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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)**

# SUPPLEMENTAL ANNOUNCEMENT CONTINUING CONNECTED TRANSACTIONS IN RELATION TO MEDICAL SERVICES FRAMEWORK AGREEMENT AND HISTORICAL CONTINUING CONNECTED TRANSACTIONS IN RELATION TO MEDICAL SERVICES AT SUBSIDIARY LEVEL

Reference is made to the announcement (the "**Announcement**") of UMP Healthcare Holdings Limited (the "**Company**") dated 31 July 2025 in relation to, among other things, the Agreement which together with the transactions contemplated thereunder constitute continuing connected transactions of the Company.

The Company wishes to provide further information in relation to (i) the Agreement; and (ii) the historical transactions in relation to Pedder Medical Related Services and UMP Medical Related Services.

Unless otherwise specified in this announcement, terms used herein shall have the same meanings as those defined in the Announcement.

## THE AGREEMENT

### Scope of Pedder Medical Related Services and UMP Medical Related Services

The Pedder Medical Related Services primarily consist of medical services to be provided by Specialty Practitioners and Surgical Specialty Practitioners procured by Pedder Healthcare Group, whereas the UMP Medical Related Services primarily consist of auxiliary medical services such as laboratory testing and imaging services and other general medical services to be provided by General Practitioners to Pedder Healthcare Group.

As Pedder Healthcare Group is a medical and surgical specialties group, and the procurement of the Pedder Medical Related Services allows the Group to broaden its offering of medical services to its customers, strengthen its surgical specialty services and provide one-stop service to its customers by offering medical services of Specialty Practitioners and Surgical Specialty Practitioners in addition to those offered by the Group.

### Payment Terms of the Agreement

As disclosed in the Announcement, the terms of, and the service amounts payable under the individual agreements to be entered among the parties in accordance with the Agreement will be negotiated on a case-by-case and an arm's length basis in the ordinary course of business, and shall be in normal commercial terms in accordance with the pricing policy stated therein, namely such terms shall be no less favourable to the Group than those terms that the Group could receive from or offer to (as the case may be) independent third parties for comparable scope of services in the same period.

However, as the nature of each specific service under the Pedder Medical Related Services and the UMP Medical Related Services is different, saved as disclosed in this announcement, the payment terms including the payment method, credit period, service quality assurance and other relevant terms would vary and such terms would be separately agreed among the parties based on the pricing policy mentioned in the Announcement. The individual agreements will only take effect after fulfilling the necessary compliance requirements under the Listing Rules. In case of any inconsistency between the individual agreements and the Agreement, the provisions of the Agreement shall prevail.

**UMP Medical Related Services**

With reference to the UMP Medical Related Services, the Group would normally require the settlement of payment within one to three months upon issuance of invoices with respect to its provision of (i) diagnostic, imaging and laboratory test, (ii) third-party administrator, (iii) medical consultation services to the Pedder Healthcare Group through arranging or procuring its medical practitioners to provide medical services, and (iv) other auxiliary services, and the aforesaid payment terms of which is fair and reasonable, and is in line with the Group's practice with other independent third parties. With respect to the licensing and/or sub-leases of premises, the Group would require the settlement of the pre-determined fee on a monthly basis.

**Pedder Medical Related Services**

With reference to the Pedder Medical Related Services, Pedder Healthcare Group would normally require the Group to settle the payment within one to three months upon issuance of invoices with respect to each of the Pedder Medical Related Services, and the aforesaid payment terms of which is fair and reasonable, and is in line with the payment terms entered into by the Group with other independent third parties.

It is expected that similar payment arrangement with respect to the UMP Medical Related Services and the Pedder Medical Related Services will be made among the parties to the Agreement in the respective individual agreements to be entered into.

**Basis of Determination of the Proposed Annual Caps**

In addition to the factors considered by the Company in determining the Proposed Annual Caps as disclosed in the Announcement, the Company has also taken into account the following assumptions and considerations:

**Pedder Medical Related Services**

Based on the information currently available to the Company and the preliminary review of the Group's unaudited consolidated management accounts for the year ended 30 June 2025, the annual transaction amount of the Pedder Medical Related Services amounted to about HK$22,614,000. The Proposed Annual Caps for Year 1 in respect of the Pedder Medical Related Services is estimated on the basis of (i) a 20% increment, amounting to about HK$4,500,000, from historical transaction amount attributable to the expected increase in demand of general and high quality medical services as a result of increase in business competitiveness and synergistic effect; (ii) about HK$18,000,000 increment from the additional pharmaceuticals, drugs and medication services to be provided by Pedder Healthcare Group mainly for the oncology medical services; and (iii) an additional 10% buffer taking into account of inflation and other unexpected demand of such services by the Group. The Group considers such buffer to be reasonable after taking into account the historically significant growth in transaction amount, the positive outlook of the demand of the Pedder Medical Related Services, and the increasing number of mainland customers which requires Pedder Medical Related Services.

The Proposed Annual Caps for Pedder Medical Related Services for Year 2 and Year 3 were determined based on a 10% growth rate, with an additional 10% buffer based on the abovementioned rationale applied to the estimated transaction amount in the respective preceding year.

**UMP Medical Related Services**

Based on the information currently available to the Company and the preliminary review of the Group's unaudited consolidated management accounts for the year ended 30 June 2025, the annual transaction amount of the UMP Medical Related Services amounted to about HK$21,324,000. The Proposed Annual Caps of HK$30,000,000 for Year 1 in respect of the UMP Medical Related Services is estimated on the basis of: (i) a 15% increment, amounting to about HK$3,200,000, from historical transaction amount attributable to the expected increase in demand of auxiliary medical services resulting from the increase in specialty and surgical specialty services and (ii) about HK$3,000,000 increment from the additional third-party administrative services as provided by the Group to Pedder Healthcare Group; and an additional 10% buffer taking into account of inflation and other unexpected demand of such services by Pedder Healthcare Group. The Group considers such buffer to be reasonable after taking into account the historically significant growth in transaction amount, the positive outlook of the demand of the UMP Medical Related Services, and the increasing number of mainland customers which requires UMP Medical Related Services.

The Proposed Annual Caps for UMP Medical Related Services for Year 2 and Year 3 was determined based on a 10% growth rate, with an additional 10% buffer based on the abovementioned rationale applied to the estimated transaction amount from the respective preceding year.

## INTERNAL CONTROL

The Company would like to provide further information in relation to the internal control procedures adopted by the Group as disclosed in the Announcement, the transactions contemplated under the Agreement and the Proposed Annual Caps which will be monitored in the following manner:

The Finance Department will closely monitor and record actual transaction amounts on a monthly basis.

Concurrently, relevant personnel in the Business Department will conduct semi-annual reviews to verify that all transactions are conducted in accordance with the terms agreed.

The Legal Department is responsible for performing annual review to ensure that the transactions are made on normal commercial terms, comply with the Agreement, and that the service fees and contract conditions serve the interest of the Company and the Shareholders as a whole.

Additionally, the Company's internal audit team will carry out a comprehensive annual review of continuing connected transactions, complying with the requirements under the Listing Rules.

Finally, the INEDs will perform an annual review to confirm that the transactions are conducted in the ordinary and usual course of business, on normal commercial terms or better, and in accordance with the Agreement, with terms that are fair and reasonable to both the Company and its shareholders.

## HISTORICAL TRANSACTIONS IN RELATION TO PEDDER MEDICAL RELATED SERVICES AND UMP MEDICAL RELATED SERVICES

During the two financial years ended 30 June 2025 (the "**Relevant Period**"), Pedder Healthcare and the Company had also engaged in certain transactions in relation to (i) medical services provided by Pedder Healthcare Group to the Group with the scope of which being substantially similar to the Pedder Medical Related Services ("**Historical Pedder Medical Related Services**"); and (ii) medical services provided by the Group to the Pedder Healthcare Group with the scope of which being substantially similar to the UMP Medical Related Services ("**Historical UMP Medical Related Services**" collectively, the "**Historical Transactions**").

Details of the Historical Transactions conducted between the Pedder Healthcare Group and the Group during the Relevant Period are as follows:–

| Nature of Services | Service Provider | Service Recepient | Transaction amount for the year ended 30 June 2024 | Transaction amount for the year ended 30 June 2025 |
|---|---|---|---|---|
| Historical Pedder Medical Related Services | Pedder Healthcare Group | Group | HK$19,415,000 | HK$22,614,000 |
| Historical UMP Medical Related Services | Group | Pedder Healthcare Group | HK$20,710,000 | HK$21,324,000 |

The Historical Transactions did not constitute connected transactions of the Company immediately prior to the Relevant Period as the relevant subsidiaries of the Company (the "**Relevant Subsidiaries**") providing medical services to the Pedder Healthcare Group, whether individually or as a group, was classified as an insignificant subsidiary of the Company since its establishment, therefore Pedder Healthcare, being a subsidiary of a substantial shareholder of each of the Relevant Subsidiaries, did not constitute a connected person of the Company and the Historical Transactions did not fall within the ambit of connected transactions under the Listing Rules before the Relevant Period.

However, the Relevant Subsidiaries together as a group ceased to fall within the ambit of insignificant subsidiaries under Rule 14A.09 of the Listing Rules during the Relevant Period, the Historical Transactions constituted the then continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The Company was not aware of the change of the insignificant subsidiary status of Pedder Healthcare in a timely manner due to inadvertent oversight, and was only aware of the change of status until recently during the course of its planning and preparing for the annual results for the financial year ended 30 June 2025.

As one or more of the applicable percentage ratios (save for the profits ratio) in respect of each of the Historical Transactions being calculated on an aggregate basis were more than 5% but less than 25%, the Historical Transactions were subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirements under Rule 14A.101 of Chapter 14A of the Listing Rules during the Relevant Period.

Due to an inadvertent oversight, the Company failed to (i) disclose the Historical Transactions under Chapter 14A of the Listing Rules in a timely manner in accordance with the relevant requirements under Rules 14A.34 and 14A.35 of the Listing Rules, therefore not in compliance with the requirements of (i) entering into a written agreement; and (ii) publishing an announcement, as soon as the practicable after terms of the connected transactions have been agreed. Subsequently, the Company also failed to disclose the Historical Transactions for the financial year ended 30 June 2023 and 30 June 2024 in the annual report of the Company for the same financial years as related party transactions pursuant to the Hong Kong Financial Reporting Standards and as connected transactions (including details of such transactions) pursuant to Rules 14A.71 and 14A.72 of the Listing Rules, including INEDs' annual review of the Historical Transactions to confirm whether the Historical Transactions were (a) in the ordinary and usual course of business of the Company's group; (b) on normal commercial terms or better; and (c) according to the agreement governing the Company and Pedder Healthcare on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole; as a statement from the Board as to whether the auditors had confirmed the matters set out in Rule 14A.56 as the Company was unaware of the change of the Relevant Subsidiaries' insignificant subsidiary status and therefore unaware of the applicable Listing Rules requirements. The Company regrets such failure and would like to stress that it has no intention of withholding any information relating to any of the Historical Transactions from the public. After being aware that the insignificant subsidiary exemption under Rule 14A.09 of the Listing Rules was no longer applicable to the Relevant Subsidiaries, the Directors (including the INEDs) have reviewed (on a retrospective basis) the Historical Transactions and confirm that the Historical Transactions (a) have been approved and ratified by the Board; (b) were in accordance with the Group's pricing policies in all material respects; and (c) were entered into in accordance with the agreements or other written records agreed among the parties thereto (if applicable), and implemented relevant remedial measures to avoid reoccurrence of similar non-compliance with the Listing Rules by the Company in the future.

Based on the information available to the Directors (including the INEDs), they are of the view that the terms of the Historical Transactions were determined on an arm's length basis in the ordinary course of business of the Company and on normal commercial terms or better and were fair and reasonable that is in line with the principales under the heading of the "Pricing Policy" of the Announcement, and the Company did not provide any preferential treatment to Pedder Healthcare Group during the Relevant Period to facilitate the Historical Pedder Medical Related Services or Historical UMP Medical Related Services (as the case may be), and deviate from its usual course of business and deviate from its usual course of business, as the terms of each of the above transactions were largely similar with those transactions entered into between the parties immediately before the Relevant Period when the Relevant Subsidiaries were regarded as insignificant subsidiaries of the Company pursuant to Rule 14A.09 of the Listing Rules. The Directors (including the INEDs) are of the further view that the Historical Transactions were in the interests of the Company and its Shareholders as a whole.

To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, none of the Directors has material interest in the Historical Transactions and none of them is required to abstain from voting on the relevant board resolutions to confirm and ratify the Historical Transactions.

The Company regrets such failure and would like to stress that it has no intention of withholding any information relating to any of the Historical Transactions from disclosure to the public.

To prevent recurrence of any similar non-compliance in the future, the Company has implemented and will further adopt the following measures:

(i) refined its existing policies and procedures in order to increase the effectiveness and efficiency of its internal control procedures with regards to transactions between non-wholly owned subsidiaries (whether being classified as insignificant subsidiaries of the Company or not) and substantial shareholders and/or directors of such non-wholly owned subsidiaries including an annual review of the status of its non-wholly owned subsidiaries (both on an individual and aggregated basis);

(ii) implemented enhanced measures at the subsidiary level in respect of the coordination and reporting arrangements to ensure prompt reporting of any potential transaction or event where the transaction may constitute a connected transaction;

(iii) arranged and will continue to arrange further training sessions for all the Directors, senior management and responsible staff in relation to the relevant requirements under Chapter 14A of the Listing Rules in order to strengthen and reinforce their existing knowledge relating to connected transactions, as well as their ability to identify potential issues at an early stage;

(iv) continue to closely monitor the effectiveness and efficiency of its internal control system, financial reporting system and existing policies and procedures, particularly in the areas of, among other things, connected transactions of the Group under the Listing Rules; and

(v) work more closely with its legal adviser on compliance issues and will, as and when appropriate, consult other professional advisers before entering into any potential connected transaction.

## FURTHER INFORMATION OF PEDDER HEALTHCARE GROUP

Pedder Healthcare is a wholly-owned subsidiary within the Pedder Healthcare Group, and is a subsidiary of a substantial shareholder of the Relevant Subsidiaries. Pedder Healthcare Group is a medical group formed by a team of professional physicians and surgeons who are dedicated to providing high quality diagnostic, medical and surgical services to patients. It provides services in a vast array of medical and surgical specialities.

To the best knowledge, information and belief of the Directors, having made reasonable enquiries, the 14 ultimate beneficial owners are all medical practitioners in Hong Kong working for the Pedder Healthcare Group and are independent third parties and they are also independent of and not related to each other. Save as the three ultimate beneficial owners being the three largest shareholders of Pedder Healthcare Group disclosed in the Announcement, each of the remaining 11 ultimate beneficial owners namely, Dr. CHAN Kwan Hon, Dr. CHEUNG Hing Chuen Henry, Dr. CHEUNG Wing Yung, Dr. HUNG Wai Ka, Dr. LAI Cheuck Seen Edward, Dr. LAU Wing Kee Peter, Dr. LO Kwong Yin Richard, Dr. WONG Tak Hing, Dr. YEUNG Chung Kwong, Dr. YEUNG Yat Wah and Dr. YIP Kam Hung holds not more than 11% of the equity interest in Pedder Healthcare Group.

The additional information disclosed herein does not affect any other information contained in the Announcement.

By order of the Board
**UMP Healthcare Holdings Limited**
**CHEUNG Chi Wah, Patrick**
*Company Secretary*

Hong Kong, 14 October 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.*