

Immediate Release



UMP Healthcare Announces FY2023 Annual Results With Total Revenue Up 9% to HK\$727M

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Businesses Showed Resilience and Laid Solid Foundation

Results Highlights:

- Total revenue was HK\$727 million, up by 9% YoY
- Profit attributable to shareholders was HK\$60.45 million, representing a return on shareholders' funds of 8%
- Basic earnings per share were HK7.65 cents, up by 45.4% CAGR
- The Board proposed a final dividend of HK3.00 cents per share, representing a HK4.70 cents annualized dividend, up by 4% over the prior year, payout ratio of about 61.4%
- Strong financial position with a cash balance of about HK\$290 million
- Shareholders' funds increased by about 6%, to about HK\$741 million

Hong Kong, 21 September 2023 – UMP Healthcare Holdings Limited (“UMP” or the “Group”, Stock Code: 722.HK) today announced its audited consolidated annual results for the financial year ended 30 June 2023 (the “FY2023”). The Group’s annual revenue showed a significant increase, and its overall performance remained stable and positive despite Hong Kong's subpar economic recovery.

Revenue rose with three major business segments recording steady growth

During FY2023, the Group posted strong growth in total revenue, up 9% year-on-year approximately to HK\$727 million (FY2022: HK\$666 million), with its cash balance rising to HK\$290 million. Shareholders’ funds rose about 6% to a record high of HK\$741 million (FY2022: HK\$699 million). The financial performance created a solid foundation for the Group’s future growth.

Profit attributable to shareholders amounted to HK\$60.45 million, representing a return on shareholders’ funds of 8%. The basic earnings per share reached HK7.65 cents, reflecting a 45.4% CAGR since FY2019. The Board proposed paying a final dividend of HK3.00 cents per share for FY2023, making the annualised dividend HK4.70 cents (FY2022: HK4.50 cents), an increase of 4% over the prior year and representing an annual dividend payout ratio of about 61.4%.

During the reporting period, the Board approved a change in the management. Dr. Michael SUN and Ms. Jacquen KWOK serve as Co-Chief Executive Officers since 1 January 2023, covering the administrative duties of Dr. SUN Yiu Kwong, Chairman and Executive Director of the Group. Not only do both Co-CEOs bring vast experience in healthcare service and business management, but also

familiarity with the industry of healthcare and insurance, therefore playing vital roles in leading UMP into a new stage of development.

In FY2023, revenue from Hong Kong and Macau corporate healthcare solution services, one of the Group's core business lines, was HK\$246 million, a slight increase of 3.9% year-on-year. Its operating profit rose a remarkable 27.5% year-over-year to HK\$45 million. Revenue from medical services in Hong Kong and Macau grew to HK\$563 million, up 12.5 % year-on-year. As a result of the removal of pandemic-related restrictions and border controls, the public was able to resume normal daily activities, resulting in an increase in demand for medical services. The annual number of patient visits increased by 12% to 1.24 million.

Owing to the anti-epidemic measures, the Group's Mainland China business was unable to operate normally during the first half year of the reporting period. However, the demand for healthcare and body checks saw a rebound as restrictions eased, resulting in the revenue of HK\$44.66 million and a profit of HK\$16.79 million, which presented a year-on-year growth of 18.8% and 994.7% respectively. The restructuring of businesses in the Mainland China sector also contributed to a promising profit In addition to the economic recovery.

The Group's annual capital expenditures amounted to about HK\$109.3 million, up 29% year-on-year. This was mainly due to the acquisition of equipment for new business projects.

Ms. Jacquen KWOK, Executive Director and Co-CEO of UMP, said, "The Group saw overall revenue growth and an increase in service volume this year, while profits declined in line with expectations. Although such resource allocations put pressure on short-term profits, they were strategic investments that were crucial for service expansion, innovation, and market penetration. With our solid capital structure built over the years, the management is confident in seizing new opportunities and improving returns in a stable manner."

Strategic alliances with multiple parties to expand market presence and customer base

UMP established strategic partnerships with various well-known medical institutions proactively in FY2023 to support the Group's development of its clinical healthcare services. These institutions include the Hong Kong Adventist Hospital, Human Health, Pedder Healthcare and Humansa. The collaborations include joint ventures, joint operation projects, visiting doctors and third-party administration (TPA) services. Through various forms of collaboration, UMP intends to expand its spectrum of services, extend its geographic reach, and increase its market share and customer base.

Additionally, Insurance companies are also important strategic partners for the Group. UMP has worked closely with numerous insurance companies for years, providing a variety of corporate solutions and

management services. In October 2022, the Group reached an agreement with FTLife to expand its presence in the provision of individual medical insurance services. **Ms. KWOK** stated, "Since the Government's implementation of the Voluntary Health Insurance Scheme, the coverage of value-added insured items in individual health schemes has become more extensive. By partnering with insurance companies to offer products for individuals, the Group taps into the B2B2C market for a potential customer base, filling in the market gaps beyond the corporate solutions business."

On the other hand, UMP's primary healthcare, vaccinations, and screening programmes services for the community are aligned with the Public Private Partnerships promoted by the Hong Kong Government, etc. The Group is also exploring with various organisations the opportunities to collaborate in managing District Health Centres.

Investment projects consolidation and development of specialist centres

Dr. Michael SUN, Vice Chairman and Co-CEO of UMP, addressed, "In response to the aging population and growing demand for various medical services, the Group has invested in multiple projects and new equipment in medical imaging and laboratory services over the past two years. We are gradually entering into the harvest period. Given the present scale of our imaging and laboratory services, the Group plans to develop specialist medical centres, such as cancer, cardiac and orthopaedics, to promote internal synergies through cross-referrals."

Looking ahead to the next fiscal year, the Group will focus on consolidating the business of its new projects, including the consolidation of its 12 imaging and laboratory centres, to effectively utilise resources, enhance operational efficiency, and strengthen financial performance. To make good use of its ample funds to invest, the Group is keen on enhancing customer experience and its corporate image through investment in internal training, information systems upgrades, new technologies etc., so as to strengthen customers' loyalty and achieve sustainable revenue growth. The Group will strengthen the development of its prudent and profitable body check services and expand our corporate healthcare solutions into the Mainland China market to meet the requirements of our corporate customers. The Group is expanding network coverage across the country by utilising its extensive healthcare network management expertise. The Group seeks to provide accessible, trusted, and high-quality medical services to a wider population.

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About UMP Healthcare Holdings Limited

www.ump.com.hk

Founded in 1990, UMP Healthcare is a medical group listed on the main board of the Hong Kong Stock Exchange (stock code 722.HK) and is one of the leading comprehensive healthcare service platforms in the Hong Kong market. We have been committed "To provide comprehensive, diversified and coordinated care for everyone" by creating a network of high-quality and effective medical services for patients, payers, providers and partners.

Along with providing healthcare services that address a wide range of individual needs, UMP Healthcare closely works with more than 2,000 local and international businesses and insurance organizations to establish and administer corporate healthcare benefit programs for members. The medical service network spans over 1,000 self-owned and affiliated institutions across Hong Kong, Macau, and Mainland China, offering services such as family medicine, specialist consultation, dental care, diagnostic imaging and laboratory testing, preventive medicine and health examination, physical therapy, day surgery, and endoscopy, among others.

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