
| | <i>Notes</i> | HK\$'000 | HK\$'000 |
| | | (Unaudited) | (Audited) |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | | 197,481 | 212,881 |
| Right-of-use assets | | 112,542 | 107,192 |
| Goodwill | | 164,157 | 164,157 |
| Other intangible assets | | 37,892 | 37,892 |
| Investments in joint ventures | | 6,374 | 7,162 |
| Investments in associates | | 3,660 | 2,996 |
| Investments at fair value through other comprehensive income | <i>11</i> | 26,449 | 30,453 |
| Finance lease receivables | | 833 | 1,876 |
| Deferred tax assets | | 22,188 | 25,507 |
| Deposits and other receivable | <i>13</i> | 19,521 | 27,221 |
| | | <hr/> | <hr/> |
| Total non-current assets | | 591,097 | 617,337 |
| | | <hr/> | <hr/> |
| CURRENT ASSETS | | | |
| Inventories | | 15,685 | 14,769 |
| Trade receivables | <i>12</i> | 110,714 | 131,025 |
| Prepayments, other receivables and other assets | <i>13</i> | 36,939 | 41,525 |
| Finance lease receivables | | 2,067 | 2,028 |
| Financial assets at fair value through profit or loss | | 42,728 | 41,134 |
| Financial assets at amortised cost | <i>10</i> | — | — |
| Amounts due from associates | | 3,086 | 1,103 |
| Amount due from joint ventures | | 28 | 25 |
| Amounts due from related companies | | 10,196 | 1,335 |
| Tax recoverable | | 8,265 | — |
| Cash, bank balances and deposits | | 303,259 | 256,139 |
| | | <hr/> | <hr/> |
| Total current assets | | 532,967 | 489,083 |
| | | <hr/> <hr/> | <hr/> <hr/> |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

31 December 2024

| | | 31 December 2024 HK\$'000 (Unaudited) | 30 June 2024 HK\$'000 (Audited) |
|---|-------|--|--|
| | Notes | | |
| CURRENT LIABILITIES | | | |
| Trade payables | 14 | 67,945 | 75,782 |
| Other payables and accruals | 15 | 102,807 | 63,255 |
| Loans from non-controlling shareholders of subsidiaries | | 51,874 | 51,874 |
| Amounts due to associates | | 477 | 293 |
| Amounts due to joint ventures | | 28 | — |
| Amounts due to related companies | | 3,963 | 1,762 |
| Provision | | 7,010 | 6,124 |
| Lease liabilities | | 57,921 | 53,462 |
| Tax payable | | 9,173 | 17,812 |
| Total current liabilities | | 301,198 | 270,364 |
| NET CURRENT ASSETS | | 231,769 | 218,719 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 822,866 | 836,056 |
| NON-CURRENT LIABILITIES | | | |
| Lease liabilities | | 67,823 | 67,233 |
| Deferred tax liabilities | | 13,636 | 17,245 |
| Provision | | 6,417 | 7,303 |
| Total non-current liabilities | | 87,876 | 91,781 |
| NET ASSETS | | 734,990 | 744,275 |
| EQUITY | | | |
| Equity attributable to owners of the Company | | | |
| Issued capital | 16 | 811 | 811 |
| Reserves | | 721,436 | 725,131 |
| | | 722,247 | 725,942 |
| Non-controlling interests | | 12,743 | 18,333 |
| TOTAL EQUITY | | 734,990 | 744,275 |

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 2024 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 2024.

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 2024 are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 30 June 2024.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the 1H FY24/25 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

| | Effective for accounting periods beginning on or after |
|--|--|
| Amendments to HKAS 21, <i>The effects of changes in foreign exchange rates – Lack of exchangeability</i> | 1 January 2025 |
| Amendments to HKFRS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments</i> | 1 January 2026 |
| Annual improvements to HKFRS Accounting Standards – Volume 11 | 1 January 2026 |
| HKFRS 18, <i>Presentation and disclosure in financial statements</i> | 1 January 2027 |
| HKFRS 19, <i>Subsidiaries without public accountability: disclosures</i> | 1 January 2027 |

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the 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

| | <u>Hong Kong and Macau</u> | | <u>Mainland China</u> | |
|--|--|---|---|--------------------------|
| | 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 2024 | | | | |
| (unaudited) | | | | |
| Segment revenue: | | | | |
| External sales | 133,160 | 218,108 | 20,003 | 371,271 |
| Inter-segment sales | 984 | 71,050 | – | 72,034 |
| | 134,144 | 289,158 | 20,003 | 443,305 |
| <i>Reconciliation:</i> | | | | |
| Elimination of inter-segment sales | | | | (72,034) |
| Revenue | | | | 371,271 |
| Segment results | | | | |
| | 18,495 | 7,955 | 5,879 | 32,329 |
| <i>Reconciliation:</i> | | | | |
| Interest income | | | | 2,318 |
| Other income and gains | | | | 2,234 |
| Share of (losses)/profits of: | | | | |
| Joint ventures | | | | (787) |
| Associates | | | | 664 |
| Corporate and other unallocated expenses, net | | | | (14,129) |
| Profit before tax | | | | 22,629 |
| Income tax expense | | | | (3,383) |
| Profit for the period | | | | 19,246 |

| | 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 |
| | 128,847 | 299,427 | 19,297 | 447,571 |
| <i>Reconciliation:</i> | | | | |
| Elimination of inter-segment sales | | | | (71,726) |
| Revenue | | | | 375,845 |
| 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 | | | | (16,335) |
| Profit before tax | | | | 17,687 |
| Income tax expense | | | | (4,478) |
| Profit for the period | | | | 13,209 |

(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 | |
|------------|-------------------------------------|--------------------|
| | 2024 | 2023 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| Customer A | 24,530 | 19,851 |
| Customer B | 17,976 | 16,175 |

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

Disaggregated revenue information

Six months ended 31 December 2024

| | Six months ended 31 December | |
|---|-------------------------------------|--------------------|
| | 2024 | 2023 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| Provision of corporate healthcare solution services in Hong Kong and Macau | 133,160 | 127,979 |
| Medical | 123,895 | 118,048 |
| Dental | 9,265 | 9,931 |
| Provision of clinical healthcare services in Hong Kong and Macau | 218,108 | 228,569 |
| Medical | 190,973 | 202,693 |
| Dental | 27,135 | 25,876 |
| Provision of clinical healthcare services in Mainland China | 20,003 | 19,297 |
| TOTAL | 371,271 | 375,845 |

An analysis of other income and gains is as follows:

| | Six months ended 31 December | |
|--|-------------------------------------|--------------------|
| | 2024 | 2023 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| Administrative support fees | 184 | 209 |
| Bank interest income | 2,256 | 2,775 |
| Interest income for finance lease | 62 | 99 |
| Rental income | 1,481 | 1,481 |
| Dividend income from investments at fair value through other comprehensive income | 467 | 2,661 |
| Fair value gain on financial assets at fair value through profit or loss | 1,594 | 615 |
| Others | 475 | 804 |
| | <u>6,519</u> | <u>8,644</u> |

6. PROFIT BEFORE TAX

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

| | Six months ended 31 December | |
|--|-------------------------------------|--------------------|
| | 2024 | 2023 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| Amortisation of intangible assets | – | 914 |
| Depreciation of property, plant and equipment | 22,603 | 20,422 |
| Depreciation of right-of-use assets | 30,229 | 35,782 |
| Equity-settled share-based payment expense (including employees and professional consultants) | – | 218 |
| Fair value gain on financial assets at fair value through profit or loss | (1,594) | (615) |
| Foreign exchange differences, net | 191 | 236 |
| Write-off of items of property, plant and equipment | 292 | 32 |
| | <u>292</u> | <u>32</u> |

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 31 December 2023: 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 | |
|---------------------------------|-------------------------------------|--------------------|
| | 2024 | 2023 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| Current – Hong Kong | | |
| Charge for the period | 2,682 | 6,406 |
| Current – Mainland China/Macau | | |
| Charge for the period | 990 | 1,398 |
| Under-provision in prior years | – | 635 |
| Deferred | (289) | (3,961) |
| Total tax charge for the period | 3,383 | 4,478 |

8. DIVIDENDS

| | Six months ended 31 December | |
|--|-------------------------------------|--------------------|
| | 2024 | 2023 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| Dividend recognised as distribution during the period: | | |
| Final dividend for the year ended 30 June 2024: | | |
| HK2.00 cents (year ended 30 June 2023: HK3.00 cents) | | |
| per ordinary share | 16,219 | 24,329 |
| Dividend proposed after the end of the reporting period: | | |
| Interim dividend for the six months ended | | |
| 31 December 2024: | | |
| HK1.40 cent (six months ended 31 December 2023: | | |
| HK1.30 cent) per ordinary share | 11,353 | 10,542 |

The proposed interim dividend of HK1.40 cent per ordinary share in respect of the year ending 30 June 2025 was approved by the board of directors on 27 February 2025. The interim dividend of HK1.30 cent per ordinary share in respect of the year ended 30 June 2024 was approved by the board of directors on 28 February 2024.

The final dividend of HK2.00 cents per ordinary share in respect of the year ended 30 June 2024 was approved by the Company's shareholders at the annual general meeting held on 29 November 2024. The final dividend of HK3.00 cents per ordinary share in respect of year ended 30 June 2023 was approved by the Company's shareholders at the annual general meeting held on 24 November 2023.

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 2024 attributable to ordinary equity holders of the Company of HK\$17,948,000 (six months ended 31 December 2023: HK\$15,668,000), and the weighted average number of ordinary shares of 799,484,654 (six months ended 31 December 2023: 799,314,186) 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 2024 and 2023 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 2024 HK\$'000 (Unaudited) | 30 June 2024 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> | <u><u>–</u></u> |

As at 31 December 2024, the balance after the provision of impairment is nil (30 June 2024: Nil).

11. INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

| | 31 December 2024 HK\$'000 (Unaudited) | 30 June 2024 HK\$'000 (Audited) |
|---|--|--|
| Investments at fair value through other comprehensive income | | |
| Unlisted equity investments, at fair value | 13,445 | 13,448 |
| Listed equity investments, at fair value | <u>13,004</u> | <u>17,005</u> |
| | <u><u>26,449</u></u> | <u><u>30,453</u></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 HK\$nil (six months ended 31 December 2023: HK\$nil) and HK\$467,000 (six months ended 31 December 2023: HK\$2,661,000) from an unlisted equity investment and a listed equity investment, respectively.

12. TRADE RECEIVABLES

| | 31 December | 30 June |
|-------------------|--------------------|-----------|
| | 2024 | 2024 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Audited) |
| Trade receivables | 110,714 | 131,025 |

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.

Included in the Group's trade receivables are trade receivables due from related companies of HK\$1,758,000 (30 June 2024: HK\$8,966,000), which have the same credit period as other Contract Customers. Chow Tai Fook Enterprises Limited ("CTFE") is a major beneficial shareholder of these related companies in which Mr. Tsang On Yip, Patrick, an executive director of the Company, is the Co-chief Executive Officer of CTFE.

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 | 30 June |
|----------------|--------------------|-----------|
| | 2024 | 2024 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Audited) |
| Within 1 month | 77,064 | 78,302 |
| 1 to 2 months | 16,158 | 24,919 |
| 2 to 3 months | 10,156 | 23,273 |
| Over 3 months | 7,336 | 4,531 |
| | 110,714 | 131,025 |

13. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

| | | 31 December 2024 | 30 June 2024 |
|--|-------------|-----------------------------|------------------|
| | <i>Note</i> | HK\$'000 | HK\$'000 |
| | | (Unaudited) | (Audited) |
| Prepayments | | 10,077 | 7,026 |
| Deposits paid for purchases of items of property, plant and equipment | | 4,124 | 7,066 |
| Deposits | (a) | 30,300 | 30,368 |
| Other receivables | (a) | 11,959 | 24,286 |
| | | 56,460 | 68,746 |
| Less: Portion classified as non-current assets | | (19,521) | (27,221) |
| Current portion | | 36,939 | 41,525 |

Note:

- (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 2024 and 30 June 2024. The loss allowance was assessed to be minimal.

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 2024 | 30 June 2024 |
|----------------|-----------------------------|------------------|
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Audited) |
| Within 1 month | 39,771 | 41,233 |
| 1 to 3 months | 26,862 | 31,598 |
| Over 3 months | 1,312 | 2,951 |
| | 67,945 | 75,782 |

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 2024 HK\$'000 (Unaudited) | 30 June 2024 HK\$'000 (Audited) |
|--|--------------|--|--|
| | <i>Notes</i> | | |
| Contract liabilities | (a) | 27,969 | 24,100 |
| Other payables | (b) | 24,232 | 15,755 |
| Dividend payable | | 16,219 | – |
| Accruals | (b) | 27,948 | 14,925 |
| Deposits received | | 1,638 | 3,854 |
| Amount due to non-controlling shareholders of subsidiaries | | 4,801 | 4,621 |
| | | <u>102,807</u> | <u>63,255</u> |

Notes:

- (a) Details of contract liabilities are as follows:

| | 31 December 2024 HK\$'000 (Unaudited) | 30 June 2024 HK\$'000 (Audited) |
|--|--|--|
| Advances received from customers | | |
| Provision of corporate healthcare solution services to | | |
| Contract Customers | 23,258 | 18,433 |
| Provision of clinical healthcare services | 4,711 | 5,667 |
| | <u>27,969</u> | <u>24,100</u> |

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

16. SHARE CAPITAL

| | 31 December 2024 HK\$'000 (Unaudited) | 30 June 2024 HK\$'000 (Audited) |
|---|--|---|
| Authorised: | | |
| 5,000,000,000 (30 June 2024: 5,000,000,000) ordinary shares of HK\$0.001 (30 June 2024: HK\$0.001) each | <u>5,000</u> | <u>5,000</u> |
| Issued and fully paid: | | |
| 810,955,244 (30 June 2024: 810,955,244) ordinary shares of HK\$0.001 (30 June 2024: HK\$0.001) each | <u>811</u> | <u>811</u> |
| The movements in the Company's authorised and issued share capital during the period from 1 July 2023 to 31 December 2024 are as follows: | | |
| | Number of ordinary shares | Nominal value of ordinary shares HK\$'000 |
| Authorised: | | |
| At 1 July 2023, at 31 December 2023, at 30 June 2024, at 1 July 2024 and at 31 December 2024 | <u>5,000,000,000</u> | <u>5,000</u> |
| Issued and fully paid: | | |
| At 1 July 2023, at 31 December 2023, at 30 June 2024, at 1 July 2024, and at 31 December 2024 | <u>810,955,244</u> | <u>811</u> |

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The 1H FY24/25 unfolded against a challenging macroeconomic backdrop in Hong Kong. Elevated interest rates, inflationary pressures, and subdued consumer sentiment continued to weigh on discretionary spending, impacting various industries, including healthcare. Nevertheless, the city's economy showed early signs of stabilization, offering some optimism for recovery.

For healthcare providers, the dual pressures of high operational costs and intensifying cross-boundary competition created a complex operating environment. Elective and outpatient services faced heightened competition, while essential medical services remained in demand, albeit with increased price sensitivity among consumers.

In this environment, UMP remained committed to its core strengths: with over three decades of established presence in quality community outpatient services, patient pool from our well-established corporate healthcare solution business, integrated service networks, and cross-boundary healthcare coordination. By adapting to evolving patient preferences and regulatory changes, we have navigated these challenges with resilience. Our efforts to optimize costs, enhance operational efficiency, and deliver value-focused services have yielded tangible results.

Operational efficiencies implemented in FY23/24 began to bear fruit, contributing to improved margins and cost savings. Gross profit margin maintained and EBITDA improved 17.0% from approximately HK\$39.8 million in 1H FY23/24 to approximately HK\$46.6 million in 1H FY24/25, reflecting better operational efficiency. Workforce optimization led to a 4.4% year-on-year improvement in manpower costs, while effective facility consolidations resulted in decline of the total sum of the rental expenses and the depreciation of right-of-use assets which reduced by approximately 15.0% year-on-year. These achievements underscore management's tactical execution and commitment to sustainable growth, even in a challenging macroeconomic climate.

BUSINESS REVIEW BY SEGMENT

Hong Kong & Macau Corporate Healthcare Solution Services

This segment, which focuses on designing and administering healthcare benefits plans for corporate clients and insurance companies, continued to perform robustly in 1H FY24/25. Total revenue for the segment (before inter-segment elimination) increased by 4.1%, from HK\$128.8 million in 1H FY23/24 to HK\$134.1 million in 1H FY24/25. This growth reflects the sustained demand for our comprehensive healthcare solutions, which cater to the evolving needs of employers and insurers.

During the reporting period, contract voucher volumes remained steady, demonstrating the sustained demand for UMP's platform and reinforcing our position as a preferred partner in the healthcare ecosystem. Our network expansion in Mainland China has been particularly noteworthy over the past year, with strategic partnerships and new service points established across key cities, strengthening our footprint in Hong Kong, Macau, and Mainland China, ensuring comprehensive coverage and accessibility for patients and stakeholders alike.

From a payer-facing perspective, UMP continued to support insurers and corporate clients by providing tailored healthcare benefit plans that balance cost management with broad service coverage. Our third-party administration (TPA) services, including claims processing and hotline support, ensure a seamless experience for clients while maintaining operational efficiency. We are progressively building a dedicated administration team in the Greater Bay Area (GBA) to support our TPA services, with plans to expand this capability to handle other routine administrative tasks. This strategic move will enable our Hong Kong team to focus more on business development and innovative initiatives. Our investments in digitalization have enhanced the efficiency of claims processing and approval workflows, reducing administrative complexity while maintaining high service standards, ensuring continuity and reliability in healthcare delivery.

From a provider-facing perspective, UMP's platform offers essential administrative support to panel doctors and clinics, enabling them to focus on patient care. By facilitating access to a broad patient base through corporate and insurance contracts, UMP strengthens the sustainability of its network partners. This dual alignment of payer and provider interests underscores our critical role in the healthcare value chain.

Hong Kong & Macau Clinical Healthcare Services

Revenue from this segment declined year-on-year, primarily due to reduced body check consumers and patient visits amid normalise of use of immigration medical examination cautious consumer sentiment and increasing competition from cross-boundary medical services. Total revenue for the segment (before inter-segment elimination) fell from HK\$299.4 million in 1H FY23/24 to HK\$289.2 million in 1H FY24/25. Despite this decline, UMP remained proactive in adapting to these challenges through strategic initiatives and operational flexibility.

To improve performance, UMP has focused on consolidating underperforming clinics and reallocating resources to high-demand locations. Operational improvements, such as enhanced patient flow management and staff training, are being implemented to maximize clinic utilization and improve service quality. Initial results of these measures have been achieved and are expected to drive more significant incremental impacts in the second half of FY24/25.

For example, we took agile action to repurpose our facilities in response to changing examination volume patterns. We have diversified income sources and mitigated risks by introducing new services such as Traditional Chinese Medicine (TCM) and physiotherapy. Minor renovations to larger medical centres have allowed us to create multi-disciplinary hubs, offering integrated medical services under one roof. This asset-light approach enables us to increase service locations for contract businesses without significant capital investment.

Additionally, we won the government tender for the Provision of Nurse Clinic Services and Allied Health Services for Primary Care Development and was selected as a pilot provider for nurse clinics and physiotherapy centres under this government program. We have also secured tenders for imaging services for Hospital Authority out-referrals and dental services for civil servants. We have begun integrating artificial intelligence (AI) technology into our medical practice imaging services, enhancing our diagnostic capabilities across clinical settings. This early adoption of AI assists doctors in preliminary diagnosis and clinical decision-making, improving both efficiency and accuracy in patient care.

Mainland China Clinical Healthcare Services

Revenue from our Mainland China segment grew modestly year-on-year, from HK\$19.3 million in 1H FY23/24 to HK\$20.0 million in 1H FY24/25. However, operating profit declined, reflecting higher operating costs and challenging market conditions.

Nonetheless, the number of patient visits remained stable, signalling consistent demand for our high-quality health check-ups and outpatient services. This stability underscores the trust and confidence that patients place in our brand.

Our strategic focus in Mainland China remains on expanding our presence in the Greater Bay Area. By partnering with local organizations and maintaining high standards of care, we aim to capitalize on the growing interconnection of outpatient care between Hong Kong and Mainland China. This cross-boundary healthcare opportunity aligns with broader economic and social integration trends in the region.

OUTLOOK

As we move into the second half of FY24/25, UMP remains cautiously optimistic about the future. While global uncertainties persist, including geopolitical disruptions, economic volatility, and inflationary pressures, we are confident that our strategic focus on operational excellence, digital transformation, and financial discipline will enable us to navigate these challenges effectively. Our diversified revenue streams and strong operational foundation provide resilience against market fluctuations, allowing us to adapt quickly to changing conditions.

Strengthening Financial Discipline

Improving cash flow generation and managing working capital effectively will be key priorities. Streamlining invoicing and payment collection processes will enhance liquidity, while tighter controls on medical supplies and consumables will optimize inventory management. Continued lease renegotiations and facility consolidations will further reduce rental expenses, ensuring financial flexibility for reinvestment in growth initiatives.

Investing in People

At the same time, we recognize the importance of investing in our people. Employee training and development programs will remain a priority, ensuring that our team is equipped with the skills and knowledge needed to deliver exceptional care in an evolving healthcare landscape.

Driving Digital Transformation

Digital transformation will remain a cornerstone of our strategy in the coming months. The HKSAR government's promotion of the Electronic Health Record Sharing System (eHealth) reflects a broader trend toward digital medical records and integrated healthcare solutions. We see this as an inevitable shift in the healthcare landscape and are actively positioning ourselves to be a leader in this space.

To meet the growing demand for digital services, we are investing in a new patient management system, set to launch in the second half of FY24/25. This system will enhance our ability to manage patient data securely and efficiently, improving the overall patient experience and internal processes. Additionally, expanded digital claims processing capabilities will further strengthen UMP's service offerings to corporate clients and insurers, contributing to cost savings and operational scalability.

The adoption of AI in imaging and diagnosis exemplifies our forward-thinking approach to leveraging technology. Particularly at ProCare Medical Imaging, we believe implementation of AI technology will demonstrate significant benefits for both doctors and patients. The AI-assisted diagnosis helps radiologists identify potential issues more quickly and accurately, while patients benefit from faster turnaround times and more detailed reports. By being an early adopter in this space, we're establishing a competitive advantage that will be increasingly valuable as AI becomes industry standard. We have plans to explore additional AI applications across other service lines to further enhance our offerings.

Focus on Preventive and Integrated Care Models

As medical inflation continues to pressure healthcare costs, preventive medical and integrated care models are expected to play an increasingly important role in healthcare delivery. UMP is well-positioned to address these challenges through its focus on chronic disease management, health check-ups, Chinese medicine, and Lifestyle Medicine. By integrating these services into our existing healthcare ecosystem, we aim to provide holistic care that addresses the physical, mental, and emotional well-being of our patients.

Expanding Public-Private Partnerships

The HKSAR government's emphasis on strengthening primary healthcare presents another avenue for growth. Initiatives such as the District Health Centre (DHC) Scheme and the expansion of community-based healthcare services align with UMP's expertise in delivering accessible and high-quality care.

We have already taken steps to participate in these initiatives by being selected as a pilot provider for nurse clinics and physiotherapy centres. Moving forward, we plan to deepen our involvement in public-private partnerships, leveraging our extensive network and operational expertise to support the government's healthcare objectives.

Leveraging Opportunities in the GBA

The Guangdong–Hong Kong–Macao Greater Bay Area remains a key focus for UMP's cross-boundary growth strategy. Improved infrastructure and increasing patient mobility present significant opportunities for expanding cross-boundary healthcare services. UMP is actively exploring partnerships with local providers to enhance its offerings in specialist consultations, chronic disease management, and preventive care.

Our approach to serving the GBA market is distinctly local-centric, with teams of regional healthcare experts who understand the local culture and specific patient needs, along with management talents trained in quality standards from Hong Kong. This strategy effectively bridges cultural gaps and ensures our services are both accessible and relevant to local communities. By leveraging our extensive network across Hong Kong, Macau, and Mainland China, we aim to provide high-quality, coordinated healthcare services that meet the needs of a growing cross-boundary patient base.

Staying Agile in a Dynamic Environment

While the broader economic environment remains uncertain, UMP is vigilant in monitoring global and regional developments, including geopolitical tensions, regulatory changes, and shifts in consumer behaviours. As a healthcare hub with diversified services and multiple income streams, we have established ourselves as a reliable and trusted medical service provider in Hong Kong. Our diligent approach to service delivery and commitment to excellence continues to strengthen our market position. By staying agile and proactive, we are confident in our ability to navigate these challenges while continuing to deliver value to our patients, partners, and shareholders. UMP's disciplined execution, operational efficiency, and strategic investments in growth areas position us well to weather potential headwinds and achieve sustainable growth.

The following table sets out the revenue, operating profit and number of visits by our business lines for the six months ended 31 December 2024 and the corresponding period for comparison:

Revenue by business lines

| | Six months ended 31 December | | Increase/ (decrease) |
|---|------------------------------|----------------|-------------------------|
| | 2024 | 2023 | |
| | HK\$'000 | HK\$'000 | |
| <i>Hong Kong & Macau:</i> | | | |
| Corporate Healthcare Solution Services | 134,144 | 128,847 | 4.1% |
| Clinical Healthcare Services | 289,158 | 299,427 | (3.4%) |
| <i>Mainland China:</i> | | | |
| Clinical Healthcare Services | 20,003 | 19,297 | 3.7% |
| Total revenue before elimination of inter-service unit sales | 443,305 | 447,571 | (1.0%) |
| Reconciliation: | | | |
| Elimination of inter-business lines sales | (72,034) | (71,726) | 0.4% |
| TOTAL REVENUE | 371,271 | 375,845 | (1.2%) |

Operating profit by business lines

| | Six months ended 31 December | | Increase/ (decrease) |
|--|------------------------------|---------------|-------------------------|
| | 2024 | 2023 | |
| | HK\$'000 | HK\$'000 | |
| <i>Hong Kong & Macau:</i> | | | |
| Corporate Healthcare Solution Services | 18,495 | 16,054 | 15.2% |
| Clinical Healthcare Services | 7,955 | 4,811 | 65.4% |
| <i>Mainland China:</i> | | | |
| Clinical Healthcare Services | 5,879 | 6,285 | (6.5%) |
| TOTAL OPERATING RESULTS | 32,329 | 27,150 | 19.1% |

Number of visits by operating segment

| | Six months ended 31 December 2024 | 2023 | Increase/ (decrease) |
|---|---|---------|-------------------------|
| Provision of corporate healthcare solution services in Hong Kong and Macau | 614,569 | 623,288 | (1.4%) |
| Medical | 601,071 | 610,402 | (1.5%) |
| Dental | 13,498 | 12,886 | 4.7% |
| Provision of clinical healthcare services in Hong Kong and Macau | 105,597 | 120,945 | (12.7%) |
| Medical | 90,013 | 106,022 | (15.1%) |
| Dental | 15,584 | 14,923 | 4.4% |
| Mainland China Clinical Healthcare Services | 17,047 | 16,187 | 5.3% |
| TOTAL | 737,213 | 760,420 | (3.1%) |

FINANCIAL REVIEW

1H FY24/25 compared to 1H FY23/24

Revenue

During 1H FY24/25, 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 decreased by 1.2% from HK\$375.8 million in 1H FY23/24 to HK\$371.3 million in 1H FY24/25, primarily due to increase in revenue from corporate healthcare solution business significant drop in volume of Immigration Medical Examinations (IME) offset to the increase in revenue from clinical medical service.

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 24.4% from HK\$8.6 million for 1H FY23/24 to HK\$6.5 million for 1H FY24/25, 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 fair value gain on financial assets at fair value through profit or loss.

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 medical imaging centres for services rendered to the Group.

Professional services expenses decreased by 2.6% from HK\$137.1 million for 1H FY23/24 to HK\$133.5 million for 1H FY24/25 due to decrease in the cost of services rendered by doctors, dentists and other professionals as a result of increase in operation efficiency.

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 decreased by 4.5% from HK\$100.6 million for 1H FY23/24 to HK\$96.1 million for 1H FY24/25. Employee benefit expenses represented at about 25.9% to the total revenue (1H FY23/24: 26.8%). The decrease in employee benefit expense was attributable to the workforce optimization and manpower cost control measure and the percentage of employee benefit expenses to the total revenue was maintained at a reasonable range.

Cost of inventories consumed

Cost of inventories consumed decreased by 2.8% from HK\$28.6 million for 1H FY23/24 to HK\$27.8 million for 1H FY24/25, primarily due to a decrease in the amount of drugs and other medical consumables consumed in relation to the provision of medical services.

Depreciation and Amortisation

Depreciation and amortisation, which comprises of depreciation of the right-of-use assets and depreciation and amortisation of property, plant and equipment and intangible assets as follows:

(i) Right-of-use assets

Depreciation of right-of-use assets decreased by 15.6% from HK\$35.8 million for 1H FY23/24 to HK\$30.2 million for 1H FY24/25, which was mainly relating to the completion of lease contracts and reduction of lease contracts as a result of centres consolidation.

(ii) Property, plant and equipment and intangible assets

Depreciation of property, plant and equipment and amortisation of intangible assets increased by 6.1% from HK\$21.3 million for 1H FY23/24 to HK\$22.6 million for 1H FY24/25, which was in line with business development.

Other Expenses, net

Other expenses, net primarily comprise provision of impairment loss and general overhead expenses such as utilities, operating and other administrative expenses such as professional fees, repair and maintenance expenses incurred with respect to the Group's offices and medical equipment, printing expenses and bank charges.

Earning before Interest, Tax, Depreciation (excluded depreciation of right-of-use assets) and Amortisation ("EBITDA")

For 1H FY24/25, the Group reported an EBITDA of approximately HK\$46.6 million, represented an increase of 17.0% as compared to approximately HK\$39.8 million (restated) in 1H FY23/24. Such increase in EBITDA was mainly attributable to the decrease in various operating costs.

Net Profit

For 1H FY24/25, the Group reported the net profit for approximately HK\$19.2 million (1H FY23/24: HK\$13.2 million) represented an increase of approximately HK\$6.0 million, 45.7%. The increase in profit for the period was mainly attributable to the drop in operating expenses including professional services expenses, property rental and related expenses and depreciation and amortisation expense as a result of improvement in operation management.

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 2024, the Group's right-of-use assets amounted to HK\$112.5 million (30 June 2024: HK\$107.2 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 2024, the Group's goodwill amounted to HK\$164.2 million (30 June 2024: HK\$164.2 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 2024, the Group's investments at fair value through other comprehensive income and financial assets at fair value through profit or loss amounted to HK\$26.4 million and HK\$42.7 million (30 June 2024: HK\$30.5 million and HK\$41.1 million), respectively.

As at 31 December 2024, the total value of the investments at fair value through other comprehensive income and the financial assets at fair value through profit or loss represented about 6.1% of the Group's total assets (30 June 2024: 6.5%).

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 2024 and 30 June 2024, the carrying amount of lease liabilities amounted to HK\$125.7 million (of which HK\$57.9 million is classified as current liabilities and HK\$67.8 million is classified as non-current liabilities) and HK\$120.7 million (of which HK\$53.5 million is classified as current liabilities and HK\$67.2 million is classified as non-current liabilities) respectively.

LIQUIDITY AND FINANCIAL RESOURCES

| | 31 December 2024 HK\$'000 | 30 June 2024 HK\$'000 |
|---------------------|--|--------------------------------------|
| Current Assets | 532,967 | 489,083 |
| Current Liabilities | 301,198 | 270,364 |
| Net Current Assets | 231,769 | 218,719 |
| Current Ratio | 1.77 | 1.81 |

The Group's current ratio was 1.77 as at 31 December 2024 (30 June 2024: 1.81), reflecting a strong liquidity in its financial position. Working capital position of the Group remains strong.

The Group has 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 1H FY24/25. 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 2024, the Group had free cash and bank deposits of approximately HK\$301.2 million (30 June 2024: HK\$253.3 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 2024 as approximately 7.1% (30 June 2024: 7.0%).

CAPITAL STRUCTURE

There has been no significant change in the capital structure of the Company during the period ended 31 December 2024. 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 2024.

MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES

There was no material acquisition or disposal of subsidiaries undertaken by the Group during 1H FY24/25.

CAPITAL EXPENDITURE AND COMMITMENT

As at 31 December 2024, the Group has capital commitments of approximately HK\$0.8 million in relation to the acquisition of property, plant and equipment (30 June 2024: HK\$ 3.9 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 2024.

CONTINGENT LIABILITIES

As at 31 December 2024, 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 exercise 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 2024, the Group has pledged certain deposits with an aggregate carrying amount of HK\$2.0 million (30 June 2024: HK\$2.8 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 2024, the Group had a total of 453 (30 June 2024: 486) full-time employees. For 1H FY24/25, the staff cost (including Directors' remuneration in the form of salaries and other benefits) was approximately HK\$96.1 million (1H FY23/24: HK\$100.6 million).

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

In addition, the Company also adopted the 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 2024, there were 12,700,000 share options under the Post-IPO Share Option Scheme remained outstanding. Under the Post-IPO Share Option Scheme, no share options were granted, exercised, lapsed or forfeited during the 1H FY24/25.

The Company has also adopted the Share Award Scheme to provide an incentive and reward to selected participants for their contribution to the Group. Under the Share Award Scheme, there were 700,000 shares award remained outstanding as at 31 December 2024. No share awards were granted, vested or forfeited under the Share Award Scheme during 1H FY24/25.

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 HK1.40 cent per ordinary share for the six months ended 31 December 2024 (FY23/24 interim dividend: HK1.30 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, 21 March 2025. It is expected that the interim dividend will be paid on or about Friday, 11 April 2025.

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, 19 March 2025 to Friday, 21 March 2025, 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, 18 March 2025.

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 2024.

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 2024.

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 2024.

REVIEW OF INTERIM RESULTS

The Audit Committee, which comprises three independent non-executive Directors, namely Mr. Lee Luen Wai, John (chairman), Dr. Li Kwok Tung, Donald 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 2024 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 2024, 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 2024 will be despatched to the shareholders of the Company (if requested) and published on the websites of the Hong Kong Stock Exchange and the Company in due course.

DEFINITIONS

| | |
|---|--|
| "1H FY23/24" | the six months ended 31 December 2023; |
| "1H FY24/25" | the six months ended 31 December 2024; |
| "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/have 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; |

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| “Auxiliary Services Provider(s)” | auxiliary services provider(s) who is/are or will be engaged directly by the Group as a consultant to provide Auxiliary Services in the UMP Medical Centres in accordance with the terms of a consultancy agreement with the Group, and the Affiliated Auxiliary Service Providers; |
| “Board” | the board of Directors of the Company; |
| “Chairman” | the chairman of the Board; |
| “Co-chief Executive Officer” | the co-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” or “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; |

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| “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; |
| “FY23/24” | the year ended 30 June 2024; |
| “FY24/25” | the year ending 30 June 2025; |
| “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; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange; |
| “Macau” | the Macau Special Administrative Region of the PRC; |

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| “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; |
| “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; |

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

In this announcement, the term “subsidiary(ies)” 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, 27 February 2025

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.