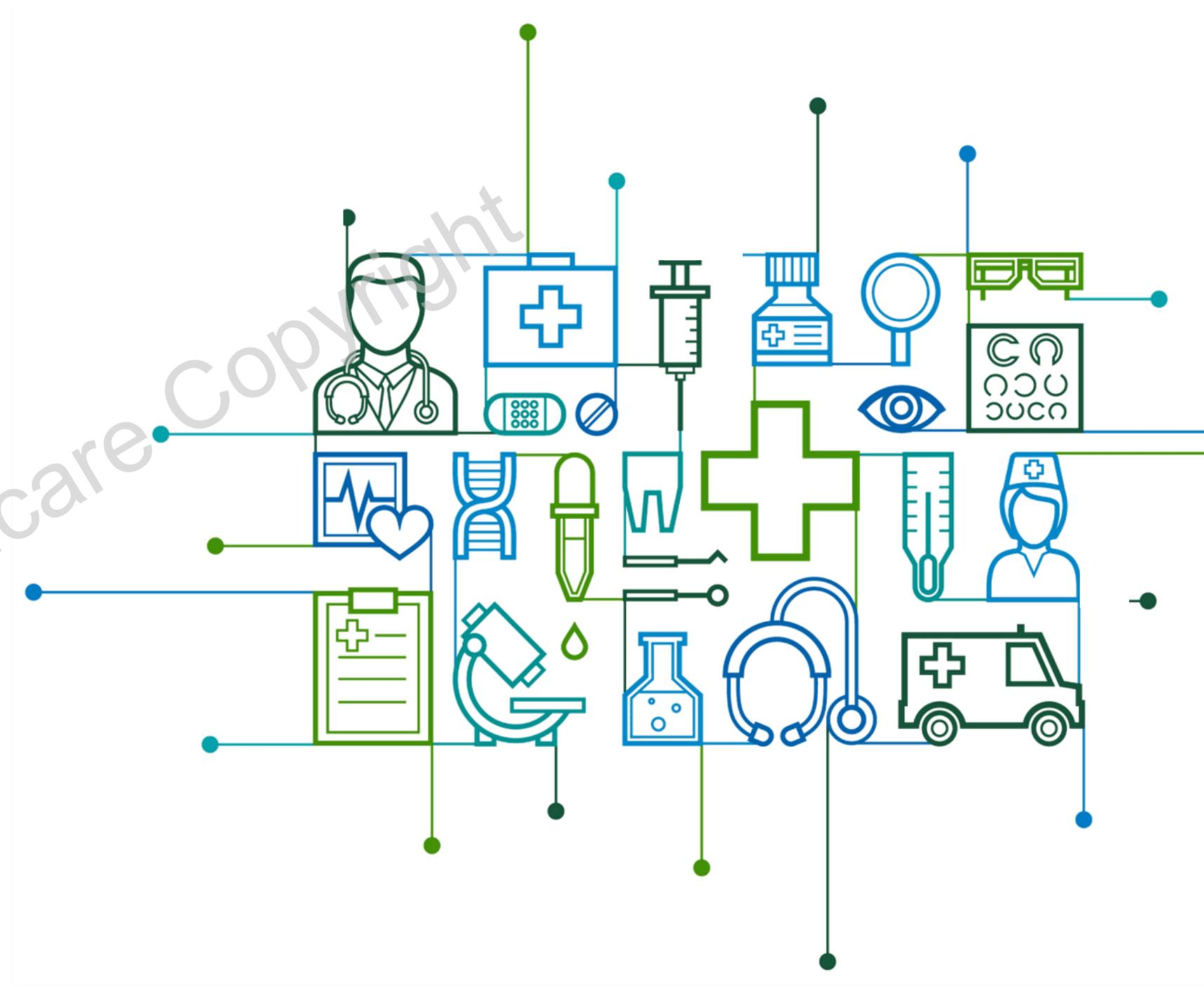




# UMP Healthcare Holdings Limited (Listed on HKSE - 722:HK)

## 2019 Annual Results and Strategy Update Presentation





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# Passionate and visionary management team



**Dr. SUN Yiu Kwong**

Chairman and CEO;  
Executive Director



Extensive experience in conducting training programmes in the PRC



Family medicine practice: 45+ years of experience



**Ms. KWOK Cheuk Kwan, Jacquen**

Managing Director;  
Executive Director



Second employee at UMP; pioneering many innovative business models , health management plans and developing for the China market

Extensive exposure and experience in developing healthcare network and establishing and managing various business models in corporate healthcare solution and the Group's other business initiatives and activities



Management in healthcare industry: 25+ years of experience



**Mr. LEE Kar Chung, Felix**

China President;  
Executive Director

Other Positions:



Senior Vice President



Independent Non-executive Director



Director (2009-2014)



Analyst (2008-2009)



Associate (2005-2008)



International law and finance: 15+ years of experience

## Passionate and visionary management team (cont')



**Mr. TSANG On Yip,  
Patrick**  
Executive Director



CEO & Director



Managing Director (2003-2012)



International capital market: 24+ years of experience

Other Positions:



**Dr. SUN Man Kin,  
Michael**  
Chief Radiologist;  
Executive Director



Solid experience in managing and operating radiology and imaging business

Medical practice: 14+ years of experience



**Dr. LEE Pak Cheung,  
Patrick**  
Dental Director;  
Executive Director



Actively participate in quality assurance of the clinic chain and supervising the continuing training and development of dental professionals

Dental practice: 30+ years of experience

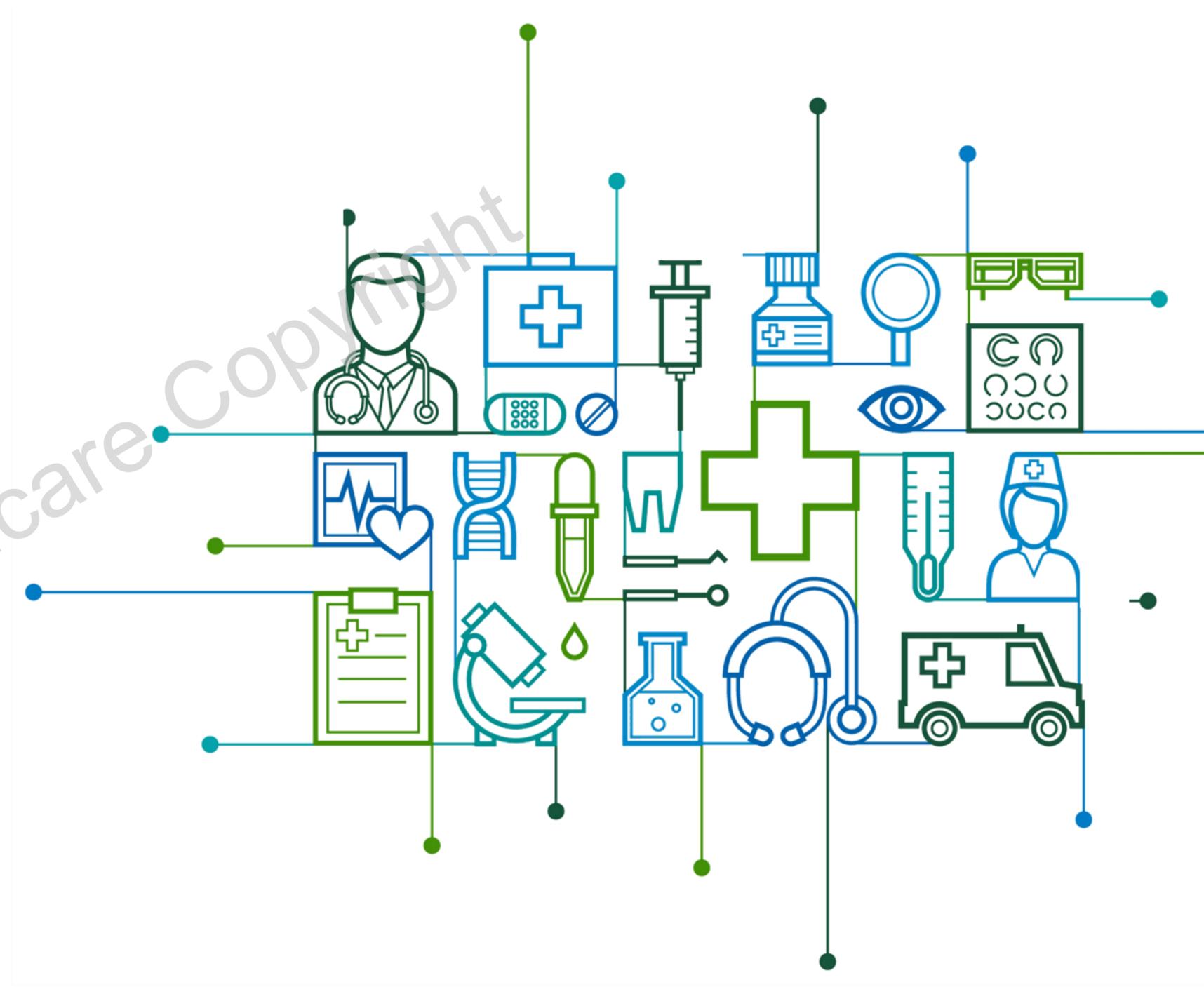
# Our Vision

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**To give everyone access to trusted and affordable care so that everyone can freely pursue their dreams without worrying about their health**

**To do so, we aim to be the leading technologically enabled primary care provider in the world**

# 1. Our core strengths





## Our core strengths

1

A stable physician led and doctor focused management team

2

Resilient operating model focused on primary care in Hong Kong, Macau & Mainland China

3

In-depth Hong Kong + Mainland China healthcare and insurance industry knowledge, always staying one step ahead in capturing the next blue ocean opportunity in healthcare

4

A trusted brand with 30 years of history and experience in delivering total one-stop healthcare solutions to customers

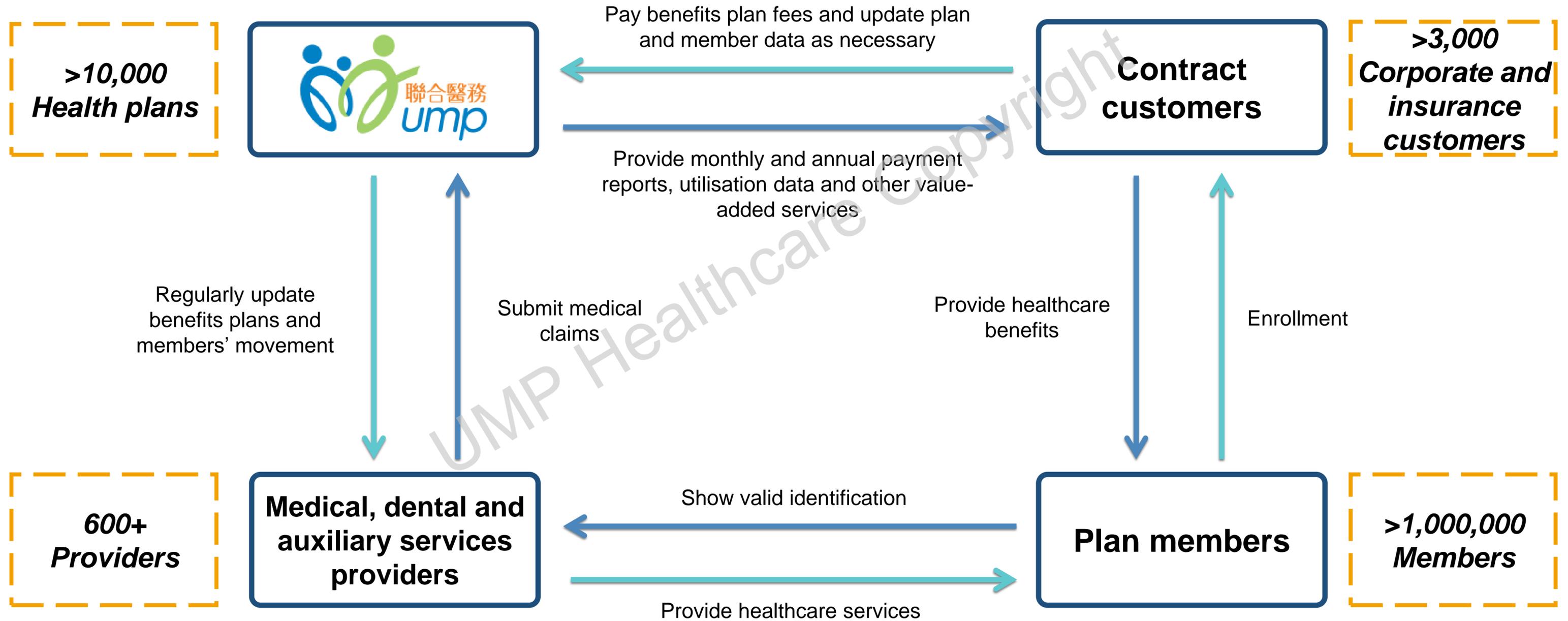
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Innovative and scalable business models leading to diversified sources of revenue



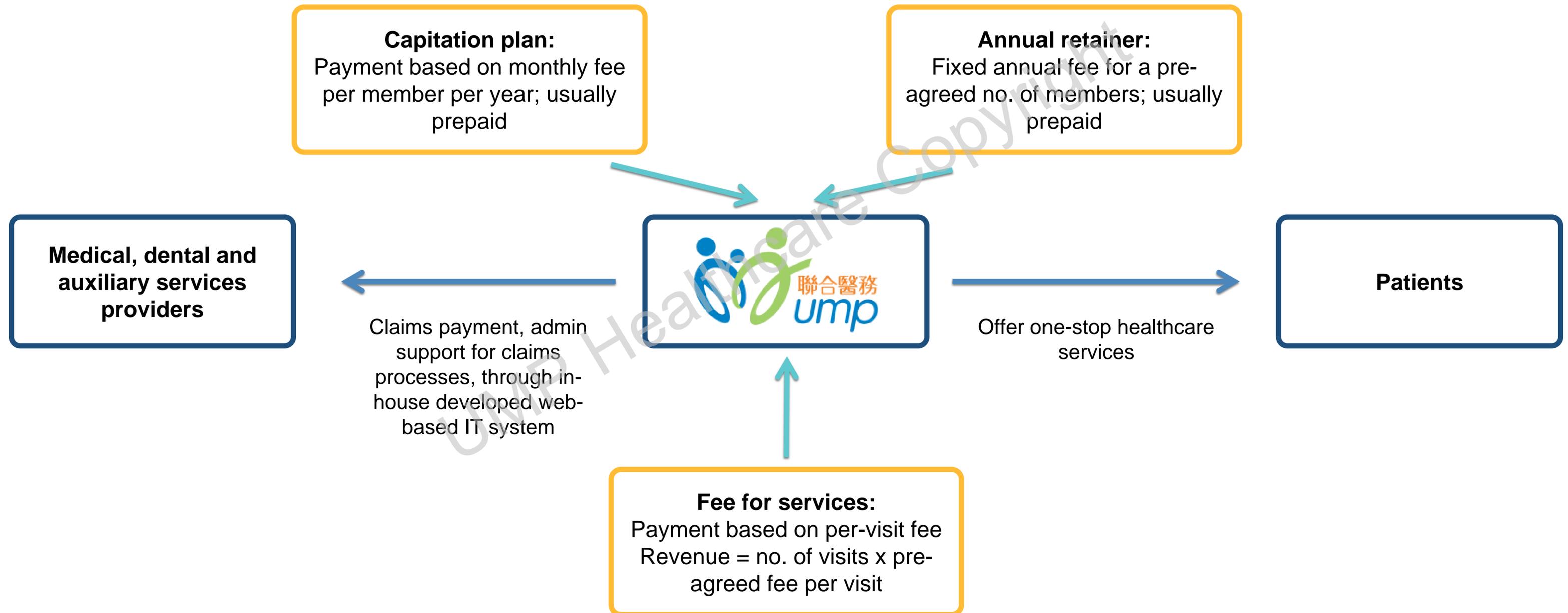


# Operational flow of panel network and group medical clients



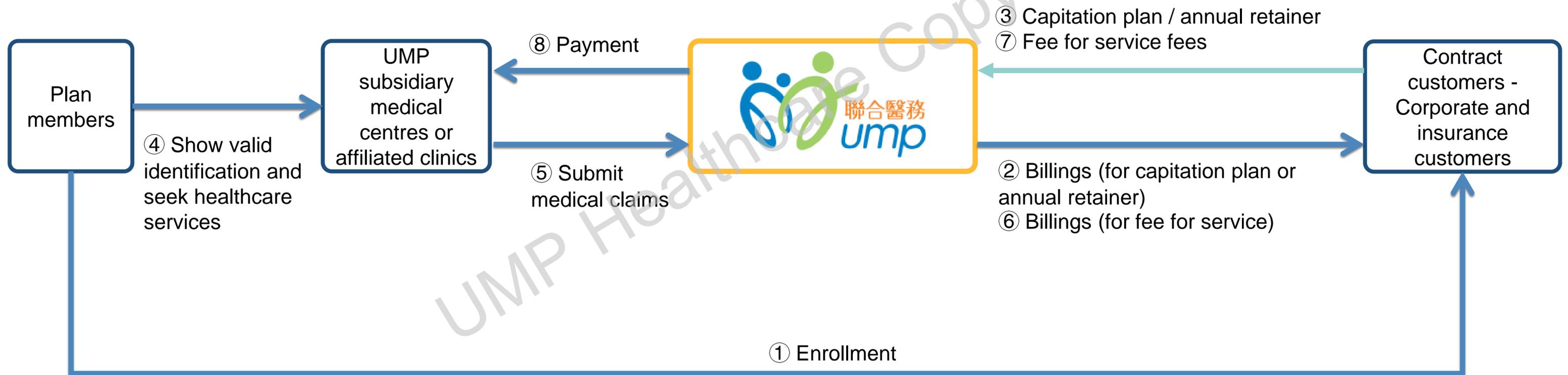


## Payment plan for corporate customers



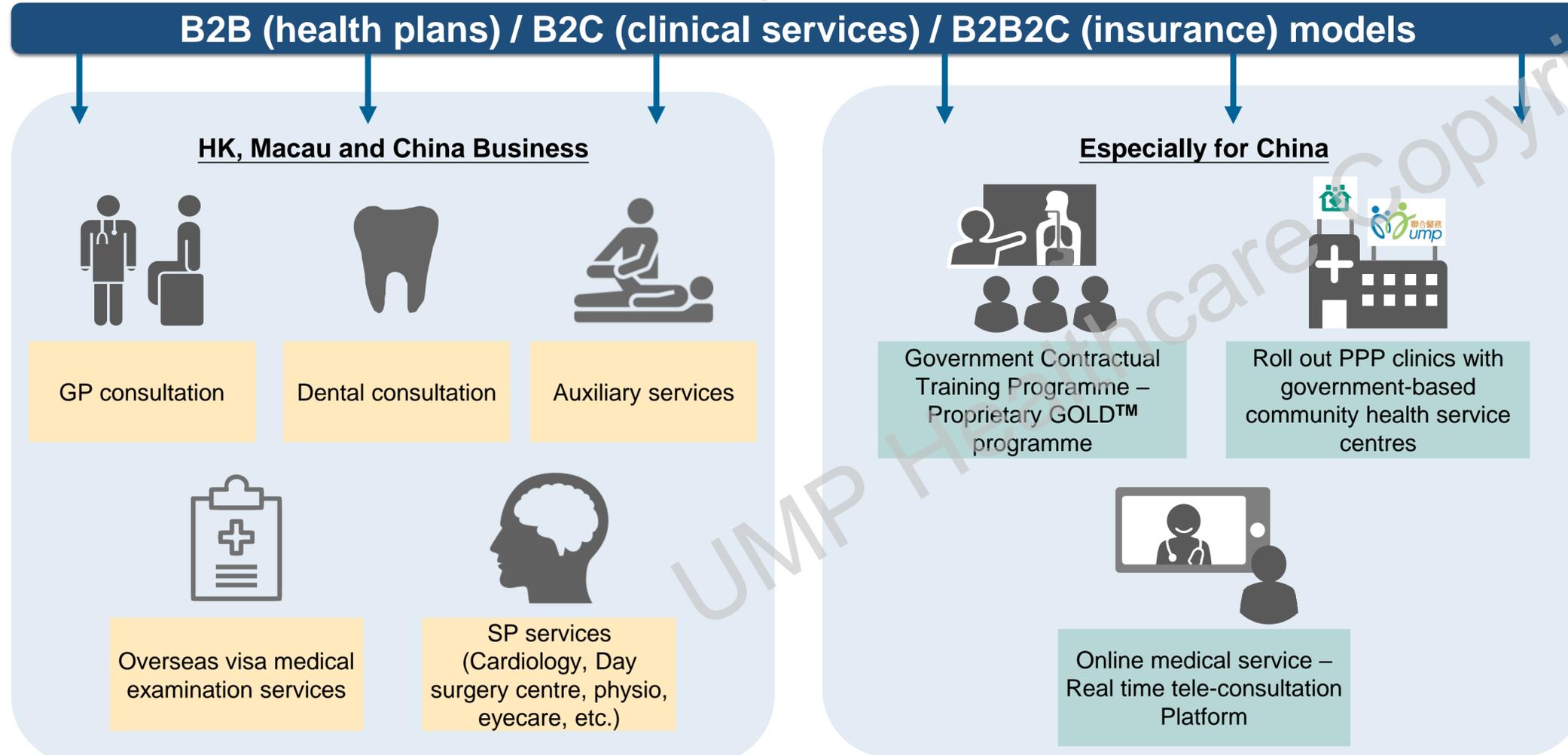


# Plan members seeking out-patient healthcare services in UMP subsidiary medical centres or affiliated clinics





# UMP at a glance



**49 In-house, 411 Affiliated**  
No. of GPs

**67 In-house, 104 Affiliated**  
No. of Specialists

**39 In-house, 26 Affiliated**  
Dentists

**20+**  
Specialties

**67 Self-owned, 561 Affiliated**  
GPs, SPs & dental clinics **600+ Providers**

**28 Self-owned, 70 Affiliated**  
Auxiliary medical centres (Eyecare, TCM, physio, day surgery centres)

**7 In-house, 18 Affiliated**  
Advanced imaging Centre & laboratories

**>130,000**  
Health check-ups/year

**>1,600,000**  
Outpatient & dental consultations

**>5,000**  
Hospital admissions and outpatient procedures/year



# UMP provides quality, comprehensive and one-stop healthcare services





## Our in-house developed IT infrastructure

Collecting data and processing data analytics

Clinic management systems



Proprietary software & value-added services to corporate customers

Generating important statistics for corporate customers

- The Company has deployed its proprietary centralized administrative system for the entire UMP Network
- Through its proprietary systems, the Group provides value-added services to its corporate customers to help better manage their employee healthcare benefits. An example includes:
  - **E-Claims, a web-based centralized healthcare plan system for corporate customers**
  - **eVoucher, an electronic platform for UMP to settle claims to its subsidiary/affiliated clinics**
- Generates customised reports on the overall plan members' utilisation, types of visits, expenses and other statistics as required
- Allows insurance companies and corporate customers to efficiently manage healthcare benefits and control overall costs

The Group's extensive know-how and experience along with its strong IT infrastructure platform are difficult to replicate

### Mission critical environment

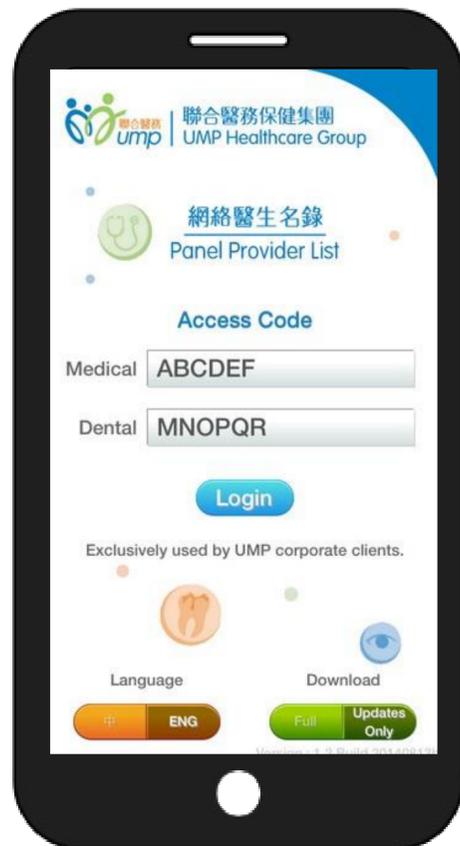
- Advanced IT system allows the Group to handle a large volume of patients
- **Over 10,000** healthcare plans administered
- Serving **over 1,000,000** members



## Our in-house developed IT infrastructure (con't)

In-house developed mobile app & electronic platform to increase patient/customer convenience

### E-claims: A mobile applications allowing easy access for plan members



- ✓ Members targeted health information
- ✓ Doctor names and specialties
- ✓ Up-to-date doctors' availability
- ✓ Check clinic locations and opening hours
- ✓ Dentist network look-up
- ✓ Share button to send desired doctor information to other applications (e.g. Email, SMS, WhatsApp etc.)



### eVoucher: An electronic platform allowing easy settlement for UMP's subsidiary/affiliated clinics



- ✓ After checking member's eligibility through UMP eClaims system, clinics can get an auto-generated QR code for the eVoucher
- ✓ Doctors can retrieve the consultation record by scanning the eVoucher QR code
- ✓ Both member and doctor can sign the voucher through the device
- ✓ Members can access the eVoucher copy using the reference number on the voucher slip
- ✓ An insurance copy will be sent to the insurer by email for claiming purpose

The group's extensive know-how and system infrastructure enable the development of an efficient and user-friendly platform



# Virtuous circle promotes the demand and growth of UMP

Higher demand for UMP services



Growth of contract business and self paid patients



More traffic attracting qualified and good practitioners



Further advance UMP's market leadership



## Long history of serving blue chip corporate and insurance clientele



- ✓ Diverse portfolio of insurance companies, blue chip and SME corporate customers
- ✓ Serving over 1,000,000 members

### Insurance companies



### Corporates





## Achievements in FY2019

### M&A activities



- On 2 Oct 2018, UMP acquired 55% of a medical clinic business, which operates general practice medical services, with a consideration of HK\$15.1mn

OCT 2018



JAN 2019

- On 23 Jan 2019, UMP acquired 60% of SkinCentral Limited with a consideration of HK\$100mn
- SkinCentral is engaged in the provision of dermatological services in HK



JUL 2018

- On 24 Jul 2018, UMP acquired 70% of SKP Medical Group with a consideration of HK\$28.5mn
- The Physiotherapy Centre Chain is engaged in the provision of medical physiotherapy service in HK

### China business



FEB 2018

- The GOLD™ programme was first launched in Feb 2018, enrolling 11 doctors from the Pan Yu government, Guangzhou province



- As of Sep 2019, the GOLD™ programme has now expanded to cover almost 200 doctors across key cities of the GBA, including Guangzhou, Shenzhen, Dongguan, Zhongshan, Zhuhai, Foshan, as well as other cities such as Beijing, Shanghai and Tianjin



- The number of PPP clinics currently in operation and under construction has also expanded from just one site in 2018 to 25 sites as of Sep 2019

SEP 2019





## Acquisitions & partnerships in HK

### M&A

- Acquired a clinical laboratory, ProCare MedTech
- Acquired Dr. Lee Dental Centre Limited
- Established ProCare Medical Imaging and Laboratory Centre Limited, the Group's first advanced imaging centre
- Acquired PRC Medical Centre Companies as part of the reorganisation of the Group
- On 24 Jul 2018, UMP acquired 70% of SKP Medical Group
- On 2 Oct 2018, UMP acquired 55% of a general practice medical clinic business
- On 23 Jan 2019, UMP acquired 60% of SkinCentral

2009

2014

2015

2016

2018

2019

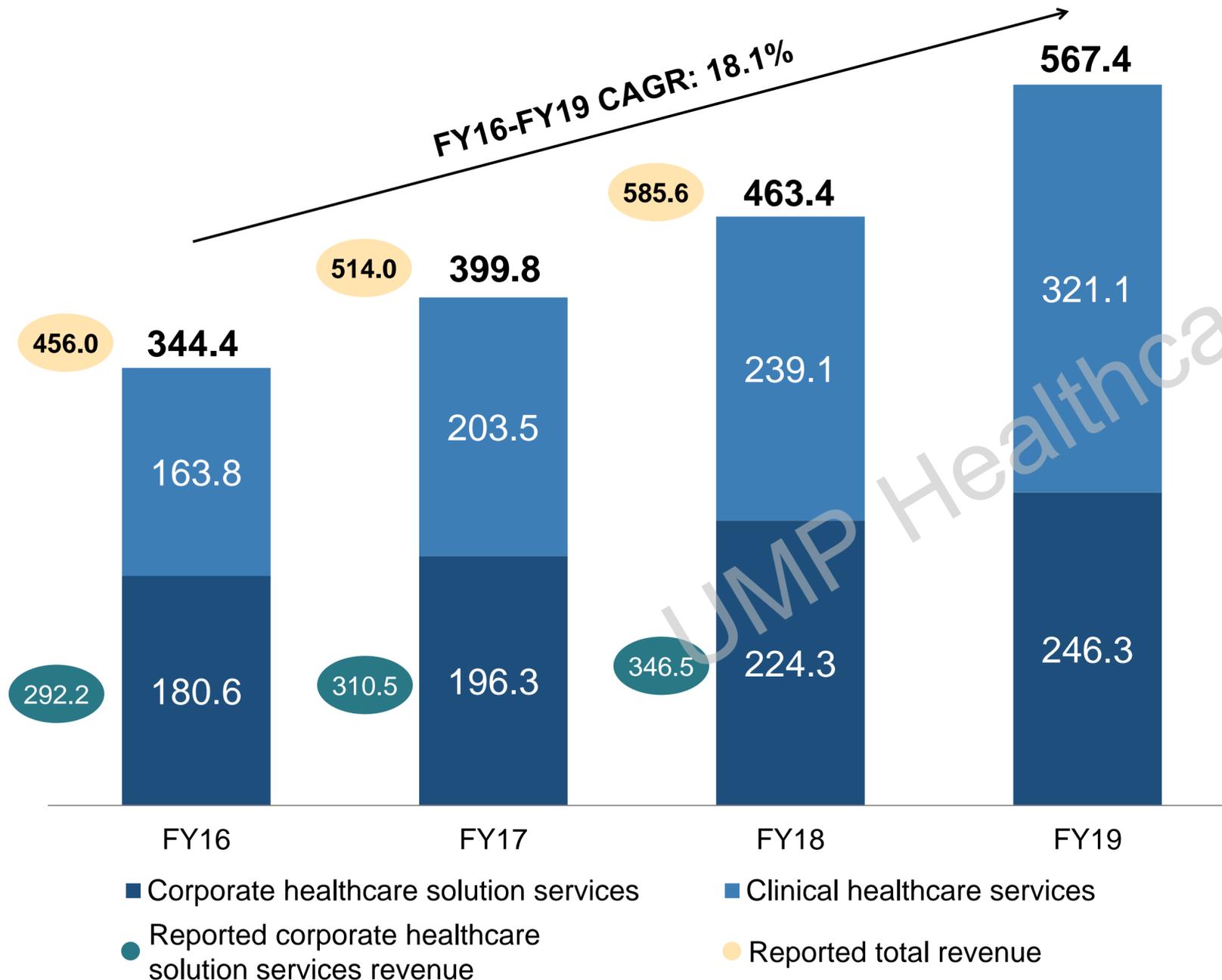
### Partnerships

- Started restructuring and CTFE became our strategic shareholder to provide continuous support to us
- Phoenix Healthcare became another strategic shareholder
- NWS Holdings (0659:HK) subscribed 20% of the issued share capital of UMP Healthcare China
- NWS Holdings and CTFE formed a 50/50 joint venture, Healthcare Assets Management Limited ("HAML"), and entered into a master operation service agreement with UMP and exclusively appointed UMP as the manager of all of HAML's clinics in the PRC
- On 8 Nov 2018, UMP entered into the Business Cooperation Agreement with Ping An Good Doctor and Zheng He

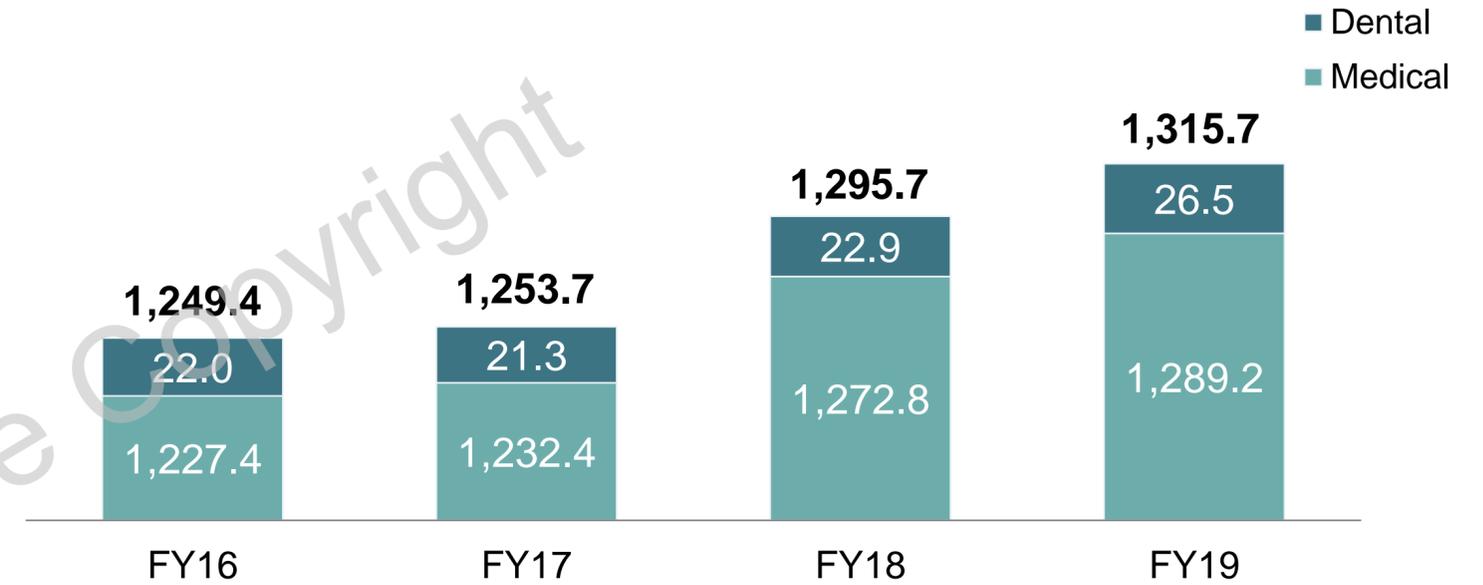


# Key financial metrics

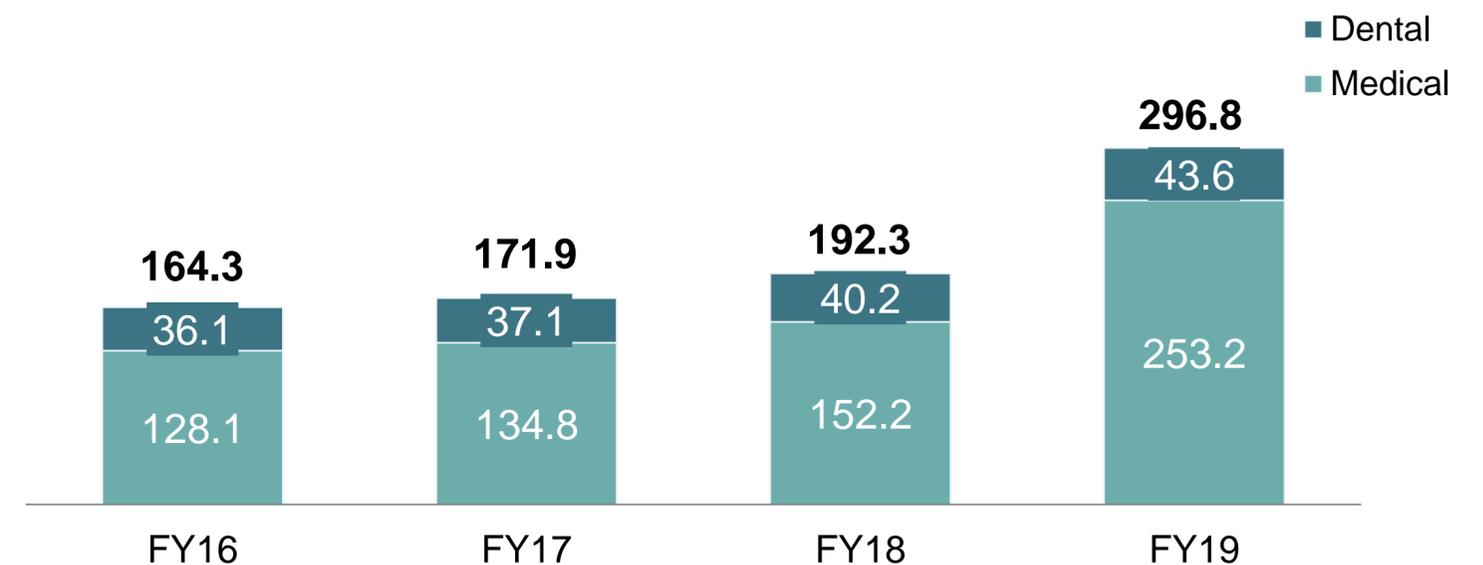
Revenue (HK\$m)



No. of visits ('000) in corporate healthcare solutions services



No. of visits ('000) in clinical healthcare services



Note: Corporate healthcare solution services revenue in FY16-FY18 has been restated due to the revenue recognition policy of IFRS.



## Proven track record and resilient growth

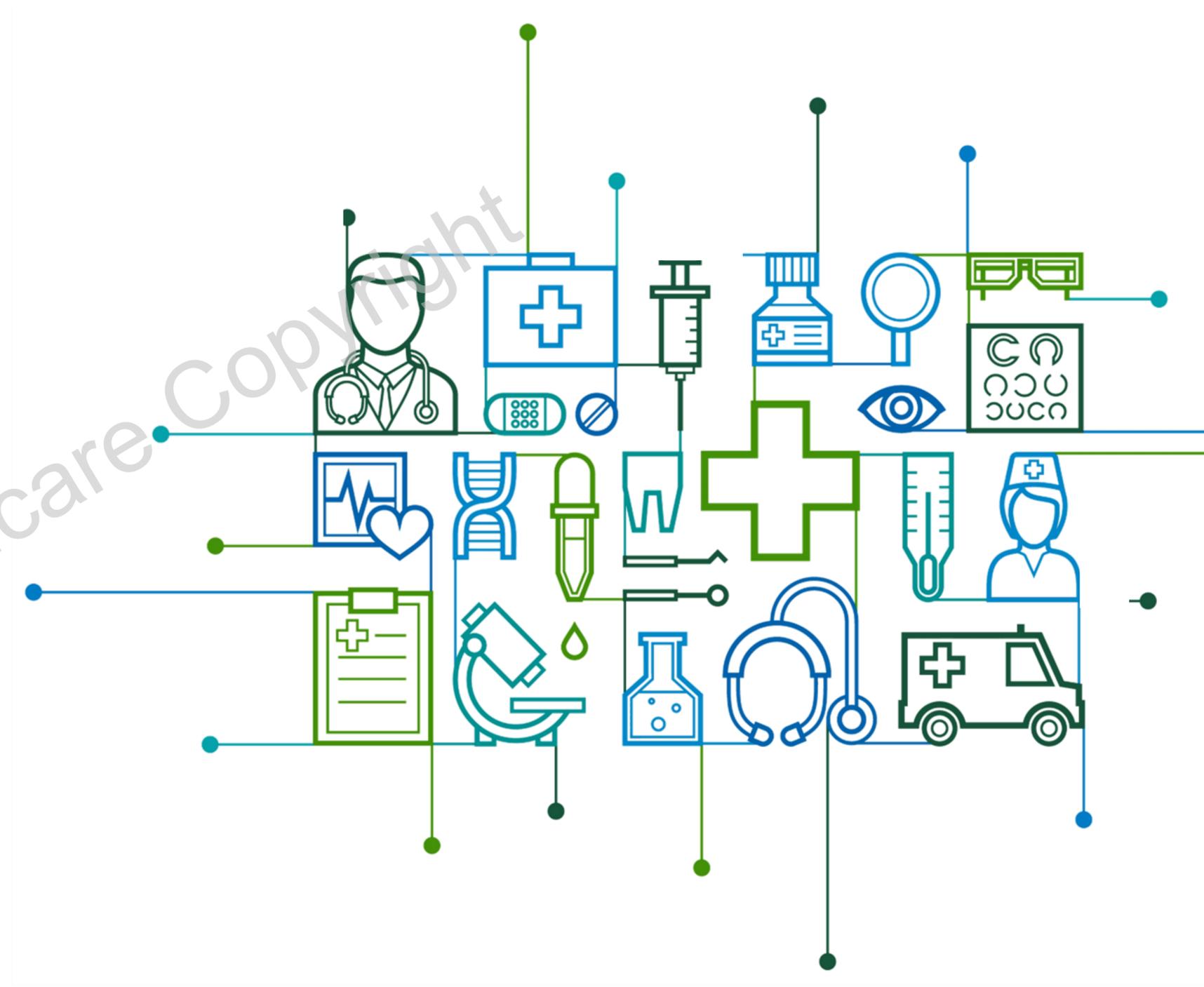
- As we are fast expanding in China, net profit trend is not reflective of our expansion strategies
- UMP is committed to adopting a light asset approach and investing significantly to capture the untapped primary care opportunities in China
- Strong debt free balance sheet - Selective strategic acquisitions can be executed quickly
- Better for investors to focus on cash generation capabilities as reflected by Adjusted EBITDA
- Adopting a balance between (i) investing for growth through capital investment and equity incentives and (ii) delivering return to investors through growing dividend

(HK\$ '000)	FY2016 (restated)	FY2017 (restated)	FY2018 (restated)	FY2019
Reported Net profit	6,882	48,244	37,502	19,549
Interest income	(872)	(3,061)	(4,934)	(6,611)
Depreciation & amortisation	9,611	17,561	19,997	22,701
Income tax expenses	7,372	8,850	11,003	14,726
EBITDA	22,993	71,594	63,568	50,365
Reconciliations:				
Equity-settled share-based payment expense	7,546	8,066	1,771	48,301
Net gain on disposal of subsidiaries/associates	-	(16,483)	-	(9,315)
Gain on disposal of items of property, plant and equipment	-	-	-	(520)
Non-cash fair value gain / remeasurement / bargain of items	(3,499)	(9,246)	(500)	(4,813)
One-off listing expenses	16,376	-	-	-
<b>Adjusted EBITDA<sup>1</sup></b>	<b>43,416</b>	<b>53,931</b>	<b>64,839</b>	<b>84,018</b>
<b>Cash and treasury related products</b>	<b>329,021</b>	<b>501,011</b>	<b>369,169</b>	<b>274,128</b>
<b>Full year dividend (HK cent per share)</b>	<b>2.0</b>	<b>2.7</b>	<b>2.9</b>	<b>3.2</b>

Note: Corporate healthcare solution services revenue in FY16-FY18 has been restated due to the revenue recognition policy of IFRS.

1) Adjusted EBITDA is adjusted for one-off non-recurring items, non-cash warrant expenses and non-cash share-based payment giving shareholders a proxy of operating cash flow generated by the Group's business in Hong Kong, Macau and the PRC. FY17 and FY16 adjusted EBITDA is restated to include PRC healthcare business which was previously excluded in the results announcement

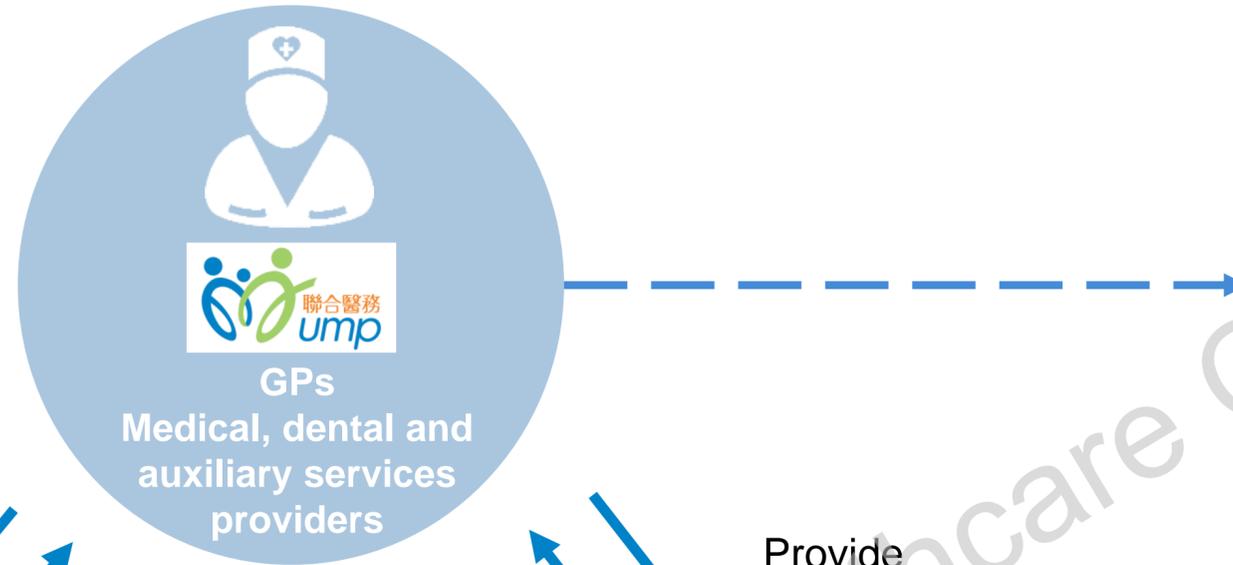
## 2. Our growth strategies





# UMP – a resilient and scalable business model based on primary care

GPs provide evidence-based medical services, and provide early intervention preventive health management services



Evidence based medical fees

Pay for services

Seek for consultation

Provide healthcare services

Purchase health plan

Provide protection



## UMP's affiliated medical institutions

- |  |  |
|--|--|
| <br><b>Medical Imaging and Laboratory Centre</b><br>醫學影像及化驗中心                        | <br><b>Eyecare and Optometry Centre</b><br>眼科保健及視光中心                       |
| <br><b>Medical And Cosmetic Dermatological Centre (Skincentral)</b><br>皮膚專科治療和醫學美容中心 | <br><b>Physiotherapy Clinic</b><br>物理治療診所                                  |
| <br><b>Medical Imaging Centre</b><br>醫學影像中心  | <br><b>Medical Imaging Centre</b><br>醫學影像中心                                |
| <br><b>MRI Centre</b><br>磁力共振中心  | <br><b>MRI Centre</b><br>磁力共振中心  |
| <br><b>Pediatric Clinic (Shenzhen)</b><br>兒科診所 (深圳)                                  | <br><b>GP and Family Medicine Clinic (Shenzhen)</b><br>全科及家庭醫生診所 (深圳)      |
|  | <br><b>Day Surgery &amp; Endoscopy Centre</b><br>日間手術及內視鏡中心                |
|  | <br><b>MRI Centre</b><br>磁力共振中心  |
|  | <br><b>Physiotherapy Clinic</b><br>物理治療診所                                  |
|  | <br><b>Plastic Surgery &amp; Head and Neck Surgery Centre</b><br>整形外科及頭頸中心 |



## Our growth strategies



1

Horizontally expanding our breath of healthcare and administration services through M&A

2

Utilizing latest technologies to upgrade our service offerings to insurers and brokers to enhance operating efficiencies

3

Accelerate our expansion in the training of GPs and PPP clinic network to build a vast offline primary care network across the Greater Bay Area and Mainland China

4

Embracing technological innovation to become the leading offline and online primary care provider in the world

5

Empower the proliferation of health insurance through our innovative offline and online healthcare solutions

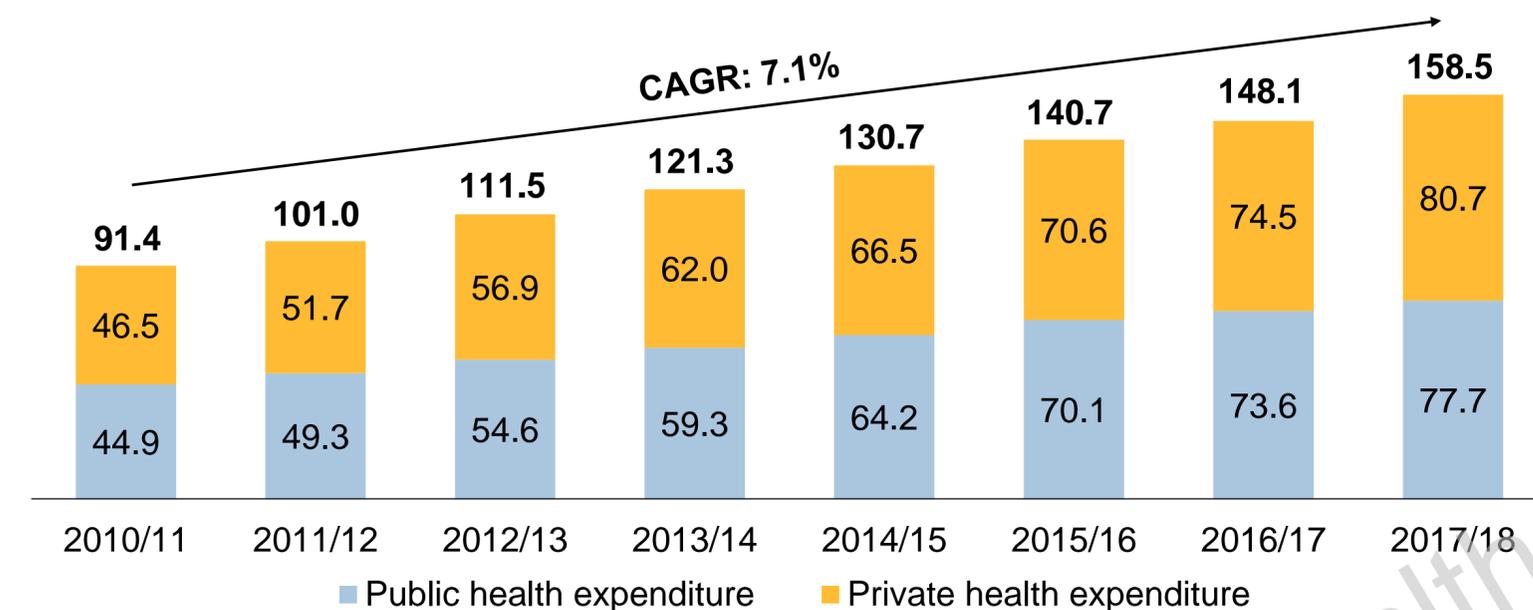
6

Continue to recruit and retain only the best people with similar values, embracing our vision to give everyone access to trusted and affordable care

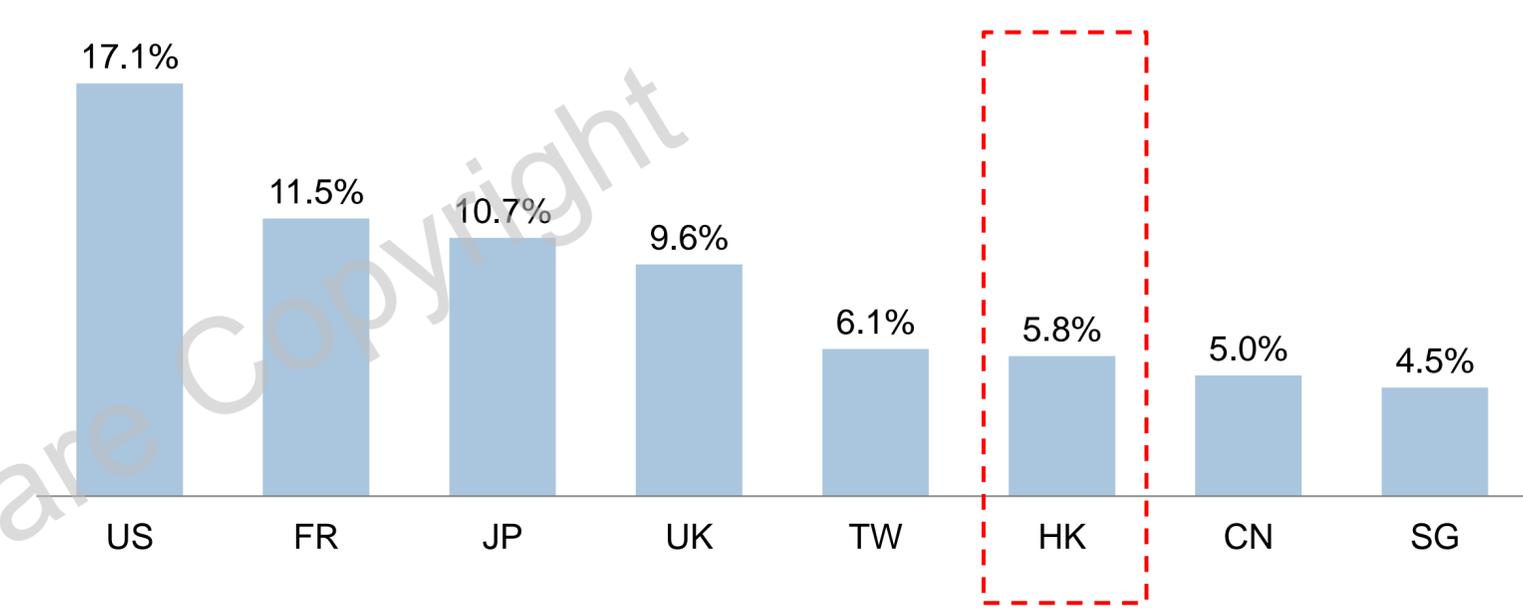


# Hong Kong healthcare market overview

Healthcare expenditure in HK (HK\$ bn)

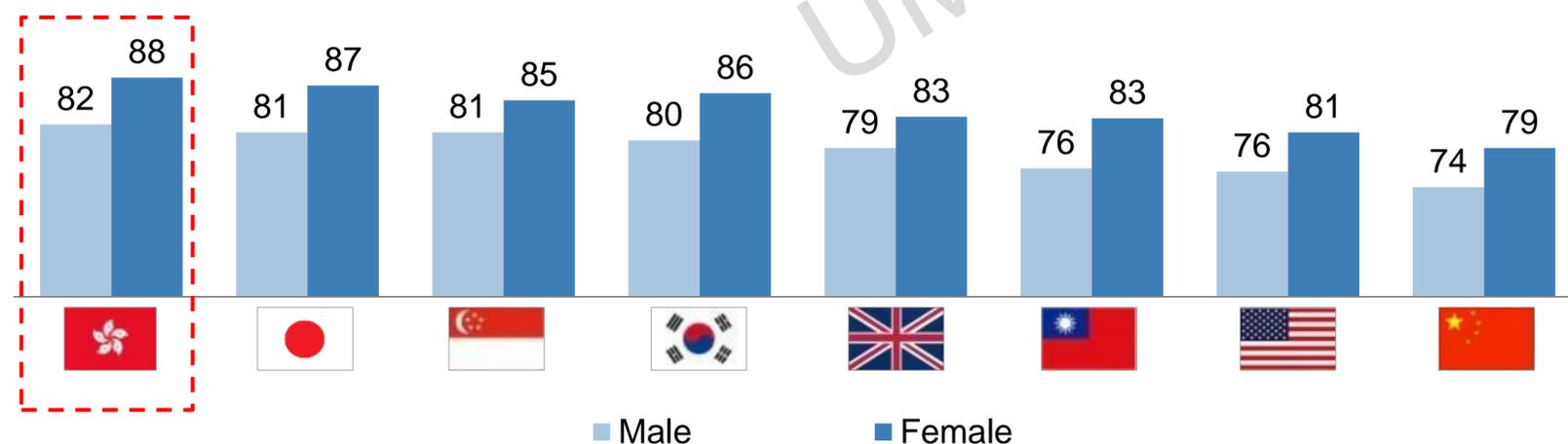


Healthcare expenditure as a % of GDP

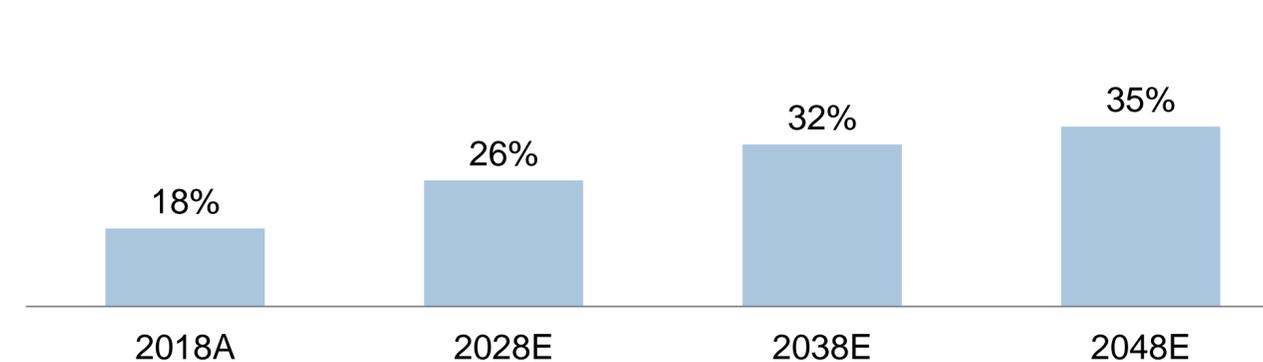


High life expectancy coupled with an aging population fuel the growth of the healthcare market in HK

**Life expectancy in Hong Kong is among the highest in the world**



**Population aged 65+ years is increasing faster than overall population**



Source: Frost & Sullivan, Census and Statistics Department of Hong Kong, The World Bank



## Growth drivers for private healthcare market in Hong Kong

### Public Private Partnership (PPP)

- Potential PPP opportunities for HK service providers:
  - Vaccination Subsidisation Scheme
  - Elderly Health Care Voucher Scheme
  - General Out-patient Clinic Public Private Partnership Program
  - Shared Care Program
  - Provision of Radiological Imaging Service



### Voluntary Health Insurance Scheme

- Relieve the pressure on the public healthcare system in the long run
- Key features of certified plans under VHIS:
  - Guaranteed renewal up to the age of 100, despite changes to the health conditions of the insured
  - No "lifetime benefit limit"
  - Coverage extended to include unknown pre-existing conditions and ambulatory procedures including endoscopy
  - For taxpayers who purchase Certified Plans for themselves and/or their specified relatives, the premiums paid on or after 1 April 2019 will be eligible for tax deduction



### Increasing need for Pan-China medical network

- ✓ Medical destination for China patients, high standard of medical treatment & easy entry requirements for China residents
- ✓ Increasing no. of individuals from China buying health insurance products in HK
  - Insurance premium income: from HK\$4.4bn in 2010 to HK\$24.4bn in 2014 (CAGR: 53.5%), high proportion from health insurance product offerings



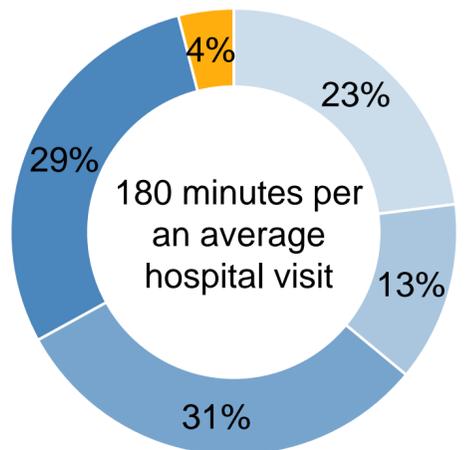


# China's medical system has many pain points, waiting to be solved by primary care

## Patients



- Traffic
- Registration
- Examination
- Waiting
- Diagnosis



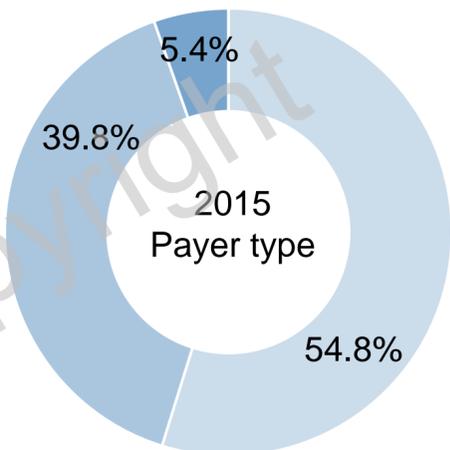
- Low quality of medical services
- Lack of accessibility, affordability and equality of care
- No one keep tracks of the patient's on-going condition
- Lack of trust and understanding in GP

Results: Patients going to large hospitals for minor illness consultations

## Payers



- Government
- Out-of-pocket
- Commercial health insurance

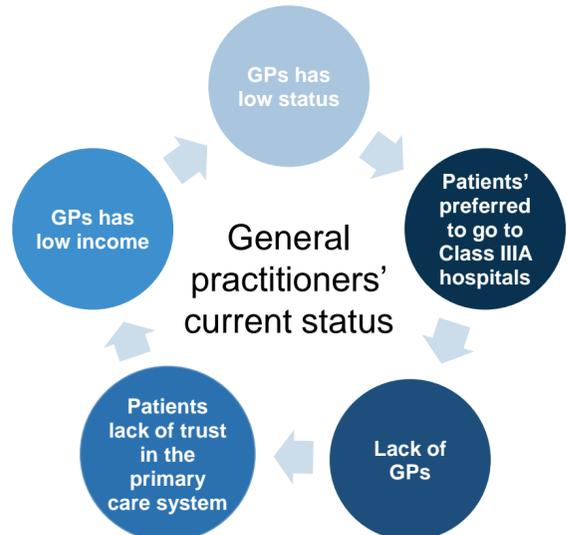


- Commercial health insurance not profitable due to lack of quality healthcare service and cost management
- Inconvenient claims procedures
- Lack of patient data and meaningful analysis

Results: Deficit of China's basic medical insurance fund in the future

## Difficult and expensive to consult a doctor

## Doctors



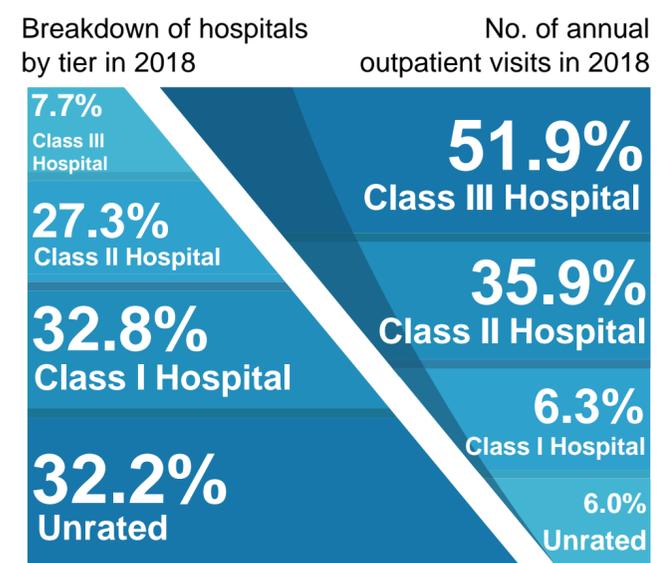
- High work intensity, low income, high risk and low status
- Patients lack of trust in GP
- Nervous relationship between doctors and patients
- Restrictions to practice freely

Results: Doctors are not willing to participate in primary care

## Low income and high risk

## Low Commercial Insurance Penetration

## Providers



- Class IIIA hospitals are overloaded
- Ineffective hierarchical medical system
- Low income for providers leading to overtreatment and over-prescription of drugs

Results: Scarcity and uneven distribution of medical resources and unnecessary treatment

## Misallocation of medical resources

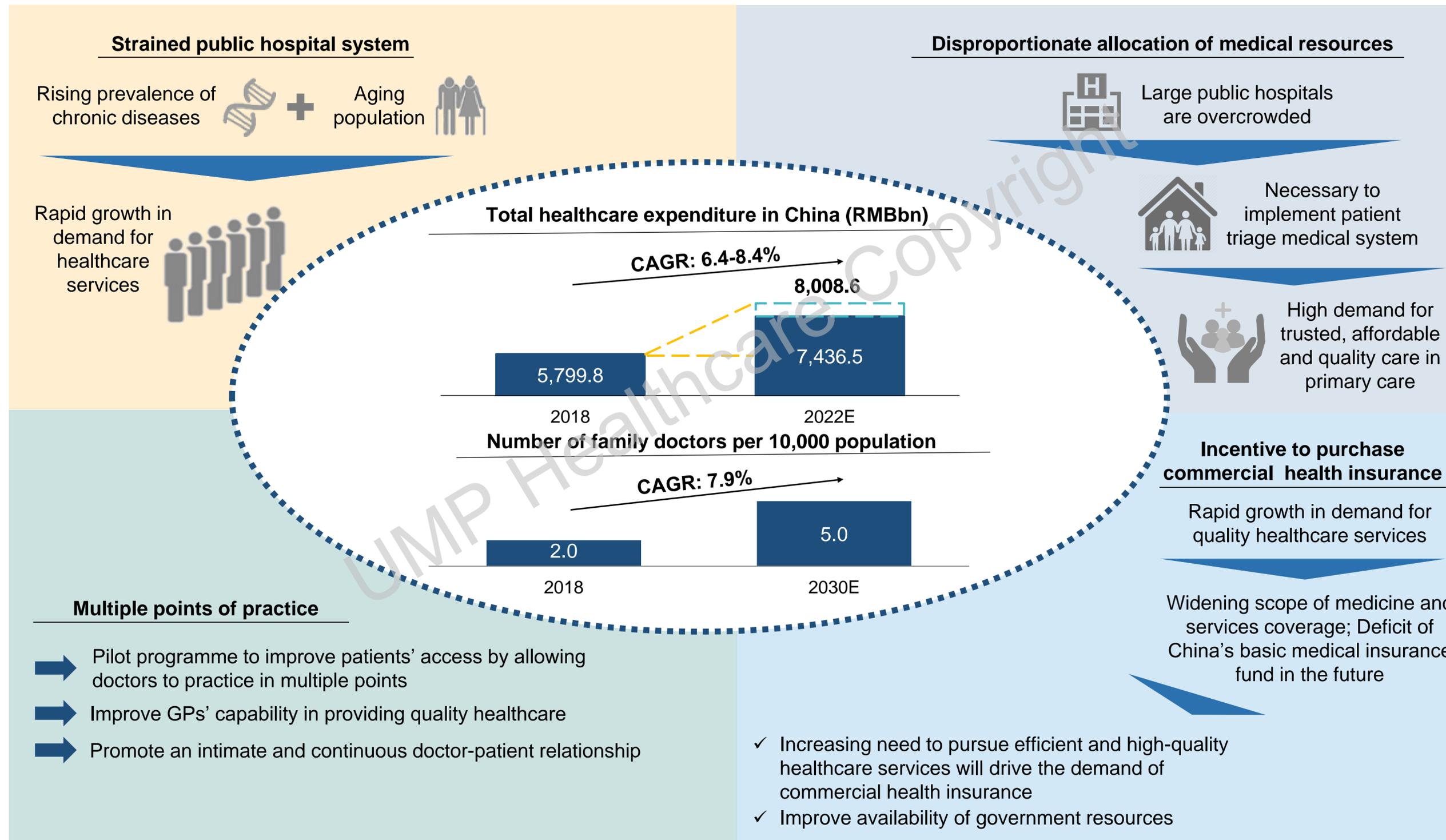


## Government initiated healthcare reform with continuous policy support

Key healthcare reform themes	Key policies	Core messages
Primary care reform	<ul style="list-style-type: none"> <li>“Guiding Opinion of the General Office of the State Council on Propelling the Building of a Hierarchical Diagnosis and Treatment System”</li> </ul>	<ul style="list-style-type: none"> <li>It is necessary to solve the problem of the <b>difficulty in having medical treatment</b>, and solve the problem of <b>misallocation of medical resources</b></li> </ul>
	<ul style="list-style-type: none"> <li>“Health China 2030”</li> </ul>	<ul style="list-style-type: none"> <li>Primary care should have the capability in being the <b>residents’ health gatekeeper</b>; it is necessary to <b>reduce the no. of outpatient visits in Class III public hospitals</b></li> </ul>
	<ul style="list-style-type: none"> <li>“The 13th Five-Year Plan to Deepen the Reform of Health System”</li> </ul>	<ul style="list-style-type: none"> <li>By 2020, China’s <b>patient triage medical system</b> shall be gradually established</li> </ul>
	<ul style="list-style-type: none"> <li>“Guiding Opinion on the Work Division Laid out for Implementing Government Work Report”</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen the capacity in building up primary care institutions and the <b>training of medical staffs</b>, <b>improve the quality</b> of hierarchical medical treatment and GP contractual services</li> </ul>
Training of GPs	<ul style="list-style-type: none"> <li>“Notice of the General Office of the State Council on Printing and Distributing the Outline of the National Health Service System Plan (2015-2020)”</li> </ul>	<ul style="list-style-type: none"> <li>By 2020, every 10,000 urban and rural residents will have <b>2-3 qualified GPs</b></li> </ul>
	<ul style="list-style-type: none"> <li>“Notice on Carrying out Family Doctor Service Contracts in 2017”</li> </ul>	<ul style="list-style-type: none"> <li>Family doctors shall be able to provide basic medical services which covers the <b>diagnosis and treatment of common diseases</b> and frequently-occurring diseases, rational use of drugs, medical treatment guidance and referral appointments, etc.</li> </ul>
	<ul style="list-style-type: none"> <li>“Guiding Opinion on the Pilot Reform and Improvement of GP Training and the Use of Incentive”</li> </ul>	<ul style="list-style-type: none"> <li>By 2030, every 10,000 urban and rural residents will have <b>5 qualified GPs</b></li> <li>Aim at <b>accelerating the training of a large no. of qualified GPs</b>, in order to strengthen the construction of primary healthcare system</li> </ul>
	<ul style="list-style-type: none"> <li>“Notice on Promoting the Development of Clinics”</li> </ul>	<ul style="list-style-type: none"> <li>Implement the same <b>subsidy policy</b> on personnel training for primary care clinics and government based primary care institutions</li> </ul>
Promotion of Community Health Service Centres	<ul style="list-style-type: none"> <li>“Notice of the General Office of the State Council on Printing and Distributing the Outline of the National Health Service System Plan (2015-2020)”</li> </ul>	<ul style="list-style-type: none"> <li>By 2020, <b>every 30,000-100,000 residents</b> will need to set up <b>one community health service centre</b></li> </ul>
	<ul style="list-style-type: none"> <li>“Opinions on Further Stimulating the Vitality of Social Investments”</li> </ul>	<ul style="list-style-type: none"> <li>Encourages social capital to participate in <b>the construction and operation of medical institutions in the form of PPP</b></li> </ul>
	<ul style="list-style-type: none"> <li>“Notice of the General Office of the State Council on Printing and Distributing the Outline of the National Health Service System Plan (2015-2020)”</li> </ul>	<ul style="list-style-type: none"> <li>By 2020, <b>every 30,000-100,000 residents</b> will need to set up <b>one community health service centre</b></li> </ul>
Commercial health insurance	<ul style="list-style-type: none"> <li>“Opinion on accelerating the development of commercial health insurance”</li> </ul>	<ul style="list-style-type: none"> <li>Encourages insurance companies to <b>develop different types of commercial health insurance products</b>, which will be a <b>complement to basic medical insurance</b></li> </ul>
	<ul style="list-style-type: none"> <li>“Announcement on the Relevant Issues Concerning the Collection and Implementation of the Individual Income Tax Policy for Commercial Health Insurance”</li> </ul>	<ul style="list-style-type: none"> <li>Starting from 1<sup>st</sup> Jul 2017, the <b>expenses for individuals to purchase commercial health insurance</b> products that meet the regulations are <b>allowed to be deducted before tax</b>, and the deduction limit is RMB2400/year (RMB200/month)</li> </ul>
	<ul style="list-style-type: none"> <li>“Health China 2030”</li> </ul>	<ul style="list-style-type: none"> <li>By 2030, <b>commercial health insurance claims expense</b> shall account for a significant <b>increase</b> as a % of total health expenditure</li> </ul>

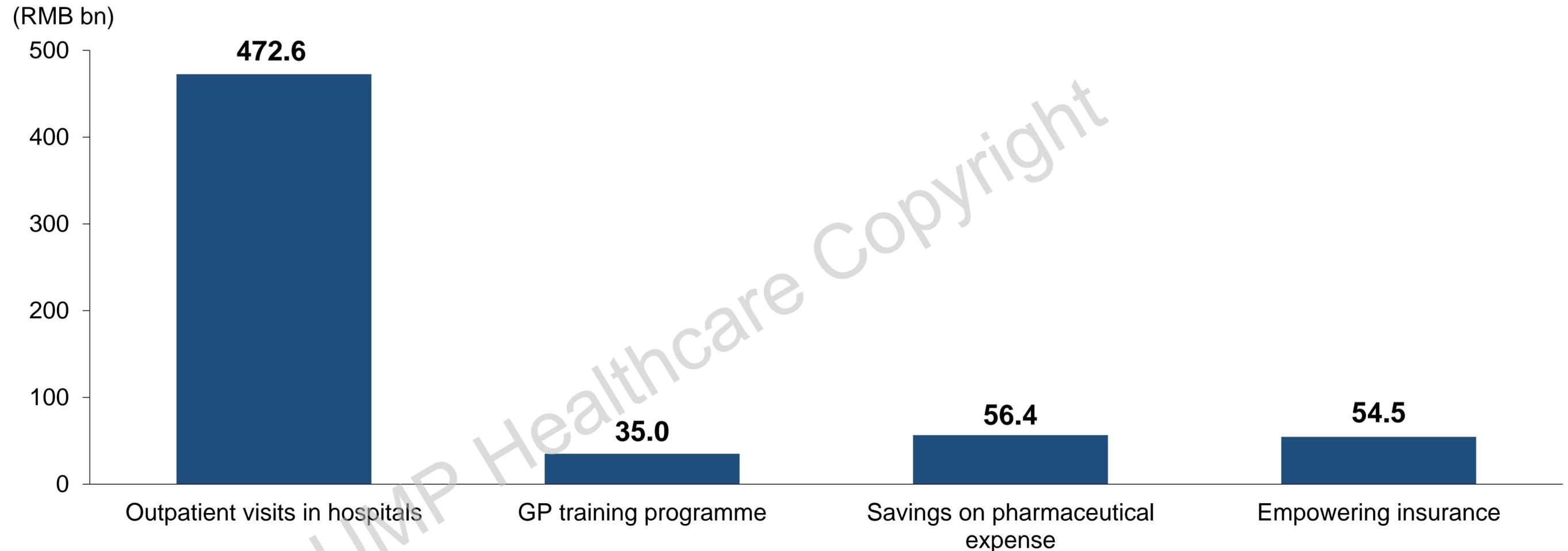


# Growing healthcare market in China





## Summary of UMP's total addressable market size in China



<b>Assumptions</b>	Assume outpatient fee per capita is RMB132 per visit in Community Health Service Centres	Assume 700,000 GPs will enroll to the training programme	Assume the pharmaceutical expense % in Community Health Service Centres decrease to 15%	Assume UMP takes 10% of each health insurance plan sold
<b>TAM (RMB bn)</b>	472.6	35.0	56.4	27.2-54.5



# UMP's total addressable market in capturing outpatient visits in China's hospitals

Breakdown of the no. of patient visits in 2018

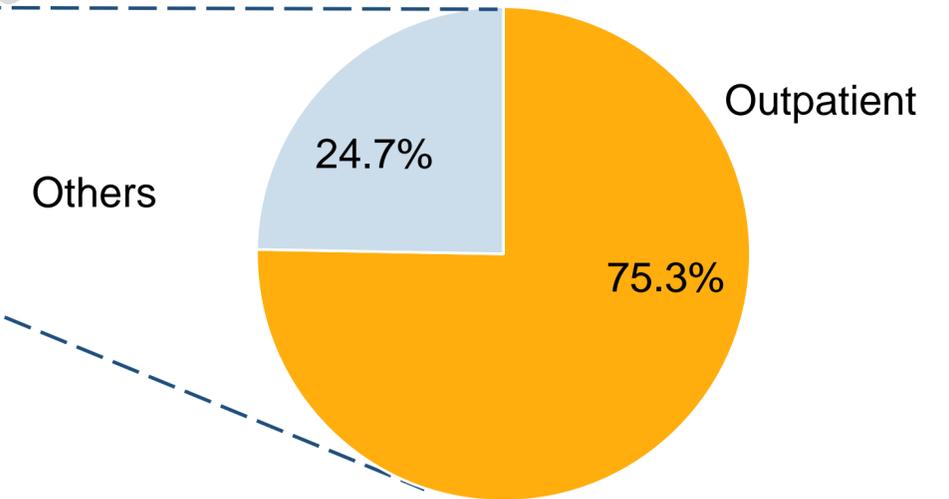
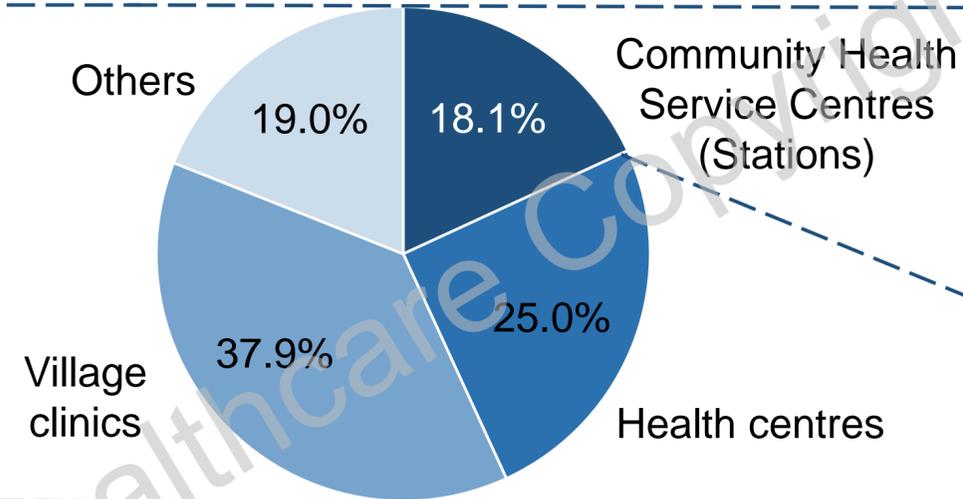
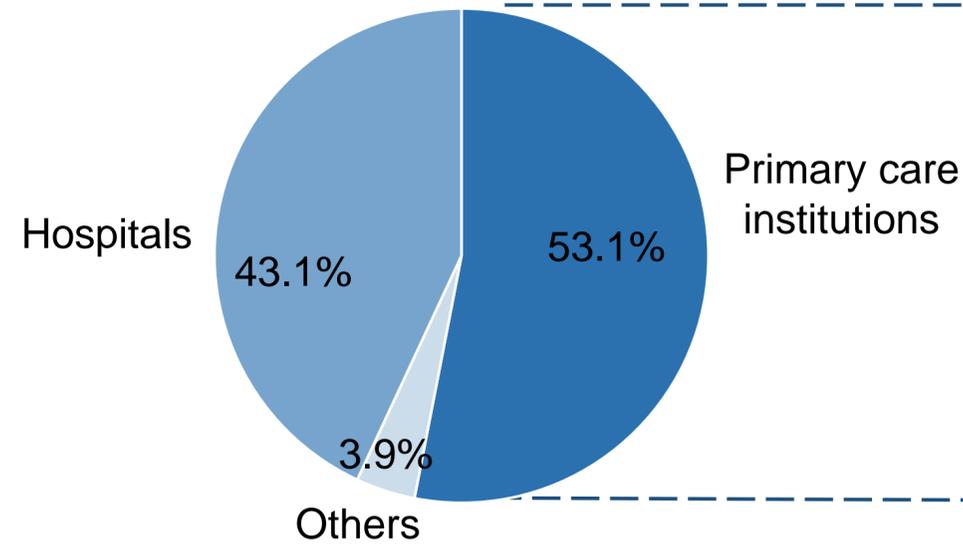
Breakdown of the no. of patient visits in primary care institutions in 2018

Breakdown of the no. of outpatient visits in Community Health Service Centers (Stations) in 2018

100% = 8.3bn visits

100% = 4.4bn visits

100% = 0.8bn visits



**Assuming UMP captures the outpatient visits in hospitals**

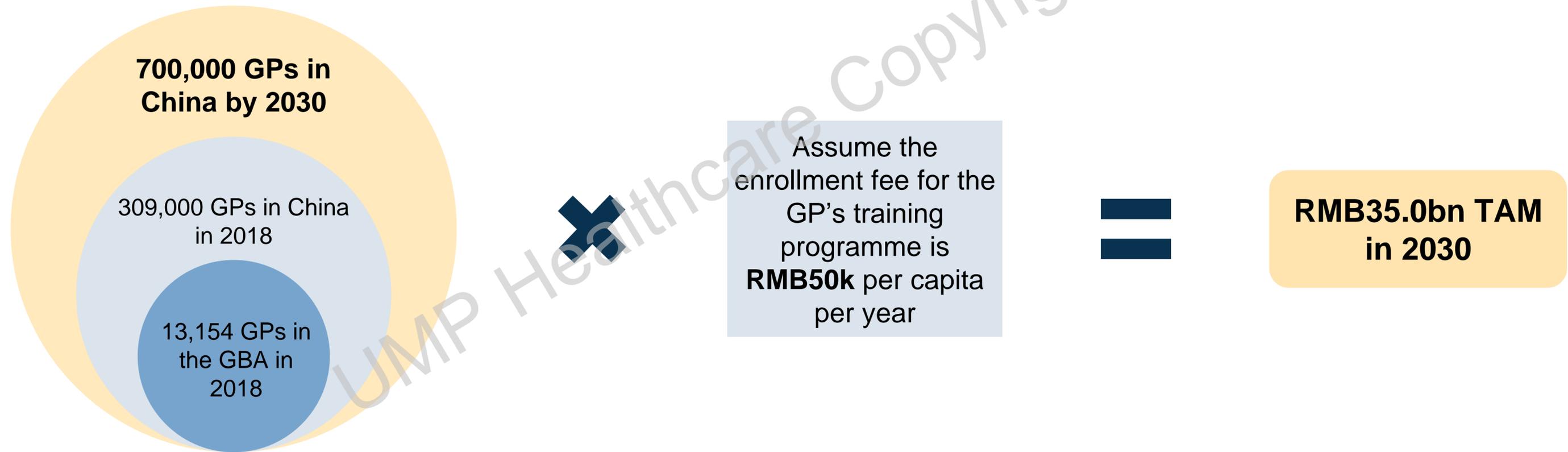


1) Data as of 2017. Source: MOH



# UMP's total addressable market in GP training programme in China

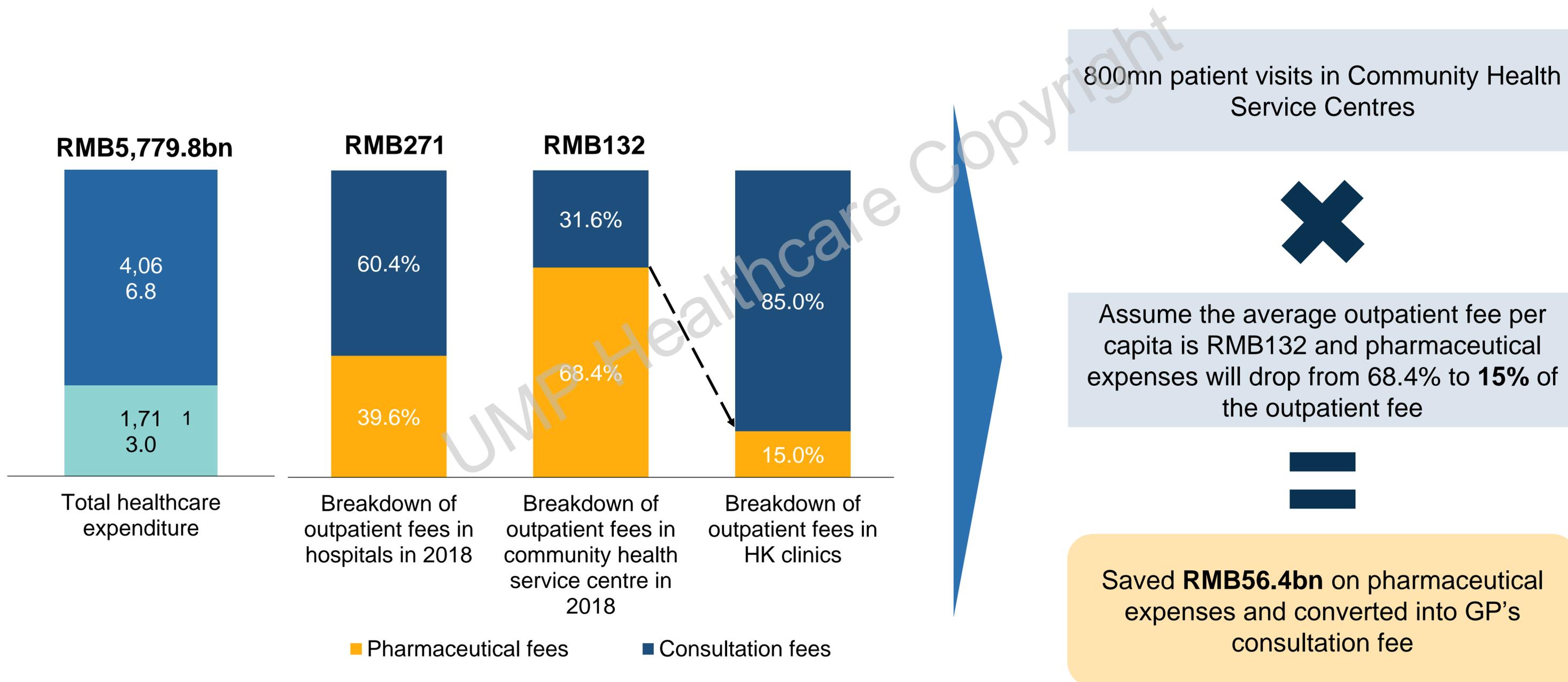
Assuming all GPs will enroll to UMP's GP training programme





# UMP's total addressable market in capturing the decrease of pharmaceutical expenses accounting in outpatient fees in China

**Assuming UMP helps decreasing the proportion of pharmaceutical fees from 68.4% to 15% in Community Health Service Centres**

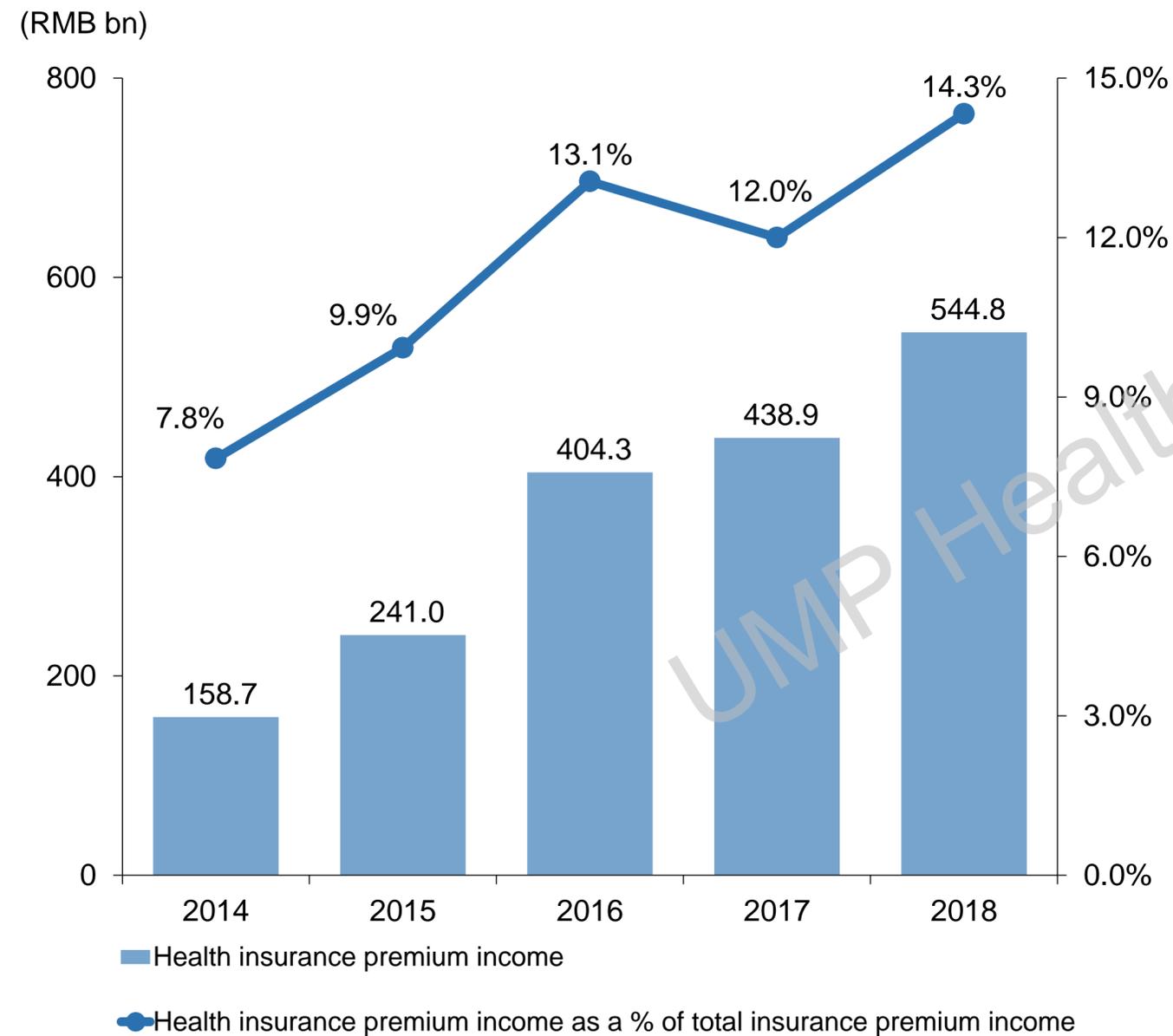


1) Only includes the pharmaceutical sales from public hospitals, primary care institutions and retail pharmaceutical sales.  
Source: MOH, xinhuanet



# UMP's total addressable market in China's commercial health insurance market

## China's health insurance premium market



RMB544.8bn health insurance premium income in China



Assumes insurance companies use 5-10% of premium as service fee to promote UMP's capitated service rider



**RMB27.2-54.5bn TAM**





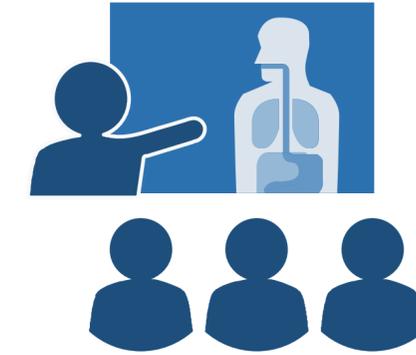
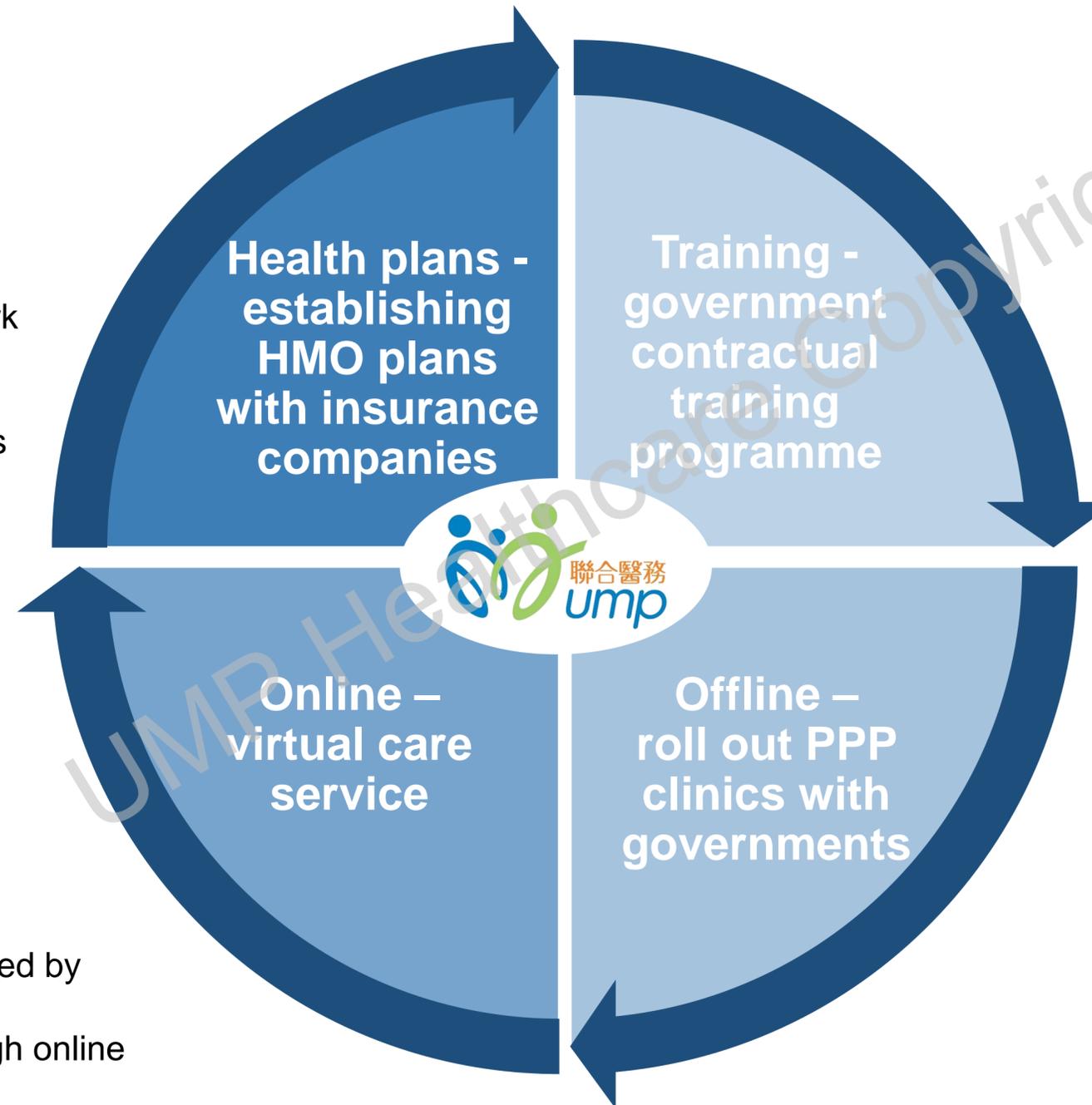
## 4 Stages of UMP's development in China: seizing opportunity and policy support to achieving its vision



- With an extensive offline clinic network and utilizing UMP's virtual care, insurance companies will be able to offer medical reimbursement products more efficiently
- Further increase the income of Community Health Service Centres



- Real time virtual care services is backed by extensive offline clinic network
- Expand UMP's service network through online consultation



- Roll out GP training with government and policy support
- Promote via government and with the support of international accreditation
- Leverage UMP GPs' extensive medical experience



- Leverage UMP's experience in HK to improve the consultation environment in China's Community Health Service Centres
- Trained and GOLD™ certified GPs will practice in UMP's renovated PPP clinics
- Expand clinic network by rolling out more PPP clinics with different provinces' government



## 1. Training our GOLD™ certified GPs in China

- The foundation of medical service operations is based on the quality of medical professionals. In order to solve the problem of the lack of qualified medical talents and services in China, while others invested substantial capital to set up clinics and hospitals, UMP chose **to train trustworthy and high-quality GPs**
- UMP leveraged its experience, and its experienced medical team, to create its proprietary GOLD™ programme



RCGP  
ACCREDITED





# The 1<sup>st</sup> private training programme in China to obtain accreditation from RCGP



## Key feature of the GOLD™ programme

1. Highly supported by multiple provincial and municipal governments
2. 1<sup>st</sup> private company in China to obtain the accreditation from the Royal College of General Practitioners from the UK ("RCGP")

Professional knowledge: **167** common diseases

Continuous learning / training:  
**3-years course** (52-weeks course & assessment)

Teaching language: Chinese as the main language

Programme mentors: A team of doctors with extensive experience in family medicine





## 2. UMP is the 1<sup>st</sup> to cooperate with the government to widely set up Public-Private Partnership clinics in China

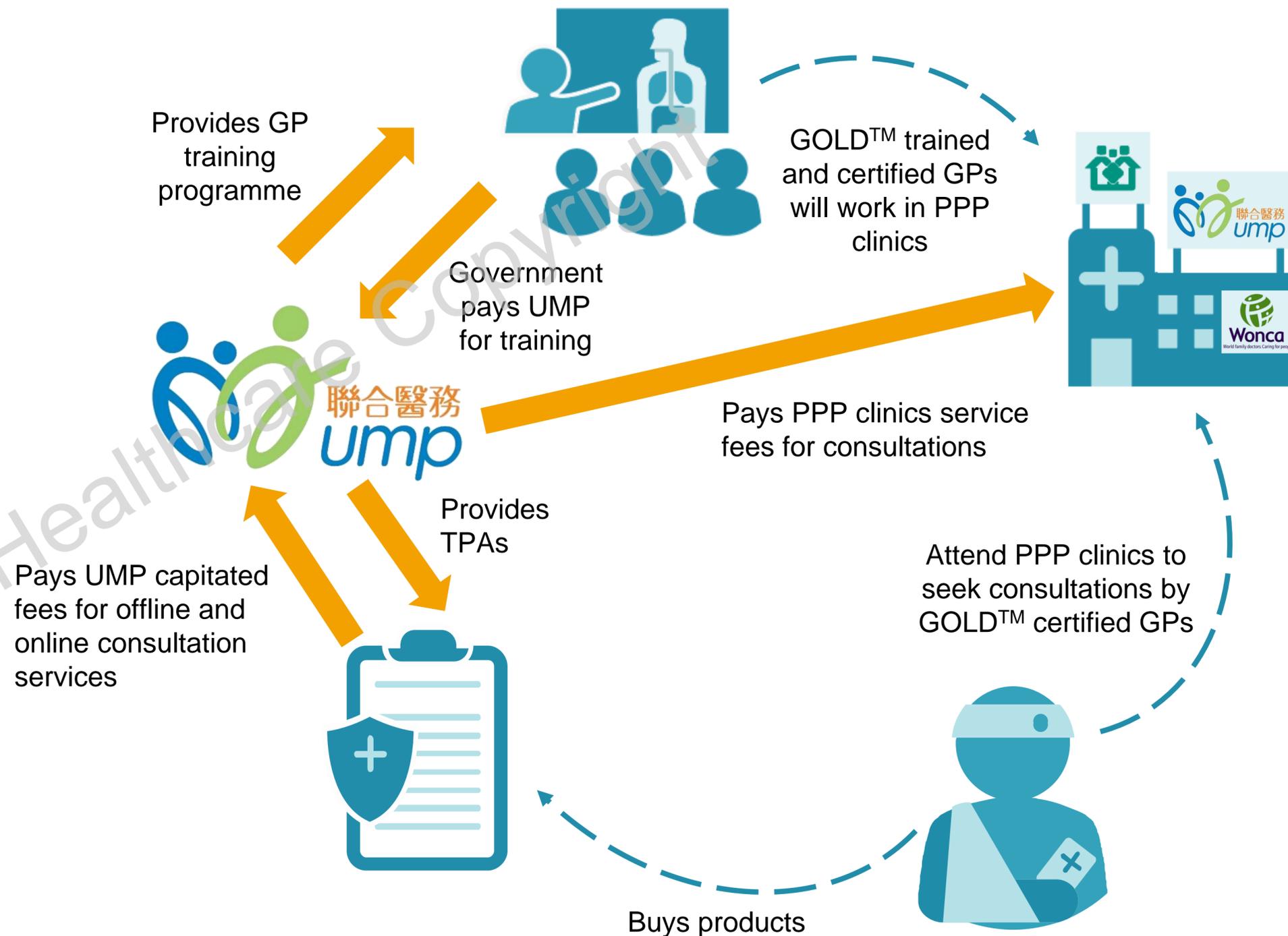
UMP regards the GBA as its entry point to cooperate with the government to set up clinics in existing government-based Community Health Service Centres with lower cost and higher efficiency

1<sup>st</sup> enterprise recognised by the government in China to roll out PPP clinics

Started rolling out PPP in 2018  
As of Mar 2020, **31 PPP clinics** have been successfully developed in China

Supported and recommended by the provincial and municipal governments

Training contents of the GOLD™ programme can be implemented in PPP clinics





# UMP seized the opportunity in China to develop PPP clinics and promotes managed health plans



Community Health Service Centre + UMP  
PPP clinics

**Operating** ★

**Guangzhou (12 Clinics)**

- UMP Medical Centre (Panyu Qiaonan)
- UMP Medical Centre (Panyu Zhongcun)
- UMP Medical Centre (Panyu Nancun)
- UMP Medical Centre (Panyu Luocheng)
- UMP Medical Centre (Haizhu Ruibao)
- UMP Medical Centre (Haizhu Xingang)
- UMP Medical Centre (Haizhu Nanzhou)
- UMP Medical Centre (Haizhu Jiangnan Zhong)
- UMP Medical Centre (Yuexiu Baiyun)
- UMP Medical Centre (Yuexiu Guangta)
- UMP Medical Centre (Yuexiu Zhuguang)
- UMP Medical Centre (Panyu Shawan)

**Zhongshan (3 Clinics)**

- UMP Medical Centre (Zhongshan Sanxiang Agile)
- UMP Medical Centre (Zhongshan Sanxiang Yagang)
- UMP Medical Centre (Zhongshan Sanxiang Quanyan)

**Zhuhai (1 Clinic)**

- UMP Medical Centre (Zhuhai Gongbei)

**Tianjin (1 Clinic)**

- UMP Medical Centre (Tianjin Huayuan)

**Dongguan (3 Clinic)**

- UMP Medical Centre (Dongguan Shilong)
- UMP Medical Centre (Dongguan Chang'an)
- UMP Medical Centre (Dongguan Dalang)

**Foshan (1 Clinics)**

- UMP Medical Centre (Shunde Lunjiao Changfeng)

**Shenzhen (1 Clinic)**

- UMP Medical Centre (Shenzhen Maillen Health Centre)

**Planning**

(Expected to operate in 3 months) ▼

**Guangzhou (6 Clinics)**

- UMP Medical Centre (Guangzhou First People's Hospital GP Clinic)
- UMP Medical Centre (Baiyun Huangshi)
- UMP Medical Centre (Baiyun Xinshi)
- UMP Medical Centre (Yuexiu Dadong)
- UMP Medical Centre (Yuexiu Meihua)
- UMP Medical Centre (Tianhe Shipai)

**Dongguan (2 Clinics)**

- UMP Medical Centre (Dongguan Liaobu)
- UMP Medical Centre (Dongguan Changping)

**Foshan (1 Clinics)**

- UMP Medical Centre (Shunde Lunjiao Changjiao)



## Greater Bay Area – healthcare institutions and GP doctors (2018)

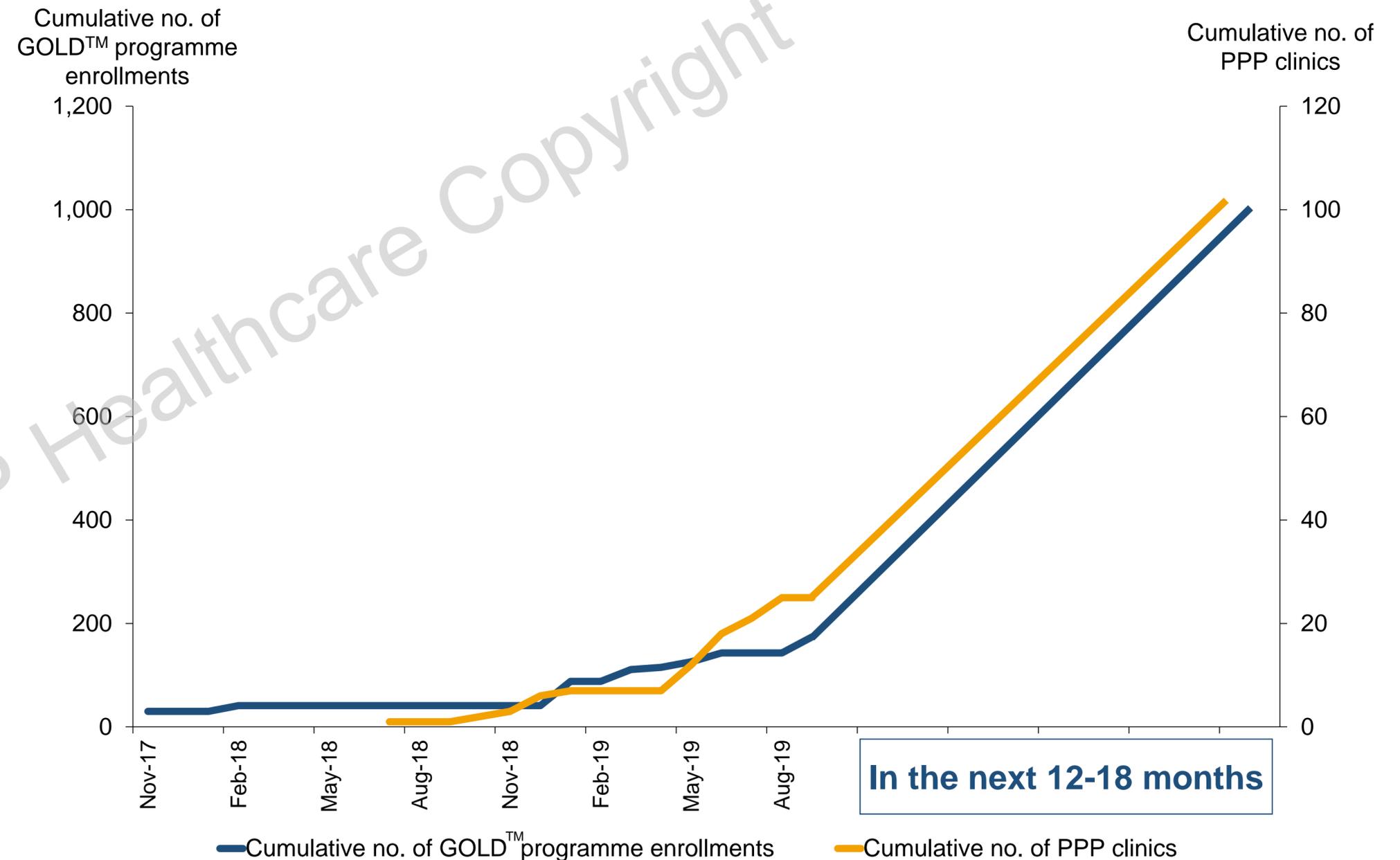
GBA data analysis	Shenzhen	Guangzhou	Zhuhai	Foshan	Zhongshan	Dongguan	Huizhou	Jiangmen	Zhaoqing	Total
No. of medical institutions	4,380	4,598	838	1,932	894	2,722	2,764	1,652	3,111	22,891
No. of hospitals	140	255	45	120	62	102	76	48	56	904
Total no. of community health service centres/stations	615	331	118	380	267	396	80	28	31	2,246
No. of community health service centres	606	152	16	39	28	33	25	18	17	934
No. of community health service stations	9	179	102	341	239	363	55	10	14	1,312
Total outpatient visits (10,000)	9,982	15,249	1,749	8,234	3,637	7,032	4,652	4,113	2,758	57,404
Total no. of doctors	36,309	54,134	7,090	20,001	8,800	19,516	13,339	10,298	8,140	177,627
Population (10,000)	1,303	1,490	189	791	331	839	483	460	415	6,301
Total no. of GP doctors	2,488	5,036	313	590	430	1,667	1,038	679	913	13,154



## The GOLD™ programme + PPP clinics have achieved rapid development in a short period and is expected to experience significant growth

### Cumulative no. of GOLD™ programme enrollments and PPP clinics

- UMP's GOLD™ programme and PPP clinics recorded significant growth in a short period since its establishment
- Within one year, the cumulative no. of GPs enrolled to the GOLD™ programme grew from 10 to ~200
- 31 community health service centres had engaged UMP to set up PPP clinics, 30 of which are in the GBA
  - UMP has been successfully invited by Guangzhou First People's Hospital to set up its first cooperative general clinic in a public hospital in the GBA
- It is expected that the PPP clinics will have an exponential growth in the next few years





# 3. The 1<sup>st</sup> offline & online bilingual real time virtual care service in Mainland China

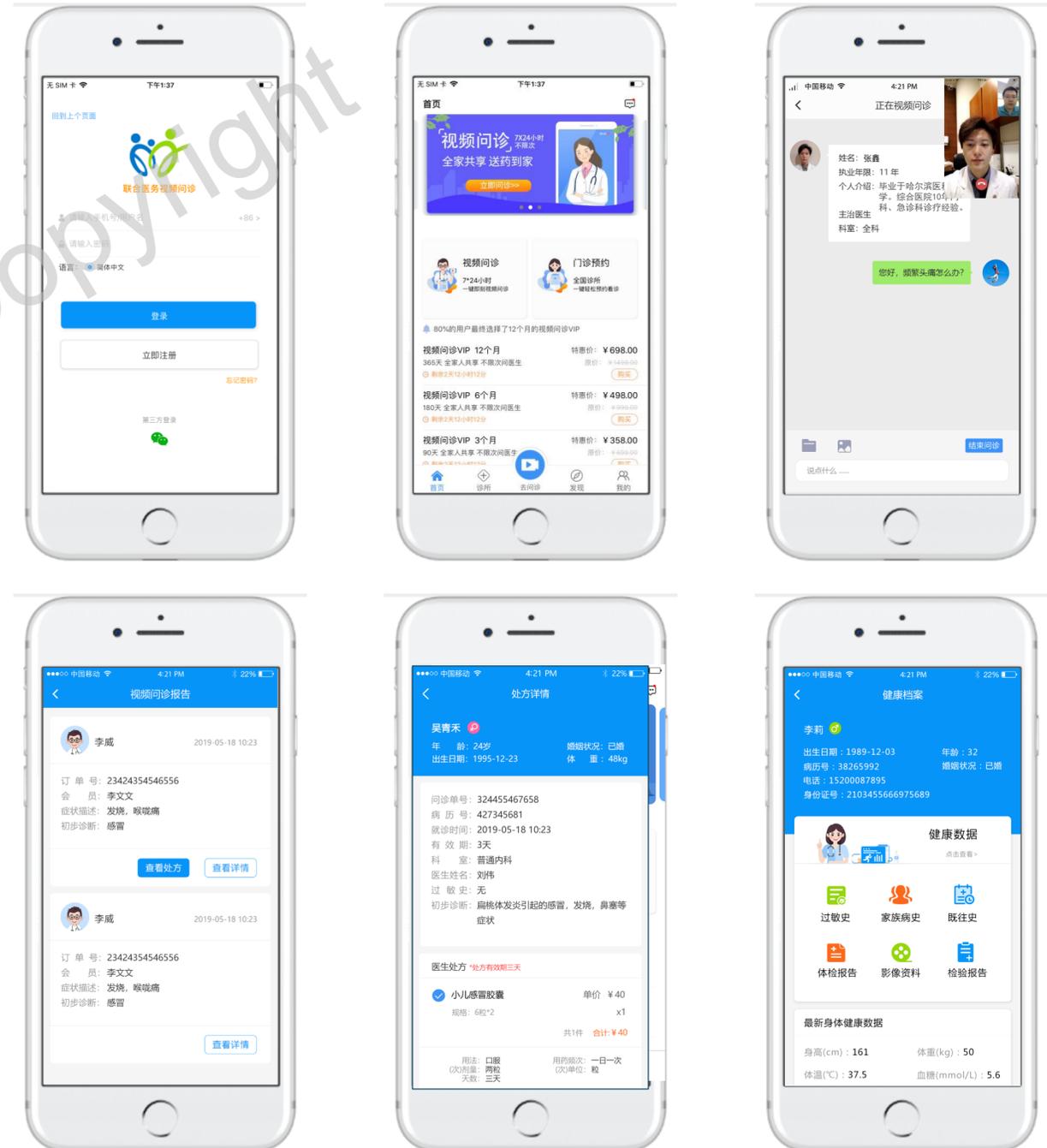
## A team of trained / assessed professional doctors + extensive offline clinic network empowerment



The 1<sup>st</sup> instant video medical consultation in China that supports Mandarin, English and Cantonese

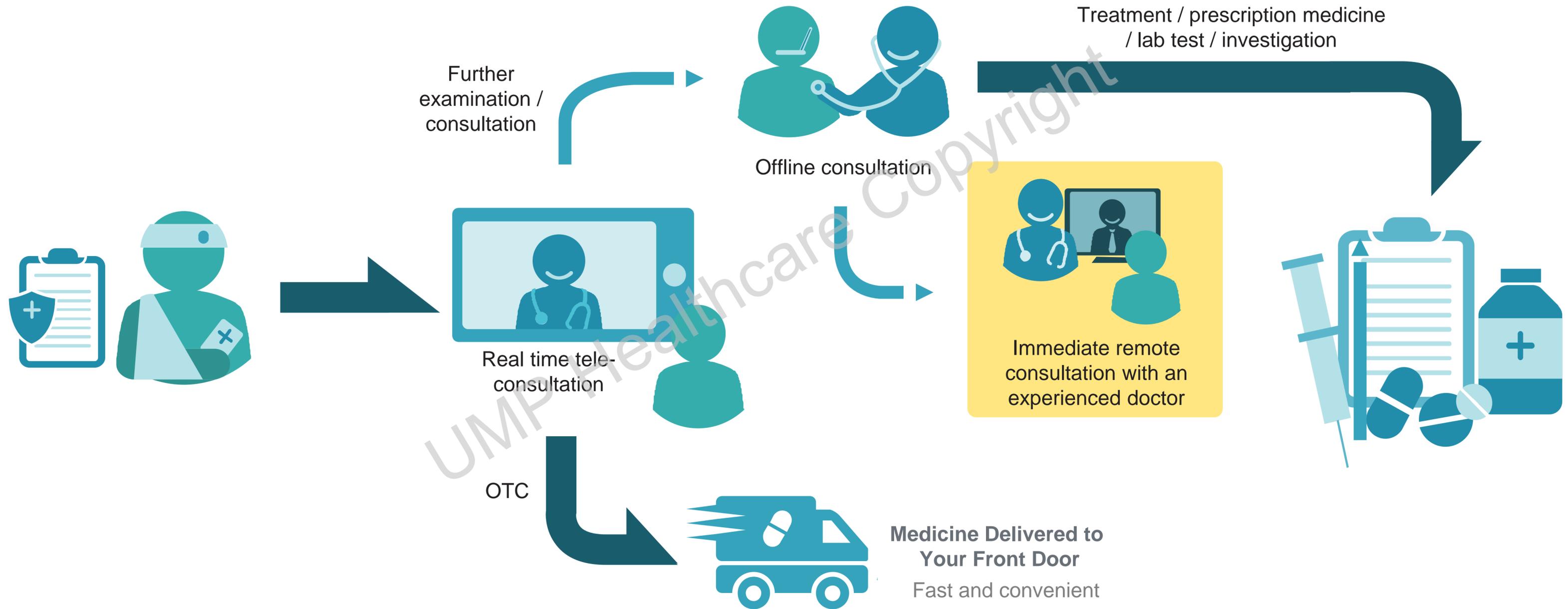
Users will connect to the doctor within **1 minute** after initiating the consultation service

Connecting you to your family doctor wherever you are: **7x24 hours**, with only the touch of your fingertip



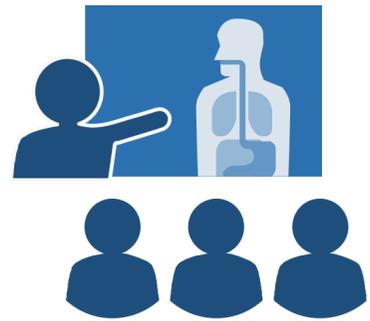


# 4. Establishing health plans with insurance companies across Mainland China, committed to provide a 1-stop solution based on offline and online primary care





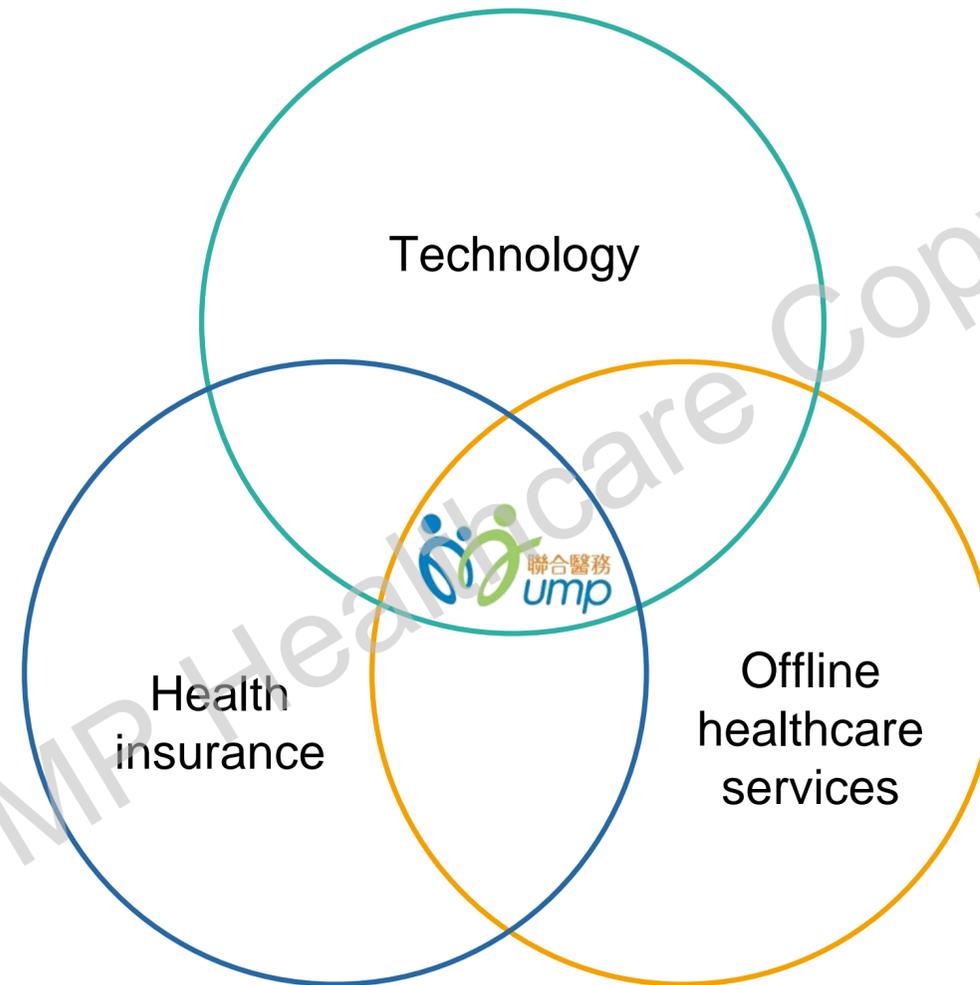
# Reaffirming UMP's unique competitive advantages



**Nurturing Chinese GPs with GOLD™ standards**



**24/7 virtual care access to GOLD™ certified doctors**



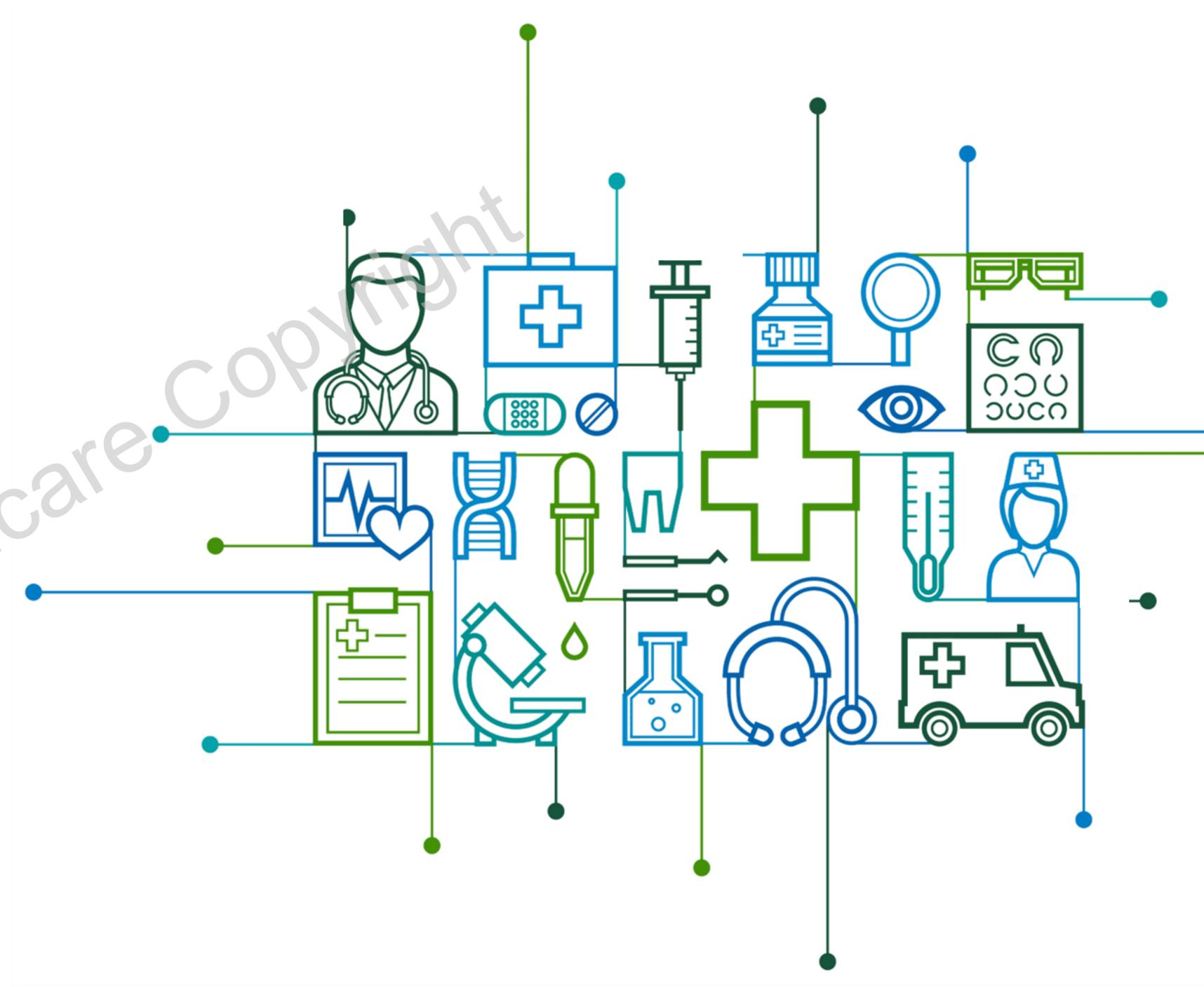
**Rapidly building international standards PPP clinic network throughout China at low cost**



**Designing innovative and cost-effective health management plans based on primary care**

**Empowering proliferation of health insurance and delivering a win-win-win for patients, providers, payers and regional governments in China**

## 4. Financial overview

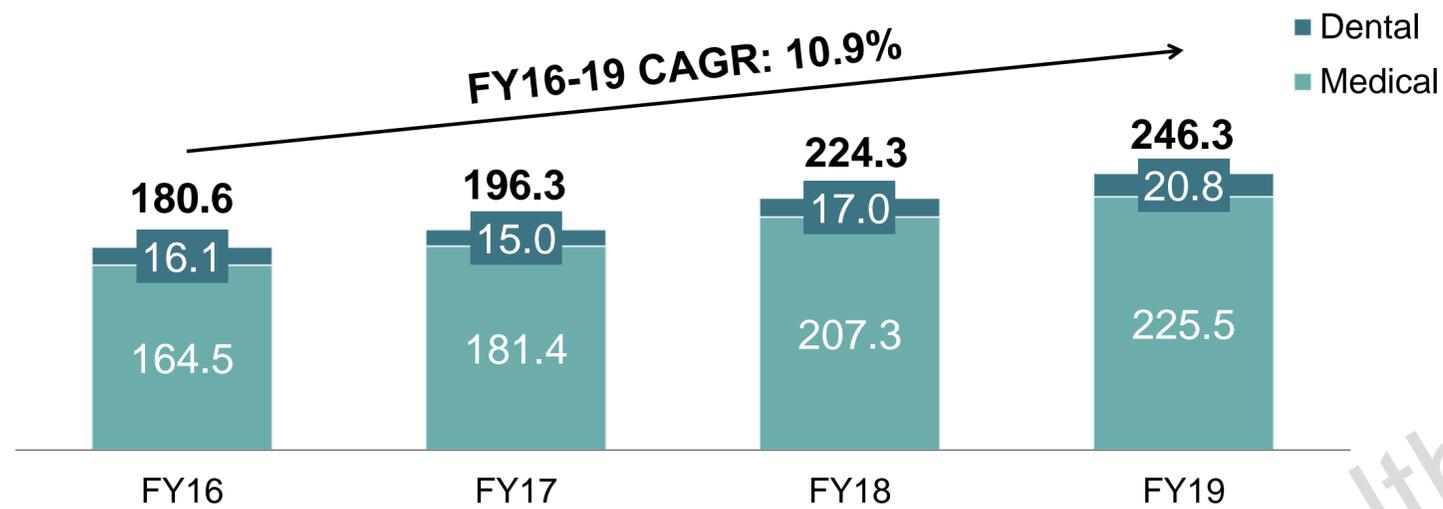




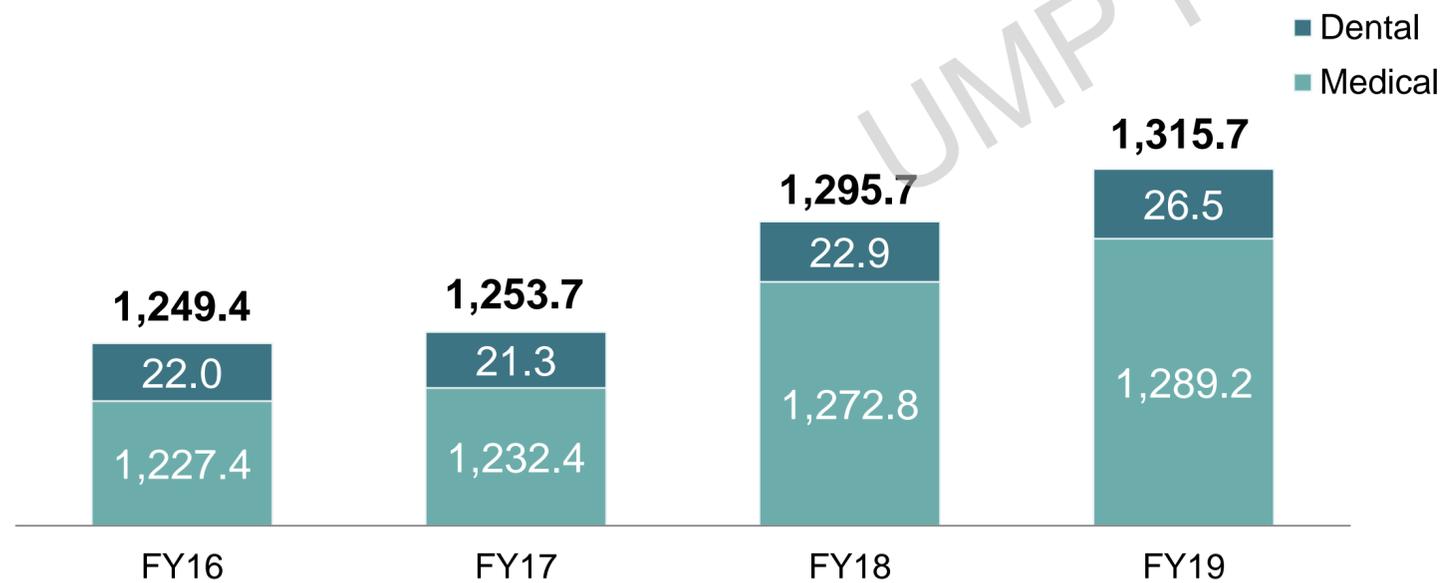
## Revenue breakdown

### Corporate healthcare solution services

Revenue (HK\$m)

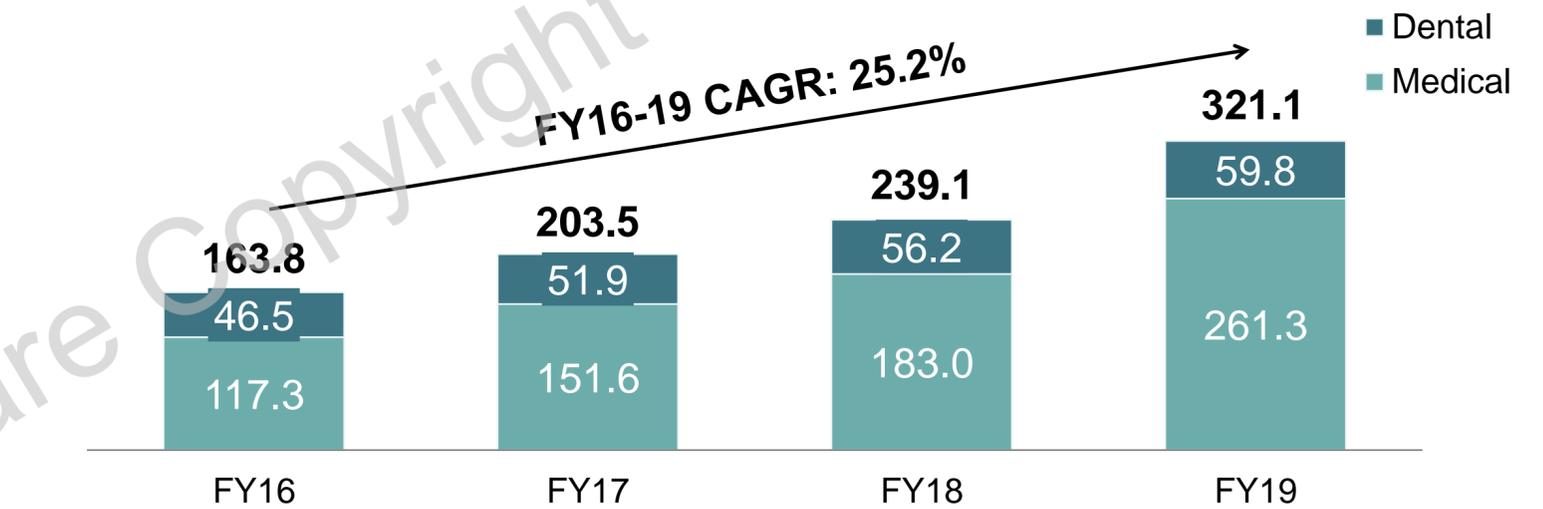


No. of visits ('000)



### Clinical healthcare services

Revenue (HK\$m)



No. of visits ('000)

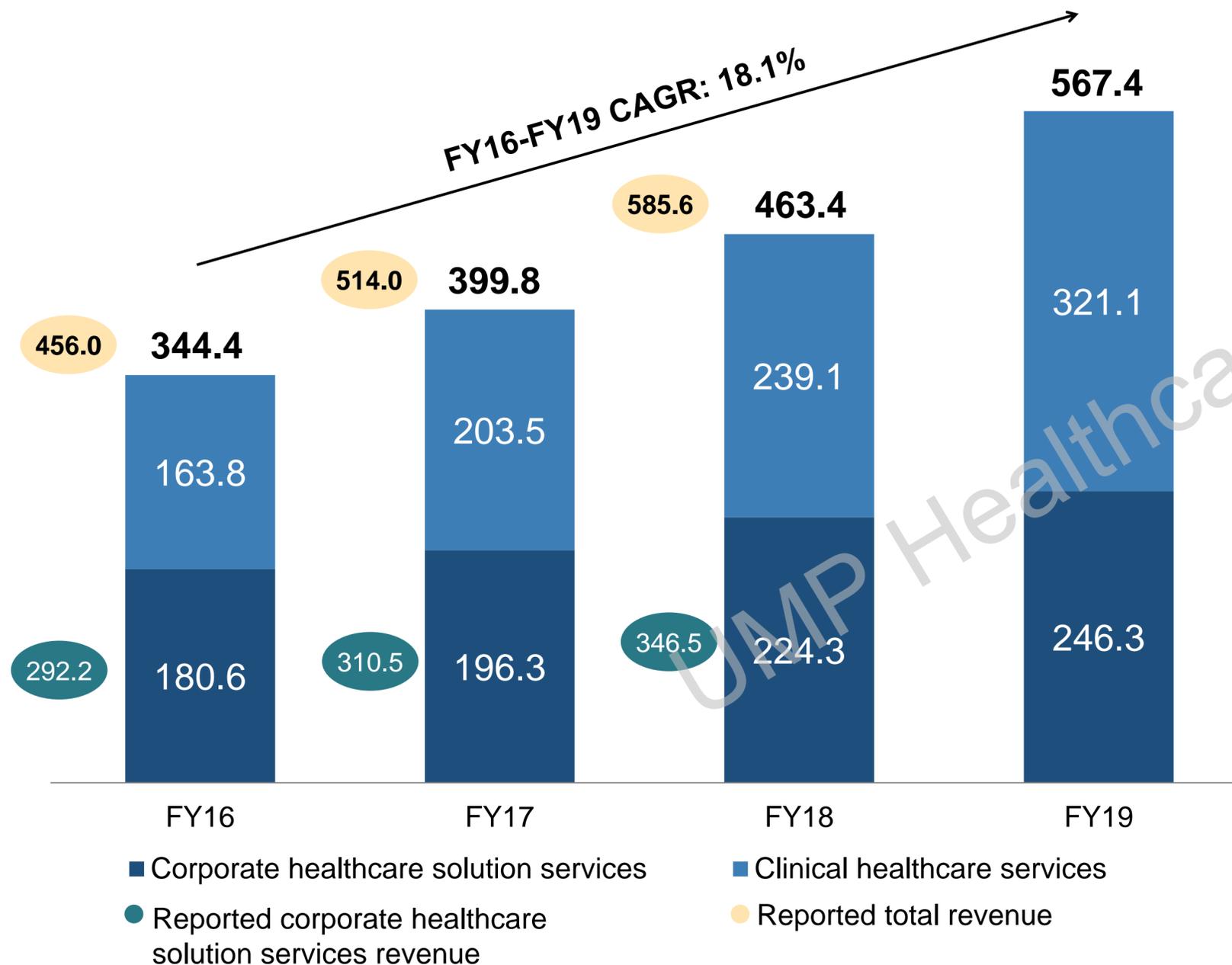


Note: Corporate healthcare solution services revenue in FY16-FY18 has been restated due to the revenue recognition policy of IFRS.

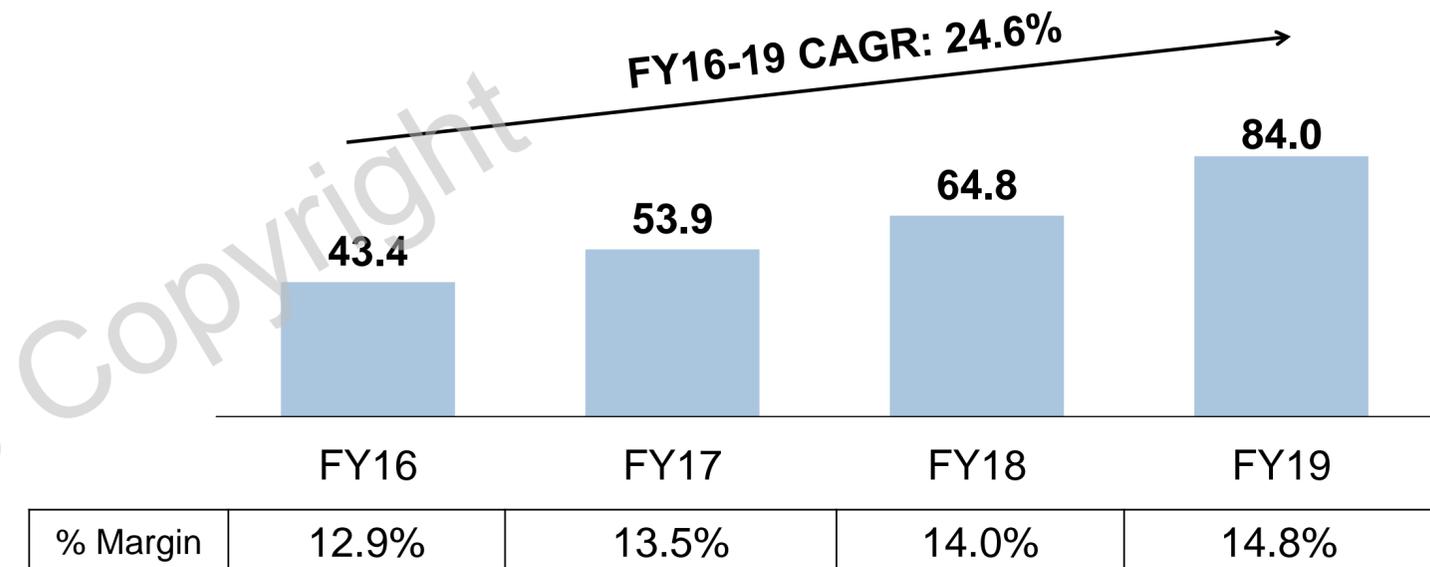


## Key profit & loss items

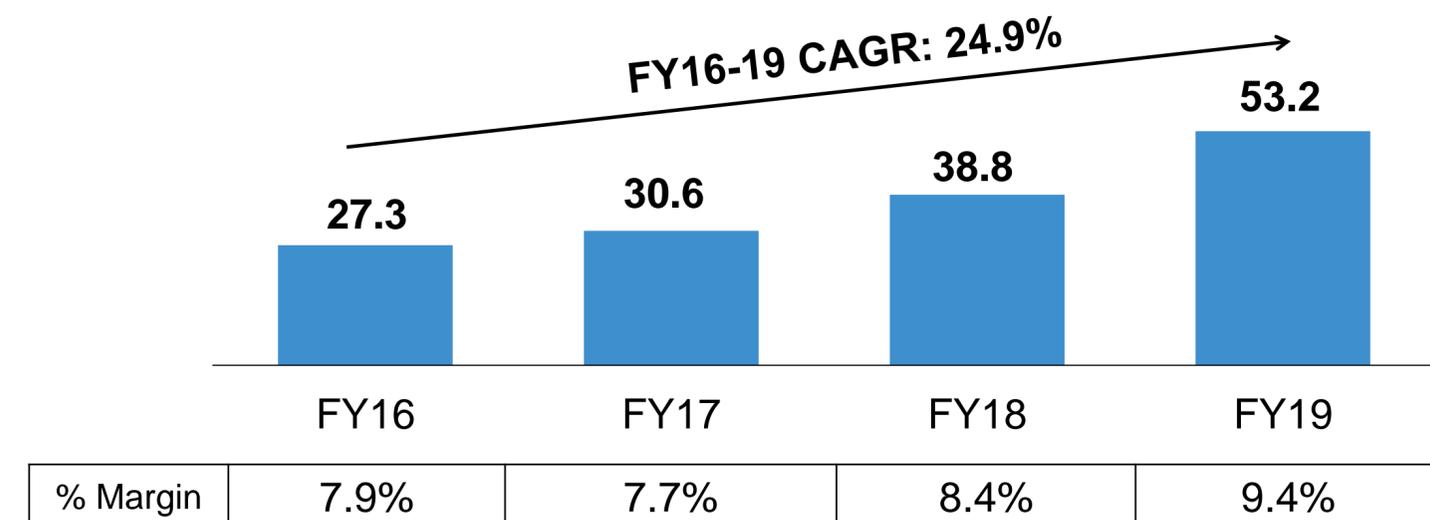
Revenue (HK\$m)



Adjusted EBITDA<sup>1</sup> (HK\$m)



Adjusted net profit<sup>2</sup> (HK\$m)



Note: Corporate healthcare solution services revenue in FY16-FY18 has been restated due to the revenue recognition policy of IFRS.

1) Adjusted EBITDA is adjusted for one-off non-recurring items, non-cash warrant expenses and non-cash share-based payment giving shareholders a proxy of operating cash flow generated by the Group's business in Hong Kong, Macau and the PRC: FY17 and FY16 adjusted EBITDA and adjusted net profit is restated to include PRC healthcare business which was previously excluded in the results announcement.

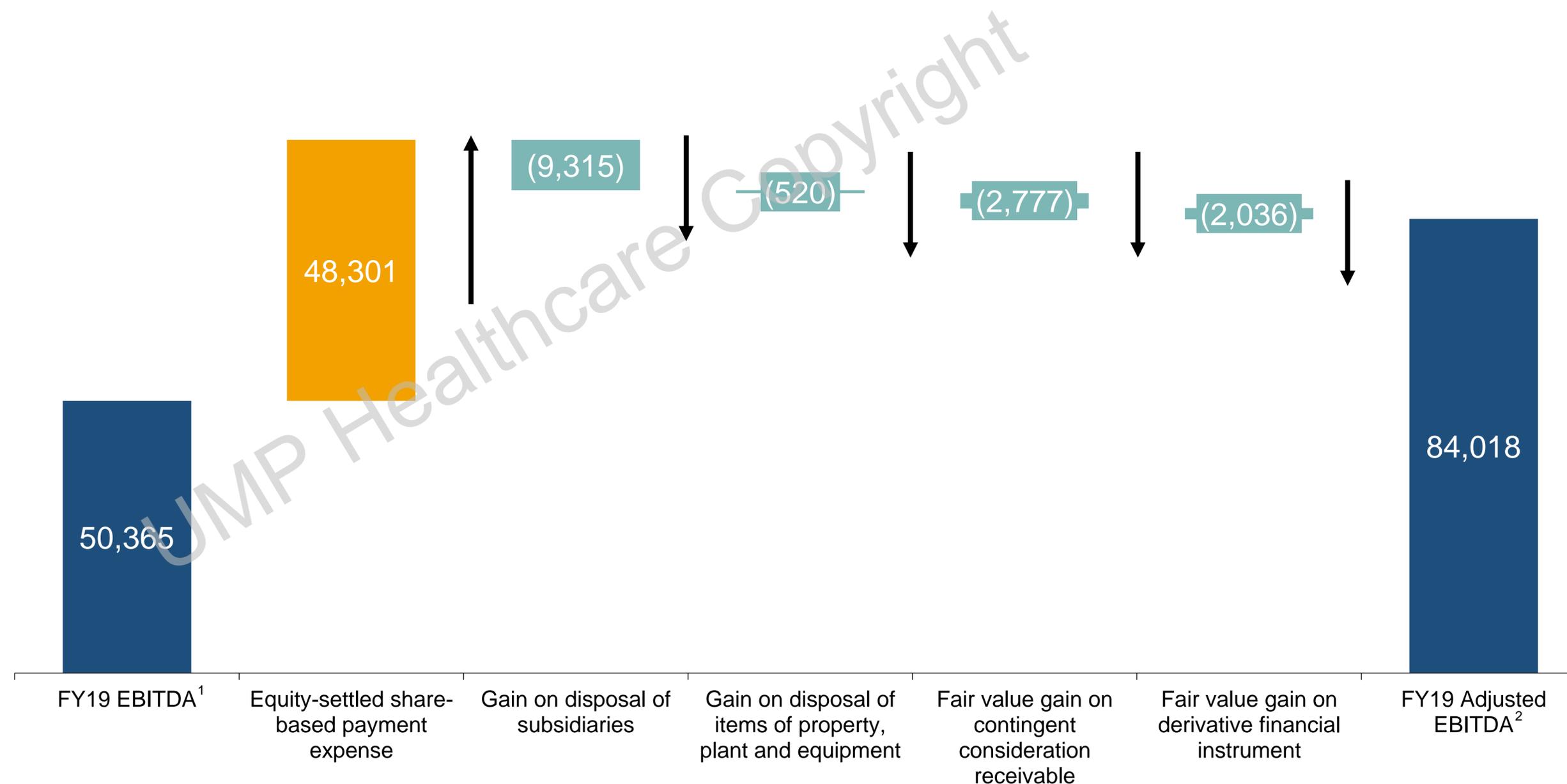
2) See appendix for adjustment.



## Reconciliation of FY19 adjusted EBITDA

FY19 EBITDA (HK\$ '000)

- We have issued various non-cash equity incentives and payments for our collaboration with Zheng He Health and Medical Resources Limited in FY19. Such non-cash equity payments have led to substantial accounting charges of ~HK\$37.5mn for FY19



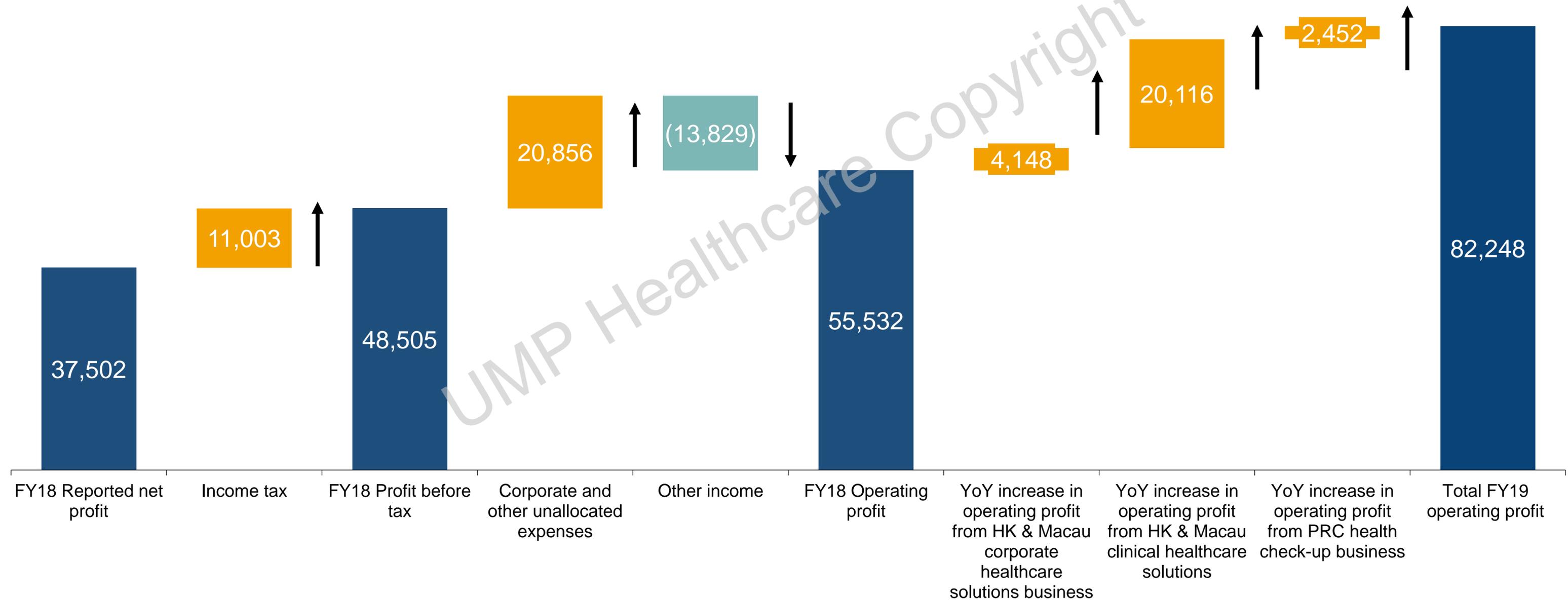
(1) EBITDA represents earnings before interest, tax, depreciation and amortisation.

(2) Adjusted EBITDA is adjusted for one-off non-recurring items, non-cash warrant expenses and non-cash share-based payment giving shareholders a proxy of operating cash flow generated by the Group's business in Hong Kong, Macau and the PRC.



## Reconciliation of FY19 reported net profit

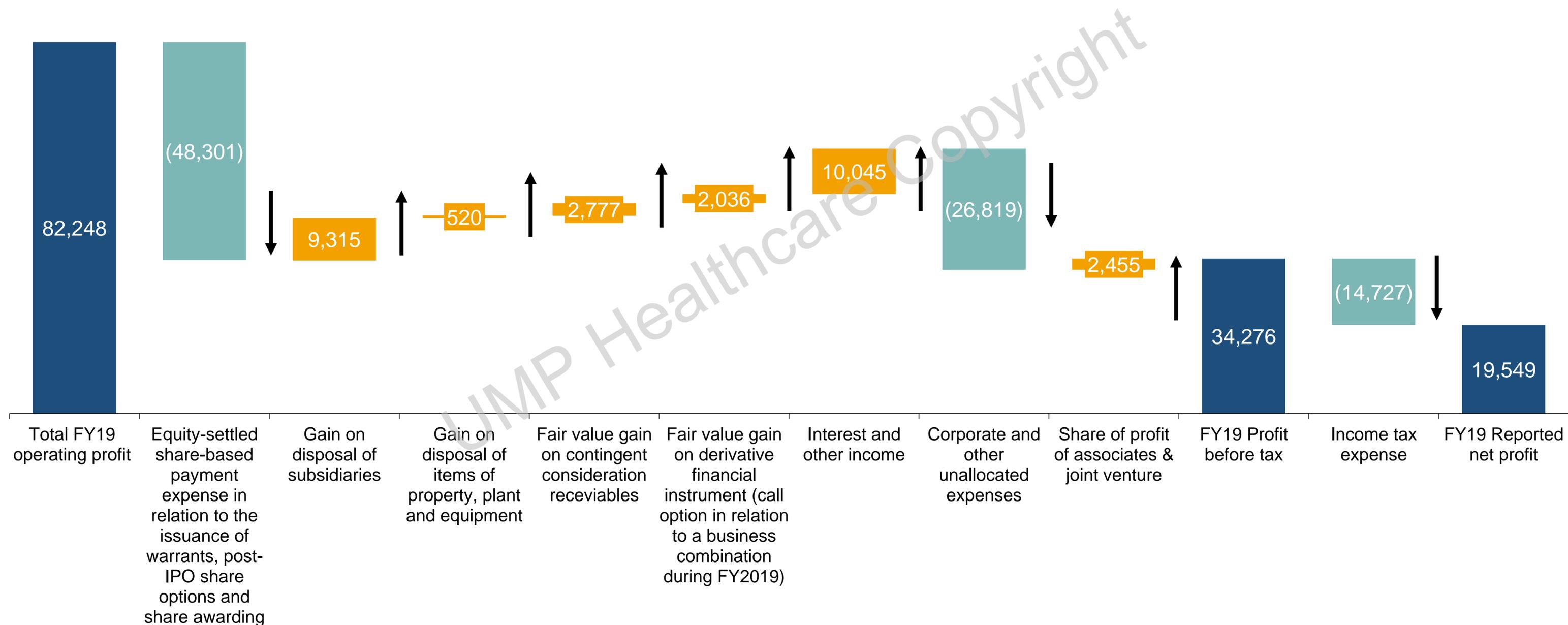
FY18/19 Profit (HK\$ '000)





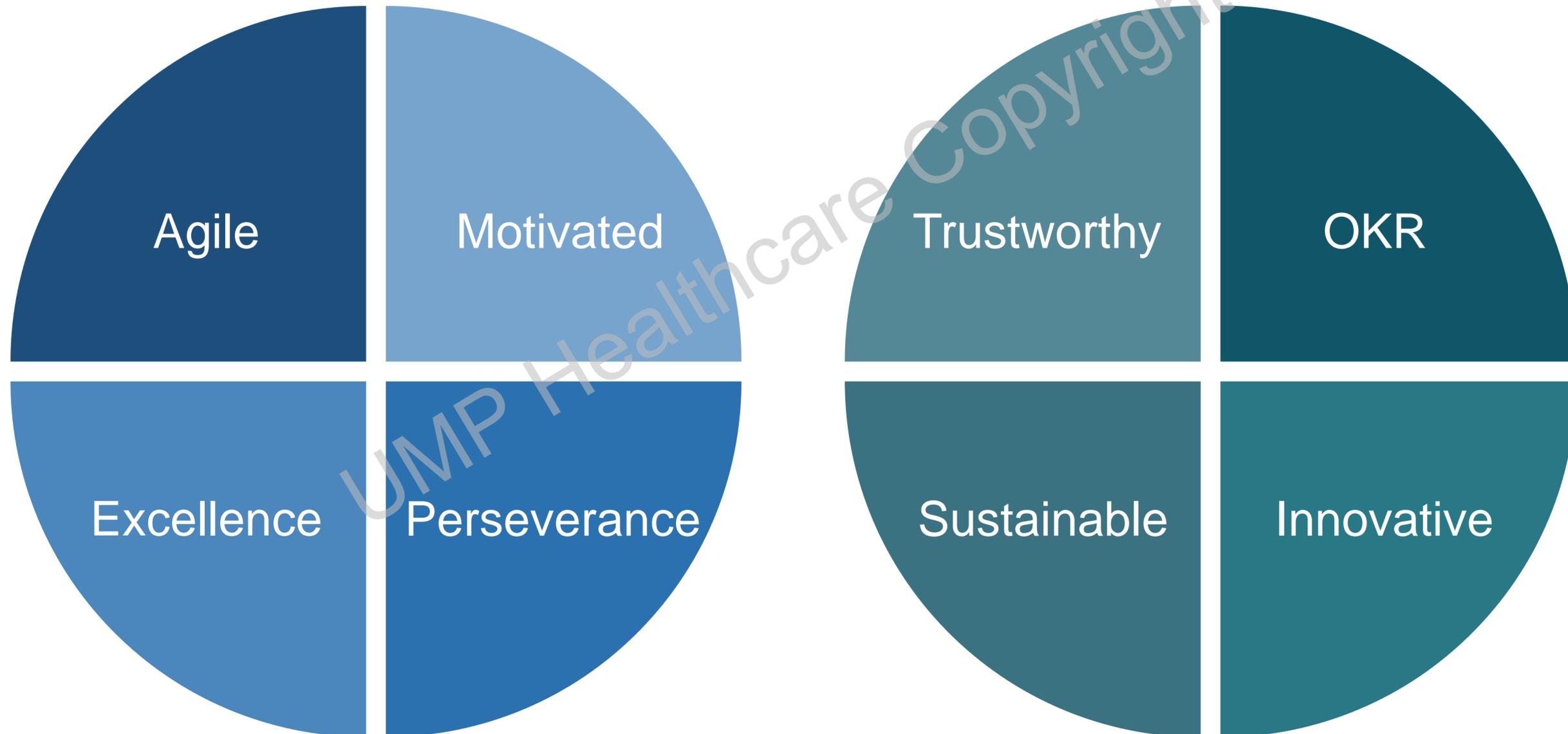
## Reconciliation of FY19 reported net profit (cont')

FY18/19 Profit (HK\$ '000)



# Our Values

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## Other presentations from UMP

- 1) The Greater Bay Area opportunities for UMP
- 2) China's primary care market opportunities for UMP
- 3) Relationship between commercial health insurance and UMP
- 4) Summary of key healthcare policies relating to primary care in China

Please refer to “Industry Analysis and Reports” section on our website:

[http://www2.ump.com.hk/investment.php?id=7&page\\_id=11](http://www2.ump.com.hk/investment.php?id=7&page_id=11)



## We want to collaborate with you!

For additional information on UMP Healthcare's development, annual reports, China's primary healthcare industry policies and regulations, the Greater Bay Area and China's commercial health insurance development, please visit the Investor Relations section at [www.ump.com.hk](http://www.ump.com.hk) or contact us at [ir@ump.com.hk](mailto:ir@ump.com.hk)

For business collaboration / partnership enquiries, especially managed care policies and virtual care, please contact [elvis.huang@ump.com.hk](mailto:elvis.huang@ump.com.hk) (China related) and [yc.tsang@ump.com.hk](mailto:yc.tsang@ump.com.hk) (Hong Kong and Macau related)

For clinic network partnership and third party administration services, please contact [paul.ye@ump.com.hk](mailto:paul.ye@ump.com.hk) (China related) and [osman.lee@ump.com.hk](mailto:osman.lee@ump.com.hk) (Hong Kong and Macau related)

For other general enquiries, please contact [business@ump.com.hk](mailto:business@ump.com.hk)

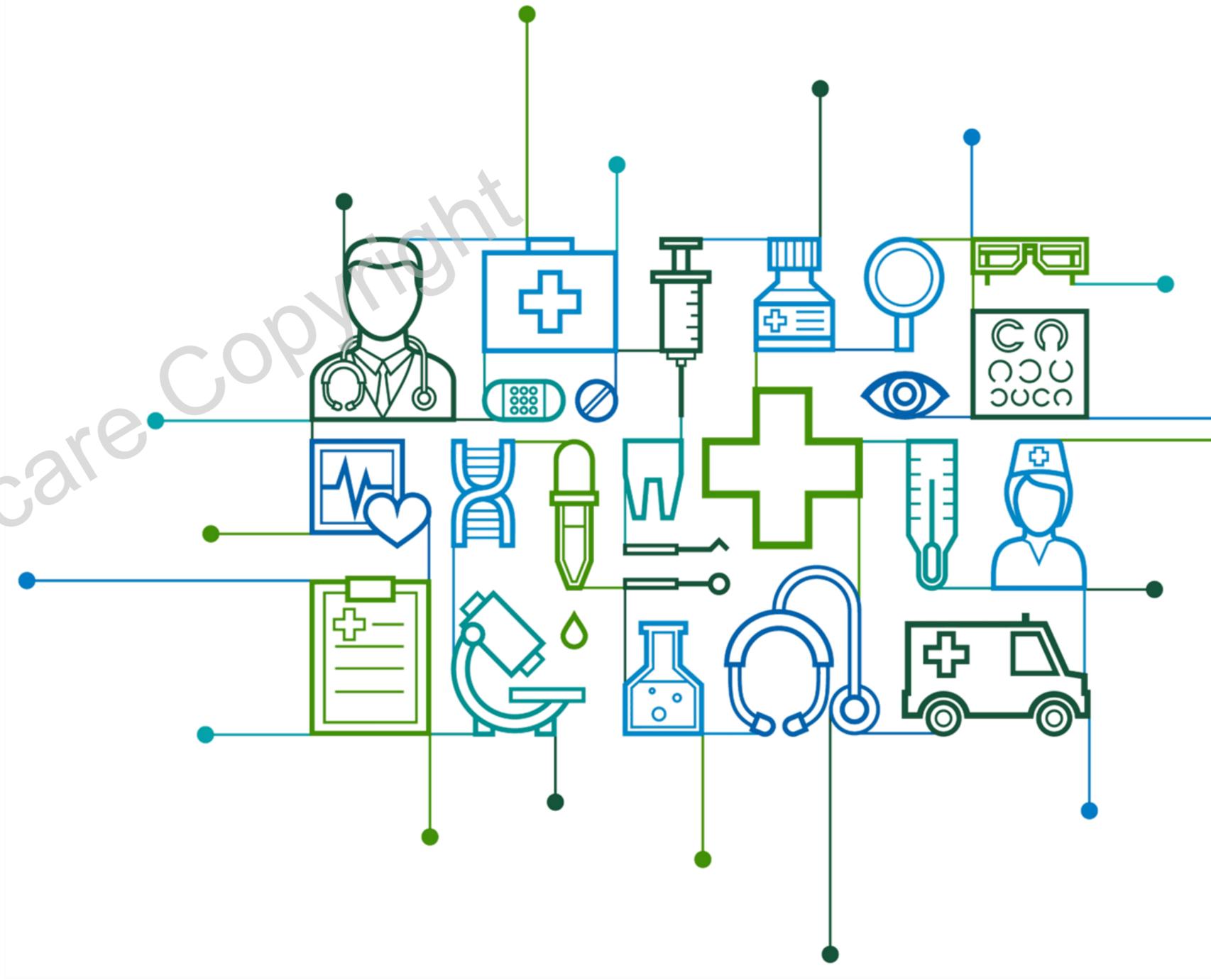
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UMP Investor Relations WeChat Group for future communications and news sharing – please scan to join

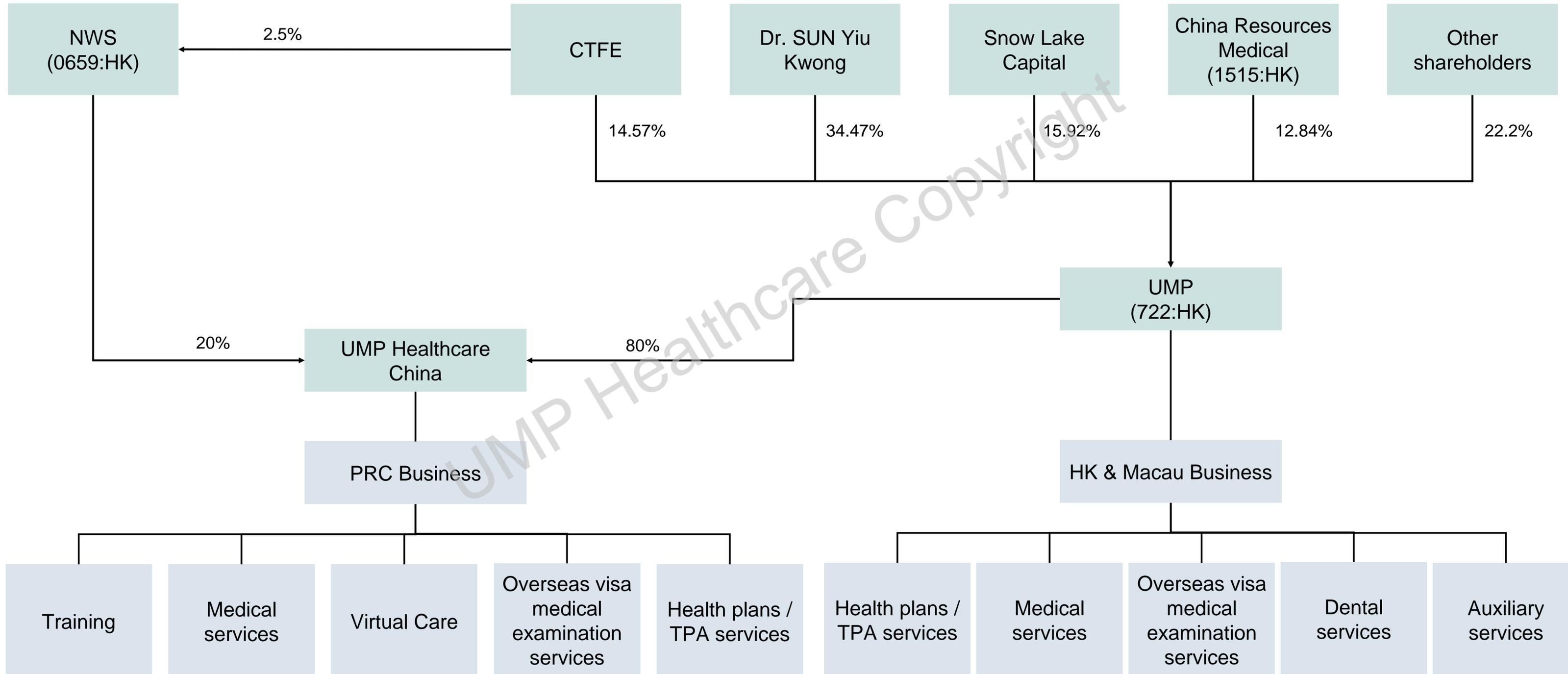
# Appendices

UMP Healthcare Copyright





# Corporate and Shareholding structure





## Reconciliation of adjusted net profit

(HK\$ '000)	FY2016 (restated)	FY2017 (restated)	FY2018 (restated)	FY2019
Reported Net profit	6,882	48,244	37,502	19,549
Reconciliations:				
Equity-settled share-based payment expense	7,546	8,066	1,771	48,301
Net gain on disposal of subsidiaries/associates	-	(16,483)	-	(9,315)
Gain on disposal of items of property, plant and equipment	-	-	-	(520)
Non-cash fair value gain / remeasurement / bargain of items	(3,499)	(9,246)	(500)	(4,813)
One-off listing expenses	16,376	-	-	-
<b>Adjusted net profit<sup>1</sup></b>	<b>27,305</b>	<b>30,581</b>	<b>38,773</b>	<b>53,202</b>

Note: Corporate healthcare solution services revenue in FY16-FY18 has been restated due to the revenue recognition policy of IFRS.

(1) FY17 and FY16 adjusted net profit is restated to include PRC healthcare business which was previously excluded in the results announcement



## P&L summary

(HK\$ '000)	FY2016 (restated)	FY2017 (restated)	FY2018 (restated)	FY2019
Reported Revenue	456,020	514,023	585,630	699,028
<b>Restated Revenue</b>	<b>344,403</b>	<b>399,817</b>	<b>463,441</b>	<b>567,377</b>
Profit before tax	14,254	57,094	48,505	34,275
Depreciation and amortization	9,611	17,561	19,997	22,701
Reported EBITDA	22,993	71,594	63,568	50,365
<b>Adjusted EBITDA<sup>1</sup></b>	<b>43,416</b>	<b>53,931</b>	<b>64,839</b>	<b>84,018</b>
Reported net profit	6,882	48,244	37,502	19,549
<b>Adjusted net profit<sup>2</sup></b>	<b>27,305</b>	<b>30,581</b>	<b>38,773</b>	<b>53,202</b>
<i>Revenue by operating segment</i>				
Reported provision of corporate healthcare solutions services	292,241	310,520	346,506	<b>246,303</b>
<b>Restated provision of corporate healthcare solutions services</b>	<b>180,624</b>	<b>196,314</b>	<b>224,317</b>	-
<b>Reported provision of clinical healthcare services</b>	<b>163,779</b>	<b>203,503</b>	<b>239,124</b>	<b>321,074</b>
Total	344,403	399,817	463,441	567,377

Note: Corporate healthcare solution services revenue in FY16-FY18 has been restated due to the revenue recognition policy of IFRS.

1) Adjusted EBITDA is adjusted for one-off non-recurring items, non-cash warrant expenses and non-cash share-based payment giving shareholders a proxy of operating cash flow generated by the Group's business in Hong Kong, Macau and the PRC: FY17 and FY16 adjusted EBITDA and adjusted net profit is restated to include PRC healthcare business which was previously excluded in the results announcement.

2) See appendix for adjustment



## Glossary

Terms	Definition
CHC	“CHC” refers to Community Health Service Centres, most of which are managed by regional governments in China
GBA	GBA refers to the "Greater Bay Area", which refers to the Chinese government's scheme to link the cities of Hong Kong, Macau, Guangzhou, Shenzhen, Zhuhai, Foshan, Zhongshan, Dongguan, Huizhou, Jiangmen and Zhaoqing into an integrated economic and business hub
GOLD™ Programme	“GOLD™ Programme” is UMP’s General Practice Oriented Training and Development Programme developed by doctors involved with providing both undergraduate and postgraduate family medicine training in Hong Kong. The programme is aimed at frontline general practitioners working in China, providing them with evidence-based clinical knowledge combined with practical skills that are relevant to daily practice
GP	“GP” refers to general practitioner who are personal doctors, primarily responsible for the provision of comprehensive and continuing care to every individual
Patient triage	“Patient Triage” is the process of determining the priority of patients' treatments based on the severity of their condition
PPP	“PPP” refers to Public-Private Partnership, which is a collaboration between the public and private sector that enables fulfilment of certain common goals and draws from the expertise of both settings. In healthcare, PPP models can fill a service gap and leverage primary care for effective disease management and outcomes
Primary care	“Primary care” is the first level of care in the whole healthcare system, while secondary and tertiary care mainly include specialist and hospital services. It is the first point of contact in a continuing healthcare process, providing broad range of services close to the community where people live and work
TPA	Third Party Administrators process health insurance claims and coordinate healthcare service providers on behalf of insurance companies, brokers and corporates



YOUR TRUSTED FAMILY DOCTOR  
您可信賴的家庭醫生

# Thank You!



Official UMP  
WeChat Account



Official GOLD™  
WeChat Account



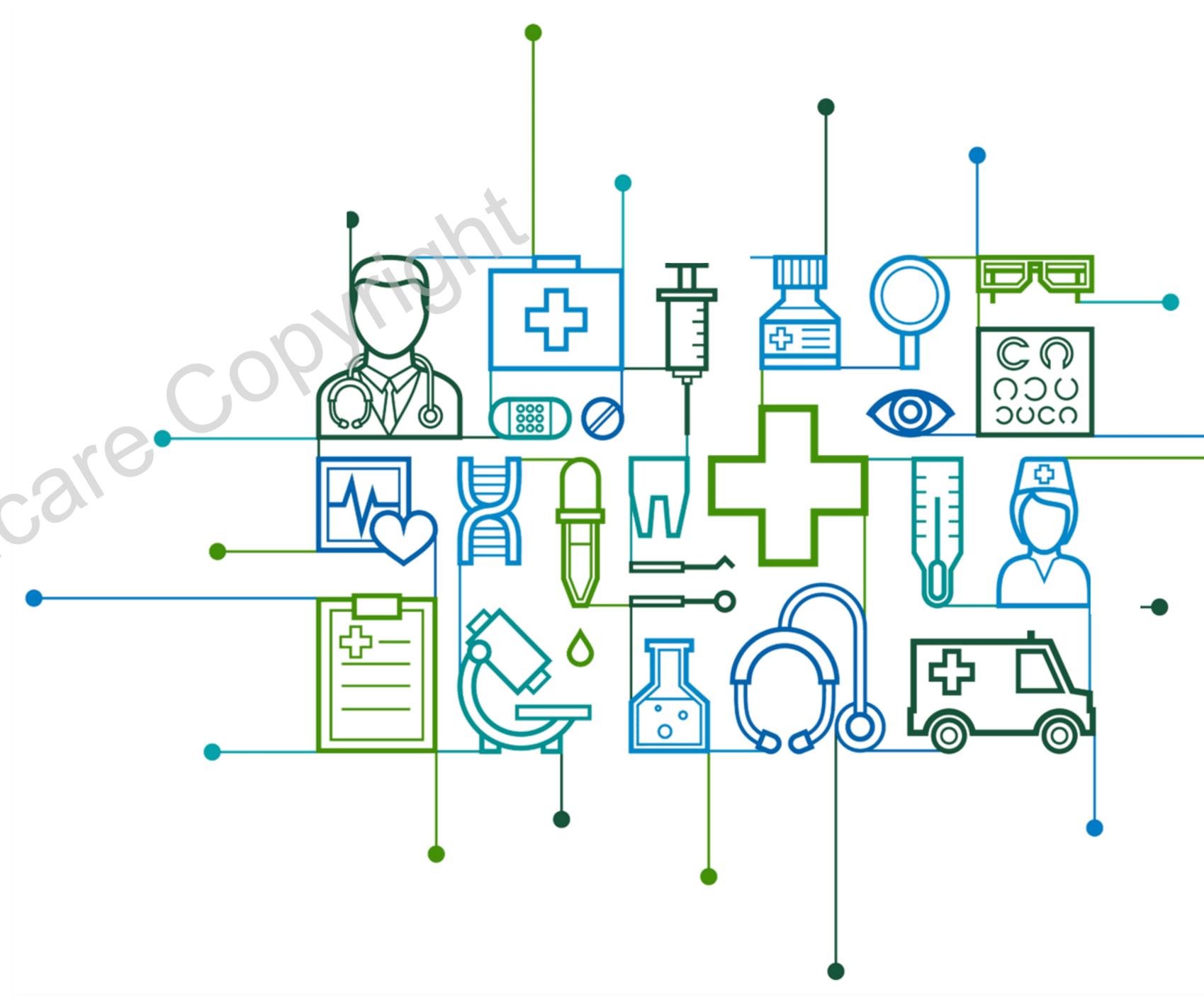
UMP tele-consultation  
mini programme



UMP's tele-  
consultation in HK



UMP IR WeChat  
Group



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