聯合醫務
ump

UMP HEALTHCARE HOLDINGS LIMITED

聯 合 醫 務 集 團 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 722)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2017

The board of directors ("Board") of UMP Healthcare Holdings Limited (the "Company" or "UMP") is pleased to announce the interim results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 31 December 2017 together with the comparative figures for the corresponding period in 2016.

INTERIM RESULTS HIGHLIGHTS

	Six months ended 31 December			
	2017	2016		
	HK$'000	*HK$'000*	Increase/	
	(Unaudited)	(Unaudited)	(decrease)	*Notes*
Revenue	**280,945**	250,248	12.3%	
Profit before tax	**24,172**	7,549	220.2%	
Depreciation and amortisation	**9,978**	8,059	23.8%	
EBITDA[(1)]	**31,938**	14,210	124.8%	
Net profit	**17,360**	3,044	470.3%	
Revenue by business lines				
Hong Kong & Macau Corporate Healthcare Solution Services	**170,539**	152,785	11.6%	
Hong Kong & Macau Clinical Healthcare Services	**131,156**	114,684	14.4%	
PRC Healthcare Business	**23,260**	18,912	23.0%	
Total before elimination of Inter-business lines sales	**324,955**	286,381	13.5%	
Reconciliation:				
Elimination of inter-business lines sales	**(44,010)**	(36,133)		
	280,945	250,248	12.3%	

	Six months ended 31 December			
	2017	2016		
	HK$'000	*HK$'000*	Increase/	
	(Unaudited)	(Unaudited)	(decrease)	*Notes*
Operating profit by business lines				
Hong Kong & Macau Corporate Healthcare Solution Services	**19,105**	17,843	7.1%	
Operating profit margin	**11.2%**	11.7%		
Hong Kong & Macau Clinical Healthcare Services	**11,245**	8,521	32.0%	
Operating profit margin	**8.6%**	7.4%		
PRC Healthcare Business	**(5,015)**	(15,047)	(66.7)%	
Adjusted EBITDA[2]				
EBITDA	**31,938**	14,210	124.8%	*(a)*
Reconciliations:				
Equity-settled share option expense	**1,061**	3,791	(72.0)%	*(b)*
	32,999	18,001	83.3%	*(c)*

(c) = (a) + (b)

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

(2) Adjusted EBITDA is adjusted for non-cash share option expense, giving shareholders a proxy of cashflow generated by the Group's businesses in Hong Kong, Macau and PRC.

Operating profit by business lines and adjusted EBITDA are not standard measures under Hong Kong Financial Reporting Standards ("HKFRS") and therefore should not be considered in isolation or constructed as substitutes for analysis of HKFRS financial measures.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Six months ended 31 December 2017

		Six months ended 31 December	
		2017	2016
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
REVENUE	*5*	**280,945**	250,248
Other income and gains	*5*	**5,929**	3,109
Professional services expenses		**(148,566)**	(138,052)
Employee benefit expense		**(57,919)**	(48,050)
Property rental and related expenses		**(20,735)**	(20,398)
Cost of inventories consumed		**(11,151)**	(10,328)
Depreciation and amortisation		**(9,978)**	(8,059)
Other expenses, net		**(15,682)**	(12,221)
Share of profits and losses of:			
Joint ventures		**(19)**	(9,462)
Associates		**1,348**	762
PROFIT BEFORE TAX	*6*	**24,172**	7,549
Income tax expense	*7*	**(6,812)**	(4,505)
PROFIT FOR THE PERIOD		**17,360**	3,044
Attributable to:			
Owners of the Company		**17,683**	2,936
Non-controlling interests		**(323)**	108
		17,360	3,044
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	*9*		
Basic		**HK2.386 cents**	HK0.399 cent
Diluted		**HK2.324 cents**	HK0.399 cent

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six months ended 31 December 2017

	Six months ended 31 December	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
PROFIT FOR THE PERIOD	**17,360**	3,044
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**984**	(830)
Share of other comprehensive income/(loss) of joint ventures	**40**	(1,216)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	**1,024**	(2,046)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**18,384**	998
Attributable to:		
Owners of the Company	**18,707**	890
Non-controlling interests	**(323)**	108
	18,384	998

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2017

	Notes	**31 December 2017** ***HK$'000*** **(Unaudited)**	30 June 2017 *HK$'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	*10*	**99,421**	43,934
Goodwill	*11*	**43,073**	41,357
Other intangible asset		**167**	222
Investments in joint ventures	*12*	**2,762**	920
Investments in associates		**4,464**	3,116
Held-to-maturity investments	*13*	**41,456**	46,017
Available-for-sale investments		**9,420**	9,425
Deferred tax assets		**1,160**	1,375
Deposits		**17,768**	15,263
Total non-current assets		**219,691**	161,629
CURRENT ASSETS			
Inventories		**8,613**	6,685
Trade receivables	*14*	**74,582**	56,791
Prepayments, deposits and other receivables		**12,353**	8,849
Financial assets at fair value through profit or loss		**2,591**	2,356
Held-to-maturity investments	*13*	**10,931**	15,005
Due from associates		**6,712**	6,193
Due from related companies		**6,624**	5,284
Tax recoverable		**963**	753
Pledged deposits		**822**	821
Cash and cash equivalents		**381,495**	434,073
Total current assets		**505,686**	536,810
CURRENT LIABILITIES			
Trade payables	*15*	**54,014**	53,747
Other payables, accruals and deferred income		**44,440**	37,155
Due to associates		**392**	213
Due to related compaies		**496**	423
Tax payable		**6,283**	9,244
Total current liabilities		**105,625**	100,782
NET CURRENT ASSETS		**400,061**	436,028

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

31 December 2017

	Notes	**31 December 2017** *HK$'000* **(Unaudited)**	30 June 2017 *HK$'000* (Audited)
TOTAL ASSETS LESS CURRENT LIABILITIES		**619,752**	597,657
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**1,267**	969
Provision		**2,015**	1,074
Total non-current liabilities		**3,282**	2,043
Net assets		**616,470**	595,614
EQUITY			
Equity attributable to owners of the Company			
Issued capital	*16*	**753**	737
Reserves		**553,045**	531,882
		553,798	532,619
Non-controlling interests		**62,672**	62,995
Total equity		**616,470**	595,614

NOTES

1. CORPORATE AND GROUP INFORMATION

UMP Healthcare Holdings Limited is a limited liability company incorporated in the Cayman Islands. The principal place of business of the Company is located at Room 1404–1408, 14/F., Wing On House, 71 Des Voeux Road Central, Hong Kong.

During the period, the Group was principally engaged in the provision of healthcare services which include:

- corporate healthcare solution services;
- medical and dental services;
- medical imaging and laboratory services;
- other auxiliary medical services; and
- healthcare management services.

The shares of the Company were listed on the Main Board of the Hong Kong Stock Exchange on 27 November 2015 (the "Listing").

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the six months ended 31 December 2017 have been prepared in accordance with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and certain available-for-sale investments which have been measured at fair value. The unaudited condensed consolidated financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

The unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 30 June 2017.

3.1 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the unaudited condensed consolidated financial statements of the Group for the six months ended 31 December 2017 are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2017, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs"), which are effective for the Group's annual period beginning on 1 July 2017.

Amendments to HKAS 7	*Disclosure Initiative*
Amendments to HKAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*
Amendments to HKFRS 12 included in *Annual Improvements to HKFRSs 2014–2016 Cycle*	*Disclosure of Interests in Other Entities: Clarification of the Scope of HKFRS 12*

Other than as explained below regarding the impact of amendments to HKAS 12, the adoption of the above revised standards has had no significant financial effect on the unaudited condensed consolidated financial statements.

The nature and the impact of the amendments are described below:

Amendments to HKAS 12 clarify that an entity, when assessing whether taxable profits will be available against which it can utilise a deductible temporary difference, needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. The amendments have had no impact on the financial position or performance of the Group as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

3.2 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not early applied any new and revised HKFRSs, that have been issued but are not yet effective for the six months ended 31 December 2017, in the unaudited condensed consolidated financial statements.

Further information about those HKFRSs that are expected to be applicable to the Group is described below:

The HKICPA issued amendments to HKFRS 2 *Classification and Measurement of Share-based Payment Transactions* in August 2016 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding a certain amount in order to meet an employee's tax obligation associated with the share-based payment; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. The amendments clarify that the approach used to account for vesting conditions when measuring equity-settled share-based payments also applies to cash-settled share-based payments. The amendments introduce an exception so that a share-based payment transaction with net share settlement features for withholding a certain amount in order to meet the employee's tax obligation is classified in its entirety as an equity-settled share-based payment transaction when certain conditions are met. Furthermore, the amendments clarify that if the terms and conditions of a cash-settled share-based payment transaction are modified, with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as an equity-settled transaction from the date of the modification. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if they elect to adopt for all three amendments and other criteria are met. The Group will adopt the amendments from 1 July 2018. The amendments are not expected to have any significant impact on the Group's financial statements.

In September 2014, the HKICPA issued the final version of HKFRS 9 *Financial Instruments* ("HKFRS 9"), bringing together all phases of the financial instruments project to replace HKAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group will adopt HKFRS 9 from 1 July 2018. The Group performed a high-level assessment of the impact of the adoption of HKFRS 9. This preliminary assessment is based on currently available information and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to the Group in the future. The expected impacts arising from the adoption of HKFRS 9 are summarised as follows:

(a) Classification and measurement

The Group does not expect that the adoption of HKFRS 9 will have a significant impact on the classification and measurement of its financial assets. It expects to continue measuring at fair value all financial assets currently held at fair value. Equity investments currently held as available for sale will be measured at fair value through other comprehensive income as the investments are intended to be held for the foreseeable future and the Group expects to apply the option to present fair value changes in other comprehensive income. Gains and losses recorded in other comprehensive income for the equity investments cannot be recycled to profit or loss when the investments are derecognised.

(b) Impairment

HKFRS 9 requires an impairment on debt instruments recorded at amortised cost or at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts that are not accounted for at fair value through profit or loss under HKFRS 9, to be recorded based on an expected credit loss model either on a twelve-month basis or a lifetime basis. The Group will apply the simplified approach and record lifetime expected losses that are estimated based on the present values of all cash shortfalls over the remaining life of all of its trade receivables (add any other debt instruments as applicable). The Group will perform a more detailed analysis which considers all reasonable and supportable information, including forward-looking elements, for estimation of expected credit losses on its trade receivables (add any other debt instruments as applicable) upon the adoption of HKFRS 9.

HKFRS 15 *Revenue from Contracts with Customers* ("HKFRS 15"), issued in July 2014, establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under HKFRSs. Either a full retrospective application or a modified retrospective adoption is required on the initial application of the standard. In June 2016, the HKICPA issued amendments to HKFRS 15 to address the implementation issues on identifying performance obligations, application guidance on principal versus agent and licences of intellectual property, and transition. The amendments are also intended to help ensure a more consistent application when entities adopt HKFRS 15 and decrease the cost and complexity of applying the standard. The Group expects that the adoption of HKFRS 15 on 1 July 2018 may have a significant impact on the amounts reported and disclosures made in the Group's financial statements. The Group is performing a detailed assessment of the impact of HKFRS 15 upon adoption and it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the detailed assessment is performed by the Group.

HKFRS 16 *Leases* ("HKFRS 16"), issued in May 2016, replaces HKAS 17 *Leases* ("HKAS 17"), HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease,* HK(SIC)-Int 15 *Operating Leases – Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in HKAS 40 *Investment Property*, or relates to a class of property, plant and equipment to which the revaluation model is applied. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under HKFRS 16 is substantially unchanged from the accounting under HKAS 17. Lessors will continue to classify all leases using the same classification principle as in HKAS 17 and distinguish between operating leases and finance leases. HKFRS 16 requires lessees and lessors to make more extensive disclosures than under HKAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group expects to adopt HKFRS 16 from 1 July 2019. The Group is currently assessing the impact of HKFRS 16 upon adoption and is considering whether it will choose to take advantage of the practical expedients available and which transition approach and reliefs will be adopted. At 31 December 2017, the Group had future minimum lease payments under non-cancellable operating leases in aggregate of approximately HK$39,591,000. Upon adoption of HKAS 16, certain amounts included therein may need to be recognised as new right-of-use assets and lease liabilities. Further analysis, however, will be needed to determine the amount of new rights of use assets and lease liabilities to be recognised, including, but not limited to, any amounts relating to leases of low-value assets and short term leases, other practical expedients and reliefs chosen, and new leases entered into before the date of adoption.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

(a) Corporate healthcare solution services ("Corporate Healthcare Solution Services to Contract Customers") segment engages in the provision of corporate healthcare solutions to contract customers; and

(b) Clinical healthcare services ("Clinical Healthcare Services") segment engages in the provision of medical and dental services, health check-up and other auxiliary services.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit before tax except that interest income, other income and gains, and share of profits and losses of joint ventures and associates as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude goodwill, other intangible asset, investments in joint ventures and associates, financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale investments and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

(a) **Revenue and results**

	Corporate Healthcare Solution Services to Contract Customers *HK$'000*	Clinical Healthcare Services *HK$'000*	Total *HK$'000*
Six months ended 31 December 2017 (unaudited)			
Segment revenue:			
External sales	170,182	110,763	280,945
Intersegment sales	444	43,566	44,010
	170,626	154,329	324,955
Reconciliation:			
Elimination of intersegment sales			(44,010)
Revenue			280,945
Segment results	19,105	16,289	35,394
Reconciliation:			
Interest income			2,212
Other income and gains			3,717
Share of profits and losses of:			
Joint ventures			(19)
Associates			1,348
Corporate and other unallocated expenses			(18,480)
Profit before tax			24,172
Six months ended 31 December 2016 (unaudited)			
Segment revenue:			
External sales	152,248	98,000	250,248
Intersegment sales	537	35,596	36,133
	152,785	133,596	286,381
Reconciliation:			
Elimination of intersegment sales			(36,133)
Revenue			250,248
Segment results	17,843	2,936	20,779
Reconciliation:			
Interest income			1,397
Other income and gains			1,712
Share of profits and losses of:			
Joint ventures			(9,462)
Associates			762
Corporate and other unallocated expenses			(7,639)
Profit before tax			7,549

(b) Assets and liabilities

	Corporate Healthcare Solution Services to Contract Customers *HK$'000*	Clinical Healthcare Services *HK$'000*	Total *HK$'000*
As at 31 December 2017 (unaudited)			
Segment assets	156,131	251,983	408,114
Reconciliation:			
Elimination of intersegment receivables			(120,872)
Corporate and other unallocated assets			438,135
Total assets			725,377
Segment liabilities	87,711	93,772	181,483
Reconciliation:			
Elimination of intersegment payables			(120,872)
Corporate and other unallocated liabilities			48,296
Total liabilities			108,907
As at 30 June 2017 (audited)			
Segment assets	151,540	263,401	414,941
Reconciliation:			
Elimination of intersegment receivables			(76,060)
Corporate and other unallocated assets			359,558
Total assets			698,439
Segment liabilities	80,569	97,039	177,608
Reconciliation:			
Elimination of intersegment payables			(76,060)
Corporate and other unallocated liabilities			1,277
Total liabilities			102,825

(c) Information about major customers

Revenue from two major customers which accounted for 10% or more of the Group's revenue from the Corporate Healthcare Solution Services to Contract Customers segment is set out below:

	Six months ended 31 December	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Customer A	**32,564**	30,084
Customer B	**21,466**	18,401

5. REVENUE, OTHER INCOME AND GAINS

Revenue represents the aggregate of the gross amounts received and receivable from third parties for the provision of corporate healthcare solution services and clinical healthcare services during the period.

An analysis of revenue, other income and gains is as follows:

	Six months ended 31 December	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue		
Provision of corporate healthcare solution services to contract customers:		
Medical services	**162,288**	144,941
Dental services	**7,894**	7,307
Provision of clinical healthcare services:		
Medical services	**83,619**	71,418
Dental services	**27,144**	26,582
	280,945	250,248

	Six months ended 31 December	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Other income and gains		
Administrative support fees	**461**	275
Bank interest income	**692**	458
Interest income on held-to-maturity investments	**1,470**	739
Interest income on available-for-sale investments	**50**	200
Dividend income from financial assets at fair value through profit or loss	**60**	61
Fair value gains on financial assets at fair value through profit or loss	**236**	43
Rental income	**241**	–
Others	**2,719**	1,333
	5,929	3,109

6. PROFIT BEFORE TAX

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

	Six months ended 31 December	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Equity-settled share option expense (including employees and professional consultants)	**1,061**	3,791
Fair value gains on financial assets at fair value through profit or loss	**(236)**	(43)
Foreign exchange differences, net	**(106)**	342

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 31 December 2016: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

	Six months ended 31 December	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current – Hong Kong		
Charge for the period	**5,320**	4,732
Overprovision in prior periods	**(27)**	(120)
Current – Elsewhere		
Charge for the period	**1,016**	426
Overprovision in prior periods	**(9)**	(44)
Deferred	**512**	(489)
Total tax charge for the period	**6,812**	4,505

8. DIVIDENDS

	Six months ended 31 December	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Dividend recognised as distribution during the period:		
Final dividend for the year ended 30 June 2017:		
HK2.2 cents (year ended 30 June 2016: HK2.0 cents) per ordinary share	**16,464**	14,676
Dividend proposed after the end of the reporting period:		
Interim dividend for the six months ended 31 December 2017:		
HK0.55 cent (six months ended 31 December 2016: HK0.5 cent) per ordinary share	**4,142**	3,680

The proposed interim dividend of HK0.55 cent per ordinary share in respect of the year ending 30 June 2018 was approved by the board of directors on 27 February 2018. The interim dividend of HK0.5 cent per ordinary share in respect of the year ended 30 June 2017 was approved by the board of directors on 23 February 2017.

The final dividend of HK2.2 cents per ordinary share in respect of the year ended 30 June 2017 was approved by the Company's shareholders at the annual general meeting held on 30 November 2017. The final dividend of HK2.0 cents per ordinary share in respect of year ended 30 June 2016 was approved by the Company's shareholders at the annual general meeting held on 10 November 2016.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the unaudited consolidated profit for the six months ended 31 December 2017 attributable to ordinary equity holders of the Company of HK$17,683,000, and the weighted average number of ordinary shares of 741,097,571 in issue during the period. The calculation of the basic earnings per share amount for the six months ended 31 December 2016 was based on the unaudited consolidated profit of HK$2,936,000, and the weighted average number of ordinary shares of 736,000,000 in issue during the period, on the assumption that the capitalisation issue had been completed on 1 July 2015.

The calculation of the diluted earnings per share amount is based on the unaudited consolidated profit for the six months ended 31 December 2017 attributable to ordinary equity holders of the Company of HK$17,683,000. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares of 741,097,571 in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares of 19,792,734 assumed to have been issued at no consideration on the deemed exercise of all share options into ordinary shares. No adjustment had been made to the basic earnings per share amount presented for the six month ended 31 December 2016 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic earnings per share amount presented.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2017, additions of property, plant and equipment amounted to HK$65,197,000 (six months ended 31 December 2016: HK$20,984,000) which included a leasehold land and building acquired (the "Acquired Premises") together with certain tenancy agreements with expiry date on 31 January 2018. The Group intends to use the Acquired Premises as an own-occupied property upon the expiry of the tenancy agreements and accordingly no depreciation was provided during the six months ended 31 December 2017.

11. GOODWILL

	31 December 2017	30 June 2017
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
At beginning of period/year	**41,357**	32,755
Acquisition of subsidiary/business *(note 17)*	**1,716**	8,602
At end of period/year	**43,073**	41,357

12. INVESTMENTS IN JOINT VENTURES

	31 December 2017	30 June 2017
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Share of net assets	**941**	920
Due from a joint venture	**1,821**	–
	2,762	920

The amount due from a joint venture is unsecured, interest-free and has no fixed terms of repayment. In the opinion of the directors, this receivable is considered as part of the Group's net investments in the joint ventures.

On 5 December 2017, the Group set up a joint venture, UMP Dental Centre JV Limited ("UMP Dental JV"), on 50:50 basis with an independent third party. UMP Dental JV is primarily engaged in the provision of dental services in Hong Kong.

13. HELD-TO-MATURITY INVESTMENTS

	31 December 2017 HK$'000 (Unaudited)	30 June 2017 HK$'000 (Audited)
Debt investments, at amortised cost	**52,387**	61,022
Analysed into:		
Non-current portion	**41,456**	46,017
Current portion	**10,931**	15,005
	52,387	61,022

As at 31 December 2017, the Group's held-to-maturity investments represented debt investments with fixed maturity dates between 2018 and 2022 and fixed interest rates ranging from 4.4% to 5.4% per annum (30 June 2017: 1.3% to 4.9% per annum).

14. TRADE RECEIVABLES

The Group's trading terms with its contract customers are mainly on credit. The credit period is generally one month, extending up to three months for major customers. Each contract customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a designated policy to monitor and minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	31 December 2017 HK$'000 (Unaudited)	30 June 2017 HK$'000 (Audited)
Within 1 month	**54,763**	48,544
1 to 2 months	**12,855**	3,127
2 to 3 months	**5,182**	4,187
Over 3 months	**1,782**	933
	74,582	56,791

15. TRADE PAYABLES

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	31 December 2017 *HK$'000* **(Unaudited)**	30 June 2017 *HK$'000* (Audited)
Within 1 month	**23,523**	22,506
1 to 3 months	**29,896**	30,866
Over 3 months	**595**	375
	54,014	53,747

The trade payables are non-interest-bearing and are normally settled on terms of ranging from 30 to 90 days.

16. SHARE CAPITAL

	31 December 2017 *HK$'000* **(Unaudited)**	30 June 2017 *HK$'000* (Audited)
Authorised:		
5,000,000,000 (30 June 2017: 5,000,000,000) ordinary shares of HK$0.001 (30 June 2017: HK$0.001) each	**5,000**	5,000
Issued and fully paid:		
753,005,000 (30 June 2017: 737,492,000) ordinary shares of HK$0.001 (30 June 2017: HK$0.001) each	**753**	737

The movements in the Company's authorised and issued share capital during the period from 1 July 2016 to 31 December 2017 are as follows:

	Notes	Number of ordinary shares	Nominal value of ordinary shares HK$'000
Authorised:			
At 1 July 2016, at 31 December 2016, at 30 June 2017, at 1 July 2017 and at 31 December 2017		5,000,000,000	5,000
Issued and fully paid:			
At 1 July 2016		736,000,000	736
Exercise of share options	*(a)*	1,492,000	1
At 30 June 2017 and at 1 July 2017		737,492,000	737
Exercise of share options	*(b)*	15,513,000	16
At 31 December 2017		753,005,000	753

(a) The subscription rights attaching to 1,492,000 share options were exercised at the subscription price of HK$1.2228 per share, resulting in the issue of 1,492,000 ordinary shares of HK$0.001 each for a total cash consideration, before expenses, of HK$1,824,000. An amount of HK$508,000 was transferred from the share-based payment reserve to the share premium account upon the exercise of the share options.

(b) The subscription rights attaching to (i) 14,300,000 share options were exercised at the subscription price of HK$1.2228 per share, resulting in the issue of 14,300,000 ordinary shares of HK$0.001 each for a total cash consideration, before expenses, of HK$17,486,000; and (ii) 1,213,000 share options were exercised at the subscription price of HK$1.27 per share, resulting in the issue of 1,213,000 ordinary shares of HK$0.001 each for a total cash consideration, before expenses, of HK$1,541,000. An aggregate amount of HK$5,264,000 was transfer from the share-based payment reserve to the share premium account upon the exercise of the share options.

17. BUSINESS COMBINATIONS

In order to increase the range of healthcare services offered and to continually provide comprehensive and integrated healthcare services for the benefit of the patients, the Group entered into the following transactions during the six months ended 31 December 2017 and 2016:

(a) On 27 September 2016, the Group entered into an equity transfer agreement with a third party to acquire 100% equity interest in 上海快驗保門診部有限公司 (formerly known as 上海聯醫門診部有限公司) ("UMP Lujiazui") for a consideration of RMB8.3 million (approximately HK$9.5 million). UMP Lujiazui is primarily engaged in the provision of medical services in Shanghai, the PRC.

The major assets acquired through this business combination including, amongst others, property, plant and equipment and prepayments, deposits and other receivables. Accordingly, the Group has recognised identifiable net assets of HK$886,000 and goodwill of HK$8,602,000 in accordance with HKFRS 3 (Revised) "Business Combinations".

(b) UMP Healthcare (Beijing) was a former 50% joint venture of the Group. On 23 March 2017, the Group completed the subscription of shares in UMP Healthcare (Beijing). Immediately after such subscription, the Group's equity interest in the UMP Healthcare (Beijing) increased to 70% and the UMP Healthcare (Beijing) and its subsidiaries (together, the "UMP Healthcare (Beijing) Group") became subsidiaries of the Group thereafter. The fair value of the net identifiable assets of the UMP Healthcare (Beijing) Group as at the date of business combination was HK$92,768,000, resulting in gain on bargain purchase arising therefrom of HK$401,000.

(c) On 24 July 2017, the Group acquired a dental clinic operation (the "Dental Clinic Business") from an independent third party for a cash consideration of HK$2 million. The major asset acquired through this business combination comprised of property, plant and equipment. Accordingly, the Group has initially recognised provisional fair value of identifiable net assets of HK$284,000 and provisional goodwill of HK$1,716,000 in accordance with HKFRS 3 (Revised) "Business Combinations".

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW AND OUTLOOK

It is with great pleasure that the Board presents our interim results announcement for the six months ended 31 December 2017 ("1HFY2018").

UMP is one of the leading corporate healthcare solution providers in Hong Kong serving more than 1.4 million medical and dental patient visits annually. Our business model of working with corporates and insurance companies to tailor-made comprehensive healthcare service offerings to their staff and policyholders allows us to have a sticky, steady and growing members and patient base at the primary care entry level, and thereafter allowing UMP to deliver additional add-on services to customers including specialist services, secondary dental services and other auxiliary services.

UMP has continued to perform well in 1HFY2018. As UMP continues to gain further brand recognition for its services from its corporate customers and patients, the total number of patient visits has continued to increase as compared to the same period in 1HFY2017. We have also been investing in different specialties and is currently reviewing potential acquisition opportunities to strengthen UMP's presence, service offerings and network locations in Hong Kong, Macau and Greater China.

Since our initial public offering in 2015, we have been working hard to expand our presence in China and within a short period of time, UMP now has over 8 service locations covering both Beijing and Shanghai. UMP has partnered up NWD (17: HK), Healthcare Ventures (a substantial shareholder of the Company) and NWS (659: HK) to pursue an asset-light operating model in the PRC. Under such asset-light operating model, HAML (a 40:30:30 joint venture owned by NWD, Healthcare Ventures and NWS Subsidiary) takes the lead to invest, establish and acquire clinics in the PRC and has appointed UMP as the manager to manage such clinics. Subject to meeting certain requirements, we will be receiving management fees for managing such clinics.

HAML has acquired the four PRC clinics previously established by us. Going forward, we will continue to work with HAML to select strategic sites to open up further clinics and medical centers in the PRC. We will be focusing on the development of our corporate healthcare solution business, leveraging on the network of clinics owned by HAML as well as clinics owned by other third parties. In addition, should opportunities arise and subject to the terms of agreements we have signed with HAML, we will also maintain flexibility to selectively open up clinics and medical centers in the PRC. We believe that such new asset-light model will be beneficial to the Company and our shareholders as a whole.

HAML is now in the process of setting up a medical center in Guangzhou within a property owned and managed by NWD and its affiliates. Such medical center is located in central business district with convenient access. We expect such center to commence operations by 3rd/4th quarter of 2018. In addition, HAML and UMP are also actively exploring locations to open up medical centers in Shenzhen.

OUR BUSINESS

UMP's business scope consists of the following business lines:

1. **Hong Kong & Macau Corporate Healthcare Solution Services**

   UMP provides corporate healthcare solutions through the design and administration of tailored healthcare benefits plans for its Contract Customers. UMP aims to provide convenient, reliable, coordinated, comprehensive and affordable healthcare services through the well-established and multi-specialties UMP Network. As at 31 December 2017, the UMP Network comprises more than 600 points of services located across Hong Kong and Macau.

   The Group's Contract Customers comprise (i) insurance companies, which enter into contracts with the Group for healthcare services for their policyholders or employees of their policyholders and (ii) corporations, which enter into contracts with the Group for healthcare services for their employees and/or their dependants. When designing healthcare benefits plans, the Group collaborates closely with the Contract Customers and designs and refines corporate healthcare benefits plans, with each plan tailored to each customer's needs based on factors such as industry or occupational health-related concerns, scope of healthcare benefits desired, employee demographic as well as their budget.

2. **Hong Kong & Macau Clinical Healthcare Services**

   UMP provides medical, dental and auxiliary services to Self-paid Patients. For medical services, UMP provides (i) general practice services, which serves as the first point of contact for the patients and (ii) specialist services covering more than 18 different specialties. For dental services, UMP provides both primary dental care and secondary dental care such as dental implants. For auxiliary services, UMP provides services such as medical imaging and laboratory services, physiotherapy and vision care.

3. **PRC Healthcare Business**

   Our PRC Healthcare Business currently consists of (i) health check-up business, (ii) corporate healthcare solutions business, and (iii) within the clinics we own and operate, revenue from selected outpatient services such as family medicine and paediatric services. As our corporate healthcare solutions business is still at a development stage, the revenue and operating profit for this business segment is primarily contributed by our health check-up business. Our current focus is on the development of our PRC Healthcare Business in Beijing, Shanghai, Guangzhou and Shenzhen together with our strategic partner HAML and other potential new partners.

BUSINESS LINES ANALYSIS

Hong Kong & Macau Corporate Healthcare Solution Services

Revenue for this business line has increased 11.6% from HK$152.8 million to HK$170.5 million (before intersegment elimination) due to a general increase in patient visits and average spending per visit, while our operating profit (operating profit before tax and before non-recurring items) has increased 7.1% from HK$17.8 million to HK$19.1 million. Our results show that we are able to generate operating leverage through control of our administration costs, while generating increase in revenue through the marketing to and the delivering of a comprehensive suite of services to our corporate customers, insurance companies and patients.

Hong Kong & Macau Clinical Healthcare Services

Revenue for this business line has increased 14.4% from HK$114.7 million to HK$131.2 million (before intersegment elimination) due to a general increase in average spending per visit, while our operating profit (operating profit before tax and before non-recurring items) has increased 32.0% from HK$8.5 million to HK$11.2 million. The increase in revenue is in part due to the expansion of specialist services and auxiliary services to our patients in Kowloon since FY2015.

PRC Healthcare Business

Revenue for this business line has increased 23.0% from HK$18.9 million to HK$23.3 million (before intersegment elimination) primarily due to the increase in the number of health check-ups, while our operating loss (operating loss before tax and before non-recurring items) has decreased 66.7% from HK$15.0 million to HK$5.0 million. The decrease in operating loss was primarily attributable to the reduced operating losses of the four PRC clinics in Beijing and Shanghai which were disposed to HAML following the Disposal.

The following table sets out the revenue and operating profit for our business lines for the six months ended 31 December 2017 and the corresponding period for comparison:

Revenue by business lines

	Six months ended 31 December		Increase
	2017	2016	
	HK$'000	*HK$'000*	
Hong Kong & Macau Corporate Healthcare Solution Services	**170,539**	152,785	11.6%
Hong Kong & Macau Clinical Healthcare Services	**131,156**	114,684	14.4%
PRC Healthcare Business	**23,260**	18,912	23.0%
TOTAL	**324,955**	286,381	13.5%

Operating profit by business lines

	Six months ended 31 December		Increase/ (decrease)
	2017	2016	
	HK$'000	*HK$'000*	
Hong Kong & Macau Corporate Healthcare Solution Services	**19,105**	17,843	7.1%
Operating profit margin	**11.2%**	11.7%	
Hong Kong & Macau Clinical Healthcare Services	**11,245**	8,521	32.0%
Operating profit margin	**8.6%**	7.4%	
PRC Healthcare Business	**(5,015)**	(15,047)	(66.7%)

(1) Business lines revenue presented above are before intersegment sales elimination.

(2) Operating profit by business lines represent operating profit before tax for each business line and excluding non-recurring items.

(3) Operating loss for PRC Healthcare Business for 1HFY2018 included operating profit of PRC Health Check-up Business and operating losses of PRC Corporate Healthcare Solution Services in Shanghai and Beijing while the operating loss in 1HFY2017 included operating profit of PRC Health Check-up Business, operating loss of corporate healthcare solutions services in Shanghai, PRC Clinical Healthcare Business in Shanghai and share of losses of joint ventures from the joint venture with CR Phoenix Healthcare Group in Beijing. The losses primarily represent startup costs including rental expenses, office renovation, recruitment of management and medical staff and training costs.

OUTLOOK

Hong Kong and Macau

Hong Kong and Macau are in a fortunate position to take advantage of the recent PRC government policies promoting the development of the Greater Bay Area ("GBA"). The GBA consists of nine cities in Guangdong and the two special administrative regions of Hong Kong and Macau.

The concept of GBA dates back to 2011 with a study called "The Action Plan for the Bay Area of the Pearl River Estuary" that was jointly prepared by officials from Hong Kong, Macau, Shenzhen, Dongguan, Guangzhou, Zhuhai and Zhongshan. The idea of a city cluster in Southern China was reinforced when the 13th Five Year Plan (2016-2020) was endorsed in March 2016. Premier Li Keqiang subsequently announced in the annual government report in March 2017 that the authorities were going ahead with the initiative.

This led to a framework agreement in July 2017, which was signed by China's top policy-making body, the National Development and Reform Commission (NDRC) and the governments of Guangdong, Hong Kong and Macau.

One of the GBA's key objectives is to improve the level of cooperation within the region. This includes identifying the core competitive advantages of the cities within GBA and exploring ways for them to complement one another. One example of this is to build on the strengths of Hong Kong's financial and professional services sectors, Shenzhen's high-tech manufacturing and innovation skills, and the manufacturing strengths of Dongguan and Guangzhou.

We believe that Hong Kong stands in a great position to share with the GBA's expertise in healthcare delivery. The PRC government is actively promoting the development of private healthcare services. In particular, the PRC government wants to promote the development of primary care, where citizens are able to obtain quality family doctor services at convenient location and at an affordable price.

As one of the leaders in the provision of primary care in Hong Kong, UMP has significant experience and advantage in taking a leading position in the development of primary care in the GBA. Due to our on-going commitment to the development of primary care and clinic network in China, UMP has been invited by the region to provide training for their doctors serving in their public outpatient clinics. We believe that such public-private-partnership in training and in outpatient service delivery will be the new way forward, whereby UMP can export its expertise in healthcare service delivery and primary care training, while government health bureaus can also upgrade their service capabilities to meet the increasing demand from citizens for quality primary healthcare services.

PRC

Recent government policy reiterates accelerating the development of healthcare services as a strategic move to enhance the supply-side structural reform to increase quality and efficiency and provide sustainable growth. The ongoing healthcare reform has encouraged greater private sector participation to offer alternatives to those seeking a more diverse scope of medical services and better products to the growing middle class population, and to reduce overcrowding in public facilities. The private healthcare sector has been moving fast to keep pace with the escalating demand for health services prompted by rising incomes and the aging population.

We believe that there is significant market demand for corporate healthcare solutions and private clinical healthcare services in the PRC where the growing middle class population has become increasingly health conscious and often felt under-served by the existing public hospital system due to long waiting time. This population, with rising income and strong purchasing power, generally views good health as a priority in achieving a better quality of life for their families and is willing to pay for more convenient medical access and quality healthcare services. Private healthcare services providers like us are well-positioned to fill this demand gap.

In the past year, we have seen corporations in the PRC are increasingly looking for alternative ways to retain their staff. The ability to offer integrated healthcare solutions to employees and their family members will likely become one of the key considerations for employees in choosing which corporation to join. During the past financial year, we have received increasing interests from insurance companies and employee benefit organisations who are keen to develop and offer innovative preventive and outpatient products for corporate staff.

We have been working closely with insurance companies to design healthcare solutions products to the market. In addition, we have also noticed increasing interests from corporates to offer cross-border healthcare services to their staff, as well as insurance companies offering cross-border solutions to their policyholders. We believe our ability to offer healthcare solutions covering Hong Kong, Macau, Beijing, Shanghai and Guangdong areas will provide us with competitive advantages as corporates and insurance companies are increasingly looking to work with service providers that are able to offer one-stop multi-regions solutions for their staff and policyholders.

Our clinic network expansion

As we expand our product offerings in the PRC, we will continue to work closely with HAML to select strategic sites for our clinic network expansion, thereby further reinforcing our service capability in terms of both scope of services and our geographical reach in key cities in the PRC. Our initial focus will continue to be in Beijing, Shanghai, Guangzhou and Shenzhen.

FINANCIAL REVIEWS

1HFY2018 compared to 1HFY2017

Revenue

During 1HFY2018, we primarily generated revenue from (i) the provision of corporate healthcare solutions to Contract Customers in Hong Kong and Macau, (ii) the provision of clinical healthcare services in Hong Kong and Macau and (iii) the PRC Healthcare Business and primarily represents revenue generated from the provision of health check-up services for local residents and corporate employees in the PRC.

Total consolidated revenue increased by 12.3% from HK$250.2 million in 1HFY2017 to HK$280.9 million in 1HFY2018, primarily due (i) to an increase in revenue from HK$231.3 million to HK$257.7 million from the provision of corporate healthcare solution services to Contract Customers and provision of clinical healthcare services to Self-paid Patients in Hong Kong and Macau, and (ii) an increase in revenue from HK$18.9 million to HK$23.3 million from the PRC Healthcare Business.

Provision of corporate healthcare solution services to Contract Customers in Hong Kong and Macau

Revenue from the provision of corporate healthcare solution services to Contract Customers in Hong Kong and Macau increased 11.8% from HK$152.2 million in 1HFY2017 to HK$170.1 million in 1HFY2018.

- **Medical**. Revenue generated from the provision of Medical Services to Contract Customers increased by 12.0% from HK$144.9 million for 1HFY2017 to HK$162.2 million for 1HFY2018, primarily due to an increase in the average spending per visit as well as an increase in the number of visits from the patients seeking Medical Services by 5.7% from approximately 604,000 in 1HFY2017 to 638,000 in 1HFY2018.

- **Dental**. Revenue generated from the provision of Dental Services to Contract Customers increased by 8.0% from HK$7.3 million for 1HFY2017 to HK$7.9 million for 1HFY2018, primarily due to an increase in the average spending per visit as well as an increase in the number of visits from the patients seeking Dental Services.

Provision of clinical healthcare services in Hong Kong and Macau

- **Medical**. Revenue generated from the provision of Medical Services to Self-paid Patients increased by 15.0% from HK$52.5 million for 1HFY2017 to HK$60.4 million for 1HFY2018, primarily due to an increase in the average price per patient visit in 1HFY2018 driven by higher spending by patients who needed to utilise our auxiliary services.

- **Dental**. Revenue generated from the provision of Dental Services to Self-paid Patients slightly increased by 2.1% from HK$26.6 million for 1HFY2017 to HK$27.1 million for 1HFY2018 due to the increase in number of self-paid patient visits.

PRC Healthcare Business

Revenue generated from the PRC Healthcare Business increased from HK$18.9 million in 1HFY2017 to HK$23.3 million in 1HFY2018, primarily due to an increase in the number of health check-ups for the PRC residents traveling abroad for study or for work and the health check-ups for corporate employees and insurance scheme members.

Other Income and Gains

Other income and gains primarily comprise administrative support fees (including fees derived from providing administrative support to Affiliated Doctors, Affiliated Dentists and Affiliated Auxiliary Services Providers), dividend income from and fair value gain on financial assets at fair value through profit or loss and interest income from held-to-maturity investments and bank savings.

Other income and gains increased by 90.3% from HK$3.1 million in 1HFY2017 to HK$5.9 million in 1HFY2018. The increase was primarily due to the increase in interest income from held-to-maturity investments and bank savings.

Professional Services Expenses

Professional services expenses primarily comprise fees paid to Doctors, Dentists and Auxiliary Services Providers for Medical Services, Dental Services and Auxiliary Services rendered within the UMP Network, as well as fees paid to third party laboratories and testing centres for services rendered to the Group.

Professional services expenses increased by 7.6% from HK$138.1 million for 1HFY2017 to HK$148.6 million for 1HFY2018, primarily due to an increase in the cost of services rendered by doctors, dentists and other professionals, which was in line with the Group’s increased revenue in 1HFY2018.

Employee Benefit Expense

Employee benefit expense primarily comprise salaries and related costs, equity-settled share-based payment expense, as well as pension scheme contributions for nurses and administrative personnel, and also include those of the Directors and key management personnel.

Employee benefit expense increased by 20.4% from HK$48.1 million for 1HFY2017 to HK$57.9 million for 1HFY2018. Employee benefit expense increased primarily due to general increase in staff costs, full-period recognition of staffing expenses from UMP Lujiazui for 1HFY2018, the expansion of staff number in Shanghai and Beijing and the increase in number of staff for the headquarter office and clinics in Hong Kong in connection with the Group's expansion plans.

Property Rental and Related Expenses

Property rental and related expenses slightly increased by 1.5% from HK$20.4 million for 1HFY2017 to HK$20.7 million for 1HFY2018, primarily due to the full-period recognition of rental expenses from UMP Lujiazui for 1HFY2018, the consolidation of corporate head office in Beijing upon the increase in shareholdings in UMP Healthcare (Beijing) in March 2017 and the increase in rent for those existing premises for which leases were renewed. The increase was partly offset by the decrease in rental expenses of the Shanghai clinic which was disposed off in March 2017 pursuant to the Disposal.

Cost of Inventories Consumed

Cost of inventories consumed increased by 8.7% from HK$10.3 million for 1HFY2017 to HK$11.2 million for 1HFY2018, primarily due to an increase in the amount of drugs and other medical consumables consumed for the provision of clinical healthcare services to Self-paid Patients in Hong Kong, Macau and the PRC. Such increase is generally in line with the increase in revenue from the provision of clinical healthcare services in Hong Kong, Macau and the PRC in 1HFY2018.

Depreciation and Amortisation

Depreciation and amortisation increased by 23.5% from HK$8.1 million for 1HFY2017 to HK$10.0 million for 1HFY2018, primarily due to the large scale renovation of the medical centre in Beijing.

Other Expenses, Net

Other expenses, net primarily comprise reversal of provision of impairment loss, net made to the Group's amount due from/to associated companies and joint venture companies and general overhead expenses such as utilities, operation and other administrative expenses as well as repair and maintenance expenses incurred with respect to the Group's offices and medical equipment, audit fees, printing expenses and bank charges.

Other expenses, net, increased by 28.3% from approximately HK$12.2 million in 1HFY2017 to HK$15.7 million in 1HFY2018, primarily due to the increase in maintenance expenses in relation to computer hardware and medical equipment and the reversal of provision for impairment loss, net made in 1HFY2017, where no corresponding impairment provision was provided for in 1HFY2018.

Share of Profits and Losses of Joint Ventures and Associates

Share of losses of joint ventures significantly decreased by 99.8% from HK$9.5 million in 1HFY2017 to approximately HK$19,000 in 1HFY2018, primarily due to the reduced share of operating losses of the clinics in Beijing. Such clinics had since been disposed to HAML pursuant to the Disposal in March 2017.

Share of profits of associates increased by 76.8% from approximately HK$762,000 in 1HFY2017 to HK$1.3 million in 1HFY2018 primarily due to the improved performance of the existing associates and the contribution from the Group's new investment in a medical imaging centre in Kowloon, Hong Kong.

Summary of operational data for 1HFY2018 with comparative figures for 1HFY2017

Revenue by operating segment

	Six months ended 31 December		Increase/
	2017	2016	(decrease)
	HK$'000	*HK$'000*	
	(Unaudited)	(Unaudited)	
Provision of corporate healthcare solution services	**170,182**	152,248	11.8%
Medical	**162,288**	144,941	12.0%
Dental	**7,894**	7,307	8.0%
Provision of clinical healthcare services	**110,763**	98,000	13.0%
Medical	**83,619**	71,418	17.1%
Dental	**27,144**	26,582	2.1%
TOTAL	**280,945**	250,248	12.3%

Number of visits by operating segment

	Six months ended 31 December		Increase/
	2017	2016	(decrease)
	(Unaudited)	(Unaudited)	
Provision of corporate healthcare solution services	**649,312**	614,335	5.7%
Medical	**638,061**	603,494	5.7%
Dental	**11,251**	10,841	3.8%
Provision of clinical healthcare services	**90,153**	88,879	1.4%
Medical	**70,391**	70,769	(0.5)%
Dental	**19,762**	18,110	9.1%
TOTAL	**739,465**	703,214	5.2%

KEY FINANCIAL POSITION ITEMS

Property, Plant and Equipment

Property, plant and equipment comprise land and building, leasehold improvements, furniture, fixtures and office equipment, medical equipment, computer equipment and software, and motor vehicle in relation to the Group's premises and operations. Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

As at 31 December 2017 and 30 June 2017, the Group's property, plant and equipment amounted to HK$99.4 million and HK$43.9 million, respectively. The increase was primarily due to the acquisition of land and building situated on 18/F., Nam Wo Hong Building, 148 Wing Lok Street, Sheung Wan, Hong Kong for a consideration of HK$56,650,000. Please refer to the Company's announcement dated 13 April 2017.

Held-to-maturity Investments

Held-to-maturity investments primarily represent the marketable corporate bonds issued by listed corporations with fixed interest rates from 4.375% to 5.375% per annum. The marketable debt securities which will mature within one year and more than one year are classified as current assets and non-current assets, respectively. The Group receives related interest payments semi-annually and annually.

As at 31 December 2017 and 30 June 2017, the Group's held-to-maturity investments amounted to HK$52.4 million (of which HK$10.9 million is classified as current assets and HK$41.5 million is classified as non-current assets) and HK$61.0 million (of which HK$15.0 million is classified as current assets and HK$46.0 million is classified as non-current assets), respectively. The decrease was primarily due to the expiration of one of the marketable corporate bonds in November 2017 which was partly offset by the new investment in another corporate bond with lesser amount.

Investments in Joint Ventures

As at 31 December 2017 and 30 June 2017, the Group's investments in joint ventures amounted to HK$2.8 million and approximately HK$920,000, respectively. The increase was primarily due to the setting up of a new joint venture with a dentist for the establishments of or investments in dental clinics.

Trade Receivables

Trade receivables primarily comprise receivables due from Contract Customers under fee for service plans and capitation plans. Most Self-paid Patients of medical and dental practices settle in cash, although payments made by credit card will be classified as trade receivables until they are settled (typically within two to three days). Contract Customers typically settle payments within one to two months of the provision of services to their members. The Group allows an average credit period of 30 to 90 days to its Contract Customers. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

As at 31 December 2017 and 30 June 2017, the Group's trade receivables amounted to HK$74.6 million and HK$56.8 million, respectively. The increase from 30 June 2017 to 31 December 2017 was in line with the Group's increased revenue in 1HFY2018 as compared to 1HFY2017.

Trade Payables

Trade payables primarily comprise professional fees accrued and owing to Affiliated Doctors and amounts owing to suppliers of medical equipment and consumables. Trade payables are non-interest-bearing and are normally settled within one to three months.

The Group's trade payables remain stable at the amount of HK$54.0 million and HK$53.7 as at 31 December 2017 and 30 June 2017, respectively.

Net Change in Financial Position

The Group's net assets amounted to HK$616.5 million and HK$595.6 million as at 31 December 2017 and 30 June 2017, respectively. The increase was primarily due to the net profit for 1HFY2018 amounted to HK$17.4 million and the exercise of Pre-IPO Share Options by an executive director, partly offset by the distribution of FY2017 final dividend for HK$16.6 million and the purchase of shares for the Share Award Scheme.

LIQUIDITY AND FINANCIAL RESOURCES

The Group has historically funded its operations primarily by cash generated from operating activities. Upon the listing of the shares of the Company on the Stock Exchange, the Group intended to satisfy its liquidity requirements using a combination of cash generated from operating activities and net proceeds from the Global Offering. The Group may also seek to borrow to satisfy liquidity requirements. As of 31 December 2017, the Group had a cash and cash equivalents of HK$381.5 million.

As of the date of this announcement, the Group did not have any bank borrowings or outstanding bank loans and did not enter into any bank loan facilities.

CAPITAL STRUCTURE

There has been no significant change in the capital structure of the Company during the six months ended 31 December 2017. The capital of the Company comprises ordinary shares and other reserves.

MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES

On 13 April 2017, the Group entered into a provisional agreement for sale and purchase with the vendor pursuant to which the Group agreed to acquire the entire issued share capital of Excellent City Limited (the "Target Company") for a consideration of HK$56,650,000. The Target Company which is principally engaged in property investment in Hong Kong, is the sole legal and beneficial owner of Offices 1, 2, 3, 4 and 5 on 18/F., Nam Wo Hong Building, 148 Wing Lok Street, Sheung Wan, Hong Kong. Please refer to the Company's announcement dated 13 April 2017. The transaction was completed on 10 August 2017.

On 24 July 2017, the Group entered into an agreement for sale and purchase with a dental chain pursuant to which the Group agreed to acquire the assets and business of a dental clinic in Kowloon, Hong Kong for a consideration of HK$2,000,000. The transaction was completed on 1 August 2017.

Save as aforesaid, there was no material acquisition or disposal of subsidiaries undertaken by the Group during 1HFY2018.

CAPITAL EXPENDITURE

The capital expenditure during the period was primarily related to the acquisition of land and building for the Group's future office premises and the deposits paid for and expenditures on additions of property, plant and equipment for the Group's medical centres. For 1HFY2018, the Group incurred capital expenditure in an aggregate amount of approximately HK$65.2 million (1HFY2017: HK$21.0 million).

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Apart from strengthening the Group's current business and the future plans as disclosed in the Prospectus, the Group did not have any specific future plan for material investments or capital assets as of 31 December 2017.

INDEBTEDNESS

Contingent Liabilities

As at 31 December 2017, the Group did not have any material off-balance sheet arrangements.

Capital Commitment

As at 31 December 2017, the Group had a material capital commitment of approximately HK$51,449,000 in relation to the acquisition of a property premises from an independent third party with details as set out in the section headed "Events After Reporting Period".

PLEDGE OF ASSETS

As at 31 December 2017, the Group has pledged certain deposits with an aggregate carrying amount of HK$0.8 million (30 June 2017: HK$0.8 million) in connection with a surety bond issued by a bank in favour of an independent third party for potential damages of dental equipment and a bank guarantee issued by a bank in favour of a landlord for leasing of a medical centre of the Group.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2017, the Group had a total of 364 (30 June 2017: 407) full-time employees. For 1HFY2018, the staff cost (including Directors' remuneration in the form of salaries and other benefits) was approximately HK$57.9 million (1HFY2017: HK$48.1 million).

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

In addition, the Company also adopted the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme, where eligible employees and consultants are entitled to subscribe for the Shares for their contribution to the Group. As at 31 December 2017, 30,608,000 options remained outstanding out of 48,000,000 options granted under the Pre-IPO Share Option Scheme and 14,300,000 share options under the Pre-IPO Share Option Scheme have been exercised during 1HFY2017. Also, as at 31 December 2017, 1,213,000 options granted under the Post-IPO Share Option Scheme remained outstanding and 1,213,000 share options under the Post-IPO Share Option Scheme have been exercised during the 1HFY2017.

The Company has also adopted the Share Award Scheme to provide an incentive and reward to selected participants for their contribution to the Group. Certain shares of the Company have been purchased but no award has been granted under the Share Award Scheme during the period from its adoption up to 31 December 2017.

The remuneration packages of the Directors are reviewed by the Remuneration Committee and approved by the Board, according to the relevant Director's experience, responsibility, workload and the time devoted to the Group, the Company's operating results and comparable market statistics.

INTERIM DIVIDEND

The Board has declared an interim dividend of HK0.55 cent per ordinary share for the six months ended 31 December 2017 (FY2017 interim dividend: HK0.5 cent). The interim dividend will be payable to the shareholders of the Company whose names appear on the register of members of the Company on Thursday, 15 March 2018. It is expected that the interim dividend will be paid on or about Tuesday,10 April 2018.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to the interim dividend, the register of members of the Company will be closed from Wednesday, 14 March 2018 to Thursday, 15 March 2018, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the entitlement to the interim dividend, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 13 March 2018.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standards of corporate governance and transparency. The Company confirms that it has complied with the code provisions of the Corporate Governance Code during the six months ended 31 December 2017, save for the deviation from code provision A.2.1 as mentioned below.

According to code provision A.2.1 of the Corporate Governance Code, the roles of the chairman and chief executive should be separate and should not be performed by the same individual. Dr. Sun Yiu Kwong, the Chairman, is also the Chief Executive Officer. The Board believes that vesting the roles of both chairman and chief executive in an experienced and qualified person such as Dr. Sun Yiu Kwong provides the Company with strong and consistent leadership while allowing effective and efficient planning and implementation of business decisions and strategies. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Group.

The Board will review the corporate governance structure and practices from time to time and shall make necessary arrangements when the Board considers appropriate.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct for dealing in securities of the Company by the Directors.

Having made specific enquiry with all Directors, the Company confirmed that the Directors have complied with the Model Code during the six months ended 31 December 2017.

Relevant employees who are likely to be in possession of inside information of the Group are also subject to compliance with the Code of Conduct for Securities Transactions by employees on terms of which are no less exacting than those set out in the Model Code. To the best knowledge of the Company, there was no incident of non-compliance of the Code of Conduct for Securities Transactions by employees during the six months ended 31 December 2017.

REVIEW OF INTERIM RESULTS

The Audit Committee, which comprises three independent non-executive Directors, namely Mr. Lee Luen Wai, John *BBS JP* (chairman), Dr. Li Kwok Tung, Donald *SBS JP* and Mr. Yeung Wing Sun, Mike, has reviewed, together with the management of the Company, the unaudited interim results of the Group for the six months ended 31 December 2017 and considered that they were prepared in compliance with the relevant accounting standards, the Listing Rules and the applicable legal requirements, and that the Company has made appropriate disclosure thereof.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 31 December 2017, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

EVENTS AFTER REPORTING PERIOD

During the six months ended 31 December 2017, the Group entered into a provisional agreement for sale and purchase with an independent third party to acquire the entire issued share capital of Way Spread Limited, which is engaged in property investment in Hong Kong for a cash consideration of HK$57,165,000, out of which, deposits of HK$5,716,000 were paid by the Group during the period.

Subsequent to the end of the reporting period, on 10 January 2018, the above transaction was completed and the outstanding consideration of HK$51,449,000 was fully settled.

PUBLICATION OF THE UNAUDITED INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is required to be published on the website of the Hong Kong Stock Exchange at www.hkexnews.hk and the designated website of the Company at www.ump.com.hk, respectively. The interim report of the Company for the six months ended 31 December 2017 will be despatched to the shareholders of the Company and published on the websites of the Hong Kong Stock Exchange and the Company in due course.

DEFINITIONS

"1HFY2017"	the six months ended 31 December 2016;
"1HFY2018"	the six months ended 31 December 2017;
"Affiliated Clinic(s)"	clinic(s) which is/are not operated by the Group but which has entered or will enter into an agreement directly with the Group to offer Medical Services, Dental Services and/or Auxiliary Services to the Plan Members;
"Affiliated Doctor(s)", "Affiliated Dentist(s)" or "Affiliated Auxiliary Services Provider(s)"	doctor(s)/dentist(s)/auxiliary services provider(s) who has entered or will enter into an agreement directly with the Group to provide services to Plan Members and who, in accordance with the terms of such agreement, has received or will receive an amount from the Group based on the volume of Plan Members treated;
"Audit Committee"	the audit committee of the Board;
"Auxiliary Services"	includes imaging and laboratory services, physiotherapy, traditional Chinese medicine, vision care and optometry and child health assessment;
"Auxiliary Services Provider(s)"	auxiliary services provider(s) who is/are or will be engaged directly by the Group as a consultant to provide Auxiliary Services in the UMP Medical Centres in accordance with the terms of a consultancy agreement with the Group, and the Affiliated Auxiliary Service Providers;
"Board"	the board of Directors of the Company;
"BVI"	the British Virgin Islands;
"Company" or "UMP"	UMP Healthcare Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the main board of the Hong Kong Stock Exchange (stock code: 722);
"Contract Customers"	collectively, insurance companies and corporations which have entered or will enter into corporate plans with the Group for healthcare benefits for Plan Members;

"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules;
"CR Phoenix"	China Resources Phoenix Healthcare Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability and listed on the main board of the Hong Kong Stock Exchange (stock code: 1515);
"CR Phoenix Healthcare Group"	CR Phoenix and its subsidiaries;
"CR Phoenix Subsidiary"	Pinyu Limited, a company incorporated under the laws of BVI with limited liability, which is a substantial shareholder of the Company and an indirect wholly-owned subsidiary of CR Phoenix;
"Dental Services"	include primary dental services such as scaling and polishing and secondary dental services such as crown and bridge, orthodontics, implants and whitening;
"Dentist(s)"	dentist(s) who is/are or will be engaged directly by the Group as a consultant to provide Dental Services in the UMP Medical Centres in accordance with the terms of a consultancy agreement with the Group, and the Affiliated Dentists;
"Director(s)"	the director(s) of the Company;
"Disposal"	the disposal of (i) UMP Medical Centre Management Limited, a company incorporated in Hong Kong and the sole shareholder of three clinics in Bejing located in Fortune Plaza, Wangjing Soho and Shuyi, pursuant to the sale and purchase agreement dated 15 December 2016 and entered into between HAML as purchaser and UMP Healthcare China as vendor, among others; and (ii) UMP Medical Centre Management (III) Limited, a company incorporated in Hong Kong and the sole shareholder of a clinic in Shanghai located in Xintiandi, pursuant to the sale and purchase agreement dated 15 December 2016 and entered into between HAML as purchaser and UMP Healthcare (Beijing) as vendor, among others. Please refer to the announcements of the Company dated 15 December 2016 and 23 March 2017 and the circular of the Company datd 8 February 2017 for further details. The Disposal was completed on 23 March 2017;

"Doctor(s)"	doctor(s) who is/are or will be engaged directly by the Group as a consultant to provide Medical Services in the UMP Medical Centres in accordance with the terms of a consultancy agreement with the Group, and the Affiliated Doctors;
"general practitioner" or "general practice"	doctors trained in general practice and best suited to act as first point of contact for patients, having the required knowledge to refer patients to the appropriate specialists or services as required;
"Global Offering"	the offer of the shares of the Company to the public in Hong Kong and outside the United States of America in offshore transactions in reliance on Regulation S, the details of which are set out in "Structure of the Global Offering" of the Prospectus;
"Group", "we", "our" or "us"	the Company and its subsidiaries;
"HAML"	Healthcare Assets Management Limited, a company incorporated in Hong Kong with limited liability, which is owned as to 40% by an indirect subsidiary of NWD, 30% by Healthcare Ventures and 30% by a NWS Subsidiary as at the date of this announcement;
"Healthcare Ventures"	Healthcare Ventures Holdings Limited, a company incorporated under the laws of BVI with limited liability, which is a substantial shareholder of the Company and an indirect wholly-owned subsidiary of Chow Tai Fook Enterprises Limited;
"HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong"	Hong Kong Special Administrative Region of the PRC;
"Hong Kong & Macau Clinical Healthcare Services"	provision of clinical healthcare services to Self-paid Patients as described in "Business Overview and Outlook" of this announcement;
"Hong Kong & Macau Corporate Healthcare Solution Services"	provision of corporate healthcare solutions as described in "Business Overview and Outlook" of this announcement;

"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
"Macau"	the Macau Special Administrative Region of the PRC;
"Medical" or "Medical Services"	includes general practice and specialist practice;
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules;
"NM"	not meaningful;
"NWD"	New World Development Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 0017);
"NWS"	NWS Holdings Limited, a company incorporated in Bermuda with limited liability and listed on the main board of the Hong Kong Stock Exchange (stock code: 659);
"NWS Subsidiary"	Dynamic Ally Limited, a company incorporated in Hong Kong with limited liability, which is an indirect wholly-owned subsidiary of NWS;
"Plan Members"	members of the Group's corporate healthcare benefits plans, who typically include group medical insurance policyholders and employees of corporations and/or their dependants;
"Post-IPO Share Option Scheme"	the post-IPO share option scheme approved and adopted by the Board on 2 November 2015;
"PRC"	the People's Republic of China (excluding, for the purpose of this announcement, Hong Kong, Macau and Taiwan);
"PRC Healthcare Business"	consists of PRC health check-up business, PRC corporate healthcare solution business and within the clinics we own and operate, revenue from selected outpatient services such as family medicine and paediatric as described in "Business Overview and Outlook" of this announcement;

"Pre-IPO Share Option Scheme"	the pre-IPO share option scheme approved and adopted by the Board on 18 August 2015;
"Prospectus"	the prospectus of the Company dated 17 November 2015;
"Remuneration Committee"	the remuneration committee of the Board;
"RMB"	Renminbi, the lawful currency of PRC;
"Self-paid Patients"	patients who visit a UMP Medical Centre operated by the Group and pay for services using cash or credit card;
"Share(s)"	ordinary share(s) with a nominal value of HK$0.001 each in the share capital of the Company;
"Share Award Scheme"	the share award scheme approved and adopted by the Board on 30 June 2016;
"specialist practice" or "specialist services"	a range of specialist practice, including Cardiology, Dermatology, Endocrinology, Diabetes and Metabolism, Family Medicine, Gastroenterology and Hepatology, General Surgery, Internal Medicine, Nephrology, Neurology, Neurosurgery, Obstetrics and Gynaecology, Ophthalmology, Orthopaedics and Traumatology, Otorhinolaryngology (ENT), Paediatrics, Paediatrics Surgery, Radiology, Respiratory Medicine, Rheumatology and Urology. Please see www.ump.com.hk for the updated list of specialist practices;
"UMP Healthcare (Beijing)"	UMP Phoenix Healthcare Limited (to be renamed as "UMP Healthcare (Beijing) Group Limited", subject to the Registrar of Corporate Affairs of BVI approving the change of company name), a company incorporated under the laws of BVI with limited liability and owned by UMP Healthcare China and CR Phoenix Subsidiary as to 70% and 30% as at the date of this announcement;
"UMP Healthcare China"	UMP Healthcare China Limited, a company incorporated under the laws of the Cayman Islands with limited liability and a 80% owned subsidiary of the Company;
"UMP Lujiazui"	上海快驗保門診部有限公司(前稱上海聯醫門診部有限公司), a company established in the PRC;

"UMP Medical Centre"	medical centre offering Medical Services, Dental Services and/or Auxiliary Services which is operated by the Group;
"UMP Network"	consists of (i) UMP Medical Centres which are operated by the Group and (ii) Affiliated Clinics which are clinics not operated by the Group but which has entered into an agreement with the Group to offer Medical Services, Dental Services and/or Auxiliary Services to Plan Members; and
"US$"	US dollar, the lawful currency of the United States of America.

In this announcement, the terms "subsidiary" and "substantial shareholder" shall have the same meanings given to such terms in the Listing Rules, unless the context otherwise requires.

By the order of the Board
UMP Healthcare Holdings Limited
SUN Yiu Kwong
Chairman and Chief Executive Officer

Hong Kong, 27 February 2018

As at the date of this announcement, the Board comprises Dr. SUN Yiu Kwong as Chairman, Chief Executive Officer and executive director, Ms. KWOK Cheuk Kwan, Jacquen as managing director and executive director, Mr. TSANG On Yip, Patrick, Dr. SUN Man Kin, Michael and Mr. LEE Kar Chung, Felix 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.