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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)**

**VOLUNTARY ANNOUNCEMENT  
CONTINUING CONNECTED TRANSACTION  
MASTER MANAGEMENT AND CONSULTANCY AGREEMENT**

This announcement is made by the Company on a voluntary basis.

The Board is pleased to announce that on 5 May 2016, UMP Healthcare China, a wholly-owned subsidiary of the Company, and Healthcare Ventures, a wholly-owned subsidiary of CTFE, have entered into the Master Management Agreement pursuant to which Healthcare Ventures or its associate(s) exclusively appointed UMP Healthcare China or its associate(s) as the manager to manage and operate all the Clinics to be established by Healthcare Ventures or its associate(s) in the PRC according to the terms and conditions of the Master Management Agreement.

As at the date of this announcement, Healthcare Ventures holds approximately 15% of the issued share capital of the Company. Accordingly, Healthcare Ventures is a substantial shareholder and a connected person of the Company pursuant to the Listing Rules. As at the date of this announcement, the Directors estimate that the annual management fee to be received from Healthcare Ventures and all the relevant percentage ratios under applicable size tests will fall below the de minimis threshold under Rule 14A.76 of the Listing Rules. The entering into of the Master Management Agreement and the transactions contemplated thereunder are fully exempted from the requirements of announcement, circular (including independent financial advice) and independent shareholders' approval pursuant to the Listing Rules.

## **INTRODUCTION**

On 5 May 2016, UMP Healthcare China, a wholly-owned subsidiary of the Company, and Healthcare Ventures, a wholly-owned subsidiary of CTFE, have entered into the Master Management Agreement pursuant to which Healthcare Ventures or its associate(s) exclusively appointed UMP Healthcare China or its associate(s) as the manager to manage and operate all the Clinics to be established by Healthcare Ventures or its associate(s) in the PRC according to the terms and conditions of the Master Management Agreement.

The Clinics will be established and invested by Healthcare Ventures or its associate(s) in the PRC, which consist of medical centres and/or clinics providing outpatient general practice services, specialist services, dental services and auxiliary healthcare services.

## **THE MASTER MANAGEMENT AGREEMENT**

### **Date**

5 May 2016

### **Parties**

1. Healthcare Ventures (as the principal); and
2. UMP Healthcare China (as the manager)

### **Term**

The term of the Master Management Agreement shall commence on 5 May 2016 for a term of three years and shall expire on 4 May 2019 unless terminated by the parties in accordance with the terms set out in the Master Management Agreement.

### **Exclusive Appointment of Manager**

Pursuant to the Master Management Agreement, Healthcare Ventures shall exclusively appoint UMP Healthcare China as its sole, exclusive and continuing operator and manager, for and at the expenses of Healthcare Ventures, to supervise, manage and operate the Clinics under the terms and conditions of the Master Management Agreement.

With respect to the management of each Clinic, Healthcare Ventures or its associate(s) shall enter into, and cause and procure each Clinic to enter into, an individual Clinic Management Agreement with, and give effect to the appointment of, UMP Healthcare China or its associate(s) in accordance with the terms and conditions of the Master Management Agreement as the manager of the relevant Clinic as soon as practicable after the decision to establish the relevant Clinic is made. The specific terms and conditions, including scope of the management services, the management fee to be charged, payment method and other relevant terms shall be governed by each individual Clinic Management Agreement, provided that such terms and conditions are not contrary to that of the Master Management Agreement.

## **Management and Operation of the Clinics**

During the term of the Master Management Agreement, the Clinics will be supervised, managed and operated by UMP Healthcare China or its associate(s) in the name of “UMP”, “聯合醫務” and/or “聯合醫務”, or such other name as may be agreed by the parties.

## **Management Fee**

The management fee calculation mechanism under each Clinic Management Agreement will be determined by the parties through arm’s length negotiation on a case-by-case basis and on normal commercial terms. In particular, management fee will be payable by Healthcare Ventures or each Clinic, as the case may be, on an annual basis, based on the following calculation principles but which are subject to further negotiation by the parties for each individual Clinic depending on the types of services to be offered at such Clinic and the amount of capital expenditure required for such Clinic:

- (i) a basic management fee equivalent to a fixed percentage of the revenue of the relevant Clinic for each financial year provided that the earnings/cash flow in such financial year shall meet the minimum requirement as stipulated in the individual Clinic Management Agreement, and which shall be subject to further adjustment by the parties in the event that the working capital, being the balance of current assets minus current liabilities, of the relevant Clinic at the end of each financial year is less than a pre-agreed amount pursuant to the relevant Clinic Management Agreement; and
- (ii) incentive management fee equivalent to a fixed percentage of the balance of net profit after tax of the relevant Clinic minus the basic management fee if the performance targets are met and achieved in the relevant financial year. The payment of the incentive management fee would also be subject to the minimum earnings/cash flow requirement and working capital requirement stated in (i) above.

## **Right of First Refusal**

Pursuant to the Master Management Agreement, if Healthcare Ventures decides to sell, transfer or otherwise dispose of, directly or indirectly, any of its interests (equity, economic or otherwise) in any Clinic, or any of its holding companies, and has received a bona fide offer from any third party to so purchase, UMP Healthcare China shall have the right of first refusal and be offered with the same terms and conditions which are offered by such third party.

The exercise of the right of first refusal by UMP Healthcare China (or its associates) may constitute notifiable and/or connected transactions of the Company under the Listing Rules which may be subject to, as the case may be, reporting, announcement, circular and independent shareholders’ approval requirements. The Company will comply in full with all applicable reporting, disclosure and, if applicable, independent shareholders’ approval requirements under Chapters 14 and 14A of the Listing Rules. Furthermore, Healthcare Ventures shall provide all reasonable assistance to the Group in connection with the compliance with any such requirements under the Listing Rules.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE MASTER MANAGEMENT AGREEMENT**

CTFE has been making investments in the healthcare sector in Asia and globally. In view of the positive prospects in the PRC healthcare industry and strong demand for quality healthcare services, CTFE invested in the Company in 2015 and owns approximately 15% of the issued share capital of the Company. In addition to its healthcare related investments, CTFE also owns direct and indirect interests in different real estate projects in China, which could serve as potential locations for UMP clinics.

The Group has ample experiences in clinic operation and management and has strong brand recognition in the private healthcare market in Hong Kong. The Group is expanding its corporate healthcare solutions business into the PRC by first establishing its PRC clinic network. The Group aims to quickly develop the PRC clinic network through establishing (i) self-owned clinics, (ii) physician-joint-ventured clinics, and (iii) managing clinics owned by other investors/owners under similar management agreements.

Therefore, to leverage the brand reputation and managerial expertise of the Group, CTFE is contemplating a closer partnership with the Group in the PRC's healthcare market. Furthermore, the Board believes that the entering into of the Master Management Agreement enables the Group to fully leverage the resources of the Group's strategic shareholders, and also serves as one of the strategic steps in implementing the Group's corporate strategy for establishing its clinic network in the PRC. Through the arrangement of exclusive management of Clinics in the name of "UMP", "聯合醫務" and/or "联合医务" under the Master Management Agreement, the Group will be able to maintain its brand and service consistency, while deriving benefits from (i) a faster expansion of the geographical coverage of its clinic network in the PRC without incurring significant pre-opening and ramp up expenses, (ii) diversifying and increasing its income streams and cash flow through the provision of management and operation services to the Clinics, and (iii) establishing, promoting and strengthening its "UMP", "聯合醫務" and/or "联合医务" brand name in the PRC market.

The Directors, including the independent non-executive Directors, are of that view that the transactions contemplated under the Master Management Agreement are in the ordinary and usual course of business of the Group on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **THE FIRST CLINIC TO BE JOINTLY ESTABLISHED BY HEALTHCARE VENTURES AND PUREMED**

Healthcare Ventures and Puremed intend to set up a joint venture to provide set-up and working capital for Puremed UMP Clinic, a Shanghai-based general clinic focusing on delivering general practice services and cardiology services. Puremed UMP Clinic is likely to be the first PRC clinic to be established by Healthcare Ventures and the first Clinic to be managed and operated by the Group in the PRC pursuant to the Master Management Agreement.

Puremed was founded by several experienced physicians and nurses in the PRC under the leadership of Dr. Sun Yin Guang, an experienced cardiologist in the PRC. Dr. Sun served at well-known public hospitals and private healthcare groups in Shanghai for many years. Puremed shall procure doctors and other medical staff to deliver healthcare services at the Puremed UMP Clinic.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Healthcare Ventures, a wholly-owned subsidiary of CTFE, holds approximately 15% of the issued share capital of the Company. Accordingly, Healthcare Ventures is a substantial shareholder and a connected person of the Company pursuant to the Listing Rules.

As at the date of this announcement, none of the Clinics have commenced operation, thus UMP Healthcare China has not yet charged any management fee from Healthcare Ventures under the Master Management Agreement. The Directors estimate that the annual management fee to be received from Healthcare Ventures and all the relevant percentage ratios under applicable size test in respect of the Master Management Agreement will fall below the de minimis threshold under Rule 14A.76 of the Listing Rules. The entering into of the Master Management Agreement and the transactions contemplated thereunder are fully exempted from the requirements of announcement, circular (including independent financial advice) and independent shareholders' approval pursuant to the Listing Rules. This announcement is made by the Company on a voluntary basis.

The Company will comply in full with all applicable reporting, disclosure and, if applicable, independent shareholders' approval requirements under Chapter 14A of the Listing Rules if the Clinics have commenced operation and the management fees to be charged by UMP Healthcare China have reached the relevant disclosure threshold under Chapter 14A of the Listing Rules.

## **INFORMATION OF THE PARTIES**

The Company is incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange. The Group is one of the leading corporate healthcare solutions providers in Hong Kong, which partners with corporations and insurance companies in the design and administration of corporate healthcare benefits plans for, and provides healthcare services to, such members, employees and policyholders.

UMP Healthcare China is a company incorporated in the Cayman Islands with limited liability and a wholly-owned subsidiary of the Company. It is principally engaged in the business of investment holding.

Healthcare Ventures is a company incorporated in the British Virgin Islands with limited liability. It is a substantial shareholder of the Company and a wholly-owned subsidiary of CTFE. The principal business of Healthcare Ventures is investment holding.

## DEFINITION

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Clinic(s)”	the medical centre(s) and/or clinic(s) to be established by Healthcare Ventures or its associate(s) in the PRC in providing, amongst others, outpatient general practice services, specialist services, dental services and auxiliary healthcare services
“Clinic Management Agreement(s)”	the clinic management agreement to be entered into between Healthcare Ventures (or its associates), UMP Healthcare China (or its associates) and/or each Clinic in respect of the supervision, operation and management of each Clinic
“Company”	UMP Healthcare Holdings Limited (stock code: 722), 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 Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“CTFE”	Chow Tai Fook Enterprises Limited, a company incorporated under the laws of Hong Kong with limited liability, which directly owns the entire share capital of Healthcare Ventures
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Healthcare Ventures”	Healthcare Ventures Holdings Limited, a company incorporated under the laws of British Virgin Islands with limited liability, which is a substantial shareholder of the Company and a wholly-owned subsidiary of CTFE
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
“Main Board”	Main Board of The Stock Exchange of Hong Kong Limited

“Master Management Agreement”	the master management and consultancy agreement entered into between UMP Healthcare China and Healthcare Ventures dated 5 May 2016 in relation to the management and operation of Clinics in the PRC
“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“Puremed”	Puremed Health Partners (上海璞邁醫療投資管理有限公司), a company incorporated under the laws of the People’s Republic of China with a limited liability
“Puremed UMP Clinic”	a Shanghai-based general clinic to be set up under a joint venture intended to be established by Healthcare Ventures and Puremed which focuses on outpatient general practice and cardiology services
“Share(s)”	ordinary shares of HK\$0.001 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“UMP Healthcare China”	UMP Healthcare China Limited, a company incorporated under the laws of the Cayman Islands with limited liability and a wholly-owned subsidiary of the Company
“UMP Trademark(s)”	the trade names, business names, trademarks, logo or symbols belonging to and owning by any entity of the Group, including “UMP”, “聯合醫務” and “联合医务”

By the order of the Board  
**UMP Healthcare Holdings Limited**  
**Dr. Sun Yiu Kwong**  
*Chairman*

Hong Kong, 5 May 2016

*As at the date of this announcement, the Board comprises Dr. SUN Yiu Kwong as Chairman and executive director, Ms. KWOK Cheuk Kwan, Jacquen, as managing director and executive director, Mr. TSANG On Yip, Patrick, Dr. SUN Man Kin, Michael, Mr. LEE Kar Chung, Felix and Mr. JIANG Tianfan as executive directors, and Mr. LEE Luen Wai, John BBS JP, Dr. LI Kwok Tung, Donald SBS JP and Mr. YEUNG Wing Sun, Mike as independent non-executive directors.*