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

Global Offering

Sole Sponsor and Sole Global Coordinator

J.P.Morgan

Joint Bookrunners and Joint Lead Managers

J.P.Morgan

CIMB

If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.

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GLOBAL OFFERING

Number of Offer Shares under the Global Offering	:	**184,000,000 Shares**
Number of Hong Kong Offer Shares	:	**18,400,000 Shares (subject to reallocation)**
Number of International Offer Shares	:	**165,600,000 Shares (subject to reallocation)**
Maximum Offer Price	:	**HK$2.20 per Offer Share plus brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	:	**HK$0.001 per Share**
Stock Code	:	**722**

Sole Sponsor and Sole Global Coordinator

J.P.Morgan

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J.P.Morgan CIMB

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in "*Appendix VIII — Documents Delivered to the Registrar of Companies and Available for Inspection*", has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this prospectus or any other documents referred to above.

The Offer Price is expected to be determined by agreement between the Sole Global Coordinator (on behalf of the Underwriters) and the Company on the Price Determination Date, which is expected to be on or about Friday, 20 November 2015 and, in any event, not later than Thursday, 26 November 2015. The Offer Price will not be more than HK$2.20 per Offer Share and is expected to be not less than HK$1.92 per Offer Share, unless otherwise announced.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may not be offered, sold, pledged or transferred within the United States. The Offer Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S.

Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this prospectus, including the risk factors set out in "*Risk Factors*". The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by the Sole Global Coordinator (on behalf of the Underwriters) if certain grounds arise prior to 8:00 a.m. on the Listing Date. Such grounds are set out in "*Underwriting*".

17 November 2015

BLUE and **PINK** Application Forms made available to Eligible Doctors and Dentists and Eligible Employees, respectively, from	9:00 a.m. on Tuesday, 17 November 2015
Hong Kong Public Offering, Doctor and Dentist Preferential Offering and Employee Preferential Offering commences and **WHITE** and **YELLOW** Application Forms available from	9:00 a.m. on Tuesday, 17 November 2015
Latest time for lodging **BLUE** and **PINK** Application Forms	12:00 noon on Thursday, 19 November 2015
Latest time for completing electronic applications under the **HK eIPO White Form** service through the designated website at **www.hkeipo.hk**[2]	11:30 a.m. on Friday, 20 November 2015
Application lists open[3]	11:45 a.m. on Friday, 20 November 2015
Latest time for (a) lodging **WHITE** and **YELLOW** Application Forms, (b) completing payment for **HK eIPO White Form** applications by effecting internet banking transfer(s) or PPS payment transfer(s) and (c) giving **electronic application instructions** to HKSCC	12:00 noon on Friday, 20 November 2015
Application lists close[3]	12:00 noon on Friday, 20 November 2015
Expected Price Determination Date	Friday, 20 November 2015
(1) Announcement of the Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering, the Doctor and Dentist Preferential Offering and the Employee Preferential Offering and the basis of allocations of the Hong Kong Offer Shares, Doctor and Dentist Reserved Shares and Employee Reserved Shares to be published in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) on or before	Thursday, 26 November 2015
(2) Results of allocations in the Hong Kong Public Offering, the Doctor and Dentist Preferential Offering and the Employee Preferential Offering to be available through a variety of channels as described in "*How to Apply for Hong Kong Offer Shares and Reserved Shares — Publication of Results*" from	Thursday, 26 November 2015
(3) Announcement containing (1) and (2) above to be published on the websites of the Company and the Stock Exchange at **www.ump.com.hk** and **www.hkexnews.hk** from	Thursday, 26 November 2015

Despatch of Share certificates and e-Auto Refund payment instructions/refund cheques on or before[4]	Thursday, 26 November 2015
Dealings in the Shares on the Stock Exchange expected to commence on	Friday, 27 November 2015

Notes:

(1) All dates and times refer to Hong Kong dates and times.

(2) You will not be permitted to submit your application under the **HK eIPO White Form** service through the designated website at **www.hkeipo.hk** after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained a payment reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of the application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.

(3) If there is a "black" rainstorm warning signal or a tropical cyclone warning signal number 8 or above in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Friday, 20 November 2015, the application lists will not open and close on that day. See "*How to Apply for Hong Kong Offer Shares and Reserved Shares*".

(4) The Share certificates will only become valid at 8:00 a.m. on the Listing Date, which is expected to be Friday, 27 November 2015, provided that the Global Offering has become unconditional in all respects at or before that time. Investors who trade Shares on the basis of publicly available allocation details or prior to the receipt of the Share certificates or prior to the Share certificates becoming valid do so entirely at their own risk.

For details of the structure of the Global Offering, including its conditions, and the procedures for applications for Hong Kong Offer Shares, see "*Structure of the Global Offering*" and "*How to Apply for Hong Kong Offer Shares and Reserved Shares*", respectively.

If the Global Offering does not become unconditional or is terminated in accordance with its terms, the Global Offering will not proceed. In such a case, the Company will make an announcement as soon as practicable thereafter.

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IMPORTANT NOTICE TO INVESTORS

You should rely only on the information contained in this prospectus and the Application Forms to make your investment decision. Neither the Company nor any of the Relevant Persons has authorised anyone to provide you with any information or to make any representation that is different from what is contained in this prospectus.

This summary is intended to provide you with an overview of the information contained in this prospectus. As it is a summary, it does not contain all the information that may be important to you. You should read the whole prospectus before you decide whether to invest in the Offer Shares. Some of the particular risks of investing in the Offer Shares are set out in "Risk Factors" and you should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

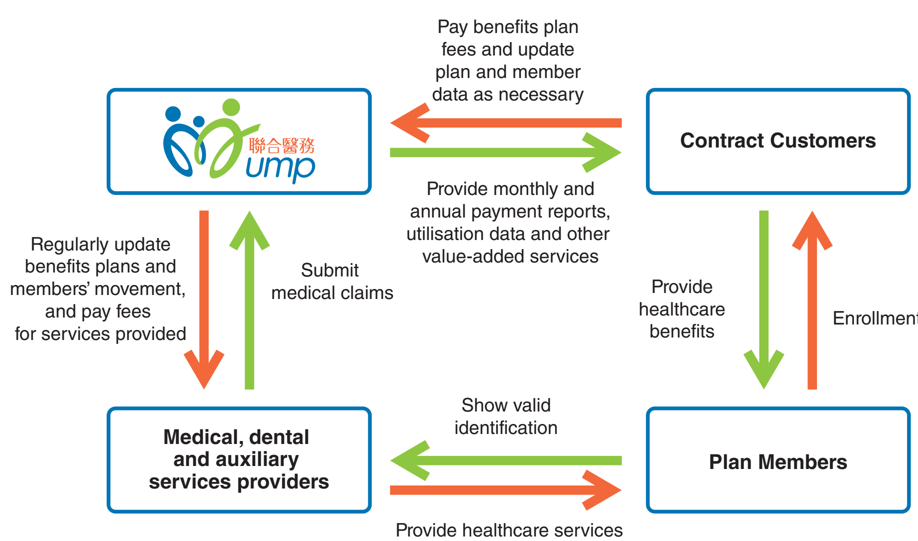
The Group is one of the leading corporate healthcare solutions providers in Hong Kong, according to Frost & Sullivan, with more than 1.3 million medical and dental patient visits in 2014. The Group partners with corporations in the design and administration of corporate healthcare benefits plans for, and provides healthcare services to, the members and employees of such corporations.

The Group has a proven organic growth track record of over 20 years in Hong Kong and offers a comprehensive range of healthcare services through a network of UMP Medical Centres and Affiliated Clinics (comprising Medical Services, Dental Services and Auxiliary Services), to Contract Customers and Self-paid Patients. During the Track Record Period, the Group derived approximately 78.4%, 75.0% and 67.8% of the Group's revenue, respectively, from the Group's Contract Customers, with the remaining revenue being derived from the Group's Self-paid Patients. Due to the Group's efforts to increase the Self-paid Patients traffic, the Group's revenue from Self-paid Patients has steadily increased during the Track Record Period.

During the Track Record Period, the Group provided corporate healthcare solutions in Hong Kong and Macau and in FY2015, the Group derived more than 95% of its revenue from its operations in Hong Kong. Going forward, the Group's vision is to expand into the PRC and replicate its Healthcare Management Model (which is founded on the basis that general practitioners are best suited to serve as the first point of contact for patients) to develop the Group into one of the leading corporate healthcare solutions providers in Greater China.

The Group's Contract Customers, comprising insurance companies and corporations, enter into contracts with the Group for the provision of healthcare benefits plans for their members or employees. These plans typically cover the provision of Medical Services, Dental Services and Auxiliary Services by the Group.

The diagram below illustrates the relationship between the Group, its Contract Customers, the Plan Members and the medical, dental and auxiliary services providers.



THE GROUP'S BUSINESS

The Group's business comprises (i) the provision of corporate healthcare solution services to Contract Customers and (ii) the provision of clinical healthcare services.

Corporate Healthcare Solutions

The Group provides corporate healthcare solutions and healthcare services to its Contract Customers through the design and administration of tailored healthcare benefits plans for their members or employees ("**Plan Members**"). The Group's corporate healthcare benefits plans include out-patient medical plans, dental plans and prevention health programmes. Generally, the Group enters into three types of contracts with its Contract Customers: (i) capitation plan, (ii) fee for service and (iii) annual retainer.

Under each plan, the healthcare services provided by the Group generally include a combination of Medical Services, Dental Services and Auxiliary Services (as further described below in "— *Healthcare Services*"). The Contract Customer pays either a fixed fee per Plan Member, an upfront annual fee for an agreed number of Plan Members or an agreed rate per treatment. As at 30 June 2015, the Group had approximately 800,000 Plan Members and administered approximately 9,400 healthcare plans.

Healthcare Services

The healthcare services which the Group offers mainly comprise Medical Services, Dental Services and Auxiliary Services. The Group's Medical Services comprise general and specialist practices. The Group's general practice is predicated on the Healthcare Management Model, which is founded on the basis that general practitioners are best suited to serve as the first point of contact for patients. In the event specialist treatments or other Auxiliary Services are required, the general practitioners may refer patients to the appropriate specialist doctors and auxiliary services providers. The Group also offers healthcare services comprising a comprehensive range of 20 specialties.

The Group offers a wide range of Dental Services which cover both primary dental care and secondary dental care. In addition, the Group offers a broad spectrum of Auxiliary Services, covering imaging and laboratory services, physiotherapy, traditional Chinese medicine, vision care and optometry, child health assessment, nutrition and dietary services, and wellness care.

UMP Network

In FY2015, the UMP Network had more than 1.3 million medical and dental patient visits. Contract Customers have access to healthcare services across the UMP Network, which includes UMP Medical Centres, Affiliated Clinics, UMP Auxiliary Services Providers and Affiliated Auxiliary Services Providers. As at 30 June 2015, the UMP Network had more than 600 points of service across Hong Kong and Macau, with an aggregate of 498 Doctors, 35 Dentists and 83 Auxiliary Services Providers. For more information on the points of service across the UMP Network in Hong Kong and Macau, see "*Business — UMP Network*".

The Group's Customers

The Group's Customers are categorised into Contract Customers and Self-paid Patients. 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. Self-paid Patients are patients who visit UMP Medical Centres and pay using cash or credit cards.

Doctors, Dentists and Auxiliary Services Providers Who Work in the UMP Network

The Group engages UMP Doctors, UMP Dentists and UMP Auxiliary Services Providers in Hong Kong directly to provide healthcare services to Customers. However, Affiliated Doctors, Affiliated Dentists and Affiliated Auxiliary Services Providers also form part of the UMP Network and the Customers have access to them for Medical Services, Dental Services and Auxiliary Services. For information on the Doctors, Dentists and Auxiliary Services Providers who work in the UMP Network, see "*Business — Suppliers*".

As at 30 June 2015, over 50% of the Doctors, Dentists and Auxiliary Services Providers have worked with the UMP Network for more than 10 years and over 70% of the Doctors, Dentists and Auxiliary Services Providers have worked with the UMP Network for more than five years.

THE CONTROLLING SHAREHOLDERS

Immediately following the completion of the Capitalisation Issue and the Global Offering (without taking into account any Shares which may be issued under the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme), East Majestic will be directly interested in approximately 27.12% of the enlarged issued share capital of the Company. East Majestic is wholly-owned by Dr. Sun Yiu Kwong (the Chairman, the Chief Executive Officer, an executive Director and one of the founders of the Group). In addition, Dr. Sun, through control of EM Team, will be interested in 6% of the enlarged issued share capital of the Company. Therefore Dr. Sun, East Majestic and EM Team will be regarded as the Controlling Shareholders, holding a total of 33.12% of the enlarged issued share capital of the Company.

KEY OPERATING STATISTICS

Plan Members and Healthcare Plans Administered

The table below sets out the approximate number of Plan Members and healthcare plans administered by the Group during the Track Record Period:

	FY2013	FY2014	FY2015
Total number of Plan Members[(1), (2)]	714,000	778,000	800,000
Total number of healthcare plans administered[(3)] . . .	8,500	9,000	9,400

Notes:

(1) The total number of Plan Members represents members whose plan membership status has been verified by the Group.

(2) Rounded to the nearest thousand.

(3) Rounded to the nearest hundred.

Points of Service

The table below sets out a breakdown of the points of service across the UMP Network in Hong Kong and Macau as at 30 June 2013, 2014 and 2015:

	As at 30 June		
	2013	2014	2015
Medical Services	**482**	**495**	**499**
General practice services	404	416	421
Specialist services	78	79	78
Dental Services	**22**	**23**	**22**
Auxiliary Services	**76**	**77**	**90**
Traditional Chinese medicine services	15	20	29
Physiotherapy services	22	19	22
Imaging and laboratory services	36	35	36
Others[(1)]	3	3	3
TOTAL	**580**	**595**	**611**

Note:

(1) Includes (i) vision care and optometry services and (ii) nutrition and dietary services.

Out of the points of service set out above, the following are points of service which were UMP branded as at 30 June 2013, 2014 and 2015:

	As at 30 June		
	2013	2014	2015
Medical Services	**19**	**21**	**23**
General practice services	13	14	15
Specialist services	6	7	8
Dental Services	**10**	**12**	**12**
Auxiliary Services	**7**	**6**	**7**
Traditional Chinese medicine services	2	2	2
Physiotherapy services	3	2	2
Imaging and laboratory services	1	1	2
Others[(1)]	1	1	1
TOTAL	**36**	**39**	**42**

Note:

(1) Includes vision care and optometry services.

Doctors, Dentists and Auxiliary Services Providers

Certain UMP Doctors, UMP Dentists and UMP Auxiliary Services Providers may, in accordance with the terms of their respective consultancy agreements with the Group, practise in more than one UMP branded point of service. However, the Affiliated Doctors, Affiliated Dentists and Affiliated Auxiliary Services Providers generally do not practise at multiple points of service within the UMP Network. The table below sets out the Doctors, Dentists and Auxiliary Services Providers across the UMP Network in Hong Kong and Macau as at 30 June 2013, 2014 and 2015:

	As at 30 June		
	2013	2014	2015
Doctors	**484**	**492**	**498**
General practice doctors	392	397	403
Specialists	92	95	95
Dentists	**30**	**37**	**35**
Auxiliary Services Providers	**63**	**65**	**83**
Traditional Chinese medicine practitioners	12	17	26
Physiotherapists	12	10	12
Imaging and laboratory services providers	36	35	42
Others(1)	3	3	3
TOTAL	**577**	**594**	**616**

Note:

(1) Includes (i) vision care and optometry services providers and (ii) nutrition and dietary services providers.

Out of the Doctors, Dentists and Auxiliary Services Providers set out above, the following were UMP Doctors, UMP Dentists and UMP Auxiliary Services Providers as at 30 June 2013, 2014 and 2015:

	As at 30 June		
	2013	2014	2015
UMP Doctors	**48**	**50**	**53**
General practice doctors	26	26	26
Specialists	22	24	27
UMP Dentists	**20**	**26**	**25**
UMP Auxiliary Services Providers	**7**	**7**	**14**
Traditional Chinese Medicine practitioners	1	1	1
Physiotherapists	1	1	1
Imaging and laboratory services providers	4	4	11
Others(1)	1	1	1
TOTAL	**75**	**83**	**92**

Note:

(1) Includes vision care and optometry services providers.

Capitation Plan and Fee for Service Arrangements

The table below sets out the number of plans administered under each type of contract:

	As at 30 June		
	2013	2014	2015
Fee for service plans	7,001	7,468	7,762
Capitation plans	1,383	1,409	1,523
Mixture of fee for service and capitation plans [(1), (2)]	75	88	92
Annual retainer	3	3	3
Mixture of fee for service and annual retainer plans [(1), (3)]	5	5	5
	8,467	8,973	9,385

Notes:

(1) A healthcare contract can include different types of healthcare plans.

(2) These healthcare contracts include fee for service plans and capitation plans.

(3) These healthcare contracts include fee for service plans and annual retainer plans.

For FY2015, the Group derived approximately 67.8% of its revenue from Contract Customers and approximately 32.2% from Self-paid Patients. Of the Contract Customers, approximately one-third of the revenue was attributable to capitation plans and approximately two-thirds were attributable to fee for service plans. See "*Business — Corporate Healthcare Solutions*" for more details.

For FY2013, FY2014 and FY2015, the revenue generated from Contract Customers represented approximately 78.4%, 75.0% and 67.8% of the Group's revenue, respectively. The table below sets out the revenue generated from each type of contract entered into with the Contract Customers during the Track Record Period:

	Year ended 30 June					
	2013		2014		2015	
	(HK$, in thousands, except percentages)					
Capitation	72,480	29.2%	72,537	27.3%	77,085	28.3%
Annual retainer	3,699	1.5%	3,812	1.4%	3,906	1.4%
Fee for service	172,345	69.3%	189,228	71.3%	191,607	70.3%
	248,524	100.0%	265,577	100.0%	272,598	100.0%
Less: intersegment sales	(578)		(654)		(775)	
Total	**247,946**		**264,923**		**271,823**	

The table below sets out for the periods indicated (a) the geographic breakdown of the Group's revenue and number of patient visits and (b) the breakdown of revenue and number of patient visits attributable to (i) provision of corporate healthcare solutions services and (ii) provision of clinical healthcare services:

	Year ended 30 June			Four months ended 31 October
	2013	2014	2015	2015
	(HK$, in thousands)			
Revenue by geographic location				
Hong Kong	298,756	326,410	375,045	130,161
Macau	17,535	26,615	24,301	8,724
PRC	–	–	1,691[1]	855[2]
	316,291	353,025	401,037	139,740
Number of patient visits by geographic location				
Hong Kong	1,234,392	1,225,630	1,196,752	397,702
Macau	67,489	87,598	93,737	33,380
PRC	–	–	–	58[3]
	1,301,881	1,313,228	1,290,489	431,140
	(HK$, in thousands)			
Revenue by segment				
Provision of corporate healthcare solutions services	247,946	264,923	271,823	92,724
Provision of clinical healthcare services	68,345	88,102	129,214	47,016
	316,291	353,025	401,037	139,740
Number of patient visits by segment				
Provision of corporate healthcare solutions services	1,179,058	1,176,812	1,140,934	377,710
Provision of clinical healthcare services	122,823	136,416	149,555	53,430
	1,301,881	1,313,228	1,290,489	431,140

Notes:

(1) The revenue from the PRC in FY2015 was not generated by the provision of Medical Services, Dental Services or Auxiliary Services. It was related to the provision of administrative and human resources services to a clinic in the PRC, an independent third party, which started in FY2015.

(2) The revenue from the PRC in this period was related to the (i) provision of administration and human resources services to a clinic in the PRC which started in FY2015 and (ii) provision of healthcare and medical services at the PRC Medical Centres which were acquired on 30 October 2015.

(3) This number was related to the number of patient visits at the PRC Medical Centres which were acquired on 30 October 2015.

THE TARGET GROUP'S NETWORK IN THE PRC

The Target Group, which operates two medical centres in Shanghai and one medical centre in Beijing, was acquired by the Group on 30 October 2015 as part of the Reorganisation. See *"History and Reorganisation — Reorganisation"*. The three PRC Medical Centres primarily carry on the business of providing (a) medical examinations for local residents and those visa applicants who wish to work, study or relocate overseas as required by the government bodies of the relevant overseas countries and (b) health check-ups for corporate employees. For more information, see "*Business — The Target Group's Network in the PRC*" and "*Financial Information of the PRC Medical Centre Companies*".

THE GROUP'S EXPANSION INTO THE PRC

In addition to the acquisition of the Target Group as part of the Reorganisation, the Group intends to replicate its Healthcare Management Model in the PRC to serve Contract Customers as well as Self-paid Patients to address the service gap in the current mid- to high-end individual private healthcare services market in the PRC. The Group's goal is to provide its Plan Members and patients with access to its UMP branded medical centres and/or UMP Phoenix branded medical centres and affiliated clinics in PRC cities, which will provide comprehensive healthcare services. The Group has recently rolled out its expansion plans in the PRC, with an initial focus on Beijing and Shanghai.

However, as the Group has historically operated only in Hong Kong and Macau, there are a number of risks and uncertainties associated with the expansion of its business into the PRC. For more information, see "*Risk Factors — Risks Relating to the Group's Business and Industry — The Group's expansion strategies into the PRC are subject to uncertainties and risks and the Group may not be able to replicate its business model in the PRC*".

UMP Phoenix JV

In 2014, pursuant to a memorandum of understanding UMP and Phoenix agreed to establish a network of UMP Phoenix JV Medical Centres in Beijing to provide a comprehensive range of healthcare services. As at the Latest Practicable Date, UMP Phoenix JV had set up its head office in Beijing, and was in the process of setting up three new integrated medical centres at strategic locations in Beijing, namely Chaoyang, Wangjing and Shunyi. The integrated medical centres in Chaoyang, Wangjing and Shunyi are expected to commence operations by the first half of 2016. For more information, see "*Business — Expansion of Healthcare Solutions Network in the PRC — Partnership with Phoenix to form UMP Phoenix JV*".

UMP Medical Centres in Shanghai

The Group plans to develop a UMP network of medical centres in other parts of the PRC with an initial focus on Shanghai. As at the Latest Practicable Date, the Group had signed a lease to set up a UMP Medical Centre in Puxi, Shanghai. The UMP Medical Centre is expected to commence operations by the first half of 2016.

INVESTMENT HIGHLIGHTS

The Group believes that its success to date and potential for future growth are attributable to the following competitive strengths:

- A leading corporate healthcare solutions provider with a proven organic growth track record and one of the largest service networks in Hong Kong.

- Hong Kong healthcare benefits market operating environment allows the Group to be the healthcare solutions provider of choice for Contract Customers and increasingly for individual non-contract patients.

- The Group's proprietary know-how and clinical management system are core to its ability to design differentiated, tailor-made solutions that address each Contract Customer's needs.

- One of the few corporate healthcare benefits providers in Hong Kong to expand into the PRC market with the aim to develop and implement a private Healthcare Management Model.

- Professional doctor-led and doctor-focused management team with proven success in managing and building a cohesive professional medical network.

BUSINESS STRATEGIES

The Group intends to continue to invest in and expand the UMP Network and leverage its comprehensive service offerings by implementing the following business strategies:

- Continue to offer innovative healthcare solutions and expand service offerings such as specialties and Dental Services to further strengthen the Group's leading position in Hong Kong.

- Target the service gap in the current mid- to high-end individual private healthcare services market in the PRC.

- Capitalise on existing relationships with current Contract Customers and actively market the Group's services to their associates in the PRC, PRC corporations and insurance companies.

- Continue to further develop the Group's systems infrastructure and capitalise on the existing doctor network in order to service the growing customer base and needs.

KEY RISKS

The Group's business is subject to numerous risks and there are uncertainties relating to an investment in the Shares. These risks and uncertainties can be categorised as (a) risks relating to the Group's business and industry, (b) risks relating to the operations in the PRC and (c) risks relating to the Global Offering. The following highlights some of the key risks that affect the Group's business:

- The Group's business operations are affected by competition from healthcare services providers and other corporate healthcare solutions providers.

- The Group's business operation is subject to extensive government regulation and any failure to comply with government laws, regulations or licensing requirements could harm the Group's business, results of operations, financial condition, brand and reputation.

- The Group's business model relies on contractual arrangements with Affiliated Doctors, Affiliated Dentists and Affiliated Services Providers, and the Group could suffer reputational harm arising from any sub-standard services provided by, or misconduct of, Affiliated Doctors, Affiliated Dentists and Affiliated Auxiliary Services Providers.

- The Group's expansion strategies into the PRC are subject to uncertainties and risks and the Group may not be able to replicate its business model in the PRC, whether due to the inability to obtain the requisite permits, licences, certificates, government approvals or otherwise.

- The Group's historical results of operations and financial performance are not indicative of future performance, and the Group may not be able to achieve or sustain the historical level of growth for revenue and profitability.

See "*Risk Factors*" for further details.

RECENT DEVELOPMENTS AND MATERIAL ADVERSE CHANGE

After the Track Record Period, the Group entered into the following transactions:

- On 13 July 2015, UMP China, a subsidiary of the Company, entered into a joint venture agreement with Pinyu, a wholly-owned subsidiary of Phoenix to form the UMP Phoenix JV on a 50-50 basis. See "*Business — Expansion of Healthcare Solutions Network in the PRC — Partnership with Phoenix to form UMP Phoenix JV — JV Agreement with Phoenix*" for further information.

- On 18 August 2015, the Company adopted the Pre-IPO Share Option Scheme, pursuant to which the Company conditionally granted share options to certain employees, executives, officers and consultants of the Group, as well as certain Directors. See "*Appendix VII — Statutory and General Information — Share Option Schemes*" for further information.

- On 9 September 2015, the Group entered into an equity transfer agreement with Guangzhou Ruian Enterprise Management Company Limited to acquire the entire equity interest in Shanghai Eaton Consulting Limited. The acquisition was completed on 30 October 2015. See "*History and Reorganisation — Reorganisation — (e) Transfer of the PRC Consulting Business from True Point to the Company and the acquisition of the PRC Medical Centre Companies*" for more information.

As the Group pursues its expansion strategy into the PRC, it expects to incur significant expenses during the ramp-up period, such as rental, marketing and recruitment expenses, before corresponding revenue and positive operating cash flow can be generated. In particular, the Group expects to incur substantial rental costs in the PRC in connection with the medical centres to be set up by the UMP Phoenix JV in Beijing (the total annual rental costs for the three new integrated medical centres to be set up in Beijing by UMP Phoenix JV is expected to be approximately RMB11 million) and the UMP Medical Centres in Shanghai (with respect to the lease agreements which have been or are to be signed). The UMP Phoenix JV is also expected to incur up to HK$4.0 million in 2016 in advisory fees payable to the Group for the advisory services to be provided by the Group with respect to operations, management, recruitment and training of medical staff and other support for the provision of medical services (see *"Connected Transactions — Non Exempt Continuing Connected Transactions — Continuing connected transactions subject to reporting, announcement and independent Shareholders' approval requirement — Advisory Services Framework Agreement"* for further details). As a result, UMP Phoenix JV may be loss-making in the next few years following the Listing. For a discussion of Group's planned expansion, see "*Business — Expansion of Healthcare Solutions Network in the PRC*".

In addition, the Group expects to recognise substantial one-off expenses in connection with the Global Offering in the first half of FY2016. The Group also expects to recognise a material amount of expense in connection with the grant of share options under the Pre-IPO Share Option Scheme. The Group anticipates that the above expenses will have a significant negative impact on the Group's results of operations and financial condition in FY2016, and there is a risk the Group may record a net loss in the first half of FY2016 given some of the expenses will be fully recognised during that period.

On 2 November 2015, the Company declared a final dividend in respect of FY2015 of HK$30.0 million to the Company's shareholders as at 30 June 2015, which is expected to be paid from cash on hand before the completion of the Global Offering.

The Directors confirm that, having performed reasonable due diligence on the Company, there has been no material adverse change in the Company's financial or trading position or prospects since 30 June 2015 and up to the date of this prospectus.

SUMMARY FINANCIAL INFORMATION OF THE GROUP

Summary Consolidated Statements of Profit or Loss

	Year ended 30 June		
	2013	2014	2015
		(HK$, in thousands)	
Revenue	**316,291**	**353,025**	**401,037**
Other income and gains, net	3,834	3,669	7,928
Professional services expenses	(196,220)	(213,497)	(234,351)
Employee benefit expense	(39,570)	(45,189)	(65,780)
Property rental and related expenses	(15,778)	(18,518)	(23,169)
Cost of inventories consumed	(11,786)	(13,176)	(15,898)
Depreciation	(2,358)	(2,447)	(6,028)
Other expenses, net	(15,100)	(17,489)	(17,893)
Share of profits and losses of associates:	1,592	2,821	1,934
Profit before tax	**40,905**	**49,199**	**47,780**
Income tax expense	(5,894)	(6,653)	(6,920)
Profit for the year	**35,011**	**42,546**	**40,860**
Profit attributable to:			
Owners of the Company	33,601	41,537	41,392
Non-controlling interests	1,410	1,009	(532)
	35,011	**42,546**	**40,860**

The Group's net profit margin during the Track Record Period was 11.1%, 12.1% and 10.2%, respectively.

Adjusted EBITDA

Adjusted EBITDA, as the Group's management presents it, represents profit before income tax expense and adjusted for share of profits of associates, bank interest income, gain on disposal of investment in an associate, deprecation and listing expenses. Adjusted EBITDA is not a standard measure under HKFRS.

While adjusted EBITDA provides an additional financial measure for investors to assess the Group's operating performance, the use of adjusted EBITDA has certain limitations because it does not reflect all items of income and expense that affect the Group's operations. In addition, adjusted EBITDA does not reflect changes in working capital, capital expenditures or other investing and financing activities and therefore should not be considered a measure of the Group's liquidity.

As a measure of the Group's operating performance, the Group's management believes that the most directly comparable HKFRS measure to adjusted EBITDA is profit before tax.

The following table sets out the reconciliation of the EBITDA and EBITDA margin for the Group's Medical Services and Dental Services, profit before tax under HKFRS and adjusted EBITDA for the periods indicated:

	Year ended 30 June					
	2013		2014		2015	
	(HK$, in thousands, except percentages)					
EBITDA and EBITDA Margin[1]						
Medical services	31,421	11.1%	38,856	12.3%	37,104	10.9%
Dental services	6,434	19.7%	7,974	21.8%	11,049	18.6%
EBITDA	**37,855**		**46,830**		**48,153**	
Less: Depreciation	(2,329)		(2,417)		(6,001)	
Segment results	**35,526**		**44,413**		**42,152**	
Interest income	95		79		46	
Other income and gains	3,739		3,199		4,331	
Unallocated gains	–		391		3,551	
Share of profits and losses of associates	1,592		2,821		1,934	
Corporate and other unallocated expenses	(47)		(1,704)		(4,234)	
Profit before tax	**40,905**		**49,199**		**47,780**	
Share of profits and losses of associates	(1,592)		(2,821)		(1,934)	
Interest income	(95)		(79)		(46)	
Gain on disposal of investment in an associate	–		–		(2,990)	
Depreciation	2,358		2,447		6,028	
Listing expenses	–		–		1,425	
Adjusted EBITDA	**41,576**		**48,746**		**50,263**	

Note:

(1) EBITDA margin is calculated by dividing EBITDA for each service category by the revenue for that service category.

Adjusted EBITDA should not be considered in isolation or constructed as a substitute for analysis of HKFRS financial measures. In addition, because adjusted EBITDA may not be calculated in the same manner by all companies, the Group's adjusted EBITDA may not be comparable to the same or similarly titled measures presented by other companies.

Summary Consolidated Statements of Financial Position Data

	As at 30 June			As at 30 September
	2013	2014	2015	2015
	(HK$, in thousands)			
Current assets	173,791	178,846	182,907	213,264
Current liabilities	76,300	80,797	181,632	203,112
Net current assets	**97,491**	**98,049**	**1,275**	**10,152**
Non-current assets	19,062	52,745	66,738	62,210
Non-current liabilities	1,013	1,241	1,822	1,710
Total equity	**115,540**	**149,553**	**66,191**	**70,652**

Summary Consolidated Statements of Cash Flows

	Year ended 30 June		
	2013	2014	2015
	(HK$, in thousands)		
Net cash generated from operating activities	31,593	44,204	44,292
Net cash used in investing activities	(663)	(3,428)	(1,618)
Net cash used in financing activities	(33,759)	(52,228)	(10,750)
Net (decrease)/increase in cash and cash equivalents	(2,829)	(11,452)	31,924
Effect of foreign exchange rate changes, net	–	–	5
Cash and cash equivalents at beginning of year	65,829	63,000	51,548
Cash and cash equivalents at end of year	**63,000**	**51,548**	**83,477**

KEY FINANCIAL RATIOS OF THE GROUP

The following table sets out the Group's key financial ratios as at the dates and for the periods indicated:

	As at and for the year ended 30 June		
	2013	2014	2015
Current ratio(1)	2.28	2.21	1.01
Quick ratio(2)	2.24	2.14	0.98
Gearing ratio(3)	N/A	N/A	N/A
Debt-to-asset ratio(4)	N/A	N/A	N/A
Return on total assets(5)	18.2	20.0	17.0
Return on equity(6)	30.3	32.1	37.9

Notes:

(1) Current ratio is calculated by dividing total current assets by total current liabilities.

(2) Quick ratio is calculated by dividing total current assets (net of inventories) by total current liabilities.

(3) Gearing ratio is calculated by dividing borrowings net of cash and cash equivalents by total equity and multiplying the result by 100.

(4) Debt-to-asset ratio is calculated by dividing interest-bearing borrowings by total assets and multiplying the result by 100.

(5) Return on total assets is calculated by dividing profit for the year by the average of total assets at the beginning and the end of the year and multiplying the result by 100.

(6) Return on equity is calculated by dividing profit for the year by the average of total shareholders equity at the beginning and the end of the year and multiplying the result by 100.

SUMMARY FINANCIAL INFORMATION OF THE PRC MEDICAL CENTRE COMPANIES

Summary Consolidated Statements of Profit or Loss

	Year ended 30 June		
	2013	2014	2015
		(RMB)	
Revenue	**4,642,356**	**16,760,656**	**24,411,458**
Other income and gains	56,269	60,865	61,749
Employee benefit expense	(1,974,812)	(5,947,585)	(9,172,310)
Property rental and related expenses	(1,731,819)	(1,914,598)	(2,583,401)
Cost of inventories consumed	–	(138,617)	(279,498)
Depreciation	(228,494)	(816,878)	(1,057,196)
Other expenses, net	(916,273)	(3,498,891)	(5,971,216)
Profit/(loss) before tax	**(152,773)**	**4,504,592**	**5,409,586**
Income tax expense	(75,347)	(393,681)	(1,312,246)
Profit/(loss) for the year	**(228,120)**	**4,111,271**	**4,097,340**

Summary Combined Statements of Financial Position Data of the PRC Business

	As at 30 June		
	2013	2014	2015
		(RMB)	
Current assets	7,183,007	12,621,897	15,175,559
Current liabilities	4,767,303	10,210,276	8,295,528
Net current assets	**2,415,704**	**2,411,621**	**6,880,031**
Non-current assets	3,246,078	7,487,432	7,116,362
Non-current liabilities	56,000	182,000	182,000
Total equity	**5,605,782**	**9,717,053**	**13,814,393**

For more details on the PRC business, see "*Financial Information of the PRC Medical Centre Companies*" and "*Appendix IB — Accountants' Report on the Financial Information of the PRC Medical Centre Companies*".

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION OF THE ENLARGED GROUP

	Year ended 30 June 2015
	(HK$'000)
Revenue	430,662
Profit before tax	65,678
Profit for the year	57,095

	As at 30 June 2015
	(HK$'000)
Current assets	190,851
Current liabilities	187,320
Net current assets	**3,531**
Non-current assets	75,755
Non-current liabilities	2,053
Total equity	**77,233**

See "*Appendix IIB — Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group*" for more details.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

Unaudited proforma adjusted consolidated net tangible assets per Share : HK$0.54 (based on the Maximum Offer Price of HK$2.20 per Share)

HK$0.47 (based on the Minimum Offer Price of HK$1.92 per Share)

See "*Appendix IIA — Unaudited Pro Forma Financial Information*" for more details.

USE OF PROCEEDS

The net proceeds from the Global Offering which the Company will receive, after deducting the estimated underwriting commissions (assuming the discretionary incentive fee is not paid) and expenses in relation to the Global Offering payable by the Company, are expected to be approximately HK$333.7 million, assuming an Offer Price of HK$2.06 (being the mid-point of the Offer Price Range).

The Company intends to use the net proceeds of approximately HK$333.7 million, assuming an Offer Price of HK$2.06 (being the mid-point of the Offer Price Range), from the Global Offering as follows:

- approximately HK$200.2 million (or approximately 60.0% of the net proceeds) will be used for the Group's expansion into the PRC;
- approximately HK$100.1 million (or 30.0% of the net proceeds) will be used for expanding the Group's business in Hong Kong; and
- the remaining proceeds of approximately HK$33.4 million (or approximately 10.0% of the net proceeds) will be used for the Group's working capital and other general corporate purposes.

For more details, see "*Future Plans and Use of Proceeds*".

DIVIDENDS

The Company's subsidiaries declared and paid dividends to the then shareholders of the Company of HK$34.4 million and HK$34.2 million in FY2013 and FY2014, respectively. In FY2015, the subsidiaries of the Company declared dividends of a total of HK$70.9 million to such subsidiaries' former shareholder before the Reorganisation, which is expected to be paid before the completion of the Global Offering. On 2 November 2015, the Company declared a final dividend in respect of FY2015 of HK$30.0 million to the Company's shareholders as at 30 June 2015, which is expected to be paid from cash on hand before the completion of the Global Offering.

The Company does not have a dividend policy. The Board has absolute discretion as to whether to declare any dividend for any year and, if it decides to declare a dividend, how much dividend to declare. The Board has the discretion to declare dividends, subject to the Cayman Companies Law and the Articles of Association, including the approval of the Shareholders. The amount of any dividends to be declared or paid in the future will depend on, among other things, the Group's results of operations, cash flows and financial condition, operating and capital requirements and other applicable laws and regulations and other relevant factors.

LISTING EXPENSES

The total estimated expenses in connection with the Listing are approximately HK$45.3 million, of which (i) approximately HK$1.4 million has been charged to our consolidated statements of profit or loss for FY2015, (ii) approximately HK$0.5 million has been capitalised as deferred expenses as at 30 June 2015 and will be charged against equity upon the Listing under the relevant accounting standards; (iii) approximately HK$15.4 million is expected to be charged to the consolidated statements of profit or loss for FY2016; and (iv) approximately HK$28.0 million is expected to be capitalised as deferred expenses and charged against equity upon the Listing under the relevant accounting standards.

Company	UMP Healthcare Holdings Limited 聯合醫務集團有限公司.
Global Offering	Global offering of 184,000,000 Offer Shares comprising the Hong Kong Public Offering and International Offering (including the Doctor and Dentist Preferential Offering and the Employee Preferential Offering).
Hong Kong Public Offering	18,400,000 Offer Shares offered by way of a public offer in Hong Kong (subject to clawback and reallocation).
International Offering	165,600,000 Offer Shares (subject to clawback and reallocation).
Doctor and Dentist Preferential Offering	9,200,000 Offer Shares out of the Offer Shares offered under the International Offering.
Employee Preferential Offering	9,200,000 Offer Shares out of the Offer Shares offered under the International Offering.
Offer Price Range	HK$1.92 to HK$2.20.
Price Determination	The Offer Price is expected to be determined on or about Friday, 20 November 2015 and, in any event, not later than Thursday, 26 November 2015.
Lock-up Undertakings in relation to the Underwriting Agreements	• The Company — six months from the Listing Date. • Each of the Controlling Shareholders, the substantial shareholders of the Company, being Pinyu and Healthcare Ventures, and each of the 10 other shareholders of the Company as set out in *"History and Reorganisation — Reorganisation — Corporate Structure Immediately Following the Global Offering"* — 12 months from the Listing Date. See "*Underwriting*" for further information on the lock-up undertakings in relation to the Underwriting Agreements.
Market Capitalisation	Expected to be between HK$1,413.1 million and HK$1,619.2 million.
Listing and Trading	Expected to commence on Friday, 27 November 2015.

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information to the public with regard to the Group.

The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

INFORMATION AND REPRESENTATION

You should only rely on the information contained in this prospectus and the Application Forms to make your investment decision. Neither the Company nor any of the Relevant Persons has authorised anyone to provide you with any information or to make any representation that is different from what is contained in this prospectus. No representation is made that there has been no change or development reasonably likely to involve a change in the Group's affairs since the date of this prospectus or that the information contained in this prospectus is correct as at any date subsequent to its date.

This prospectus contains forward-looking statements. All statements other than statements of historical fact contained in this prospectus, including, without limitation:

- the discussions of business strategies, objectives and expectations regarding the Group's future operations, margins, profitability, liquidity and capital resources;
- the future development of, and trends and conditions in, the healthcare industry and the general economy of the countries in which the Group operates or plans to operate;
- the Group's ability to control costs;
- the nature of, and potential for, the future development of the Group's business (including its plans to expand its business in the PRC); and
- any statements preceded by, followed by or that include words and expressions such as "expect", "believe", "plan", "intend", "estimate", "forecast", "project", "anticipate", "seek", "may", "will", "ought to", "would", "should" and "could" or similar words or statements,

as they relate to the Group or its management, are intended to identify forward-looking statements.

These statements are based on assumptions regarding the Group's present and future business, business strategies and the environment in which the Group will operate. These forward-looking statements reflect the Group's current views as to future events and are not a guarantee of the Group's future performance. Forward-looking statements are subject to certain known and unknown risks, uncertainties and assumptions, including the risk factors described in "*Risk Factors*", which may cause the Group's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements.

Subject to the requirements of applicable laws, rules and regulations, the Company and the Directors do not have any obligation, and undertake no obligation, to update or otherwise revise the forward-looking statements in this prospectus, whether as a result of new information, future events or developments or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus might not occur in the way it is expected or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements contained in this prospectus are qualified by reference to the cautionary statements set out in this section.

In this prospectus, statements of or references to the Group's intentions or that of any of the Directors are made as at the date of this prospectus. Any of these intentions may change in light of future developments.

An investment in the Shares involves a high degree of risks. Prospective investors should carefully consider the following risk factors, together with all other information contained in this prospectus, before deciding whether to invest in the Shares. The occurrence of any of the following events could harm the Company or the Group. If any of these events occur, the business, financial condition, results of operation and/or the prospects of the Group could be materially and adversely affected. The market price of the Shares could fall significantly due to any of these risks, or any additional risks not currently known to the Group or which it now deems immaterial, and you may lose all or any part of your investment.

RISKS RELATING TO THE GROUP'S BUSINESS AND INDUSTRY

The Group's business operations are affected by competition from other healthcare services providers and other corporate healthcare solutions providers.

The healthcare services industry in which the Group operates is highly competitive. The Group strives to be a leading corporate healthcare solutions provider but it faces intense competition from other healthcare services providers and corporate healthcare solutions providers in both the public and private sectors in Hong Kong, Macau and the PRC. The Group's ability to compete effectively with other corporate healthcare solutions providers to become a "top-of-mind" corporate healthcare solutions provider depends on a number of factors. For example, some of the Group's competitors may have longer operating histories, more advanced technology, better brand recognition, greater financial resources, greater geographical coverage, more specialised medical staff, a stronger reputation in the market, or cheaper fees. Such competitive advantages may enable the Group's competitors to increase their market share which will result in a lower profit margin and loss of market share for the Group. If the Group cannot compete effectively or maintain or grow its market share, its business, results of operations and financial condition may be materially and adversely affected.

The Group's business operation is subject to extensive government regulation and any failure to comply with government laws, regulations or licensing requirements could harm the Group's business, results of operations, financial condition, brand and reputation.

The Group's business operations, Doctors, Dentists and Auxiliary Services Providers in the UMP Network working in Hong Kong, Macau and the PRC are subject to extensive laws, regulations and licensing requirements. Refer to "*Appendix IV — Regulatory Overview*" for further information. If the Group fails to comply with such laws, regulations and licensing requirements, its existing business operations and future expansion plans may be negatively affected. Many government policies governing the healthcare services industry, particularly in the PRC, may evolve and change over time, and new or more stringent policies may be introduced. If the Group fails to comply with new policies and regulations, or if such policy changes disrupt the Group's business prospects or cause it to incur additional costs, the Group's business, results of operations and financial condition will be negatively affected. In addition, there are various licensing requirements governing different aspects of the Group's business, such as operating a medical centre and provision of healthcare services. Any failure to renew licences or any withdrawal of licences may result in the imposition of penalties on the Group, or the suspension of its operations, which could materially and adversely affect its business, results of operations and financial condition.

Further, Doctors, Dentists and certain Auxiliary Services Providers have to comply with the code of professional conduct or discipline as applicable to them (the "**Codes**") which sets out (i) the restriction on the promotion or dissemination of information about the professional services and practice carried out by them or their group practice (with certain exceptions, such as publication of service information on the website of a bona fide medical practice group or in doctors directories); and (ii) restrictions on publication or marketing efforts for the predominant purpose of promoting their products or services to customers or potential customers. Practice promotion is interpreted in the broadest sense to include the failure to take adequate steps to prevent publicity in circumstances which would call for caution. Should there be any inadvertent breach, change in the guidance, or change of interpretation of the Codes, the Group, UMP Doctors, UMP Dentists and UMP Auxiliary Services Providers may be regarded as breaching the Codes and may be subject to relevant disciplinary actions. This could affect UMP Doctors', UMP Dentists' and UMP Auxiliary Services Providers' ability to work at UMP Medical Centres and provide services to Customers, which could in turn materially and adversely affect the Group's reputation, business, results of operations and financial condition.

The Group's expansion strategies into the PRC are subject to uncertainties and risks and the Group may not be able to replicate its business model in the PRC.

Historically, the Group has principally operated its business in Hong Kong and Macau. As part of its business strategy, the Group has recently begun to expand its operations to certain major cities in the PRC and establish UMP Medical Centres in those cities. As the Group has very limited experience and track record in the PRC market, such expansion strategies are subject to uncertainties and risks, including the following:

- strain on the Group's managerial, operational and financial resources;
- competition with existing healthcare services providers in the PRC;
- differences in the business, regulatory and political environment between Hong Kong and the PRC;
- difficulties in obtaining the requisite permits, licences, certificates or other government approvals in connection with the Group's operation in the PRC;
- difficulties in establishing a brand, reputation and new customer base; and
- difficulties in recruiting skilled and qualified healthcare professionals and management personnel.

In addition, as the Group expands its operations to the PRC as part of its business strategy, it will need to continue to secure good locations for UMP Medical Centres. Given that the Group is a new entrant to the PRC healthcare services market, there can be no assurance that the Group will be able to successfully secure attractive locations for UMP Medical Centres, or enter into favourable lease terms, or at all. If the Group is not successful in securing suitable premises for UMP Medical Centres, the Group's expansion effort may be hampered and its business may suffer.

Further, the Group's success in Hong Kong and Macau during the Track Record Period was largely attributable to Contract Customers' acceptance of the Group's business model and willingness to provide private healthcare solutions to employees or insurance policyholders through services offered by the Group. The private healthcare market in the PRC is still developing. Medical expenses of corporate employees are currently covered by mandatory government insurance programmes. There is no assurance that corporations in the PRC will be willing to top-up healthcare benefits payment for their employees and offer additional healthcare services by private providers, such as the Group.

The Group's Healthcare Management Model is predicated on the belief that general practitioners are best suited to serve as the first point of contact for patients, and if deemed necessary by the general practitioner, the patient will be referred to qualified specialist doctors for specialist care. However, patients in the PRC have traditionally relied on large government hospitals and having direct access to specialist doctors (without first going to a general practitioner) to meet their healthcare needs. Due to such entrenched market practice, the Group may experience difficulties in promoting its Healthcare Management Model. If the Group fails to promote its Healthcare Management Model to PRC patients, or if such model does not gain adequate acceptance and recognition, the Group may not be able to attract sufficient patients to UMP Medical Centres in the PRC and its expansion plans will be negatively impacted and its business, results of operations and financial condition may be materially and adversely affected.

Doctors, Dentists, Auxiliary Services Providers and other medical professionals in the UMP Network, together with the Group, could become the subject of claims, complaints, regulatory or professional investigations arising from medical disputes brought by Customers, which may harm the Group's business, results of operations, financial condition, brand and reputation.

The Group's success in Hong Kong depends to a significant extent on the recognition of its brand and reputation as a leading corporate healthcare solutions provider. However, Doctors, Dentists and Auxiliary Services Providers working in the UMP Network and the Group may from time to time be subject to complaints, allegations or legal actions from Contract Customers and Self-paid Patients regarding the adequacy of patient care, treatment outcome and medical services provided. In such event, Contract Customers and/or Self-paid Patients may have the right to bring a claim, including against the Group, for professional misconduct or negligence arising from the acts or misconduct of Doctors, Dentists and Auxiliary Services Providers. While such claims are typically brought against the relevant Doctors, Dentists and Auxiliary Services Providers who provided the treatment or service, the Group may be joined as a party to claims because the treatment or service in question was provided by a service provider in the UMP Network. If Doctors, Dentists and Auxiliary Services Providers are unable to settle costs arising from claims brought by dissatisfied patients, these patients may look to the Group to satisfy their claims, which could lead to potentially protracted proceedings. Legal actions against Doctors, Dentists, Auxiliary Services Providers or the Group, regardless of their merit or eventual outcome, could result in reputational damage, significant legal costs and diversion of the management's attention from the Group's business operations.

Furthermore, if a legal action is taken by a patient, who is a Plan Member, against the relevant Contract Customer, that Contract Customer may seek to bring an action against the Group for damages suffered as a result of any possible breach of the Group's contractual obligations with the Contract Customer. There is no assurance that the Group would not be named as a defendant in a lawsuit or proceedings brought by Contract Customers and/or Self-paid Patients. A successful claim against the Group in respect of the adequacy of patient care, treatment outcome and medical services provided may result in (i) legal and/or compensation costs incurred in connection with such claim or other adverse allegations, (ii) damage to the Group's brand and reputation and (iii) a material adverse effect on the Group's business, results of operations and financial condition. Such complaints, allegations and legal actions, regardless of their validity, may lead to negative publicity, investigations or disciplinary actions by regulatory or professional bodies. This may in turn damage the reputation of the Doctors, Dentists, Auxiliary Services Providers and that of the Group, which could negatively affect the number of Contract Customers willing to engage the Group to provide corporate healthcare solutions as well as Self-paid Patients visiting Medical Centres in the UMP Network.

In addition, Doctors, Dentists and certain Auxiliary Services Providers may be subject to disciplinary actions from the governing professional bodies, such as the Medical Council or Dental Council in Hong Kong. The governing professional bodies may impose sanctions including, among other things, issuing a warning notice, reprimand and/or removing the Doctor, Dentist or Auxiliary Services Providers from the general register for a certain period of time or indefinitely if he/she is found guilty of professional misconduct. Where Doctors, Dentists and/or Auxiliary Services Providers are involved in medical disputes and/or are subject to complaints or professional investigations, they may be distracted from the provision of medical services to patients and have to divert their time and resources to handling such issues. This could have a material adverse effect on the Group's reputation.

The Group's business model relies on contractual arrangements with Affiliated Doctors, Affiliated Dentists and Affiliated Services Providers, and the Group could suffer reputational harm arising from any sub-standard services provided by, or misconduct of, Affiliated Doctors, Affiliated Dentists and Affiliated Auxiliary Services Providers.

The UMP Network includes Affiliated Doctors, Affiliated Dentists and Affiliated Auxiliary Services Providers who provide services to Contract Customers and Self-paid Patients under service agreements with the Group. Affiliated Doctors, Affiliated Dentists and Affiliated Auxiliary Services Providers may provide sub-standard services, mishandle sensitive information, engage in other misconduct or commit medical malpractice. Because of the affiliate relationships, the Group could be perceived as responsible for the actions of Affiliated Doctors, Affiliated Dentists and Affiliated Auxiliary Services Providers and, as a result, suffer reputational damage. This will adversely affect the Group's ability to attract Contract Customers to engage it as a provider of healthcare solutions. In addition, while the Group generally requires Affiliated Doctors, Affiliated Dentists and Affiliated Auxiliary Services Providers to maintain adequate professional indemnity insurance and to indemnify the Group for any harm suffered by the Group arising from the negligence and misconduct of Affiliated Doctors, Affiliated Dentists and Affiliated Auxiliary Services Providers, there can be no assurance that Affiliated Doctors, Affiliated Dentists and Affiliated Auxiliary Services Providers will have sufficient insurance coverage in place or honour such contractual obligation.

The Group's historical results of operations and financial performance are not indicative of future performance, and the Group may not be able to achieve or sustain the historical level of growth for revenue and profitability.

The Group's historical results and growth may not be indicative of its future performance. The Group's revenue, expenses and operating results may vary from period to period in response to a variety of factors beyond its control, and accordingly, its results of operations and financial performance may not meet the expectations of market analysts or investors, which could cause the future price of the Group's Shares to decline.

As the Group pursues its expansion strategy into the PRC, it expects to incur significant expenses during the ramp-up period, such as rental, marketing and recruitment expenses, before corresponding revenue and positive operating cash flow can be generated. In particular, the Group expects to incur substantial rental costs in the PRC in connection with the medical centres to be set up by the UMP Phoenix JV in Beijing (the total annual rental costs for the three new integrated medical centres to be set up in Beijing by UMP Phoenix JV is expected to be approximately RMB11 million) and the UMP Medical Centres in Shanghai (with respect to the lease agreements which have been or are to be signed). The UMP Phoenix JV is also expected to incur up to HK$4.0 million in 2016 in advisory fees payable to the Group for the advisory services to be provided by the Group with respect to operations, management, recruitment and training of medical staff and other support for the provision of medical services (see *"Connected Transactions — Non Exempt Continuing Connected Transactions — Continuing connected transactions subject to reporting, announcement and independent Shareholders' approval requirement — Advisory Services Framework Agreement"* for further details). For a discussion of the Group's planned expansion, see "*Business — Expansion of Healthcare Solutions Network in the PRC*".

In addition, the Group expects to recognise substantial one-off expenses in connection with the Global Offering in the first half of FY2016. The Group also expects to recognise a material amount of expenses in connection with the grant of share options under the Pre-IPO Share Option Scheme. The Group anticipates that the above expenses will have a significant negative impact on the Group's results of operations and financial condition in FY2016, and there is a risk the Group may record a net loss in the first half of FY2016 given some of the expenses will be fully recognised during that period.

The Group relies principally on a single geographical market and any adverse economic, social and/or political conditions affecting the market may adversely affect its business operations.

The Group's business operations are principally based in Hong Kong and the Group derived substantially all of its revenue during the Track Record Period from operations in Hong Kong. Any material region-wide adverse events may negatively impact the demand for the Group's healthcare services in Hong Kong and in turn, its business operations. Such adverse events may include changes in economic conditions and regulatory environment, social and/or political conditions, material social unrest and civil disobedience, as well as significant natural disasters. These adverse events may materially disrupt the operations of the UMP Network and in turn, the revenue and profitability of the Group. Due to the limited geographical coverage of the its operations, the Group may not be able to effectively manage any potential losses arising from these adverse events, which may materially and adversely affect its business, results of operations and financial condition.

The Group is dependent on Contract Customers and Self-paid Patients who opt for the Group's healthcare services, and any deterioration in the relationships with these parties could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group's Customers comprise Contract Customers and Self-paid Patients.

Contract Customers

During the Track Record Period, the Group derived a substantial majority of its revenue from services provided to Contract Customers, which comprised insurance companies and corporations.

Policyholders of private insurance companies who use the Group's Medical Centres and services do so because their private health insurer recognise the Group's Medical Centres and facilities as an appropriate provider of the medical treatment or services required by the policyholders or employees of policyholders, which is often a prerequisite for the insurance companies to pay for or reimburse the fees of a medical treatment at the Group's Medical Centres. Accordingly, the Group's ability to attract Customers who are funded by insurance companies could be adversely affected if one or more insurance companies for any reason were to remove the UMP Network from the approved panel of healthcare services providers, eliminate the coverage of treatment options that the Group provides, impose more onerous reimbursement policies, or change its policies in a manner which makes access to the UMP Network more difficult or costly to Customers. Any change in policy conditions or withdrawal of recognition by an insurance company could have a material adverse effect on the Group's business, results of operations and financial conditions.

Corporations assess the performance of the healthcare services providers they engage from time to time and conduct reviews on the level of medical benefits provided to their employees. As a result, if corporations cease to engage the Group to provide healthcare services or if there are any material changes to the medical benefits offered to employees, the value of the healthcare services contract the Group has with corporations may decrease, which could in turn have a material and adverse effect on the Group's business, results of operations and financial condition.

Self-paid Patients

The demand for private healthcare largely depends on the individual Self-paid Patient's financial ability and willingness to pay. A slowdown in the economy may lead to a decrease in demand as Self-paid Patients opt for subsidised public healthcare services available at government hospitals and/or defer non-essential secondary healthcare services.

In addition, the Group derives a portion of revenue from Self-paid Patients who visit UMP Medical Centres for medical examinations for visa applications purposes. If the responsible government body of any overseas country decides not to continue to appoint the Group as a designated panel site for performing such medical examinations, then the number of patient visit from Self-paid Patients will decrease, which may in turn negatively impact the Group's revenue and profitability.

Any decrease in the number of Contract Customers or Self-paid Patients for any reason will have a material and adverse effect on the Group's business, results of operations and financial condition.

The Group's performance depends on its ability to attract skilled and qualified healthcare professionals.

The Group's performance largely depends on its ability to attract skilled and qualified healthcare professionals, such as registered medical practitioners, Doctors, Dentists and Auxiliary Services Providers, therapists, nurses and other healthcare professionals in Hong Kong, Macau and the PRC. The Group relies on the services of these healthcare professionals to provide the current spectrum of healthcare services to Contract Customers and Self-paid Patients.

Competition for skilled and qualified healthcare professionals is intense and the Group competes with other healthcare providers such as medical centres and hospitals in both the private and public sectors for suitable candidates. The Group believes key competitive factors that are important to the healthcare professionals include the reputation and brand recognition of the Group, professional relationships and platform, number of patient visits, financial remuneration and job satisfaction.

In the event that the Group fails to attract skilled and qualified healthcare professionals or if the Group loses them to its competitors without being able to find suitable replacements, the quality of the healthcare services offered by the Group may suffer, which may lead to a reduction in the number of patient visits and the number of Contract Customers willing to engage the Group to provide healthcare solutions services.

The Group is dependent on the service of its executive officers and other key employees.

The Group's historical success is substantially attributable to the contributions of its executives and key employees, including those personnel listed in "*Directors, Senior Management and Committees*". The Group's future success depends significantly on the continued services of these key executives and employees and the Group's ability to continue to retain and recruit senior management personnel. Due to the competitiveness of the healthcare services industry in Hong Kong and the increased demand for quality healthcare services, competition for experienced and skilled management personnel is intense, and there can be no assurance that the Group will always be able to attract and retain key management personnel or skilled employees. Such competition may also require the Group to offer higher remuneration and other benefits which could result in increased operating costs. If the Group loses the services of any of the existing executive officers or key employees and is unable to replace them in a timely manner, the Group's business, results of operations, financial condition and prospects may be materially and adversely affected.

The establishment of medical centres in the PRC require various permits, licences, certificates and government approvals and there can be no assurance the Group can obtain any of them in a timely manner or at all.

In establishing UMP Medical Centres in the PRC referred to in "*Business — Expansion of Healthcare Solutions Network in the PRC*", the Group and its business partners are required to obtain various permits, licences, certificates and other approvals from the relevant healthcare administrative authorities, such as the Medical Institution Practising Licences (醫療機構執業許可證). Obtaining each of such permits, licences, certificates and approvals is dependent on satisfaction of certain conditions.

There is no assurance that the Group will obtain all necessary permits, licences, certificates and approvals for opening a UMP Medical Centres in the PRC in a timely manner or at all, or that the Group will not encounter problems in fulfilling any or all of the conditions imposed in respect of the granting of such permits, licences, certificates and approvals, or that the Group will be able to expeditiously adapt to new laws, regulations or policies that may come into effect from time to time.

There may also be significant delays in the granting of such permits, licences, certificates and approvals by the relevant PRC administrative bodies. If the Group fails to obtain or experience significant delays in obtaining the requisite governmental permits, licences, certificates and approvals, the Group's plan for establishing UMP Medical Centres in the PRC may be significantly disrupted. Any of the foregoing could materially and adversely affect the Group's business, results of operations and financial condition.

The Group and Phoenix may not always agree on the same course of action or decision with respect to the UMP Phoenix JV. Any material disagreement or dispute may affect the success of the UMP Phoenix JV and the Group's PRC expansion plan.

On 16 July 2015, the Group formed a joint venture company, UMP Phoenix JV, with Phoenix, to set up out-patient medical centres, design and implement healthcare solutions and other healthcare service businesses in the Beijing, Tianjin and Hebei regions. The Group and Phoenix each held a 50% interest in UMP Phoenix JV and the Directors are of the view that this joint venture arrangement with Phoenix is of strategic value for the business development of the Group in the PRC. See "*Business — Expansion of Healthcare Solutions Network in the PRC*" for more information about the Group's PRC expansion plan and "*History and Reorganisation —*

Reorganisation" for details on the UMP Phoenix JV Agreement. Phoenix operates one of the largest private hospital groups in the PRC and is a listed company on the Stock Exchange. Given Phoenix's much longer track record of operating in the PRC and the obligation it has towards its own shareholders, there can be no assurance that Phoenix will always agree with the Group on management decisions affecting the UMP Phoenix JV or business operations to be carried out by it in the PRC. If the Group and Phoenix fail to reach a consensus, they will need to resort to dispute resolution provisions under the UMP Phoenix JV Agreement, which will divert the management's attention, result in potentially significant legal costs, impede the Group's expansion plan in the PRC, and in turn materially and adversely affect the Group's business, results of operations and financial condition.

Failure to protect confidential/personal information of the Group's Contract Customers and Self-paid Patients against security breaches could damage the Group's reputation, which could expose the Group, Doctors, Dentists and/or Auxiliary Services Providers to claims or litigation.

Doctors, Dentists and certain Auxiliary Services Providers are required by the code of professional conduct applicable to them not to disclose medical information of patients to any third party without the patient's consent, except in certain specific circumstances. In Hong Kong, the Group is also subject to the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong), which limits the use of personal data of individual patients collected by the Group to such purposes for which they were collected, or for a directly related purpose. In the PRC, the Group is subject to a number of laws and regulations governing patient data privacy, including the PRC Tort Liability Law (中華人民共和國侵權責任法) and Provision on the Administration of Medical Records in Medical Institutions (醫療機構病歷管理規定). These laws and regulations prohibit medical and healthcare service providers from providing patients' medical records to a third party without due authorisation from the patients. The Group relies on certain internal control measures that it has in place and on Doctors, Dentists and certain Auxiliary Services Providers to abide by the relevant laws, but there can be no assurance that the confidentiality policies and measures can completely prevent leakage of the patients' personal information or prevent such information from being used for an improper purpose. Any breach of the Group's confidentiality obligations towards the patients could expose the Group, Doctors, Dentists and/or Auxiliary Services Providers to potential liabilities, such as claims or litigation, which may have an adverse impact on the Group's reputation.

The management of the Group's business depends on its information systems, and any failure to effectively integrate, control and keep secure the Group's information systems could disrupt business operations.

The efficient operation of the Group's business depends on the smooth and efficient operation of its information technology systems. The Group relies on its information technology systems for, among other things, general medical centre administration, management of patient information, billing and financial information and reporting processes.

If the Group experiences an interruption or a reduction in the performance, reliability or availability of its information systems from natural or man-made disasters such as fire or water damage, or system failure caused by computer viruses, hardware or software malfunctions or authorised access, the Group's operations and ability to manage its accounts could be adversely affected and important patient information may be corrupted or lost. In addition, a system failure that hinders validation of invoices to Contract Customers may result in delays in, or refusal of, payment by such Contract Customers, which could affect the Group's ability to collect fees and as a result, materially and adversely affect its business, results of operations and financial condition.

Property leasing costs associated with UMP Medical Centres are a material part of the Group's operating costs and any significant changes in the property leasing market could have a material and adverse impact on the Group's business, results of operations and financial condition.

The Group currently leases substantially all of the properties in which it operates UMP Medical Centres, and the leasing costs of these medical centres accounted for a material part of the Group's operating costs during the Track Record Period. The Group expects its leasing costs to increase on an absolute basis as it increases the number of centres that it operates and as landlords increase rental rates.

The leases on UMP Medical Centres in Hong Kong have various expiration dates ranging from 2015 to 2019. As these leases approach expiration, there can be no assurance that the Group will be able to renew them on similar terms, or at all. There is also no guarantee that the landlords of existing UMP Medical Centres will not terminate leases prior to the expiry of the relevant terms.

If the Group is unable to renew some existing leases and is required to relocate certain UMP Medical Centres, there is no assurance that the Group will be able to secure comparable locations, or on terms comparable to existing terms. The number of patient visits may decline and the Group's business will suffer if the Group is unable to relocate UMP Medical Centres to new premises that patients find easily accessible. The Group may also incur substantial expenses associated with relocation and renovation, which could disrupt the Group's operations and increase operating costs.

UMP Medical Centres may be affected by outbreaks of communicable diseases.

Any recurrence of Severe Acute Respiratory Syndrome (or SARS) or an outbreak of any other epidemics in Hong Kong, Macau the PRC, such as the avian influenza A (H5N1 and H7N9) virus or the influenza A (H1N1) virus, Middle East Respiratory Syndrome (or MERS), or other communicable diseases could have a material adverse effect on the Group's operations. In the event such outbreaks occur at any of the UMP Medical Centres, greater infection control measures will have to be implemented with the possibility of temporary closures of the affected medical centres and quarantine of all affected healthcare professionals. There can be no assurance that the Group's crisis management measures can be implemented on a timely manner or will be effective. Any failure to manage the spread of communicable diseases in Hong Kong, Macau and the PRC will significantly undermine public confidence and damage the Group's reputation.

In addition, outbreaks of communicable diseases could reduce the number of patient visits to UMP Medical Centres as patients defer their treatment or switch to other medical centres for treatment, which could materially and adversely affect the Group's business, results of operations and financial condition.

The Group's insurance coverage may not completely cover risks arising from its operations.

The Group requires Doctors, Dentists and Auxiliary Services Providers who work in the UMP Network to have their own professional medical indemnity insurance. In certain limited circumstances, the Group may purchase professional medical indemnity insurance for UMP Auxiliary Services Providers, such as those practising traditional Chinese medicine, because such insurance products have only become available in the market relatively recently. However, there is no guarantee that any claims or litigation brought by patients will not exceed the insurance coverage in place. If they are unable to settle any such amount, it will affect their ability to continue to work in the UMP Network, which may in turn damage the Group's business and reputation.

Furthermore, the Group may face liabilities that exceed its available insurance coverage or arise from claims outside the scope of its insurance coverage. If the Group experiences any business disruption due to outbreaks of communicable diseases or other factors outside of its control, natural or man-made disasters, the Group may incur significant costs not covered by insurance at all. Any costs arising from uninsured losses could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group may not be able to identify and capture expansion opportunities for new UMP Medical Centres, which may place it at a competitive disadvantage and limit its growth.

In addition to driving up its total patient visits, the growth of the Group during the Track Record Period depended on its ability to increase the size of the UMP Network. The Group expects to continue to rely on its ability to identify, attract and enter into agreements with Affiliated Doctors, Affiliated Dentists, Affiliated Auxiliary Services Providers and Affiliated Clinics to grow the UMP Network.

The Group's ability to expand the UMP Network will depend on a number of factors, including:

- the reputation of the existing Doctors, Dentists, Auxiliary Services Providers and Medical Centres within the UMP Network;
- the Group's financial and managerial resources;
- the Group's ability to identify additional suitable Doctors, Dentists, Auxiliary Services Providers and Medical Centres;
- the level of competition in the market; and
- the success of the Group's expansion strategy into the PRC.

If the Group is unable to identify or capture opportunities to expand the UMP Network successfully, its growth will be limited and its business, results of operations and financial condition will also be adversely impacted.

RISKS RELATING TO THE OPERATIONS IN THE PRC

The PRC legal system is in the process of continuous development and has inherent uncertainties that could limit the legal protections available to the Group in respect of its operations.

The PRC legal system is based on written statutes and prior court decisions can only be cited as reference. Since 1979, the PRC government has promulgated laws and regulations in relation to economic matters such as foreign investment, corporate organisation and governance, commerce, taxation and trade with a view to developing a comprehensive system of commercial law. However, as these laws and regulations are continually evolving in response to changing economic and other conditions, and because of the limited volume of published cases and their non-binding nature, any particular interpretation of PRC laws and regulations may not be definitive. The PRC may not accord equivalent protection of the rights which investors may expect in countries with more developed laws and regulations.

Furthermore, the PRC is geographically large and divided into various provinces and municipalities and as such, different laws, rules, regulations and policies apply in different provinces and may have different and varying applications and interpretations in different parts of the PRC. Legislation or regulations, particularly for local applications, may be enacted without prior notice or announcement to the public. Accordingly, the Group may not be aware of the existence of new legislation or regulations. There is at present also no integrated system in the PRC from which information can be obtained in respect of legal actions, arbitrations or administrative actions. Even if an individual court-by-court search were performed, each court may refuse to make the documentation which it holds for on-going cases available for inspection.

Agreements which are governed under PRC laws may be more difficult to enforce by legal or arbitral proceedings in the PRC than in countries with more developed legal systems. Even if the agreements generally provide for arbitral proceedings for disputes arising out of the agreements to be in another jurisdiction, it may be difficult to obtain effective enforcement in the PRC of an arbitral award obtained in that jurisdiction.

The Group's business could be affected by changes in the PRC government's economic, political or social conditions or government policies.

As the Group expands its operations into the PRC and starts to generate revenue from its medical centre in Beijing and Shanghai, the Group's business, results of operations and financial condition will be increasingly affected by the PRC economic, political and social conditions or government policies.

The PRC government has implemented various economic reforms and measures to encourage economic growth in the past few decades. Some of these reforms and measures benefit the overall PRC economy, but may also have a material adverse effect on the Group. For example, the Group's business, results of operations and financial condition may be materially and adversely affected by government control over capital investments in the healthcare sector. In addition, the PRC government has implemented a series of laws, regulations and policies which imposed stricter standards with respect to the healthcare industries and healthcare services providers. See "*Regulatory Overview — Laws and Regulations Related to the Healthcare and Clinical Services in China*". If the PRC government continues to impose stricter standards on the healthcare services industry, the Group may face higher compliance costs and its ability to carry out its business may be adversely affected.

Further, existing laws and regulations relating to taxation in the PRC are subject to change. If the enterprise income tax or business tax rate increases or if new taxes are introduced which apply to the Group's operations, the Group's profit after tax will be reduced and its profitability may also be negatively impacted.

Fluctuations in the value of the Renminbi could increase the cost of the projects in the PRC.

The value of the Renminbi against the Hong Kong dollar, the US dollar and other foreign currencies is affected by, among other things, changes in the PRC's economic and political condition. In 2005, the PRC government changed its long-standing policy of pegging the value of the Renminbi to the US dollar. Under the new policy, the Renminbi is permitted to fluctuate within a band against a basket of currencies, determined by the People's Bank of China ("**PBOC**"), against which it could rise or fall by as much as 0.3% each day. Between 21 July 2005 and 31 December

2009, the Renminbi appreciated significantly against the US dollar. In June 2010, the PRC government indicated that it would make the foreign exchange rate of the Renminbi more flexible, which increases the possibility of sharp fluctuations of the Renminbi's value in the near future and the unpredictability associated with the Renminbi's exchange rate. On 16 April 2012, the PRC government widened the daily trading band to 1%, and on 15 March 2014, it was further widened to 2%.

For three consecutive days commencing 14 August 2015, the PBOC devalued the Renminbi against the US dollar, leading to declines in the value of the Renminbi against the US dollar of up to 2.8% in currency markets and signalling the largest single-day drop in the value of the Renminbi since 1994. Substantially all of the revenue of the Group are denominated in Hong Kong dollar but the Group expects to incur substantial expenses on the development of projects in the PRC which are denominated in Renminbi. Any unfavourable movement in the exchange rate of the Renminbi against the US dollar or the Hong Kong dollar (which is pegged to the US dollar) may lead to an increase in the Group's operating costs in respect of its PRC business, which could lead to material translation loss and adversely affect its results of operations and financial condition. To date, the Group has not entered into any agreements to hedge its exchange rate exposure. If the Group enters into such hedges in the future, their effectiveness may be limited and the Group may be unable to hedge its exposure successfully, or at all.

Restrictions on foreign exchange may limit the ability of the PRC subsidiaries to remit payment to the Group.

Under the existing foreign exchange regulations in the PRC, the Group may undertake current account foreign exchange transactions without prior approval from the State Administration of Foreign Exchange ("**SAFE**") by complying with certain procedural requirements. The PRC government may, however, decide to restrict access to foreign currencies for current account transactions in the future.

Shortages in the availability of foreign currency may restrict the Group's ability to remit sufficient foreign currency to pay dividends, or otherwise satisfy any foreign currency dominated obligations the Group may incur. In addition, since the future cash flow from PRC operations will be denominated in Renminbi, any existing and future restrictions on currency exchange may limit the Group's ability to receive dividends and distributions from its subsidiaries in the PRC, purchase goods and services outside of the PRC or otherwise fund any future business activities that may be conducted in foreign currencies.

The ability of the Company's PRC subsidiaries to declare dividends may be limited by trapped cash.

Under PRC law, a PRC enterprise is only permitted to declare and repatriate dividends on profits after tax provided that the losses of such enterprise have been remedied and amounts for statutory reserves have been set aside. The statutory reserves include (i) statutory common reserve funds, equal to 10% of after tax profits of each company until the total of such reserve reaches 50% of the registered capital of each such company; and (ii) discretionary common reserve funds. These reserve funds, if put aside discretionally by the shareholders meeting or compulsorily by law, cannot be distributed as dividends even if an enterprise has no losses or likely prospects of losses, and even if the reserve funds are not needed for their prescribed purposes. These reserves could potentially create a significant pool of trapped cash that cannot be used to pay dividends. If there are insufficient retained profits after tax after deducting these reserves, the amount of dividends that the PRC subsidiaries can declare will be limited, which may adversely affect the financial position of the Group.

The dividend income from the Group's PRC subsidiaries may be subject to a high rate of withholding tax.

According to the Treaty on the Avoidance of Double Taxation and Tax Evasion between Mainland and Hong Kong (內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排), if the non-PRC parent company of a PRC enterprise is a Hong Kong resident which beneficially owns a 25% or more interest in the PRC enterprise, the 10% withholding tax rate applicable under the Enterprise Income Tax Law may be lowered to 5% for dividends and 7% for interest payments once approvals have been obtained from the relevant tax authorities. The determination of beneficial ownership is clarified under the Notice on Understanding and Determining Beneficial Owners (國家稅務總局關於如何理解和認定稅收協定中「受益所有人」的通知) issued by the State Administration of Taxation on 27 October 2009, which expressly excludes from the definition of a beneficial owner any company not engaged in actual operations such as manufacturing, sales or management but that is established for the purpose of avoiding or reducing tax obligations or transferring or accumulating profits.

The Group intends to pay withholding tax of 5% on dividends and 7% on interest payments received from its subsidiaries established by its companies incorporated in Hong Kong. It is uncertain whether such companies will be considered a "beneficial owner" and there is no assurance that the tax authority will not impose a higher withholding tax rate of 10% on the Group's dividend income from the PRC. If the dividends from the PRC subsidiaries are subject to the higher withholding tax under the Enterprise Income Tax Law, the Group's business, financial condition and results of operations could be adversely affected.

PRC regulation of loans and direct investment by offshore holding companies to PRC entities may prevent the Group from making loans or capital contributions to its PRC subsidiaries, which could materially and adversely affect its ability to fund and expand its business.

The Group may make loans or capital contributions to its PRC subsidiaries to fund the development of project in the PRC. Any loans to its PRC subsidiaries are subject to PRC regulations and approvals. For example, loans by the Group to its PRC subsidiaries in the PRC to finance their activities may not exceed statutory limits and must be registered with SAFE or its local counterpart. Any capital contributions to the Group's PRC subsidiaries must be approved by the Ministry of Commerce or its local counterpart. In addition, Circular 19, which was promulgated by SAFE on 30 March 2015 and took effect on 1 June 2015 requires that Renminbi obtained from the settlement of capital of a foreign-invested enterprise be used for purposes within the business scope of the foreign invested company approved by the applicable government authority. Furthermore, SAFE has been strengthening its oversight of the flow and use of Renminbi funds converted from the foreign currency-denominated capital of a foreign invested enterprise. The use of such Renminbi may not be changed without approval from SAFE, and may not be used to repay Renminbi loans if the proceeds of such loans have not yet been used for purposes within the foreign-invested enterprise's approved business scope.

There is no assurance that the Group will be able to complete the necessary government registrations or obtain the necessary government approvals on a timely basis, if at all, with respect to future loans by the Group to its PRC subsidiaries or with respect to future capital contributions by the Group to its PRC subsidiaries. If the Group fails to complete such registrations or obtain such approvals, its ability to capitalise or otherwise fund its PRC operations may be negatively affected, which could materially and adversely affect the Group's ability to fund and expand its business.

RISKS RELATING TO THE GLOBAL OFFERING

There is no existing public market for the Shares and their liquidity and market price may fluctuate.

Prior to the completion of the Global Offering, there was no public market for the Shares. The Group has applied for the offering of, and permission to deal in, the Shares on the Stock Exchange. The offering, however, does not guarantee that an active trading market for the Shares will develop, or, if it does develop, that following completion of the Global Offering, it will be sustained or that the market price of the Shares will not fluctuate. In addition, the Group cannot assure you that the offering will result in the development of an active and liquid public trading market for the Shares. Furthermore, the price and trading volume of the Shares may be volatile. Factors that may affect the volume and price at which the Shares will trade include:

- actual or anticipated fluctuations in the Group's results of operations;
- announcements of new projects by the Group or its competitors;
- news regarding recruitment or loss of key personnel by the Group or its competitors;
- announcements of competitive developments, acquisitions or strategic alliances in the healthcare services industry;
- potential litigation or regulatory investigations; and
- general economic, market or regulatory conditions or other developments affecting the Group or the healthcare services industry.

Shareholders' interests in the share capital of the Company may be diluted in the future. The Group may in the future expand its capabilities and business through acquisition, joint venture and strategic partnership with parties who can add value to its business. The Group may require additional equity funding after the offering and the equity interest of Shareholders will be diluted should the Group issues new Shares to finance future acquisitions, joint ventures and strategic partnerships and alliances.

You may experience an immediate dilution in the book value of the Shares you purchased in the Global Offering and may experience further dilution if the Group issues additional Shares in the future.

You and other purchasers of the Shares in the Global Offering may experience an immediate dilution in pro forma net tangible assets value of HK$1.66 per Share, based on the maximum Offer Price of HK$2.20. In order to expand the Group's business, the Group may consider offering and issuing additional Shares in the future. You and other purchasers of the Shares may experience further dilution in the net tangible assets book value per Share if the Group issues additional Shares at a price lower than the net tangible assets book value per Share at the time of their issue.

The sale of a substantial number of the Shares in the public market could materially and adversely affect the prevailing market price of the Shares.

Future sales of a substantial number of the Shares by the current Shareholders could negatively impact the market price in Hong Kong of the Shares and the Group's ability to raise equity capital in the future at a time and price that it deems appropriate. The Shares held by the Controlling Shareholders are subject to certain restrictions regarding their disposal for a period of six months after the date on which trading in the Shares commences on the Stock Exchange, and the Controlling Shareholders and other substantial shareholders of the Company are expected to agree to be subject to restrictions on disposal for a period of one year after such date. The Group cannot assure you that the current Shareholders will not dispose of any Shares they own now or may own in the future. You should read the entire prospectus and the Group strongly cautions you not to place any reliance on any information contained in the press articles, other media and/or research analyst reports regarding the Group, its business, its industry and the Global Offering.

You are cautioned not to place any reliance on any information in press articles or other publications or media regarding the Group or the Global Offering.

There has been, prior to the publication of this prospectus, and there may be subsequent to the date of this prospectus but prior to the completion of the Global Offering, press, media, and/or research analyst coverage regarding the Group, its business, its industry and the Global Offering. You should rely solely upon the information contained in this prospectus in making your investment decisions regarding the Shares and the Group does not accept any responsibility for the accuracy or completeness of the information contained in such press articles, other media and/or research analyst reports nor the fairness or the appropriateness of any forecasts, views or opinions expressed by the press, other media and/or research analyst regarding the Shares, the Global Offering, the Group's business or the industry in which the Group operates.

The Group makes no representation as to the appropriateness, accuracy, completeness or reliability of any such information, forecasts, views or opinions expressed or any such publications. To the extent that such statements, forecasts, views or opinions are inconsistent or conflict with the information contained in this prospectus, the Group disclaims them. Accordingly, prospective investors are cautioned to make their investment decisions on the basis of information contained in this prospectus only and should not rely on any other information.

The Group cannot guarantee the accuracy of certain facts and statistics contained in this prospectus.

Certain facts and statistics in this prospectus have been derived from various official government and other publications generally believed to be reliable. The Group believes that the sources of such information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. The Group has no reason to believe that such information is false or misleading in any material respect or that any fact has been omitted that would render such information false or misleading in any material respect. Such information has not been independently verified by the Group or any of the Sole Global Coordinator, Sole Sponsor, the Underwriters or any of the Group's or their respective directors, officers or representatives or any other person involved in this Global Offering and no representation is given as to its accuracy. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, the facts and statistics in this prospectus may be inaccurate or may not be comparable to facts and statistics produced with respect to other economies. Further, the Group cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy (as the case may be) in other jurisdictions. As a result, you should not unduly rely upon the facts and statistics contained in this prospectus.

The members of the Board are as follows:

Name	Address	Nationality
Chairman, Chief Executive Officer and Executive Director		
Dr. SUN Yiu Kwong (孫耀江)	House C, 12 Tai Tam Road Stanley, Hong Kong	Chinese
Managing Director and Executive Director		
Ms. KWOK Cheuk Kwan, Jacquen (郭卓君)	Flat A, 2nd Floor, Block 2 Lyttelton Garden, 29 Lyttelton Road Mid-Levels, Hong Kong	Chinese
Executive Directors		
Mr. TSANG On Yip, Patrick (曾安業)	4th Floor, Sea Cliff Mansions 19D Repulse Bay Road, Hong Kong	Chinese
Dr. SUN Man Kin, Michael (孫文堅)	House C, 12 Tai Tam Road Stanley, Hong Kong	Chinese
Mr. LEE Kar Chung, Felix (李家聰)	Flat A, 1st Floor, Block 6 Julimount Garden, 1 Hin Tai Street Tai Wai, New Territories, Hong Kong	Chinese
Mr. JIANG Tianfan (江天帆)	Room 1606, Building 4 No. 16 Dongsanhuan Zhong Road Chaoyang District, Beijing, 100022 China	Chinese
Independent Non-executive Directors		
Mr. LEE Luen Wai, John *BBS JP* (李聯偉)	Flat B, 29th Floor, Trafalgar Court, 70 Tai Hang Road Hong Kong	Chinese
Dr. LI Kwok Tung, Donald *SBS JP* (李國棟)	4th Floor, Block K, Pine Court 5 Old Peak Road, Hong Kong	Chinese
Mr. YEUNG Wing Sun, Mike (楊榮燊)	Room C, 21st Floor, Woodgreen Court 8 Parkvale Drive, Discovery Bay Lantau Island, Hong Kong	Chinese

For further details, see "*Directors, Senior Management and Committees*".

Sole Sponsor	J.P. Morgan Securities (Far East) Limited 28th Floor, Chater House 8 Connaught Road Central, Hong Kong
Sole Global Coordinator	J.P. Morgan Securities (Asia Pacific) Limited 28th Floor, Chater House 8 Connaught Road Central, Hong Kong
Joint Bookrunners and Joint Lead Managers	J.P. Morgan Securities (Asia Pacific) Limited *(in relation to the Hong Kong Public Offering)* 28th Floor, Chater House 8 Connaught Road Central, Hong Kong J.P. Morgan Securities plc *(in relation to the International Offering)* 25 Bank Street, Canary Wharf London E14 5JP, United Kingdom CIMB Securities Limited Units 7706-08, Level 77 International Commerce Centre 1 Austin Road West, Kowloon, Hong Kong
Legal Advisers to the Company	*As to Hong Kong and U.S. laws:* Ashurst Hong Kong 11th Floor, Jardine House 1 Connaught Place, Central, Hong Kong *As to PRC laws:* Commerce & Finance Law Offices 6th Floor NCI Tower A12 Jianguomenwai Avenue, Beijing 100022, PRC *As to Cayman Islands laws:* Conyers Dill & Pearman Cricket Square, Hutchins Drive, P.O. Box 2681 Grand Cayman KY1-1111, Cayman Islands *As to Macau laws:* Rato, Ling, Lei & Cortés — Advogados Avenida da Amizade no. 555, Macau Landmark Office Tower 23, 2301–2302, Macau SAR
Legal Advisers to the Sole Sponsor and the Underwriters	*As to Hong Kong and U.S. laws:* Freshfields Bruckhaus Deringer 11th Floor, Two Exchange Square 8 Connaught Place, Central, Hong Kong *As to PRC laws:* Jingtian & Gongcheng 34th Floor, Tower 3, China Central Place, 77 Jianguo Road, Chaoyang District, Beijing 100025, PRC
Auditors and Reporting Accountants	Ernst & Young *Certified Public Accountants* 22nd Floor, CITIC Tower, 1 Tim Mei Avenue Central, Hong Kong
Receiving Bank	Standard Chartered Bank (Hong Kong) Limited 15/F Standard Chartered Tower 388 Kwun Tong Road, Kwun Tong Kowloon, Hong Kong

Registered Office	Codan Trust Company (Cayman) Limited Cricket Square, Hutchins Drive P.O. Box 2681, Grand Cayman KY1-1111 Cayman Islands
Head Office and Principal Place of Business in Hong Kong	Room 1404–08 Wing On House 71 Des Voeux Road Central Hong Kong
Company Secretary	Ms. MA Hoi Wan (馬凱雲) *(Member of the Hong Kong Institute of Certified Public Accountants)* Flat H, 11th Floor, Tower 1, Metro City Phase 2 Tseung Kwan O, Hong Kong
Authorised Representatives	Mr. LEE Kar Chung Felix (李家聰) Flat A, 1st Floor, Block 6 Julimount Garden, 1 Hin Tai Street Tai Wai, New Territories, Hong Kong Ms. MA Hoi Wan (馬凱雲) Flat H, 11th Floor, Tower 1, Metro City Phase 2 Tseung Kwan O, Hong Kong
Audit Committee	Mr. LEE Luen Wai, John *BBS JP* (李聯偉) *(Chairman)* Dr. LI Kwok Tung, Donald *SBS JP* (李國棟) Mr. YEUNG Wing Sun, Mike (楊榮燊)
Remuneration Committee	Dr. LI Kwok Tung, Donald *SBS JP* (李國棟) *(Chairman)* Mr. TSANG On Yip, Patrick (曾安業) Mr. YEUNG Wing Sun, Mike (楊榮燊)
Nomination Committee	Dr. SUN Yiu Kwong (孫耀江) *(Chairman)* Mr. LEE Luen Wai, John *BBS JP* (李聯偉) Dr. LI Kwok Tung, Donald *SBS JP* (李國棟)
Compliance Adviser	First Shanghai Capital Limited 19th Floor, Wing On House 71 Des Voeux Road Central, Hong Kong
Principal Banker	Hang Seng Bank Limited 20/F, 83 Des Voeux Road Central Hong Kong
Principal Share Registrar and Transfer Office	Codan Trust Company (Cayman) Limited Cricket Square, Hutchins Drive P.O. Box 2681, Grand Cayman KY1-1111 Cayman Islands
Hong Kong Branch Share Registrar and Transfer Office	Tricor Investor Services Limited Level 22, Hopewell Centre, 183 Queen's Road East Hong Kong
Company's Website	**www.ump.com.hk** *(A copy of this prospectus is available on the Company's website. Except for the information contained in this prospectus, none of the other information contained on the Company's website forms part of this prospectus)*

OVERVIEW OF THE GROUP'S HISTORY

The Group's history can be traced back to 1990 when Dr. Sun, a Controlling Shareholder of the Group, with several partners formed a partnership entity named United Medical Practice to provide medical services for healthcare plans in Hong Kong. The founders (including Dr. Sun) contributed capital using their own financial resources in order to commence business under United Medical Practice. For more information about Dr. Sun, a founding member and one of the Controlling Shareholders, see "*Directors, Senior Management and Committees — Directors — Executive Directors*".

In January 1996, Dr. Sun and the other partners incorporated a Hong Kong company with limited liability, U.M.P. Professional Management Limited (now known as UMP Professional Management Limited) to manage the core business administration aspects of the Group's business. After the establishment of U.M.P. Professional Management Limited, the Group expanded its service network in 1997 by entering into affiliate relationships in selected regions of Macau, thereby expanding the network's geographical coverage for the Group's customers. In 2000, in order to provide a platform for future business expansion, Dr. Sun and the other partners dissolved United Medical Practice and incorporated a Hong Kong company with limited liability, Pan Pacific Healthcare Limited (now known as Rich Point Investment Holdings Limited and formerly known as UMP Healthcare Limited which was the holding company of the Group's business before the Reorganisation).

In 2004, the Group completed the acquisition of the medical centres of Dr. Sun and opened the first flagship UMP branded medical centre on Hong Kong island — "UMP Medical Centre" in Central, Hong Kong in 2005. In 2007, the Group launched its first specialist medical centre and another flagship medical centre in Kowloon — "Jordan Specialist Medical Centre" and "UMP Medical Centre", respectively, in Jordan, Hong Kong. In the same year, the Group acquired an equity stake in a medical centre in Macau, thereby enhancing the Group's network in Macau.

MILESTONES IN THE GROUP'S HISTORY

The following is a summary of the Group's key development milestones:

1990	Established a partnership named "United Medical Practice" in Hong Kong
1993	Established an in-house administrative team to support the business
1996	Established UMP Professional Management Limited to manage the core business administration aspects of the Group's business
1997	Expanded the Group's network coverage to Macau
2000	Incorporated Pan Pacific Healthcare Limited (now known as Rich Point Investment Holdings Limited and formerly known as UMP Healthcare Limited, which was the holding company of the Group's business before the Reorganisation)
2001	Developed the "E-Claims" platform which connected all of the Group's service providers
2004	Completed the acquisition of the medical centres of Dr. Sun

2005	Established the Group's first flagship medical centre on Hong Kong island — "UMP Medical Centre" in Central
2007	Established the Group's first specialist centre — "Jordan Specialist Medical Centre", as well as another flagship medical centre in Kowloon — "UMP Medical Centre" both in Jordan, Hong Kong. Acquired an equity stake in a medical centre in Macau, thereby enhancing the Group's network in Macau
2009	Acquired a clinical laboratory, ProCare MedTech, the business of which is now held by a wholly-owned subsidiary which undertakes clinical laboratory investigations
2011	Implemented a fully automated electronic system to manage core business administration aspects of the Group
2013	Launched "UMP — 服務點" mobile app for corporate and insurance customers, providing up-to-date details of service providers within the UMP Network
2014	Acquired Dr. Lee Dental Centre Limited and established ProCare Medical Imaging and Laboratory Centre Limited, the Group's first advanced imaging centre
2014	The Company was established on 5 November 2014

PRINCIPAL SUBSIDIARIES

See "*Appendix IA — Accountants' Report on the Financial Information of the Group*" for details of the subsidiaries which principally affected the results, assets or liabilities of the Group.

The following chart sets out the details of certain principal subsidiaries of the Company, all of which are wholly-owned by the Group as at the Latest Practicable Date.

Name	Place of Incorporation	Date of Incorporation	Issued Share Capital	Principal Business Activities
UMP Professional Management Limited	Hong Kong	2 January 1996	HK$50,000,012	Investment holding and provision of corporate healthcare solutions
UMP Medical Centre (Hong Kong) Limited	Hong Kong	19 December 2001	HK$100	Provision of medical services
UMP Medical Centre Management (II) Limited (formerly known as UMP Medical Centre (Kowloon) Limited)	Hong Kong	14 June 2000	HK$20,000,000	Investment holding and provision of medical services
UMP Medical Centre (New Territories) Limited	Hong Kong	27 January 2006	HK$2	Provision of medical services
UMP Dental Centre Limited	Hong Kong	27 June 2003	HK$10,000	Provision of dental services
Dr. Lee Dental Centre Limited	Hong Kong	26 March 2004	HK$1	Provision of dental services

MAJOR ACQUISITIONS

The Group has made the following major acquisitions since 2000 in order to further develop the Group's business. The acquisitions were as follows:

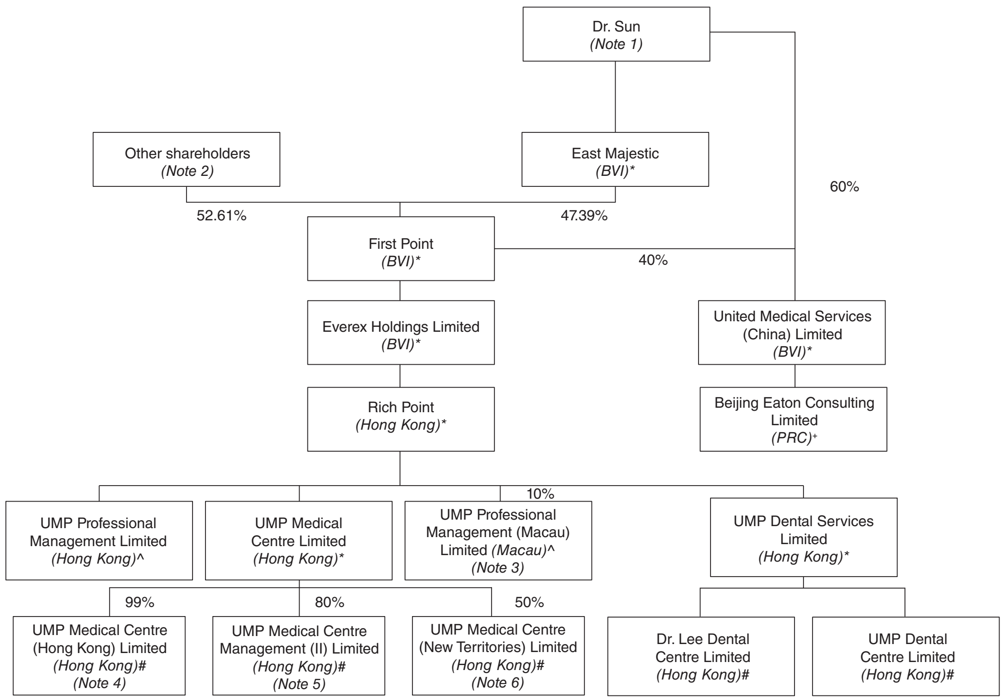
(a) the acquisition of four medical centres in September 2004 from Dr. Sun, the Chairman, Chief Executive Officer and an executive Director of the Company as well as a Controlling Shareholder, which are now part of the Group's self-operated medical centres for a total consideration of approximately HK$31 million. The consideration was based on arm's lengths negotiation and the financial results and operational results of the four medical centres and was satisfied by the issue of such number of shares in First Point which had the equivalent value of the total consideration. The acquisition was legally completed in September 2004;

(b) the acquisition of ProCare Med Tech, a business now held by AP Care Limited, a wholly owned subsidiary of the Company, in January 2009 from an independent third party in order for the Group to provide medical testing services for a total consideration of approximately HK$1.2 million. The consideration was based on arm's lengths negotiation and the financial results and operational results of ProCare Med Tech and has been paid in full. The acquisition was legally completed in January 2009; and

(c) the acquisition of Dr. Lee Dental Centre Limited as well as his interests in UMP Dental Investment Limited, UMP Dental Centre Limited, UMP Holdings (Macau) Limited, Hirayanagi Shika Company Limited and UMP Central Dental Centre Limited which completed in April 2014 from Dr. Patrick Lee, the Dental Director of the Group, for a total consideration of approximately HK$32 million. The consideration was based on arm's lengths negotiation and the financial results and operational results of the two dental centres held by Dr. Lee Dental Centre Limited. The consideration was satisfied by the issue of such number of shares in First Point which had the equivalent value to the total consideration. The acquisition was legally completed in April 2014.

REORGANISATION

The following chart sets out the simplified corporate structure of the entities that held the Group's businesses immediately prior to the Reorganisation (unless otherwise specified, each entity is 100% owned by its holding company or sole shareholder, as the case may be):



Notes:

* The principal activities of these companies are investment holding.

\# The principal activities of these companies are provision of healthcare services.

^ The principal activities of these companies are the administration and management of healthcare plans.

\+ The principal activity is the provision of healthcare and hospital management services.

(1) Dr. Sun is the Chairman, the Chief Executive Officer, an executive Director of the Company and one of the Controlling Shareholders.

(2) Among the 10 shareholders, one of the shareholders is Ms. Kwok, an executive Director who holds 5.22% of First Point. Each of the remaining shareholders does not hold more than 10% shareholding of First Point. Three of the shareholders of First Point are directors of the subsidiaries of the Company (out of whom two are expected to resign from such directorships before Listing) and the remaining shareholders are independent third parties.

(3) The remaining 90% shareholding is held by eight other Group Companies.

(4) The remaining 1% shareholding is held by UMP Corporate Administration Services Limited, an indirect wholly-owned subsidiary of the Company.

(5) Formerly known as UMP Medical Centre (Kowloon) Limited and the remaining 20% shareholding is held by UMP Professional Management Limited, an indirect wholly-owned subsidiary of the Company.

(6) The remaining 50% shareholding is held by UMP Corporate Administration Services Limited, an indirect wholly-owned subsidiary of the Company.

In preparation for the Global Offering, the Reorganisation described below was implemented.

(a) Incorporation of the Company and various group companies

The following companies were incorporated between September and November 2014:

(i) True Point was incorporated in the British Virgin Islands on 24 September 2014, with Ms. Kwok as the initial subscriber of one share;

(ii) the Company was incorporated in the Cayman Islands on 5 November 2014 as a wholly-owned subsidiary of True Point, with an authorised share capital of US$50,000 divided into 5,000,000 share of US$0.01 each; and

(iii) UMP Healthcare China Limited and UMP Healthcare Limited were incorporated in the Cayman Islands on 7 November 2014 as wholly-owned subsidiaries of the Company.

UMP Healthcare China Limited was incorporated to hold the companies which hold the Company's PRC business (other than the PRC Consulting Business and the PRC Medical Centre Companies). UMP Healthcare Limited was incorporated to hold the Company's business in Hong Kong and Macau and certain businesses in the PRC.

On 25 August 2015, the shareholders' resolutions of the Company were passed to convert the denomination of the share capital of the Company from US dollars to Hong Kong dollars such that the authorised share capital of the Company was changed to HK$390,000.00 divided into 39,000,000 Shares of HK$0.01 each.

On 2 November 2015, shareholders' resolutions of the Company were passed to:

(i) subdivide every share of HK$0.01 in the capital of the Company into 10 shares of HK$0.001 each such that the authorised share capital of the Company was HK$390,000 divided into 390,000,000 shares of HK$0.001 each; and

(ii) increase the authorised share capital of the Company to 5,000,000,000 Shares by the creation of 4,610,000,000 Shares, such additional Shares to rank *pari passu* in all aspects with existing Shares.

(b) Injection of the PRC Consulting Business and Hong Kong and Macau Business

On 1 November 2014, Dr. Sun injected his 60% holding in United Medical Services (China) Limited, which holds the PRC Consulting Business, to True Point. In consideration of such injection, True Point issued 3,887 ordinary shares of US$0.01 each (representing approximately 7.74% of True Point's then issued share capital) to East Majestic, a company wholly-owned by Dr. Sun.

On the same day, First Point (i) injected its 40% holding in United Medical Services (China) Limited to True Point and (ii) agreed to inject its holdings in 29 subsidiaries with an aggregate issued share capital of HK$51,329,000 that hold the businesses conducted in Hong Kong and Macau to True Point. In consideration for such injection, True Point issued 46,343 ordinary shares of US$0.01 each (representing approximately 92.26% of True Point's then issued share capital), directly to the 11 shareholders of First Point in the same proportion as their shareholding in First Point (after taking into account the one share held in True Point by Ms. Kwok).

Completion of the injection of United Medical Services (China) Limited to True Point occurred on 1 November 2014. Completion of the injection of the subsidiaries that hold the businesses conducted in Hong Kong and Macau to True Point occurred on 31 December 2014.

(c) Sale of 8% of True Point shares

In order to align the interests of certain individuals (including Directors and other senior personnel) with the Group's interest, the existing shareholders of True Point sold 4,018 shares in True Point, constituting approximately 8% of the total issued share capital of True Point, to Everex Limited, which held such shares for subsequent sale to Directors, senior management and selected individuals of the Group.

Pursuant to a board resolution of True Point dated 10 January 2015, such shares were offered for purchase to four executive Directors and eight members of senior personnel. The offers for purchase of such shares were accepted and such shares were purchased by them on 31 January 2015. Such shares were transferred from Everex Limited to EM Team via a series of transactions with the result that the purchasers of such shares would hold shares in EM Team and that EM Team would hold 100% of the shares in True Point. The completion of the transfer of the shares in True Point to EM Team occurred on 30 June 2015 and at the same time, EM Team issued such number of shares to the recipients to mirror each subscriber's proportional interest in the shares in True Point. Dr. Sun held approximately 56.95% shareholding in EM Team and the remaining shares constituting approximately 43.05% shareholding were held by the other 11 shareholders (each of whom does not hold more than one-third of the shares in EM Team and three of whom are executive Directors).

(d) Equity Investments by CTFE and Phoenix

Investment by CTFE

In December 2014, a series of share purchase agreements were entered into between Healthcare Ventures (a wholly-owned subsidiary of CTFE) and each of the existing shareholders of True Point to acquire shares representing 25% of the total issued shares of True Point for a total consideration of HK$190,429,512. The consideration for the share purchases was determined based on arm's length negotiations with regard to the Group's financial conditions and operational results. Completion of the above transfers occurred on 30 January 2015.

Following the distribution by True Point of its Shares in the Company to its shareholders referred to in paragraph (f) below, Healthcare Ventures will hold Shares in the Company. Healthcare Ventures will give an undertaking to the Company that it will not, for a period of 12 months from the Listing Date, dispose of or otherwise transfer all or any part of the relevant Shares acquired or any direct or indirect interest therein. See "*Underwriting — Underwriting Arrangements and Expenses*" for further details.

See "*— Pre-IPO Investments by CTFE and Phoenix — Equity Investment by CTFE*" for further details on the terms of the above investment.

Investment by Phoenix

On 13 July 2015, Pinyu (an indirect wholly-owned subsidiary of Phoenix) entered into an agreement with True Point to acquire shares representing 20% of the then total issued shares of the Company for a total consideration of HK$180,000,000. The consideration for the share purchase was determined based on arm's length negotiations with regard to the Group's financial conditions and results of operations. At the same time, Pinyu also entered into a shareholders' agreement with True Point in respect of the Company.

Completion of the above transaction occurred on 16 July 2015 and upon completion, True Point's shareholding in the Company was reduced from 100% to 80%.

Pinyu will give an undertaking that it will not, for a period of 12 months from the Listing Date, dispose of or otherwise transfer all or any part of acquired Shares or any direct or indirect interest therein. See "*Underwriting — Underwriting Arrangements and Expenses*" for further details.

See "*— Pre-IPO Investments by CTFE and Phoenix — Equity Investment by Phoenix*" for further details on the terms of investment.

(e) Transfer of the PRC Consulting Business from True Point to the Company and the acquisition of the PRC Medical Centre Companies

Prior to 30 June 2015, United Medical Services (China) Limited was held by True Point and therefore the Company had no interest in it. As part of the Reorganisation, UMP Healthcare Limited (a wholly-owned subsidiary of the Company) acquired 100 shares, representing the entire issued share capital of United Medical Services (China) Limited, at par value for a cash consideration of US$100, based on the carrying value of the accounts of United Medical Services (China) Limited on 30 June 2015.

As part of the Reorganisation, Beijing Eaton Consulting Limited (an indirect wholly-owned subsidiary of the Company) entered into an equity transfer agreement on 9 September 2015 to acquire the entire equity interest in Shanghai Eaton Consulting Limited from Guangzhou Ruian Enterprise Management Company Limited (廣州瑞安企業管理有限公司), a company wholly-owned by Dr. Michael Sun, an executive Director, (who holds 99% equity interest in Shanghai Eaton Consulting Limited), and an independent third party (who holds 1% equity interest in Shanghai Eaton Consulting Limited) for a total consideration of RMB5.1 million. Shanghai Eaton Consulting Limited holds 70% equity interests in each of Beijing Eaton Clinic Limited and Shanghai Eaton Clinic Limited, respectively, with the remaining 30% shareholding in both companies held by an independent third party. This acquisition was completed on 30 October 2015. As confirmed by the Company's PRC legal adviser, Commerce & Finance Law Offices, the acquisition of the Target Group is in compliance with the relevant laws and regulations in relation to foreign ownership in the PRC.

(f) True Point Distribution

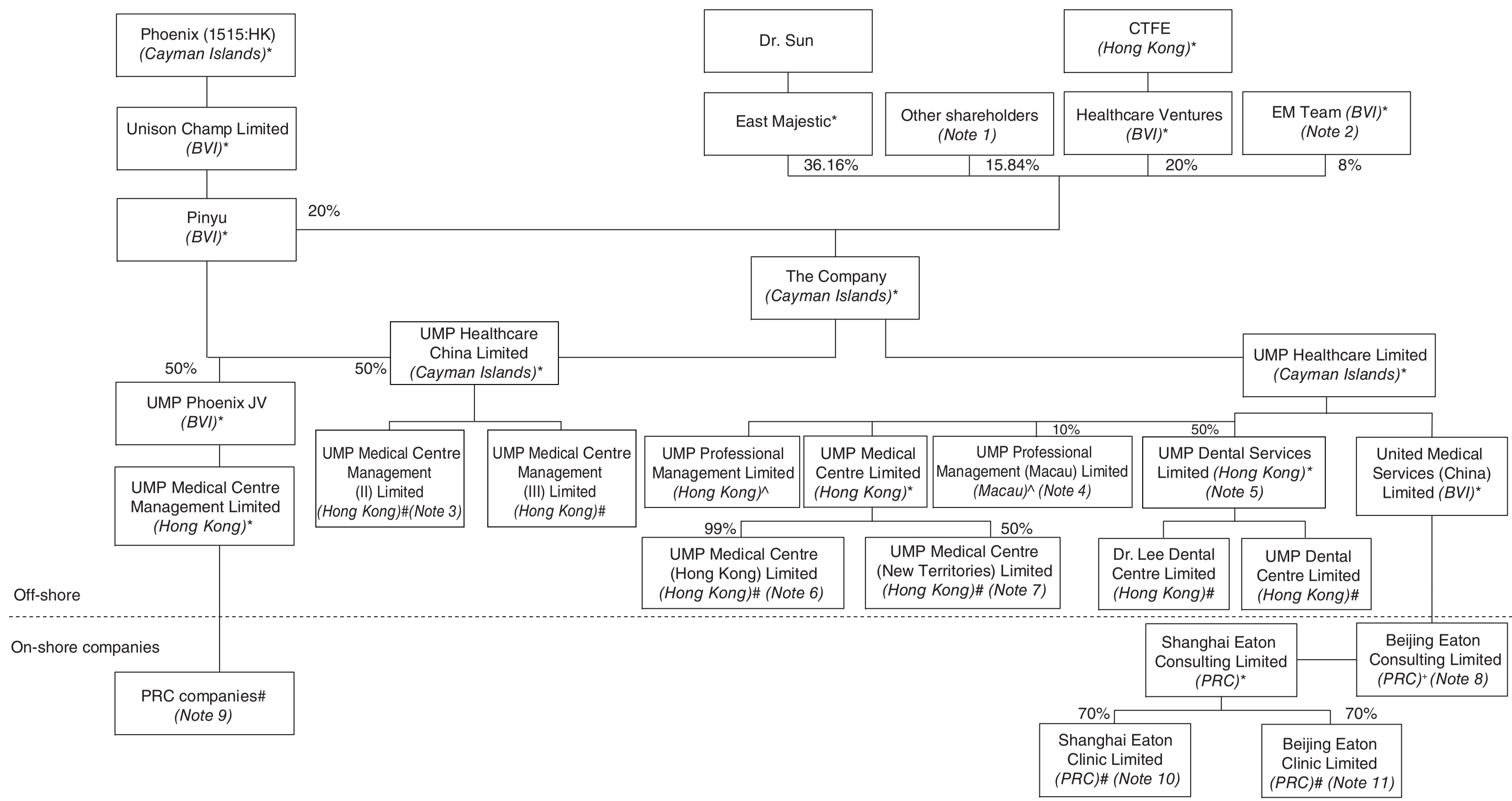
As part of the Reorganisation, the shareholders of True Point will, prior to the Listing Date, resolve to distribute True Point's entire shareholding in the Company (representing 80% of the then total issued share capital of the Company) to the shareholders of True Point by way of distribution in specie in proportion to their respective shareholding interests in True Point. Immediately after such distribution in specie but prior to the completion of the Global Offering, East Majestic (a company wholly-owned by Dr. Sun), Healthcare Ventures (a wholly-owned subsidiary of CTFE), EM Team and other shareholders will hold approximately 36.16%, 20%, 8% and 15.84% of the then total issued share capital of the Company, respectively.

(g) Capitalisation Issue prior to the Global Offering

On 13 November 2015, the Shareholders resolved that conditional upon the share premium account of the Company being credited as a result of the allotment and issue of the Offer Shares pursuant to the Global Offering, the amount of HK$544,200 from such account will be capitalised and used to pay in full the issue of a total of 544,200,000 Shares at par to the then Shareholders, on a *pro rata* basis.

Corporate Structure Immediately Before the Global Offering

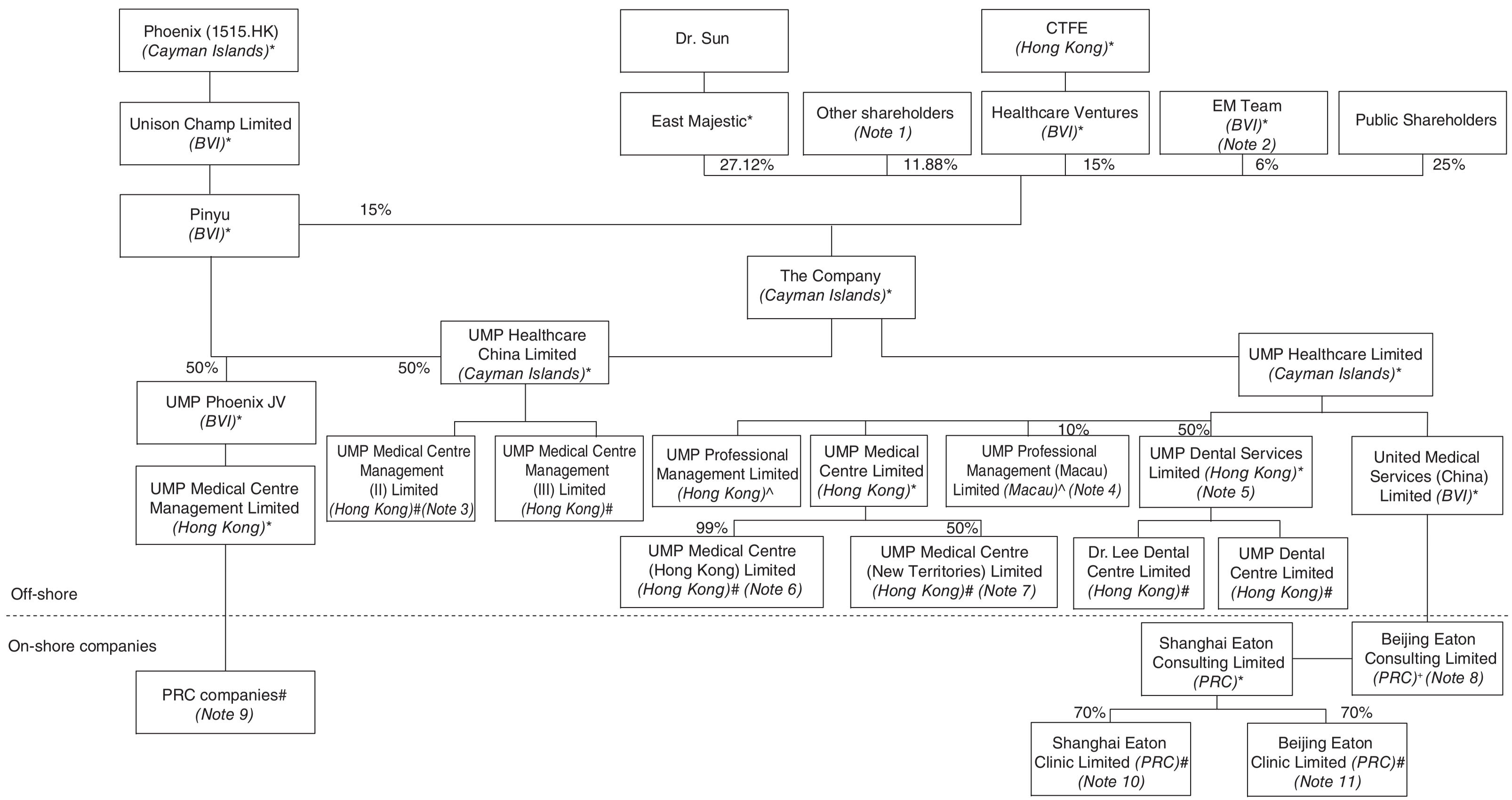
The following chart sets out the simplified shareholding and corporate structure of the Group immediately following the Reorganisation but prior to the completion of the Global Offering (unless otherwise specified, each entity is 100% owned by its holding company or sole shareholder, as the case may be).



Please refer to page 47 for the notes to the above chart.

Corporate Structure Immediately Following the Global Offering

The following chart sets out the Group's simplified shareholding structure immediately following the completion of the Global Offering:



Please refer to page 47 for the notes to the above chart.

Notes:

* The principal activities of these companies are investment holding.

\# The principal activities of these companies are provision of healthcare services.

^ The principal activities of these companies are the administration and management of healthcare plans.

\+ The principal activity is the provision of healthcare and hospital management services.

(1) There are 10 shareholders including Ms. Kwok, an executive Director who holds 3.39% and 2.54% immediately before and after the Global Offering, respectively. Each of the remaining shareholders does not hold more than 5% shareholding in the Company and three of whom are directors of the subsidiaries of the Company (out of whom two are expected to resign from such directorships before Listing) and the others are independent third parties.

(2) There are 12 shareholders, including Dr. Sun, a Controlling Shareholder, the Chairman, Chief Executive Officer and an executive Director, who holds more than one-third of the shares in EM Team. The other shareholders, none of whom holds one-third or more of the shares, consist of Directors, directors of the subsidiaries of the Company and senior management of the Company and independent third parties.

(3) Formerly known as UMP Medical Centre (Kowloon) Limited.

(4) The remaining 90% shareholding of UMP Professional Management (Macau) Limited is held by eight other Group Companies.

(5) The remaining 50% shareholding is held by UMP Professional Management Limited, an indirect, wholly-owned subsidiary of the Company.

(6) The remaining 1% shareholding is held by UMP Corporate Administration Services Limited, an indirect, wholly-owned subsidiary of the Company.

(7) The remaining 50% shareholding is held by UMP Corporate Administration Services Limited, an indirect, wholly-owned subsidiary of the Company.

(8) The acquisition by Beijing Eaton Consulting Limited of Shanghai Eaton Consulting Limited was completed on 30 October 2015.

(9) The Group is in the process of establishing the companies in the PRC for the operation of the Group's business in Beijing pursuant to the terms of the JV Agreement with Phoenix. See *"Business — Partnership with Phoenix to form UMP Phoenix JV"*.

(10) The remaining 30% shareholding is held by an independent third party.

(11) The remaining 30% shareholding is held by an independent third party.

PRE-IPO INVESTMENTS BY CTFE AND PHOENIX

Equity Investment by CTFE

See "*— Reorganisation — Equity Investments by CTFE and Phoenix — Investment by CTFE*" for further background details.

The below table summarises the principal terms of the pre-IPO investment by CTFE:

Name of pre-IPO Investor	CTFE
Number of shares of True Point purchased	12,558
Total amount of consideration	HK$190,429,512
Price paid per share of True Point	The agreed equity valuation based on arm's length negotiations was HK$761,700,000. On the basis that the acquisition consisted of 25% of the issued share capital of True Point (being 12,558 shares out of 50,231 shares), the price paid per share of True Point was HK$15,164
Basis of determination of the consideration	The consideration for the share purchases was determined based on arm's length negotiations with regard to the Group's financial conditions and operational results
Discount to the Offer Price	The price per share after conversion into Shares is approximately HK$1.38, representing a discount of approximately 28.1% and 37.3%, to an Offer Price of HK$1.92 per Share and HK$2.20 per Share, respectively, being the low end and high end of the Offer Price Range, on the basis of the enlarged share capital of the Company immediately upon completion of the Global Offering
Use of Proceeds	Not applicable. The investment by CTFE was by way of purchasing the shares of True Point from the then shareholders of True Point
Strategic benefits to Company	Providing strategic directions on co-operations with different business stakeholders in China and globally
Shareholding in the Company immediately following the completion of the Global Offering	15% (assuming no Shares are issued pursuant to the exercise of any options granted under the Pre-IPO Share Option Scheme or the Post-IPO Share Option Scheme)
Special rights	All special rights granted under the shareholders' agreement in respect of True Point will terminate automatically upon the Listing

Rights of shareholders of True Point

(a) Information right — the shareholders shall have the right to inspect the books and accounting records of True Point, and the right to receive management and financial information of True Point

(b) Tag along right — If the number of shares proposed to be sold to a third party amounts to 20% or more of the entire issued share capital of True Point, each shareholder has a tag along right

(c) Right of first refusal — If any shareholder proposes to transfer any of its shares, then such shareholder shall first offer its shares to other shareholders on a *pro rata* basis to their existing shareholding

Reserved matters requiring special resolutions to be passed by the shareholders of True Point

The following matters can only be done by True Point with the prior sanction of a special resolution (at least 75% of the shareholding) of True Point:

(a) The making of any petition or passing of any resolution for winding-up, or the making of an application for an administration order in respect of, True Point, or any subsidiary of True Point

(b) Any amendment to the memorandum or articles of association of True Point or any subsidiary of True Point

(c) Any rights issue, or issue of any option rights or warrants that may in aggregate lead to an issue of shares amounting to 20% or more per financial year of the then issued share capital of True Point or its subsidiary(ies)

(d) The capitalisation, repayment or other form of distribution of any amount standing to the credit of any reserve of True Point or any subsidiary of True Point, or the redemption or purchase of any shares of any other reorganisation of its share capital

(e) The admission of any other person (whether by subscription or transfer) as a member of True Point or any subsidiary of True Point

(f) The declaration by True Point or any subsidiary of True Point, or payment of any dividend or the making of any distribution

(g) The sale, transfer, assignment or creation of any charge or encumbrance of, in or over all or any of the intellectual property rights or intellectual property interests of whatever nature which belongs to or is deemed to belong to True Point or any subsidiary of True Point

(h) Change of the scope of business, ceasing to conduct the business of True Point or any subsidiary of True Point as of the date of the pre-IPO agreement

(i) Any related party transaction in the ordinary course of business of True Point or any subsidiary of True Point shall require approval from over 75% of independent shareholders with the related parties abstaining from voting. Independent valuation shall be required (if requested by shareholders) by True Point or any subsidiary of True Point, if it involves:

  (1) a sale, disposal, acquisition or merger of all or any part of the assets, business or undertaking of True Point or any subsidiary of True Point, for an amount HK$2 million or above

  (2) the granting of financial assistance to connected party or associate for an amount HK$1 million or above by True Point or any subsidiary of True Point

(j) Entering into any abnormal or unusual contract or contract outside the ordinary course of business of True Point or any subsidiary of True Point

(k) Commencing, compromising, settling or withdrawing from material legal proceedings or submitting to arbitration of any material dispute involving True Point or any subsidiary of True Point (other than those proceedings or disputes arising in the ordinary course of business)

Background of Healthcare Ventures and CTFE

Healthcare Ventures is a company incorporated in the BVI with limited liability. Healthcare Ventures is an investment holding company wholly-owned by CTFE. CTFE is a company incorporated on 10 August 1966, existing under the laws of Hong Kong with limited liability. Its principal activity is investment holding. CTFE's Chief Executive Officer is Mr. Tsang On Yip, Patrick who is also an executive Director. As CTFE is expected to hold more than 10% of the total issued share capital of the Company immediately following the completion of the Global Offering, through Healthcare Ventures, it will be a substantial shareholder of the Company upon Listing and hence a connected person of the Company. Accordingly, all Shares held by CTFE will not be counted as part of the public float for the purposes of Rule 8.08 of the Listing Rules.

Equity Investment by Phoenix

See "*— Reorganisation — Equity Investment by CTFE and Phoenix — Investment by Phoenix*" for further background details.

The below table summarises the principal terms of the pre-IPO investment by Phoenix:

Name of pre-IPO Investor	Phoenix
Number of Shares purchased	20,000 Shares
Total amount of consideration	HK$180,000,000

Price paid per Share	The agreed equity valuation based on arm's length negotiations was HK$900,000,000. On the basis that the acquisition consisted of 20% of the issued share capital of the Company (being 20,000 Shares out of 100,000 Shares), the price paid per share was HK$9,000
Basis of determination of the consideration	The consideration for the share purchase was determined based on arm's length negotiations with regard to the Group's financial conditions and operational results
Discount to the Offer Price	The price per Share is approximately HK$1.63, representing a discount of approximately 15.1% and 25.9% to an Offer Price of HK$1.92 per Share and HK$2.20 per Share, respectively, being the low end and high end of the Offer Price Range, on the basis of the enlarged share capital of the Company immediately upon completion of the Global Offering
Use of proceeds	Not applicable. The investment by Phoenix in the Company was by way of purchasing the shares of the Company from the then existing Shareholders of the Company
Strategic benefits to Company	Providing local knowledge and resources to facilitate the Group's expansion in China
Shareholding in the Company immediately following the completion of the Global Offering	15% (assuming no Shares are issued pursuant to the exercise of any options granted under the Pre-IPO Share Option Scheme or the Post-IPO Share Option Scheme)
Special rights	All special rights granted under the shareholders' agreement in respect of the Company will terminate automatically upon the Listing

<u>Rights of Shareholders</u>

(a) Board right — Phoenix is entitled to nominate one director

(b) Information right — True Point, Phoenix and Pinyu shall have the right to inspect the books and accounting records of the Company, and the right to receive management and financial information of the Company

(c) Tag along right — If the number of shares proposed to be sold to a third party amounts to 20% or more of the entire issued share capital of the Company, each Shareholder has a tag along right

(d) Right of first refusal — If any Shareholder proposes to transfer any of its Shares, then such Shareholder shall first offer its Shares to other Shareholders on a *pro rata* basis to the existing shareholding

Reserved matters requiring special resolutions to be passed by the Shareholders

The following matters can only be done by the Company with the prior sanction of a special resolution (at least 75% of the shareholding) of the Company:

(a) The making of any petition or passing of any resolution for winding-up, or the making of an application for an administration order in respect of, the Company, or any subsidiary of the Company

(b) Any amendment to the memorandum or articles of association of the Company or any subsidiary of the Company

(c) Any rights issue, or issue of any option rights or warrants that may in aggregate lead to an issue of shares amounting to 20% or more per financial year of the then issued share capital of the Company or its subsidiary(ies)

(d) The capitalisation, repayment or other form of distribution of any amount standing to the credit of any reserve of the Company or any subsidiary of the Company, or the redemption or purchase of any shares of any other reorganisation of its share capital

(e) The admission of any other person (whether by subscription or transfer) as a member of the Company or any subsidiary of the Company

(f) The declaration by the Company or any subsidiary of the Company, or payment of any dividend or the making of any distribution

(g) The sale, transfer, assignment or creation of any charge or encumbrance of, in or over all or any of the intellectual property rights or intellectual property interests of whatever nature which belongs to or is deemed to belong to the Company or any subsidiary of the Company

(h) Change of the scope of business, ceasing to conduct the business of the Company or any subsidiary of the Company as at the date of the pre-IPO agreement

(i) Any related party transaction in the ordinary course of business of the Company or any subsidiary of the Company shall require approval from over 75% of independent shareholders with the related parties abstaining from voting. Independent valuation shall be required (if requested by shareholders) by the Company or any subsidiary of the Company, if it involves:

    (1) a sale, disposal, acquisition or merger of all or any part of the assets, business or undertaking of the Company or any subsidiary of the Company, for an amount HK$2 million or above

    (2) the granting of financial assistance to connected party or associate for an amount HK$1 million or above by the Company or any subsidiary of the Company

(j) Entering into any abnormal or unusual contract or contract outside the ordinary course of business of the Company or any subsidiary of the Company

(k) Commencing, compromising, settling or withdrawing from material legal proceedings or submitting to arbitration of any material dispute involving the Company or any subsidiary of the Company (other than those proceedings or disputes arising in the ordinary course of business)

Background of Pinyu and Phoenix

Pinyu is a company incorporated in the BVI with limited liability. Pinyu is an investment holding company wholly-owned by Phoenix. Phoenix is a company listed on the Stock Exchange (stock code: 1515) and incorporated in the Cayman Islands with limited liability. The principal activities of Phoenix are the provision of general hospital and hospital management services in the PRC as well as general healthcare services. Mr. Jiang Tianfan, an executive Director, is the Chief Financial Officer of Phoenix. Prior to the equity investment by Phoenix, Phoenix was an independent third party of the Group. As Phoenix is expected to hold more than 10% of the total issued share capital of the Company immediately following the completion of the Global Offering, through Pinyu, it will be a substantial shareholder of the Company upon Listing and hence a connected person of the Company. Accordingly, all Shares held by Phoenix will not be counted as part of the public float for the purposes of Rule 8.08 of the Listing Rules.

Confirmation from the Sole Sponsor

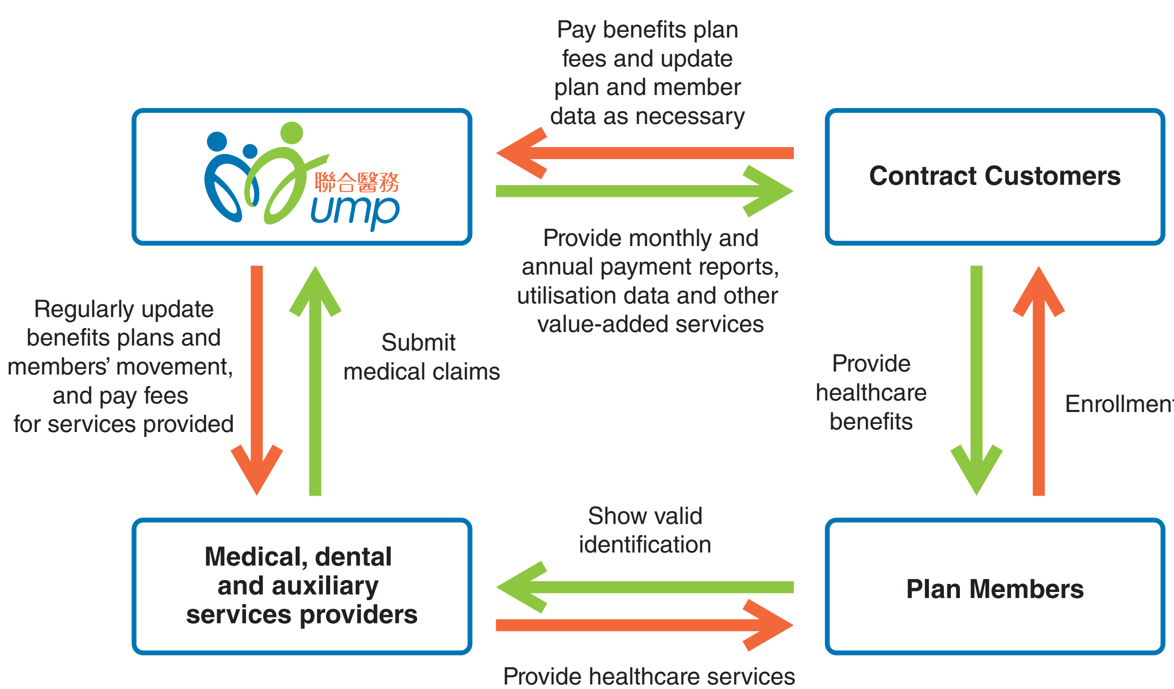
The Sole Sponsor has confirmed that the pre-IPO investments mentioned above are in compliance with the Interim Guidance on Pre-IPO Investments issued on 13 October 2010 by the Stock Exchange and the Guidance Letter HKEx-GL43-12 issued in October 2012 and updated in July 2013 by the Stock Exchange.

OVERVIEW

The Group is one of the leading corporate healthcare solutions providers in Hong Kong, according to Frost & Sullivan, with more than 1.3 million medical and dental patient visits in 2014. The Group partners with corporations in the design and administration of corporate healthcare benefits plans for, and provides healthcare services to, the members and employees of such corporations. Contract Customers, comprising insurance companies and corporations, enter into contracts with the Group for the provision of healthcare benefits plans for their members or employees ("**Plan Members**"). As at 30 June 2015, the Group had approximately 800,000 Plan Members and administered approximately 9,400 healthcare plans.

The Group has a proven organic growth track record of over 20 years in Hong Kong and offers a comprehensive range of healthcare services through a network of UMP Medical Centres and Affiliated Clinics providing Medical Services, Dental Services and Auxiliary Services. In addition, the Group's vision is to expand into the PRC and replicate its Healthcare Management Model (which is founded on the basis that general practitioners are best suited to serve as the first point of contact for patients) to develop the Group into one of the leading corporate healthcare solutions providers in Greater China.

The diagram below illustrates the relationship between the Group, its Contract Customers, the Plan Members and the medical, dental and auxiliary services providers:



The Group's Customers are principally categorised into two types, namely (i) Contract Customers, which comprise insurance companies and corporations and (ii) Self-paid Patients. For FY2015, Contract Customers accounted for approximately 67.8% of the Group's total revenue. When designing a benefits plan, the Group collaborates closely with Contract Customers and designs tailor-made solutions based on factors such as industry or occupational health-related concerns, scope of healthcare benefits desired, employee demographic as well as their budget, which are typically provided through capitation plans, fee for service plans or annual retainers.

The healthcare services provided by the Group to its Customers generally include a combination of Medical Services (comprising general practice and specialist services), Dental Services and Auxiliary Services (comprising imaging and laboratory services, physiotherapy, traditional Chinese medicine, vision care and optometry, child health assessment, nutrition and dietary services, and wellness care).

Contract Customers have access to healthcare services across the UMP Network, which includes UMP Medical Centres, UMP Auxiliary Services Providers, Affiliated Clinics and Affiliated Auxiliary Services Providers. Affiliated Clinics and Affiliated Auxiliary Services Providers are not operated by the Group but they are part of the UMP Network. Plan Members may, in accordance with the scope of services set out in the relevant healthcare benefits plan, choose to visit selected medical centres, clinics or service providers in the UMP Network for their treatment.

As at 30 June 2015, there was an aggregate of 616 Doctors, Dentists and Auxiliary Services Providers, comprising 403 general practitioners, 95 specialists covering 20 different specialties, 35 Dentists and 83 Auxiliary Services Providers, providing healthcare services across the UMP Network.

For FY2013, FY2014 and FY2015, the Group's revenue amounted to HK$316.3 million, HK$353.0 million and HK$401.0 million, respectively, and Group's profit for the year was HK$35.0 million, HK$42.5 million and HK$40.9 million, respectively.

INVESTMENT HIGHLIGHTS

A leading corporate healthcare solutions provider with a proven organic growth track record and one of the largest service networks in Hong Kong

The Group is one of the leading corporate healthcare solutions providers in Hong Kong, according to Frost & Sullivan, with more than 1.3 million medical and dental patient visits in 2014. The Group has a proven organic growth track record of over 20 years in Hong Kong specialising in the design and administration of corporate healthcare benefits plans for its customers including blue-chip companies, MNCs, SMEs and insurance companies. The Group's business model is founded on the basis that general practitioners are best suited to serve as the first point of contact for patients given their training in family medicine. In the event specialist treatments or other Auxiliary Services are required, the general practitioners also have the required knowledge to refer patients to the appropriate specialist doctors and service providers. Based on this principle, the Group has successfully implemented a comprehensive and efficient healthcare services network (the "**Healthcare Management Model**") for corporate healthcare plan members. The Healthcare Management Model resonates well with the Group's Contract Customers as it enhances the coordination of care, thereby leading to better clinical outcome for patients and more predictable medical costs.

The UMP Network had more than 600 points of service across Hong Kong and Macau as at 30 June 2015, of which 42 were UMP branded. As at 30 June 2015, there was an aggregate of 616 Doctors, Dentists and Auxiliary Services Providers, comprising 403 general practitioners, 95 specialists covering 20 different specialties, 35 Dentists and 83 Auxiliary Services Providers, providing healthcare services across the UMP Network. With the broad range of Medical Services, Dental Services and Auxiliary Services provided across the UMP Network, the Directors believe that the Group is able to deliver the best available benefits packages to its Contract Customers.

Hong Kong healthcare benefits market operating environment allows the Group to be the healthcare solutions provider of choice for Contract Customers and increasingly for individual non-contract patients

According to Frost & Sullivan, there are only five clinic-chains in Hong Kong that have the scale and service capabilities that are able to accommodate the needs of a large corporate customer with thousands of employees. The Group's leadership in the Hong Kong corporate healthcare benefits market allows it to enjoy long standing relationships with its Contract Customers and continue to attract new customers. The Group has long-term relationships with a broad range of Contract Customers, including blue-chip companies, MNCs, SMEs and insurance companies. Through both engagement with insurance companies and direct business relationships with corporations, the Group has secured contracts to deliver comprehensive Medical Services, Dental Services and Auxiliary Services to approximately 800,000 Plan Members as at 30 June 2015.

Furthermore, larger Contract Customers will often engage several healthcare solutions providers simultaneously. Given the Group's reputed service model, the Group has consistently been on the panel of its Contract Customers. In FY2015, more than 50% of the Group's revenue was contributed by Contract Customers who had been customers of the Group for more than 17 years on average.

Given the Group's brand name and reputation in delivering coordinated healthcare services, the Group has attracted and continues to attract an increasing number of individual non-contract patients. The Group serves individual non-contract patients with equal care and envisions such patients to be a more significant business segment in the future especially as the Group expands and replicates its business model in the PRC.

The Group's proprietary know-how and clinical management system are core to its ability to design differentiated, tailor-made solutions that address each Contract Customer's needs

The Group has accumulated know-how and experience in the design and administration of corporate healthcare benefits plans. The Group collaborates closely with Contract Customers and designs tailor-made solutions for them based on factors such as industry or occupational health-related concerns, scope of healthcare benefits desired, employee demographic as well as their budget.

With the intention to have a platform that not only caters to the needs of its Contract Customers and Plan Members but also for its physicians to deliver consistent and reliable healthcare services, the Group has deployed various management systems for its own chain of medical centres and for the entire UMP Network. The Group also has the capabilities to develop its own proprietary software such as E-Claims, a web-based healthcare plans administration system. Through its proprietary systems, the Group provides value-added services to its Contract Customers to help better manage their employee healthcare benefits and also to automate the claims administration processes for the Doctors Dentists and Auxiliary Services Providers on the UMP Network. For example, the Group services an average of over 80,000 plan member consultation visits each month. It is able to process all the medical claims promptly and generate customised reports on the overall Plan Members' utilisation, types of visits, expenses and other statistics as required. The customised usage report allows Contract Customers to efficiently manage their employee healthcare benefits and the overall costs. Furthermore, the Group is among the early adopters of mobile apps which allow its patients to access the most up-to-date information, such as the doctors available, their location and opening hours of the medical centres.

The Directors believe that the Group's know-how and experience along with its strong systems infrastructure are difficult to replicate in a short time frame and will serve as barriers to entry for new providers and allows the Group to maintain its competitive advantage. The Directors also believe that its expertise in designing customised plans and value-added services enable the Group to be an important partner to its Contract Customers in managing their members' healthcare benefits.

One of the few corporate healthcare benefits providers in Hong Kong to expand into the PRC market with the aim to develop and implement a private Healthcare Management Model

The Directors believe that there will be growing demand for comprehensive corporate healthcare benefits in the PRC in light of competition for qualified workers and a more educated workforce in general. According to Frost & Sullivan, employers have identified healthcare benefits as one of the key components to focus on for employee recruitment and retention. Many corporations in the PRC currently do not provide the same level of corporate healthcare benefits to their employees in the PRC as is generally common in other developed countries. The Directors believe that this is due to:

- *A lack of choice*: The PRC has a public hospital based healthcare delivery system where employers would generally only provide healthcare benefits to its employees through mandatory contributions to the government health insurance schemes. The government health insurance schemes in turn only provide coverage to employees seeking healthcare services from public hospitals. This has resulted in a lack of affordable and coordinated healthcare services in a modern and comfortable setting for the mid-to-high level income employees. Furthermore, this has led to a lack of tools for corporates to differentiate the healthcare benefits offered to their employees;

- *Inability to deliver coordinated healthcare services*: In addition to a lack of healthcare solutions providers in the PRC, the existing service providers generally lack the experience and track record to effectively coordinate corporate healthcare benefits plans and monitor the costs of delivering private corporate healthcare services to employees; and

- *Specialist-focused culture*: Generally patients in the PRC seek consultation from specialists directly without initially going to a general practitioner as their first point of contact. Such culture may put a strain on doctor resources and result in unnecessary costs within the system, whereas the Group's Healthcare Management Model focuses on enhancing the coordination of care and achieving more predictable medical costs.

The Directors expect that as the demand for better healthcare benefits from employees increases, there will be a growing demand for healthcare solutions providers to better coordinate the healthcare services delivery in a cost effective manner. To capture this potential opportunity, the Group is one of the few corporate healthcare benefits providers in Hong Kong to actively expand into the PRC market. The Directors believe that the Group's proven track record in Hong Kong and expertise in corporate healthcare benefits management will provide the Group with a head-start to work with corporations in the PRC to meet this growing demand. The Group aims to replicate and localise its Healthcare Management Model in the PRC market and provide well-coordinated healthcare solutions to Contract Customers and patients in the PRC.

The Group intends to actively develop its network in the PRC through UMP and/or UMP Phoenix branded medical centres and affiliated clinics. The Group, together with its joint venture partner, Phoenix, has plans to develop a UMP Phoenix network of medical centres in Beijing. As at the Latest Practicable Date, UMP Phoenix JV had signed leases to set up three new integrated medical centres at prime locations in Beijing. Furthermore, the Group's plan to develop the UMP Phoenix JV network of medical centres is supported by government authorities as the Beijing government published a notice in March 2015 which specifically stated that the UMP Phoenix Healthcare family doctor medical centre project is one of the projects strongly supported for 2015. The Group will also be setting up a medical centre at a prime location in Shanghai in 2015. All the Beijing and Shanghai medical centres are expected to commence operations by the first half of 2016. The Directors believe that these medical centres will provide sufficient infrastructure for the Group to start serving members of Contract Customers.

In the future, the Group intends to develop and expand its affiliated network in the PRC by co-investing with medical professionals to set up smaller-scale medical centres. If necessary, the Group will continue to cooperate with strategic partners in new markets to share the costs of upfront investments while sharing expertise and resources.

Professional doctor-led and doctor-focused management team with proven success in managing and building a cohesive professional medical network

The Group has a doctor-led and doctor-focused management philosophy that is focused on providing coordinated and value healthcare services to patients. The Group's doctors are viewed as partners of the Group and have full autonomy in their practice and patient-care. The Directors believe that this philosophy is the core to the Group's long-term success. It has resulted in a strong and cohesive team of committed doctors across the UMP Network and allowed the Group to attract new doctors. As at 30 June 2015, over 50% of the Doctors, Dentists and Auxiliary Services Providers had worked with the UMP Network for more than 10 years.

This philosophy is also reflected in the Group's proprietary system, which was developed and designed from the perspective of a doctor and allows for the effective administration of benefits plans by the Group. The creation of a doctor-oriented platform that is user-friendly to doctors has resulted in easier in-network referrals and more efficient clinical management. For example, the Group's E-Claims system supports the healthcare plans administration of all Medical Centres within the UMP Network, as well as the Affiliated Clinics. The system is highly versatile and aims to streamline the Doctors' administrative workload by providing information such as real-time Plan Member verification, validation of benefits coverage of each individual member and referral information.

BUSINESS STRATEGIES

Continue to offer innovative healthcare solutions and expand service offerings such as specialties and Dental Services to further strengthen the Group's leading position in Hong Kong

The Group intends to further expand its coverage of existing and new Contract Customers by continuing to offer innovative healthcare solutions that are tailored to their needs and by increasing the range of healthcare services offered under its healthcare plans.

For example, in order to continually provide current and desirable healthcare services for Contract Customers and their Plan Members as well as individual non-contract patients, the Group intends to strategically expand the specialties offered as needed based on Hong Kong's disease and population trends. The Group is considering expanding coverage in specialties such as oncology, general surgery, cardiology, and Dental Services as well as Auxiliary Services such as imaging. The Group is also planning to strategically increase its points of service such as opening a dedicated day surgery centre specialising in endoscopy procedures and a high-end body check-up centre. In addition, the Group intends to promote dental health by taking a leading role to incorporate secondary dental services which are often not included in corporate healthcare benefits plan.

The expansion of specialties and points of service in the UMP Network will further enhance the Group's ability to be a comprehensive healthcare service network for its Contract Customers and patients. Furthermore, the Directors believe that expanding specialties and services will also be key to attracting individual non-contract patients and PRC patients who are increasingly mobile and frequently seeking medical treatments and specialty care in Hong Kong.

Target the service gap in the current mid- to high-end individual private healthcare services market in the PRC

In the PRC, while a majority of the medical expenses for individuals and their family members are currently covered by government insurance programmes, individuals and their family members are generally required to seek medical care from public hospitals where the waiting time is often long and sometimes the services are suboptimal. High and mid-level income families are also increasingly seeking better healthcare alternatives than the services provided by the public hospital dominated system. To accommodate for the needs and desire for additional healthcare coverage, many corporations and individuals purchase additional health insurance. According to Frost & Sullivan, commercial health insurance premiums in the PRC amounted to RMB158.7 billion in 2014, representing 7.8% of the total commercial insurance premium paid and is expected to grow at a CAGR of 35.5% from 2014 to 2019, reaching a total premium amount of RMB725.8 billion.

The Group plans to offer individuals with mid to high end healthcare coverage plans that are designed to address the service gap in the mid- to high-end individual private healthcare services market in the PRC. Through its healthcare plans, the Group's goal is to provide its patients with access to its medical centres at convenient locations in PRC cities that will provide comprehensive healthcare services and also access to the UMP Network in Hong Kong as required, in particular where certain specialists and auxiliary services providers might not be readily available in the PRC.

The Group's executives will provide training to the doctors and other medical staff so that they understand the service model of the Group's healthcare plans and how to utilise the Group's proprietary system in the day-to-day management of medical centre operations.

Capitalise on existing relationships with current Contract Customers and actively market the Group's services to their associates in the PRC, PRC corporations and insurance companies

The Group plans to leverage on its existing relationships with its Contract Customers to educate and market its healthcare solutions services to its Contract Customer's associates in the PRC. Given the Group's proven track record in serving its Hong Kong counterparts and the value-added advice offered to the Contract Customers, the Directors believe that such PRC associates will, like their Hong Kong counterparts, grow to recognise the value of the Group's Healthcare Management Model and the monitoring tools that the Group provides to them for managing their employees' benefits needs. The Group intends to extend its philosophy, business model and systems infrastructure to the Group's business in the PRC and aims to proactively market its services to these PRC associates. The Group believes that as the demand for better healthcare benefits increases, local PRC corporations will start to use the service of corporate healthcare solutions providers. As such, the Group will also actively market its healthcare solutions services to other PRC corporations and insurance companies.

Continue to further develop the Group's systems infrastructure and capitalise on the existing doctor network in order to service the growing customer base and needs

The Group's proprietary systems infrastructure and technology platform are important to the continued success of the Group's business. The Group aims to further develop its existing systems infrastructure and technology platform in order to service its growing customer base and needs, as well as developing new user applications based on Contract Customers and patients demand, such as mobile apps for chronic disease management. The Group also plans to utilise big data applications to further enhance Contract Customers' abilities to govern and manage their healthcare benefits costs, budget forecasts and understand their employees' healthcare needs.

The Hong Kong Government has conducted a public consultation on the Voluntary Health Insurance Scheme ("**VHIS**") between 2014 and 2015 with an aim to encourage more people to use private healthcare services by regulating in-patient insurance policies. Given the Group's track record of over 20 years as a corporate healthcare solutions provider in Hong Kong, its ability to work with a large network of doctors and specialists and administer healthcare benefits plans, the Directors believe that the Group is well-placed to support the VHIS. In addition, the Group's existing proprietary systems infrastructure allows it to provide information such as real-time member verification and validation of benefits coverage for a large pool of members, which the Directors expect will facilitate the implementation of the VHIS.

In addition, the Hong Kong government's intention to promote public private partnerships in Hong Kong in light of the increasing healthcare demand by the ageing population is expected to lead to potential tender opportunities for service providers. Along with the potential public private partnership programmes, the government has set out guidelines for providers to qualify as bidders. The Group believes that a well-developed and robust systems infrastructure will not only strengthen and maintain the Group's competitive edge over the other market players, it will also increase the potential barriers to entry by new market entrants. Certain programmes require bidders to have a systems infrastructure and technology platform that is able to handle large volumes of patients and the corresponding registrations and billing. The Directors believe that the Group is one of the few capable providers for such services.

CORPORATE HEALTHCARE SOLUTIONS

The Group provides corporate healthcare solutions through the design and administration of tailored healthcare benefits plans for its Contract Customers. The purpose of the Group's healthcare benefits plans is to provide convenient, reliable, coordinated, comprehensive and affordable healthcare services through the well-established and multi-specialties UMP Network.

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. The Group's corporate healthcare benefits plans include:

- *Out-patient Medical Plans*: Contract Customers can have a tailored choice of Medical Services for the Plan Members from the Group's diverse range of healthcare service offerings and in-patient arrangements, if required.

- *Dental Plans*: In line with the increasing demands from many Contract Customers for Dental Services, the Group has the expertise to offer flexible and comprehensive dental plans. Such plans generally cover primary dental care (such as scaling and fillings) and may offer preferential rates for secondary dental care (such as whitening and implants).

- *Preventive Health Programmes*: The Group offers a variety of preventive health programmes covering check-ups and immunisation packages. Such programmes are generally tailored to include annual medical examinations for Plan Members as well as pre-employment medical examinations to assess the health and fitness of potential employees.

Generally, the Group enters into three types of contracts with its Contract Customers, namely capitation plan, fee for service and annual retainer.

The table below sets out the number of plans under each type of contract:

	As at 30 June		
	2013	**2014**	**2015**
Fee for service plans	7,001	7,468	7,762
Capitation plans	1,383	1,409	1,523
Mixture of fee for service and capitation plans (1), (2)	75	88	92
Annual retainer	3	3	3
Mixture of fee for service and annual retainer plans (1), (3)	5	5	5
	8,467	8,973	9,385

Notes:

(1) A healthcare contract can include different types of healthcare plans.

(2) These healthcare contracts include fee for service plans and capitation plans.

(3) These healthcare contracts include fee for service plans and annual retainer plans.

Capitation plans and annual retainers are considered fixed-fee contracts as they allow a tailored scope of healthcare services based on the requirements of the Contract Customers for a pre-determined fixed annual fee. The main difference between capitation plans and annual retainers is that under capitation plans, the annual fee is charged on a per Plan Member basis, and accordingly, the total amount of fees payable by a Contract Customer under a capitation plan is equal to the number of Plan Members multiplied by the fee per Plan Member. Under an annual retainer, the annual fee covers a pre-agreed number of Plan Members and is not charged on a per Plan Member basis.

(a) Capitation Plan

Under a capitation plan, the Group provides healthcare services within an agreed scope of Medical Services, Dental Services and/or Auxiliary Services for a fixed annual fee per Plan Member. The annual fee is generally payable upfront, with adjustments to the fee based on the number of Plan Members enrolled made quarterly, semi-annually or annually as per the specific commercial terms agreed with each Contract Customer.

Depending on the requirements of the Contract Customer, such plan can be tailored based on the number of visits or the service coverage required. Additional factors which are taken into account when tailoring a capitation plan and determining the annual fee include the Contract Customer's budget, proposed benefit coverage, the historical utilisation data of the employees, whether any co-payment of the medical expenses by the employees is required and any specific requests made by the Contract Customer.

For FY2015, the proportion of revenue attributable to capitation plans was relatively stable and amounted to approximately one-third of the Group's revenue which was derived from Contract Customers. As at 30 June 2015, the Group had 1,523 capitation plans. During the Track Record Period and up to the Latest Practicable Date, there were no capitation plans with a particular Contract Customer which incurred losses that had a material impact on the Group's business or financial condition taken as a whole (for clarification, a single Contract Customer can have multiple healthcare plans with the Group).

In the event there is any capitation plan with a particular Contract Customer which incurred material losses in a particular given year, the Group will generally review and consider revising the commercial terms (either for the particular capitation plan or the overall general terms with the Contract Customer) for the following year, in particular by increasing the fees payable by such Contract Customer and/or limiting the scope of services to be provided and the location at which services may be provided. If no such revised commercial arrangements can be agreed with such Contract Customer, the Group may consider terminating such relevant plan(s) with the Contract Customer (or even terminating the relationship with such Contract Customer) to prevent further material losses.

(b) Annual Retainer

Under an annual retainer, the Group provides healthcare services within an agreed scope of medical coverage for a fixed annual fee to cover a pre-agreed number of Plan Members. The annual fee is payable upfront and the number of Plan Members typically do not vary significantly during the year. However, unlike a capitation plan, the fixed annual fee is not charged on a per Plan Member basis.

During the Track Record Period and up to the Latest Practicable Date, there were no annual retainers with a particular Contract Customer which incurred losses that had a material impact on the Group's business or financial condition taken as a whole (for clarification, a single Contract Customer can have multiple healthcare plans with the Group). In the event there is any annual retainer with a particular Contract Customer which incurred material losses in a particular given year, the Group will generally review and consider revising the commercial terms (either for the particular annual retainer or the overall general terms with the Contract Customer) for the following year, in particular by increasing the fees payable by such Contract Customer and/or limiting the scope of services to be provided and the location at which services may be provided. If no such revised commercial arrangements can be agreed with such Contract Customer, the Group may consider terminating such relevant plan(s) with the Contract Customer (or even terminating the relationship with such Contract Customer) to prevent further material losses.

(c) Fee for Service

Under a fee for service plan, Contract Customers agree on a fixed rate per each type of Medical Service, Dental Service and/or Auxiliary Service, such as general practice consultations, specialist consultations or physiotherapy treatments. The amount to be paid is then determined based on the total number of treatments incurred. The Contract Customer is generally billed at the end of each month for all the treatments incurred and on a monthly basis. Factors which are taken into account when tailoring a fee for service plan are similar to those considered with respect to a capitation plan.

For FY2015, the proportion of revenue attributable to fee for service plans was relatively stable and amounted to approximately two-thirds of the Group's revenue derived from Contract Customers. As at 30 June 2015, the Group had 7,762 fee for service plans.

Generally, the terms of the agreements entered into with Contract Customers are based on negotiation and while the duration of the agreements varies depending on the customer and the agreed terms, credit terms of 30 days to 45 days are typically extended for such agreements.

Further details of the Group's customers are set out below in "— *Customers*".

Costs and Pricing Considerations for Capitation Plans and Annual Retainers

The Group considers a number of factors when determining the costs and pricing of capitation plans and annual retainer contracts. These include:

— the scope of the healthcare services coverage and the number of visits covered for each Plan Member under Medical Services, Auxiliary Services and any other additional benefits to be included (such as additional medication allowance, if applicable) and Dental Services;

— the estimated average utilisation of the relevant services by Plan Members for a particular Contract Customer, with the estimates based on (i) such Plan Members' average historical utilisation of such relevant services, (ii) the number of points of service made available under the capitation plan or annual retainer contract — generally, the level of utilisation is likely to be higher if there are more points of service offered to the Plan Members, and (iii) the period of the contract term; and

— whether there is a co-payment requirement by the Plan Members — co-payments are out-of-pocket payments made directly by the Plan Member at the point of service after healthcare services are delivered at such point of service. Such co-payment amounts are deducted from the Group's cost estimation.

After considering the above factors, the total cost of each capitation plan or annual retainer contract is estimated as follows:

Type of healthcare services required per Plan Member	(Estimated cost per healthcare service – co-payment (if any)) x estimated average utilisation (e.g. number of visits) per Plan Member during the contract period[(1)]
Medical Services	
— General practice services	A
— Specialist services	B
Auxiliary Services and additional benefits, e.g. medication allowance (if applicable)	C
Dental Services	D
Estimated total cost per Plan Member	E = A + B + C + D
Number of Plan Member under the capitation plan or annual retainer	F
Estimated total cost	G = E x F

The Group would then apply a certain profit margin percentage on the estimated total cost to arrive at the pricing of the capitation plan or annual retainer contract.

During the Track Record Period, in general, the pricing per Plan Member ranged from approximately HK$900 to approximately HK$2,000 for capitation plans and the implied pricing per Plan Member[(2)] ranged from approximately HK$500 to approximately HK$1,500 for annual retainers.

Notes:

(1) Estimated average utilisation per Plan Member for a certain contract period is estimated with reference to the historical utilisation which is reviewed on an annual basis, or, in case of first-time customer, with reference to the historical utilisation of the customers in similar industries. The estimated average utilisation will not exceed the usage limits applicable to each of type of healthcare services covered.

(2) Implied pricing per Plan Member equals total annual retainer fees divided by underlying number of Plan Members under annual retainers.

The table below sets out the approximate number of Plan Members and healthcare plans administered by the Group during the Track Record Period:

	FY2013	FY2014	FY2015
Total number of Plan Members (rounded to the nearest thousand)[(1)]	714,000	778,000	800,000
Total number of healthcare plans administered (rounded to the nearest hundred)	8,500	9,000	9,400

Note:

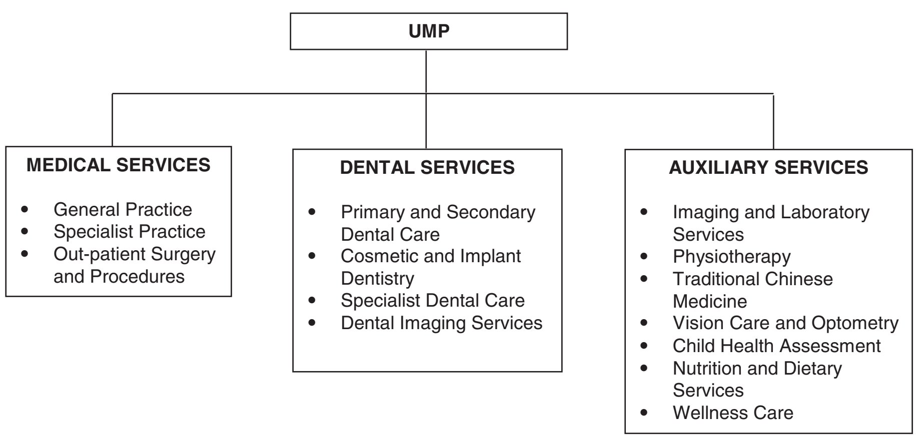
(1) The total number of Plan Members represents members whose plan membership status has been verified by the Group.

According to Frost & Sullivan, the revenue generated by corporate healthcare solutions providers in Hong Kong reached HK$2.7 billion in 2014 with the top three market players (the Group being one of them) accounting for almost 51.5% of such revenue. The Group accounted for approximately 13.1% of the corporate healthcare solutions market in Hong Kong in terms of revenue in that year. Furthermore, Frost & Sullivan expects (a) the corporate healthcare solutions market in Hong Kong to reach HK$4.9 billion in 2019, representing a CAGR of 12.8% from 2014 to 2019 and (b) the overall private healthcare expenditure in Hong Kong to reach HK$92.6 billion in 2019, representing a CAGR of 8.0% from 2013 to 2019. See *"Appendix III — Hong Kong and PRC Industry Outlook"* for further details.

In light of the expected growth in the private healthcare services market, the Directors intend to identify new customers and to secure the renewal of contracts with existing customers by continuing to offer innovative healthcare solutions, by expanding its service offerings, such as specialties and Dental Services, and continuing to further develop the Group's systems infrastructure and to capitalise on the existing doctor network to service the growing customer base and needs. See *"— Business Strategies"* above for further details on the Group's strategies.

HEALTHCARE SERVICES

The Group's business is principally organised into three service divisions, namely Medical Services, Dental Services and Auxiliary Services. Services are provided to the Group's Contract Customers, which comprises insurance companies as well as corporations, and Self-paid Patients.



Medical Services

General Practice

The Group's general practice is the front line of call which serves as the first point of contact for the patients. The Group's business model, the Healthcare Management Model, is founded on the basis that general practitioners are best suited to serve as the first point of contact for patients given their training in family medicine. In the event specialist treatments or other Auxiliary Services are required, the general practitioners also have the required knowledge to refer patients to the appropriate specialist doctors and service providers. To ensure efficient healthcare solutions for all Contract Customers, Plan Members will generally consult with a general practitioner, who will provide an initial diagnosis and treatment and referral services to specialists or other Auxiliary Services Providers if required.

Specialist Practice

The Group's specialist medical centres were established to facilitate the diagnosis and treatment for its patients. The UMP Network has specialist medical centres in numerous medical disciplines, 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	Urology

All the above specialties are available at the Group's specialist centres (save for nephrology, neurology, paediatric surgery and rheumatology which are provided by the Affiliated Clinics).

The Group's specialist centres provide a wide range of clinical procedures in an out-patient environment, such as the endoscopy day facilities; cardiac unit with cardiac treadmill, Holter monitor and echocardiography; ultrasound for obstetrics and gynaecology; ENT endoscopic unit; urology unit with uroflow study and bladder scan; retinal laser surgery system. All these facilities allow various diagnostic and ambulatory care to be conducted efficiently at the Medical Centres. Out-patient surgery facilities provide convenience, help reduce stress for patients, lower costs and enable more predictable scheduling of surgery and follow-up appointments for patients.

Dental Services

The Group offers a comprehensive spectrum of medical services which, in addition to general practice and specialist practice, also includes a wide range of Dental Services.

The Dental Services offered include both primary dental care and secondary dental care:

(a) *Primary Dental Care* — covering primary treatment and care for basic needs in dental health, with an emphasis on dental health maintenance, including scaling and polishing, routine oral examination, education and preventive advice; and

(b) *Secondary Dental Care* — covering both therapeutic and dental cosmetic care, such as teeth restoration, dentures, oral surgery, crown and bridge, orthodontics, implants and teeth whitening. However, the Dental Services offered under the healthcare benefits plans to Contract Customers do not include certain secondary dental care, dental cosmetic care and implants.

Auxiliary Services

In addition to the Medical Services and Dental Services offered, the UMP Network also provides Auxiliary Services which include, but are not limited to, the following:

(a) Imaging and Laboratory Services

The UMP Network provides clinical laboratory and diagnostic imaging services. Diagnostic imaging services include general radiography, computed tomography (CT), magnetic resonance imaging (MRI), mammography, ultrasound, echocardiogram and bone densitometry (DEXA). Clinical laboratory services cover a range of services, such as testing in haematology, biochemistry, immunology, microbiology, molecular biology, cytology and histology.

(b) Physiotherapy

Physiotherapists are trained in providing therapeutic treatment for customers whose mobility and function have been affected by injury, illness or disability. In addition, the UMP Network's physiotherapists also carry out preventive examination covering areas such as scoliosis in children and other common paediatric problems, occupational health checks, post-natal examinations, sport-fitness assessments and work injury assessment to help minimise the risk of sports and work place injuries.

(c) Traditional Chinese medicine

With increasing demand for traditional Chinese medicine as an alternative to mainstream medical services, the UMP Network offers qualified practitioners who offer services such as general consultation, acupuncture and bone-setting as an alternative or supplementary treatment for various illnesses and conditions.

(d) Vision Care and Optometry

The UMP Network's vision care and optometry centre provides a range of professional vision care services, which include ophthalmologist consultations for eye conditions and diseases, optometric care, comprehensive eye examinations for both adults and children, visual therapy, prescription of normal and progressive glasses and prescription of conventional or special contact lenses.

(e) Child Health Assessment

The UMP Network provides a range of child health assessments which include psychological, attention deficiency and speech assessments. The Group also strives to provide the appropriate therapy to children with possible behavioural and developmental problems to enhance their well-being.

UMP NETWORK

In FY2015, the UMP Network had more than 1.3 million medical and dental patient visits. Contract Customers have access to healthcare services across the UMP Network, which includes UMP Medical Centres, Affiliated Clinics and Auxiliary Services Providers.

The UMP Network has more than 600 points of service across Hong Kong and Macau as at 30 June 2015, of which 42 were UMP branded. As at 30 June 2015, there was an aggregate of 616 Doctors, Dentists and Auxiliary Services Providers, comprising 403 general practitioners, 95 specialists covering 20 different specialties, 35 Dentists and 83 Auxiliary Services Providers, providing healthcare services across the UMP Network. The table below sets out a breakdown of the points of service across the UMP Network in Hong Kong and Macau as at 30 June 2013, 2014 and 2015:

	As at 30 June		
	2013	2014	2015
Medical Services	**482**	**495**	**499**
General practice services	404	416	421
Specialist services	78	79	78
Dental Services	**22**	**23**	**22**
Auxiliary Services	**76**	**77**	**90**
Traditional Chinese medicine services	15	20	29
Physiotherapy services	22	19	22
Imaging and laboratory services	36	35	36
Others(1)	3	3	3
TOTAL	**580**	**595**	**611**

Note:

(1) Includes (i) vision care and optometry services and (ii) nutrition and dietary services.

Out of the points of service set out above, the following are points of service which were UMP branded as at 30 June 2013, 2014 and 2015:

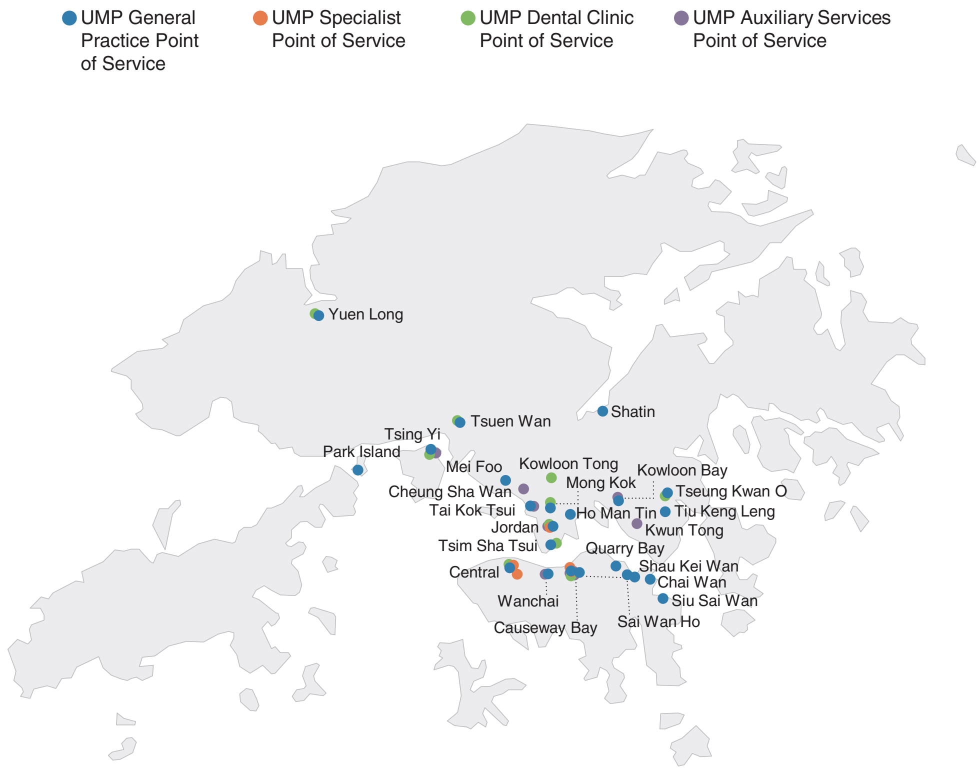
	As at 30 June		
	2013	2014	2015
Medical Services	**19**	**21**	**23**
General practice services	13	14	15
Specialist services	6	7	8
Dental Services	**10**	**12**	**12**
Auxiliary Services	**7**	**6**	**7**
Traditional Chinese medicine services	2	2	2
Physiotherapy services	3	2	2
Imaging and laboratory services	1	1	2
Others(1)	1	1	1
TOTAL	**36**	**39**	**42**

Note:

(1) Includes vision care and optometry services.

More than 95% of the Group's total revenue in FY2015 was derived from the Group's operations in Hong Kong. The Group's flagship medical centres in Hong Kong are located at Central and Jordan, both of which are strategically located to cater to patients on Hong Kong Island and Kowloon, respectively.

The map below sets out the Group's UMP branded points of service in Hong Kong:



Business Segments

The Group's segment results are classified as (a) corporate healthcare solution services to Contract Customers and (b) clinical healthcare services.

For revenue generated under (a), the Group receives payments directly from Contract Customers (which includes both corporations and insurance companies) for the delivery of healthcare services to Plan Members. Under a capitation plan or an annual retainer plan, the Group will receive payments from Contract Customers regardless of whether or not the Plan Members eventually obtain healthcare services at UMP Subsidiary Medical Centres and Affiliated Clinics. Under a fee for service plan, the Group will receive payments from Contract Customers based on a pre-agreed fee rate per healthcare service provided. For FY2015, the total revenue generated under (a) amounted to HK$272.6 million (including intersegment sales) or HK$271.8 million (excluding intersegment sales).

For revenue generated under (b), the Group receives payments for the delivery of healthcare services at the UMP Subsidiary Medical Centres. For FY2015, the Group recognised revenue of HK$189.5 million (including intersegment sales) or HK$129.2 million (excluding intersegment sales). For the avoidance of doubt, the payments made by Self-paid Patients seeking healthcare services at Affiliated Clinics is not related to the Group.

With respect to the Group's costs, in the case of the delivery of healthcare services to Plan Members under (a), UMP Subsidiary Medical Centres and Affiliated Clinics represent the Group's cost centres. UPML HK / UPML Macau will make payments to UMP Subsidiary Medical Centres or Affiliated Clinics, as the case may be, depending on where the Plan Members choose to obtain healthcare services. Such payments are recorded as "professional service expenses" of the Group.

In the case of payments made to UMP Subsidiary Medical Centres, such "professional service expenses" will be eliminated upon consolidation. In FY2015, the "professional service expenses" eliminated upon consolidation amounted to HK$60.3 million.

For the segment margins of (a) during the Track Record Period, the segment results are arrived at after taking into account, among other things, the professional service fees paid/payable to Affiliated Clinics and headquarter costs incurred in administering the corporate healthcare solution plans with Contract Customers. For the segment margins of (b) during the Track Record Period, the segment results are arrived at after taking into account, among other things, the professional service fees paid/payable to UMP Doctors, Dentists and Auxiliary Service Providers, the rental costs of the UMP Subsidiary Medical Centres and the clinical staff costs at such UMP Subsidiary Medical Centres.

The table below sets out the segment margins of (a) corporate healthcare solution services to Contract Customers and (b) clinical healthcare services during the Track Record Period:

UMP Group

Segment margins

	Year ended 30 June		
	2013	2014	2015
	(HK$, in thousands)		
Provision of Corporate Healthcare Solution Services to Contract Customers			
Segment revenue			
External sales(1)	247,946	264,923	271,823
Intersegment sales(2)	578	654	775
	248,524	265,577	272,598
Segment result	22,630	27,579	25,706
Segment margin	9.1%	10.4%	9.4%
Provision of Clinical Healthcare Services			
Segment revenue			
External sales(3)	68,345	88,102	129,214
Intersegment sales(4)	50,765	59,985	60,295
	119,110	148,087	189,509
Segment result	12,896	16,834	16,446
Segment margin	10.8%	11.4%	8.7%

Notes:

(1) Mainly represent sales generated from the provision of corporate healthcare solution services to Contract Customers.

(2) Represent sales generated from the provision of in-patient healthcare solution services to UMP Subsidiary Medical Centres for Plan Members.

(3) Mainly represent sales generated from the provision of clinical healthcare services to Self-paid Patients.

(4) Represent sales generated from the provision of clinical healthcare services to Plan Members.

The following flowcharts set out the relationship among (i) Plan Members/Self-paid Patients, (ii) UMP Subsidiary Medical Centres/Affiliated Clinics, (iii) the UMP entities (being UPML HK and UPML Macau (as defined below) which are wholly-owned subsidiaries of the Group responsible for provision of corporate healthcare solution services), (iv) Contract Customers, (v) UMP Doctors/Dentists/Auxiliary Services Providers and (vi) hospitals (in case in-patient healthcare services are required) in the following scenarios:

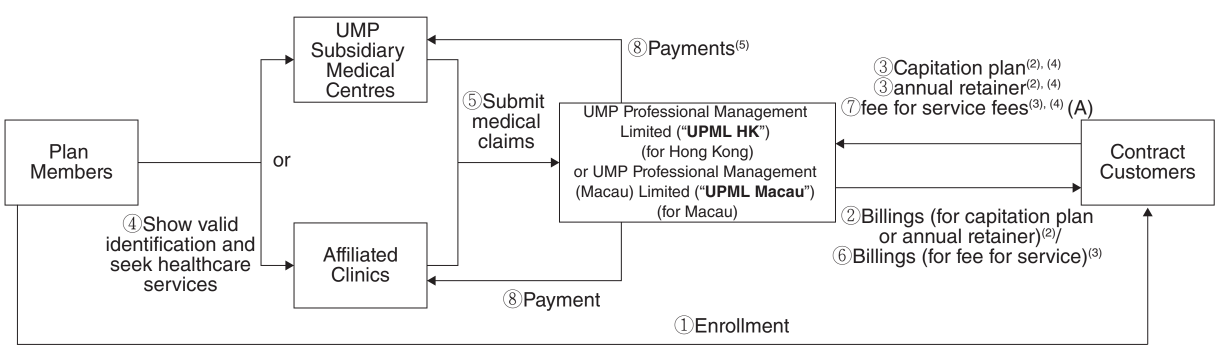
Possible scenarios:

		Type of healthcare services required	
		Out-patient	In-patient[1]
Source of patients	Plan members	Scenario (I)	Scenario (III)
	Self-paid patients	Scenario (II)	Scenario (IV)

Note:

(1) For FY2015, the net in-patient services revenue was approximately HK$5,741,000, which is 1.4% of total revenue of the Group.

Scenario (I) Plan Members seeking out-patient healthcare services in UMP Subsidiary Medical Centres or Affiliated Clinics



Notes:

(2) For capitation and annual retainer fees, they will be billed and received upfront at the beginning of the contract period from contract customers irrespective of whether any Plan Member eventually utilises the healthcare services (there is no refund of service fees paid by Contract Customers upon expiry of the contracts if such healthcare service have not been utilised). Such revenue is recognised on a time proportion basis.

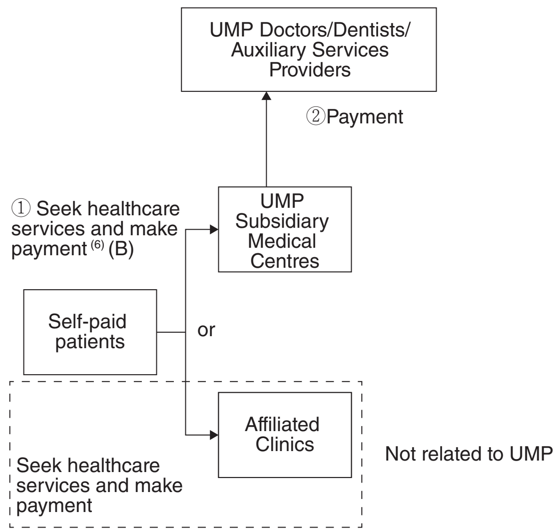
(3) For fee for service, the fee will be charged and recognised based on a pre-agreed fee rate per healthcare service provided. The fee will be billed upon provision of the healthcare service.

(4) Recorded as revenue from "provision of corporate healthcare solution services to Contract Customers".

(5) For FY2015, the payments (being recorded as "professional services expenses" at UPML HK/ UPML Macau or as revenue from "provision of clinical healthcare services" at UMP Subsidiary Medical Centres) of approximately HK$60.3 million was eliminated upon consolidation.

As illustrated above, Plan Members may visit either UMP Subsidiary Medical Centres or Affiliated Clinics for the healthcare services under the corporate healthcare benefits plans which include, among others, fee for service, capitation and annual retainer plans. The Group receives from Contract Customers an agreed fee per visit by Plan Member under a fee for service plan but receives a fixed fee under the capitation plan and annual retainer plan irrespective of whether any plan member eventually utilises healthcare services.

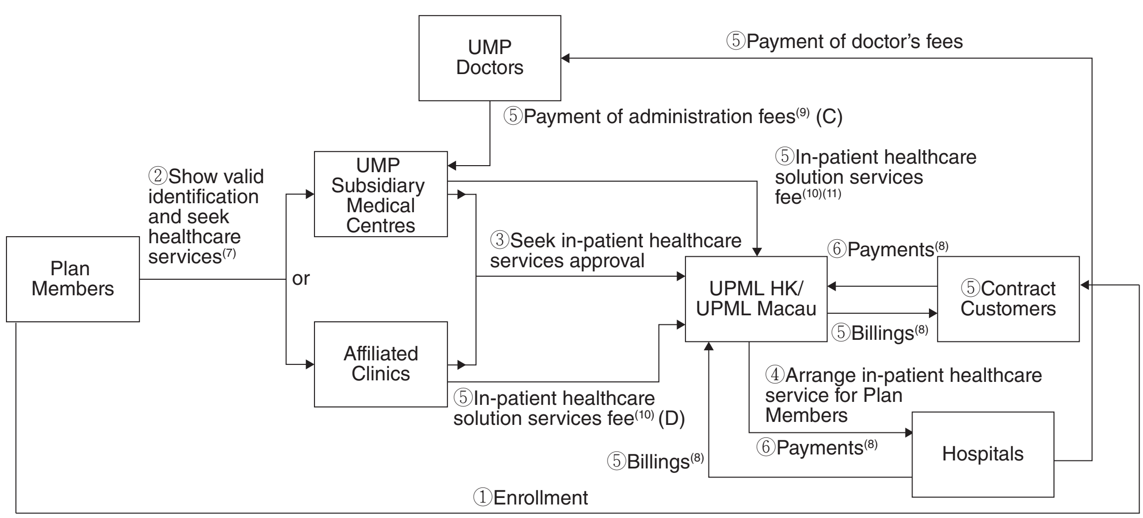
Scenario (II) Self-paid Patients seeking out-patient healthcare services in UMP Subsidiary Medical Centres or Affiliated Clinics



Note:

(6) Recorded as revenue from "provision of clinical healthcare services".

Scenario (III) Plan Members seeking in-patient healthcare services through UMP Subsidiary Medical Centres or Affiliated Clinics



Notes:

(7) For out-patient services received in UMP Subsidiary Medical Centres or Affiliated Clinics before receiving in-patient healthcare services, the corresponding revenue and expense treatments are same as Scenario (I).

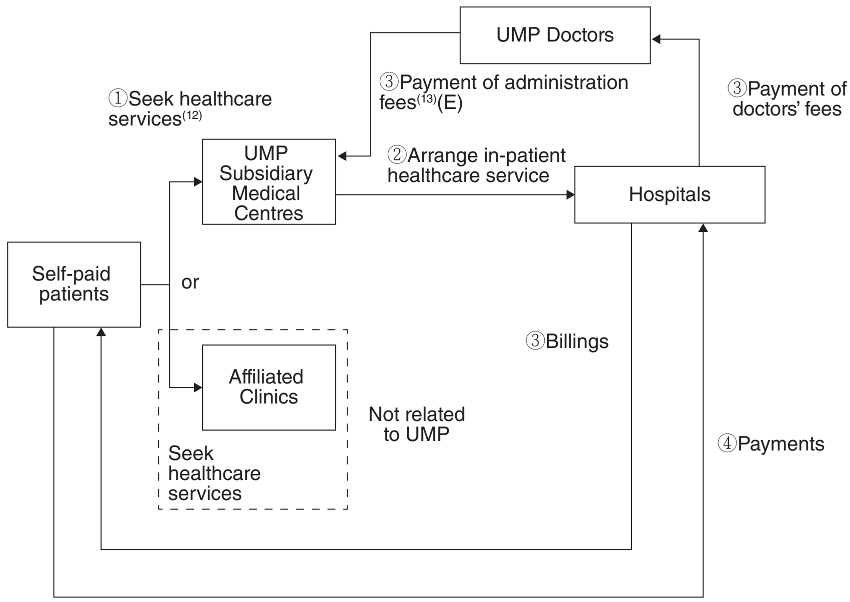
(8) Separate billings/payments will be made to/by the Contract Customers for the in-patient healthcare services provided to Plan Members.

(9) UMP Doctors will pay administration fees to UMP Subsidiary Medical Centres at a pre-agreed rate. Such administration fees paid to UMP Subsidiary Medical Centres are recorded as revenue from "provision of clinical healthcare services" at UMP Subsidiary Medical Centres.

(10) Recorded as revenue from "provision of corporate healthcare solution services to Contract Customers".

(11) For FY2015, the in-patient healthcare solution services fee (being recorded as revenue from "provision of corporate healthcare solution services to Contract Customers" at UPML HK/UPML Macau or as "expenses" at UMP Subsidiary Medical Centres) of approximately HK$775,000 was eliminated upon consolidation.

Scenario (IV) Self-paid Patients seeking in-patient healthcare services through UMP Subsidiary Medical Centres or Affiliated Clinics



Notes:

(12) For out-patient services received in UMP Subsidiary Medical Centres, the corresponding revenue and expenses treatments are same as scenario (II).

(13) Recorded as revenue from "provision of clinical healthcare services".

For (A) and (D)

For illustration, in FY2015, (A)+(D) = Approximately HK$271,823,000[14] (Revenue recorded as "provision of corporate healthcare solution services to Contract Customers")

For (B), (C) and (E)

For illustration, in FY2015, (B)+(C)+(E) = Approximately HK$129,214,000[14] (Revenue recorded as "provision of clinical healthcare services")

Note:

(14) Intersegment sales eliminated as applicable.

Key Differences between UMP Medical Centres and Affiliated Clinics

	UMP Network	
	UMP Medical Centres	**Affiliated Clinics**
Revenue recognition		
(i) Contract Customers		
– Capitation plan/annual retainer	– Recognised on a time proportion basis	
– Fee for service	– Based on a pre-agreed fee rate per healthcare service provided	
(ii) Self-paid Patients	– Based on the actual fee charged per healthcare service provided	– Not applicable to UMP
Cost structure	– The Group recognises the costs of operating the UMP Medical Centres in its financial statements and such costs primarily include: – professional services costs payable to the UMP Doctors, UMP Dentists and/or UMP Auxiliary Services Providers practising at UMP Medical Centres. These costs are recognised as "Professional Services Expenses" in the Group's financial statements[1]; – clinical staff costs at the UMP Medical Centres, including the receptionists and nurses; – property rental costs; – cost of inventories consumed; – depreciation costs; and – utilities costs.	– The Group does not recognise the set-up or the on-going operational costs of the Affiliated Clinics. The Affiliated Clinics bear their own costs, including, but not limited to, their professional services costs payable to their doctors, dentists and auxiliary services providers.

Note:

(1) See *"— Suppliers — Doctors, Dentists and Auxiliary Services Providers"* for details on the remuneration basis of such professional services expenses.

	UMP Network	
	UMP Medical Centres	Affiliated Clinics
Degree of control	– The Group has full operational control.	– With respect to the Plan Members, the Group has in place mechanisms to monitor the healthcare services delivered to Plan Members who visit the Affiliated Clinics. After providing healthcare services to a Plan Member, the Affiliated Clinic will prepare a voucher describing the diagnosis and medical record. The voucher information will be recorded in the Group's E-Claims system before the vouchers are sent back to the Group for verification. The Group's billing department is responsible for reviewing the information on the vouchers and the E-Claims system for consistency. – Also refer to "— *Quality Assurance*" for the qualifications and selection criteria of Affiliated Doctors, Affiliated Dentists and Affiliated Services providers and the internal controls measures the Group has in place to monitor the quality of services delivered to Plan Members who visit the Affiliated Clinics. – With respect to the Affiliated Clinics' own self-paid patients, the Group does not have any control over the Affiliated Clinics.

	UMP Network	
	UMP Medical Centres	**Affiliated Clinics**
Risk profile	– The Group bears all the risks in relation to the delivery of healthcare services to both Contract Customers and Self-paid Patients.	– The risks to the Group are primarily limited to the quality of healthcare services received by the Plan Members who visit the Affiliated Clinics.
	– Also refer to the risk factors "*Doctors, Dentists, Auxiliary Services Providers and other medical professionals in the UMP Network, together with the Group, could become the subject of claims, complaints, regulatory or professional investigations arising from medical disputes brought by Customers, which may harm the Group's business, results of operations, financial condition, brand and reputation*" and "*The Group's business model relies on contractual arrangements with Affiliated Doctors, Affiliated Dentists and Affiliated Services Providers, and the Group could suffer reputational harm arising from any sub-standard services provided by, or misconduct of, Affiliated Doctors, Affiliated Dentists and Affiliated Auxiliary Services Providers*".	– Also refer to the risk factors "*Doctors, Dentists, Auxiliary Services Providers and other medical professionals in the UMP Network, together with the Group, could become the subject of claims, complaints, regulatory or professional investigations arising from medical disputes brought by Customers, which may harm the Group's business, results of operations, financial condition, brand and reputation*" and "*The Group's business model relies on contractual arrangements with Affiliated Doctors, Affiliated Dentists and Affiliated Services Providers, and the Group could suffer reputational harm arising from any sub-standard services provided by, or misconduct of, Affiliated Doctors, Affiliated Dentists and Affiliated Auxiliary Services Providers*".
	– In particular, the Group bears the operational risks of running the medical centres including profit or loss (e.g. set-up costs) and other legal risks.	– However, the Group does not bear any operational risk of the Affiliated Clinics.

The Group takes into account various factors when deciding whether to establish a UMP Medical Centre or contracting with an Affiliated Centre:

Considerations for	
Establishing an UMP Medical Centre	Contracting with an Affiliated Centre
■ Opportunity to increase the recognition of the "UMP" brand at specific locations and for the Group overall ■ Ability to increase the Self-paid Patient traffic with the aim to generate more revenue from the delivery of healthcare service to Self-paid Patients ■ Increase of network coverage, overall scope of services and facilities for both Plan Members and Self-paid Patients	■ Increase of network coverage, overall scope of services and facilities for Plan Members ■ Either (i) more cost effective or (ii) faster (e.g. due to the fact that convenient sites may not be readily available) through contracting with an Affiliate Centre as compared to establishing an UMP Medical Centre

The initial capital expenditure and payback period for each UMP Medical Centre could vary significantly depending on various factors, including the location of the medical centre, the size of the medical centre, the range of specialties offered at the medical centre and the type of equipment required, among other things. The table below sets out the range of initial capital expenditure and payback period for each type of UMP Medical Centre:

Type of UMP Medical Centre	Range of initial capital expenditure	Payback period
		(years)
General practice medical centre	HK$1 million to HK$3 million(1)	4 to 5
Specialist medical centre	HK$3 million to HK$5 million(2)	4 to 5
Dental centre	HK$1 million to HK$3 million(3)	4 to 5
Auxiliary services centre	HK$10 million to HK$15 million(4)	4 to 5

Notes:

(1) Depending on factors such as the location and size of the medical centre.

(2) Depending on factors such as the location and size of the medical centre and the type of medical specialties offered at the medical centre.

(3) Depending on factors such as the location and size of the dental centre, the type of dental specialties offered and the type of dental equipment required.

(4) Depending on factors such as the location and size of the auxiliary services centre and the type of equipment required to provide the Auxiliary Services.

CUSTOMERS

The Group's Customers are principally categorised into two types, namely Contract Customers which enter into contracts with the Group for healthcare services and Self-paid Patients customers.

(a) **Contract Customers**, which include (i) insurance companies and (ii) corporations, enter into healthcare benefits plans with the Group for its members and employees.

The Group's Contract Customers which are insurance companies enter into contracts with the Group for healthcare services for Plan Members who are their policyholders or employees of policyholders. Customers who hold insurance medical cards are either individuals who purchase health insurance policies from insurance companies or insured corporate employees where such corporations purchase healthcare services for employees through insurance companies.

Corporations, on the other hand, enter into contracts with the Group for healthcare services for Plan Members who are their employees and/or their dependants. Employees of corporations either use the UMP issued medical card or their own corporation's medical card to identify themselves.

The Group has long-term relationships with a broad range of Contract Customers, including blue-chip companies, MNCs, SMEs and insurance companies.

For FY2013, FY2014 and FY2015, the revenue generated from Contract Customers accounted for approximately 78.4%, 75.0% and 67.8% of the Group's revenue, respectively. The Contract Customers which account for more than 50% of the Group's revenue for FY2015 have been customers of the Group for more than 17 years on average.

(b) **Self-paid Patients** are patients who visit the UMP Medical Centres and pay using cash or credit cards:

(i) where the patients are not under any corporate healthcare benefits plan, the fees incurred for the treatment received;

(ii) where the patients are Plan Members under a corporate healthcare benefits plan but the treatment received does not fall within the scope of the benefits plan, the uncovered fees incurred for the treatment received; or

(iii) where the patients are Plan Members under a corporate healthcare benefits plan, the co-payment amount for the treatment received as required under the benefits plan.

The Directors believe that such customers choose to visit the UMP Medical Centres because of the Group's reputation, word-of-mouth referrals or the convenient locations of the UMP Network.

During the Track Record Period, most of the revenue generated from the Self-paid Patients was attributable to fees paid by patients who did not participate in any corporate healthcare benefit plan. However, as set out above, fees for treatments that fall outside of the scope of a Plan Member's healthcare benefits plan or co-payments made by a Plan Member under the healthcare benefits plan are accounted for as revenue generated from Self-paid Patients.

The table below sets out the revenue generated from each of the above three categories, together with in-patient administration fees, which were all recorded under the provision of clinical healthcare services category, over the Track Record Period.

	Year ended 30 June		
	2013	2014	2015
	(HK$, in thousands)		
Out-patient healthcare services			
Patients not under any corporate healthcare benefits plan	53,770	71,586	109,029
Uncovered fees incurred for the treatment received	9,049	10,251	14,194
Co-payment amount for the treatment received	1,032	1,115	1,080
	63,851	82,952	124,303
In-patient administration fees	4,494	5,150	4,911
Total for provision of clinical healthcare services(1)	**68,345**	**88,102**	**129,214**

Note:

(1) Represented external sales figure of provision of clinical healthcare services.

For FY2013, FY2014 and FY2015, the revenue generated from provision of clinical healthcare services accounted for approximately 21.6%, 25.0% and 32.2% of the Group's total revenue, respectively.

Largest Customer and Five Largest Customers

For FY2013, FY2014 and FY2015, the revenue from the five largest Customers of the Group accounted for approximately 33.1%, 34.3% and 32.7% of the total revenue of the Group, respectively. For FY2013, FY2014 and FY2015, the revenue attributable to the Group's largest Customer accounted for approximately 11.4%, 12.5% and 12.4% of the total revenue of the Group, respectively.

The five largest Customers are independent third parties and, to the best knowledge and belief of the Directors, none of the Directors or their close associates or any Shareholders (which to the knowledge of the Directors beneficially own more than 5% of the Shares) had any interests in any of the five largest Customers of the Group during the Track Record Period. During the Track Record Period, none of the Group's major Customers were also the Group's major suppliers and vice versa.

CENTRALISED ADMINISTRATIVE PLATFORM

The Group has a central administrative platform which supports the Medical Centres, Doctors and customers through the following measures:

(a) Proprietary Management System

With the intention to have a platform that not only caters to the needs of its Contract Customers and Plan Members but also for its physicians to deliver consistent and reliable healthcare services, the Group has deployed various management systems for its own chain of Medical Centres and for the entire UMP Network.

The Group has the capabilities to develop its own proprietary software such as E-Claims, a web-based healthcare plan system. Through its proprietary systems, the Group provides value-added services to its Contract Customers to help better manage their employee healthcare benefits; through the E-Claims System, the Group also provides real time interface with insurance companies and the UMP service providers which allows for Plan Members benefits verification and usage monitoring. For example, the Group services an average of over 80,000 plan member consultation visits each month. It is able to process all the medical claims promptly and generate customised reports on the overall Plan Members' utilisation, types of visits, expenses and other statistics as required. The customised usage report allows Contract Customers to efficiently manage their employee healthcare benefits and the overall costs. To safeguard against any potential loss of data, the Group also has back-up arrangements of the data with an external service provider.

Furthermore, the Group is among the early adopters of mobile apps which allow its patients to access the most up-to-date information, such as the doctors available, the range of healthcare services offered by the Group and the location and opening hours of the Medical Centres. Set out below are screenshots of the mobile app:

The Group's doctor-led and doctor-focused management philosophy is also reflected in the Group's proprietary system, which was developed and designed from the perspective of a doctor and allows for the effective administration of benefits plans by the Group. The creation of a doctor-oriented platform that is user-friendly to doctors has resulted in easier in-network referrals and more efficient clinical management. For example, the Group's E-Claims system supports the healthcare plans administration of all Medical Centres within the UMP Network, including the Affiliated Clinics. The system is highly versatile as it aims to streamline the Doctors' administrative workload by providing for real-time Plan Member verification, validation of benefits coverage of each individual member as well as referral information. Through the E-Claims system, the Group is able to maintain communications with the entire UMP Network and provide import updates, latest developments and news updates.

(b) Centralised Procurement System

While the UMP Medical Centres are responsible for maintaining their own drug items and medical consumables inventory, the Group purchases and stocks up on drug items and medical consumables centrally and in bulk. The Group then distributes the drug items and medical consumables to the UMP Medical Centres as and when required. This centralised procurement system allows the Group to control the quality and costs of the drug items and medical consumables purchased.

The Group has an inventory policy to generally maintain sufficient drugs items and medical consumables for an average of three months. See "*— Suppliers — General Suppliers*" for details of the Group's major suppliers and *"— Quality Assurance — Drug Items and Medical Consumables"* for details on the quality control measures with respect to the supplies and services procured.

BUSINESS DEVELOPMENT

The Group builds its reputation by providing convenient reliable, coordinated, comprehensive and affordable healthcare services and its business development strategy is centred around conveying that message to its Contract Customers and patients.

The Group has a dedicated business development and operations team with specific team members allocated to particular Contract Customers. This allows the business development team members to provide timely responses to queries and promptly help to address servicing issues from existing and potential Contract Customers. It also allows the team to further develop a working relationship with its Contract Customers and to better understand the needs of the Contract Customers. Through a more thorough understanding, the Group is better able to create tailored plans to suit their needs. Furthermore, the Directors believe that a well-served Contract Customer is the best source for word-of-mouth referrals and recommendations to other potential customers. See "*— Corporate Healthcare Solutions*".

The Group also distributes brochures and pamphlets in the UMP Medical Centres, which describe the Group's latest healthcare services and contain other general information on healthcare. The information will help reinforce the Group's intention to promote wellness among patients. In addition, the Group's corporate website and proprietary mobile app provide details of the range of healthcare services offered, the type of professional services provided by the Doctors, the Group's locations and information relating to the Group's corporate and health programmes. The corporate website also includes the latest health related news, education materials and wellness tips.

The Group regularly seeks feedback from its Contract Customers and patients in an effort to improve on its healthcare services. The business development team also oversees the development of new healthcare service offerings and solutions.

The Group aims to be at the forefront of the corporate healthcare benefits market and keep up-to-date with current and new government policies which affect the industry. Over the next few years, the Group intends to increase its specialist services to meet the typical medical needs of the ageing population of Hong Kong such as chronic diseases management, and to enhance its endoscopic screening services.

The Hong Kong Government has conducted a public consultation on the VHIS between 2014 and 2015 with an aim to encourage more people to use private healthcare services by regulating in-patient insurance policies. Given the Group's track record of over 20 years as a corporate healthcare solutions provider in Hong Kong, its ability to work with a large network of doctors and specialists and develop and administer healthcare benefits plans, the Directors believe that the Group is well-placed to support the VHIS. In addition, the Group's existing proprietary systems infrastructure allows it to provide information such as real-time member verification and validation of benefits coverage for a large pool of members, which the Directors expect will facilitate the implementation of the VHIS.

SUPPLIERS

The Group's suppliers include (i) the Doctors, Dentists and Auxiliary Services Providers in Hong Kong and (ii) general suppliers.

For FY2013, FY2014 and FY2015, the costs attributable to the Group's largest supplier accounted for approximately 1.4%, 1.8% and 1.7% of the total cost of services of the Group, respectively. For FY2013, FY2014 and FY2015, the costs attributable to the five largest suppliers of the Group accounted for approximately 5.9%, 6.8% and 6.2% of the total cost of services of the Group, respectively. Total cost of services of the Group is the sum of the Group's professional services expenses and cost of inventories consumed during the relevant financial year.

Certain of the Group's suppliers include Doctors and Dentists who are also directors of certain subsidiaries of the Company and such suppliers are therefore connected persons of the Company at the subsidiary level (collectively, "**Connected Suppliers**"). For FY2013, FY2014 and FY2015, the costs attributable to the Connected Suppliers who were also among the five largest suppliers of the Group accounted for approximately 1.2%, 3.1% and 2.9% of the total cost of services of the Group, respectively. See *"Connected Transactions — Consultancy agreements with certain Doctors and Dentists"* and *"Connected Transactions — Consultancy Agreement with Dr. Patrick Lee"* for further details.

Save for the Connected Suppliers, the five largest suppliers are independent third parties and, to the best knowledge and belief of the Directors, none of the Directors or their close associates or any Shareholders (which to the knowledge of the Directors beneficially own more than 5% of the Shares) had any interest in any of the five largest suppliers of the Group during the Track Record Period (to the extent applicable with respect to the general suppliers). During the Track Record Period, none of the Group's major suppliers were also the Group's major customers and vice versa.

(a) Doctors, Dentists and Auxiliary Services Providers

Certain UMP Doctors, UMP Dentists and UMP Auxiliary Services Providers may, in accordance with the terms of their respective consultancy agreements with the Group, practise in more than one UMP branded point of service. However, the Affiliated Doctors, Affiliated Dentists and Affiliated Auxiliary Services Providers generally do not practise at multiple points of service within the UMP Network. The table below sets out the Doctors, Dentists and Auxiliary Services Providers across the UMP Network in Hong Kong and Macau as at 30 June 2013, 2014 and 2015:

	As at 30 June		
	2013	2014	2015
Doctors	**484**	**492**	**498**
General practice doctors	392	397	403
Specialists	92	95	95
Dentists	**30**	**37**	**35**
Auxiliary Services Providers	**63**	**65**	**83**
Traditional Chinese medicine practitioners	12	17	26
Physiotherapists	12	10	12
Imaging and laboratory services providers	36	35	42
Others(1)	3	3	3
TOTAL	**577**	**594**	**616**

Note:

(1) Includes (i) vision care and optometry services providers and (ii) nutrition and dietary services providers.

Out of the Doctors, Dentists and Auxiliary Services Providers set out above, the following are UMP Doctors, UMP Dentists and UMP Auxiliary Services Providers as at 30 June 2013, 2014 and 2015:

	As at 30 June		
	2013	2014	2015
UMP Doctors	**48**	**50**	**53**
General practice doctors	26	26	26
Specialists	22	24	27
UMP Dentists	**20**	**26**	**25**
UMP Auxiliary Services Providers	**7**	**7**	**14**
Traditional Chinese Medicine practitioners	1	1	1
Physiotherapists	1	1	1
Imaging and laboratory services providers	4	4	11
Others(1)	1	1	1
TOTAL	**75**	**83**	**92**

Note:

(1) Includes vision care and optometry services providers.

As at 30 June 2015, over 50% of the Doctors, Dentists and Auxiliary Services Providers have worked with the UMP Network for more than 10 years and over 70% of the Doctors, Dentists and Auxiliary Services Providers have worked with the UMP Network for more than five years.

See "— *Quality Assurance*" below for details on the qualifications and selection criteria of the Doctors, Dentists and Auxiliary Services Providers.

UMP Doctors, UMP Dentists and UMP Auxiliary Services Providers

The UMP Doctors, UMP Dentists and UMP Auxiliary Services Providers in Hong Kong are generally engaged directly by the Group as consultants to provide Medical Services, Dental Services and Auxiliary Services, respectively, in the UMP Medical Centres in accordance with the terms of their respective consultancy agreements with the Group.

The consultancy agreements set out the type of services required from the UMP Doctors, UMP Dentists and UMP Auxiliary Services Providers (each, a "**UMP Service Provider**"), the location(s) at which to provide such services and generally include the following key terms:

(a) *Exclusivity:* The UMP Service Provider will not participate in providing medical services at locations other than hospitals or the designated location(s) without prior approval by the Group in writing;

(b) *Liabilities and responsibilities:* The UMP Service Provider is required to (i) observe and conform to all laws and customs of the medical profession, (ii) not disclose any professional secrets or any private information with respect to the Group, (iii) be personally responsible and liable to any claim by any patient of the UMP Network who has been treated directly by the UMP Service Provider and (iv) take out a professional indemnity insurance policy against all claims made by patients of the Group who have been treated directly by the UMP Service Provider;

(c) *Indemnity:* The UMP Service Provider will indemnify the Group against all liabilities, costs, claims and demands made by any of the patients against the Group caused directly by any proven gross negligence or wilful neglect of the UMP Service Provider in the course of rendering any medical services, treatment, examinations at any location under the consultancy agreement or by the failure of the UMP Service Provider to render such services as may be reasonably and professionally required by the Group under the consultancy agreement; and

(d) *Termination:* The consultancy agreement is not a fixed period contract and will continue until it is terminated. The consultancy agreement may be terminated if (i) the UMP Service Provider ceases to be a fully Registered Medical Practitioner or (ii) in the event either party serves the other party a two-month termination notice in writing.

Generally, the consultant receives a basic monthly payment, fees for certain specific services provided and/or a stipulated revenue sharing portion in the event the total revenue derived from the Medical Services, Dental Services and Auxiliary Services (as applicable) provided has exceeded certain thresholds. During the Track Record Period, the basic monthly payment of full-time consultants ranged from HK$28,000 to HK$350,000 and depended on factors including the market rate payable to such UMP Service Providers, the location at which the services are provided, the number of hours practised and the qualifications and specialty of the UMP Service Provider. The percentage of revenue received by the UMP Service Provider varies based on the amount of total revenue derived from the provision of services in a particular month. Payment of such fees are generally made at the end of each month. Such fees are recognised as the "Professional Services Expenses" in the income statement of the Group. Certain UMP Doctors may also have shareholding interests in the holding companies of the relevant UMP Medical Centres.

The tables below set out (i) the number of UMP Service Providers, (ii) the number of UMP Service Providers who joined the Group (the "**UMP New Joiners**") and the number of UMP Service Providers who left the Group (the "**UMP Leavers**"), (iii) the turnover rates of the UMP Service Providers and (iv) the retention rates of the UMP Service Providers during the periods specified below:

(i) Number of UMP Service Providers

	2013		2014		2015	
	As at 1 July	**As at 30 June**	**As at 1 July**	**As at 30 June**	**As at 1 July**	**As at 30 June**
Medical services	41	48	48	50	50	53
Dentists	17	20	20	26	26	25
Auxiliary services providers	9	7	7	7	7	14
TOTAL	**67**	**75**	**75**	**83**	**83**	**92**

(ii) Number of UMP New Joiners and UMP Leavers

	During the year ended 30 June		
	2013	**2014**	**2015**
Medical Services			
UMP New Joiners	8	8	6
UMP Leavers	1	6	3
Dentists			
UMP New Joiners	3	8	0
UMP Leavers	0	2	1
Auxiliary services providers			
UMP New Joiners	1	1	9
UMP Leavers	3	1	2
OVERALL			
UMP New Joiners	**12**	**17**	**15**
UMP Leavers	**4**	**9**	**6**

(iii) Retention rates[(1)]

	Year ended 30 June		
	2013	**2014**	**2015**
Medical services	97.6%	87.5%	94.0%
Dentists	100.0%	90.0%	96.2%
Auxiliary services providers	66.7%	85.7%	71.4%
OVERALL	**94.0%**	**88.0%**	**92.8%**

(iv) Turnover rates[(2)]

	Year ended 30 June		
	2013	2014	2015
Medical services	2.4%	12.5%	6.0%
Dentists	0.0%	10.0%	3.8%
Auxiliary services providers	33.3%	14.3%	28.6%
OVERALL	**6.0%**	**12.0%**	**7.2%**

Notes:

(1)

$$\text{Retention rate} = \frac{\text{Number of UMP Service Providers at the end of the period - Number of UMP New Joiners during the period}}{\text{Number of UMP Service Providers at the beginning of the period}} \times 100\%.$$

(2) Turnover rate is calculated by subtracting the relevant retention rate from 100%.

Affiliated Doctors, Affiliated Dentists, Affiliated Auxiliary Services Providers and Affiliated Clinics

The Affiliated Doctors, Affiliated Dentists, Affiliated Auxiliary Services Providers and Affiliated Clinics form part of the UMP Network and the Group's Plan Members have access to these doctors and Medical Centres for Medical Services, Dental Services and Auxiliary Services.

The Affiliated Doctors, Affiliated Dentists, Affiliated Auxiliary Services Providers and Affiliated Clinics in Hong Kong (each, an "**Affiliated Service Provider**") generally enter into agreements directly with the Group to provide Medical Services, Dental Services and/or Auxiliary Services to the Plan Members and such agreements generally include the following key terms:

(a) *Liabilities and responsibilities:* The Affiliated Service Provider is required to be properly registered with the local government/medical authorities and is also required to be insured under the relevant professional indemnity insurance policy;

(b) *Indemnity:* The Affiliated Service Provider is required to indemnify the Group against any expenses, liability, loss or claim to the Group which is caused by the services delivered to the patient by the Affiliated Service Provider or anyone acting on such provider's behalf; and

(c) *Termination:* The agreement is not for a fixed period and will continue until it is terminated. The agreement may be terminated by either party serving the other party a written notice of not less than three months or if mutually agreed.

The Affiliated Service Providers may provide services to their own self-paid patients and patients from other medical networks and are not required to provide services exclusively to the Group's Plan Members unless the relevant agreement stipulates for such exclusive service arrangement.

In accordance with the terms of the relevant agreements, the Affiliated Service Providers generally receive from the Group an agreed rate for the type of services provided to each Plan Member. The total amount of fees payable to the Affiliated Service Providers depends on the volume of Plan Members treated each month. During the Track Record Period, the amount of fees paid to each Affiliated Service Provider ranged from nil to approximately HK$350,000 per month. Payment of such fees are generally made within approximately 90 days after the end of each month. Such fees are recognised as "Professional services expenses" in the income statement of the Company. Under the terms of the agreements, the Affiliated Service Providers are responsible for their own operating costs.

The tables below set out (i) the number of Affiliated Service Providers, (ii) the number of Affiliated Service Providers who joined the UMP Network (the "**Affiliated New Joiners**") and the number of Affiliated Service Providers who left the UMP Network (the "**Affiliated Leavers**"), (iii) the turnover rates of the Affiliated Service Providers and (iv) the retention rates of the Affiliated Service Providers during the periods specified below:

(i) Number of Affiliated Service Providers

	FY2013		FY2014		FY2015	
	As at 1 July	As at 30 June	As at 1 July	As at 30 June	As at 1 July	As at 30 June
Medical services	448	436	436	442	442	445
Dentists	12	10	10	11	11	10
Auxiliary services providers	59	56	56	58	58	69
TOTAL	**519**	**502**	**502**	**511**	**511**	**524**

(ii) Number of Affiliated New Joiners and Affiliated Leavers

	During the year ended 30 June		
	2013	2014	2015
Medical Services			
Affiliated New Joiners	20	26	28
Affiliated Leavers	32	20	25
Dentists			
Affiliated New Joiners	1	1	0
Affiliated Leavers	3	0	1
Auxiliary services providers			
Affiliated New Joiners	1	6	13
Affiliated Leavers	4	4	2
OVERALL			
Affiliated New Joiners	**22**	**33**	**41**
Affiliated Leavers	**39**	**24**	**28**

(iii) Retention rates(1)

	Year ended 30 June		
	2013	2014	2015
Medical services	92.9%	95.4%	94.3%
Dentists	75.0%	100.0%	90.9%
Auxiliary services providers	93.2%	92.9%	96.6%
OVERALL	**92.5%**	**95.2%**	**94.5%**

(iv) Turnover rates[(2)]

	Year ended 30 June		
	2013	2014	2015
Medical services	7.1%	4.6%	5.7%
Dentists	25.0%	0.0%	9.1%
Auxiliary services providers	6.8%	7.1%	3.4%
OVERALL	**7.5%**	**4.8%**	**5.5%**

Notes:

(1)

$$\text{Retention rate} = \frac{\text{Number of Affiliated Service Providers at the end of the period - Number of Affiliated New Joiners during the period}}{\text{Number of Affiliated Service Providers at the beginning of the period}} \times 100\%.$$

(2) Turnover rate is calculated by subtracting the relevant retention rate from 100%.

(b) General Suppliers

The Group's general suppliers include pharmaceutical companies, suppliers of medical consumables and third party service providers, such as laboratories, diagnostics and x-ray centres. The Group enjoys stable relationships with major general suppliers, who have been the Group's major general suppliers for an average of more than five years. However, the Group does not maintain any long-term supply or service contracts with its general suppliers. The Group purchases drug and medicine supplies from pharmaceutical companies in bulk as and when required. See "*— Centralised Administrative Platform — Centralised Procurement System*" for details on the centralised procurement system and *"— Quality Assurance — Drug Items and Medical Consumables"* for details on the quality control measures with respect to the supplies and services procured.

During the Track Record Period, the Group's purchases were mainly settled in Hong Kong dollars and were settled mainly by bank transfers. The credit and payment terms granted by the general suppliers were generally between 30 and 60 days.

The Group selects its general suppliers based on factors including the reputation of the general supplier, recommendations by medical professionals, quality of the supplies and services, past delivery records and pricing. The Group generally avoids any concentration risk by maintaining multiple general suppliers for its purchases in an effort to avoid relying on any single general supplier and to avoid unexpected shortages of supplies or services. In the event that any of the existing general suppliers is no longer able to provide supplies or services to the Group, the Group is able to identify suitable substitute general suppliers in a timely manner. During the Track Record Period, the Group did not experience any material interruptions to or material decline in the amount or quality of its purchases of either supplies or services.

QUALITY ASSURANCE

Qualifications and Selection Criteria of Doctors, Dentists and Auxiliary Services Providers

All practising medical practitioners in Hong Kong are required to be registered with the Medical Council of Hong Kong and all practising dentists in Hong Kong are also required to be registered with the Dental Council of Hong Kong. Practising medical practitioners and practising dentists in Hong Kong are required to have a valid practising certificate. Traditional Chinese medicine practitioners are required to be registered with the Chinese Medicine Council of Hong Kong, which is responsible for implementing regulatory measures for Chinese medicine. Further, all Doctors, Dentists and certain Auxiliary Services Providers have to comply with the code of professional conduct or discipline as applicable to them. These requirements help promote and safeguard the quality of medical and dental services in Hong Kong. Further details of the relevant regulations and requirements are set out in "*Appendix IV — Regulatory Overview*".

General practitioners and specialists generally have an average of at least five years' of relevant work experience before becoming Doctors within the UMP Network. Prior to working with the Group, the Group carries out background checks on prospective doctors, dentists and auxiliary services providers. Such prospective doctors, dentists and auxiliary services providers are required to provide their background information, resume, practising certificates and evidence that they have complied with the necessary regulatory requirements. Doctors, Dentists and certain Auxiliary Services Providers are also required to purchase their own professional indemnity insurance, which is required to be renewed every year. See "*— Insurance*" for further details. During the Track Record Period and up to the Latest Practicable Date, none of the Doctors, Dentists and Auxiliary Services Providers were involved in any medical incidents and disciplinary actions and/or investigations by the Medical Council or the Dental Council which (a) led to a suspension of their ability to practise medicine or dentistry and (b) involved any Plan Member and/or Self-paid Patient that would have had a material adverse effect on the Group's business or financial condition taken as a whole.

Service Quality

In addition, the Group has implemented the following internal controls measures to monitor the quality of services provided:

(a) established a designated relationship team of seven members as at 30 June 2015 to regularly review and monitor the quality of service provided. Patients can provide feedback through the Group's website, hotline or the medical centres, and surveys are regularly conducted to assess patients' satisfaction. Some of the Contract Customers also conduct internal surveys and the results are provided to the Group. Results from the feedback are collated and addressed by the relationship team. Furthermore, the Group's clinical services are subject to review by the Professional Standards and Compliance Committee, which comprises the Group's Dental Director and a group of senior medical specialists in different disciplines; and

(b) established the Professional Standards and Compliance Committee on 18 August 2015, which comprises the Group's Dental Director and a group of senior medical specialists in different disciplines, to regularly review the Group's clinical services on a quarterly basis. See "*Directors, Senior Management and Committees — Professional Standards and Compliance Committee*" for further details.

Training

The Medical Council of Hong Kong and the Dental Council of Hong Kong impose training requirements on the doctors and dentists, respectively, in Hong Kong. The Doctors, Dentists and Auxiliary Services Providers typically fulfil such obligations, as required, by attending external conferences. In addition, the Doctors, Dentists and Auxiliary Services Providers are required to undergo orientation when they initially work with the Group to familiarise themselves with the Group's corporate vision, service standards, policies and procedures.

Nurses and administration staff undergo training on the Group's proprietary system to ensure that they are able to effectively manage and administer the Group's operations. The Group also provides training sessions and professional support to its medical and nursing staff, and conducts regular performance reviews.

Drug Items and Medical Consumables

The UMP Medical Centres are responsible for maintaining their own drug items and medical consumables inventory and have implemented measures, which include the checking of expiry dates of drug items and medical consumables, monitoring the temperature of drug storage, dispensing drug items and, if applicable, medical consumables on a first-in-first-out basis and highlighting slow-moving items. The Group's centralised procurement system also allows the Group to control the quality and costs of the drug items and medical consumables purchased. See "*— Centralised Administrative Platform — Centralised Procurement System*" for further details.

THE TARGET GROUP'S NETWORK IN THE PRC

Shanghai Eaton Consulting Limited and its subsidiaries, namely, Beijing Eaton Clinic Limited and Shanghai Eaton Clinic Limited ("**Target Group**") primarily carry on the business of providing (a) medical examinations for local residents and visa applicants who wish to work, study or relocate overseas as required by the government bodies of the relevant overseas countries and (b) health check-ups for corporate employees. The Group completed the acquisition of the Target Group on 30 October 2015 as part of the Reorganisation. See "*History and Reorganisation — Reorganisation*" for further details of the acquisition.

The Group intends to integrate the PRC Medical Centres as points of service within the UMP Network. Depending on the commercial terms of the contracts with the Group's corporate customers, Plan Members in Hong Kong may be entitled to visit the PRC Medical Centres and vice versa. Furthermore, the PRC Medical Centres will become affiliated clinics of the UMP Phoenix network of medical centres.

The PRC Medical Centre in Beijing is located in Chongwenmen, which is near a shopping district and tourist attractions, and is more than 1,000 sq. m. in size. The two PRC Medical Centres in Shanghai are respectively located in the Xuhui district and Pudong, and are approximately 740 sq. m. and 835 sq. m. in size, respectively. As at 30 June 2015, there were more than 80 employees who were engaged in the operation and management of the PRC Medical Centres. While these three PRC Medical Centres offer health check-ups for corporate employees, most of their revenue is derived from providing medical examinations for visa applicants and those who wish to work, study or relocate overseas as required by the government bodies of the relevant overseas countries.

Following completion of the acquisition of the Target Group, the existing management of the Target Group will continue to manage the operations of the PRC Medical Centres. The Target Group's existing management comprises Dr. Sun, who is also the Chairman, Chief Executive Officer and Executive Director of the Company, and Mr. Leung Kam Yuen, David, who is responsible for overseeing the operations of the PRC Medical Centres and is also a member of the Group's senior management team. See "*Directors, Senior Management and Committees*" for further details of their biographies.

In addition, the accounting and financial reporting system of the Target Group will be streamlined following the acquisition of the Target Group and the Target Group's financials will be consolidated into the Group's financial results. See "*Financial Information of the PRC Medical Centre Companies*" for further details.

As confirmed by the Company's PRC legal adviser, Commerce & Finance Law Offices, each member of the Target Group was lawfully established and validly exists, and has obtained all certificates, permits and approvals as are necessary for the conduct of its business, in each case in compliance with the relevant laws and regulations of the PRC.

EXPANSION OF HEALTHCARE SOLUTIONS NETWORK IN THE PRC

Background and Reasons for the Group's Expansion in the PRC

In addition to the acquisition of the Target Group as part of the Reorganisation, the Group intends to replicate its Healthcare Management Model in the PRC that services Contract Customers as well as Self-paid Patients. While majority of the medical expenses for corporate employees or individuals and their family members in the PRC are currently covered by government insurance programmes, individuals and their family members are generally required to seek medical care from public hospitals where the waiting time is often long and sometimes the services are suboptimal. The Directors believe that there will be an increasing demand for effective corporate healthcare benefits in the PRC in light of increasing competition for the supply of qualified workers and a more educated workforce in general. According to Frost & Sullivan, employers have generally identified healthcare benefits as one of the key components to focus on employee recruitment and retention. High and mid-level income families are also increasingly seeking better healthcare alternatives than the services provided by the public hospital dominated system. See "*Appendix III — Hong Kong and PRC Industry Outlook*" for further details on the PRC healthcare services industry.

The Group plans to offer corporate healthcare benefits solutions and individual healthcare coverage plans that are designed to address the service gap in the mid- to high-end individual private healthcare services market in the PRC. Through its healthcare plans, the Group's goal is to provide its Plan Members and patients with access to its directly-managed and affiliated clinics at convenient locations in PRC cities that will provide comprehensive healthcare services and also access to the UMP Network in Hong Kong as required, in particular where certain specialists and auxiliary services providers might not be readily available in the PRC.

In light of the above reasons, the Group has rolled out its expansion plans in the PRC, with an initial focus on Beijing and Shanghai. The Directors believe that the new medical centres in Beijing and Shanghai (as described below) as well as those in Beijing and Shanghai (comprising the Target Group) that will be acquired (see "*History and Reorganisation — Reorganisation*" for details) will provide sufficient infrastructure for the Group to start servicing the plan members of contract customers in the PRC.

While the initial network of such medical centres in the PRC will either be UMP branded or UMP Phoenix JV branded, the Group intends to develop and expand its affiliated network in the PRC by co-investing with medical professionals to set up smaller scale medical centres in the future.

Partnership with Phoenix to form UMP Phoenix JV

Support from the PRC Government

During the first half of 2014, the Group commenced discussions with Phoenix to explore a possible business cooperation in the PRC. By November 2014, the Company and Phoenix had reached an initial understanding that they will be developing a network of UMP Phoenix JV Medical Centres in the PRC. An initial memorandum of understanding was entered into between the Company and Phoenix on 26 November 2014 at the 18th Beijing-Hong Kong Economic Cooperation Symposium, where it was listed as one of the key strategic investments between Beijing and Hong Kong in 2014. Furthermore, this plan to develop the UMP Phoenix JV network of medical centres in the PRC is supported by the government authorities as the Beijing government published a notice in March 2015 which specifically stated that the UMP Phoenix healthcare family doctor medical centre project is one of the projects strongly supported in 2015.

JV Agreement with Phoenix

On 13 July 2015, UMP Healthcare China Limited ("**UMP China**"), a wholly-owned subsidiary of the Company, entered into a joint venture agreement with Pinyu, a wholly-owned subsidiary of Phoenix (the "**JV Agreement**") to form a joint venture company, UMP Phoenix JV, on a 50-50 basis. Subject to the economic conditions and the prevailing commercial considerations of the parties, the Directors expect the investment pay-back period[(1)] of the new medical centres being set up in the PRC to be generally between three and five years. The following are the key terms of the JV Agreement:

(a) *Investment Amount*

– During the term of the JV Agreement, each of UMP China and Pinyu will advance interest-free shareholder's loans in the aggregate sum of no less than RMB50 million to UMP Phoenix JV in stages.

(b) *Exclusivity*

– Without the prior written consent of the other party, the parties will not co-operate with any other third parties or independently establish a medical centre network and/or healthcare management organisations in whatever form within the Beijing-Tianjin-Hebei region (excluding the PRC Medical Centres which, following the completion of the acquisition of the Target Group by the Group, will be operated solely by the Group).

(c) *Corporate Governance, Management and Employees*

– Each of UMP China and Pinyu has the right to appoint up to three directors to the board of UMP Phoenix JV (the "**JV Board**"). In the event of a tie in the votes of the JV Board, the chairman of the JV Board is entitled to a second vote or a casting vote.

(1) The investment pay-back period is the point in time when positive cumulative cash flows is achieved. Positive cumulative cash flows is the difference between cumulative operating cash inflows and cumulative investing and operating cash outflows.

– The first chairman of the JV Board is to be nominated by Pinyu. The chairman will serve for a term of two years and each of UMP China and Pinyu will have the right to nominate the chairman candidate in alternate two-year periods.

– However, to safeguard the interests of the parties in this joint venture, certain significant matters, such as the setting up of or investment in any new business or the withdrawal of investment in any existing business or the establishment of a place of business outside Beijing Tianjin and Hebei, the PRC, will require unanimous consent of the entire JV Board.

– The following committees are to be set up in accordance with the JV Agreement:

(i) Professional, Ethical and Standards Committee: Responsible for setting standards for clinical services at various out-patient centres;

(ii) Professional Development and Training Committee: Responsible for the on-going training and supervision of doctors regarding the delivery of clinical services;

(iii) Finance and Business Development Committee: Responsible for making recommendations to the JV Board on all financing decisions and expansion strategy of the UMP Phoenix JV Group, including but not limited to any potential acquisitions; and

(iv) Information Technology and Business Administration Committee: Responsible for developing uses of IT in clinics management, business development and in efficient business administration and third party administration services.

– UMP China and Pinyu also agreed on the appointment of a management team to be responsible for the overall business, strategies, financial and operational performance of UMP Phoenix JV, as well as setting clinical standards, the recruitment of doctors and other medical professionals for UMP Phoenix JV.

– Furthermore, both UMP China and Pinyu may second employees from their respective groups to UMP Phoenix JV. The Directors believe that the relevant know-how and expertise from UMP and Phoenix will benefit UMP Phoenix JV and facilitate the expansion of the Group in the PRC. See "*Connected Transactions — Non Exempt Continuing Connected Transactions — Continuing connected transactions subject to reporting, announcement and independent Shareholders' approval requirement — Advisory Services Framework Agreement*" for further details.

(d) Resolution of Deadlock

– In the event that either UMP China or Pinyu considers in good faith that, as a result of a disagreement between them, no satisfactory resolution of material points can be achieved and/or that UMP Phoenix JV is being operated to the detriment of such shareholder, and the auditors of UMP Phoenix JV certify that in their opinion the question/s at issue is/are of material importance either to the present or then current business of UMP Phoenix JV or any other business contemplated by the JV Agreement and/or that UMP Phoenix JV is being operated to the detriment of such shareholder, then such shareholder may serve a notice of termination.

Advantages of a Partnership with Phoenix

Phoenix is one of the largest private hospital groups in the PRC, with its hospitals and clinics based in Beijing. The Directors believe that a partnership with Phoenix provides the following advantages:

(i) local knowledge of the healthcare services industry in the PRC;

(ii) provide recruitment know-how and local doctors and medical staff resources;

(iii) primary care network expansion opportunities as Phoenix has a large network of local hospitals and clinics in Beijing;

(iv) significant secondary and tertiary care support; and

(v) procurement benefit where UMP Phoenix JV benefits from Phoenix's bargaining power with suppliers due to the significant volume of supplies Phoenix procures for its managed hospitals.

Operations of UMP Phoenix JV in the PRC

The Group intends to replicate its Healthcare Management Model in the PRC to serve Contract Customers as well as Self-paid Patients and expects to adopt similar policies and procedures in the PRC as those in Hong Kong. UMP Phoenix JV intends to establish a procurement team and the policies and procedures for the procurement of drug items and medical consumables will be similar to those in Hong Kong. However, UMP Phoenix JV will also leverage on the procurement benefit derived from Phoenix's bargaining power with suppliers due to the significant volume of supplies Phoenix procures for the hospitals it manages. To the extent Phoenix is able to procure the required supplies at a cheaper rate, UMP Phoenix JV will procure such supplies through Phoenix.

The approach taken when engaging doctors, dentists and auxiliary services providers is expected to be similar to the procedures adopted in Hong Kong (details of such procedures are set out in "*— Quality Assurance — Qualifications and Selection Criteria of Doctors, Dentists and Auxiliary Services Providers*"). However, in the event background checks are not readily accessible and publications on disciplinary enquiries by the relevant authorities are not publicly available, potential doctors, dentists and auxiliary services providers are expected to sign a declaration to confirm that they are not subject to any disciplinary enquiries and/or investigations by the relevant authorities. In addition, both the Group and Phoenix may second employees from their respective groups to UMP Phoenix JV. See "*Connected Transactions — Non Exempt Continuing Connected Transactions — Continuing connected transactions subject to reporting, announcement and independent Shareholders' approval requirement — Advisory Services Framework Agreement*" for further details.

Going forward, the Group intends to source new customers in the PRC through offering innovative healthcare solutions and expanding service offerings such as specialties and Dental Services, and targeting the service gap in the current mid- to high-end individual private healthcare services market in the PRC. See "*— Business Strategies*" above for further details.

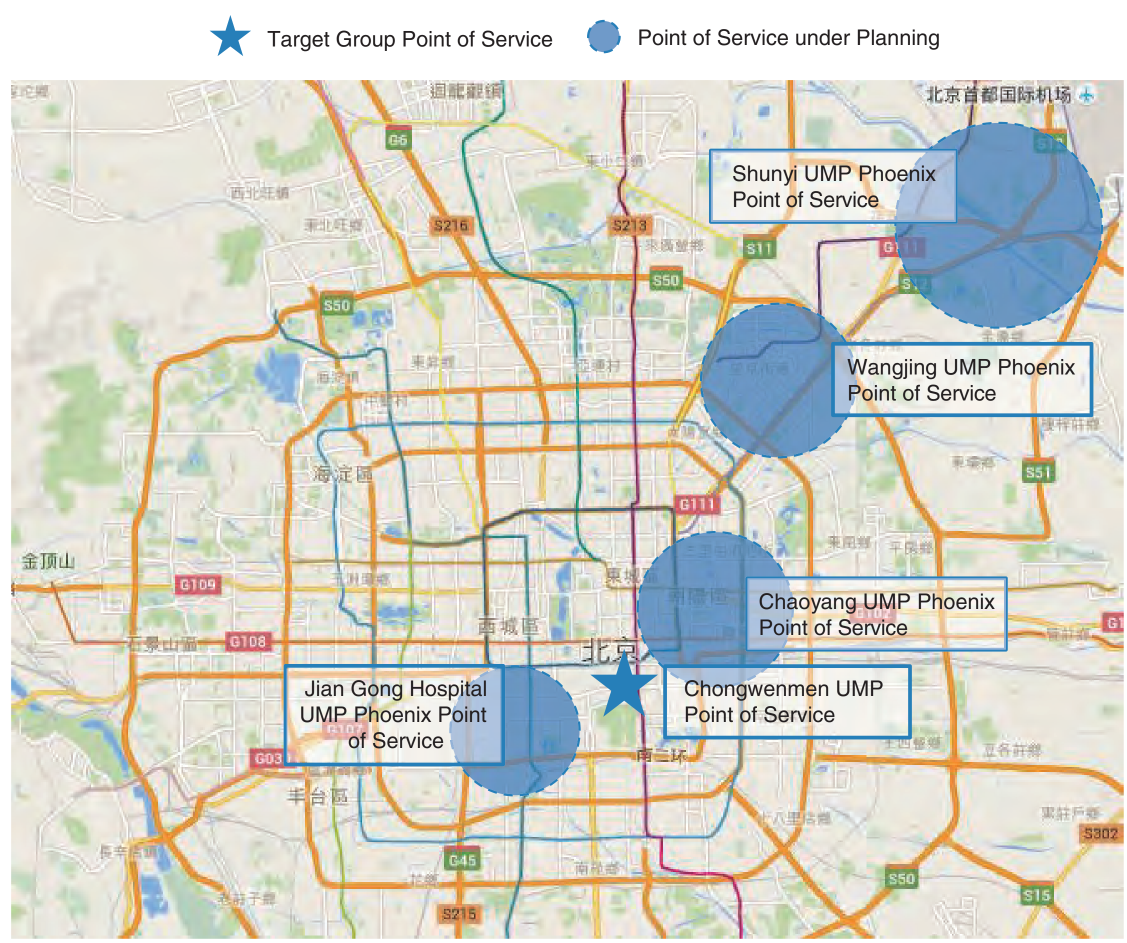
UMP Phoenix JV Medical Centres in Beijing

The Group, together with Phoenix, has plans to develop a UMP Phoenix network of medical centres in the Beijing-Tianjin-Hebei region in the PRC, with an initial focus on Beijing. As at the Latest Practicable Date, UMP Phoenix JV had set up its head office in Beijing, with plans to set up three new integrated medical centres at prime locations in Beijing, including a flagship medical centre located in the Chaoyang district and two other integrated medical centres at strategic locations in Wangjing and Shunyi, which are expected to commence operations by the first half of 2016.

In addition, UMP Phoenix JV intends to set up an additional point of service at Jian Gong Hospital. The Directors believe that this new point of service at Jian Gong Hospital will enable the UMP Phoenix Group to leverage on the hospital's facilities for patients who may require in-patient services.

The UMP Phoenix Medical Centres are positioned as modern and comfortable, and are intended to be a more attractive option than out-patient services offered at public hospitals and targeted at the mid- to high-end segment of contract customers and patients.

The map below shows the locations of the medical centres in Beijing:



All three UMP Phoenix integrated medical centres work together in a hub-network concept to promote and support the medical centres across the network. Each integrated medical centre has a unique and strategic purpose. The Directors are of the view that the reasons for the location of each medical centre have to be considered as a whole and taking into account the entire UMP Phoenix network. As at the Latest Practicable Date, UMP Phoenix JV had entered into lease agreements for the UMP Phoenix Medical Centres in the Chaoyang district and Wangjing. In addition, UMP Phoenix JV entered into a memorandum of understanding with the landlord for the leasing of the site (which sets out key commercial terms, such as rental cost per sq. m., the duration of the lease and the rent-free period) in relation to the UMP Medical Centre located in Shunyi. The annual rental costs for the three locations is expected to be approximately RMB11 million in aggregate (representing approximately RMB5,238 per sq. m. per year and approximately RMB14.4 per sq. m. per day). While rental costs for some of the leases may be high, such as the centre in the Chaoyang district, rental costs for the centre in Shunyi are relatively lower. The Directors believe that the higher rental costs to secure leases in prime locations can be justified as they help create brand recognition and facilitate accessibility to the centre, particularly since the UMP Phoenix brand is relatively new in the PRC.

According to the JV Agreement, UMP Phoenix is expected to set up no less than 10 medical centres (including UMP Phoenix branded medical centres and affiliated clinics) in Beijing within three years from the date of the JV Agreement. As at the Latest Practicable Date, UMP Phoenix JV intends to establish 10 UMP Phoenix Medical Centres within three years from the date of the JV Agreement, subject to factors such as the locations available and the prevailing market rent. These additional UMP Phoenix Medical Centres are expected to be smaller in size with a less comprehensive but more targeted range of healthcare services offered in each medical centre. For further details on the capital expenditure requirements for such expansion, see "— *Capital Expenditure*" below.

The following three UMP Phoenix integrated medical centres in Beijing are expected to commence operations by the first half of 2016:

(a) Flagship Medical Centre in the Chaoyang District

This medical centre will be situated near the financial district at a prime location in the Chaoyang district. The Directors expect that the location of this medical centre will help create awareness of the UMP Phoenix brand among potential contract customers. The medical centre's convenient location is also expected to generate organic patient traffic.

The medical centre will be approximately 600 sq. m. in size and is expected to be a composite medical centre providing general practice services, dental services and a range of specialist services. The Directors believe that such recognition and awareness of the brand name and healthcare services provided will help the Group in its strategy to offer corporate healthcare benefits solutions and individual healthcare coverage plans.

(b) Dental Hub in Wangjing with Sun Dental

UMP Phoenix JV entered into a memorandum of understanding with Sun Dental Hospital ("**Sun Dental**") in September 2015 to establish an integrated dental hub in Wangjing, Beijing. Wangjing is a major residential and technological area in Beijing with a growing international population, in particular Korean residents.

Sun Dental is based in Korea with experience in the operations of dental hospital and clinic outlets in Korea. Through its years of operations, Sun Dental has accumulated experience in providing customised dental services to its customers. As such, UMP Phoenix JV and Sun Dental have agreed to enter into a consultancy services agreement, pursuant to which Sun Dental will provide consultancy services to UMP Phoenix JV for the operation and management of the dental hub as well as other dental centres to be agreed by the parties. UMP Phoenix JV will reimburse Sun Dental on a cost-recovery basis for all costs reasonably incurred by Sun Dental on behalf of UMP Phoenix JV. Sun Dental will receive a consultancy fee in the event the dental hub achieves a net profit in a financial year.

The dental hub will be approximately 500 sq. m. in size and is expected to be a comprehensive dental services provider, with certain out-patient services, for patients in a convenient and comfortable environment.

(c) Check-up Hub and Training Centre in Shunyi

This two-storey integrated medical centre in Shunyi is expected to provide general practice services, dental services and a range of specialist services, and also act as a hub for medical check-ups. Contract customers and patients who require medical check-ups will be directed to this centre in Shunyi. Although this centre is not located in the heart of the city centre, it is located near the China International Exhibition Centre, the Beijing International Airport and international schools.

UMP Phoenix JV also intends to use the space in this integrated medical centre as a training centre for the new medical, nursing and other staff hired for the medical centres across the UMP Phoenix network. UMP Phoenix has already identified and established a team of key doctors and personnel who are committed to assist with the training and development programmes, including a chief nursing officer from Hong Kong.

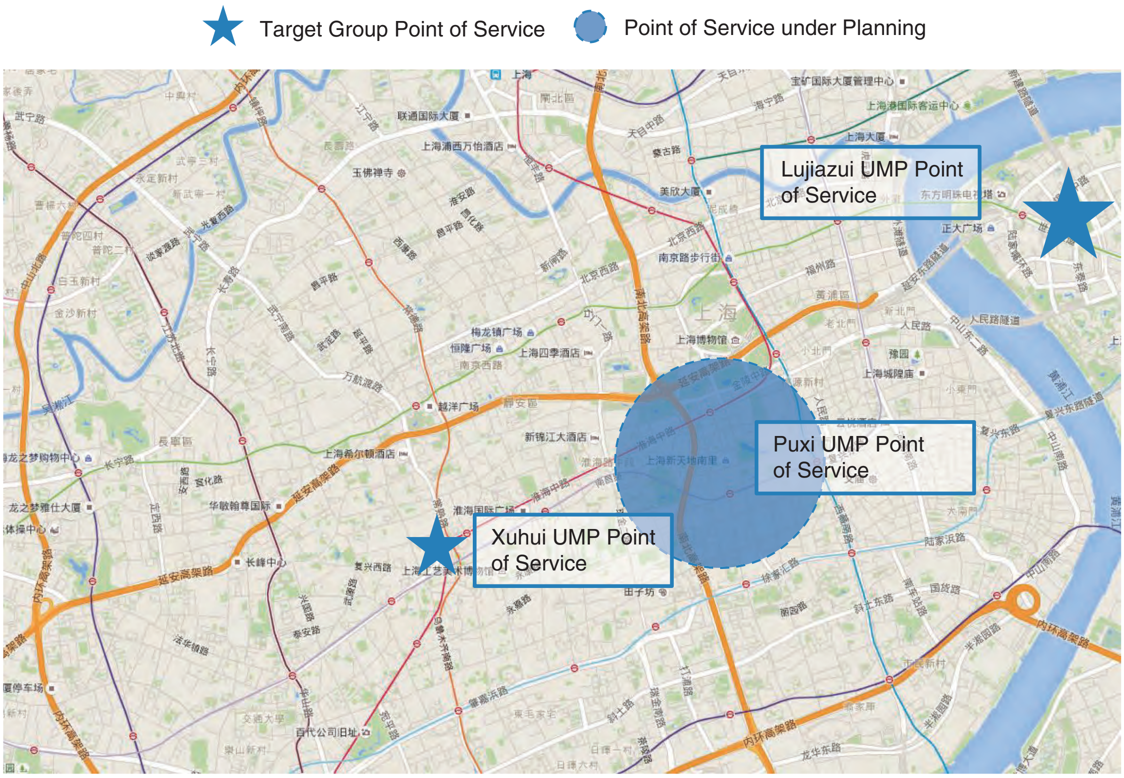
The Directors believe that such training is important in teaching the doctors to embrace the family medicine concept and the Group's Healthcare Management Model, rather than turning to the services provided by the public hospital dominated system as the patient's first point of contact.

The integrated medical centre will be more than 1,000 sq. m. in size and is expected to be a large and comprehensive check-up hub for contract customers and patients as well as a training centre for medical, nursing and other staff. The Directors believe that the location and size of the integrated medical centre in Shunyi complements the rest of the medical centres in the network as it is not only a large facility which provides a comprehensive range of healthcare services and a training centre, it is also relatively cheaper in rental costs due to its location.

UMP Medical Centres in Shanghai

The Group has plans to develop a UMP network of medical centres elsewhere (outside of the Beijing-Tianjin-Hebei region) in the PRC and has an initial focus on Shanghai. As at the Latest Practicable Date, the Group had also signed a lease to set up a UMP Medical Centre in a prime location in Puxi, Shanghai. This UMP Medical Centre is expected to commence operations by the first half of 2016.

The map below shows the locations of the medical centres in Shanghai:



The new UMP Medical Centre in Puxi, Shanghai will be situated in a convenient location near the financial and entertainment district. This UMP Medical Centre will be approximately 600 sq. m. in size, with an expected annual rent of RMB5 million, and is expected to be a composite medical centre providing general practice services, dental services and a range of specialist services.

The Directors believe that a presence in Shanghai will add to the attractiveness of the Group's network in the PRC and raise awareness and recognition of the UMP brand in the PRC. As at the Latest Practicable Date, the Group intends to establish 10 UMP Medical Centres in Shanghai over the next three to five years, subject to factors such as the locations available and the prevailing market rent. For further details on the capital expenditure requirements of such expansion, see "— *Capital Expenditure*" below.

CAPITAL EXPENDITURE

The following table sets out the capital expenditure requirements by the Group for establishing medical centres in Hong Kong, Shanghai and Beijing:

Region	Number of medical centres	Capital expenditure expected to be incurred[(1)]
Hong Kong	Two specialist services centres within three to five years	Approximately HK$30 million
	One day surgery centre within three to five years	Approximately HK$10 million
	One imaging centre within three to five years	Approximately HK$20 million
Beijing, PRC	10 UMP Phoenix Medical Centres within three years	Approximately RMB35 million to RMB50 million (HK$44 million to HK$62.5 million) in aggregate[(2)]
Shanghai, PRC	10 UMP Medical Centres within three to five years	Approximately RMB70 million to RMB100 million (HK$88 million to HK$125 million) in aggregate

Notes:

(1) The capital expenditure expected to be incurred for the establishment of medical centres in the PRC and Hong Kong will be funded using the net proceeds from the Global Offering.

(2) Represents the portion of the capital expenditure to be contributed by the Group, which is 50% of the total capital expenditures required.

COMPETITION

The healthcare services industry in Hong Kong, in which the Group operates, is competitive. Despite the competitive environment, the Group has enjoyed a proven organic growth track record of over 20 years in Hong Kong. The Directors believe that this is due to various factors including the Group's Healthcare Management Model, the corporate healthcare solutions offered to its Contract Customers, the UMP brand and the strategic and convenient points of service across the UMP Network. See "*Appendix III — Hong Kong and PRC Industry Outlook*" for more information on the competitive landscape in the healthcare services industry in Hong Kong and the PRC.

INSURANCE

According to the Group's policy, Doctors, Dentists and Auxiliary Services Providers are required to maintain professional indemnity insurance. They are indemnified by the insurers for legal costs and compensation payments involved in clinical negligence claims, subject to certain limitations including criminal proceedings and fraud allegations which are excluded from the scope of such indemnity.

In addition, the Group maintains insurance policies which are generally in line with industry practice, including office protection and public indemnity insurance policies. The Group's insurance policies are reviewed from time to time by the senior management of the Group. During the Track Record Period, there were no significant or unusual excess or deductible amounts under these policies and the Directors are of the view that the insurance coverage these policies provided is adequate and customary for the industry in which the Group operates.

However, there may be certain risks for which the Group is not insured and may not have sufficient insurance coverage for damages and liabilities that may arise in the course of the Group's business operations. See "*Risk Factors — Risks Relating to the Group's Business and Industry — The Group's insurance coverage may not completely cover risks arising from its operations*".

Upon Listing, the Group intends to purchase and maintain insurance for the Directors and certain officers against liabilities to third parties that may be incurred in the performance of their respective duties.

INTELLECTUAL PROPERTY

As at the Latest Practicable Date, the Group had six registered trademarks and 12 domain names which are material to its business. See "*Appendix VII — Statutory and General Information — Further Information About the Business — Intellectual Property*" for further details.

As at the Latest Practicable Date, the Group have not been engaged in any material litigation or legal proceedings relating to the violation of intellectual property rights.

EMPLOYEES

As at 30 June 2015, there were 296 employees who were engaged in the operation and management of the Group's business in Hong Kong and Macau. The following table sets out a breakdown of such employees by function as at 30 June 2015:

Function	Hong Kong	Macau
Corporate Staff	73	1
– *Executive*	5	0
– *Managers*	9	0
– *Assistant Managers*	5	1
– *General Staff*(1)	54	0
Clinical Staff(2)	206	16
Total	**279**	**17**

Notes:

(1) Includes employees responsible for accounting, billing, human resources, information technology, business development and customer relations.

(2) Includes clinical professional and support staff, such as nurses, hygienists, radiographers, laboratory assistants and optometrists. But does not include Doctors, Dentists and Auxiliary Services Providers in Hong Kong who are regarded as the Group's suppliers. See "— *Suppliers*". Doctors, Dentists and Auxiliary Services Providers in Macau are employees and included in the "Professional Staff" headcount.

The Group enters into individual employment contracts with its employees to cover matters such as wages, employee benefits, confidentiality and grounds for termination. The Group sets targets for its employees based on their position and department and periodically review their performance. The results of such reviews are used in their salary reviews, bonus awards and promotion appraisals. The employee remuneration package generally comprises a basic salary, and a discretionary annual bonus.

For FY2013, FY2014 and FY2015, the Group's employee benefit expenses were approximately HK$39.6 million, HK$45.2 million and HK$65.8 million, respectively, representing approximately 12.5%, 12.8% and 16.4% of the Group's total revenue, respectively.

During the Track Record Period, the Group did not experience any strikes, work stoppages, labour disputes or actions which had a material adverse effect on its business and operations.

PROPERTIES

As at 30 June 2015, the Group does not own of any properties and leased 19 properties in Hong Kong and two properties in Macau, with an aggregate lettable floor area of approximately 49,000 sq. ft. in Hong Kong and 4,700 sq. ft. in Macau. These leases are used primarily for the Group's medical centre operations.

All leased properties are leased under tenancy agreements which generally do not contain any covenants, easements or exceptions of an unusual or unduly onerous nature for an agreement of this nature. The following table sets out certain details of the tenancy agreements:

	Number of UMP Subsidiary Medical Centres						
Location/Lease	General practice services	Specialist practice services	Dental services	Traditional Chinese medicine services	Physiotherapy services	Imaging and laboratory services	Tenancy expiry date
Hong Kong							
1 Des Voeux Road Central, Hong Kong[1]	1	2	1				31 August 2018
2 Harbour Road, Wanchai	1						30 June 2016
3 Hennessy Road, Causeway Bay	1	1					30 November 2017
4 Hennessy Road, Causeway Bay						1	31 August 2018
5 Yee Wo Street, Causeway Bay			1				9 March 2017
6 Yee Wo Street, Causeway Bay					1		30 June 2018
7 Nathan Road, Kowloon	1	3	1				15 June 2016
8 Nathan Road, Kowloon			1				31 July 2016
9 Mody Road, Tsim Sha Tsui East	1						30 June 2018
10 Wai Yip Street, Kowloon Bay	1			1			15 May 2017
11 Hip Wo Street, Kwun Tong			1				31 July 2018
12 Sham Mong Road, Tai Kok Tsui	1				1		2 January 2016[2]

Location/Lease	General practice services	Specialist practice services	Dental services	Traditional Chinese medicine services	Physiotherapy services	Imaging and laboratory services	Tenancy expiry date
	Number of UMP Subsidiary Medical Centres						
13 Yee Kuk Street, Cheung Sha Wan						1	9 October 2016
14 Tong Chun Street, Tseung Kwan O			1				31 December 2015[(2)]
15 Castle Peak Road, Tsuen Wan	1		1				15 January 2018
16 Nga Ying Chau Street, Tsing Yi			1	1			15 May 2017
17 Fung Cheung Road, Yuen Long			1				19 March 2018
18 Ma Wan Main Street, Ma Wan	1						5 November 2019
19 Jat Min Chuen, Shatin	1						31 October 2016
Macau							
1 Av. da Praia Grande, Macau	1	1	1				6 December 2016
2 Rua do Dr. Pedro José Lobo, Macau	1	1	1				9 December 2018
							Total
Total points of service	**12**	**8**	**11**	**2**	**2**	**2**	**37[(3)]**

Notes:

(1) Includes an area used by the Group's corporate office.

(2) The Group is in the process of negotiating the renewal of the tenancy agreement with the landlord.

(3) During the Track Record Period, of the 42 UMP branded points of service, 37 of them (as shown above) are points of service for which the Group recorded the corresponding property rental and related expenses.

Terms of these lease agreements in Hong Kong and Macau generally range from two to six years. In the event the Group is unable to renew any of the leases, the Directors believe that the Group could relocate its operations to new properties without undue cost or disruption to the Group's business. Certain leases were entered into with connected persons of the Group. See "*Connected Transactions*" for details of the lease arrangements.

As none of the Group's properties had a carrying amount of 15% or more of the Group's consolidated total assets, the Group is not required to include a property valuation report in this prospectus.

Rental Costs and Sensitivity Analysis

The Group's rental costs comprise the minimum lease payments under the operating leases and other related expenses, such as management fees. In FY2015, the Group's rental costs amounted to HK$19.7 million, which represented approximately 15%[(1)] of the revenue from the provision of healthcare services to Self-paid Patients which was only generated from UMP medical centres.

Set out below is a sensitivity analysis on the FY2015 profit by applying a 10% increase and a 10% decrease to the minimum lease payments under the operating leases, which amounted to HK$19.7 million in FY2015:

(a) by applying a 10% increase to the amount of minimum lease payments under the operating leases in FY2015, the profit for the year decreased by 4.1%; and

(b) by applying a 10% decrease to the amount of minimum lease payments under the operating leases in FY2015, the profit for the year increased by 4.1%.

HEALTH AND SAFETY

The Group is subject to the local health and safety requirements. The Group has internal policies and systems in place designed with a view to implementing and ensuring compliance with such requirements, which primarily include the following measures:

(a) *Written guidelines:* The Group has written procedures and guidelines in place for health and safety-related requirements, such as in relation to handling medical equipment, needle-sticks, sharp objects and medical wastes. Such written procedures and guidelines are handed out to the medical professionals and clinical staff;

(b) *Training programmes:* The Group provides trainings to the medical professionals and clinical staff so that they are familiar with the relevant medical procedures and technology in the medical centres; and

(c) *Assessment system:* The Group evaluates the health and safety measures periodically against current and new health and safety regulations to identify areas which may need improvement.

In addition, the Group offers free vaccinations to its clinical staff on an annual basis to help prevent the spread of, and to protect its staff against, certain infectious diseases.

The Directors believe that the Group is, and has been, in compliance with such requirements during the Track Record Period up to the Latest Practicable Date. During the Track Record Period, there were no material accidents in the course of the Group's business operations.

ENVIRONMENTAL MATTERS

The operations of the UMP Medical Centres are subject to various environmental laws and regulations, including those relating to medical waste disposal. For FY2013, FY2014 and FY2015, the Group's total costs of compliance with applicable environmental laws and regulations were approximately HK$42,800, HK$52,300 and HK$53,600, respectively. The annual costs of compliance going forward are expected to be similar.

(1) For FY2015, 15% = Approximately HK$19,723,000 (minimum leases payments under operating leases) / approximately HK$129,214,000 (revenue from provision of healthcare services to Self-Paid Patients, after eliminating inter-segment sales).

The Group has not received any material fines or penalties associated with the breach of any environmental laws or regulations since the commencement of the Group's operations.

RISK MANAGEMENT

The Group has established a set of comprehensive risk management policies and measures to identify, evaluate and manage risks arising from its operations. The Group's audit committee overseas the financial controls, internal control procedures and risk management systems of the Group. The head of the internal audit department is responsible for periodically reporting its findings and, where necessary, discuss any issues that may arise with the Group's external legal advisers to help ensure compliance with the relevant regulatory requirements or applicable laws.

HEDGING

As at the Latest Practicable Date, the Group had not entered into any hedging transactions against foreign currency risks. While the Group may seek to enter into hedging transactions in the future, the availability and effectiveness of currency hedging transactions may be limited, and the Group may not be able to hedge its exposure to foreign currency risks successfully, or at all.

LEGAL AND REGULATORY MATTERS

Litigation, Claims and Arbitration

As at the Latest Practicable Date, none of the Company or any member of the Group or the Directors was engaged in any litigation, claim or arbitration of material importance nor, to the best of the Directors' knowledge, is any litigation, claim or arbitration of material importance pending or threatened against any of the Company or any member of the Group or the Directors. In addition, as at the Latest Practicable Date, none of the Company or any member of the Group or the Directors was the subject of any actual, pending or threatened bankruptcy or receivership claims.

Relevant Key Laws and Regulations

A summary of the relevant key laws and regulations in Hong Kong, Macau and the PRC is set out in "*Appendix IV — Regulatory Overview*".

Compliance with Laws and Regulations

During the Track Record Period and up to the Latest Practicable Date, the Group had complied with the relevant laws and regulations in relation to its business in all material respects and there were no material breaches or violations of the laws or regulations applicable to the Group that would have a material adverse effect on its business or financial condition taken as a whole.

During the Track Record Period and up to the Latest Practicable Date, the Group had obtained all material licences and permits necessary for the operation of its business in the jurisdictions in which it operates and such licences and permits are still valid and in force. The Group has not experienced any refusal of the renewal application of any material licences and permits necessary for the operation of its business. Further information on the material licences and permits necessary for the operation of its business is set out in "*Appendix IV — Regulatory Overview*".

The following discussion and analysis should be read in conjunction with the Accountants' Report on the Financial Information of the Group, including the accompanying notes, in Appendix IA. The Accountants' Report on the Financial Information of the Group in Appendix IA has been prepared in accordance with HKFRS.

This discussion contains forward-looking statements that reflect the current views of the Group's management and involve risks and uncertainties. The Group's actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including but not limited to, those described in "Forward-Looking Statements" and "Risk Factors".

OVERVIEW

The Group is one of the leading corporate healthcare solutions providers in Hong Kong, according to Frost & Sullivan, with more than 1.3 million medical and dental patient visits in 2014. The Group partners with corporations in the design and administration of corporate healthcare benefits plans for, and provides healthcare services to, the members and employees of such corporations.

The Group has a proven organic growth track record of over 20 years in Hong Kong and offers a comprehensive range of healthcare services (comprising Medical Services, Dental Services and Auxiliary Services), through a network of UMP Medical Centres and Affiliated Clinics, to Contract Customers and Self-paid Patients. During the Track Record Period, the Group derived approximately 78.4%, 75.0% and 67.8% of the Group's revenue, respectively, from the Group's Contract Customers, with the remaining revenue being derived from the Group's Self-paid Patients. Due to the Group's efforts to increase the Self-paid Patients traffic, the Group's revenue from Self-paid Patients has steadily increased during the Track Record Period.

During the Track Record Period, the Group provided corporate healthcare solutions in Hong Kong and Macau and in FY2015, the Group derived more than 95% of its revenue from its operations in Hong Kong. Going forward, the Group's vision is to expand into the PRC and replicate its Healthcare Management Model (which is founded on the basis that general practitioners are best suited to serve as the first point of contact for patients) to develop the Group into one of the leading corporate healthcare solutions providers in Greater China.

The Group's Contract Customers, comprising insurance companies and corporations, enter into contracts with the Group for the provision of healthcare benefits plans for their members or employees. These plans typically cover the provision of Medical Services, Dental Services and Auxiliary Services by the Group.

FACTORS AND TRENDS AFFECTING THE GROUP'S RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The Group's results of operations and financial condition have been, and will continue to be, directly and indirectly affected by a number of factors, including those set forth below.

Average Spending Per Patient Visit and Number of Patient Visits

The Group's revenue is a function primarily of average spending per patient visit and the number of patient visits. During the Track Record Period, increases in the Group's revenue have been driven primarily by increases in average spending per patient visit under both the provision of corporate healthcare solution services to Contract Customers segment and the provision of clinical healthcare services segment. Please see "*— Description of Key Line Items in the Consolidated Statement of Profit and Loss — Revenue*" below for details of average spending per patient visit under each of the business segments. The increase was primarily the result of periodic price adjustments for Medical Services and Dental Services offered. The Directors believe such increases reflect the quality of the comprehensive range of Medical Services, Dental Services and Auxiliary Services that the Group offers, the value-added administrative services the Group provides to its Contract Customers and the breadth of the UMP Network in Hong Kong and Macau. In addition, as the costs of healthcare services have increased in line with market trends, the Group has negotiated higher fees with its Contract Customers and increased fees payable by its Self-paid Patients, which have resulted in a higher average spending per patient visit. During the Track Record Period, average spending per patient visit also increased due to an increase in the number of Self-paid Patients at the Group's medical centres. Self-paid Patients who visit specialist doctors tend to spend more per visit on average.

Since the Group began its business as a corporate healthcare solutions provider in 1990, it has expanded its scope of services by attracting qualified and skilled Doctors, Dentists and Auxiliary Services Providers. In addition, in response to customer demand, the Group has selectively acquired medical and dental practices as well as Auxiliary Services Providers that are complementary to the Group's existing operations and which expand its geographic footprint. For example, in FY2014, the Group acquired the dental practice of Dr. Lee Pak Cheung, Patrick, our Dental Director (including his minority interests in various dental practices) (the "**New Dental Practice**"), which increased the coverage of dental centres in the UMP Network. To further enhance its auxiliary services offerings, the Group established a new diagnostic imaging centre in Causeway Bay in FY2015 ("**Causeway Bay CT Centre**") to provide a full range of diagnostic imaging services to patients. The Group also established a specialty medical centre in Causeway Bay in FY2015 ("**Causeway Bay SP Centre**") which offers a range of specialist services. This targeted expansion has also enabled the Group to increase the proportion of revenue derived from Self-paid Patients, which typically generate higher average spending per visit compared to Contract Customers. Through expanding the scope of services offered, in particular in respect of specialist services which tend to generate higher revenues per visit compared to general practitioners, the Group has been able to increase the fees it charges periodically, resulting in an increase in average spending per patient visit during the Track Record Period.

The number of patient visits at medical centres within the UMP Network was relatively stable over the Track Record Period. The Group believes the number of patient visits in Hong Kong and Macau is predominantly driven by market competition, UMP's reputation as a corporate healthcare solutions provider, the scale and range of services offered and the coverage and accessibility of the UMP Network. Any significant fluctuations in the number of patient visits at UMP Medical Centres will affect the Group's revenue.

Revenue Mix

The Group has long-term relationships with a large group of Contract Customers, including blue-chip companies, MNCs, SMEs and insurance companies. Through partnerships with insurance companies and direct business relationships with corporations, the Group has secured contracts to deliver Medical Services and Dental Services through healthcare plans to more than 800,000 Plan Members as at 30 June 2015. Contract Customers have historically been the Group's target customer base and have been the largest contributor to the Group's total revenue each year during the Track Record Period. For FY2013, FY2014 and FY2015, the revenue generated from the Group's Contract Customers represented approximately 78.4%, 75.0% and 67.8% of the Group's revenue, respectively. The Group intends to continue to focus its marketing efforts on maintaining the Contract Customer base and expects Contract Customers to continue to account for a significant majority of its revenue in the foreseeable future.

Although the Group's core focus is on delivering healthcare solutions to Contract Customers, it also derives a substantial portion of revenue from Self-paid Patients. This is evidenced by a steady increase in the proportion of revenue attributable to Self-paid Patients over the Track Record Period, from 21.6% in FY2013 to 25.0% in FY2014 to 32.2% in FY2015. Self-paid Patients, who settle their invoices directly upon delivery of services, typically generate higher average spending per patient visit in comparison to Contract Customers, as such individuals do not benefit from the agreed fee terms that our Contract Customers can obtain. As a result, the Group intends to seek to increase the proportion of its revenue that is derived from Self-paid Patients.

Management of Costs and Expenses

Professional services expenses, comprising mainly expenses paid to Doctors, Dentists and Auxiliary Services Providers represent the largest component of the Group's operating expenses, amounting to 62.0%, 60.5% and 58.4% of revenue in FY2013, FY2014 and FY2015, respectively. Given the significant competition for a limited pool of qualified and reputable doctors, the Group remunerates Doctors, Dentists and Auxiliary Services Providers competitively. UMP Doctors, UMP Dentists and UMP Auxiliary Services Providers typically receive a base payment, fixed fees for specified services provided to Plan Members and Self-paid Patients and/or a stipulated revenue sharing portion in the event the total revenue derived from the services provided has exceeded a certain threshold. Affiliated Doctors, Affiliated Dentists and Affiliated Auxiliary Services Providers receive an agreed schedule of fees from the Group based on the volume of the Group's Plan Members treated in accordance with terms of the relevant agreement. The Group's ability to manage its operating expenses will continue to impact its profitability and results of operations.

Expansion of the UMP Network

The scale of the UMP Network has had a significant impact on the Group's results of operations, particularly with respect to UMP Medical Centres, the results of operations of which are reflected in the Group's financial statements. The Group's network coverage strategy was primarily driven by the Directors' vision to ensure that Plan Members and Self-paid Patients benefit from a sufficient number of points of service in the UMP Network in Hong Kong and Macau so as to have convenient access to a broad range of healthcare services (including general and specialist medicine, dental and auxiliary services). While the Group believes growing the UMP Network will lead to higher revenue and profitability for the Group in the long term, additional UMP Medical Centres may not be accretive initially due to the ramp-up periods required. As a result, the Group's results may be negatively impacted during the periods where new UMP Medical Centres are added. Moreover, the Group regularly reviews its footprint and, where necessary, will restructure the coverage of the UMP Medical Centres in order to increase efficiency.

As part of the Group's long-term business vision and growth strategy, the Group intends to open medical centres (including integrated medical centres) jointly with Phoenix under the UMP Phoenix JV. The Group also has acquired and intends to further acquire certain medical centres in Shanghai and Beijing. For more information, see "*Business — Expansion of Healthcare Solutions Network in the PRC*". As the Group has historically operated only in Hong Kong and Macau, there are a number of risks and uncertainties associated with the expansion of its business into the PRC. For more information, see "*Risk Factors — Risks Relating to the Group's Business and Industry — The Group's expansion strategies into the PRC are subject to uncertainties and risks and the Group may not be able to replicate its business model in the PRC*". As a result, the

Directors expect that the integrated medical centres in the PRC will have a longer ramp-up period than medical centres in Hong Kong and Macau, and the Group expects to incur significant initial start-up expenses before such integrated medical centres generate positive operating cash flow. If the Group is unable to manage some or all of these risks and uncertainties, including establishing the UMP brand and the Healthcare Management Model in the PRC, successfully marketing the Group's services to Contract Customers and fulfilling certain regulatory requirements, the Group may lose a part or all of its investments in the PRC and/or incur additional costs. In addition, the Group may be required to make provisions for impairment loss of its investment, all of which could have a material and adverse effect on the Group's business, results of operations and financial condition.

Industry Competition and Reputation

The healthcare services industry is highly competitive and the Group faces intense competition from other healthcare services providers in both the public and private sectors in Hong Kong, Macau and the PRC. The Group believes that offering a comprehensive range of quality Medical, Dental and Auxiliary Services within the UMP Network is a key factor to remaining competitive and maintaining its market share. During the Track Record Period, the Group acquired the New Dental Practice and established the Causeway Bay CT Centre and Causeway Bay SP Centre to further increase the scope of services that the UMP Network offers. Increased competition may put pressure on the Group to increase fees payable to Doctors, Dentists and Auxiliary Services Providers and other professional staff that work in the UMP Network, which may in turn affect the Group's profitability.

Regulations Affecting the Healthcare Services Industry

The healthcare services industry in Hong Kong and the PRC is highly regulated. The Group's business operations, Doctors, Dentists and Auxiliary Services Providers in the UMP Network working in Hong Kong, Macau and the PRC are subject to extensive laws, regulations and licensing requirements. See "*Appendix IV — Regulatory Overview*" for further information. Any changes in compliance standards or any new laws or regulations may restrict the Group's ability to conduct business. Further, compliance with new or additional laws, regulations and licensing requirements may increase the Group's operating costs and in turn, lower the Group's profitability. The Group may not be able to adapt to such changes promptly and any failure to comply with such changes in a timely manner may result in penalties and reduced competitiveness. See "*Risk Factors — Risks Relating to the Group's Business and Industry — The Group's business operation is subject to extensive government regulation and any failure to comply with government laws, regulations or licensing requirements could harm the Group's business, results of operations, financial condition, brand and reputation*".

RECENT DEVELOPMENTS AND MATERIAL ADVERSE CHANGE

After the Track Record Period, the Group entered into the following transactions:

- On 13 July 2015, UMP China, a subsidiary of the Company, entered into a joint venture agreement with Pinyu, a wholly-owned subsidiary of Phoenix to form the UMP Phoenix JV on a 50-50 basis. See "*Business — Expansion of Healthcare Solutions Network in the PRC — Partnership with Phoenix to form UMP Phoenix JV — JV Agreement with Phoenix*" for further information.

- On 18 August 2015, the Company adopted the Pre-IPO Share Option Scheme, pursuant to which the Company conditionally granted share options to certain employees, executives, officers and consultants of the Group, as well as certain Directors. See "*Appendix VII — Statutory and General Information — Share Option Schemes*" for further information.

- On 9 September 2015, the Group entered into an equity transfer agreement with Guangzhou Ruian Enterprise Management Company Limited to acquire the entire equity interest in Shanghai Eaton Consulting Limited. The acquisition was completed on 30 October 2015. See "*History and Reorganisation — Reorganisation — (e) Transfer of the PRC Consulting Business from True Point to the Company and the acquisition of the PRC Medical Centre Companies*" for more information.

As the Group pursues its expansion strategy into the PRC, it expects to incur significant expenses during the ramp-up period, such as rental, marketing and recruitment expenses, before corresponding revenue and positive operating cash flow can be generated. In particular, the Group expects to incur substantial rental costs in the PRC in connection with the medical centres to be set up by the UMP Phoenix JV in Beijing (the total annual rental costs for the three new integrated medical centres to be set up in Beijing by UMP Phoenix JV is also expected to be approximately RMB11 million) and the UMP Medical Centres in Shanghai (with respect to the lease agreements which have been or are to be signed). The UMP Phoenix JV is also expected to incur up to HK$4.0 million in 2016 in advisory fees payable to the Group for the advisory services to be provided by the Group with respect to operations, management, recruitment and training of medical staff and other support for the provision of medical services (see *"Connected Transactions — Non Exempt Continuing Connected Transactions — Continuing connected transactions subject to reporting, announcement and independent Shareholders' approval requirement — Advisory Services Framework Agreement"* for further details). As a result, UMP Phoenix JV may be loss-making in the next few years following the Listing. For a discussion of the Group's planned expansion, see "*Business — Expansion of Healthcare Solutions Network in the PRC*".

In addition, the Group expects to recognise substantial one-off expenses in connection with the Global Offering in the first half of FY2016. In addition, the Group expects to recognise a material amount of expense in connection with the grant of share options under the Pre-IPO Share Scheme. The Group anticipates that the above expenses will have a significant negative impact on the Group's results of operations and financial condition in FY2016, and there is a risk the Group may record a net loss in the first half of FY2016 given some of the expenses will be fully recognised during that period.

On 2 November 2015, the Company declared a final dividend in respect of FY2015 of HK$30.0 million to the Company's shareholders as at 30 June 2015, which is expected to be paid from cash on hand before the completion of the Global Offering.

The Directors confirm that, having performed reasonable due diligence on the Company, there has been no material adverse change in the Company's financial or trading position or prospects since 30 June 2015 and up to the date of this prospectus.

BASIS OF PRESENTATION

The basis for presentation of the Group's financial statements are set forth in Note 2.1 to the financial statements included in "*Appendix IA — Accountants' Report on the Financial Information of the Group*".

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of the Group's financial information requires selecting accounting policies and making estimates and judgements that affect the amount reported in the financial statements. These estimates and assumptions are periodically re-evaluated by management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group has identified the following accounting policies as critical to an understanding of its financial position and results of operations, because the application of these policies requires significant management estimates, and the reporting of materially different amounts could result if different estimates or assumptions were used. For more information regarding the Group's significant accounting policies and estimates, see Notes 2.4 and 3 to "*Appendix IA — Accountants' Report on the Financial Information of the Group*".

Revenue Recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

(a) from the provision of corporate healthcare solution services to Contract Customers:

- upon the provision of the relevant services in the case of fee for service contracts; or

- on a time proportion basis over the terms of the fixed-fee service contracts (including annual retainer and capitation plans). Under fixed-fee service contracts, fees received or receivable are recognised on a time proportion basis over the terms of the fixed-fee service contracts. Expenses incurred in connection with fixed-fee service contracts are charged to profit or loss as incurred, and

(b) from the rendering of clinical healthcare services: upon provision of the relevant services.

See Note 2.4 to "*Appendix IA — Accountants' Report on the Financial Information of the Group*" for more details.

The Group Acting as Principal or Agent

The Group provides clinical healthcare services and corporate healthcare solutions services to its Contract Customers. The Group's healthcare services can broadly be further categorised into two types, that is, out-patient services and in-patient services.

The Group determines whether the Group is acting as a principal or an agent in relation to the healthcare services and corporate healthcare solutions services it provides by considering all relevant facts and circumstances. The Group is acting as a principal when it has exposure to the significant risks and rewards associated with rendering of services. In particular, the Group considers, individually or in combination, whether the Group has (i) the primary responsibility of providing goods or services to the customers or for fulfilling the order; (ii) inventory risk before, during or after the customer order; (iii) latitude in determining prices, either directly or indirectly; and (iv) bears the customer's credit risk on the receivables due from the customer. Conversely, the Group is an agent when it does not have any exposure to the significant risks and rewards associated with the rendering of services and report revenue on the net inflows of economic benefits (that is, net of the amounts collected on behalf of the principal).

With respect to out-patient services, the Group is exposed to significant risks and rewards associated with the rendering of healthcare services. The Group has the primary responsibility for the provision of the healthcare services including the acceptability of the service, the establishment of healthcare service prices and the formation of pricing strategy, fulfilment of the orders and ongoing customer relationship maintenance. The Group has full latitude in establishing prices for healthcare services and decides the pricing strategy and negotiates service rates with Contract Customers, depending on the scope of healthcare benefits plans. The Group also bears the credit risk for accounts receivable from Self-paid Patients and Contract Customers. Nevertheless, the Group does not have significant inventory risk since it is primarily involved in the provision of healthcare services. Accordingly, the Group is acting as a principal for the out-patient services and the related revenue is presented on a gross basis.

With respect to in-patient services, the Group is not exposed to significant risks and rewards associated with in-patient services. The in-patient service is primarily carried out by specialist doctors. The specialist doctors have the authority to determine the treatment offered since the complexity and nature of treatment is different in each case and hence, the specialist doctors, to a significant extent, have the latitude to determine the price charged to patients, other than those pre-agreed fee specified in the agreements with Contract Customers. The Group receives a stated percentage of the professional service fee billed to customers in accordance with the respective service agreements with the specialist doctors, irrespective of whether the hospitals or the specialist doctors receive in-patient service fee. Accordingly, the Group is acting as an agent for in-patient services and the related revenue is presented on a net basis.

The Group received net in-patient services revenue of approximately HK$5,330,000, HK$5,969,000 and HK$5,741,000 for FY2013, 2014 and 2015, respectively, which accounted for approximately 1.7%, 1.7% and 1.4% of the Group's total revenue in the respective years.

Fixed-fee Service Contracts

The Group enters into certain fixed-fee service contracts (including annual retainer and capitation plans) with Contract Customers. The terms of the fixed-fee service contracts (including annual retainer and capitation plans) are generally one to two years and the Group receives the related service fees upfront. Under the fixed-fee service contracts (including annual retainer and capitation plans), the Group agrees to provide healthcare services of an agreed scope of Medical Services, Dental Services and/or Auxiliary services for a fixed fee. The Group is obligated to provide access to healthcare services to Plan Members within the Group's network, which includes UMP Medical Centres, UMP Auxiliary Services Providers, Affiliated Clinics and Affiliated Services Providers. The level of services to be provided by the Group depends on uncertain future events (such as timing and number of visits by Plan Members) over the contractual period and the Contract Customers cannot recover the service fee upon the expiration of the respective fixed-fee service contracts (including annual retainer and capitation plans) period irrespective of whether the Plan Members utilised any services under the fixed-fee service contracts (including annual retainer and capitation plans). In accordance with Hong Kong Accounting Standard 18 "Revenue" ("**HKAS 18**"), when the outcome of a transaction involving the rendering of services which can be estimated reliably, revenue is recognised "by reference to the stage of completion of the transaction at the end of the reporting period". Nevertheless, for practical purposes, paragraph 25 of HKAS 18 allows revenue to be recognised on a straight-line basis over the specified period when services are performed by an indeterminate number of acts over a specified period. Accordingly, the fees received and receivable under the fixed-fee service contracts (including annual retainer and capitation plans) are recognised on a time proportion basis (i.e., straight-line basis) over the terms of the fixed-fee service contracts (including annual retainer and capitation plans).

According to paragraph 4.50 of Conceptual Framework for Financial Reporting 2010 ("**Conceptual Framework**"), the application of the matching concept under the Conceptual Framework does not allow the recognition of items in the statement of financial position which do not meet the definition of assets or liabilities. According to paragraph 4.52 of Conceptual Framework, an expense is recognised in profit or loss when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the statement of financial position as an asset.

Costs under the fixed-fee service contracts primarily represent professional services fee payable to Doctors, Dentists and Auxiliary Services Providers. As mentioned above, the revenue under the fixed-fee service contracts is recognised on a time proportion basis in accordance with HKAS 18. At the time of revenue recognition, Plan Members may not utilise any services under the fixed-fee service contracts and hence, no direct cost will be incurred by the Group in association with the professional services rendered by the Doctors, Dentists and Auxiliary Services Providers. Accordingly, the related professional services fee are charged to profit or loss as incurred in accordance with the terms of the respective services agreements.

There is uncertainty surrounding the level of out-patient services to be rendered under fixed-fee service contracts, and there are risks associated with whether the cost of meeting the Group's contractual obligations to provide the services under the contracts will exceed the fees it will receive. The frequency and severity of such risks are affected by factors including, among other things, the duration of the fixed-fee service contracts, the health condition of the individuals covered under fixed-fee service contracts, the outbreak/potential outbreak of epidemics, and other socioeconomic factors. Since such risks are based on uncertain future events, the Group must make estimates of the actual utilisation ratio of individual contracts. The Group manages its exposure to such risks through periodic review of the estimated and actual utilisation ratio rate of individual contracts and considers such assessment in revising the relevant fee schedules and whether or not to renew such fixed-fee service contracts. See also Note 3 to "*Appendix IA — Accountant's Report on the Financial Information of the Group — Significant Accounting Judgements and Estimates — Judgements — Fixed-fee Service Contracts*" for more details.

Impairment of Loans and Receivables

At the end of each financial year, the Group assesses whether there is any objective evidence that a loan or receivable is impaired by considering factors such as the probability of insolvency or significant difficulties of the debtor, default or significant delays in payments. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

Impairment of Non-financial Assets

At the end of each financial year, the Group assesses whether there are any indicators of impairment of non-financial assets. Non-financial assets with finite lives are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. These calculations require the use of estimates. In calculating value in use, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

The Group assesses whether goodwill is impaired on an annual basis, if not more frequently. This assessment requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated, which management estimates in the same manner as above. For more details on the Group's impairment testing of goodwill, see Note 14 to "*Appendix IA — Accountants' Report on the Financial Information of the Group*".

Income Taxes

The Group is subject to income taxes in the different jurisdictions where it operates. Determining income tax provisions involves significant judgement on the future tax treatment of certain transactions and interpretation of the relevant tax rules. The Group carefully evaluates tax implications of transactions and makes the relevant tax provisions accordingly, and also periodically reconsiders the tax treatment of such transactions to take into account changes in tax legislation and the related interpretations and practices.

DESCRIPTION OF KEY LINE ITEMS IN THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Revenue

During the Track Record Period, the Group generated revenue from two operating segments: the provision of corporate healthcare solution services to Contract Customers and the provision of clinical healthcare services.

The following table sets out the Group's revenue generated from each operating segment for the periods indicated, both in absolute amounts and as a percentage of total revenue:

	Year ended 30 June					
	2013		2014		2015	
	HK$	% of revenue	HK$	% of revenue	HK$	% of revenue
	(in thousands, except percentages)					
Provision of corporate healthcare solution services to Contract Customers	247,946	78.4%	264,923	75.0%	271,823	67.8%
Provision of clinical healthcare services	68,345	21.6%	88,102	25.0%	129,214	32.2%
Total	**316,291**	**100.0%**	**353,025**	**100.0%**	**401,037**	**100.0%**

Provision of Corporate Healthcare Solution Services to Contract Customers

The corporate healthcare solution services segment represents the provision of healthcare solution services to Contract Customers, comprising insurance companies and corporations. The Group derives revenue from Contract Customers based on the type of contract it enters into with the Contract Customer, namely capitation plan, fee for service and annual retainer. Under each plan, the Group provides healthcare services within an agreed scope of Medical or Dental Services or coverage, and the Contract Customer pays either a fixed fee per Plan Member, upfront annual fee for an agreed number of Plan Members or an agreed rate per treatment. For more information, see "*Business — Corporate Healthcare Solutions*".

The table below sets out a further breakdown of revenue generated from the provision of healthcare solution services for the periods indicated:

	Year ended 30 June		
	2013	2014	2015
	(HK$, in thousands)		
Provision of Corporate Healthcare Solution Services			
Medical services	232,631	249,142	255,505
Dental services	15,315	15,781	16,318
Total	**247,946**	**264,923**	**271,823**

Note: The totals in the table above do not include intersegment sales which were eliminated upon the consolidation of the Group's accounts.

The following table sets out the revenue, total number of visits and implied weighted average price per patient visit for Medical Services for the periods indicated:

	Year ended 30 June		
	2013	2014	2015
Medical Services			
Revenue (HK$, in thousands)	232,631	249,142	255,505
Number of visits	1,160,689	1,158,704	1,121,918
Implied weighted average price per patient visit (HK$)	200	215	228

The following table sets out the revenue, total number of visits and implied weighted average price per patient visit for Dental Services for the periods indicated:

	Year ended 30 June		
	2013	2014	2015
Dental Services			
Revenue (HK$, in thousands)	15,315	15,781	16,318
Number of visits	18,369	18,108	19,016
Implied weighted average price per patient visit (HK$)	834	871	858

For FY2013, FY2014 and FY2015, the revenue generated from Contract Customers represented approximately 78.4%, 75.0% and 67.8% of the Group's revenue, respectively. The table below sets out the revenue generated from each type of contract entered into with the Contract Customers during the Track Record Period:

	Year ended 30 June					
	2013		2014		2015	
	(HK$, in thousands, except percentages)					
Capitation	72,480	29.2%	72,537	27.3%	77,085	28.3%
Annual retainer	3,699	1.5%	3,812	1.4%	3,906	1.4%
Fee for service	172,345	69.3%	189,228	71.3%	191,607	70.3%
	248,524	100.0%	265,577	100.0%	272,598	100.0%
Less: intersegment sales	(578)		(654)		(775)	
Total	**247,946**		**264,923**		**271,823**	

Provision of Clinical Healthcare Services

The healthcare services segment represents the provision of Medical Services and Dental Services to Self-paid Patients. Self-paid Patients generally pay for the full amount of their medical expenses using cash or credit cards.

The table below sets out a further breakdown of revenue generated from the provision of clinical healthcare services for the periods indicated:

	Year ended 30 June		
	2013	2014	2015
	(HK$, in thousands)		
Provision of Clinical Healthcare Services			
Medical services	50,975	67,313	86,095
Dental services	17,370	20,789	43,119
Total	**68,345**	**88,102**	**129,214**

Note: The totals in the table above do not include intersegment sales which were eliminated upon the consolidation of the Group's accounts.

The following table sets out the revenue, total number of visits and implied weighted average price per patient visit for Medical Services for the periods indicated:

	Year ended 30 June		
	2013	2014	2015
Medical Services			
Revenue (HK$, in thousands)	50,975	67,313	86,095
Number of visits	92,283	107,429	113,606
Implied weighted average price per patient visit (HK$)	552	627	758

The following table sets out the revenue, total number of visits and implied weighted average price per patient visit for Dental Services for the periods indicated:

	Year ended 30 June		
	2013	2014	2015
Dental Services			
Revenue (HK$, in thousands)	17,370	20,789	43,119
Number of visits	30,540	28,987	35,949
Implied weighted average price per patient visit (HK$)	569	717	1,199

Revenue and Number of Visits by Geographic Breakdown

The table below sets out for the periods indicated (a) the geographic breakdown of the Group's revenue and number of patient visits and (b) the breakdown of revenue and number of patient visits attributable to (i) provision of corporate healthcare solutions services and (ii) provision of clinical healthcare services:

	Year ended 30 June			Four months ended 31 October
	2013	2014	2015	2015
	(HK$, in thousands)			
Revenue by geographic location				
Hong Kong	298,756	326,410	375,045	130,161
Macau	17,535	26,615	24,301	8,724
PRC	–	–	1,691(1)	855(2)
	316,291	353,025	401,037	139,740
Number of patient visits by geographic location				
Hong Kong	1,234,392	1,225,630	1,196,752	397,702
Macau	67,489	87,598	93,737	33,380
PRC	–	–	–	58(3)
	1,301,881	1,313,228	1,290,489	431,140
Revenue by segment	(HK$, in thousands)			
Provision of corporate healthcare solutions services	247,946	264,923	271,823	92,724
Provision of clinical healthcare services	68,345	88,102	129,214	47,016
	316,291	353,025	401,037	139,740
Number of patient visits by segment				
Provision of corporate healthcare solutions services	1,179,058	1,176,812	1,140,934	377,710
Provision of clinical healthcare services	122,823	136,416	149,555	53,430
	1,301,881	1,313,228	1,290,489	431,140

Notes:

(1) The revenue from the PRC in FY2015 was not generated by the provision of Medical Services, Dental Services or Auxiliary Services. It was related to the provision of administrative and human resources services to a clinic in the PRC, an independent third party, which started in FY2015.

(2) The revenue from the PRC in this period was related to the (i) provision of administrative and human resources services to a clinic in the PRC which started in FY2015 and (ii) provision of healthcare and medical services at the PRC Medical Centres which were acquired on 30 October 2015.

(3) This number was related to the number of patient visits at the PRC Medical Centres which were acquired on 30 October 2015.

Other Income and Gains, Net

Other income and gains, net 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 financial assets at fair value through profit or loss and gain on disposal of investment in an associate.

The table below sets out the Group's other income and gains for the periods indicated, both in absolute amounts and as a percentage of total revenue:

	Year ended 30 June					
	2013		2014		2015	
	HK$	% of revenue	HK$	% of revenue	HK$	% of revenue
	(in thousands, except percentages)					
Bank interest income	95	0.0%	79	0.0%	46	0.0%
Administrative support fees	2,615	0.8%	2,428	0.7%	2,241	0.6%
Dividend income from financial assets at fair value through profit or loss	78	0.0%	132	0.0%	1,022	0.3%
Fair value gains on financial assets at fair value through profit or loss	151	0.0%	228	0.1%	561	0.1%
Foreign exchange difference, net	–	–	163	0.0%	–	–
Gain on disposal of investment in an associate	–	–	–	–	2,990	0.7%
Others	895	0.3%	639	0.2%	1,068	0.3%
Total	**3,834**	**1.2%**	**3,669**	**1.0%**	**7,928**	**2.0%**

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.

Employee Benefit Expenses

Employee benefit expenses primarily comprise salaries and related costs, as well as pension scheme contributions for nurses and administrative personnel, and also include those of the Directors and key management personnel.

Cost of Inventories Consumed

Cost of inventories consumed primarily comprises costs of drugs consumed and medical supplies and consumable tools used in the provision of Medical Services, Dental Services and Auxiliary Services.

Property Rental and Related Expenses

Property rental and related expenses primarily comprise rental expenses arising from the lease of premises as well as building management fees.

Depreciation

Depreciation is calculated to write off the costs of property, plant and equipment items less their estimated residual value, if any, using the straight-line method over their estimated useful lives. The Group's depreciation expenses primarily relate to refurbishments at the Group's premises, purchases of medical equipment and computer equipment and software used in business operations.

Other Expenses, Net

Other expenses, net primarily comprise 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, expenses in connection with the Global Offering, audit fees, printing expenses and bank charges.

Share of Profits and Losses of Associates

An associate is an entity in which the Group has a long term equity interest of generally between 20% and 50% and over which it is in a position to exercise significant influence. The Group's associates include providers of Medical Services, Dental Services and Auxiliary Services. See Note 17 to "*Appendix IA — Accountants' Report on the Financial Information of the Group*" for information on the Group's investment in associates.

Income Tax Expense

Income tax expense comprises current tax and deferred tax. Current tax comprises Hong Kong profits tax, which was provided for at the rate of 16.5% for each of the years during the Track Record Period, and Macau Complementary Income tax, which was provided for at the rate of 12.0% for each of the years during the Track Record Period.

The Group's income tax expense was HK$5.9 million, HK$6.7 million and HK$6.9 million, respectively, for FY2013, FY2014 and FY2015. The Group's effective tax rate was 14.4%, 13.5% and 14.5% during the same periods, respectively. All income tax assessed for the Track Record Period has been paid when due.

RESULTS OF OPERATIONS

The table below sets out selected items in the Group's consolidated statements of comprehensive income for the periods indicated:

	Year ended 30 June		
	2013	2014	2015
		(HK$, in thousands)	
Revenue	**316,291**	**353,025**	**401,037**
Other income and gains, net	3,834	3,669	7,928
Professional services expenses	(196,220)	(213,497)	(234,351)
Employee benefit expense	(39,570)	(45,189)	(65,780)
Property rental and related expenses	(15,778)	(18,518)	(23,169)
Cost of inventories consumed	(11,786)	(13,176)	(15,898)
Depreciation	(2,358)	(2,447)	(6,028)
Other expenses, net	(15,100)	(17,489)	(17,893)
Share of profits and losses of associates:	1,592	2,821	1,934
Profit before tax	**40,905**	**49,199**	**47,780**
Income tax expense	(5,894)	(6,653)	(6,920)
Profit for the year	**35,011**	**42,546**	**40,860**
Profit attributable to:			
Owners of the Company	33,601	41,537	41,392
Non-controlling interests	1,410	1,009	(532)
	35,011	42,546	40,860

Adjusted EBITDA

Adjusted EBITDA, as the Group's management presents it, represents profit before income tax expense and adjusted for share of profits of associates, bank interest income, gain on disposal of investment in an associate, deprecation and listing expenses. Adjusted EBITDA is not a standard measure under HKFRS.

While adjusted EBITDA provides an additional financial measure for investors to assess the Group's operating performance, the use of adjusted EBITDA has certain limitations because it does not reflect all items of income and expense that affect the Group's operations. In addition, adjusted EBITDA does not reflect changes in working capital, capital expenditures or other investing and financing activities and therefore should not be considered a measure of the Group's liquidity.

As a measure of the Group's operating performance, the Group's management believes that the most directly comparable HKFRS measure to adjusted EBITDA is profit before tax.

The following table sets out the reconciliation of the EBITDA and EBITDA margin for the Group's Medical Services and Dental Services, profit before tax under HKFRS and adjusted EBITDA for the periods indicated:

	Year ended 30 June					
	2013		2014		2015	
	(HK$, in thousands, except percentages)					
EBITDA and EBITDA Margin[(1)]						
Medical services	31,421	11.1%	38,856	12.3%	37,104	10.9%
Dental services	6,434	19.7%	7,974	21.8%	11,049	18.6%
EBITDA	**37,855**		**46,830**		**48,153**	
Less: Depreciation	(2,329)		(2,417)		(6,001)	
Segment results	**35,526**		**44,413**		**42,152**	
Interest income	95		79		46	
Other income and gains	3,739		3,199		4,331	
Unallocated gains	–		391		3,551	
Share of profits and losses of associates	1,592		2,821		1,934	
Corporate and other unallocated expenses	(47)		(1,704)		(4,234)	
Profit before tax	**40,905**		**49,199**		**47,780**	
Share of profits and losses of associates	(1,592)		(2,821)		(1,934)	
Interest income	(95)		(79)		(46)	
Gain on disposal of investment in an associate	–		–		(2,990)	
Depreciation	2,358		2,447		6,028	
Listing expenses	–		–		1,425	
Adjusted EBITDA	**41,576**		**48,746**		**50,263**	

Note:

(1) EBITDA margin is calculated by dividing EBITDA for each service category by the revenue for that service category.

Adjusted EBITDA should not be considered in isolation or constructed as a substitute for analysis of HKFRS financial measures. In addition, because adjusted EBITDA may not be calculated in the same manner by all companies, the Group's adjusted EBITDA may not be comparable to the same or similarly titled measures presented by other companies.

FY2015 Compared to FY2014

Revenue

Total revenue increased by 13.6% from HK$353.0 million for FY2014 to HK$401.0 million for FY2015, primarily due to an increase in revenue generated from both the provision of corporate healthcare solution services to Contract Customers and clinical healthcare services.

Provision of corporate healthcare solution services to Contract Customers

- **Medical**. Revenue generated from the provision of Medical Services to Contract Customers increased by 2.6% from HK$249.1 million for FY2014 to HK$255.5 million for FY2015, primarily due to an increase in the average price per patient visit from HK$215 in FY2014 to HK$228 in FY2015. This increase was primarily the result of periodic price adjustments for Medical Services. The Directors believe such increases reflect the comprehensive range of general and specialist medical and auxiliary services that the Group offers, the value-added administrative services the Group provides to its Contract Customers and access to the extensive UMP Network. The number of visits from patients seeking Medical Services remained relatively stable at 1,158,704 and 1,121,918 in FY2014 and FY2015, respectively.

- **Dental**. Revenue generated from the provision of Dental Services to Contract Customers increased by 3.4% from HK$15.8 million for FY2014 to HK$16.3 million for FY2015, primarily due to an increase in the number of visits from patients, which was partially offset by a decline in the average price per patient visit from HK$871 in 2014 to HK$858 in 2015. The number of visits from patients seeking Dental Services increased slightly from 18,108 in FY2014 to 19,016 in FY2015.

Provision of clinical healthcare services

- **Medical**. Revenue generated from the provision of Medical Services to Self-paid Patients increased by 27.9% from HK$67.3 million for FY2014 to HK$86.1 million for FY2015, primarily due to an increase in the average price per patient visit from HK$627 in FY2014 to HK$758 in FY2015. The increase was the result of periodic price adjustments for Medical Services. In addition, the Causeway Bay CT Centre commenced operation in November 2014 and its earnings contributed to the Group's revenue for FY2015. The number of visits from patients seeking Medical Services increased slightly from 107,429 in FY2014 to 113,606 in FY2015.

- **Dental**. Revenue generated from the provision of Dental Services to Self-paid Patients increased by 107.4% from HK$20.8 million for FY2014 to HK$43.1 million for FY2015, primarily due to (i) the inclusion of full FY2015 results of the New Dental Practice compared to only the inclusion of three months in FY2014, (ii) periodic price adjustments for Dental Services and (iii) an increase in the number of visits from patients. The average price per patient visit increased from HK$717 in FY2014 to HK$1,199 in FY2015. The number of visits from patients seeking Dental Services increased from 28,987 in FY2014 to 35,949 in FY2015.

Other Income and Gains, Net

Other income and gains, net, increased by 116.1% from HK$3.7 million for FY2014 to HK$7.9 million for FY2015, primarily due to gains from the disposal of equity interests in Perfect Life, a material associate during FY2013 and FY2014, which operated a medical centre chain in Hong Kong.

Professional Services Expenses

Professional services expenses increased by 9.8% from HK$213.5 million for FY2014 to HK$234.4 million for FY2015, 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 FY2015.

Employee Benefit Expenses

Employee benefit expenses increased by 45.6% from HK$45.2 million for FY2014 to HK$65.8 million for FY2015, primarily due to the fact that certain bonuses payable to senior management were classified as employee benefit expenses in FY2015 but were classified as other expenses in prior periods. Such bonuses payable were absorbed by Rich Point, the former holding company of the Group's major operating subsidiaries before the completion of the Reorganisation and was recharged to the Group as management fees. In addition, employee benefit expenses increased primarily due to rising staff costs at existing UMP Medical Centres, new staff recruited in connection with the Group's expansion plans in the PRC and staff for Auxiliary Services such as radiographers at the Causeway Bay CT Centre.

Property Rental and Related Expenses

Property rental and related expenses increased by 25.1% from HK$18.5 million for FY2014 to HK$23.2 million for FY2015, primarily due to rental expenses arising from the lease of premises for the Causeway Bay CT Centre and the Causeway Bay SP Centre.

Cost of Inventories Consumed

Cost of inventories consumed increased by 20.7% from HK$13.2 million for FY2014 to HK$15.9 million for FY2015, primarily due to an increase in the amount of drugs and other medical consumables consumed as a result of more services rendered in FY2015 and in line with the increase in revenue in FY2015.

Depreciation

Depreciation increased by 146.3% from HK$2.4 million for FY2014 to HK$6.0 million for FY2015, primarily due to the purchase of specialised equipment for the Causeway Bay CT Centre.

Other Expenses, Net

Other expenses, net, increased by 2.3% from HK$17.5 million in FY2014 to HK$17.9 million in FY2015, primarily due to an increase in professional fees incurred in connection with the Global Offering and an increase in repair and maintenance costs, offset in part by the fact that certain bonuses payable to senior management in FY2015 were no longer absorbed by Rich Point and hence no corresponding expenses were recharged in FY2015.

Share of Profits and Losses of Associates

Share of profits and losses of associates decreased by 31.4% from HK$2.8 million for FY2014 to HK$1.9 million for FY2015, primarily due to the disposal of the Group's equity interests in Perfect Life, a material associate during FY2013 and FY2014, which operated a medical centre chain in Hong Kong.

Profit Before Tax

Profit before tax decreased by 2.9% from HK$49.2 million for FY2014 to HK$47.8 million for FY2015, primarily due to the reasons set forth above. In particular, the Causeway Bay CT Centre recorded a net operating loss of HK$3.1 million in FY2015 (of which HK$1.9 million was attributable to the Group's 62.5% equity interest in such centre) and the Causeway Bay SP Centre recorded a net operating loss of HK$0.6 million in FY2015, because these centres were newly set up by the Group and were still in the ramp-up period. As a result, they incurred substantial expenses without corresponding revenue.

Income Tax Expense

Income tax expense increased by 4.0% from HK$6.7 million for FY2014 to HK$6.9 million for FY2015, primarily due to adjustment in FY2014 of over-provision of tax expense in previous years.

Profit for the Year

As a result of the foregoing, profit for the year decreased by 4.0% from HK$42.5 million for FY2014 to HK$40.9 million for FY2015.

FY2014 Compared to FY2013

Revenue

Total revenue increased by 11.6% from HK$316.3 million for FY2013 to HK$353.0 million for FY2014 due to an increase in revenue generated from both the provision of corporate healthcare solution services to Contract Customers and clinical healthcare services. The Group also recognised additional revenue from the acquisition of the New Dental Practice in April 2014 (compared to no such revenue in FY2013). An increase in the volume of medical examinations performed for visa application purposes also contributed to the increase in revenue for FY2014.

Provision of corporate healthcare solution services to Contract Customers

- **Medical**. Revenue generated from the provision of Medical Services to Contract Customers increased by 7.1% from HK$232.6 million for FY2013 to HK$249.1 million for FY2014, primarily due to an increase in the average price per visit from HK$200 in FY2013 to HK$215 in FY2014. This increase was primarily the result of periodic price adjustments for Medical Services. The Directors believe such increases reflect the comprehensive range of general and specialist medical and auxiliary services that the Group offers, the value-added administrative services the Group provides to its Contract Customers and access to the extensive UMP Network. The number of visits from patients seeking Medical Services remained relatively stable at 1,160,689 and 1,158,704 in FY2013 and FY2014, respectively.

- **Dental**. Revenue generated from the provision of Dental Services to Contract Customers increased by 3.0% from HK$15.3 million for FY2013 to HK$15.8 million for FY2014, primarily due to an increase in the average price per patient visit from HK$834 in FY2013 to HK$871 in FY2014. The increase was the result of periodic price adjustments for Dental services offered. The number of visits from patients seeking Dental Services remained relatively stable at 18,369 and 18,108 in FY2013 and FY2014, respectively.

Provision of clinical healthcare services

- **Medical**. Revenue generated from the provision of Medical Services increased by 32.1% from HK$51.0 million for FY2013 to HK$67.3 million for FY2014, primarily due to an increase in the average price per patient visit from HK$552 in FY2013 to HK$627 in FY2014. The average price per patient visit increased (i) because the Group was designated by an additional overseas country as an approved panel site in Hong Kong for providing medical examinations for visa application purposes, and (ii) due to periodic price adjustments for Medical Services. The number of visits from patients seeking Medical Services also increased by 16.4% from 92,283 in FY2013 to 107,429 in FY2014, which contributed to revenue growth.

- **Dental**. Revenue generated from the provision of Dental Services provided increased by 19.7% from HK$17.4 million for FY2013 to HK$20.8 million for FY2014, primarily due to an increase in the average price per patient visit from HK$569 in FY2013 to HK$717 in FY2014. In addition, the revenue increased because we consolidated the results of the New Dental Practice from April 2014. The number of visits from patients seeking Dental Services decreased by 5.1% from 30,540 in FY2013 to 28,987 in FY2014.

Other Income and Gains, Net

Other income and gains decreased slightly by 4.3% from HK$3.8 million for FY2013 to HK$3.7 million for FY2014.

Professional Services Expenses

Professional services expenses increased by 8.8% from HK$196.2 million for FY2013 to HK$213.5 million for FY2014, in line with increases in revenue.

Employee Benefit Expenses

Employee benefit expenses increased by 14.2% from HK$39.6 million for FY2013 to HK$45.2 million for FY2014, primarily due to an increase in staff remuneration generally. However, employee benefit expenses as a percentage of revenue remained relatively stable at 12.5% in FY2013 as compared to 12.8% in FY2014.

Property Rental and Related Expenses

Property rental and related expenses increased by 17.4% from HK$15.8 million for FY2013 to HK$18.5 million for FY2014, primarily due to the expansion of the UMP Network and higher rental expenses at certain medical centres in Hong Kong.

Cost of Inventories Consumed

Cost of inventories consumed increased by 11.8% from HK$11.8 million for FY2013 to HK$13.2 million for FY2014, primarily due to an increase in the amount of drugs and other medical consumables consumed in FY2014.

Depreciation

Depreciation remained largely stable at HK$2.4 million for FY2013 and FY2014.

Other Expenses, Net

Other expenses, net, increased by 15.8% from HK$15.1 million for FY2013 to HK$17.5 million for FY2014, in line with increases in revenue, as well as increased office-related expenses such as IT system maintenance expenses, utilities and bank charges.

Share of Profits and Losses of Associates

Share of profits and losses of associates increased by 77.2% from HK$1.6 million for FY2013 to HK$2.8 million for FY2014, primarily due to the profit generated by Perfect Life for FY2014, whereas it incurred a loss for FY2013.

Profit Before Tax

Profit before tax increased by 20.3% from HK$40.9 million for FY2013 to HK$49.2 million for FY2014, primarily due to the reasons set forth above.

Income Tax Expense

Income tax expense increased by 12.9% from HK$5.9 million for FY2013 to HK$6.7 million for FY2014, primarily due to an increase in profit before tax.

Profit for the Year

As a result of the foregoing, profit for the year increased by 21.5% from HK$35.0 million for FY2013 to HK$42.5 million for FY2014.

SEGMENTAL RESULTS

The Group's segment results are classified as (a) corporate healthcare solution services to Contract Customers and (b) clinical healthcare services.

The table below sets out the segment margins of (a) corporate healthcare solution services to Contract Customers and (b) clinical healthcare services during the Track Record Period:

UMP Group Segment Margins

	Year ended 30 June		
	2013	2014	2015
		(HK$, in thousands)	
Provision of Corporate Healthcare Solution Services to Contract Customers			
Segment revenue			
External sales[(1)]	247,946	264,923	271,823
Intersegment sales[(2)]	578	654	775
	248,524	265,577	272,598
Segment result	22,630	27,579	25,706
Segment margin	9.1%	10.4%	9.4%
Provision of Clinical Healthcare Services			
Segment revenue			
External sales[(3)]	68,345	88,102	129,214
Intersegment sales[(4)]	50,765	59,985	60,295
	119,110	148,087	189,509
Segment result	12,896	16,834	16,446
Segment margin	10.8%	11.4%	8.7%

Notes:

(1) Mainly represent sales generated from the provision of corporate healthcare solution services to Contract Customers.

(2) Represent sales generated from the provision of in-patient healthcare solution services to UMP Subsidiary Medical Centres for Plan Members.

(3) Mainly represent sales generated from the provision of clinical healthcare services to Self-paid Patients.

(4) Represent sales generated from the provision of clinical healthcare services to Plan Members.

For revenue generated under (a), the Group receives payments directly from Contract Customers (which includes both corporations and insurance companies) for the delivery of healthcare services to Plan Members. Under a capitation plan or an annual retainer plan, the Group will receive payments from Contract Customers regardless of whether or not the Plan Members eventually obtain healthcare services at UMP Subsidiary Medical Centres and Affiliated Clinics. Under a fee for service plan, the Group will receive payments from Contract Customers based on a pre-agreed fee rate per healthcare service provided. For FY2015, the total revenue generated under (a) amounted to HK$272.6 million (including intersegment sales) or HK$271.8 million (excluding intersegment sales).

For revenue generated under (b), the Group receives payments for the delivery of healthcare services at the UMP Subsidiary Medical Centre. For FY2015, the Group recognised revenue of HK$189.5 million (including intersegment sales) or HK$129.2 million (excluding intersegment sales). For the avoidance of doubt, the payments made by Self-paid Patients seeking healthcare services at Affiliated Clinics is not related to the Group.

With respect to the Group's costs, in case of the delivery of healthcare services to Plan Members under (a), UMP Subsidiary Medical Centres and Affiliated Clinics represent the Group's cost centres. UPML HK/UPML Macau will make payments to UMP Subsidiary Medical Centres or Affiliated Clinics, as the case may be, depending on where the Plan Members choose to obtain healthcare services. Such payments are recorded as "professional service expenses" of the Group. In the case of payments made to UMP Subsidiary Medical Centres, such "professional service expenses" will be eliminated upon consolidation. In FY2015, the "professional service expenses" eliminated upon consolidation amounted to HK$60.3 million.

For the segment margins of (a) during the Track Record Period as set forth above, the segment results are arrived at after taking into account, among other things, the professional service fees paid/payable to Affiliated Clinics and headquarter costs incurred in administering the corporate healthcare solution plans with Contract Customers. For the segment margins of (b) during the Track Record Period as set forth above, the segment results are arrived at after taking into account, among other things, the professional service fees paid/payable to UMP Doctors, Dentists and Auxiliary Services Providers, the rental costs of the UMP Subsidiary Medical Centres and the clinical staff costs at such UMP Subsidiary Medical Centres.

KEY FINANCIAL POSITION ITEMS

Property, Plant and Equipment

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

As at 30 June 2013, 2014 and 2015, the Group's property, plant and equipment amounted to HK$3.6 million, HK$8.0 million and HK$27.0 million, respectively. The increase from 30 June 2013 to 30 June 2014 was primarily due to an increase in expenditures related to leasehold improvements and the purchase of additional office equipment in line with the Group's business expansion, in particular with respect to the acquisition of the New Dental Practice in FY2014 and the acquisition of the remaining minority interests of a number of associated companies, which led to the consolidation of their statements of financial position, in FY2014. The increase from 30 June 2014 to 30 June 2015 was primarily due to the establishment of the Causeway Bay CT Centre in November 2014.

Investments in Associates

The Group may, from time to time, co-invest with medical professionals to establish and operate medical centres or clinics through associated companies. The co-investment with such medical professionals enables the Group to share the upfront set up costs while sharing expertise and resources. Investments in associates represent the Group's equity interest in companies that are not its subsidiaries or joint ventures. The Group typically holds between 20% and 50% equity interest in associates. Investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's investments in associates increased from HK$9.4 million as at 30 June 2013 to HK$10.6 million as at 30 June 2014 as a result of an increase in the share of net assets from Perfect Life in FY2014. The decrease from HK$10.6 million as at 30 June 2014 to HK$1.9 million as at 30 June 2015 was primarily due to the disposal of the Group's interests in Perfect Life in its entirety in January 2015.

Perfect Life operated a medical centre chain in Hong Kong. In January 2015, the other shareholders of Perfect Life entered into an agreement to sell their shareholding interests in Perfect Life to another medical centre chain in Hong Kong, which the then directors of the Company regarded as a competitor of the Group. After the sale of the other shareholders' interests in Perfect Life, the Group would continue to be a minority shareholder of Perfect Life. However, it was the intention of the then directors of the Group not to continue with its investment in an associate which was competing with the Group. Therefore, the Group exercised its tag-along rights under the shareholders agreement and sold its interests in Perfect Life.

See Note 17 to "*Appendix IA — Accountants' Report on the Financial Information of the Group*" for more details on the Group's associates.

Trade Receivables

Trade receivables primarily comprise receivables due from Contract Customers under fee for service plans and fixed-fee service contracts. 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 30 June 2013, 2014 and 2015, the Group's trade receivables amounted to HK$42.7 million, HK$41.8 million and HK$45.1 million, respectively. The Group's trade receivables remained relatively stable as at 30 June 2013 and 2014. The increase from 30 June 2014 to 30 June 2015 was in line with the Group's increased revenue in FY2015.

The table below sets out an ageing analysis of the Group's trade receivables as at the dates indicated:

	As at 30 June		
	2013	**2014**	**2015**
		(HK$, in thousands)	
Neither past due nor impaired	29,942	31,193	33,428
Less than 1 month past due	10,458	6,745	7,653
1 to 3 months past due	1,179	3,715	3,754
More than 3 months past due	1,164	99	222
	42,743	41,752	45,057

Receivables that were neither past due nor impaired relate to a number of diverse customers for whom there was no recent history of default. Receivables that were past due but not impaired relate to a number of independent customers who have a good trade record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered to be fully recoverable.

The table below sets out the Group's average trade receivables turnover days for the periods indicated:

	Year ended 30 June		
	2013	2014	2015
Average trade receivables turnover days(1)	**48**	**44**	**40**

Note:

(1) The average trade receivables turnover days for a year is the closing gross trade receivables balance divided by revenue for that year and multiplied by 365 days.

The average trade receivables turnover days decreased during the Track Record Period, primarily as a result of the implementation of a more streamlined payment collection process and an increase in the number of Self-paid Patients who typically settle by cash or credit card at the end of each visit.

Due From Related Companies and Due To Related Companies

Amounts due from related companies represent amounts borrowed by related companies which were the Group's holding companies before the Reorganisation for the acquisition of certain subsidiaries now comprising the Group. In particular, in FY2014, the Group paid a deposit on behalf of a related company for the acquisition of the premises for the Causeway Bay CT Centre. The Group had an outstanding balance due from related companies of HK$52.1 million, HK$67.0 million and HK$31.9 million, respectively, as at 30 June 2013, 2014 and 2015. The amount due from related companies as at 30 June 2015 decreased primarily due to unsettled dividends payable to the former holding company before the Reorganisation, which is expected to be settled prior to the completion of the Global Offering.

Amounts due to related companies primarily represent amounts owing to the Group's holding companies before the Reorganisation. The Group had an outstanding balance due to related companies of HK$10.6 million, HK$9.5 million and HK$79.2 million, respectively, as at 30 June 2013, 2014 and 2015. The large increase in amounts due to related companies as at 30 June 2015 compared to 30 June 2014 primarily reflected dividends of HK$70.9 million accrued and payable to the Group's holding companies before the Reorganisation. The Group expects to pay such dividends before the completion of the Global Offering.

Amounts due to and due from related companies are unsecured, interest-free and have no fixed terms of repayment. The outstanding balances are expected to be settled prior to the Listing.

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 amounted to HK$36.0 million, HK$38.2 million and HK$41.1 million, respectively, as at 30 June 2013, 2014 and 2015, respectively. The increase in trade payables from 30 June 2013 to 30 June 2014 and from 30 June 2014 to 30 June 2015 was in each case primarily due to an increase in the amount of professional fees accrued and payable to Doctors as a result of the provision of more services to Customers and increased revenue.

The table below sets out an ageing analysis of the Group's trade payables as at the dates indicated:

	As at 30 June		
	2013	2014	2015
		(HK$, in thousands)	
Within 1 month	13,444	14,952	15,112
1 to 3 months	22,564	23,182	25,331
Over 3 months	34	115	615
	36,042	38,249	41,058

The table below sets out the Group's average trade payables turnover days for the periods indicated:

	Year ended 30 June		
	2013	2014	2015
Average trade payables turnover days[(1)]	**63**	**60**	**58**

Note:

(1) The average trade payables turnover days for a year is the closing trade payables balance divided by the sum of the cost of inventories consumed and professional services expenses for that year and multiplied by 365 days.

The average trade payables turnover days decreased during the Track Record Period, primarily due to shorter credit periods offered by a number of the Group's suppliers.

Other Payables, Accruals and Deferred Income

Other payables, accruals and deferred income primarily comprise provisions made for bonuses payable for management and staff and payment received in advance from Contract Customers under fixed-fee service contract.

The table below sets out the Group's other payables, accruals and deferred income as at the dates indicated:

	As at 30 June		
	2013	2014	2015
		(HK$, in thousands)	
Other payables	2,263	5,125	7,753
Accruals	4,379	6,557	16,274
Deposits received	1,647	1,846	1,747
Deferred income	11,341	9,566	11,699
Due to non-controlling interests	1,124	1,972	8,265
Deferred rental	–	–	507
	20,754	25,066	46,245

The increase in other payables, accruals and deferred income from 30 June 2013 to 30 June 2014 was primarily due to an increase in provisions made for bonuses for management and staff. The significant increase in other payables, accruals and deferred income from 30 June 2014 to 30 June 2015 was primarily due to an increase in the cumulative amount of provision made for bonuses payable to management and staff as at 30 June 2015 and an increase in shareholders' loans from minority holders of the Causeway Bay CT Centre.

LIQUIDITY, CAPITAL RESOURCES AND CAPITAL MANAGEMENT

The Group has historically funded its operations primarily by cash generated from operating activities. The Group did not experience any liquidity shortage during the Track Record Period.

Going forward, the Group expects to satisfy its liquidity requirements using a combination of cash generated from operating activities and net proceeds from the Global Offering, although it may also seek to borrow to satisfy liquidity requirements.

As at 30 June 2013, 2014 and 2015, the Group had cash and cash equivalents of HK$63.0 million, HK$53.2 million and HK$83.5 million, respectively.

Cash Flows

The following table sets out a summary of the Group's cash flows for the years indicated:

	Year ended 30 June		
	2013	2014	2015
		(HK$, in thousands)	
Net cash flows from operating activities	31,593	44,204	44,292
Net cash flows used in investing activities	(663)	(3,428)	(1,618)
Net cash flows used in financing activities	(33,759)	(52,228)	(10,750)
Net increase/(decrease) in cash and cash equivalents	(2,829)	(11,452)	31,924
Effect of foreign exchange rate changes, net	–	–	5
Cash and cash equivalents at beginning of year	65,829	63,000	51,548
Cash and cash equivalents at end of year	**63,000**	**51,548**	**83,477**

Operating Activities

Cash inflow from operating activities primarily comprises net cash generated from the provision of corporate healthcare solution services to Contract Customers and the provision of clinical healthcare services. Cash outflow from operating activities primarily comprises settlement of trade and other payables as well as payment of Hong Kong profits tax.

Net cash flows from operating activities of HK$44.3 million for FY2015 primarily consisted of profit before tax of HK$47.8 million for FY2015, negatively adjusted by (i) Hong Kong profits tax paid of HK$5.7 million as well as certain other items, such as (ii) share of profits and losses of associates of HK$1.9 million and (iii) gain on disposal of investment in an associate of HK$3.0 million, which was offset by (i) depreciation of property, plant and equipment of HK$6.0 million and (ii) a net decrease in working capital(1) of HK$3.6 million. The decrease in working capital primarily comprised (i) an increase in other payables, accruals and deferred income attributable to an increase in provisions made for unpaid bonuses for management and staff and (ii) an increase in trade payables attributable to professional fees accrued and payable, partially offset by an increase in trade receivables and an increase in prepayments, deposits and other receivables. Net cash inflow from operating activities as a percentage of revenue for FY2015 was 11.0%.

Net cash flows from operating activities of HK$44.2 million for FY2014 primarily consisted of profit before tax of HK$49.2 million, negatively adjusted by (i) Hong Kong profits tax paid of HK$6.9 million as well as certain other items, such as (ii) share of profits and losses of associates of HK$2.8 million, which was offset by (i) depreciation of property, plant and equipment of HK$2.4 million and (ii) a net decrease in working capital(1) of HK$1.9 million. The decrease in working capital primarily comprised (i) a decreased in trade receivables as a result of improved procedures in respect of settlement of receivables and an increase in credit card payments by Self-paid Patients, (ii) an increase in trade payables as a result of an increase in professional fees accrued and payable to Affiliated Doctors and (iii) decrease in prepayments, deposits and other receivables, which was partially offset by a decrease in other payables, accruals and deferred income. Cash inflow from operating activities as a percentage of revenue for FY2014 was 12.5%.

Net cash flows from operating activities of HK$31.6 million for FY2013 primarily consisted of profit before tax of HK$40.9 million, negatively adjusted by (i) Hong Kong profits tax paid of HK$4.8 million as well as certain other items, such as (ii) share of profits and losses of associates of HK$1.6 million and (iii) a net increase in net working capital(1) of HK$6.7 million, which was partially offset by depreciation of property, plant and equipment of HK$2.4 million. The decrease in working capital primarily comprised (i) a decrease in other payables, accruals and deferred income and (ii) an increase in trade receivables as a result of a general increase in revenue. Cash inflow from operating activities as a percentage of revenue for FY2013 was 10.0%.

Investing Activities

Cash inflow from investing activities primarily comprises dividends received from associates and cash received from the acquisition of subsidiaries. Cash outflow from investing activities primarily comprises the cash used in the acquisition of associates.

(1) Net working capital comprises changes in (a) inventories, (b) trade receivables, (c) prepayments, deposits and other receivables, (d) trade payables and (e) other payables, accruals and deferred income.

Net cash flows used in investing activities of HK$1.6 million for FY2015 primarily consisted of the addition to property, plant and equipment of HK$21.6 million, primarily in connection with the purchase of medical equipment for the Causeway Bay CT Centre and the Causeway Bay SP Centre, as well as leasehold improvements in connection with the refurbishment of UMP Medical Centres in Causeway Bay, Jordan and Macau, partially offset by proceeds from disposal of an associate of HK$11.5 million and net cash received in connection with the acquisition of subsidiaries (being the injection of the PRC Consulting Business) of HK$3.6 million.

Net cash flows used in investing activities of HK$3.4 million for FY2014 primarily consisted of (i) leasehold improvements and purchases of medical equipment of HK$5.3 million as a result of the acquisition of the New Dental Practice and Metro International in FY2014 and (ii) deposits paid for purchases of property, plant and equipment, partially offset by net cash received in connection with the acquisition of subsidiaries of HK$4.3 million and dividends received from associates of HK$3.2 million.

Net cash flows used in investing activities of HK$0.7 million for FY2013 primarily consisted of cash used in purchases of property, plant and equipment of HK$1.8 million, partially offset by dividends received from associates of HK$1.3 million.

Financing Activities

Cash inflow from financing activities primarily comprises proceeds from the issuance of shares and increases in balances with Group's ultimate holding company and immediate holding company. Cash outflow used in financing activities primarily comprise dividends paid to shareholders and decreases in balances with related companies.

Net cash used in financing activities of HK$10.8 million for FY2015 primarily due to net payments to related companies of HK$17.5 million, offset by an advance from a director of HK$6.8 million through the acquisition of subsidiaries (being the injection of the PRC Consulting Business).

Net cash used in financing activities of HK$52.2 million for FY2014 primarily consisted of (i) dividends paid to the then shareholders of HK$34.2 million and (ii) repayment to related companies of HK$46.0 million, which was partially offset by advance from related companies of HK$30.1 million.

Net cash used in financing activities of HK$33.8 million for FY2013 primarily consisted of (i) dividends paid to the then shareholders of HK$34.4 million and (ii) payment to related companies of HK$66.0 million, which was partially offset by an advance from related companies of HK$69.6 million.

NET CURRENT ASSETS

The following table sets out the Group's current assets, current liabilities and net current assets as at the dates indicated:

	As at 30 June			As at 30 September
	2013	2014	2015	2015
	(HK$, in thousands)			(unaudited)
Current assets:				
Inventories	2,932	5,609	5,216	5,784
Trade receivables	42,743	41,752	45,057	52,553
Prepayments, deposits and other receivables	3,528	4,208	9,784	11,793
Financial assets at fair value through profit or loss	2,551	2,779	2,722	2,201
Due from a joint venture	920	–	–	22,909
Due from associates	4,779	3,202	3,562	3,069
Due from related companies	52,146	66,973	31,925	31,890
Tax recoverable	163	121	145	114
Pledged deposits	1,029	1,029	1,019	1,019
Cash and cash equivalents	63,000	53,173	83,477	81,932
Total current assets	**173,791**	**178,846**	**182,907**	**213,264**
Current liabilities:				
Trade payables	36,042	38,249	41,058	39,279
Other payables, accruals and deferred income	20,754	25,066	46,245	50,384
Due to a joint venture	169	–	–	–
Due to associates	1,319	847	149	166
Due to related companies	10,585	9,530	79,173	95,744
Due to a director	–	–	6,769	6,769
Tax payables	7,431	7,105	8,238	10,770
Total current liabilities	**76,300**	**80,797**	**181,632**	**203,112**
Net current assets	**97,491**	**98,049**	**1,275**	**10,152**

Cash and cash equivalents and trade receivables constituted the largest components of the Group's current assets during the Track Record Period. Trade payables and other payables, accruals and deferred income constituted the largest components of the Group's current liabilities during the same period.

The Group recorded net current assets of HK$97.5 million, HK$98.0 million and HK$1.3 million as at 30 June 2013, 2014 and 2015, respectively.

The increase in net current assets from 30 June 2013 to 30 June 2014 was primarily due to (i) an increase in amount due from related companies as a result of payment made by the Group on behalf of Rich Point (a property investment holding company in which Dr. Sun owns more than 30% of the equity interest) in relation to a property purchased by Rich Point in June 2014 as part of the Reorganisation, (ii) an increase in prepayments, deposits and other receivables as a result of more deposit payments made for the purchase of new medical equipment, and (iii) a decrease in amounts due to related companies.

The significant decrease in net current assets from 30 June 2014 to 30 June 2015 was primarily due to a significant increase in amounts due to related companies, which reflected dividends of HK$70.9 million accrued and payable to the Group's holding companies before the Reorganisation. The Group expects to pay such dividends before the completion of the Global Offering.

As at 30 September 2015, being the latest practicable date for the purpose of this statement, the Group recorded net current assets of HK$10.2 million.

WORKING CAPITAL SUFFICIENCY

After taking into consideration the net proceeds from the Global Offering and cash flows from operating activities, the Directors are of the opinion that the Group will have sufficient working capital for its requirements for at least the next 12 months from the date of this prospectus.

INDEBTEDNESS

Bank Loans and Loan Facilities

During the Track Record Period, the Group did not have any bank borrowings and as at 30 September 2015, the Group had no outstanding bank loans.

During the Track Record Period, the Group did not enter into any bank loan facilities.

Indebtedness Statement

As at 30 September 2015, apart from amounts due to related companies, the Group did not have any other borrowing, indebtedness or mortgages outstanding.

The Directors confirm that there has been no material adverse change in the Group's indebtedness and contingencies since 30 June 2015 (the latest date of the Group's audited financial statements) and up to the date of this prospectus.

KEY FINANCIAL RATIOS

The following table sets out the Group's key financial ratios as at the dates and for the periods indicated:

	As at and for the year ended 30 June		
	2013	2014	2015
Current ratio[(1)]	2.28	2.21	1.01
Quick ratio[(2)]	2.24	2.14	0.98
Gearing ratio[(3)]	N/A	N/A	N/A
Debt-to-asset ratio[(4)]	N/A	N/A	N/A
Return on total assets[(5)]	18.2%	20.0%	17.0%
Return on equity[(6)]	30.3%	32.1%	37.9%

Notes:

(1) Current ratio is calculated by dividing total current assets by total current liabilities.

(2) Quick ratio is calculated by dividing total current assets (net of inventories) by total current liabilities.

(3) Gearing ratio is calculated by dividing borrowings net of cash and cash equivalents by total equity and multiplying the result by 100.

(4) Debt-to-asset ratio is calculated by dividing interest-bearing borrowings by total assets and multiplying the result by 100.

(5) Return on total assets is calculated by dividing profit for the year by the average of total assets at the beginning and the end of the year and multiplying the result by 100.

(6) Return on equity is calculated by dividing profit for the year by the average of total shareholders equity at the beginning and the end of the year and multiplying the result by 100.

Current Ratio

The Group's current ratio remained largely stable and was 2.28 as at 30 June 2013 and 2.21 as at 30 June 2014. The Group's current ratio decreased from 2.21 as at 30 June 2014 to 1.01 as at 30 June 2015, primarily due to a significant increase in amounts due to related companies reflecting dividends of HK$70.9 million accrued and payable to the Group's holding companies before the Reorganisation.

Quick Ratio

The Group's quick ratio is similar to its current ratio given that the Group had a relatively small inventory position at the end each financial year in the Track Record Period. The Group's quick ratio decreased from 2.24 as at 30 June 2013 to 2.14 as at 30 June 2014. The Group's current ratio decreased again from 2.14 as at 30 June 2014 to 0.98 as at 30 June 2015, primarily due to a significant increase in amounts due to related companies reflecting dividends of HK$70.9 million accrued and payable to the Group's holding companies before the Reorganisation.

Return on Total Assets

The Group's return on total assets increased slightly from 18.2% for FY2013 to 20.0% for FY2014, primarily due to a larger increase in the Group's profit for the year for FY2014 compared with a slightly smaller increase in the Group's total assets for FY2014. The Group's return on total assets decreased from 20.0% For FY2014 to 17.0% as at 30 June 2015, primarily due to a decrease in profit for the year in FY2015.

Return on Equity

The Group's return on equity increased from 30.3% for FY2013 to 32.1% for FY2014, primarily due to an increase in profit for the year. The Group's return on equity increased further from 32.1% as at 30 June 2014 to 37.9% for FY2015, despite a decrease in profit for the year, primarily due to dividends declared of HK$70.9 million, which reduced the shareholders equity as compared to FY2014.

CAPITAL COMMITMENTS AND FUTURE CAPITAL EXPENDITURES

The Group's capital commitments primarily relate to expenditures on property, plant and equipment, in particular leasehold improvements on the leased premises and furniture and equipment for UMP Medical Centres. As at 30 June 2013, 2014 and 2015, the Group's capital commitments amounted to HK$19,000, HK$0.8 million and HK$0.4 million, respectively. During the Track Record Period, the Group financed its capital commitments primarily through cash from operations.

The table below sets out the Group's capital commitments as at the dates indicated:

	As at 30 June		
	2013	2014	2015
		(HK$, in thousands)	
Contracted, but not provided for:			
Leasehold improvements	19	719	348
Computer equipment and software	–	71	–
Medical equipment	–	–	29
	19	**790**	**377**

Going forward, the Group plans to allocate a portion of capital expenditures for the Group's PRC expansion. The Group expects to incur capital expenditures of approximately HK$13.0 million and HK$22.0 million, respectively, in FY2016 and FY2017 for the establishment of medical centres in the PRC. These capital expenditures do not include investments to be made by UMP Phoenix JV, which are separately discussed below. These expenditures will be primarily used for the construction and fitting out of new medical centres as well as the purchase of medical equipment and facilities.

Pursuant to the terms of the UMP Phoenix JV Agreement, each of the Group and Phoenix are required to contribute no less than RMB50 million (HK$60 million equivalent) into UMP Phoenix JV over the next three years in order to fund the capital expenditures for the development of the UMP Phoenix network of medical centres. The Group expects it will contribute a minimum of HK$20 million in FY2016, HK$30 million FY2017 and HK$10 million in FY2018. As the UMP Phoenix JV will be recorded as an equity joint venture going forward, the capital expenditures incurred by UMP Phoenix will only be recorded on the Group's balance sheet as investment in a joint venture.

For the Group's network in Hong Kong, the Group expects to incur capital expenditures of approximately HK$7.0 million and HK$46.0 million, respectively, in FY2016 and FY2017. Such expenditures will be used to open new UMP Medical Centres, improve certain existing facilities, including renovation, refurbishment and purchasing of new medical equipment and facilities, as well as upgrading the Group's IT and administration systems.

For more information, please see "*Future Plans and Use of Proceeds*".

OPERATING LEASE ARRANGEMENTS

During the Track Record Period, the Group leased certain of its office properties and office equipment under operating lease arrangements. Leases for properties are negotiated for terms of approximately three years.

The table below sets out the Group's total future minimum lease payments under non-cancellable operating leases as at 30 June 2015 for the periods indicated:

	As at 30 June		
	2013	2014	2015
	(HK$, in thousands)		
Within one year	8,717	10,474	15,105
In the second to fifth years, inclusive	9,274	5,941	37,267
After five years	–	96	–
	17,991	16,511	52,372

CONTINGENT LIABILITIES

As at the Latest Practicable Date, the Group did not have any other material contingent liabilities or guarantees.

OFF-BALANCE SHEET ARRANGEMENTS

As at the Latest Practicable Date, the Group did not have any material off-balance sheet arrangements.

MATERIAL RELATED PARTY TRANSACTIONS

During the Track Record Period, the Group entered into certain material transactions with related parties.

The Group received healthcare services income from associates, which related to laboratory services provided to associates by a subsidiary. The decrease in healthcare services income from FY2014 to FY2015 was due to the disposal of Perfect Life, a material associate during FY2013 and FY2014, which operated a medical centre chain in Hong Kong.

The Group paid professional services expense to associates and joint ventures, which related to the rendering of corporate healthcare solution services by certain Affiliated Doctors to Contract Customers. The decrease in professional service fees from FY2014 to FY2015 was due to the disposal of Perfect Life, a material associate during FY2013 and FY2014, which operated a medical centre chain in Hong Kong.

The Group received contract healthcare solution services income from CTFE group companies, which related to medical services provided to the associates of CTFE.

In addition to the above, the Group also entered into transactions with related companies and paid fees in relation to management services and property rentals.

For more details on the Group's related party transactions during the Track Record Period, see Note 40 to "*Appendix IA — Accountants' Report on the Financial Information of the Group*".

The Directors confirm that all related party transactions during the Track Record Period were conducted on an arm's length basis on normal commercial terms and that their terms were fair and reasonable to the Group.

QUANTITATIVE AND QUALITATIVE ANALYSIS ABOUT MARKET RISK

The main risks arising from the Group's financial instruments are credit risk and liquidity risk.

Credit Risk

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, trade receivables, deposits and other receivables, financial assets at fair value through profit or loss, amounts due from a joint venture, associates and related companies, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

See Note 43 to "*Appendix IA — Accountants' Report on the Financial Information of the Group*" for more details.

Liquidity Risk

The Group monitors and maintains a sufficient level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuation in cash flows. Management reviews and monitors its working capital requirements regularly.

See Note 43 to "*Appendix IA — Accountants' Report on the Financial Information of the Group*" for more details.

DIVIDENDS

The Company's subsidiaries declared and paid dividends to the then shareholders of the Company of HK$34.4 million and HK$34.2 million in FY2013 and FY2014, respectively. In FY2015, the subsidiaries of the Company declared dividends of a total of HK$70.9 million to such subsidiaries' former shareholder before the Reorganisation, which is expected to be paid before the completion of the Global Offering. On 2 November 2015, the Company declared a final dividend in respect of FY2015 of HK$30.0 million to the Company's shareholders as at 30 June 2015, which is expected to be paid from cash on hand before the completion of the Global Offering.

The Company does not have a dividend policy. The Board has absolute discretion as to whether to declare any dividend for any year and, if it decides to declare a dividend, how much dividend to declare. The Board has the discretion to declare dividends, subject to the Cayman Companies Law and the Articles of Association, including the approval of the Shareholders. The amount of any dividends to be declared or paid in the future will depend on, among other things, the Group's results of a operations, cash flows and financial condition, operating and capital requirements and other applicable laws and regulations and other relevant factors.

DISTRIBUTABLE RESERVES

As the Company is a holding company registered in the Cayman Islands and its operations are conducted through its subsidiaries, the majority of which are incorporated in Hong Kong and some are incorporated in the PRC and Macau, the availability of funds to pay distributions to the Shareholders and to service the Company's debts depends on dividends received from these subsidiaries. The Company's PRC subsidiaries are restricted from distributing profits before the losses from previous years have been remedied and amounts for mandatory reserves have been deducted.

The Articles provide that dividends may be declared and paid out of the profits of the Company, realised or unrealised, or from any reserve set aside from profits which the Directors determine is no longer needed. Dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Cayman Companies Law and as the Directors deem appropriate. No dividend may be paid to members out of the share premium account unless immediately following the date on which the dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course of business. As at 30 June 2015, the aggregate amount of the Group's retained profits amounted to HK$39.0 million.

NO ADDITIONAL DISCLOSURE REQUIRED UNDER THE LISTING RULES

Except as disclosed in this prospectus, the Directors confirm that, as at the Latest Practicable Date, they were not aware of any circumstances that would give rise to a disclosure requirement under Rules 13.13 to Rules 13.19 of the Listing Rules.

LISTING EXPENSES

The total estimated expenses in connection with the Listing are approximately HK$45.3 million, of which (i) approximately HK$1.4 million has been charged to our consolidated statements of profit or loss for FY2015, (ii) approximately HK$0.5 million has been capitalised as deferred expenses as at 30 June 2015 and will be charged against equity upon the Listing under the relevant accounting standards; (iii) approximately HK$15.4 million is expected to be charged to the consolidated statements of profit or loss for FY2016; and (iv) approximately HK$28.0 million is expected to be capitalised as deferred expenses and charged against equity upon the Listing under the relevant accounting standards.

NO MATERIAL ADVERSE CHANGE

The Directors confirm that having performed sufficient due diligence, that, up to the date of this prospectus, there has been no material adverse change in the Group's financial or trading position since 30 June 2015 (being the date to which the Group's latest consolidated audited financial results were prepared) and there is no event since 30 June 2015 which would materially affect the information shown in the Accountants' Report set out in "*Appendix IA — Accountants' Report on the Financial Information of the Group*".

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See "*Appendix IIA — Unaudited Pro Forma Financial Information*" for more details.

The following discussion and analysis should be read in conjunction with the Accountants' Report, including the accompanying notes, in Appendix IB. The Accountants' Report in Appendix IB has been prepared in accordance with HKFRS.

This discussion contains forward-looking statements that reflect the current views of the Target Group's management and involve risks and uncertainties. The Target Group's actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including but not limited to, those described in "Forward-Looking Statements" and "Risk Factors".

OVERVIEW

Shanghai Eaton Consulting Limited and its subsidiaries, namely, Beijing Eaton Clinic Limited and Shanghai Eaton Clinic Limited ("**Target Group**") primarily carry on the business of providing (a) medical examinations for local residents and visa applicants who wish to work, study or relocate overseas as required by the government bodies of the relevant overseas countries and (b) health check-ups for corporate employees. The Group entered into an agreement to acquire the Target Group as part of the Reorganisation and the acquisition was completed on 30 October 2015. For more information, please see "*History and Reorganisation — Reorganisation*" and "*Business — The Target Group's Network in the PRC*".

FACTORS AND TRENDS AFFECTING THE TARGET GROUP'S RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The Target Group's results of operations and financial condition have been, and will continue to be, directly and indirectly affected by a number of factors, including those set forth below.

Number of Individuals Travelling Abroad

The Target Group provides medical examinations for local residents and visa applicants who wish to work, study or relocate overseas as required by the government bodies of the relevant overseas countries. Such individuals are generally required to have a medical examination at a designated check-up centre as a prerequisite to obtaining an immigration or travel visa. The government bodies of various overseas countries appoint certain medical centres as designated panel sites for performing such visa medical examinations. The amount of revenue the Target Group generates from the provision of such services is therefore largely dependent on the number of visa applicants who seek medical check-up services at the Target Group's PRC Medical Centres. During the Track Record Period, the Target Group's revenue was primarily driven by an increase in the number of visa medical examinations completed at the PRC Medical Centres. As revenue corresponds directly to the number of visa medical examinations performed at the PRC Medical Centres, any significant fluctuations in the number of visa applicants travelling abroad or any changes in the policies of the government bodies in appointing medical centres as designated panel sites would have an effect on the Target Group's revenue. The number of customers using the Target Group's services increased over the Track Record Period as the Target Group opened a new site in Shanghai in December 2012 and acquired a medical centre in Beijing in late October 2013.

Prices of Visa Medical Examinations

The fees charged by the PRC Medical Centres for visa medical examinations vary depending on the respective requirements of different overseas countries, as well as on general market prices. Certain overseas countries stipulate the scope of the medical examination to be performed for obtaining a visa and charge fixed fees depending on the services rendered. In addition, certain overseas countries have different medical examination requirements depending on categories such as age.

As the PRC Medical Centres are required to follow the prices stipulated by the government bodies of the relevant overseas countries (where there are fixed-fee arrangements), any changes in the fee policies or changes in the scope of medical examination requirements would directly impact the revenue of the Target Group. For government bodies that do not set fixed prices, the PRC Medical Centres charge prices based on the prevailing market rates, which vary across cities.

Cost Management

The expenses associated with providing visa medical examinations and health check-ups for corporate employees constitute the largest component of the Target Group's costs. The provision of visa medical examinations and health check-ups requires a large staff base primarily comprising physicians, radiologists, as well as nurses and other administrative personnel. Any increase in the demand for visa medical examinations or health check-ups would require the Target Group to actively recruit additional staff to meet the increase in demand. The increase in staff headcount would result in higher employee benefits and affect the Target Group's profitability.

Government Regulations and Policies

Immigration and travel policies are tightly regulated by the relevant government agencies of different overseas countries. The government bodies of certain overseas countries impose new or stricter rules on medical examination requirements for visa application purposes. The Target Group may need to introduce new medical examination services in response to new types of visa medical examinations required by, or stricter requirements imposed by, the government bodies of certain overseas countries. In addition, any changes in the rules and regulations surrounding relocation and travel policies of a particular country may affect the number of applicants going to that country, thereby reducing the number of visa medical examinations carried out, and negatively impacting the Target Group's profitability. Further, if the government bodies decide to terminate the Target Group's engagement as one of the designated panel sites for visa medical examinations, the Target Group's revenue and profitability will be significantly affected.

Economic Environment of the PRC

The PRC has in recent years experienced significant economic growth and urbanisation, which has led to the growth of an increasingly wealthy middle class with more disposable income. As the option to study and travel abroad becomes financially viable to more members of the population and as more individuals choose to travel abroad for education or otherwise, this has directly led to an increase in the number of visa medical examinations completed at the PRC Medical Centres. As a result, any major fluctuations in the PRC economy in the future may affect the population's level of disposable income and interest in overseas travel or study, which in turn may have a direct impact on the Target Group's revenue and profitability.

BASIS OF PRESENTATION

The basis for presentation of the Target Group's financial statements are set forth in Note 2.1 to the financial statements included in "*Appendix IB — Accountants' Report on the Financial Information of the PRC Medical Centre Companies*".

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of the Target Group's financial information requires selecting accounting policies and making estimates and judgements that affect the amount reported in the financial statements. These estimates and assumptions are periodically re-evaluated by management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Target Group has identified the following accounting policies as critical to an understanding of its financial position and results of operations, because the application of these policies requires significant management estimates, and the reporting of materially different amounts could result if different estimates or assumptions were used. For more information regarding the Target Group's significant accounting policies and estimates, see Notes 2.3 and 3 to "*Appendix IB — Accountants' Report on the Financial Information of the PRC Medical Centre Companies*".

Revenue Recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Target Group and when the revenue can be measured reliably. For the provision of healthcare and medical services, revenue is recognised when the relevant services have been rendered. See Note 2.3 to "*Appendix IB — Accountants' Report on the Financial Information of the PRC Medical Centre Companies*" for more details.

Impairment of Goodwill

The Target Group determines whether goodwill is impaired on an annual basis, if not more frequently. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Target Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. See Note 13 to "*Appendix IB — Accountants' Report on the Financial Information of the PRC Medical Centre Companies*" for more details.

Impairment of Loans and Receivables

At the end of each reporting period, the Target Group assesses whether there is any objective evidence that a loan or receivable is impaired by considering factors such as the probability of insolvency or significant difficulties of the debtor, default or significant delays in payments. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

The Target Group maintains an allowance for estimated impairment of loan receivables and other receivables balances arising from the inability of its debtors to make the required payments. The Target Group assesses the recoverability of such balances based on a variety of factors, including debtors' creditworthiness, past repayment history and historical write-off experience, and makes periodic adjustments as necessary depending on the financial condition of the debtors.

RESULTS OF OPERATIONS

The table below sets out selected items in the Target Group's consolidated statements of comprehensive income for the periods indicated:

	Year ended 30 June		
	2013	2014	2015
		(RMB)	
Revenue	**4,642,356**	**16,760,656**	**24,411,458**
Other income and gains	56,269	60,865	61,749
Employee benefit expense	(1,974,812)	(5,947,585)	(9,172,310)
Property rental and related expenses	(1,731,819)	(1,914,598)	(2,583,401)
Cost of inventories consumed	–	(138,617)	(279,498)
Depreciation	(228,494)	(816,878)	(1,057,196)
Other expenses	(916,273)	(3,498,891)	(5,971,216)
Profit/(loss) before tax	**(152,773)**	**4,504,952**	**5,409,586**
Income tax expense	(75,347)	(393,681)	(1,312,246)
Profit/(loss) for the year	**(228,120)**	**4,111,271**	**4,097,340**

Revenue

Revenue primarily represents fees received from the provision of visa medical examinations.

Total revenue increased by 261.0% from RMB4.6 million for FY2013 to RMB16.8 million for FY2014, primarily due to an increase in the number of visa medical examinations carried out from 5,559 for FY2013 to 16,112 for FY2014. Such increase primarily reflected (i) the full year results of Shanghai Eaton Clinic Limited in FY2014, which was already in full operation, as compared to FY2013, which reflected only seven months of operations from its establishment in December 2012, (ii) the acquisition of Beijing Eaton Clinic Limited in late October 2013, which led to the consolidation of approximately eight months of its results and (iii) provision of health check-ups for corporate employees at Beijing Eaton Clinic Limited. The weighted average spending per visit for visa medical examination was RMB833 in FY2013 and RMB933 in FY2014, which reflected different prices charged for visa medical examinations carried out depending on the overseas countries to be visited by the visa applicant.

Total revenue increased by 45.6% from RMB16.8 million for FY2014 to RMB24.4 million for FY2015, primarily due to an increase in the number of visa medical examinations carried out from 16,112 for FY2014 to 23,805 for FY2015. Such increase primarily reflected (i) a general increase in the number of visa applicants requiring visa medical examinations prior to travelling abroad, (ii) the consolidation of a full year of results of Beijing Eaton Clinic Limited and (iii) provision of health check-ups for corporate employees and policyholders of insurance companies at Beijing Eaton Clinic Limited. The weighted average spending per visit for visa medical examination decreased slightly from RMB933 in FY2014 to RMB915 in FY2015, which reflected different prices charged for visa medical examinations carried out depending on the overseas countries to be visited by the visa applicant.

Employee Benefit Expenses

Employee benefit expenses primarily comprise staff salaries and incentive fees for employees of the Target Group, which include doctors, nurses and administrative staff.

Employee benefit expenses increased by 201.2% from RMB2.0 million for FY2013 to RMB5.9 million for FY2014, primarily due to the acquisition of Beijing Eaton Clinic Limited, which materially increased the Target Group's staff headcount and resulted in an increase in total employee benefit expenses.

Employee benefit expenses increased by 54.2% from RMB5.9 million for FY2014 to RMB9.2 million for FY2015, primarily due to (i) a general increase in salary and incentive payments to staff which was in line with market trends and (ii) an increase in doctor and medical staff headcount in both Shanghai Eaton Clinic Limited and Beijing Eaton Clinic Limited.

Property Rental and Related Expenses

Property rental and related expenses primarily comprise rental expenses arising from the leasing of premises for the PRC Medical Centres.

Property rental and related expenses increased by 10.6% from RMB1.7 million for FY2013 to RMB1.9 million for FY2014, and further increased 34.9% to RMB2.6 million for FY2015. The increase in FY2015 was primarily due to the consolidation of a full year of results, including property rental and related expenses, of Beijing Eaton Clinic Limited.

Depreciation Expenses

Depreciation expenses are calculated to write off the costs of property, plant and equipment items less their estimated residual value, if any, using the straight-line method over their estimated useful lives.

Depreciation expenses increased by 257.5% from RMB0.2 million in FY2013 to RMB0.8 million in FY2014, primarily due to (i) the consolidation of a full year of depreciation expenses from Shanghai Eaton Clinic Limited and (ii) the acquisition of Beijing Eaton Clinic Limited in late October 2013.

Depreciation expenses increased by 29.4% from RMB0.8 million in FY2014 to RMB1.1 million in FY2015, primarily due to the consolidation of a full year of results of Beijing Eaton Clinic Limited.

Other Expenses

Other expenses primarily comprise legal and professional fees, repair and maintenance expenses, management fees, office expenses and laboratory testing expenses.

Other expenses increased by 281.9% from RMB0.9 million in FY2013 to RMB3.5 million in FY2014, primarily due to the consolidation of the results of Beijing Eaton Clinic Limited from late October 2013, including its other expenses. Such other expenses consisted of legal and professional fees, repair and maintenance expenses, management fees and laboratory testing expenses. However, other expenses as a percentage of revenue only increased slightly from 19.7% in FY2013 to 20.9% in FY2014.

Other expenses increased by 70.7% from RMB3.5 million in FY2014 to RMB6.0 million in FY2015, primarily due to (i) the consolidation of Beijing Eaton Clinic Limited's full year results and its other expenses, which included the key items above, (ii) a number of one-off expenses such as advisory fees paid to professional firms for conducting due diligence for a potential acquisition target and (iii) the provision of rental deposit paid for the site for a potential new medical centre, which did not materialise.

Profit/(loss) Before Tax

Loss before tax was RMB0.2 million in FY2013. Profit before tax was RMB4.5 million in FY2014 and RMB5.4 million in FY2015.

Income Tax Expense

Income tax expense increased from approximately RMB75,000 for FY2013 to RMB0.4 million for FY2014 to RMB1.3 million for FY2015. The effective tax rate was 8.7% for FY2014 and 24.3% for FY2015. The effective tax rate was lower than the statutory tax rate in FY2014 due to the utilisation of tax losses brought forward from periods prior to FY2014.

During the Track Record Period, all income tax assessed was paid when due.

Profit/(Loss) for the Year

Loss for the year was RMB0.2 million in FY2013. Profit for the year remained stable at RMB4.1 million for both FY2014 and FY2015.

KEY FINANCIAL POSITION ITEMS

Property, Plant and Equipment

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

As at 30 June 2013, 2014 and 2015, the Target Group's property, plant and equipment amounted to RMB2.8 million, RMB3.8 million and RMB3.4 million, respectively. The increase over the Track Record Period was primarily due to (i) the consolidation of the statement of financial position of Beijing Eaton Consulting Limited from late October 2013, which assets comprised mainly of medical equipment and leasehold improvements and (ii) the renovation and expansion of Shanghai Eaton Clinic Limited.

Goodwill

Goodwill of RMB3.2 million as at 30 June 2014 and 2015 represented the excess of the acquisition consideration over the value of net identifiable assets arising from the acquisition of Beijing Eaton Clinic Limited in late October 2013.

Due from Related Companies

Due from related companies was RMB4.6 million, RMB2.8 million and RMB1.7 million as at 30 June 2013, 2014 and 2015. The balance as at 30 June 2014 represented cash advances made by Shanghai Eaton Consulting Limited to Beijing Eaton Consulting Limited. Such amount was settled in FY2015. The balance as at 30 June 2015 represented the rental deposit the Target Group paid on behalf of the Group to secure a site for a new medical centre in Puxi, Shanghai. The Target Group settled such outstanding payment prior to the acquisition of the Target Group.

Other Payables and Accruals

Other payables and accruals represent balances due to related companies. Other payables and accruals are non-interest-bearing and are normally repayable on demand.

The table below sets out the Target Group's other payables and accruals as at the dates indicated:

	As at 30 June		
	2013	2014	2015
		(RMB)	
Other payables	2,062,402	2,333,417	2,362,479
Accruals	554,096	1,832,539	2,133,775
	2,616,498	4,165,956	4,496,254

Other payables and accruals as at 30 June 2013 primarily represented an amount due to an independent third party of RMB2.0 million for advances made to the Target Group prior to 2013. The increase in other payables and accruals from 30 June 2013 to 30 June 2014 was primarily due to the consolidation of Beijing Eaton Clinic Limited, which led to an increase in accrual for salary expenses and management fees and rental fees.

Other payables and accruals increased further from RMB4.2 million as at 30 June 2014 to RMB4.5 million as at 30 June 2015, primarily due to accrued expenses due to an independent third party for providing radiology services to the Target Group.

Due to Related Companies

Due to related companies increased from RMB2.1 million in FY2013 to RMB4.9 million in FY2014, primarily due to the consideration payable to the shareholders of the Target Group for the acquisition of the Target Group. Such balance decreased to RMB2.4 million in FY2015 primarily due to (i) the settlement of outstanding payables for the acquisition of the Target Group and (ii) the accrual of management fees payable to Beijing Eaton Consulting.

LIQUIDITY, CAPITAL RESOURCES AND CAPITAL MANAGEMENT

The Target Group has historically funded its operations primarily by cash generated from operating activities. The Target Group did not experience any liquidity shortage during the Track Record Period. As at 30 June 2013, 2014 and 2015, the Target Group had cash and cash equivalents of RMB2.2 million, RMB6.7 million and RMB10.3 million, respectively.

Cash Flows

The following table sets out a summary of the Target Group's cash flows for the years indicated:

	Year ended 30 June		
	2013	2014	2015
		(RMB)	
Net cash flows from operating activities	1,701,677	4,381,778	5,789,205
Net cash flows used in investing activities	(2,944,114)	(209,283)	(703,219)
Net cash flows from/(used in) financing activities	1,674,533	351,751	(1,507,564)
Net increase in cash and cash equivalents	432,096	4,524,246	3,578,422
Cash and cash equivalents at beginning of year	1,739,789	2,171,885	6,696,131
Cash and cash equivalents at end of year	**2,171,885**	**6,696,131**	**10,274,553**

Operating Activities

Cash inflow from operating activities primarily comprises net cash generated from the provision of medical services. Cash outflow from operating activities primarily comprises advances to the shareholder of the Target Group, the settlement of trade and other payables as well as the payment of taxes.

Net cash generated from operating activities of RMB5.8 million for FY2015 primarily consisted of profit before tax of RMB5.4 million, negatively adjusted by (i) tax paid of RMB0.9 million, (ii) interest income of RMB29,640, (iii) fair value gain on financial asset at fair value through profit or loss of RMB9,164 and (iv) an increase in net working capital(1) of RMB0.3 million, which was partially offset by depreciation of property, plant and equipment of RMB1.1 million. The increase in working capital primarily comprised (i) an increase in prepayment, deposits and other receivables of RMB0.5 million and (ii) a decrease in trade payables of RMB0.2 million, partially offset by an increase in other payables and accruals of RMB0.3 million.

Net cash generated from operating activities of RMB4.4 million for FY2014 primarily consisted of profit before tax of RMB4.5 million, negatively adjusted by (i) tax paid of RMB49,613, (ii) interest income of RMB22,448, (iii) fair value gain on financial asset at fair value through profit or loss of RMB7,364 and (iv) an increase in net working capital(1) of RMB0.9 million, which was partially offset by depreciation of property, plant and equipment of RMB0.8 million. The increase in working capital primarily comprised a decrease in other payables and accruals of RMB0.9 million, partially offset by a decrease in trade receivables of RMB0.1 million.

(1) Net working capital comprises changes in (a) inventories, (b) trade receivables, (c) prepayments, deposits and other receivables, (d) trade payables and (e) other payables and accruals.

Net cash generated from operating activities of RMB1.7 million for FY2013 primarily consisted of a loss before tax of RMB0.2 million, negatively adjusted by (i) tax paid of RMB88,234 and (ii) interest income of RMB6,269, which was partially offset by (i) a decrease in net working capital[(1)] of RMB1.7 million and (ii) depreciation of property, plant and equipment of RMB0.2 million. The decrease in working capital primarily comprised a decrease in prepayments, deposits and other receivables of RMB1.6 million.

Investing Activities

Cash inflow from investing activities primarily comprises interest received and cash received from the acquisition of a subsidiary. Cash outflow from investing activities primarily comprises the cash used in the purchase of property, plant and equipment items.

Net cash used in investing activities of RMB0.7 million for FY2015 primarily consisted of cash used to purchase property, plant and equipment of RMB0.8 million, which was partially offset by (i) interest received of RMB29,640 and (ii) proceeds from the disposal of certain property, plant and equipment items of RMB19,417.

Net cash used in investing activities of RMB0.2 million for FY2014 primarily consisted of cash used to purchase property, plant and equipment of RMB1.2 million, which was partially offset by the acquisition of a subsidiary which had a cash balance of approximately RMB1.0 million.

Net cash used in investing activities of RMB2.9 million for FY2013 primarily consisted of cash used to purchase property, plant and equipment of RMB3.0 million.

Financing Activities

Net cash flows used in financing activities of RMB1.5 million for FY2015, primarily represent net fund transfers from related companies of RMB1.5 million.

Net cash flows from financing activities of RMB0.4 million for FY2014 primarily represent (i) a disposal of investments which resulted in a sale proceeds of RMB1.5 million and (ii) fund transfers from related parties of RMB1.1 million, partially offset by an increase in amount due from the immediate holding company of RMB2.3 million.

Net cash flows from financing activities of RMB1.7 million for FY2013 represent fund transfers from related parties.

NET CURRENT ASSETS

The following table sets out the Target Group's current assets, current liabilities and net current assets as at the dates indicated:

	As at 30 June			As at 30 September
	2013	2014	2015	2015
		(RMB)		(unaudited)
Current assets:				
Inventories	1,616	113,828	120,671	151,638
Trade receivables	366,803	264,830	173,749	324,601
Prepayments, deposits and other receivables	47,417	490,784	528,949	562,905
Financial asset at fair value through profit or loss	–	–	50,000	–
Due from the immediate holding company	–	2,300,000	2,300,411	2,300,000
Due from related companies	4,595,286	2,756,324	1,727,226	5,438,682
Cash and cash equivalents	2,171,885	6,696,131	10,274,553	12,889,562
Total current assets	**7,183,007**	**12,621,897**	**15,175,559**	**21,667,388**
Current liabilities:				
Trade payables	36,986	781,008	577,607	1,102,057
Other payables and accruals	2,616,498	4,165,956	4,496,254	5,957,178
Due to related companies	2,096,947	4,902,372	2,406,957	2,674,239
Corporate income tax payable	16,872	360,940	814,710	809,905
Total current liabilities	**4,767,303**	**10,210,276**	**8,295,528**	**10,543,379**
Net current assets	**2,415,704**	**2,411,621**	**6,880,031**	**11,124,009**

Cash and cash equivalents and trade receivables constituted the largest components of the Target Group's current assets during the Track Record Period. Other payables, accruals and deposits received as well as amounts due to related companies constituted the largest components of the Target Group's current liabilities during the same period.

During the Track Record Period, changes in net current assets were primarily due to changes in balances due to and from related companies and the immediate holding company of the Target Group, as well as increases in cash and cash equivalents generated from business operations. As part of the restructuring and pursuant to the terms of the share purchase agreement, the shareholders of the Target Group distributed its retained earnings in accordance with PRC regulations. Such distribution reduced the balance of cash and cash equivalents significantly prior to the acquisition of the Target Group by the Group.

Pursuant to the terms of the share purchase agreement in relation to the acquisition of the Target Group, the director of the Target Group is required to ensure that the Target Group will have sufficient working capital for its requirements for at least the next 12 months from the completion date of the acquisition.

INDEBTEDNESS

Bank Loans and Loan Facilities

During the Track Record Period, the Target Group did not have any bank borrowings or loan facilities and as at 30 September 2015, the Target Group had no outstanding bank loans or loan facilities.

Indebtedness Statement

As at 30 September 2015, apart from the amounts due to related companies, the Target Group did not have any other debt securities, borrowings, indebtedness or mortgages, outstanding.

CONTINGENT LIABILITIES

As at the Latest Practicable Date, the Target Group did not have any other material contingent liabilities or guarantees.

OFF-BALANCE SHEET ARRANGEMENTS

As at the Latest Practicable Date, the Target Group did not have any material off-balance sheet arrangements.

QUANTITATIVE AND QUALITATIVE ANALYSIS ABOUT MARKET RISK

The main risks arising from the Target Group's financial instruments are credit risk, liquidity risk and equity and debt price and liquidity risk. See Note 34 to "*Appendix IB — Accountants' Report on the Financial Information of the PRC Medical Centre Companies*" for more details.

NO MATERIAL ADVERSE CHANGE

The director of the Target Group confirms that he has performed sufficient due diligence, that, up to the date of this prospectus, there has been no material adverse change in the Target Group's financial or trading position since 30 June 2015 (being the date to which the Target Group's latest consolidated audited financial results were prepared) and that except as disclosed in this prospectus, there is no event since 30 June 2015 which would materially affect the information shown in the Accountants' Report set out in "*Appendix IB — Accountants' Report on the Financial Information of the PRC Medical Centre Companies*".

NO ADDITIONAL DISCLOSURE REQUIRED UNDER THE LISTING RULES

Except as disclosed in this prospectus, the director of the Target Group confirms that, as at the Latest Practicable Date, he was not aware of any circumstances that would give rise to a disclosure requirement under Rules 13.13 to Rules 13.19 of the Listing Rules.

SHARE CAPITAL OF THE COMPANY

The following is a description of the authorised and issued Share capital of the Company in issue as at the date of this prospectus and to be issued as fully paid or credited as fully paid immediately following the completion of the Capitalisation Issue and the Global Offering:

Authorised share capital:

		HK$
5,000,000,000	Shares of HK$0.001 each	5,000,000

Issued and to be issued, fully paid or credited as fully paid upon completion of the Capitalisation Issue and the Global Offering:

		HK$
7,800,000	Shares in issue as of the date of this prospectus	7,800
544,200,000	Shares to be issued pursuant to the Capitalisation Issue	544,200
184,000,000	Shares to be issued under the Global Offering	184,000
736,000,000	**Total**	736,000

ASSUMPTIONS

The above table assumes that the Global Offering becomes unconditional and Shares are issued pursuant to the Capitalisation Issue and the Global Offering. It takes no account of any Shares to be issued upon the exercise of the options which were granted under the Pre-IPO Share Option Scheme or may be granted under the Post-IPO Share Option Scheme or any Shares which may be issued or repurchased by the Company pursuant to the general mandates granted to the Directors to issue or repurchase Shares as described below.

RANKINGS

The Offer Shares will rank *pari passu* in all respects with all Shares in issue or to be issued as mentioned in this prospectus and, in particular, will qualify for all dividends or other distributions declared, paid or made on the Shares after the date of this prospectus.

SHARE OPTION SCHEMES

The Company has adopted the Pre-IPO Share Option Scheme and conditionally adopted the Post-IPO Share Option Scheme. Under the Pre-IPO Share Option Scheme, certain persons were granted options prior to the Listing Date. The principal terms of the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme are summarised in "*Appendix VII — Statutory and General Information — Share Option Schemes*" of this prospectus.

GENERAL MANDATES GRANTED TO THE DIRECTORS

Subject to the Global Offering becoming unconditional, the Directors have been granted general mandates to allot and issue Shares and to repurchase Shares.

For further details of such general mandates, see "*Appendix VII — Statutory and General Information — Further Information About the Company — Written Resolutions of the Shareholders passed on 13 November 2015*".

So far as the Directors are aware as at the Latest Practicable Date, immediately following the completion of the Capitalisation Issue and the Global Offering (assuming no Shares are issued under the Pre-IPO Share Option Scheme or the Post-IPO Share Option Scheme), the following persons (other than a Director or the Chief Executive Officer of the Company) will have an interest and/or short position (as applicable) in the Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Interests and Long Positions in Shares

Name of Shareholder	Capacity	Number of Shares held or interested	Approximate Percentage of interest (%)
East Majestic	Beneficial owner	199,601,343	27.12%
EM Team	Beneficial owner	44,155,000	6%
Healthcare Ventures	Beneficial owner	110,411,000	15%
CTFE [(1)]	Interest of controlled corporation	110,411,000	15%
Chow Tai Fook (Holding) Limited [(1)]	Interest in a controlled corporation	110,411,000	15%
Chow Tai Fook (Capital) Limited [(1)]	Interest in a controlled corporation	110,411,000	15%
Cheng Yu Tung Family (Holdings) Limited [(1)]	Interest in a controlled corporation	110,411,000	15%
Cheng Yu Tung Family (Holdings II) Limited [(1)]	Interest in a controlled corporation	110,411,000	15%
Pinyu	Beneficial owner	110,411,000	15%
Unison Champ Limited [(2)]	Interest in a controlled corporation	110,411,000	15%
Phoenix [(2)]	Interest in a controlled corporation	110,411,000	15%

Notes:

(1) Healthcare Ventures is wholly owned by CTFE, which is wholly-owned by Chow Tai Fook (Holding) Limited ("**CTFH**"). CTFH is held as to 78.58% by Chow Tai Fook (Capital) Limited ("**CTFC**"), which is in turn held as to 48.98% by Cheng Yu Tung Family (Holdings) Limited ("**CYTF**") and as to 46.65% by Cheng Yu Tung Family (Holdings II) Limited ("**CYTFII**"). By virtue of the SFO, CTFE, CTFH, CTFC, CYTF and CYTFII are deemed to be interested in the same parcel of Shares in which Healthcare Ventures is interested.

(2) Pinyu is the wholly-owned subsidiary of Union Champ Limited. Union Champ Limited is wholly-owned by Phoenix.

Save as disclosed in this Prospectus, as at the Latest Practicable Date, none of the Directors or the Chief Executive Officer of the Company is aware of any other person who will, immediately following the completion of the Capitalisation Issue and the Global Offering (assuming no Shares are issued under the Pre-IPO Share Option Scheme or the Post-IPO Share Option Scheme), have an interest or short position in the Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

THE CONTROLLING SHAREHOLDERS

Immediately following the completion of the Capitalisation Issue and the Global Offering (without taking into account any Shares which may be issued under the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme), East Majestic will be directly interested in approximately 27.12% of the enlarged issued share capital of the Company. East Majestic is wholly-owned by Dr. Sun. In addition, Dr. Sun, through control of EM Team, will be interested in 6% of the enlarged issued share capital of the Company. Therefore, Dr. Sun, East Majestic and EM Team will be regarded as the Controlling Shareholders, holding a total of 33.12% of the enlarged issued share capital of the Company.

INDEPENDENCE FROM THE CONTROLLING SHAREHOLDERS

As at the Latest Practicable Date, save for the PRC Medical Centre Companies which has been acquired by the Group pursuant to the Reorganisation as more particularly disclosed in "*History and Reorganisation — Reorganisation — Transfer of the PRC Consulting Business from True Point to the Company and the acquisition of the PRC Medical Centre Companies*", neither the Controlling Shareholders nor any of the Directors were interested in a business, apart from the business of the Group, which competes or is likely to compete, directly or indirectly, with the Group's business, which requires disclosure under Rule 8.10 of the Listing Rules.

Save as disclosed in "*Connected Transactions*", the Directors do not expect that there will be any significant transactions between the Group and the Controlling Shareholders upon or shortly after the Listing. The Directors believe that the Group is capable of carrying on the Group's business independent of, and does not place undue reliance on, the Controlling Shareholders or their respective associates, taking into consideration the following factors.

(a) Management Independence

The Company maintains an independent Board to oversee the Group's business. The Board is responsible for considering and approving business plans and strategies of the Group, monitoring the implementation of business plans and strategies and supervising the management of the Group. The Group has an independent management team, which is led by a team of senior management with extensive experience and expertise in the Group's business, to implement the Group's business plans and strategies in the Group's daily operations. The Board consists of nine Directors, comprising six executive Directors and three independent non-executive Directors. Dr. Sun is the Chairman, Chief Executive Officer and an executive Director. See "*Directors, Senior Management and Committees*" for details. The Company is committed to the view that the Board should include a balanced composition of executive and non-executive Directors (including independent non-executive Directors) so that there is a strong independent element on the Board which can effectively exercise independent judgement and provide independent advice to the Shareholders. The Board will consist of not less than one-third of independent non-executive Directors. The independent non-executive Directors, details of whom are set out in "*Directors, Senior Management and Committees*", individually and together possess the requisite knowledge and experience for a seat on the Board. All of the independent non-executive Directors are experienced and will provide impartial and professional advice to protect the interest of the minority Shareholders. The Directors are of the view that the Board and senior management will function independently from the Controlling Shareholders for the following reasons:

(i) each of the Directors is aware of his/her fiduciary duties, under applicable Cayman Islands laws, as a director which require, among other things, that he/she acts for the benefit and in the best interest of the Company and does not allow any conflict between his/her duties as a director and his/her personal interests to exist;

(ii) the Articles of Association (which will be effective on the Listing Date) provide that a Director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the Board in respect of any contract or arrangement or any other proposal whatsoever in which such Director or any of his/her close associates (as defined in the Listing Rules) has any material interest, and if such a person shall do, the vote shall not be counted (nor is to be counted in the quorum for the resolution). This provision is subject to certain exceptions further described in "*Appendix V — Summary of the Constitution of the Company and Cayman Islands Company Law — 2. Articles of Association — (a) Directors — (vi) Disclosure of interests in contracts with the Company or any of its subsidiaries*";

(iii) following Listing, the Board will be required to comply with the Listing Rules, including the provisions relating to corporate governance, which require, among other things, in the event that there is a conflict or potential conflict of interest arising from any transaction to be entered into between the Group and the Directors or their respective associates, the interested Director(s) will abstain from voting at the relevant Board meetings in respect of such transactions, and will not be counted in the quorum;

(iv) the independent non-executive Directors have extensive experience in different areas and have been appointed in accordance with the requirements under the Listing Rules to ensure that the decisions of the Board are made only after due consideration of independent and impartial opinions; and

(v) the Company has also established internal control mechanisms to identify related party transactions to ensure that the Shareholders or Directors with conflicting interests in a proposed transaction will abstain from voting on the relevant resolutions.

Based on the above, the Board is satisfied that each Director is able to perform his/her role in the Company independently and the Board is able to operate independently from the Controlling Shareholders.

(b) Operational Independence

The Group has established its own organisational structure, and each department is assigned to specific areas of responsibilities. The Group does not rely on the Controlling Shareholders or their respective associates for the Group's operations. The Group has independent access to suppliers and customers and an independent management team to oversee the Group's daily operations. The Group is also in possession of all relevant licences necessary to carry on and operate the Group's business and the Group has sufficient operational capacity in terms of capital and employees to operate independently. Save as the transactions set out in "*Connected Transactions*", no services or facilities are intended to be provided to the Group by the Controlling Shareholders or their respective associates. The Directors are of the view that there is no operational dependence by the Group on the Controlling Shareholders and the Group is able to operate independently from the Controlling Shareholders after the Listing.

(c) Administrative Independence

All essential administrative functions, such as finance and accounting, administration and operations, information technology, human resources and compliance functions, will be carried out by the Group independently from the Controlling Shareholders.

(d) Financial Independence

The Group has an independent financial system and makes financial decisions according to its own business needs. The Group has its own treasury function which is operated independently from the Controlling Shareholders. All outstanding loans and non-trade payables owed to and from, and/or outstanding financial guarantees or indemnities provided by the Controlling Shareholders and their respective close associates, if any, will be settled before Listing. The Group will not rely on the Controlling Shareholders for financing after the Global Offering as the Group has sufficient working capital to operate its business independently.

Based on the above, the Directors believe that the Group is able to maintain financial independence from the Controlling Shareholders upon the Listing.

NON-COMPETITION UNDERTAKING

The Controlling Shareholders have entered into a deed of non-compete undertaking dated 13 November 2015 in favour of the Company (for itself and as trustee for other members of the Group). Pursuant to the deed of non-compete undertaking, the Controlling Shareholders have undertaken to the Company that, they will not carry on, engage, invest, participate or otherwise be interested in any business which competes or is likely to compete with any of the existing and/or future businesses carried on by any member of the Group in relation to the provision of corporate healthcare solutions and consultancy services in non-UMP medical centres in Hong Kong, Macau and the PRC (the **"Restricted Business**").

Notwithstanding the foregoing, each of the Controlling Shareholders may:

(a) carry on, engage, invest, participate or otherwise be interested in such Restricted Business where the opportunity to carry on, engage, invest, participate or otherwise be interested in such Restricted Business has first been offered or made available to the Company, and the Company, after review and approval by the Company's independent non-executive Directors or Shareholders as required under relevant laws and regulations, has declined such opportunity, provided that the principal terms by which the Controlling Shareholders or any of its or his associates subsequently engages, invests, participates or otherwise is interested in such Restricted Business are not more favourable in any material respect than those offered or made available to the Company;

(b) have interests in shares or other securities representing not more than 10% of a company conducting any Restricted Business whose shares are listed on the Stock Exchange or any other stock exchange, provided that the relevant Controlling Shareholders are not in a position to control the board of directors of such company and that the relevant Controlling Shareholders are not the single largest shareholder of such company; and

(c) continue to hold its/his interests in any of those companies in which it/he has an interest as of the date of the non-competition undertaking and as disclosed in this section, provided that these companies do not expand to carry on the Restricted Business.

The non-competition undertakings will commence on the Listing Date and will terminate on the earlier of the date on which (i) the relevant Controlling Shareholder and/or its/his associates in aggregate cease to hold 30% or more of the Company's entire issued share capital or otherwise cease to be a Controlling Shareholder, and (ii) the Shares cease to be listed and traded on the Stock Exchange.

The Company will, adopt the following corporate governance measures to manage any conflict of interests arising from the competing business of the Controlling Shareholders and to safeguard the interests of the Shareholders:

(a) the independent non-executive Directors will review, at least on an annual basis, the compliance with the undertaking given by the Controlling Shareholders under the deed of non-competition;

(b) the Controlling Shareholders have undertaken to provide all information necessary for the annual review by the independent non-executive Directors and the enforcement of the deed of non-competition undertaking;

(c) the independent non-executive Directors will be responsible for deciding, without the attendance of any conflicted Director, whether or not to exercise the rights under the deed of non-competition undertaking; and

(d) the Company will disclose factors or matters reviewed and considered by the independent non-executive Directors relating to compliance with, and the compliance and enforcement of (as the case may be), the deed of non-competition undertaking, either through the Company's annual report or by way of announcement.

The Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between the Group and the Controlling Shareholders, and to protect minority Shareholders' rights after the Listing.

CONNECTED TRANSACTIONS

The Group has entered into certain agreements with persons and entities that will, upon the Listing, become the Group's connected persons (as defined under Chapter 14A of the Listing Rules). Following the Listing, the transactions contemplated under such agreements will constitute continuing connected transactions of the Group under Chapter 14A of the Listing Rules.

CONNECTED PERSONS OF THE GROUP

Upon the Listing, the following persons and entities, which the Group has entered into certain transactions with in the ordinary and usual course of the Group's business, will become connected persons of the Group:

- **Dr. Sun**: Dr. Sun is an executive Director and Controlling Shareholder and is therefore a connected person of the Group pursuant to Rule 14A.07(1) of the Listing Rules.

- **Associates of Dr. Sun (excluding the Group)**: Associates of Dr. Sun, being the companies in which Dr. Sun holds a 30% or more interest, including but not limited to Rich Point and its subsidiaries, are connected persons of the Group by virtue of them being associates of Dr. Sun pursuant to Rule 14A.12(1)(c) of the Listing Rules.

- **Dr. Michael Sun**: Dr. Michael Sun is an executive Director and is therefore a connected person of the Group pursuant to Rule 14A.07(1) of the Listing Rules.

- **CTFE**: CTFE is a substantial shareholder of the Company and is therefore a connected person of the Group pursuant to Rule 14A.07(1) of the Listing Rules.

- **Associates of CTFE**: Associates of CTFE, being the subsidiaries, fellow subsidiaries of CTFE or companies in which CTFE, individually or together with its subsidiaries, hold a 30% or more interest (the "**30%-controlled companies**") or subsidiaries of the 30%-controlled companies, are connected persons of the Group by virtue of them being associates of CTFE pursuant to Rule 14A.13(3) of the Listing Rules.

- **Associate of Mr. Felix Lee**: Keenhome Far East Investment Limited, being a company wholly-owned by an associate of Mr. Felix Lee, an executive Director and therefore a connected person of the Group pursuant to Rule 14A.12(2)(b) of the Listing Rules.

- **UMP Phoenix JV**: Phoenix, a substantial shareholder of the Company which is a connected person of the Company, holds more than 30% interest in UMP Phoenix JV. As such, UMP Phoenix JV is an associate of Phoenix and a connected person of the Group pursuant to Rule 14A.13(3) of the Listing Rules.

- **Directors of subsidiaries of the Company (other than insignificant subsidiaries)**: Directors of subsidiaries of the Company (other than the insignificant subsidiaries under Rule 14A.09 of the Listing Rules) are connected persons of the Company at the subsidiary level pursuant to Rule 14A.07(1) of the Listing Rules.

Accordingly, upon the Listing, the following transactions between each of the connected persons and the Group, which have been entered into in the ordinary and usual course of the Group's business on a recurring and continuing nature, will constitute continuing connected transactions of the Group under Chapter 14A of the Listing Rules.

I. EXEMPT CONTINUING CONNECTED TRANSACTIONS

Set out below is a summary of the continuing connected transactions of the Group, which is, under Rule 14A.76 of the Listing Rules, exempt from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

1. Lease Agreements with the associates of CTFE

In order to satisfy the business operation needs, the Group has entered into the following lease agreements with the associates of CTFE pursuant to which the relevant properties are used for the operations of medical centres of the Group:

- UMP Medical Centre Limited, a wholly-owned subsidiary of the Company, entered into a lease agreement with DP Properties Limited, an associate of CTFE, as the lessor pursuant to which the lessor agreed to lease a property to UMP Medical Centre Limited for the purposes of operating a medical and dental centre.
- Beijing Eaton Clinic Limited, a subsidiary of the Target Group, entered into a lease agreement with Beijing Chong Wen — New World Properties Development Co., Ltd. (北京崇文•新世界房地產發展有限公司) and New World China Electronics Co., Ltd. (中國新世界電子有限公司), the associates of CTFE, as lessors pursuant to which the lessors agreed to lease a property to Beijing Eaton Clinic Limited for the purposes of operating a medical and dental centre.

The following table sets out the principal terms of the lease agreements:

Lessor	Commencement date of lease	Location of property	Term	Floor area	Monthly rental	Use of property
DP Properties Limited	1 January 2015	Shop 1070 on Level 1 of Commercial Podium, Discovery Park, No. 398 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong	Three years (note 1)	1,033 sq. ft.	1 January 2015 – 31 December 2015: HK$75,000.00 (note 2) 1 January 2016 – 31 December 2016: HK$80,000.00 (note 2) 1 January 2017 – 31 December 2017: HK$85,000.00 (note 2)	Medical and dental centre
Beijing Chong Wen — New World Properties Development Co., Ltd. (北京崇文•新世界房地產發展有限公司) and New World China Electronics Co., Ltd. (中國新世界電子有限公司)	1 June 2015	Level 5, Beijing New World Shopping Mall, No. 3 Chong Wen Men Wai Street, Dongcheng District, Beijing, China	Three years	1,681.03 sq. m.	1 June 2015 to 31 May 2018: RMB27,610.92	Medical and dental centre

Notes:

(1) The lessee has an option to renew for further term of three years at open market rent and no less than HK$85,000. The renewal of the lease will be subject to compliance of the relevant Listing Rules.

(2) The monthly rent is exclusive of service charge, promotion levy and the outgoings. The service charge for an amount of HK$12,132.50 per month (subject to adjustments) and the promotion levy of HK$1,582.50 per month (subject to adjustments) are payable to the lessor.

Historical Transaction Amounts

The total rental amounts and the relevant ancillary fees paid to the associates of CTFE under the relevant lease agreements for the three years ended 30 June 2013, 2014 and 2015, were approximately HK$1.2 million, HK$1.3 million and HK$1.4 million, respectively.

Implication under the Listing Rules

The annual rental amounts and the relevant ancillary fees payable to the associates of CTFE fall within the *de minimis* threshold set forth in Rule 14A.76 of the Listing Rules. As such, the transactions are exempted from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The annual rental amounts and the relevant ancillary fees under the lease agreements were determined after arm's length negotiation between the parties with reference to the prevailing market rates for similar properties in the locality. The Directors are of the view that the lease agreements were entered into in the ordinary and usual course of the Group's business on normal commercial terms and that the terms therein are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

2. Lease Agreement with the associate of Mr. Felix Lee

In order to satisfy the business operation needs, UMP Dental Centre Limited, a wholly-owned subsidiary of the Company, entered into a lease agreement with Keenhome Far East Investment Limited, an associate of Mr. Felix Lee, an executive Director, pursuant to which Keenhome Far East Investment Limited agreed to lease a property to the Group for the purposes of operating a dental centre. The following table sets out the principal terms of the lease agreement:

Lessor	Commencement date of lease	Location of property	Term	Floor area	Monthly rental	Use of property
Keenhome Far East Investment Limited	20 March 2015	Shop No. 11 on Ground Floor, Comet Mansion, Nos. 45-67 Fung Cheung Road and Nos. 24-32 Fung Heung Street, Yuen Long, New Territories, Hong Kong	Three years	226 sq. ft.	HK$20,000 (note 1) (note 2)	Dental centre

Notes:

(1) The monthly rent is inclusive of management fees.

(2) The lessee enjoyed a 14-day rent free period from the commencement of the lease.

Historical Transaction Amounts

The total rental amounts paid to Keenhome Far East Investment Limited for the three years ended 30 June 2013, 2014 and 2015, were approximately nil, nil and HK$51,000, respectively.

Implication under the Listing Rules

The annual rental amounts payable to Keenhome Far East Investment Limited fall within the *de minimis* threshold set forth in Rule 14A.76 of the Listing Rules. As such, the transactions are exempted from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The annual rental amounts under the lease agreement were determined after arm's length negotiation between the parties with reference to the prevailing market rates for similar properties in the locality. The Directors are of the view that the lease agreement was entered into in the ordinary and usual course of the Group's business on normal commercial terms and that the terms therein are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

3. Intellectual Property Licence Agreement

In view of the potential business dealings between the Group and UMP Phoenix JV and its subsidiaries (the "**UMP Phoenix JV Group**"), the Company has entered into an intellectual property licence agreement (the "**Intellectual Property Licence Agreement**") with UMP Phoenix JV on 13 November 2015 to govern the relevant transactions to be carried out between the Group and the UMP Phoenix JV Group after the Listing.

Parties: the Company and UMP Phoenix JV

Term: the Intellectual Property Licence Agreement shall be effective from the Listing Date until 30 June 2018 and may be renewed by mutual consent of the parties.

Scope of services:

(i) The Group shall grant to the UMP Phoenix JV Group irrevocable licences to use certain trademarks and other intellectual property of the Group in the operation of medical centres in the PRC on a royalty-free basis.

(ii) UMP Phoenix JV shall grant to the Company and its subsidiaries irrevocable licences to use certain trademarks and other intellectual property of the UMP Phoenix JV Group in the operation of medical centres in the PRC and Hong Kong on a royalty-free basis.

Historical Transaction Amounts

The Group neither received any royalties from nor paid any royalties to UMP Phoenix JV during the Track Record Period. UMP Phoenix JV has not commenced operations during the Track Record Period.

Implication under the Listing Rules

The Directors anticipate that given that no royalties are payable under the Intellectual Property Licence Agreement, the Intellectual Property Licence Agreement will fall within the *de minimis* threshold set forth in Rule 14A.76 of the Listing Rules. As such, the transactions are exempted from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Directors are of the view that the Intellectual Property Licence Agreement was entered into in the ordinary and usual course of the Group's business on normal commercial terms and the terms therein are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

4. Information Technology and Data Support Framework Agreement

In view of the potential business dealings between the Group and the UMP Phoenix JV Group, the Company entered into an information technology and data support framework agreement (the "**Information Technology and Data Support Framework Agreement**") with UMP Phoenix JV on 13 November 2015 to govern the relevant transactions to be carried out between the Group and the UMP Phoenix JV Group after the Listing.

Parties: the Company and UMP Phoenix JV

Term: the Information Technology and Data Support Framework Agreement shall be effective from the Listing Date until 30 June 2018 and may be renewed by mutual consent of the parties.

Scope of services:

(i) The Group shall provide information technology and data support services, including design, engineering installation services of the IT system, the proprietary management system, sharing use of certain systems, procurement of various computer software licences, internet access services, enterprise resource planning system-related services and general IT system and proprietary management system maintenance services and other auxiliary services to the UMP Phoenix JV Group and such services will be charged on a cost basis.

(ii) UMP Phoenix JV shall provide information technology and data support services, including design, engineering installation services of the IT system, the proprietary management system, sharing use of certain systems, procurement of various computer software licences, internet access services, enterprise resource planning system-related services and general IT system and proprietary management system maintenance services and other auxiliary services to the Group and such services will be charged on a cost basis.

Historical Transaction Amounts

As UMP Phoenix JV has not commenced operations during the Track Record Period, the Group neither received any payment from nor made any payment to UMP Phoenix JV in respect of information technology and data support services during the Track Record Period.

Implication under the Listing Rules

The Directors anticipate that the transaction amounts under the Information Technology and Data Support Framework Agreement will fall within the *de minimis* threshold set forth in Rule 14A.76 of the Listing Rules. As such, the transactions are exempted from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Directors are of the view that the Information Technology and Data Support Framework Agreement was entered into in the ordinary and usual course of business on normal commercial terms and the terms therein are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

5. Consultancy agreements with certain Doctors and Dentists

Among the directors of the subsidiaries of the Company (other than the insignificant subsidiaries under Rule 14A.09 of the Listing Rules) who are by virtue of such relationship connected persons of the Company at the subsidiary level, three of them have been, in their capacity as a Doctor or Dentist, providing Medical Services or Dental Services (as the case may be) to the Group as consultants and the Group has been engaging such consultants in the ordinary and usual course of business of the Group. Two of them (both of whom are expected to resign from their directorships at the subsidiaries of the Company prior to Listing) did not receive an annual fee from the Group exceeding the *de minimis* threshold set forth in Rule 14A.76 of the Listing Rules for such Medical Services or Dental Services (as the case may be) for each of the three years ended 30 June 2013, 2014 and 2015. Moreover, it is expected that an associate of Mr. Felix Lee, an executive Director, will provide Medical Services to the Group as a Doctor commencing from the year ending 30 June 2016 (together with the aforesaid two Doctors, together, the "**Exempt Doctors**"). It is expected that each of the Exempt Doctors will not receive an annual fee exceeding such *de minimis* threshold for each of the three years ending 30 June 2016, 2017 and 2018 (or, in respect of any Exempt Doctor who will cease to be a connected person of the Company earlier than the end of such three years, the relevant earlier period). Accordingly, such transactions with the Exempt Doctors are exempt from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Group has entered into a consultancy agreement with each of the Exempt Doctors on 13 November 2015 which shall commence from the Listing until 30 June 2018 and may be renewed by mutual consent of the parties to regulate the consultancy relationship between the Group and each Exempt Doctor for the provision of Medical Services or Dental Services (as the case may be). Pursuant to the agreements, the annual fees charged by the Exempt Doctors will be negotiated on an arm's length basis, and shall be on normal commercial terms which, from the Group's perspective, are no less favourable than those which the relevant members at the Group could obtain from independent consultants of similar expertise, experience and reputation for similar role, scope of services and responsibilities under similar circumstances. The Directors are of the view that each of such consultancy agreements was entered into in the ordinary and usual course of business on normal commercial terms and the terms therein are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

II. NON EXEMPT CONTINUING CONNECTED TRANSACTIONS

A. Continuing connected transactions subject to reporting and announcement requirement

1. Property Leasing Framework Agreement

Parties

The Company and Rich Point

Background

The Group has been leasing certain properties from the associates of Rich Point (a company in which Dr. Sun holds a 30% or more interest) for the purposes of operating medical centres and warehouses. The following table sets out the principal terms of the existing lease arrangements:

Lessor	Commencement date of lease	Location of property	Term	Floor area	Monthly rental	Use of property
Belstar Limited	1 July 2014	Room 1109, 11/F, Office Tower, Convention Plaza, No. 1 Harbour Road, Hong Kong	Two years	1,984 sq. ft.	HK$99,200	Medical centre
Rich Point	1 July 2015	Partial of 13/F, No. 22 Yee Wo Street, Hong Kong	Three years	555 sq. ft.	HK$12,765	Medical centre — physiotherapy centre
UMP Medical Investment Limited	1 September 2015	Unit No. 1901D on 19/F, East Point Centre, No. 555 Hennessy Road, Hong Kong	Three years	2,542 sq. ft.	HK$132,184	Medical centre — imaging centre
Rich Point	1 July 2015	Unit No. 1 on 10/F, Wing On Plaza, No. 62 Mody Road, Kowloon, Hong Kong	Three years	2,015 sq. ft.	HK$68,510	Medical centre
Rich Point	1 July 2015	Workshop C on 8/F, Block 1, Koon Wah Mirror Factory (6th) Industrial Building, Nos. 7-9 Ho Tin Street, Tuen Mun, New Territories, Hong Kong	Three years	1,380 sq. ft.	HK$6,500	Warehouse
Rich Point	1 July 2015	Workshop No. 3 on 4/F, Kin Wing Industrial Building, No. 33 Kin Wing Street, Tuen Mun, New Territories, Hong Kong	Three years	1,049 sq. ft.	HK$6,500	Warehouse

Major Terms

In order to regulate the lease arrangements between the Group and Rich Point and/or its associates (the "**Rich Point Group**") in anticipation of the Listing, the Company and Rich Point entered into a property leasing framework agreement (the "**Property Leasing Framework Agreement**") on 13 November 2015, pursuant to which the Group will lease properties from the Rich Point Group for the purposes of operating medical centres and warehouses. The major terms of the Property Leasing Framework Agreement are as follows:

- with respect to the relevant leased properties, the Company and/or its subsidiaries and the relevant Rich Point Group member shall enter into individual agreements which prescribe specific terms and conditions of the leasing arrangements, including rental amount, payment method and other relevant terms;
- the terms of the individual agreements shall be on normal commercial terms or, from the Group's perspective, more favourable to the Group;
- the rental amounts payable under the lease agreements shall reflect the then prevailing market rates and no less favourable than the terms and conditions offered by independent landlords or lessors of comparable premises; and
- the Property Lease Framework Agreement shall commence from the Listing Date until 30 June 2018 and may be renewed by mutual consent of the parties.

Reasons for the Transactions

In order to maintain its business operations and satisfy its business needs, the Group historically has leased certain properties from the Rich Point Group which were used to operate medical centres and warehouses during the Track Record Period. Any relocation of the relevant medical centres operating under such leases will cause unnecessary disruptions to the operations of the Group and incur unnecessary costs. The annual rent of the existing leasing arrangements were determined after arm's length negotiations between the parties thereto with reference to the prevailing market rates in respect of same or similar properties in the locality.

The Directors are of the view that the property lease agreements entered into between the Group and the Rich Point Group have been entered into in the ordinary and usual course of the Group's business on normal commercial terms and that the terms thereof are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Pricing Policy

The annual rent for the properties to be leased under the Property Leasing Framework Agreement shall be determined by the relevant parties through arm's length negotiation and on normal commercial terms and with reference to the historical rentals paid for such properties and the prevailing market price of properties to be leased from an independent third party in the same locality with similar scale and quality.

Historical Transaction Amounts

For the three years ended 30 June 2013, 2014 and 2015, total rental amount for the above leasing arrangements was approximately HK$1.6 million, HK$1.6 million and HK$3.3 million, respectively.

Annual Caps and Basis of Caps

The Group expects that the total rental amount payable by the Group to the Rich Point Group for the three year period ending 30 June 2018 will not exceed HK$4.0 million in 2016, HK$4.1 million in 2017 and HK$4.1 million in 2018. These proposed annual caps are arrived at by reference to (i) the annual rent payable by the Group in respect of the property leasing arrangements currently in existence; (ii) the expected renewals of all the existing leasing arrangements at substantially the same rental amount (save for the expected increase of the rental amount for the lease with Belstar Limited as described below); (iii) the prevailing market rates of the properties in the same locality with similar scale and quality; (iv) the potential increase of 10% in annual rent for the lease with Belstar Limited that will be renewed upon expiration of the existing lease term on 30 June 2016; and (v) commencement of the leases regarding the two warehouses since July 2015.

The Directors consider that the above-mentioned annual caps are reasonably determined in accordance with Rule 14A.53(2) of the Listing Rules. DTZ, the independent property valuer, is of the view that (i) the terms and conditions under the existing leasing arrangements entered into between the Group and the Rich Point Group in respect of the properties mentioned above, and the Property Leasing Framework Agreement, are in the usual course of business of the Group, on normal commercial terms and fair and reasonable and the rentals paid by the Group under each of the existing leasing arrangements are more favourable to the Group than that would be offered by an independent third party for similar premises in similar locations in Hong Kong and (ii) the above-mentioned annual caps reflect rents that are no less favourable to the Group than those would be offered by an independent third party.

Implication under the Listing Rules

The transactions contemplated under the Property Leasing Framework Agreement will constitute continuing connected transactions of the Company upon the Listing. Pursuant to the Listing Rules, the applicable percentage ratios for such continuing connected transactions are more than 0.1% but less than 5% on an annual basis. Accordingly, such continuing connected transactions are subject to the reporting, announcement, annual review but exempt from independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

2. Consultancy Agreement with Dr. Michael Sun

Parties

The Company and Dr. Michael Sun

Background

The Group has been engaging Dr. Michael Sun, an executive Director, as a Doctor to provide Medical Services, in particular radiologist services, to the Group as a consultant and the Group has been engaging this consultant in the ordinary and usual course of business. In order to regulate the provision of Medical Services to the Group in anticipation of the Listing, the Company and Dr. Michael Sun entered into a consultancy agreement (the "**Consultancy Agreement with Dr. Michael Sun**") on 13 November 2015, pursuant to which, the Group shall appoint Dr. Michael Sun as a consultant to provide Medical Services, in particular radiologist services, to the Group.

Major Terms

The major terms of the Consultancy Agreement with Dr. Michael Sun are as follows:

- Dr. Michael Sun shall provide consultancy services to the Group, including the provision of Medical Services, in particular radiologist services;
- the annual fees charged by Dr. Michael Sun to the Group will be negotiated on an arm's length basis, and shall be on normal commercial terms which, from the Group's perspective, are no less favourable than those which the relevant members of the Group could obtain from independent consultants of similar expertise, experience and reputation for a similar role, scope of services and responsibilities under similar circumstances; and
- the Consultancy Agreement with Dr. Michael Sun shall commence from the Listing Date until 30 June 2018 and may be renewed by mutual consent of the parties.

Reasons for the Transactions

The Group has demands for consultancy services from doctors for its business operation. Given the fees charged by Dr. Michael Sun are not less favourable than those which the relevant members of the Group could obtain from independent consultants of similar expertise, experience and reputation for similar role, scope of services and responsibilities under similar circumstances, the Directors consider that it is fair and reasonable and in the interests of the Company and the Shareholders as a whole to continue using the consultancy services provided by Dr. Michael Sun after the Listing.

Pricing Policy

The consultancy fees payable shall be determined by the parties through arm's length negotiation and on normal commercial terms and based on the scope of services rendered by Dr. Michael Sun and with reference to the fees charged by independent consultants of similar expertise, experience and reputation with similar role, scope of services and responsibilities under similar circumstances to ensure that the terms are no less favourable to the Group than terms available by independent consultants.

Historical Transaction Amounts

The aggregate fees paid by the Group for medical services provided to the Group by Dr. Michael Sun for the three years ended 30 June 2013, 2014 and 2015 were approximately HK$1.7 million, HK$2.2 million and HK$2.9 million, respectively.

Annual Caps and Basis of Caps

The Group expects that the annual aggregate consultancy fees to be paid for the three year period ending 30 June 2018 will not exceed HK$4.0 million in 2016, HK$5.0 million in 2017 and HK$6.0 million in 2018. These proposed annual caps are arrived at by reference to (i) the historical and agreed consultancy fees payable by the Group to Dr. Michael Sun; (ii) the increase of medical services to be rendered by Dr. Michael Sun to the Group for an estimated increase of approximately 12%-15% per annum due to the increase in capacity of Dr. Michael Sun in providing services to the Group; (iii) the expected expansion of the Group's business, including an increase in the introduction of new medical centres in Hong Kong and the expected increase in patients originating from Contract Customers, which would require additional consultancy support on radiologist services; and (iv) the expected increase in consultancy fees due to general cost inflation and the increase in demand of radiologist services for an estimated increase of approximately 12% per annum.

Implication under the Listing Rules

The transactions contemplated under the Consultancy Agreement with Dr. Michael Sun will constitute continuing connected transactions of the Group upon the Listing. Pursuant to the Listing Rules, the applicable percentage ratios for such continuing connected transactions contemplated under the Consultancy Agreement with Dr. Michael Sun is more than 0.1% but less than 5% on an annual basis. Accordingly, such continuing connected transactions are subject to the reporting, announcement, annual review but exempt from independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

3. Consultancy Agreement with Dr. Patrick Lee

Background

As disclosed in "*— I. Exempt Continuing Connected Transactions — 5. Consultancy agreements with certain Doctors and Dentist*" above, among the directors of the subsidiaries of the Company who are, by virtue of such relationship, connected persons of the Company at the subsidiary level, three of them have been, in their capacity as a Doctor or Dentist, providing Medical Services or Dental Services (as the case may be) to the Group as consultants and the Group has been engaging such consultants in the ordinary and usual course of business. Among these three individuals, Dr. Patrick Lee has been, in his capacity as a Dentist, providing Dental Services to the Group as a consultant. It is expected that Dr. Patrick Lee will receive an annual fee for the three years ending 30 June 2016, 2017 and 2018 which, based on the applicable percentage ratios (namely more than 0.1% but less than 5%), are subject to the reporting, announcement, annual review but exempt from independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company entered into a consultancy agreement with Dr. Patrick Lee on 13 November 2015 (**"Consultancy Agreement with Dr. Lee"**) to regulate the consultancy relationship between the Group and him for the provision of Dental Services.

Parties

The Company and Dr. Patrick Lee

Major Terms

The major terms of the Consultancy Agreement with Dr. Patrick Lee are as follows:

- Dr. Patrick Lee shall provide Dental Services to the Group;
- the annual fees charged by Dr. Patrick Lee to the Group shall be negotiated on an arm's length basis, and shall be on normal commercial terms which, from the Group's perspective, are expected to be no less favourable than those which the relevant members of the Group could obtain from independent consultants of similar expertise, experience and reputation for similar role, scope of services and responsibilities; and

- the Consultancy Agreement with Dr. Patrick Lee shall commence from the Listing Date until 30 June 2018 and may be renewed by mutual consent of the parties.

Reasons for the Transactions

The Group requires consultancy services from dentists for its business operation. Given it is expected that the fees to be charged by Dr. Patrick Lee are no less favourable than those which the relevant members of the Group could obtain from independent consultants of similar expertise, experience and reputation for similar role, scope of services and responsibilities under similar circumstances, the Directors consider that it is fair and reasonable and in the interests of the Company and the Shareholders as a whole to continue using the consultancy services provided by Dr. Patrick Lee after the Listing.

Pricing Policy

The consultancy fees payable shall be determined by the parties through arm's length negotiation and on normal commercial terms and based on the scope of services rendered by Dr. Patrick Lee and with reference to the fees charged by independent consultants of similar expertise, experience and reputation with similar role, scope of services and responsibilities to ensure that the terms are no less favourable to the Group than terms available by independent consultants.

Historical Transaction Amounts

The aggregate fees paid by the Group for medical services provided to the Group by Dr. Patrick Lee for the three years ended 30 June 2013 and 2014 and 2015 were approximately nil, HK$4.2 million and HK$4.1 million, respectively.

Annual Caps and Basis of Caps

The Group expects that the annual aggregate consultancy fees to be paid to Dr. Patrick Lee for the three year period ending 30 June 2018 will not exceed HK$4.5 million in 2016, HK$5.0 million in 2017 and HK$5.5 million in 2018. These proposed annual caps are arrived at by reference to (i) the historical and agreed consultancy fees payable by the Group to Dr. Patrick Lee; and (ii) the expected increase in consultancy fees of HK$500,000 per annum due to general cost inflation and the increase in demand for Dental Services.

Implication under the Listing Rules

The transactions contemplated under the Consultancy Agreement with Dr. Patrick Lee will constitute continuing connected transactions of the Group upon the Listing. Pursuant to the Listing Rules, the applicable percentage ratios for such continuing connected transactions contemplated under the Consultancy Agreement with Dr. Patrick Lee is more than 0.1% but less than 5% on an annual basis. Accordingly, such continuing connected transactions are subject to the reporting, announcement, annual review but exempt from independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Moreover, on the basis that Dr. Patrick Lee is a connected person of the Company at the subsidiary level only, by virtue of Rule 14A.101 of the Listing Rules, such continuing connected transactions shall be exempt from the independent Shareholders' approval requirement.

4. Medical Services and Administration Agreement

Parties

The Company and UMP Phoenix JV

Background

In view of the potential business dealings between the Group and the UMP Phoenix JV Group, the Company entered into a medical services and administration agreement (the "**Medical Services and Administration Agreement**") with UMP Phoenix JV on 13 November 2015 to govern the relevant transactions carried out between the Group and the UMP Phoenix JV Group after the Listing.

Major Terms

The major terms of the Medical Services and Administration Agreement are set out below:

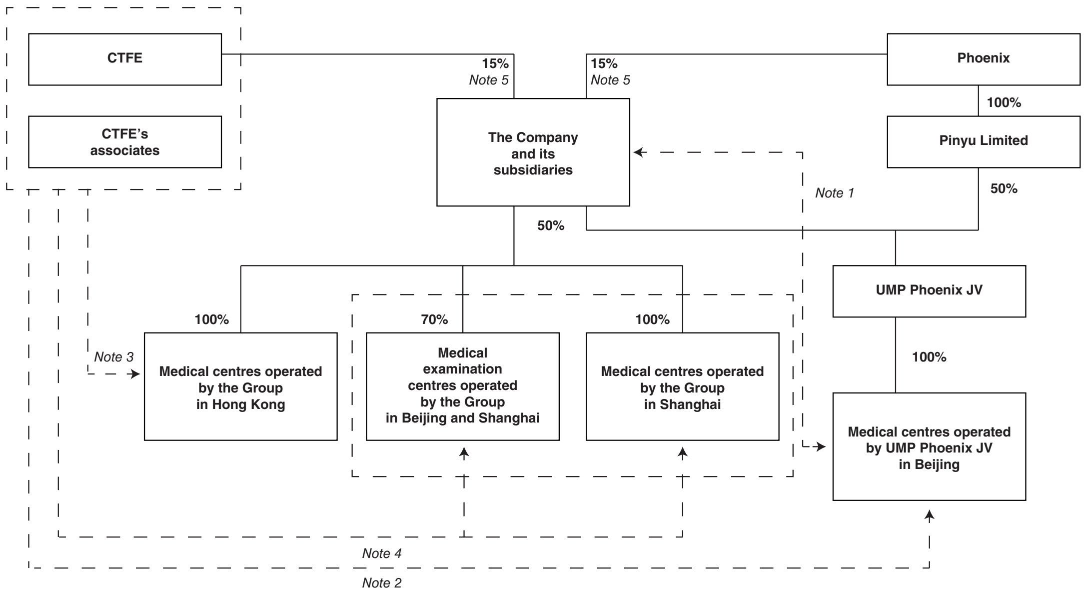
- the Group shall make available its medical centre network in Hong Kong and the PRC and provide medical, dental and other auxiliary services to members or customers of the UMP Phoenix JV Group;

- the UMP Phoenix JV Group shall make available its medical centre network in the PRC and provide medical, dental and other auxiliary services to members or customers of the Group;

- the service fees payable under the Medical Services and Administration Agreement shall be determined by the parties through arm's length negotiation and on normal commercial terms and with reference to the prevailing fees charged by the Group or the UMP Phoenix JV Group offered to independent customers with similar scope of services. The administration fees incurred shall be charged on a cost basis; and

- the Medical Services and Administration Agreement shall commence from the Listing Date for a term of three years may be renewed by mutual consent of the parties.

The simplified diagram below illustrates the transactions under the Medical Services and Administration Agreement, and the Medical Services Framework Agreement (as more particular described under "*— Non-exempt Continuing Connected Transactions — Continuing connected transactions subject to reporting, announcement and independent Shareholders' approval requirement — Medical Services Framework Agreement*" below):



Notes:

(1) Upon the commencement of the operation of the medical centres of the UMP Phoenix JV Group, the UMP Phoenix JV Group will make available its UMP Phoenix JV branded medical centre network in the PRC and provide medical, dental services and other auxiliary services to members or customers of the Group. At the same time, the Group will make available its medical centres in Hong Kong and the PRC and provide medical, dental and other auxiliary services to members or customers of the UMP Phoenix JV Group. Such transactions are governed by the Medical Services and Administration Agreement and the annual caps for the three year period ending 30 June 2018 disclosed under the Medical Services and Administration Agreement have taken into account (i) the consultation fees for medical or dental services and (ii) administration fees that will arise from such transactions.

(2) Upon the commencement of the operation of the medical centres of the UMP Phoenix JV Group, such medical centres may provide medical, dental and auxiliary services to the employees of CTFE and/or its associates in the PRC. As these transactions will be carried out between CTFE and its associates and UMP Phoenix JV (which is not a subsidiary of the Company), such transactions will not constitute continuing connected transactions of the Group under Chapter 14A of the Listing Rules.

However, the relevant medical centres of UMP Phoenix JV Group will issue invoices for (i) the consultation fees for medical or dental services and (ii) administration fees to the Group as the relevant employees of CTFE and/or its associates utilise the services under the healthcare plan provided by the Group. As such transactions will be between the Group and UMP Phoenix JV Group, such transactions will constitute continuing connected transactions upon the Listing. Such transactions are governed by the Medical Services and Administration Agreement and the annual caps for the three year period ending 30 June 2018 disclosed under the Medical Services and Administration Agreement have taken into account the fees that will arise from such transactions.

(3) The Group has been providing medical, dental and auxiliary services to the employees of CTFE and its associates. Upon the Listing, such transactions will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules and will be governed by the Medical Services Framework Agreement. The historical transaction amounts as disclosed on page 176 represent the entire amount for the transactions under this category for the three years ended on 30 June 2015.

(4) After the completion of the acquisition of PRC Medical Centre Companies (as part of the reorganisation of the Group), the Group's medical centres in the PRC may provide medical, dental and auxiliary services to the employees of CTFE and/or its associates in the PRC. Upon the Listing, such transactions will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Such transactions will be governed by the Medical Services Framework Agreement and the annual caps for the three year period ending 30 June 2018 disclosed under the Medical Services Framework Agreement have taken into account (i) the consultation fees for medical or dental services and (ii) the administration fees that will arise from such transactions.

(5) This represents the shareholding in the Company immediately following the completion of the Capitalisation Issue and the Global Offering (assuming no Shares are issued under the Pre-IPO Share Option Scheme or the Post-IPO Share Option Scheme).

Reasons for the Transactions

Each of the parties to the Medical Services and Administration Agreement will be able to leverage on each other's medical centre network and customer base in Hong Kong and the PRC. The Directors consider that it is fair and reasonable and in the interests of the Company and the Shareholders as a whole to enter into the Medical Services and Administration Agreement after the Listing.

Pricing Policy

The service fees payable under the Medical Services and Administration Agreement shall be determined by the parties through arm's length negotiation and on normal commercial terms and with reference to the prevailing fees charged by the Group or the UMP Phoenix JV Group offered to independent customers with similar scope of services.

Historical Transaction Amounts

As UMP Phoenix JV has not commenced operations during the Track Record Period, the Group neither received any payment from nor made any payment to UMP Phoenix JV during the Track Record Period.

Annual Cap and Basis of Cap

The Group expects that the annual aggregate fees to be paid to the UMP Phoenix JV Group for the three year period ending 30 June 2018 will not exceed HK$1.8 million in 2016, HK$3.8 million in 2017 and HK$4.0 million in 2018 and the aggregate fees to be received from the UMP Phoenix JV Group for the three year period ending 30 June 2018 will not exceed HK$0.8 million in 2016, HK$2.5 million in 2017 and HK$4.2 million in 2018. These proposed annual caps are arrived at by reference to (i) the costs for rendering the relevant services; (ii) the expected expansion of the Group's business arising from the Group's cross border development of clinical services coverage in the PRC market and the increase in new medical centres in Hong Kong and the PRC; (iii) the potential business development of the UMP Phoenix JV Group; and (iv) the expected increase of fees due to general cost inflation. In particular, these proposed annual caps have also taken into account that (a) UMP Phoenix JV Group is expected to commence its operation of the medical centre network in the PRC in the first half of 2016 (and hence the transactions contemplated under the Medical Services and Administration Agreement will not be conducted for the entire year ending 30 June 2016); (b) such operation is expected to be in full force for the entire year ending 30 June 2017 (and hence the transaction amount for the year ending 30 June 2017 is expected to be substantially higher than that for the preceding year); and (c) there is an expected growth of approximately 213% and 68% in the transaction amount to be received from the UMP Phoenix JV Group for the years ending 30 June 2017 and 2018, respectively, as compared to that for the respective preceding year as a result of, among others, the expected expansion of the business of the UMP Phoenix JV Group, leading to significant increase in the number of customers who have signed up for medical plans with the UMP Phoenix JV Group to go to UMP Medical Centres in Hong Kong for medical treatments.

Implication under the Listing Rules

The transactions contemplated under the Medical Services and Administration Agreement will constitute continuing connected transactions of the Company upon the Listing. The Directors anticipate that the percentage ratios on the amount of fees payable under the Medical Services Framework Agreement will be more than 0.1% but less than 5% on an annual basis. Accordingly, such continuing connected transactions are subject to the reporting, announcement, annual review requirements but exempt from independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

B. Continuing connected transactions subject to reporting, announcement and independent Shareholders' approval requirement

5. Advisory Services Framework Agreement

Parties

The Company and UMP Phoenix JV

Background

In order to satisfy the business operation needs of UMP Phoenix JV, the Group expects to provide certain advisory services to the UMP Phoenix JV Group. The Company entered into an advisory services framework agreement (the "**Advisory Services Framework Agreement**") with UMP Phoenix JV on 13 November 2015 to govern the relevant transactions carried out between the Group and the UMP Phoenix JV Group after the Listing.

Major Terms

The major terms of the Advisory Services Framework Agreement are as follows:

- the Group shall provide to the UMP Phoenix JV Group, on a non-exclusive basis, advisory services (primarily by secondment of relevant senior or managerial personnel of the Group) in respect of certain managerial, technical or operational functions relating to the establishment of a medical network in the PRC and other advisory services and auxiliary services as may be agreed between the Company and UMP Phoenix JV from time to time;

- with respect to the relevant advisory services, the relevant members of the Group and the UMP Phoenix JV Group shall enter into individual agreements which prescribe specific terms and conditions, including scope of advisory services, service amount, payment method and other relevant terms;

- the terms of, and the service amounts payable under the individual agreements will be negotiated on a case-by-case and an arm's length basis, and shall be on normal commercial terms which, from the Group's perspective, are no less favourable than the prevailing market rates of comparable scope of services; and

- the Advisory Services Framework Agreement shall be effective from the Listing Date until 30 June 2018 and may be renewed by mutual consent of the parties.

Reasons for the Transactions

The relevant services under the Advisory Services Framework Agreement will be carried out by the Group on normal commercial terms and on a non-exclusive basis. The UMP Phoenix JV Group will be able to leverage on the Group's accumulated know-how and experience in related aspects (such as in the operations, management, recruitment and training of medical staff, as well as support on the provision of medical services) which will in turn be beneficial to the Group given the Company's equity investment in UMP Phoenix JV. The Directors consider that it is fair and reasonable and in the interests of the Company and the Shareholders as a whole to provide the advisory services to the UMP Phoenix JV Group after the Listing.

Pricing Policy

The fees for the services to be provided under the Advisory Services Framework Agreement by the Group under the Advisory Services Framework Agreement will be determined on the basis of the comparable remuneration or fees paid to (i) independent senior or managerial personnel and (ii) Doctors and Dentists with similar calibre and experience.

Historical Transaction Amounts

As UMP Phoenix JV has not commenced operations during the Track Record Period, the Group did not receive any advisory fees from UMP Phoenix JV or its subsidiaries during the Track Record Period.

Annual Caps and Basis of Caps

The Group expects that the annual aggregate fees to be received from the UMP Phoenix JV Group for the three year period ending 30 June 2018 will not exceed HK$4.0 million in 2016, HK$8.0 million in 2017 and HK$12.4 million in 2018. These proposed annual caps are arrived at by reference to (i) the estimated number of personnel (including medical and non-medical personnel) to be seconded by the Group for the business development and operation of the UMP Phoenix JV Group in the PRC; (ii) the estimated employment cost of the personnel to be seconded from the Group; and (iii) the potential expansion of the business of the UMP Phoenix JV Group. In particular, these proposed annual caps have taken into account that (i) UMP Phoenix JV Group is expected to commence its operation of the medical centre network in the PRC in the first half of 2016 (and hence the transactions contemplated under the Advisory Services Framework Agreement will not be conducted for the entire year ending 30 June 2016); (ii) such operation is expected to be in full force for the entire year ending 30 June 2017 (and hence the transaction amount for the year ending 30 June 2017 is expected to be substantially higher than that for the preceding year); and (iii) there is expected growth of approximately 50% in the transaction amount for the year ending 30 June 2018 as compared to that for the preceding year which is mainly attributable to the expected expansion of the business of the UMP Phoenix JV Group which will require more personnel to be seconded by the Group for the operation of the UMP Phoenix JV Group.

Implication under the Listing Rules

The transactions contemplated under the Advisory Services Framework Agreement constitute continuing connected transactions of the Company upon the Listing. The Directors anticipate that the percentage ratios on the amount of fees payable under the Advisory Services Framework Agreement will be more than 5% on an annual basis. Accordingly, such continuing connected transactions are subject to the reporting, announcement, annual review and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

6. Medical Services Framework Agreement

Parties

The Company and CTFE

Background

The Group has been providing medical, dental and auxiliary services to the employees of CTFE and its associates. In order to regulate the provision of medical, dental and auxiliary services to the employees of CTFE and its associates, in anticipation of the Listing, the Company and CTFE entered into a medical services framework agreement dated 13 November 2015 (the "**Medical Services Framework Agreement**"), pursuant to which the Group shall provide medical, dental and auxiliary services to the employees of CTFE and/or its associates. Such services have been and will be carried out by the Group on normal commercial terms and on a non-exclusive basis.

Major Terms

The major terms of the Medical Services Framework Agreement are as follows:

- the Group shall provide medical, dental and auxiliary services to the employees of CTFE and its associates;
- the relevant members of the Group shall enter into individual agreements which prescribe specific terms and conditions, including scope of medical services, service amount, payment method and other terms;
- the terms of, and the service amounts payable under, each individual agreement will be negotiated on a case-by-case and on an arm's length basis, and shall be on normal commercial terms which, from the Group's perspective, are no less favourable than those which the relevant members of the Group could offer to independent third parties, with a comparable scope of services; and
- the Medical Services Framework Agreement shall commence from the Listing Date for a term of three years and may be renewed by mutual consent of the parties.

Please see the simplified diagram on page 171 which illustrates the transactions under the Medical Services Framework Agreement.

Reasons for the Transactions

The Group has been providing medical, dental and auxiliary services to the employees of CTFE and its associates. The service fees payable during the service period are determined by the relevant parties through arm's length negotiation and on normal commercial terms and with reference to the historical service fees paid for medical services and the prevailing price of medical services offered by the Group to other customers with a similar scope of service. The Directors consider that it is fair and reasonable and in the interests of the Company and the Shareholders as a whole to continue providing medical services to CTFE and its associates after the Listing.

Pricing Policy

The service fees payable during the service period shall be determined by the relevant parties through arm's length negotiation and on normal commercial terms and with reference to the historical service fees paid for medical services and the prevailing price of medical services offered by the Group to other customers with a similar scope of service.

Historical Transaction Amounts

The aggregate fees received by the Group for medical services provided to the associates of CTFE for the three years ended 30 June 2013, 2014 and 2015 were approximately HK$9.0 million, HK$9.5 million and HK$10.1 million, respectively.

Annual Caps and Basis of Caps

The Group expects that the annual aggregate fees to be received for the three year period ending 30 June 2018 will not exceed HK$14.0 million in 2016, HK$19.0 million in 2017 and HK$23.0 million in 2018. In arriving at these proposed annual caps, the Group has taken into account a variety of growth factors including, in particular, the Group's cross border development of clinical coverage into the PRC market (including (i) the acquisition of the medical examination centres in Beijing and Shanghai; (ii) the establishment of new medical centres in Shanghai; and (iii) the establishment of UMP Phoenix JV which is expected to commence its operations in the first half of 2016 (and hence the transactions contemplated under the Medical Services Framework Agreement will not be conducted for the entire year ending 30 June 2016)), pursuant to which the Group expects that its medical plans with CTFE and its associates will be substantially expanded given that the medical, dental and auxiliary services from both the Hong Kong and PRC medical centres of the Group and the PRC medical centres of the UMP Phoenix JV Group could be offered to the employees of CTFE and its associates in Hong Kong and the PRC (hence the transaction amount for the year ending 30 June 2017 is expected to be higher than that for the preceding year). Accordingly, by leveraging on the aforesaid development, the Group expects that the flow of patients from CTFE and its associates across the network of medical centres will be substantially increased. For the continued increase of the proposed annual caps throughout the three year period, the Group has also taken into account: (i) the expected increase in the number of employees of CTFE and its associates in Hong Kong and the PRC as a result of CTFE's continuous growth; and (ii) the expected fee increment in the three year period ending 30 June 2018.

Implication under the Listing Rules

The transactions contemplated under the Medical Services Framework Agreement will constitute continuing connected transactions of the Company upon the Listing. The Directors anticipate that the percentage ratios on the amount of fees payable under the Medical Services Framework Agreement will be more than 5% on an annual basis. Accordingly, such continuing connected transactions are subject to the reporting, announcement, annual review and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

DIRECTORS' VIEW ON CONTINUING CONNECTED TRANSACTIONS

The Directors are of the opinion that (i) each of the continuing connected transactions disclosed above has been entered into, and will be carried out, in the ordinary and usual course of business and on normal commercial terms or better to the Group; (ii) each of the continuing connected transactions disclosed above is fair and reasonable and is in the interests of the Shareholders as a whole; and (iii) the annual caps for the non-exempt continuing connected transactions are fair and reasonable and are in the interests of the Group and the Shareholders as a whole.

Following the Listing, the Group will continue to enter into or carry out the transactions set out in this section. These transactions will constitute continuing connected transactions for the Group under the Listing Rules once the Shares are listed on the Stock Exchange. According to the Listing Rules, such transactions may, depending on the nature and value of the transactions, require disclosure and/or prior approval by the independent Shareholders. The Company will comply with the relevant requirements for continuing connected transactions in accordance with Chapter 14A of the Listing Rules.

With respect to such transactions described above in "*— Non-exempt Continuing Connected Transactions*" that are non-exempt continuing connected transactions under the Listing Rules, the Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with the announcement and independent Shareholders' approval requirements under Rule 14A.105 of the Listing Rules for such non-exempt continuing connected transactions provided that the total value of transactions for each of the three financial years ending 30 June 2016, 2017 and 2018 will not exceed the relevant annual caps set forth above. The independent non-executive Directors and auditors of the Company will review whether the non-exempt continuing connected transactions have been entered into based on the principal terms and pricing policies under the relevant agreements as disclosed in this section. The confirmations of the independent non-executive Directors and the auditors will be disclosed annually, as required by the Listing Rules.

In the event of any future amendments to the Listing Rules imposing more stringent requirements than those applicable as at the Latest Practicable Date on the continuing connected transactions referred to in this prospectus, the Group will take immediate steps to ensure compliance with such new requirements within a reasonable time.

CONFIRMATION FROM THE SOLE SPONSOR

The Sole Sponsor has reviewed the relevant information and historical figures prepared and provided by the Group relating to the non-exempt continuing connected transactions described above in "*— Non-exempt Continuing Connected Transactions*" and has also conducted due diligence by discussing these transactions with the Group and its advisers, including DTZ, the independent property valuer, and have obtained various representations and confirmations from the Group. Based on the Sole Sponsor's due diligence, the Sole Sponsor is of the view that these non-exempt continuing connected transactions have been entered into in the ordinary and usual course of the Group's business, on normal commercial terms or better to the Group, are fair and reasonable and in the interests of the Shareholders as a whole. The Sole Sponsor is also of the view that the proposed annual caps of such non-exempt continuing connected transactions are fair and reasonable and in the interests of the Shareholders as a whole.

OVERVIEW

The Board currently consists of nine Directors, comprising six executive Directors and three independent non-executive Directors. The following table sets out certain information in respect of the Directors:

Name	Age	Position	Date of appointment as Director	Date of joining the Group	Roles and Responsibilities in the Group
Executive Directors					
Dr. SUN Yiu Kwong (孫耀江)	72	Chairman of the Board, Chief Executive Officer and Executive Director	23 April 2015	July 1990	Primarily responsible for the overall formulation, supervision and guidance of business strategies, planning and development of the Group Chairman of the Nomination Committee
Ms. KWOK Cheuk Kwan, Jacquen (郭卓君)	47	Executive Director and Managing Director	5 November 2014	November 1993	Primarily responsible for the overall management and business development of the Group
Mr. TSANG On Yip, Patrick (曾安業)	44	Executive Director	18 August 2015	August 2015	Primarily responsible for providing strategic directions on co-operations with different business stakeholders in the PRC and globally Member of the Remuneration Committee
Dr. SUN Man Kin, Michael (孫文堅)	37	Executive Director	18 August 2015	January 2012	Primarily responsible for expanding the global imaging business as well as building the physician networks
Mr. LEE Kar Chung, Felix (李家聰)	34	Executive Director	18 August 2015	September 2014	Primarily responsible for corporate development, international operations and merger and acquisitions for the Group
Mr. JIANG Tianfan (江天帆)	34	Executive Director	18 August 2015	August 2015	Primarily responsible for providing directions on the Group's development in the PRC

Name	Age	Position	Date of appointment as Director	Date of joining the Group	Roles and Responsibilities in the Group
Independent Non-executive Directors					
Mr. LEE Luen-Wai, John *BBS JP* (李聯偉)	66	Independent Non-executive Director	6 November 2015	6 November 2015	Primarily providing guidance and supervision regarding the business and operations of the Group Chairman of the Audit Committee, member of the Nomination Committee
Dr. LI Kwok Tung, Donald *SBS JP* (李國棟)	61	Independent Non-executive Director	6 November 2015	6 November 2015	Primarily providing guidance and supervision regarding the business and operations of the Group Chairman of the Remuneration Committee, member of the Audit Committee and the Nomination Committee
Mr. YEUNG Wing Sun, Mike (楊榮燊)	62	Independent Non-executive Director	6 November 2015	6 November 2015	Primarily providing guidance and supervision regarding the business and operations of the Group Member of the Audit Committee and member of the Remuneration Committee

The following table sets out certain information in respect of the senior management:

Name	Age	Position	Date of appointment as senior management	Date of joining the Group	Roles and Responsibilities in the Group
Senior Management					
Ms. MA Hoi Wan (馬凱雲)	40	Financial Controller/ Company Secretary	27 April 2010 as Financial Controller and 29 August 2015 as Company Secretary	November 2000 to May 2007 and April 2010 to present	Responsible for a full spectrum of internal functions within the Group, including accounting and finance, business and operation analysis, information technology, human resources and administration

Name	Age	Position	Date of appointment as senior management	Date of joining the Group	Roles and Responsibilities in the Group
Mr. WONG Po Ming (黃寶明)	48	Head of Business and Panel Network	May 2010	May 2005	Responsible for overseeing the Group's business development and operations as well as the Group's medical centre network in Hong Kong and Macau
Ms. WONG Mui Yu, Blanche (黃梅雨)	50	Head of Medical Centre Chain Management Department and Chief Nursing Officer — China	17 August 2015	August 2015	Responsible for overseeing the daily operations of the medical centres in Hong Kong, organising and implementing professional nursing training in Hong Kong and the PRC
Mr. LEUNG Kam Yuen, David (梁錦源)	54	General Manager of PRC checkup centres	1 August 2002	August 2002	Responsible for overseeing the checkup centres in the PRC and developing the medical centre chain in the PRC

The following table sets out certain information in respect of the Professional Standards and Compliance Committee:

Name	Age	Position	Date of appointment as member of the Professional Standards and Compliance Committee	Date of joining the Group	Roles and Responsibilities in the Professional Standards and Compliance Committee
Dr. AU YEUNG Cheuk Lun, Henry *JP* (歐陽卓倫)	65	Specialist in Paediatrics	29 August 2015	July 1990	Responsible for advising the Group on the medical and professional aspects, and for advising on the continuing training of medical professionals and development of clinical and professional services
Dr. LEE Pak Cheung, Patrick (李柏祥)	51	Dental Director	29 August 2015	June 2003	Responsible for advising the Group on the dental and professional aspects, and for advising on the continuing training of dental professionals and development of clinical and professional services

Name	Age	Position	Date of appointment as member of the Professional Standards and Compliance Committee	Date of joining the Group	Roles and Responsibilities in the Professional Standards and Compliance Committee
Dr. HUI Yui (許睿)	46	Specialist in Gastroenterology and Hepatology	29 August 2015	April 2005	Responsible for advising the Group on the medical and professional aspects, and for advising on the continuing training of medical professionals and development of clinical and professional services
Dr. TSANG Man Wo (曾文和)	61	Specialist in Endocrinology, Metabolism and Diabetes	29 August 2015	February 2014	Responsible for advising the Group on the medical and professional aspects, and for advising on the continuing training of medical professionals and development of clinical and professional services
Dr. YOUNG Wan Yin, Betty (楊允賢)	65	Specialist in Paediatrics	29 August 2015	February 2011	Responsible for advising the Group on the medical and professional aspects, and for advising on the continuing training of medical professionals and development of clinical and professional services

Directors

Executive Directors

Dr. SUN Yiu Kwong (孫耀江), aged 72, is a founding member of the Group and the Chairman and Chief Executive Officer of the Company. He was appointed as a Director on 23 April 2015 and redesignated as an executive Director on 29 August 2015. He is primarily responsible for the overall formulation, supervision and guidance of business strategies, planning and development of the Group. He is the Chairman of the Nomination Committee of the Company. Dr. Sun is a director of various members of the Group, namely, UMP Healthcare China Limited, UMP Healthcare Limited, United Medical Services (China) Limited, UMP Professional Management Limited, UMP Medical Centre Limited, UMP TCM Limited, UMP Health Centre Management Limited, UMP Dental Services Limited, UMP Dental Investment Limited, UMP Corporate Administration Services Limited, eClaims (Hong Kong) Limited, UMP Medical Centre (Hong Kong) Limited, UMP Specialist Medical Centre Limited, UMP Medical Centre Management (III) Limited, UMP Medical Centre Management (II) Limited, UMP Medical Centre (New Territories) Limited, UMP Health Plan Management Limited, UMP Medical Centre Management Limited and UMP Physiotherapy Centre Limited. Dr. Sun is also the legal representative of Beijing Eaton Consulting Limited.

With over 40 years of experience in family medicine practice, Dr. Sun is a Founder Fellow of the Hong Kong College of Family Physicians. He is a Clinical Associate Professor (honorary) in Family Medicine at the Chinese University of Hong Kong and a Honorary Clinical Assistant Professor in Family Medicine at the University of Hong Kong. Dr. Sun is one of the pioneer Hong Kong doctors to participate in the healthcare development and training of medical professionals in the PRC. With his wealth of experience in the PRC, in particular his involvement and exposure in the training programmes of various institutions, he plays a leading role in the strategic planning and development of the Group's healthcare business in the PRC.

Dr. Sun is the father of Dr. Michael Sun and the father-in-law of Mr. Patrick Tsang, both of whom are executive Directors. He is the sole shareholder and a director of East Majestic, which holds more than one-third of the shares in EM Team and he is the sole director of EM Team.

He obtained a Bachelor of Medicine, Bachelor of Surgery from the University of Hong Kong in November 1967 and became a Fellow of the Hong Kong College of General Practitioners in September 1987 and a Fellow of the Hong Kong Academy of Medicine in the specialty of Family Medicine in December 1993. He was also registered as a specialist in Family Medicine in March 1998.

Ms. KWOK Cheuk Kwan, Jacquen (郭卓君), aged 47, is the Managing Director of the Company. She was appointed as a Director on 5 November 2014 and redesignated as an executive Director on 29 August 2015. She is responsible for the overall management and business development of the Group and initiating and leading business projects in collaboration with medical insurance companies and corporate customers. Ms. Kwok is also responsible for developing the management team with a view to enhancing operational efficiency and expanding the Group's business activities. Ms. Kwok is one of the key members in establishing the administration arm of the Group. She has over 20 years of experience in health schemes management and providers network administration to support the healthcare plan's implementation in the Group's network. She is actively involved in developing the infrastructure of the Group such as information technology platforms and medical network facilities. She has been the general manager and director of certain subsidiaries since 1998 and 2004, respectively. Ms. Kwok is also a director of various Group companies, including companies in Hong Kong and Macau. She is a director of UMP Healthcare China Limited, UMP Healthcare Limited, UMP TCM Limited, UMP Health Centre Management Limited, UMP Dental Services Limited, UMP Dental Investment Limited, UMP Corporate Administration Services Limited, eClaims (Hong Kong) Limited, UMP Specialist Medical Centre Limited, UMP Medical Centre Management (III) Limited and Hirayanagi Shika Company Limited. She holds not more than one-third of the shares in EM Team.

Ms. Kwok obtained a Bachelor of Arts in International Business Studies (Hons) from the City University of Hong Kong in November 1991 and obtained a Bachelor of Laws from Peking University in July 1996. She also obtained a Master of Science in Management (Health Services Management) from the Hong Kong Polytechnic University in November 2003.

Mr. TSANG On Yip, Patrick (曾安業), aged 44, was appointed as a Director on 18 August 2015 and redesignated as an executive Director on 29 August 2015. He is a member of the Remuneration Committee of the Company. Mr. Tsang is primarily responsible for providing strategic directions on co-operations with different business stakeholders in China and globally. He is the Chief Executive Officer and a director of CTFE. He is also a director of Healthcare Ventures, a substantial shareholder of the Company. Mr. Tsang has over 20 years of international capital markets experience, and was previously Managing Director, Head of Asia Fixed Income Capital Markets at Deutsche Bank AG, Hong Kong Branch, where he worked from 2003 to 2012.

Mr. Tsang is an executive director of Melbourne Enterprise Limited (stock code: 158), a non-executive director of Integrated Waste Solutions Group Holdings Ltd (stock code: 923) and a non-executive director of Greenheart Group Limited (stock code: 94), all being companies listed on the Main Board of the Stock Exchange.

Mr. Tsang is the son-in-law of Dr. Sun, the Chairman, Chief Executive Officer of the Company and an executive Director and the brother-in-law of Dr. Michael Sun, an executive Director.

Mr. Tsang obtained a Bachelor of Arts in Economics from Columbia College of Columbia University in New York, USA in May 1994.

Dr. SUN Man Kin, Michael (孫文堅), aged 37, was appointed as a Director on 18 August 2015 and redesignated as an executive Director on 29 August 2015. He is a specialist in Radiology and is responsible for expanding the global imaging business of the Company as well as building the physician networks. Dr. Michael Sun has over 10 years of experience in medicine and has been the Chief Radiologist of the Group since July 2012. He is currently a radiologist, director and shareholder of ProCare Medical Imaging and Laboratory Centre Limited, a non-wholly owned subsidiary of the Company. He is also a consultant radiologist at Causeway Bay MRI Centre.

Dr. Michael Sun is the son of Dr. Sun, the Chairman, Chief Executive Officer of the Company and an executive Director and the brother-in-law of Mr. Patrick Tsang, an executive Director. He holds not more than one-third of the shares in EM Team. He is also a director of East Majestic.

Dr. Michael Sun obtained a Bachelor of Medicine, Bachelor of Surgery from the University of Hong Kong in December 2002. He became a Fellow of the Royal College of Radiologist in October 2007 and a Fellow of the Hong Kong College of Radiologists in October 2010. He also became a Fellow of the Hong Kong Academy of Medicine in the specialty of Radiology in June 2010.

Mr. LEE Kar Chung, Felix (李家聰), aged 34, was appointed as a Director on 18 August 2015 and redesignated as an executive Director on 29 August 2015. He is responsible for corporate development, international operations and merger and acquisitions for the Group. Mr. Lee joined the Group as director, corporate development and strategy of the Group in September 2014. He is currently a Senior Vice President of CTFE with responsibility in making investments in the healthcare sector in Asia and globally and a director of Healthcare Ventures, a substantial shareholder of the Company. Mr. Lee is also an independent non-executive director of Phoenix (stock code: 1515), a company listed on the Main Board of the Stock Exchange. He holds not more than one-third of the shares in EM Team. He has over 10 years of experience in law and finance. He was an associate with the law firm Freshfields Bruckhaus Deringer before he left in February 2008 to join UBS AG, Hong Kong branch as an analyst in the investment banking department until January 2009. He then joined the investment banking department of Deutsche Bank AG, Hong Kong branch and last held the position of Director in the Corporate Advisory Group, where he worked from January 2009 to August 2014.

Mr. Lee obtained a Bachelor of Laws from the London School of Economics and Political Sciences and a Postgraduate Certificate in Laws from the University of Hong Kong in July 2003 and June 2004, respectively. He is a solicitor of the High Court of Hong Kong since September 2007 and a solicitor (non-practising) in the Senior Courts of England and Wales since February 2013.

Mr. JIANG Tianfan (江天帆), aged 34, was appointed as a Director on 18 August 2015 and redesignated as an executive Director on 29 August 2015. He is responsible for providing directions on the Group's development in the PRC.

He is an executive director and Chief Financial Officer of Phoenix (stock code: 1515), a company listed on the Main Board of the Stock Exchange. Mr. Jiang joined the Phoenix Group in 2008 and has been an executive director since August 2009, and was appointed as the Chief Financial Officer of Phoenix, a substantial shareholder of the Company, in November 2011. Mr. Jiang is primarily responsible for overall financial management, capital investment and ancillary services business of the Phoenix Group. He also served as the general manager of Jian Gong Hospital from December 2010 to October 2011 and the general manager of Yan Hua Hospital from July 2010 to October 2010. Prior to joining Phoenix, Mr. Jiang served in several positions at the New Oriental Education & Technology (Group) Co., Ltd. (北京新東方教育科技(集團)有限公司), an education group mainly focusing on foreign language training for Chinese students to study abroad, from June 2002 to July 2007, including as director of the Domestic and International Exams Department of the Nanjing New Oriental School (南京新東方學校國內外考試部) from June 2002 to May 2005 and the general manager of the Beijing New Oriental School Elite English Centre (北京新東方Elite精英英語中心) from June 2005 to July 2007. Mr. Jiang is also a director of Hyde International Investment Limited, a substantial shareholder of Phoenix.

Mr. Jiang obtained a Master of Business Administration from Olin Business School at Washington University in St. Louis in the United States in May 2009 and a Bachelor's degree of Law from Shanghai International Studies University (上海外國語大學) in Shanghai in July 2003.

Independent Non-executive Directors

Mr. LEE Luen-Wai, John *BBS JP* **(李聯偉)**, aged 66, was appointed as an independent non-executive Director on 6 November 2015. He is the Chairman of Audit Committee and a member of the Nomination Committee of the Company. Mr. Lee is an independent non-executive director, a member of the audit committee, the remuneration committee and the nomination committee of the board of directors of New World Development Limited (stock code: 17), an associate of CTFE. Mr. Lee is also the Managing Director and Chief Executive Officer of Lippo Limited (stock code: 226), an executive director and the Chief Executive Officer of Lippo China Resources Limited (stock code: 156) and Hongkong Chinese Limited (stock code: 655), as well as an independent non-executive director of New World China Land Limited (stock code: 917), an associate of CTFE, all being companies listed on the Main Board of the Stock Exchange. Mr. Lee was a non-executive director of Export & Industry Bank, Inc. (**"EIB"**), a company incorporated and formerly listed in the Philippines until his resignation on 13 December 2011. EIB was principally engaged in the provision of commercial banking services in the Philippines until it went into receivership on 26 April 2012. As a non-executive director, Mr. Lee did not participate in the day to day business of EIB.

Mr. Lee became a Fellow of the Association of Certified Accountants in January 1980 and a Fellow of the Hong Kong Society of Accountants in April 1981 and is a Fellow of the Institute of Chartered Accountants in England and Wales. He was a partner of Price Waterhouse (now PricewaterhouseCoopers) in Hong Kong from 1978 to 1990 and has extensive experience in corporate finance and capital markets. Mr. Lee is an Honorary Fellow of the City University of Hong Kong and a Justice of Peace in Hong Kong. He serves as a member on a number of Public Boards and Committees including as the chairman of the Board of Trustees of the Hospital Authority Provident Fund Scheme and the chairman of the Queen Elizabeth Hospital Governing Committee. In addition, Mr. Lee serves as a member of the Appeal Boards Panel (Education).

Dr. LI Kwok Tung, Donald *SBS JP* **(李國棟)**, aged 61, was appointed as an independent non-executive Director on 6 November 2015. He is the Chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee of the Company. Dr. Li is a specialist in Family Medicine in private practice in Hong Kong. He is the President of the Hong Kong Academy of Medicine, the Honorary Treasurer and member at large of the World Organisation of Family Doctors World Executive Council and Censor of the Hong Kong College of Family Physicians.

Dr. Li obtained a Bachelor of Arts from Cornell University, USA, and a Bachelor of Medicine and a Bachelor of Surgery from the University of Hong Kong in June 1975 and November 1980, respectively. He became a Fellow of the Hong Kong College of General Practitioners in September 1987, Fellow of the Hong Kong Academy of Medicine in December 1993, Honorary Fellow of the Hong Kong College of Dental Surgeons in August 2004, Honorary Fellow of the Royal Australian College of General Practitioners in September 2005, Honorary Fellow of the Hong Kong College of Family Physicians in May 2007, Fellow of the Faculty of Public Health of the Royal Colleges of Physicians of the United Kingdom in February 2010, Honorary Fellow of the Academy of Family Physicians of Malaysia in April 2011, Registered Mainland China Medical Practitioner in April 2013, Honorary Fellow of the American College of Physicians in November 2012, Honorary Fellow of the Royal College of Physicians of Thailand in April 2013, Fellow of the Academy of Medicine, Singapore, in August 2013, Honorary Fellow of the Royal College of Physicians of Ireland in October 2014 and Honorary Fellow of the Royal College of General Practitioners in November 2014.

He served as Member of Council of Cornell University. He is a Clinical Associate Professor (honorary) in Family Medicine at the Chinese University of Hong Kong, Honorary Professor of the Li Ka Shing Faculty of Medicine of the University of Hong Kong, Advisory Professor of Shanghai Medical College, Fudan University, China, Consultant of Family Physicians Training of Shanghai Health and Family Planning Commission, a member of the Accreditation Panel Specialist of National Health and Family Planning Commission of the People's Republic of China Industry Research for Public Welfare projects.

Dr. Li is the Honorary Secretary of the St. John's Ambulance council. He is the Chairman of Bauhinia Foundation Research Centre and also the Chairman of the Hong Kong Sheng Kung Hui Welfare Council and serves on the committee of the Community Care Fund Task Force under the Commission of Poverty. He is a Honorary Steward of the Hong Kong Jockey Club. He is the Adjunct Associate Professor of the Faculty of Health Science of Macau University of Science and Technology. He is the Honorary Adviser of The Hong Kong Award for Young People. He is also a member of the steering committee on Strategic Review on Healthcare Manpower Planning and Professional Development as well as the Health and Medical Development Advisory Committee of Food and Health Bureau of the Government of Hong Kong.

Mr. YEUNG Wing Sun, Mike (楊榮燊), aged 62, was appointed as an independent non-executive Director on 6 November 2015. He is a member of the Audit Committee and the Remuneration Committee of the Company. Mr. Yeung is an independent non-executive director and a member of the audit committee of Van Shung Chong Holdings Limited (stock code: 1001), a company listed on the Main Board of the Stock Exchange. Mr. Yeung began his career with the HSBC Group in 1972 and advanced himself in the organisation by taking up different positions under various business streams including personal banking, sales and marketing, branch operation and trade service. In 2001, Mr. Yeung was relocated to Shanghai and took up the role of branch manager of HSBC Shanghai. In June 2006, he was seconded to Hang Seng Bank (China) Limited and appointed as the head of personal financial services and wealth management. He assumed the role of deputy chief executive and head of retail banking and wealth management in

May 2007. Mr. Yeung retired from HSBC Group in January 2014. Mr. Yeung is a member of Chinese People's Political Consultative Conference Committee in Shanghai and the Distinguished Advisory President of Hong Kong Chamber of Commerce in Shanghai. He was awarded the "Magnolia Gold Award" presented by the Shanghai Municipal government.

Save as disclosed in this prospectus, each of the Directors does not have any interest or short position in the Shares and underlying Shares (within the meaning of Part XV of the SFO).

Save as disclosed in this prospectus, none of the Directors has any other directorships in listed companies during the three years immediately prior to the date of this prospectus and there are no other matters in respect of each of the Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there is no other material matter relating to the Directors that need to be brought to the attention of the Shareholders.

Senior Management

Ms. MA Hoi Wan (馬凱雲), aged 40, was appointed as the Financial Controller and Company Secretary on 27 April 2010 and 29 August 2015, respectively. She is responsible for a full spectrum of internal functions within the Group, including accounting and finance, business and operation analysis, information technology, human resources and administration. She has over 15 years of experience in accounting, auditing and finance. Ms. Ma first joined the Group as a consultant in November 2000 to June 2001 and subsequently became a full-time Accounting Manager from July 2001 to June 2005. She was promoted to Assistant Financial Controller in July 2005 until she left the Group in May 2007. Ms. Ma re-joined the Group as Financial Controller in April 2010 and has served as Financial Controller since then. She is also a member of the Management Committee and a director of the Hong Kong Museum of Medical Sciences since 2012 and 2013 respectively.

Ms. Ma obtained a Bachelor of Business Administration in Accounting from the Hong Kong University of Science and Technology in November 1997 and obtained a Master of Corporate Finance from the Hong Kong Polytechnic University in November 2003. She has been a member of the Hong Kong Institute of Certified Public Accountants since January 2001.

Mr. WONG Po Ming (黃寶明), aged 48, was appointed as the Head of Business, Panel Network and Clinical Services on 10 May 2010. He is responsible for overseeing the Group's business development and operations as well as the Group's medical centre network in Hong Kong and Macau to ensure the operations in both areas are functioning at optimal efficiency.

He joined the Group in April 2005 as the Business Development Manager of the Business Development Department and was appointed as the corporate representative for UMP Holdings (Macau) Limited and UMP Professional Management (Macau) Limited in January 2009 and March 2015, respectively. Mr. Wong was promoted as the Head of Business, Panel Network and Clinical Services in 2010 and has served in that role since then. For the past year, he has focused on the business development aspects and the expansion of the panel network. He is responsible for liaising with local and international medical insurance and private corporations to provide tailored healthcare plans and managing the operation and implementation of such plans. He has over 20 years of working experience in Hong Kong's private hospitals and the healthcare sector. Prior to joining the Group, Mr. Wong worked as a corporate health coordinator at Hong Kong Adventist Hospital from 1995 to 1998. He also worked at Matilda International Hospital as a corporate development manager and insurance development manager from 1998 to 2005.

Mr. Wong obtained a Bachelor of Science in Physiology in June 1992 from McGill University in Canada and a Master of Science in Healthcare in November 2000 from the Hong Kong Polytechnic University. In August 2005, he received a certificate in Pharmacology and Pharmaceutical Management from the University of Hong Kong School of Professional and Continuing Education in Hong Kong.

Ms. WONG Mui Yu, Blanche (黃梅雨), aged 50, was appointed as the Head of the Clinic Chain Management Department and Chief Nursing Officer — China of the Group on 17 August 2015. She is responsible for overseeing the daily operations of the medical centres in Hong Kong, organising and implementing professional nursing training in Hong Kong and China, monitoring clinical service quality, safety and clinical services risk management. Prior to joining the Group, she qualified as a registered nurse in March 1987 and worked in various clinical departments in both public and private hospitals. She was employed as a Manager (Professional Development) at the Institute of Healthcare, Hospital Authority from March 2008 to August 2012 and Manager (China & International Affairs and Donation Management) at the senior executive officer rank in the Corporate Services Division, Head Office of the Hospital Authority from August 2012 to August 2015.

Ms. Wong obtained a Certificate in Modern Management and a Diploma in Modern Management from the Hong Kong Baptist University in February 1998 and December 1998 respectively. She obtained a Bachelor of Art in Public and Social Administration in July 2003 from the City University of Hong Kong. She also obtained a Professional Diploma in Primary Health Care from the Faculty of Medicine of the Chinese University of Hong Kong in May 2005. She attained a Postgraduate Diploma in Primary Health Care and a Master of Health Science from the Graduate School of the Chinese University of Hong Kong in December 2006 and December 2009 respectively.

Mr. LEUNG Kam Yuen, David (梁錦源), aged 54, was appointed as the General Manager of the PRC checkup centres on 1 August 2002. He is responsible for overseeing the checkup centres in the PRC and for developing the medical centre chain in the PRC. Mr. Leung has first been the Financial Controller, then General Manager of Beijing Eaton Consulting Limited since August 2002. Prior to joining the Group, he was first employed as Accounting Manager, then as Financial Controller at Kiu Lok Service Management Co., Limited which is principally involved in property agency and property management businesses, from April 1991 to December 2000 during which he was responsible for the overall accounting, administration and human resources aspects of the group including its office in the PRC. From September 1988 to March 1991, Mr. Leung served as Senior Accountant at The Far East Hotels and Entertainment Limited, a company listed on the Main Board of the Stock Exchange (stock code: 37).

Mr. Leung obtained an endorsement certificate in accountancy from Hong Kong Polytechnic (now known as the Hong Kong Polytechnic University) in November 1991 and became a member of the Hong Kong Society of Accountants (now known as the Hong Kong Institute of Certified Public Accountants) in April 1991. He also became a Fellow of the Chartered Association of Certified Accountants in June 1996. In November 2011, he obtained a Master of Business Administration from the Business School Netherlands which was a long distance learning course.

Professional Standards and Compliance Committee

The Group has set up a Professional Standards and Compliance Committee which consists of five members, which is responsible for providing advice to the Group on professional standards, clinical governance, clinical risk, and continuous professional development.

Dr. AU YEUNG Cheuk Lun, Henry *JP* **(歐陽卓倫)**, aged 65, joined the Group in July 1990 as a specialist in Paediatrics and was Medical Director of the Group until the commencement of the Reorganisation. Dr. Au Yeung obtained a Bachelor of Medicine and Bachelor of Surgery from the University of Hong Kong in November 1974. He was admitted as a member of the Royal Colleges of Physicians of the United Kingdom in July 1980. He became a Physician Fellow of the Royal College of Physicians and Surgeons of Glasgow in November 1993 and a Fellow of the Hong Kong Academy of Medicine in the specialty of Paediatrics in December 1993. He became a Fellow of the Royal College of Paediatrics and Child Health in July 2000.

Dr. LEE Pak Cheung, Patrick (李柏祥), aged 51, was appointed as the Dental Director of the Group in February 2014 and joined the Group in June 2003. He is responsible for supervising the dental practice of the Group and for advising on the continuing training of dental professionals and development of clinical and professional services. Being one of the major contributors in the Group's dental centre chain, he keeps an active practice to nurture and inspire his dental colleagues. He also has a key role in the business development and quality assurance in the Group's dental centre chain.

Dr. Lee obtained a Bachelor of Dental Surgery from the University of Hong Kong in 1988. He became a member of the faculty of general dental practitioners (UK) of the Royal College of Surgeons of England in 1995 and a member in general dental surgery of the Royal College of Surgeons of Edinburgh in 1997. In 1999, he became a Fellow of the Royal Australasian College of Dental Surgeons. In 2007, he was granted a Diploma of Membership in General Dentistry by the College of Dental Surgeons of Hong Kong.

Dr. HUI Yui (許睿), aged 46, joined the Group in November 2005 as a specialist in Gastroenterology and Hepatology at the Group's specialist centres in Hong Kong. He is the honorary secretary of Asiahep Hong Kong, a council member of the Association of Private Medical Specialists of Hong Kong, a member on the Health & Education Committee for The Hong Kong Liver Foundation and a Clinical Associate Professor (honorary) in the Department of Medicine and Therapeutics at the Chinese University of Hong Kong. He is a member of the Hong Kong Medical Association, Hong Kong Association for the Study of Liver Diseases, Hong Kong Society of Gastroenterology, Hong Kong Society of Digestive Endoscopy and the Hong Kong IBD Society.

Dr. Hui obtained a Degree of Bachelor of Surgery and Bachelor of Medicine at the University of Cambridge in December 1993 and December 1994 respectively. He was admitted as a member of the Royal Colleges of Physicians of the United Kingdom in November 1997. He became a Fellow of the Hong Kong College of Physicians in July 2002 as well as a Fellow of the Hong Kong Academy of Medicine in the specialty of Medicine in December 2002. He became a Fellow of the Royal College of Physicians of Edinburgh in November 2007.

Dr. TSANG Man-Wo (曾文和), aged 61, joined the Group in January 2014 as a specialist in Endocrinology, Metabolism and Diabetes at the Group's specialist centres and is the director of the Group's Clinical Services and Professional Development department. He is also a member of the Hong Kong Medical Association, the Society of Endocrinology Metabolism and Reproduction, American Association of Clinical Endocrinology and American Diabetes Association, a member of the Endocrine Society, USA and a founding member of the University of Hong Kong Foundation for Educational Development and Research.

Dr. Tsang obtained a Bachelor of Medicine and Bachelor of Surgery from the University of Hong Kong in November 1981 and obtained a Diploma of Administration from the Australian Catholic University in January 1995. He was admitted as a member of the Royal College of Physicians of the United Kingdom in November 1988. He became a Fellow of the Hong Kong College of Physicians in October 1995 and became a Fellow at the Hong Kong Academy of Medicine in the specialty of Medicine in April 1996. He became a Fellow at the Royal College of Physicians of Edinburgh, Glasgow and London in June 1999, October 2000 and May 2002 respectively.

Dr. Young Wan Yin, Betty (楊允賢), aged 65, joined the Group in February 2011 as a part-time specialist in Paediatrics and Chairman of the then professional ethics, standards and compliance committee before the Reorganisation, the duties of which have now been incorporated into the Professional Standards and Compliance Committee of the Company. She is a member of the Education Subcommittee and Professional and General Affairs Subcommittee of the Hong Kong College of Paediatricians, an advisor to the Children Medical Foundation, a member of the Scientific Committee on Vaccine Preventable Diseases of the Centre for Health Protection, the co-convenor of the Clinical Advisory Group on Child Health of the Primary Care Office, Department of Health, a director of the Hong Kong Museum of Medical Sciences Society and an appointed member of the Dental Council of Hong Kong.

Dr. Young obtained a Bachelor of Medicine and Bachelor of Surgery from the University of Hong Kong in November 1976. She became a Fellow of the Hong Kong College of Paediatricians in November 1991 and became a Physician Fellow of the Royal College of Physicians and Surgeons of Glasgow in September 1992. She became a Fellow of the Hong Kong Academy of Medicine in the specialty of Paediatrics in December 1993 and a Fellow of the Royal College of Physicians of Edinburgh in July 1995. She became a Fellow of the Royal College of Paediatrics and Child Health and the Royal College of Physicians in London in October 1997 and May 2000, respectively.

COMPANY SECRETARY

Ms. MA Hoi Wan (馬凱雲) was appointed as the Company Secretary of the Company on 29 August 2015. See the "*Senior Management*" section for further details.

BOARD COMMITTEES

Audit Committee

The Company established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. The Audit Committee consists of three members, Mr. Lee Luen-Wai, John *BBS JP*, Dr. Li Kwok Tung, Donald *SBS JP* and Mr. Yeung Wing Sun, Mike, all being the independent non-executive Directors. Mr. Lee Luen-Wai, John *BBS JP* has been appointed as the Chairman of the Audit Committee, and is the independent non-executive Director possessing the appropriate professional qualifications. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group, oversee the audit process and perform other duties and responsibilities as assigned by the Board.

Remuneration Committee

The Company established the Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. The Remuneration Committee has three members, namely Dr. Li

Kwok Tung, Donald *SBS JP*, Mr. Yeung Wing Sun, Mike and Mr. Tsang On Yip, Patrick. Dr. Li Kwok Tung, Donald *SBS JP*, the independent non-executive Director, has been appointed as the Chairman of the Remuneration Committee. The primary duties of the Remuneration Committee are to establish and review the policy and structure of the remuneration for the Directors and senior management and make recommendations on employee benefit arrangement.

Nomination Committee

The Company established the Nomination Committee with written terms of reference in compliance with the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. The Nomination Committee consists of two independent non-executive Directors, being Mr. Lee Luen-Wai, John *BBS JP* and Dr. Li Kwok Tung, Donald *SBS JP*, and one executive Director, being Dr. Sun, who is the Chairman of the Nomination Committee. The primary duties of the Nomination Committee are to make recommendations to the Board on the appointment and removal of Directors of the Company.

THE CORPORATE GOVERNANCE CODE

Pursuant to code provision A.2.1 of the Corporate Governance Code contained in Appendix 14 to the Listing Rules, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Dr. Sun is currently the Chairman and the Chief Executive Officer of the Company.

The Board believes that vesting the roles of both Chairman and Chief Executive Officer in Dr. Sun has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority is adequately ensured by the operation of the Board which comprises reputable and experienced individuals including three independent non-executive Directors. The Board considers this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider separating the roles of Chairman and Chief Executive Officer of the Company when it deems appropriate and suitable after taking into account the circumstances of the Group as a whole.

COMPENSATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

The aggregate amount of remuneration the Directors have received (including fees, salaries, contributions to pension schemes, discretionary bonuses, housing and other allowances and other benefits in kind) for the years ended 30 June 2013, 2014 and 2015 was approximately HK$10.4 million, HK$13.7 million and HK$12.3 million, respectively.

The aggregate amount of fees, salaries, contributions to pension schemes, discretionary bonuses, housing and other allowances and other benefits in kind paid to the five highest paid individuals of the Company, including Directors, during each of the years ended 30 June 2013, 2014 and 2015, was approximately HK$12.7 million, HK$16.1 million and HK$15.5 million, respectively.

Under the arrangements currently in force, the aggregate amount of remuneration, excluding discretionary bonuses, payable to the Directors for the year ending 30 June 2016 is estimated to be not more than HK$17 million.

No remuneration was paid by the Group to the Directors or the five highest paid individuals as an inducement to join or upon joining the Group or as a compensation for loss of office in respect of the years ended 30 June 2013, 2014 and 2015. Further, none of the Directors had waived any remuneration during the same period.

Save as disclosed above, no other payments have been made or are payable in respect of each of the three years ended 30 June 2013, 2014 and 2015 by the Group to the Directors.

Information on of Directors' service contracts and letters of appointment is set out in "*Appendix VII — Statutory and General Information — 2. Particulars of service contracts and letters of appointment*". Information on the remuneration of each Director during the Track Record Period is set out in note 7 to "*Appendix IA — Accountants' Report on the Financial Information of the Group*".

The Board will review and determine the remuneration and compensation packages of the Directors and senior management which, following the Listing, will receive recommendations from the Remuneration Committee which will take into account salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group.

COMPLIANCE ADVISER

The Company has appointed First Shanghai Capital Limited as the compliance adviser (the "**Compliance Adviser**") upon listing of the Shares on the Stock Exchange in compliance with Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Adviser will provide advice to the Company when consulted by the Company in the following circumstances:

(i) the publication of any regulatory announcement, circular or financial report;

(ii) where a transaction, which might be a notifiable or connected transaction, is contemplated including share issues and share repurchases;

(iii) where the Company propose to use the proceeds of the Global Offering in a manner different from that detailed in this prospectus or where its business activities, developments or results deviate from any forecast, estimate, or other information in this prospectus; and

(iv) where the Stock Exchange makes an inquiry of the Company regarding unusual movements in the price or trading volume of the Shares of the Company.

The term of the appointment shall commence on the Listing Date and end on the date on which the Company distributes its annual report in respect of its financial results for the first full financial year commencing after the Listing Date and this appointment may be subject to extension by mutual agreement.

SHARE OPTION SCHEMES

In order to assist the Company in attracting, retaining and motivating key employees and other individuals, the Company has conditionally adopted the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme. A summary of the principal terms of these schemes is set out in "*Appendix VII — Statutory and General Information — Share Option Schemes*".

FUTURE PLANS

See "*Business — Business Strategies*" for a detailed description of the Group's future plans.

USE OF PROCEEDS

The net proceeds from the Global Offering which the Company will receive, after deducting the estimated underwriting commissions (assuming the discretionary incentive fee is not paid) and expenses in relation to the Global Offering payable by the Company, will be:

- approximately HK$307.9 million, assuming an Offer Price of HK$1.92 (being the Minimum Offer Price);
- approximately HK$333.7 million, assuming an Offer Price of HK$2.06 (being the mid-point of the Offer Price Range); or
- approximately HK$359.5 million, assuming an Offer Price of HK$2.20 (being the Maximum Offer Price).

The Company intends to use the net proceeds of approximately HK$333.7 million, assuming an Offer Price of HK$2.06 (being the mid-point of the Offer Price Range), from the Global Offering as follows:

- approximately HK$200.2 million (or approximately 60.0% of the net proceeds) will be used for the Group's expansion into the PRC, which includes:

  (i) approximately HK$66.7 million (or approximately 20.0% of the net proceeds), which will be used to cover the Company's minimum capital commitment under the agreement with UMP Phoenix JV and any additional amounts required, to be used, through UMP Phoenix JV, to set up and operate the initial three medical centres and other medical centres in Beijing (which includes, but not limited to, the costs in relation to the setting up of a head office, employment and training of medical, nursing and other staff, business development and renovation of the medical centres); and

  (ii) approximately HK$133.5 million (or approximately 40.0% of the net proceeds) to be used to set up and operate medical centres (including integrated medical centres) and clinics elsewhere in the PRC, with an initial focus in Shanghai (which includes, but not limited to, the costs in relation to the setting up of head office(s), employment and training of medical, nursing and other staff, business development and renovation of the medical centres);

  See "*Business — Expansion of Healthcare Solutions Network in the PRC*" for further details;

- approximately HK$100.1 million (or 30.0% of the net proceeds) will be used for expanding the Group's business in Hong Kong, which includes:

Item	Amount	Description
(i) Setting up two specialist services centres (i.e. oncology, cardiology, orthopaedics and general surgery), one dedicated day surgery centre and one imaging centre	Approximately HK$60 million (18.0% of the net proceeds)	• Facilities to be set up in the specialist services centre include ultrasound equipment, treadmill machines and endoscopes. Approximately 10 to 12 medical staff are expected to be required at each specialist services centre. • Facilities to be set up in the day surgery centre include endoscopes and other ancillary equipment. Approximately five medical staff are expected to be required at the day surgery centre. • Facilities to be set up in the imaging centre include equipment with advanced diagnostic and imaging capability (CTs). Approximately five medical staff are expected to be required for the imaging centre.
(ii) Upgrading and enhancing clinical management and administrative systems	Approximately HK$20 million (6.0% of the net proceeds)	• Upgrading of administrative and IT system, including the Group's E-Claims system and electronic medical records software development.
(iii) Expanding facilities and developing training programmes	Approximately HK$20 million (6.0% of the net proceeds)	• Engaging consultants and developing training programmes with a focus on clinical service and customer service.

- the remaining proceeds of approximately HK$33.4 million (or approximately 10.0% of the net proceeds) will be used for the Group's working capital and other general corporate purposes.

Pending the deployment of the net proceeds from the Global Offering as described above, the Company currently intends to deposit such net proceeds into short-term interest bearing deposits and/or money market instruments.

In preparation of the Global Offering, the Company has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules:

1. WAIVER IN RELATION TO NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Certain members of the Group have entered into certain transactions which will constitute continuing connected transactions of the Company under the Listing Rules following the completion of the Global Offering. The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the announcement and/or independent shareholders' approval requirements in respect of such continuing connected transactions under Chapter 14A of the Listing Rules. See "*Connected Transactions — Non-exempt Continuing Connected Transactions*".

2. WAIVER IN RELATION TO THE DOCTOR AND DENTIST PREFERENTIAL OFFERING

Rule 10.01 of the Listing Rules provides that normally no more than 10% of any securities being marketed for which listing is sought may be offered to employees or past employees of the issuer or its subsidiaries or associated companies and their respective dependents or any trust, provident fund or pension scheme for the benefit of such persons on a preferential basis.

The Company intends to make a preferential offer to Eligible Employees under the Employee Preferential Offering in accordance with Rule 10.01 of the Listing Rules as well as a preferential offer to Eligible Doctors and Dentists as part of the Global Offering. However Rule 10.01 of the Listing Rules does not strictly extend to permit preferential offers to be made to the doctors and dentists who provide their services to the Company. The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 10.01 of the Listing Rules in order to permit the Doctor and Dentist Preferential Offering to be made to Eligible Doctors and Dentists, in addition to the Employee Preferential Offering, conditional on (i) the Doctor and Dentist Preferential Offering and the Employee Preferential Offering to be made only to Eligible Doctors and Dentists and Eligible Employees, respectively and (ii) the number of Offer Shares subject to the Doctor and Dentist Preferential Offering and the Employee Preferential Offering in aggregate shall not be more than 10% of the Offer Shares.

3. WAIVER IN RELATION TO THE ELIGIBLE SHAREHOLDERS AND THE ELIGIBLE DIRECTORS

The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with Rules 10.03, 10.04 and paragraph 5 of Appendix 6 of the Listing Rules in relation to the participation by the Eligible Shareholders and the Eligible Directors in the Doctor and Dentist Preferential Offering or the Employee Preferential Offering (as the case may be) on the basis that, among other things, the Doctor and Dentist Reserved Shares or the Employee Reserved Shares (as the case may be) will be offered to the relevant Eligible Shareholders and Eligible Directors in their capacity as Eligible Doctors and Dentists or Eligible Employees (rather than in their capacity as existing directors or existing shareholders) and that no preferential treatment will be given to the Eligible Shareholders and the Eligible Directors in the allocation of the Doctor and Dentist Reserved Shares or the Employee Reserved Shares (as the case may be) under the Doctor and Dentist Preferential Offering or the Employee Preferential Offering (as the case may be). The allocation of the Doctor and Dentist Reserved Shares and the Employee Reserved Shares to the Eligible Shareholders and the Eligible Directors would not affect the public float of the Company upon the Listing and the Company would be able to maintain the public float requirement under the Listing Rules upon the Listing.

HONG KONG UNDERWRITERS

J.P. Morgan Securities (Asia Pacific) Limited
CIMB Securities Limited

UNDERWRITING

This prospectus is published solely in connection with the Hong Kong Public Offering. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. The International Offering is expected to be fully underwritten by the International Underwriters. If, for any reason, the Offer Price is not agreed between the Sole Global Coordinator (on behalf of the Underwriters) and the Company, the Global Offering will not proceed and will lapse.

The Global Offering comprises the Hong Kong Public Offering of 18,400,000 Hong Kong Offer Shares and the International Offering of 165,600,000 International Offer Shares (including the Doctor and Dentist Preferential Offering and the Employee Preferential Offering), subject, in each case, to reallocation on the basis as described in "*Structure of the Global Offering*".

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

The Hong Kong Underwriting Agreement was entered into on 15 November 2015. Pursuant to the Hong Kong Underwriting Agreement, the Company is offering the Hong Kong Offer Shares for subscription on the terms and conditions set out in this prospectus, the Application Forms and the Hong Kong Underwriting Agreement at the Offer Price.

Subject to (a) the Listing Committee granting approval for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering on the Main Board of the Stock Exchange and such approval not having been withdrawn and (b) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally to subscribe or procure subscribers for their respective applicable proportions of the Hong Kong Offer Shares being offered which are not taken up under the Hong Kong Public Offering on the terms and conditions set out in this prospectus, the Application Forms and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional on the International Underwriting Agreement having been executed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for Termination

The obligations of the Hong Kong Underwriters to subscribe or procure subscribers for the Hong Kong Offer Shares under the Hong Kong Underwriting Agreement are subject to termination, if, at any time prior to 8:00 a.m. on the Listing Date:

(a) there develops, occurs, exists or comes into effect:

(i) any Offer Document (as defined in the Hong Kong Underwriting Agreement) containing or having been discovered to contain any untrue statement of a material fact or omission to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; or any forecast, expression of opinion, intention or expectation expressed in any Offer Document not being fair and honest in any material respect or not based on reasonable assumptions, when taken as a whole; or

(ii) any material adverse change, or development or any prospective development involving a material adverse change, in the conditions, business affairs, profits, losses, results of operations or the financial or trading position of the Group taken as a whole; or

(iii) any acts of government or orders of any courts, strikes, calamity, crisis, lock-outs, fire, explosion, flooding, civil commotion, acts of war, outbreak or escalation of hostilities, acts of God, acts of terrorism, declaration of a national or international emergency, riot, public disorder, outbreaks of diseases, pandemics or epidemics in or affecting Hong Kong, Macau, the Cayman Islands, the PRC, the United States of America, the European Union (or any member thereof) or any other jurisdictions in which the Group carries on its business (the "**Relevant Jurisdictions**"); or

(iv) any change or development involving a prospective change in local, national, international, financial, economic, legal, political, military, fiscal, regulatory, currency or market conditions in or affecting any of the Relevant Jurisdictions or monetary or trading settlement system (including any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange, the Shanghai Stock Exchange, the New York Stock Exchange or the London Stock Exchange, or a material fluctuation in the exchange rate of the Hong Kong dollar against the currency of the United States of America, or any interruption in securities settlement or clearance service or procedures in Hong Kong); or

(v) any litigation or claim of any third party being threatened or instigated against any member of the Group; or

(vi) any material breach of any of the obligations imposed on the Company under the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or

(vii) any breach of any of the warranties given by the Company in the Hong Kong Underwriting Agreement which is material in the context of the Global Offering or any matter or event showing any of the warranties given by the Company in the Hong Kong Underwriting Agreement to be untrue, misleading or inaccurate in any material respect; or

(viii) a prohibition on the Company for whatever reason from offering, allotting, issuing or selling any of the Offer Shares pursuant to the terms of the Global Offering,

in each case, in the opinion of the Sole Global Coordinator (for itself and on behalf of the Hong Kong Underwriters) after consultation with the Company where practicable:

(1) has a material adverse effect on the business, financial or trading condition of the Group taken as a whole; or

(2) has a material adverse effect on the success of the Global Offering; or

(3) makes it impossible, impracticable, or inadvisable for the Global Offering to proceed; or

(b) there has come to the notice of the Sole Global Coordinator or any of the Hong Kong Underwriters:

(i) the approval by the Listing Committee for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Capitalisation Issue and the Global Offering is refused or not granted, other than subject to customary conditions, on or before the date of the listing, or if granted, the approval is subsequently withdrawn, qualified (other than customary qualifications) or withheld; or

(ii) the Company withdraws this prospectus (and/or any other documents issued or used in connection with the Global Offering) or the Global Offering.

Undertakings Pursuant to the Hong Kong Underwriting Agreement

Undertakings by the Company

The Company has undertaken to each of the Sole Global Coordinator, the Sole Sponsor and the Hong Kong Underwriters that (except for (i) the offer, allotment and issue of Shares pursuant to the Capitalisation Issue and the Global Offering or the exercise of any options which may be granted under the Pre-IPO Share Option Scheme or the Post-IPO Share Option Scheme and (ii) the grant of any options under the Pre-IPO Share Option Scheme or the Post-IPO Share Option Scheme), at any time during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including the date that is six months after the Listing Date (the "**First Six-Month Period**"), the Company will not, and will procure that each other member of the Group will not, without the prior written consent of the Sole Global Coordinator (on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

(a) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, grant or sell any option, warrant, contract or right to subscribe; for or purchase, either directly or indirectly, conditionally or unconditionally, any Shares or other equity securities of the Company or any interest in any of the foregoing (including, without limitation, any securities which are convertible into or exercisable or exchangeable for, or represent the right to receive, or any warrants or other rights to purchase, any Shares);

(b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares or any other equity securities of the Company or any interest in any of the foregoing (including, without limitation, any securities which are convertible into or exercisable or exchangeable for, or represent the right to receive, or any warrants or other rights to purchase, any Shares);

(c) enter into any transaction with the same economic effect as any transaction specified in paragraph (a) or (b) above; or

(d) offer to or agree to or announce any intention to effect any transaction specified in paragraph (a), (b) or (c) above, in each case, whether any of the transactions specified in paragraph (a), (b) or (c) above is to be settled by delivery of Shares or such other equity securities of the Company or in cash or otherwise (whether or not the issue of the Shares or such other securities will be completed within the First Six-Month Period). If, during the period of six months commencing on the date on which the First Six-Month Period expires, the Company enters into any of the transactions specified in paragraph (a), (b) or (c) above or offers to or agrees to or announces any intention to effect any such transaction, the Company will take all reasonable steps to ensure that such transaction, offer, agreement or announcement will not create a disorderly or false market in the Shares.

Undertakings by the Controlling Shareholders

Prior to the Listing Date, each of the Controlling Shareholders expects to undertake to each of the Sole Global Coordinator, the Sole Sponsor, the Hong Kong Underwriters and the Company that, without the prior written consent of the Sole Global Coordinator (on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

(a) he/it will not, and will procure that the relevant registered holder(s) will not, at any time during the period commencing on the Listing Date and ending on, and including the date that is 12 months after the Listing Date (the "**One-Year Period**"):

(i) sell, offer to sell, contract or agree to sell, lend, grant or sell any option, warrant, contract or right to purchase, purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or any other equity securities of the Company or any interest in any of the foregoing (including, without limitation, any securities which are convertible into or exercisable or exchangeable for, or represent the right to receive, or any warrants or other rights to purchase, any Shares) beneficially owned by him/it as at the Listing Date (the "**Lock-Up Securities**"); or

(ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any of the Lock-Up Securities; or

(iii) enter into any transaction with the same economic effect as any transaction specified in paragraph (a)(i) or (a)(ii) above; or

(iv) offer to or agree to or announce any intention to effect any transaction specified in paragraph (a)(i), (a)(ii) or (a)(iii) above,

in each case, whether any of the transactions specified in paragraph (a)(i), (a)(ii) or (a)(iii) above is to be settled by delivery of Shares or any other equity securities of the Company, or in cash or otherwise; and

(b) until the expiry of the One-Year Period, if he/it or any of the relevant registered holder(s) enters into any of the transactions specified in paragraph (a)(i), (a)(ii) or (a)(iii) above in respect of the Lock-Up Securities or offers to or agrees to or publicly announces any intention to effect any such transaction, he/it will take all reasonable steps to ensure that such transaction will not create a disorderly or false market in the Shares.

For the avoidance of doubt, nothing in paragraphs (a) or (b) above shall prevent any of the Controlling Shareholders (or the relevant registered holder(s)) from using any of the Lock-Up Securities as security (including a charge or a pledge) in favour of an authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a *bona fide* commercial loan.

In addition, each of the Controlling Shareholders expects to undertake to each of the Sole Global Coordinator, the Sole Sponsor, the Hong Kong Underwriters and the Company that he/it will, and he/it will procure that the relevant registered holder(s) will, at any time during the One-Year Period:

(a) upon any pledge or charge in favour of an authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) of any Shares or other equity securities of the Company for a *bona fide* commercial loan, immediately inform the Company and the Sole Global Coordinator in writing of such pledge or charge together with the number of Shares or other equity securities of the Company which are so pledged or charged and the purpose for which such pledge or charge is created; and

(b) upon any indication received by him/it, either verbal or written, from any pledgee or chargee that any of the pledged or charged Shares or other equity securities of the Company will be disposed of, immediately inform the Company and the Sole Global Coordinator in writing of such indications.

The Company expects to undertake to each of the Sole Global Coordinator, the Sole Sponsor and the Hong Kong Underwriters that, upon receiving such information in writing from any of the Controlling Shareholders, it will, as soon as practicable, notify the Stock Exchange and make a public announcement in relation to such information in accordance with the Listing Rules and, if applicable, the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO.

Hong Kong Underwriters' Interests in the Company

Save for their respective obligations under the Hong Kong Underwriting Agreement, as at the Latest Practicable Date, none of the Hong Kong Underwriters was interested, legally or beneficially, directly or indirectly, in any Shares or any securities of any member of the Group or had any right or option (whether legally enforceable or not) to subscribe for or purchase, or to nominate persons to subscribe for or purchase, any Shares or any securities of any member of the Group.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the Shares as a result of fulfilling their respective obligations under the Hong Kong Underwriting Agreement.

Undertakings to the Stock Exchange pursuant to the Listing Rules

(A) Undertakings by the Company

Pursuant to Rule 10.08 of the Listing Rules, the Company has undertaken to the Stock Exchange that it will not exercise its power to issue any further Shares, or securities convertible into Shares (whether or not of a class already listed) or enter into any agreement to such an issue within six months from the Listing Date (whether or not such issue of Shares or securities will be completed within six months from the commencement of dealing), except (a) pursuant to the Global Offering or (b) under any of the circumstances provided under Rule 10.08 of the Listing Rules.

(B) Undertakings by Dr. Sun and East Majestic

Pursuant to Rule 10.07 of the Listing Rules, each of Dr. Sun and East Majestic has undertaken to the Stock Exchange and the Company that it will not and will procure that the relevant registered holder(s) will not:

(i) in the period commencing on the date by reference to which disclosure of its holding of Shares is made in this prospectus and ending on the date which is six months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares in respect of which it is shown by this prospectus to be the beneficial owner; and

(ii) in the period of six months commencing on the date on which the period referred to in paragraph (i) above expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares referred to in paragraph (i) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, it would cease to be a controlling shareholder of the Company,

in each case, save as permitted under the Listing Rules.

Pursuant to Note 3 to Rule 10.07(2) of the Listing Rules, each of Dr. Sun and East Majestic has undertaken to the Stock Exchange and the Company that, within the period commencing on the date by reference to which disclosure of its holding of Shares is made in this prospectus and ending on the date which is 12 months from the Listing Date, it will and will procure that the relevant registered holder(s) will:

(1) when it pledges or charges any Shares beneficially owned by it in favour of an authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) pursuant to Note 2 to Rule 10.07(2) of the Listing Rules, immediately inform the Company of such pledge or charge together with the number of Shares so pledged or charged; and

(2) when it receives indications, either verbal or written, from the pledgee or chargee of any Shares that any of the pledged or charged Shares will be disposed of, immediately inform the Company of such indications.

International Offering

International Underwriting Agreement

In connection with the International Offering, the Company expects to enter into the International Underwriting Agreement with the Sole Global Coordinator and International Underwriters on the Price Determination Date. Under the International Underwriting Agreement, the International Underwriters would, subject to certain conditions set out therein, agree severally to subscribe for, or procure subscribers for, their respective applicable proportions of the International Offer Shares being offered pursuant to the International Offering. See "*Structure of the Global Offering — The International Offering*".

Undertakings by Pinyu, Healthcare Ventures and 10 other Shareholders of the Company

Prior to the Listing Date, each of Pinyu, Healthcare Ventures and the 10 other shareholders of the Company (as set out in "*History and Reorganisation — Reorganisation — Corporate Structure Immediately Following the Global Offering*") expects to undertake to the Sole Global Coordinator (on behalf of the Underwriters) and the Sole Sponsor that, without the prior written consent of the Sole Global Coordinator (on behalf of the Underwriters), and unless in compliance with the requirements of the Listing Rules:

(a) it will not, and will procure that the relevant registered holder(s) will not, at any time during the One-Year Period:

(i) sell, offer to sell, contract or agree to sell, lend, grant or sell any option, warrant, contract or right to purchase, purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or any other equity securities of the Company or any interest in any of the foregoing (including, without limitation, any securities which are convertible into or exercisable or exchangeable for, or represent the right to receive, or any warrants or other rights to purchase, any Shares) beneficially owned by it as at the Listing Date (the "**Existing Shareholder Lock-Up Securities**"); or

(ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any of the Existing Shareholder Lock-Up Securities; or

(iii) enter into any transaction with the same economic effect as any transaction specified in paragraph (a)(i) or (a)(ii) above; or

(iv) offer to or agree to or announce any intention to effect any transaction specified in paragraph (a)(i), (a)(ii) or (a)(iii) above, in each case, whether any of the transactions specified in paragraph (a)(i), (a)(ii) or (a)(iii) above is to be settled by delivery of Shares or any other equity securities of the Company, or in cash or otherwise; and

(b) until the expiry of the One-Year Period, if it or any of the relevant registered holder(s) enters into any of the transactions specified in paragraph (a)(i), (a)(ii) or (a)(iii) above in respect of the Existing Shareholder Lock-Up Securities or offers to or agrees to or publicly announces any intention to effect any such transaction, it will take all reasonable steps to ensure that such transaction will not create a disorderly or false market in the Shares.

For the avoidance of doubt, nothing in paragraphs (a) or (b) above shall prevent any of Pinyu, Healthcare Ventures and the 10 other shareholders of the Company (as set out in "*History and Reorganisation — Reorganisation — Corporate Structure Immediately Following the Global Offering*") (or the relevant registered holder(s)) from using any of the Existing Shareholder Lock-Up Securities as security (including a charge or a pledge) in favour of an authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a *bona fide* commercial loan.

Each of Pinyu, Healthcare Ventures and the 10 other shareholders of the Company expect to give an undertaking on the terms set out above to the Company prior to the Listing Date.

Commissions and Expenses

The Underwriters will receive an aggregate underwriting commission in relation to the Global Offering of US$3 million (approximately HK$23 million), out of which they will pay any sub-underwriting commissions and other fees. The Joint Bookrunners may receive a discretionary incentive fee of an amount to be determined by the Company (if any).

The aggregate underwriting commissions and fees together with the Stock Exchange listing fees, the SFC transaction levy and the Stock Exchange trading fee, legal and other professional fees and printing and all other expenses relating to the Global Offering which are payable by the Company are estimated to be approximately HK$45.3 million (assuming an Offer Price of HK$2.06 per Offer Share (which is the mid-point of the Offer Price Range) and the discretionary incentive fee is not paid).

Indemnity

The Company has agreed to indemnify the Hong Kong Underwriters for certain losses which they may suffer or incur, including losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by them of the Hong Kong Underwriting Agreement.

ACTIVITIES BY SYNDICATE MEMBERS

The underwriters of the Hong Kong Public Offering and the International Offering (together, the "**Syndicate Members**") and their affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting process.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In the ordinary course of their various business activities, the Syndicate Members and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. Such investment and trading activities may involve or relate to assets, securities and/or instruments of the Company and/or persons and entities with relationships with the Company and may also include swaps and other financial instruments entered into for hedging purposes in connection with the Group's loans and other debt.

In relation to the Shares, the activities of the Syndicate Members and their affiliates could include acting as agent for buyers and sellers of the Shares, entering into transactions with those buyers and sellers in a principal capacity, including as a lender to initial purchasers of the Shares (which financing may be secured by the Shares) in the Global Offering, proprietary trading in the Shares, and entering into over the counter or listed derivative transactions or listed or unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including the Shares. Such transactions may be carried out as bilateral agreements or trades with selected counterparties. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the Shares, which may have a negative impact on the trading price of the Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the Shares, in baskets of securities or indices including the Shares, in units of funds that may purchase the Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the stock exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the Shares in most cases.

All such activities may occur at any time. Such activities may affect the market price or value of the Shares, the liquidity or trading volume in the Shares and the volatility of the price of the Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the following:

(a) the Syndicate Members must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilising or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and

(b) the Syndicate Members must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

Certain of the Syndicate Members or their respective affiliates have provided from time to time, and expect to provide in the future, investment banking and other services to the Company and each of its affiliates for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

In addition, the Syndicate Members or their respective affiliates may provide financing to investors to finance their subscriptions of Offer Shares in the Global Offering.

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. J.P. Morgan Securities (Asia Pacific) Limited is the Sole Global Coordinator of the Global Offering.

The listing of the Shares on the Stock Exchange is sponsored by the Sole Sponsor. The Sole Sponsor has made an application on behalf of the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus.

184,000,000 Offer Shares will be made available under the Global Offering comprising:

(a) the Hong Kong Public Offering of 18,400,000 Shares (subject to reallocation) in Hong Kong as described in "*— The Hong Kong Public Offering*" below; and

(b) the International Offering of 165,600,000 Shares (subject to reallocation) outside the United States only (including to professional and institutional investors within Hong Kong) in offshore transactions in reliance on Regulation S, as described in "*— The International Offering*" below.

Of the 165,600,000 Shares being offered under the International Offering:

(i) 9,200,000 Shares are available for subscription by the Eligible Doctors and Dentists on a preferential basis under the Doctor and Dentist Preferential Offering; and

(ii) 9,200,000 Shares are available for subscription by the Eligible Employees on a preferential basis under the Employee Preferential Offering.

Investors may either:

(a) apply for Hong Kong Offer Shares under the Hong Kong Public Offering; or

(b) apply for or indicate an interest for International Offer Shares under the International Offering,

but may not do both.

Eligible Doctors and Dentists may apply for the Doctor and Dentist Reserved Shares under the Doctor and Dentist Preferential Offering on a **BLUE** Application Form. Eligible Employees may apply for the Employee Reserved Shares under the Employee Preferential Offering on a **PINK** Application Form.

In addition, Eligible Doctors and Dentists and Eligible Employees (other than Eligible Directors and Eligible Shareholders) will be entitled to apply for Hong Kong Offer Shares under the Hong Kong Public Offering, but may not apply for or indicate an interest for International Offer Shares under the International Offering.

Eligible Directors and Eligible Shareholders will not be entitled to apply for Hong Kong Offer Shares under the Hong Kong Public Offering or apply for or indicate an interest for International Offer Shares under the International Offering.

The Offer Shares will represent 25.0% of the total Shares in issue immediately following the completion of the Capitalisation Issue and the Global Offering.

References in this prospectus to applications, Application Forms, application monies or the procedure for applications relate solely to the Hong Kong Public Offering.

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares offered

The Company is offering 18,400,000 Shares for subscription by the public in Hong Kong at the Offer Price, representing 10% of the total number of Offer Shares available under the Global Offering. The number of Shares offered under the Hong Kong Public Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 2.5% of the total Shares in issue immediately following the completion of the Capitalisation Issue and the Global Offering.

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions set out in "— *Conditions of the Global Offering*" below.

Allocation

Allocation of Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which could mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

For allocation purposes only, the total number of Hong Kong Offer Shares available under the Hong Kong Public Offering (after taking into account any reallocation referred to below and after deducting the number of Hong Kong Offer Shares validly applied under the Employee Preferential Offering) will be divided equally (to the nearest board lot) into two pools: pool A and pool B. The Hong Kong Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate price of HK$5 million (excluding the brokerage, the SFC transaction levy and the Stock Exchange trading fee payable) or less. The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate price of more than HK$5 million (excluding the brokerage, the SFC transaction levy and the Stock Exchange trading fee payable).

Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If any Hong Kong Offer Shares in one (but not both) of the pools are unsubscribed, such unsubscribed Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. For the purpose of the immediately preceding paragraph only, the "price" for Hong Kong Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B and not from both pools. Multiple or suspected multiple applications under the Hong Kong Public Offering and any application for more than 9,200,000 Hong Kong Offer Shares is liable to be rejected.

Reallocation

The allocation of the Offer Shares between the Hong Kong Public Offering and the International Offering is subject to reallocation. Paragraph 4.2 of Practice Note 18 of the Listing Rules requires a clawback mechanism to be put in place which would have the effect of increasing the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering if certain prescribed total demand levels are reached.

If the number of Offer Shares validly applied for under the Hong Kong Public Offering represents (a) 15 times or more but less than 50 times, (b) 50 times or more but less than 100 times and (c) 100 times or more of the total number of Offer Shares available under the Hong Kong Public Offering, then Offer Shares will be reallocated to the Hong Kong Public Offering from the International Offering. As a result of such reallocation, the total number of Offer Shares available under the Hong Kong Public Offering will be increased to 55,200,000 Offer Shares (in the case of (a)), 73,600,000 Offer Shares (in the case of (b)) and 92,000,000 Offer Shares (in the case of (c)), representing 30%, 40% and 50% of the total number of Offer Shares available under the Global Offering, respectively. In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between pool A and pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Sole Global Coordinator deems appropriate.

In addition, the Sole Global Coordinator may reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering.

The Offer Shares to be offered in the Hong Kong Public Offering and the Offer Shares to be offered in the International Offering may, in certain circumstances, be reallocated between these offerings at the discretion of the Sole Global Coordinator.

The number of Doctor and Dentist Reserved Shares and Employee Reserved Shares being offered under the Doctor and Dentist Preferential Offering and the Employee Preferential Offering, respectively, will not be increased or decreased as a result of the clawback arrangement between the International Offering and the Hong Kong Public Offering described above.

Applications

Each applicant under the Hong Kong Public Offering will be required to give an undertaking and confirmation in the application submitted by him that he and any person(s) for whose benefit he is making the application has not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Offer Shares under the International Offering. Such applicant's application is liable to be rejected if such undertaking and/or confirmation is/are breached and/or untrue (as the case may be) or if he has been or will be placed or allocated International Offer Shares under the International Offering.

Applicants under the Hong Kong Public Offering are required to pay, on application, the Maximum Offer Price of HK$2.20 per Offer Share in addition to the brokerage, the SFC transaction levy and the Stock Exchange trading fee payable on each Offer Share, amounting to a total of HK$4,444.34 for one board lot of 2,000 Shares. If the Offer Price, as finally determined in the manner described in "*— Pricing and Allocation*" below, is less than the Maximum Offer Price of HK$2.20 per Offer Share, appropriate refund payments (including the brokerage, the SFC transaction levy and the Stock Exchange trading fee attributable to the surplus application monies) will be made to successful applicants, without interest. Further details are set out in "*How to Apply for Hong Kong Offer Shares and Reserved Shares*".

THE INTERNATIONAL OFFERING

Number of Offer Shares offered

The International Offering will consist of an offering of 165,600,000 Shares (including the Doctor and Dentist Preferential Offering and the Employee Preferential Offering) and representing 90% of the total number of Offer Shares available under the Global Offering. The number of Shares offered under the International Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 22.5% of the total Shares in issue immediately following the completion of the Capitalisation Issue and the Global Offering.

Of the 165,600,000 Shares being offered under the International Offering, an aggregate of 18,400,000 Shares (representing 11.1% and 10.0% of the total number of Shares being offered under the International Offering and the Global Offering, respectively) are available for subscription by the Eligible Doctors and Dentists and the Eligible Employees on a preferential basis, subject to the terms and conditions set out in this prospectus, and the **BLUE** Application Form and the **PINK** Application Form, respectively. The total number of Offer Shares subject to the Doctor and Dentist Preferential Offering and the Employee Preferential Offering in aggregate shall not be more than 10% of the Offer Shares.

Allocation

The International Offering (other than the Doctor and Dentist Preferential Offering and the Employee Preferential Offering) will include selective marketing of Offer Shares to institutional and professional investors and other investors anticipated to have a sizeable demand for such Offer Shares in Hong Kong and other jurisdictions outside the United States only in reliance on Regulation S. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities. Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the "book-building" process described in "*— Pricing and Allocation*" below and based on a number of factors, including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Shares, and/or hold or sell its Shares, after the Listing. Such allocation is intended to result in a distribution of the Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of the Group and the Shareholders as a whole.

The Sole Global Coordinator (on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Sole Global

Coordinator so as to allow it to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any allocation of Offer Shares under the Hong Kong Public Offering.

Reallocation

The total number of Offer Shares to be issued or sold pursuant to the International Offering may change as a result of the clawback arrangement described in "*— The Hong Kong Public Offering — Reallocation*" above and/or any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering.

THE DOCTOR AND DENTIST PREFERENTIAL OFFERING

Of the 165,600,000 Shares being offered under the International Offering, 9,200,000 Shares (representing 5.6% and 5.0% of the total number of Shares being offered under the International Offering and the Global Offering, respectively) are available for subscription by the Eligible Doctors and Dentists on a preferential basis, subject to the terms and conditions set out in this prospectus and the **BLUE** Application Form. In addition, the number of Offer Shares subject to the Doctor and Dentist Preferential Offering and the Employee Preferential Offering in aggregate shall not be more than 10% of the total Offer Shares.

The Doctor and Dentist Reserved Shares are being offered out of the International Shares but will not be subject to the clawback mechanism as set out in *"— The Hong Kong Public Offering — Reallocation"*.

As at the Latest Practicable Date, there were a total of 445 persons eligible to apply for the Doctor and Dentist Reserved Shares under the Doctor and Dentist Preferential Offering.

Eligible Doctors and Dentists can apply for less than, equal to or more than their Assured Doctor and Dentist Entitlement and up to maximum of 9,200,000 Doctor and Dentist Reserved Shares. A valid application made on a **BLUE** Application Form in respect of a number of Shares less than or equal to an Eligible Doctor and Dentist's Assured Employee Entitlement will be accepted in full, subject to the terms and conditions set out in this prospectus and the **BLUE** Application Form. Eligible Doctors and Dentists who apply for more than their Assured Employee Entitlement may receive such additional Doctor and Dentist Reserved Shares depending on the aggregate level of applications made by other Eligible Doctors and Dentists.

Allocation of the Doctor and Dentist Reserved Shares under the Doctor and Dentist Preferential Offering will be based on the written guidelines distributed to the Eligible Doctors and Dentists, which are consistent with the allocation guidelines contained in Practice Note 20 of the Listing Rules. No preferential treatment will be given to any particular Eligible Doctor and Dentist. The allocation of the Doctor and Dentist Reserved Shares under the Doctor and Dentist Preferential Offering will not be based on the identity, the seniority, the length of service or the work performance of the Eligible Doctors and Dentists. The allocation basis will be determined by the Hong Kong Branch Share Registrar, Tricor Investor Services Limited, based on the level of valid applications received under the Doctor and Dentist Preferential Offering and the number of Doctor and Dentist Reserved Shares validly applied for. The allocation basis will be consistent with the allocation basis commonly used in the case of over-subscriptions in public offerings in Hong Kong, where a higher allocation percentage will be applied in respect of smaller applications.

Eligible Doctors and Dentists (other than Eligible Directors and Eligible Shareholders) may make an application for Doctor and Dentist Reserved Shares on a **BLUE** Application Form and, in addition, will be entitled to apply for Hong Kong Offer Shares under the Hong Kong Public Offering, but may not apply for or indicate an interest for International Offer Shares under the International Offering. Such Eligible Doctors and Dentists will not receive any preference as to entitlement or allocation in respect of such further applications for Hong Kong Offer Shares under the Hong Kong Public Offering.

Eligible Directors and Eligible Shareholders will not be entitled to apply for Hong Kong Offer Shares under the Hong Kong Public Offering or apply for or indicate an interest for International Offer Shares under the International Offering.

The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, waivers from strict compliance with (a) Rule 10.01 of the Listing Rules in relation to the participation by the Eligible Doctors and Dentists in the Doctor and Dentist Preferential Offering and (b) Rules 10.03 and 10.04 and paragraph 5 of Appendix 6 of the Listing Rules in relation to the participation by the relevant Eligible Directors and Eligible Shareholders in the Doctor and Dentist Preferential Offering. Further details of the waiver applications are set out in *"Waivers from Strict Compliance with the Listing Rules"*.

THE EMPLOYEE PREFERENTIAL OFFERING

Of the 165,600,000 Shares being offered under the International Offering, 9,200,000 Shares (representing 5.6% and 5.0% of the total number of Shares being offered under the International Offering and the Global Offering, respectively) are available for subscription by the Eligible Employees on a preferential basis, subject to the terms and conditions set out in this prospectus and the **PINK** Application Form. In addition, the number of Offer Shares subject to the Doctor and Dentist Preferential Offering and the Employee Preferential Offering in aggregate shall not be more than 10% of the total Offer Shares.

The Employee Reserved Shares are being offered out of the International Shares but will not be subject to the clawback mechanism as set out in *"— The Hong Kong Public Offering — Reallocation"*.

As at the Latest Practicable Date, there were a total of 195 persons eligible to apply for the Employee Reserved Shares under the Employee Preferential Offering.

Eligible Employees can apply for less than, equal to or more than their Assured Employee Entitlement and up to a maximum of 9,200,000 Employee Reserved Shares. A valid application made on a **PINK** Application Form in respect of a number of Shares less than or equal to an Eligible Employee's Assured Employee Entitlement will be accepted in full, subject to the terms and conditions set out in this prospectus and the **PINK** Application Form. Eligible Employees who apply for more than their Assured Employee Entitlement may receive such additional Employee Reserved Shares depending on the aggregate level of applications made by other Eligible Employees.

Allocation of the Employee Reserved Shares under the Employee Preferential Offering will be based on the written guidelines distributed to the Eligible Employees, which are consistent with the allocation guidelines contained in Practice Note 20 of the Listing Rules. No preferential treatment will be given to any particular Eligible Employee. The allocation of the Employee Reserved Shares under the Employee Preferential Offering will not be based on the identity, the seniority, the length of service or the work performance of the Eligible Employees. The allocation basis will be determined by the Hong Kong Branch Share Registrar, Tricor Investor Services Limited, based on the level of valid applications received under the Employee Preferential Offering and the number of

Employee Reserved Shares validly applied for. The allocation basis will be consistent with the allocation basis commonly used in the case of over-subscriptions in public offerings in Hong Kong, where a higher allocation percentage will be applied in respect of smaller applications.

Eligible Employees (other than Eligible Directors and Eligible Shareholders) may make an application for Employee Reserved Shares on a **PINK** Application Form and, in addition, will be entitled to apply for Hong Kong Offer Shares under the Hong Kong Public Offering, but may not apply for or indicate an interest for International Offer Shares under the International Offering. Such Eligible Employees will not receive any preference as to entitlement or allocation in respect of such further applications for Hong Kong Offer Shares under the Hong Kong Public Offering.

The maximum number of the Employee Reserved Shares or the Doctor and Dentist Reserved Shares (as the case may be) that each Eligible Director can subscribe for will be subject to a cap of 920,000 shares (representing 0.56% and 0.50% of the total number of shares being offered under the International Offering and the Global Offering, respectively).

Eligible Directors and Eligible Shareholders will not be entitled to apply for Hong Kong Offer Shares under the Hong Kong Public Offering or apply for or indicate an interest in International Offer Shares under the International Offering.

The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with Rules 10.03 and 10.04 and paragraph 5 of Appendix 6 of the Listing Rules in relation to the participation by the relevant Eligible Directors and Eligible Shareholders in the Employee Preferential Offering. Further details of the waiver application are set out in "*Waivers from Strict Compliance with the Listing Rules*".

The total number of the Doctor and Dentist Reserved Shares and the Employee Reserved Shares allocated to the Eligible Doctors and Dentists and Eligible Employees, respectively and the respective percentage of shareholding held by the Eligible Doctors and Dentists and Eligible Employees will be disclosed in the allotment result announcement to be published by the Company.

PRICING AND ALLOCATION

Pricing for the Offer Shares for the purpose of the various offerings under the Global Offering will be fixed on the Price Determination Date, which is expected to be on or about Friday, 20 November 2015 and, in any event, no later than Thursday, 26 November 2015, by agreement among the Sole Global Coordinator (on behalf of the Underwriters) and the Company, and the number of Offer Shares to be allocated under the various offerings will be determined shortly thereafter.

The Offer Price will not be more than HK$2.20 per Offer Share and is expected to be not less than HK$1.92 per Offer Share, unless otherwise announced, as further explained below. Applicants under the Hong Kong Public Offering must pay, on application, the Maximum Offer Price of HK$2.20 per Offer Share plus brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%, amounting to a total of HK$4,444.34 for one board lot of 2,000 Shares. Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the Minimum Offer Price stated in this prospectus.

The International Underwriters will be soliciting from prospective investors indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as "book-building", is expected to continue up to, and to cease on or about, the last day for lodging applications under the Hong Kong Public Offering.

The Sole Global Coordinator (on behalf of the Underwriters) may, where it deems appropriate, based on the level of interest expressed by prospective investors during the book-building process in respect of the International Offering, and with the consent of the Company, reduce the number of Offer Shares offered and/or the Offer Price Range below that stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, the Company will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering, cause to be published in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) and on the websites of the Company and the Stock Exchange at **www.ump.com.hk** and **www.hkexnews.hk**, respectively, notices of the reduction. Upon the issue of such a notice, the revised number of Offer Shares and/or the Offer Price Range will be final and conclusive and the Offer Price, if agreed upon by the Sole Global Coordinator (on behalf of the Underwriters) and the Company, will be fixed within such revised Offer Price Range.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares and/or the Offer Price Range may not be made until the last day for lodging applications under the Hong Kong Public Offering. Such notice will also include confirmation or revision, as appropriate, of the working capital statement and the Global Offering statistics as currently set out in this prospectus, and any other financial information which may change as a result of any such reduction. In the absence of any such notice so published, the number of Offer Shares will not be reduced and/or the Offer Price, if agreed upon by the Sole Global Coordinator (on behalf of the Underwriters) and the Company, will under no circumstances be set outside the Offer Price Range as stated in this prospectus.

The final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering, the basis of allocations of the Hong Kong Offer Shares and the Reserved Shares and the results of allocations in the Hong Kong Public Offering, the Doctor and Dentist Preferential Offering and the Employee Preferential Offering are expected to be made available through a variety of channels in the manner described in "*How to Apply for Hong Kong Offer Shares and Reserved Shares — Publication of Results*".

UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms and conditions of the Hong Kong Underwriting Agreement and is subject to the Sole Global Coordinator (on behalf of the Underwriters) and the Company agreeing on the Offer Price.

The Company expects to enter into the International Underwriting Agreement relating to the International Offering on the Price Determination Date.

These underwriting arrangements, including the Underwriting Agreements, are summarised in "*Underwriting*".

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares will be conditional on:

(a) the Listing Committee granting approval for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering on the Main Board of the Stock Exchange and such approval not having been withdrawn;

(b) the Offer Price having been agreed between the Sole Global Coordinator (on behalf of the Underwriters) and the Company;

(c) the execution and delivery of the International Underwriting Agreement on or about the Price Determination Date; and

(d) the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters under the International Underwriting Agreement becoming unconditional and not having been terminated in accordance with the terms of the respective agreements,

in each case on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and, in any event, not later than the date which is 30 days after the date of this prospectus.

If, for any reason, the Offer Price is not agreed between the Sole Global Coordinator (on behalf of the Underwriters) and the Company on or before Thursday, 26 November 2015, the Global Offering will not proceed and will lapse.

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfiled or waived prior to the dates and times specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published by the Company in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) and on the websites of the Company and the Stock Exchange at **www.ump.com.hk** and **www.hkexnews.hk**, respectively, on the next day following such lapse. In such a situation, all application monies will be returned, without interest, on the terms set out in "*How to Apply for Hong Kong Offer Shares and Reserved Shares*". In the meantime, all application monies will be held in separate bank account(s) with the receiving bank or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

Share certificates for the Offer Shares will only become valid at 8:00 a.m. on Friday, 27 November 2015, provided that the Global Offering has become unconditional in all respects at or before that time.

DEALINGS IN THE SHARES

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Friday, 27 November 2015, it is expected that dealings in the Shares on the Stock Exchange will commence at 9:00 a.m. on Friday, 27 November 2015.

The Shares will be traded in board lots of 2,000 Shares each and the stock code of the Shares will be 722.

A. APPLICATIONS FOR HONG KONG OFFER SHARES, DOCTOR AND DENTIST RESERVED SHARES AND EMPLOYEE RESERVED SHARES

1. How to Apply

If you apply for Hong Kong Offer Shares, then you may not apply for or indicate an interest for International Offer Shares.

To apply for Hong Kong Offer Shares, you may:

- use a **WHITE** or **YELLOW** Application Form;
- apply online through the **HK eIPO White Form** service at **www.hkeipo.hk**; or
- electronically cause HKSCC Nominees to apply on your behalf.

None of you or your joint applicant(s) may make more than one application, except where you are a nominee and provide the required information in your application.

In addition, if you are an Eligible Doctor and Dentist or an Eligible Employee, you may also apply for Doctor and Dentist Reserved Shares and Employee Reserved Shares by using a **BLUE** Application Form or **PINK** Application Form, respectively. However, Eligible Doctors and Dentists and Eligible Employee may not apply for or indicate an interest for International Offer Shares under the International Offering.

Eligible Directors and Eligible Shareholders who are Eligible Doctors and Dentists or Eligible Employees (as the case may be) will not be entitled to apply for Hong Kong Offer Shares under the Hong Kong Public Offering or apply for or indicate an interest for International Offer Shares under the International Offering.

The Company, the Sole Global Coordinator, the HK eIPO White Form Service Provider and their respective agents may reject or accept any application, in full or in part, for any reason at their discretion.

2. Who Can Apply

You can apply for Hong Kong Offer Shares on a **WHITE** or **YELLOW** Application Form if you or any person(s) for whose benefit you are applying:

- are 18 years of age or older;
- have a Hong Kong address;
- are outside the United States (within the meaning of Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S; and
- are not a legal or natural person of the PRC (except qualified domestic institutional investors).

You can also or alternatively, as applicable, apply for Doctor and Dentist Reserved Shares or Employee Reserved Shares if you satisfy the above criteria and you are also an Eligible Doctor and Dentist or Eligible Employee.

If you apply for Hong Kong Offer Shares online through the **HK eIPO White Form** service, in addition to the above you must also:

- have a valid Hong Kong identity card number; and
- provide a valid e-mail address and a contact telephone number.

If you are a firm, the application must be in the individual members' names. If you are a body corporate, the Application Form must be signed by a duly authorised officer, who must state his representative capacity, and stamped with your corporation's chop.

If an application is made by a person under a power of attorney, the Company and the Sole Global Coordinator, as the Company's agent, may accept it at their discretion, and on any conditions they think fit, including requiring evidence of the attorney's authority.

The number of joint applicants may not exceed four and they may not apply by means of the **HK eIPO White Form** service for the Hong Kong Offer Shares.

Unless permitted by the Listing Rules, you cannot apply for any Hong Kong Offer Shares if:

- you are an existing beneficial owner of Shares or an associate of any such owner;
- you are a Director of the Company, or an associate of any such Director;
- you are a connected person of the Company, or a person who will become a connected person of the Company immediately upon the completion of the Global Offering;
- you are an associate of any of the above; or
- you have been allocated or have applied for any International Offer Shares or otherwise participate in the International Offering.

3. Applying for Hong Kong Offer Shares, Doctor and Dentist Reserved Shares and Employee Reserved Shares

Which Application Channel to Use

For Hong Kong Offer Shares to be issued in your own name, use a **WHITE** Application Form or apply only through the **HK eIPO White Form** service at **www.hkeipo.hk**.

For Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your or a designated CCASS Participant's stock account, use a **YELLOW** Application Form or electronically instruct HKSCC via CCASS to cause HKSCC Nominees to apply for you.

If you are an Eligible Doctor or Dentist applying for the Doctor and Dentist Reserved Shares under the Doctor and Dentist Preferential Offering by using a **BLUE** Application Form, you may apply on an assured basis for a number of Doctor and Dentist Reserved Shares for less than, equal to or more than your Assured Doctor and Dentist Entitlement and up to a maximum of 9,200,000 Doctor and Dentist Reserved Shares. Your application must be in one of the number set out in table in the **BLUE** Application Form, or your application will be rejected.

If you are an Eligible Employee applying for the Employee Reserved Shares under the Employee Preferential Offering by using a **PINK** Application Form, you may apply on an assured basis for a number of Employee Reserved Shares for less than, equal to or more than your Assured Employee Entitlement and up to a maximum of 9,200,000 Employee Reserved Shares. Your application must be in one of the number set out in table in the **PINK** Application Form, or your application will be rejected.

Where to Collect the Application Forms

You can collect a **WHITE** Application Form and a prospectus during normal business hours from 9:00 a.m. on Tuesday, 17 November 2015 until 12:00 noon on Friday, 20 November 2015 from:

(a) the office of the Sole Global Coordinator, **J.P. Morgan Securities (Asia Pacific) Limited**, at 28th Floor, Chater House, 8 Connaught Road Central, Hong Kong; and

(b) any of the following branches of the receiving bank for the Hong Kong Public Offering:

Standard Chartered Bank (Hong Kong) Limited

	Branch Name	Address
Hong Kong Island	88 Des Voeux Road Branch	88 Des Voeux Road Central, Central
	Causeway Bay Branch	G/F to 2/F, Yee Wah Mansion, 38-40A Yee Wo Street, Causeway Bay
Kowloon	Mongkok Branch	Shop B, G/F, 1/F & 2/F, 617-623 Nathan Road, Mongkok
	Mei Foo Stage I Branch	G/F, 1C Broadway, Mei Foo Sun Chuen Stage I, Lai Chi Kok
New Territories	Tai Po Branch	G/F Shop No. 2, 23-25 Kwong Fuk Road, Tai Po Market, Tai Po
	Metroplaza Branch	Shop No. 175-176, Level 1, Metroplaza, 223 Hing Fong Road, Kwai Chung

You can collect a **YELLOW** Application Form and a prospectus during normal business hours from 9:00 a.m. on Tuesday, 17 November 2015 until 12:00 noon on Friday, 20 November 2015 from:

- the Depository Counter of HKSCC at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong; or

- your stockbroker.

A **BLUE** Application Form together with this prospectus can be collected by the Eligible Doctors and Dentists from the Company's head office at Room 1404–08, Wing On House, 71 Des Voeux Road, Central, Hong Kong or from UMP Medical Centre (Jordan) at Room 03–04, 15/F, 238 Nathan Road, Jordan, Kowloon during the normal business hours from 9:00 a.m. on Tuesday, 17 November 2015 until 12:00 noon on Thursday, 19 November 2015. Electronic copies of the **BLUE** Application and this prospectus can be viewed on the websites of the Company at **www.ump.com.hk** and the Stock Exchange at **www.hkexnews.hk**, respectively.

A **PINK** Application Form together with this prospectus can be collected by the Eligible Employees from the Company's head office at Room 1404–08, Wing On House, 71 Des Voeux Road, Central, Hong Kong or from UMP Medical Centre (Jordan) at Room 03–04, 15/F, 238 Nathan Road, Jordan, Kowloon during the normal business hours from 9:00 a.m. on Tuesday, 17 November 2015 until 12:00 noon on Thursday, 19 November 2015. Electronic copies of the **PINK** Application Form and this prospectus can be viewed on the websites of the Company at **www.ump.com.hk** and the Stock Exchange at **www.hkexnews.hk**, respectively.

Time for Lodging Application Forms

Your completed **WHITE** or **YELLOW** Application Form, together with a cheque or a banker's cashier order attached and marked payable to "Horsford Nominees Limited — UMP Healthcare Public Offer" for the payment, should be deposited in the special collection boxes provided at any of the branches of the receiving bank listed above at the following times:

Tuesday, 17 November 2015	**—**	**9:00 a.m. to 5:00 p.m.**
Wednesday, 18 November 2015	**—**	**9:00 a.m. to 5:00 p.m.**
Thursday, 19 November 2015	**—**	**9:00 a.m. to 5:00 p.m.**
Friday, 20 November 2015	**—**	**9:00 a.m. to 12:00 noon**

The application lists will be open from 11:45 a.m. to 12:00 noon on Friday, 20 November 2015, the last day for applications, or such later time as described in "*— Effect of Bad Weather on the Opening and Closing of the Application Lists*" below.

Your completed **BLUE** Application Form, together with a cheque or a banker's cashier order attached and marked payable to "Horsford Nominees Limited — UMP Healthcare Public Offer" for the payment must be deposited in the collection point located at the Company's head office at Room 1404–08, Wing On House, 71 Des Voeux Road, Central, Hong Kong by 12:00 noon or at UMP Medical Centre (Jordan) at Room 03–04, 15/F, 238 Nathan Road, Jordan, Kowloon on Thursday, 19 November 2015, being the last day for the submission of the **BLUE** Application Forms, or such later time as described in "*— Effect of Bad Weather on the Opening and Closing of the Application Lists*" below.

Your **PINK** Application Form, together with a cheque or a banker's cashier order attached and marked payable to "Horsford Nominees Limited — UMP Healthcare Public Offer" for the payment must be deposited in the collection point located at the Company's head office at Room 1404–08, Wing On House, 71 Des Voeux Road, Central, Hong Kong by 12:00 noon or at UMP Medical Centre (Jordan) at Room 03–04, 15/F, 238 Nathan Road, Jordan, Kowloon on Thursday, 19 November 2015, being the last day for the submission of the **PINK** Application Forms, or such later time as described in "*— Effect of Bad Weather on the Opening and Closing of the Application Lists*" below.

4. Terms and Conditions of an Application

Follow the detailed instructions in the Application Form carefully, otherwise your application may be rejected.

By submitting an Application Form or applying through the **HK eIPO White Form** service, among other things, you:

(a) undertake to execute all relevant documents and instruct and authorise the Company and/or the Sole Global Coordinator (or its agents or nominees), as agents of the Company, to execute any documents for you and to do on your behalf all things necessary to register any Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association;

(b) agree to comply with the Memorandum and Articles of Association of the Company, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and Cayman Companies Law;

(c) confirm that you have read the terms and conditions and application procedures set out in this prospectus and in the Application Form and agree to be bound by them;

(d) confirm that you have received and read this prospectus and have relied only on the information and representations in this prospectus in making your application and will not rely on any other information or representations, except those in any supplement to this prospectus;

(e) confirm that you are aware of the restrictions on the Global Offering set out in this prospectus;

(f) agree that none of the Company, the Relevant Persons and the HK eIPO White Form Service Provider is or will be liable for any information and representations not in this prospectus (and any supplement to this prospectus);

(g) undertake and confirm that you or the person(s) for whose benefit you have made the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Offer Shares nor participated in the International Offering;

(h) agree to disclose to the Company, the Hong Kong Branch Share Registrar, the receiving bank and the Relevant Persons any personal data which any of them may require about you and the person(s) for whose benefit you have made the application;

(i) if the laws of any place outside Hong Kong apply to your application, agree and warrant that you have complied with all such laws and neither the Company nor the Relevant Persons will breach any laws outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions in this prospectus and the Application Form;

(j) agree that once your application has been accepted, you may not rescind it because of an innocent misrepresentation;

(k) agree that your application will be governed by the laws of Hong Kong;

(l) represent, warrant and undertake that (i) you understand that the Hong Kong Offer Shares have not been and will not be registered under the U.S. Securities Act and (ii) you and any person for whose benefit you are applying for the Hong Kong Offer Shares are outside the United States (within the meaning of Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S;

(m) warrant that the information you have provided is true and accurate;

(n) agree to accept the Offer Shares applied for or any lesser number allocated to you under the application;

(o) authorise (i) the Company to place your name(s) or the name of HKSCC Nominees on the register of members of the Company as the holder(s) of any Offer Shares allocated to you and such other registers as required under the Memorandum and Articles of Association of the Company and (ii) the Company and/or its agents to send any Share certificate(s) and/or any e-Auto Refund payment instructions and/or any refund cheque(s) to you or the first-named applicant for joint applications by ordinary post at your own risk to the address stated on the application, unless you are eligible to collect the Share certificate(s) and/or refund cheque(s) in person;

(p) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying (except that Eligible Doctors and Dentists and Eligible Employees may also make an additional application for the Doctor and Dentist Reserved Shares and the Employee Reserved Shares, respectively, by using the applicable **BLUE** and **PINK** Application Forms);

(q) understand that the Company, the Directors and the Sole Global Coordinator will rely on your declarations and representations in deciding whether or not to allocate any of the Offer Shares to you and that you may be prosecuted for making a false declaration;

(r) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or through the **HK eIPO White Form** service or by any one as your agent or by any other person (except that Eligible Doctors and Dentists and Eligible Employees may also make an additional application for the Doctor and Dentist Reserved Shares and the Employee Reserved Shares, respectively, by using the applicable **BLUE** and **PINK** Application Forms); and

(s) (if you are making the application as an agent for the benefit of another person) warrant that (i) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC (except that Eligible Doctors and Dentists and Eligible Employees may also make an additional application for the Doctor and Dentist Reserved Shares and the Employee Reserved Shares, respectively, by using the applicable **BLUE** and **PINK** Application Forms) and (ii) you have due authority to sign the Application Form or give **electronic application instructions** on behalf of that other person as its agent.

Additional Instructions for YELLOW Application Forms

You should refer to the **YELLOW** Application Form for details.

5. Applying Through the HK eIPO White Form Service

General

Individuals who meet the criteria in "*— Who Can Apply*" above may apply through the **HK eIPO White Form** service for the Offer Shares to be allocated and registered in their own names through the designated website at **www.hkeipo.hk**.

Detailed instructions for application through the **HK eIPO White Form** service are set out on the designated website. If you do not follow the instructions, your application may be rejected and may not be submitted to the Company. If you apply through the designated website, you authorise the HK eIPO White Form Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the HK eIPO White Form Service Provider.

Time for Submitting Applications under the HK eIPO White Form Service

You may submit your application through the **HK eIPO White Form** service through the designated website at **www.hkeipo.hk** (24 hours daily, except on the last day for applications) from 9:00 a.m. on Tuesday, 17 November 2015 until 11:30 a.m. on Friday, 20 November 2015 and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Friday, 20 November 2015, the last day for applications, or such later time as described in "*— Effect of Bad Weather on the Opening and Closing of the Application Lists*" below.

No Multiple Applications

If you apply by means of the **HK eIPO White Form** service, once you complete payment in respect of any **electronic application instruction** given by you or for your benefit through the **HK eIPO White Form** service to make an application for Hong Kong Offer Shares, an actual application will be deemed to have been made. For the avoidance of doubt, giving an **electronic application instruction** under the **HK eIPO White Form** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you are suspected of submitting more than one application through the **HK eIPO White Form** service or by any other means, all of your applications are liable to be rejected.

Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance

For the avoidance of doubt, the Company and all other parties involved in the preparation of this prospectus acknowledge that each applicant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).

6. Applying By Giving Electronic Application Instructions to HKSCC via CCASS

General

CCASS Participants may give **electronic application instructions** to apply for the Hong Kong Offer Shares and to arrange payment of the money due on application and payment of refunds under their participant agreements with HKSCC and the General Rules of CCASS and the CCASS Operational Procedures.

If you are a **CCASS Investor Participant**, you may give these **electronic application instructions** through the CCASS Phone System by calling 2979 7888 or through the CCASS Internet System (**https://ip.ccass.com**) (using the procedures in HKSCC's "*An Operating Guide for Investor Participants*" in effect from time to time).

HKSCC can also input **electronic application instructions** for you if you go to:

Hong Kong Securities Clearing Company Limited
Customer Service Centre
1/F, One & Two Exchange Square,
8 Connaught Place, Central,
Hong Kong

and complete an input request form.

You can also collect a prospectus from the above address.

If you are not a **CCASS Investor Participant**, you may instruct your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf.

You will be deemed to have authorised HKSCC and/or HKSCC Nominees to transfer the details of your application to the Company, the Sole Global Coordinator and the Hong Kong Branch Share Registrar.

Giving Electronic Application Instructions to HKSCC via CCASS

Where you have given **electronic application instructions** to apply for the Hong Kong Offer Shares and a **WHITE** Application Form is signed by HKSCC Nominees on your behalf:

(a) HKSCC Nominees will only be acting as a nominee for you and is not liable for any breach of the terms and conditions of the **WHITE** Application Form or this prospectus; and

(b) HKSCC Nominees will do the following things on your behalf:

- agree that the Hong Kong Offer Shares to be allocated shall be registered in the name of HKSCC Nominees and deposited directly into CCASS for the credit of the CCASS Participant's stock account on your behalf or your CCASS Investor Participant's stock account;
- agree to accept the Hong Kong Offer Shares applied for or any lesser number allocated;
- undertake and confirm that you have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Offer Shares nor participated in the International Offering;
- declare that only one set of **electronic application instructions** has been given for your benefit;
- (if you are an agent for another person) declare that you have only given one set of **electronic application instructions** for the other person's benefit and are duly authorised to give those instructions as its agent;
- confirm that you understand that the Company, the Directors and the Sole Global Coordinator will rely on your declarations and representations in deciding whether or not to allocate any of the Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;
- authorise the Company to place HKSCC Nominees' name on the register of members of the Company as the holder of the Hong Kong Offer Shares allocated to you and such other registers as required under the Articles, and despatch Share certificate(s) and/or refund monies in accordance with the arrangements separately agreed between the Company and HKSCC;

- confirm that you have read the terms and conditions and application procedures set out in this prospectus and agree to be bound by them;

- confirm that you have received and read a copy of this prospectus and have relied only on the information and representations in this prospectus in causing the application to be made and will not rely on any other information or representations, except those in any supplement to this prospectus;

- agree that neither the Company nor the Relevant Persons is or will be liable for any information and representations not in this prospectus (and any supplement to this prospectus);

- agree to disclose to the Company, the Hong Kong Branch Share Registrar, the receiving bank and the Relevant Persons any personal data which they may require about you;

- agree (without prejudice to any other rights which you may have) that once HKSCC Nominees' application has been accepted, it cannot be rescinded for innocent misrepresentation;

- agree that any application made by HKSCC Nominees on your behalf is irrevocable on or before the fifth day after the time of the opening of the application lists (excluding any day which is a Saturday, Sunday or public holiday in Hong Kong), such agreement to take effect as a collateral contract with the Company, and to become binding when you give the instructions and such collateral contract to be in consideration of the Company agreeing that it will not offer any Hong Kong Offer Shares to any person on or before the fifth day after the time of the opening of the application lists (excluding any day which is a Saturday, Sunday or public holiday in Hong Kong), except by means of one of the procedures referred to in this prospectus. However, HKSCC Nominees may revoke the application on or before the fifth day after the time of the opening of the application lists (excluding any day which is a Saturday, Sunday or public holiday in Hong Kong) if a person responsible for this prospectus under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance) gives a public notice under that section which excludes or limits that person's responsibility for this prospectus;

- agree that once HKSCC Nominees' application is accepted, neither that application nor your **electronic application instructions** can be revoked, and that acceptance of that application will be evidenced by the announcement of the results of the Hong Kong Public Offering;

- agree to the arrangements, undertakings and warranties under the participant agreement between you and HKSCC, read with the General Rules of CCASS and the CCASS Operational Procedures, for giving **electronic application instructions** to apply for Hong Kong Offer Shares;

- agree with the Company and for the benefit of each Shareholder (and so that the Company will be deemed by its acceptance in whole or in part of the application by HKSCC Nominees to have agreed, for the Company and on behalf of each Shareholder, with each CCASS Participant giving **electronic application**

instructions) to observe and comply with the Memorandum and Articles of Association of the Company, the Companies Ordinance and Cayman law; and

- agree that your application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong.

Effect of Giving Electronic Application Instructions to HKSCC via CCASS

By giving **electronic application instructions** to HKSCC or instructing your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give such instructions to HKSCC, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have done the following things. Neither HKSCC nor HKSCC Nominees will be liable to the Company or any other person in respect of the things mentioned below:

- instructed and authorised HKSCC to cause HKSCC Nominees (acting as nominee for the relevant CCASS Participants) to apply for the Hong Kong Offer Shares on your behalf;

- instructed and authorised HKSCC to arrange payment of the Maximum Offer Price, brokerage, SFC transaction levy and Stock Exchange trading fee by debiting your designated bank account and, in the case of a wholly or partially unsuccessful application and/or if the Offer Price is less than the Maximum Offer Price initially paid on application, refund of the application monies (including brokerage, SFC transaction levy and Stock Exchange trading fee) by crediting your designated bank account; and

- instructed and authorised HKSCC to cause HKSCC Nominees to do on your behalf all the things stated in the **WHITE** Application Form and in this prospectus.

Minimum Purchase Amount and Permitted Numbers

You may give or cause your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** for a minimum of 2,000 Hong Kong Offer Shares. Instructions for more than 2,000 Hong Kong Offer Shares must be in one of the numbers set out in the table in the Application Forms. No application for any other number of Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

Time for Inputting Electronic Application Instructions

CCASS Clearing / Custodian Participants can input **electronic application instructions** at the following times on the following dates:

Tuesday, 17 November 2015 — 9:00 a.m. to 8:30 p.m.(1)
Wednesday, 18 November 2015 — 8:00 a.m. to 8:30 p.m.(1)
Thursday, 19 November 2015 — 8:00 a.m. to 8:30 p.m.(1)
Friday, 20 November 2015 — 8:00 a.m.(1) to 12:00 noon

Note:

(1) These times are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing / Custodian Participants.

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Tuesday, 17 November 2015 until 12:00 noon on Friday, 20 November 2015 (24 hours daily, except on the last day for applications).

The latest time for inputting your **electronic application instructions** will be 12:00 noon on Friday, 20 November 2015, the last day for applications, or such later time as described in "— *Effect of Bad Weather on the Opening and Closing of the Application Lists*" below.

No Multiple Applications

If you are suspected of having made multiple applications or if more than one application is made for your benefit, the number of Hong Kong Offer Shares applied for by HKSCC Nominees will be automatically reduced by the number of Hong Kong Offer Shares for which you have given such instructions and/or for which such instructions have been given for your benefit. Any **electronic application instructions** to make an application for the Hong Kong Offer Shares given by you or for your benefit to HKSCC will be deemed to be an actual application for the purposes of considering whether multiple applications have been made.

Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance

For the avoidance of doubt, the Company and all other parties involved in the preparation of this prospectus acknowledge that each CCASS Participant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).

Personal Data

The section of the Application Form headed "Personal Data" applies to any personal data held by the Company, the Hong Kong Branch Share Registrar, the receiving bank and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees.

7. Warning for Electronic Applications

The application for Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC is only a facility provided to CCASS Participants. Similarly, the application for Hong Kong Offer Shares through the **HK eIPO White Form** service is only a facility provided by the HK eIPO White Form Service Provider to public investors. Such facilities are subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day for applications to make your electronic application. The Company, the Relevant Persons and the HK eIPO White Form Service Provider take no responsibility for such applications and provide no assurance that any CCASS Participant or person applying through the **HK eIPO White Form** service will be allocated any Hong Kong Offer Shares.

To ensure that CCASS Investor Participants can give their **electronic application instructions**, they are advised not to wait until the last minute to input their instructions to the systems. In the event that CCASS Investor Participants have problems connecting to the CCASS Phone System or the CCASS Internet System for submission of their **electronic application instructions**, they should either (a) submit a **WHITE** or **YELLOW** Application Form or (b) go to HKSCC's Customer Service Centre to complete an input request form for **electronic application instructions** before 12:00 noon on Friday, 20 November 2015, the last day for applications, or such later time as described in "*— Effect of Bad Weather on the Opening and Closing of the Application Lists*" below.

8. How Many Applications Can You Make

Multiple applications for the Hong Kong Offer Shares are not allowed except by nominees. If you are a nominee, in the box on the Application Form marked "For nominees", you must include:

- an account number; or
- some other identification code,

for **each** beneficial owner or, in the case of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

In addition, if you are an Eligible Doctor and Dentist or Eligible Employee, you may also make an additional application for the Doctor and Dentist Reserved Shares or Employee Reserved Shares, respectively, by using the **BLUE** or **PINK** Application Form (as applicable). Only one application for the Doctor and Dentist Reserved Share is permitted per Eligible Doctor and Dentist under the Doctor and Dentist Preferential Offering; and only one application for the Employee Reserved Share is permitted per Eligible Employee under the Employee Preferential Offering. Multiple applications by any Eligible Doctor and Dentist or Eligible Employee are liable to be rejected.

All of your applications will be rejected if more than one application on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or through the **HK eIPO White Form** service is made for your benefit (including the part of the application made by HKSCC Nominees acting on **electronic application instructions**).

If an application is made by an unlisted company and:

- the principal business of that company is dealing in securities; and
- you exercise statutory control over that company,

then the application will be treated as being made for your benefit.

"**Unlisted company**" means a company with no equity securities listed on the Stock Exchange.

"**Statutory control**" means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

B. HOW MUCH ARE THE HONG KONG OFFER SHARES, THE DOCTOR AND DENTIST RESERVED SHARES AND THE EMPLOYEE RESERVED SHARES

The Maximum Offer Price is HK$2.20 per Offer Share. You must also pay brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%. This means that for one board lot of 2,000 Offer Shares, you will pay HK$4,444.34.

You must pay the Maximum Offer Price, together with brokerage, SFC transaction levy and Stock Exchange trading fee, in full upon application for Offer Shares under the terms and conditions set out in the Application Forms.

The Application Forms have tables showing the exact amount payable for the numbers of Offer Shares that may be applied for.

You may submit an application using a **WHITE** or **YELLOW** Application Form or through the **HK eIPO White Form** service in respect of a minimum of 2,000 Hong Kong Offer Shares. Each application or **electronic application instruction** in respect of more than 2,000 Hong Kong Offer Shares must be in one of the numbers set out in the table in the Application Form, or as otherwise specified on the designated website at **www.hkeipo.hk**.

If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules), and the SFC transaction levy and the Stock Exchange trading fee will be paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC).

For further details on the Offer Price, see "*Structure of the Global Offering — Pricing and Allocation*".

C. EFFECT OF BAD WEATHER ON THE OPENING AND CLOSING OF THE APPLICATION LISTS

The application lists will not open or close if there is:

- a tropical cyclone warning signal number 8 or above; or
- a "black" rainstorm warning.

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Friday, 20 November 2015. Instead, they will open between 11:45 a.m. and 12:00 noon on the next business day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon.

If the application lists do not open and close on Friday, 20 November 2015 or if there is a tropical cyclone warning signal number 8 or above or a "black" rainstorm warning signal in force in Hong Kong that may affect the dates mentioned in "*Expected Timetable*", an announcement will be made.

D. PUBLICATION OF RESULTS

The Company expects to announce the Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering, the Doctor and Dentist Preferential Offering and the Employee Preferential Offering and the basis of allocations of the Hong Kong Offer Shares, the Doctor and Dentist Reserved Shares and the Employee Reserved Shares on Thursday, 26 November 2015 in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) and on the websites of the Company at **www.ump.com.hk** and the Stock Exchange at **www.hkexnews.hk**.

The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants under the Hong Kong Public Offering will be available at the times and dates and in the manner set out below:

- in the announcement to be posted on the websites of the Company and the Stock Exchange at **www.ump.com.hk** and **www.hkexnews.hk**, respectively, by no later than Thursday, 26 November 2015;

- from the designated results of allocations website at **http://www.tricor.com.hk/ipo/result** with a "search by ID function" on a 24 hour basis from 8:00 a.m. on Thursday, 26 November 2015 to 12:00 midnight on Wednesday, 2 December 2015;

- from the allocation results telephone enquiry line by calling 3691 8488 between 9:00 a.m. and 6:00 p.m. from Thursday, 26 November 2015 to Tuesday, 1 December 2015 (excluding Saturday and Sunday); and

- in the special allocation results booklets which will be available for inspection during the opening hours of the individual receiving bank branches and sub-branches referred to above from Thursday, 26 November 2015 to Monday, 30 November 2015.

If the Company accepts your offer to purchase (in whole or in part), which it may do by announcing the basis of allocations and/or making available the results of allocations publicly, there will be a binding contract under which you will be required to purchase the Hong Kong Offer Shares if the conditions of the Global Offering are satisfied and the Global Offering is not otherwise terminated. Further details are set out in "*Structure of the Global Offering*".

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation at any time after acceptance of your application. This does not affect any other right you may have.

E. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED OFFER SHARES

You should note the following situations in which the Offer Shares will not be allocated to you:

(a) If your application is revoked:

By completing and submitting an Application Form or giving **electronic application instructions** to HKSCC or through the **HK eIPO White Form** service, you agree that your application or the application made by HKSCC Nominees on your behalf cannot be revoked on or before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is a Saturday, Sunday or public holiday in Hong Kong). This agreement will take effect as a collateral contract with the Company.

Your application or the application made by HKSCC Nominees on your behalf may only be revoked on or before such fifth day if a person responsible for this prospectus under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance) gives a public notice under that section which excludes or limits that person's responsibility for this prospectus.

If any supplement to this prospectus is issued, applicants who have already submitted an application will be notified that they are required to confirm their applications. If applicants have been so notified but have not confirmed their applications in accordance with the procedure to be notified, all unconfirmed applications will be deemed revoked.

If your application or the application made by HKSCC Nominees on your behalf has been accepted, it cannot be revoked. For this purpose, acceptance of applications which are not rejected will be constituted by notification in the press of the results of allocation, and where such basis of allocation is subject to certain conditions or provides for allocation by ballot, such acceptance will be subject to the satisfaction of such conditions or results of the ballot, respectively.

(b) If the Company or its agents exercise their discretion to reject your application:

The Company, the Sole Global Coordinator, the HK eIPO White Form Service Provider and their respective agents or nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

(c) If the allocation of Offer Shares is void:

The allocation of Offer Shares will be void if the Listing Committee does not grant permission to list the Shares either:

- within three weeks from the closing date of the applications lists; or
- within a longer period of up to six weeks if the Listing Committee notifies the Company of that longer period within three weeks of the closing date of the application lists.

(d) If:

- you make multiple applications or are suspected of making multiple applications;
- you or the person for whose benefit you apply for, have applied for or taken up, or indicated an interest for, or have been or will be placed or allocated (including conditionally and/or provisionally) Hong Kong Offer Shares and International Offer Shares;
- your payment is not made correctly or the cheque or banker's cashier order paid by you is dishonoured upon its first presentation;
- your Application Form is not completed in accordance with the stated instructions;
- your **electronic application instructions** through the **HK eIPO White Form** service are not completed in accordance with the instructions, terms and conditions on the designated website at **www.hkeipo.hk**;

- you apply for more than 9,200,000 Hong Kong Offer Shares, being 50% of the 18,400,000 Hong Kong Offer Shares available under the Hong Kong Public Offering;
- the Company or the Sole Global Coordinator believes that by accepting your application, it would violate applicable securities or other laws, rules or regulations; or
- the Underwriting Agreements do not become unconditional or are terminated.

F. REFUND OF APPLICATION MONIES

If an application is rejected, not accepted or accepted in part only, or if the Offer Price as finally determined is less than the Maximum Offer Price per Offer Share (excluding brokerage, SFC transaction levy and Stock Exchange trading fee payable thereon) paid on application, or if the conditions of the Global Offering as set out in "*Structure of the Global Offering — Conditions of the Global Offering*" are not satisfied or if any application is revoked, the application monies, or the appropriate portion thereof, together with the related brokerage, SFC transaction levy and Stock Exchange trading fee, will be refunded, without interest or the cheque or banker's cashier order will not be cleared.

Any refund of your application monies will be made on Thursday, 26 November 2015.

G. DESPATCH / COLLECTION OF SHARE CERTIFICATES / e-AUTO REFUND PAYMENT INSTRUCTIONS/REFUND CHEQUES

You will receive one Share certificate for all Offer Shares allocated to you under the Hong Kong Public Offering (except pursuant to applications made on **YELLOW** Application Forms or by **electronic application instructions** to HKSCC via CCASS where the Share certificates will be deposited into CCASS as described below) and one share certificate for all Doctor and Dentist Reserved Shares and one share certificate for all Employee Reserved Shares allocated to you under the Doctor and Dentist Preferential Offering and the Employee Preferential Offering, respectively.

No temporary document of title will be issued in respect of the Offer Shares. No receipt will be issued for sums paid on application.

If you apply by **WHITE**, **YELLOW**, **BLUE** or **PINK** Application Form(s), subject to personal collection as mentioned below, the following will be sent to you (or, in the case of joint applicants, to the first-named applicant) by ordinary post, at your own risk, to the address specified on the Application Form:

(a) Share certificate(s) for all the Hong Kong Offer Shares allocated to you (for applicants on **YELLOW** Application Forms, Share certificate(s) for the Hong Kong Offer Shares allocated to you will be deposited into CCASS as described below); and

(b) refund cheque(s) crossed "Account Payee Only" in favour of the applicant (or, in the case of joint applicants, the first-named applicant) for (i) all or the surplus application monies for the Hong Kong Offer Shares, wholly or partially unsuccessfully applied for and/or (ii) the difference between the Offer Price and the Maximum Offer Price paid on application in the event that the Offer Price is less than the Maximum Offer Price paid on application (including brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% but without interest).

Part of the Hong Kong identity card number/passport number provided by you or the first-named applicant (if you are joint applicants) may be printed on your refund cheque, if any. Your banker may require verification of your Hong Kong identity card number/passport number before encashment of your refund cheque. Inaccurate completion of your Hong Kong identity card number/passport number may invalidate or delay encashment of your refund cheque.

Subject to arrangement on despatch / collection of Share certificates and refund cheques as mentioned below, any refund cheques and Share certificate(s) are expected to be posted on or before Thursday, 26 November 2015. The right is reserved to retain any Share certificate(s) and any surplus application monies pending clearance of cheque(s) or banker's cashier order(s).

Share certificates will only become valid at 8:00 a.m. on Friday, 27 November 2015, provided that the Global Offering has become unconditional in all respects at or before that time. Investors who trade Share on the basis of publicly available allocation details or prior to the receipt of the Share certificates or prior to the Share certificates becoming valid do so entirely at their own risk.

Personal Collection

(a) If you apply using a WHITE, BLUE and/or PINK Application Form:

- If you apply for 1,000,000 Hong Kong Offer Shares or more and/or 1,000,000 Doctor and Dentist Reserved Shares or more or 1,000,000 Employee Reserved Shares or more and have provided all information required by your Application Form, you may collect your refund cheque(s) and/or Share certificate(s) (where applicable) from the Hong Kong Branch Share Registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong from 9:00 a.m. to 1:00 p.m. on Thursday, 26 November 2015, or any other place or date notified by the Company in the newspapers.

- If you are an individual who is eligible for personal collection, you must not authorise any other person to collect for you. If you are a corporate applicant who is eligible for personal collection, your authorised representative must provide a letter of authorisation from your corporation stamped with your corporation's chop. Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Branch Share Registrar.

- If you do not personally collect your refund cheque(s) and/or Share certificate(s) (where applicable) within the time specified for collection, they will be despatched promptly to you to the address specified in your Application Form by ordinary post and at your own risk.

- If you apply for less than 1,000,000 Hong Kong Offer Shares and/or less than 1,000,000 Doctor and Dentist Reserved Shares or less than 1,000,000 Employee Reserved Shares, your refund cheque(s) and/or Share certificate(s) (where applicable) will be sent to the address specified in your Application Form on Thursday, 26 November 2015 by ordinary post and at your own risk.

(b) If you apply using a YELLOW Application Form:

- If you apply for 1,000,000 Hong Kong Offer Shares or more and have provided all information required by your Application Form, please follow the same instructions as described above. If you have applied for less than 1,000,000 Hong Kong Offer Shares, your refund cheque(s) will be sent to the address specified in the Application Form on Thursday, 26 November 2015 by ordinary post and at your own risk.

- If you apply by using a **YELLOW** Application Form and your application is wholly or partially successful, your Share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to your or your designated CCASS Participant's stock account as stated in your Application Form on Thursday, 26 November 2015 or, in the event of a contingency, on any other date determined by HKSCC or HKSCC Nominees.

- If you apply through a designated CCASS Participant (other than a CCASS Investor Participant), for Hong Kong Offer Shares credited to your designated CCASS Participant's stock account (other than a CCASS Investor Participant), you can check the number of Hong Kong Offer Shares allocated to you with that CCASS Participant.

- If you apply as a CCASS Investor Participant, the Company expects to publish the results of CCASS Investor Participants' applications together with the results of the Hong Kong Public Offering on Thursday, 26 November 2015 in the manner as described in "— *Publication of Results*" above. You should check the announcement published by the Company and report any discrepancies to HKSCC before 5:00 p.m. on Thursday, 26 November 2015 or any other date as determined by HKSCC or HKSCC Nominees. Immediately after the credit of the Hong Kong Offer Shares to your stock account, you can check your new account balance via the CCASS Phone System and the CCASS Internet System. HKSCC will also make available to you an activity statement showing the number of Hong Kong Offer Shares credited to your CCASS Investor Participant stock account.

(c) If you apply through HK eIPO White Form service:

- If you apply for 1,000,000 Hong Kong Offer Shares or more through the **HK eIPO White Form** service and your application is wholly or partially successful, you may collect your Share certificate(s) (where applicable) in person from the Hong Kong Branch Share Registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong from 9:00 a.m. to 1:00 p.m. on Thursday, 26 November 2015, or any other place or date notified by the Company in the newspapers.

- If you do not personally collect your Share certificate(s) within the time specified for collection, they will be sent to the address specified in your application instructions by ordinary post and at your own risk.

- If you apply for less than 1,000,000 Hong Kong Offer Shares through the **HK eIPO White Form** service, your Share certificate(s) (where applicable) will be sent to the address specified in your application instructions on Thursday, 26 November 2015 by ordinary post and at your own risk.

- If you apply and pay the application monies from a single bank account, any refund monies will be despatched to that bank account in the form of e-Auto Refund payment instructions. If you apply and pay the application monies from multiple bank accounts, any refund monies will be despatched to the address specified in your application instructions in the form of refund cheque(s) by ordinary post and at your own risk.

(d) If you apply by giving electronic application instructions to HKSCC via CCASS:

Allocation of Hong Kong Offer Shares

- For the purposes of allocating Hong Kong Offer Shares, HKSCC Nominees will not be treated as an applicant. Instead, each CCASS Participant who gives **electronic application instructions** or each person for whose benefit instructions are given will be treated as an applicant.

Deposit of Share Certificates into CCASS and Refund of Application Monies

- If your application is wholly or partially successful, your Share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for the credit of your designated CCASS Participant's stock account or your CCASS Investor Participant stock account on Thursday, 26 November 2015 or on any other date determined by HKSCC or HKSCC Nominees.

- The Company expects to publish the application results of CCASS Participants (and where the CCASS Participant is a broker or custodian, the Company will include information relating to the relevant beneficial owner), your Hong Kong identity card / passport / Hong Kong business registration number or other identification code (Hong Kong business registration number for corporations) and the basis of allocations of the Hong Kong Offer Shares in the manner as described in "— *Publication of Results*" above on Thursday, 26 November 2015. You should check the announcement published by the Company and report any discrepancies to HKSCC before 5:00 p.m. on Thursday, 26 November 2015 or such other date as determined by HKSCC or HKSCC Nominees.

- If you have instructed your broker or custodian to give **electronic application instructions** on your behalf, you can also check the number of Hong Kong Offer Shares allocated to you and the amount of refund monies (if any) payable to you with that broker or custodian.

  If you have applied as a CCASS Investor Participant, you can also check the number of Hong Kong Offer Shares allocated to you and the amount of refund monies (if any) payable to you via the CCASS Phone System and the CCASS Internet System on Thursday, 26 November 2015. Immediately following the credit of the Hong Kong Offer Shares to your stock account and the credit of the refund monies to your bank account, HKSCC will also make available to you an activity statement showing the number of Hong Kong Offer Shares credited to your CCASS Investor Participant stock account and the amount of refund monies (if any) credited to your designated bank account.

- Refund of your application monies (if any) in respect of wholly and partially unsuccessful applications and/or difference between the Offer Price and the Maximum Offer Price per Offer Share initially paid on application (including brokerage, SFC transaction levy and Stock Exchange trading fee but without interest) will be credited to your designated bank account or the designated bank account of your broker or custodian on Thursday, 26 November 2015.

H. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and the Company complies with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares on the Stock Exchange or any other date HKSCC chooses. Settlement of transactions between Exchange Participants (as defined in the Listing Rules) is required to take place in CCASS on the second business day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Investors should seek the advice of their stockbroker or other professional adviser for details of the settlement arrangements as such arrangements may affect their rights and interests.

All necessary arrangements have been made to enable the Shares to be admitted into CCASS.

The following is the text of a report received from Ernst & Young, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, for the purpose of incorporation in this prospectus.

22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

17 November 2015

The Directors

UMP Healthcare Holdings Limited
J.P. Morgan Securities (Far East) Limited

Dear Sirs

We set out below our report on the financial information of UMP Healthcare Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") comprising the consolidated statements of profit or loss, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the years ended 30 June 2013, 2014 and 2015 (the "Track Record Period"), and the consolidated statements of financial position of the Group as at 30 June 2013, 2014 and 2015 and the statement of financial position of the Company as at 30 June 2015, together with the notes thereto (the "Financial Information"), prepared on the basis of presentation set out in note 2.1 of Section II below, for inclusion in the prospectus of the Company dated 17 November 2015 (the "Prospectus") in connection with the listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 5 November 2014. Pursuant to a group reorganisation (the "Reorganisation") as set out in the section headed "History and Reorganisation" in the Prospectus, which was completed on 30 December 2014, the Company became the holding company of subsidiaries now comprising the Group. Apart from the Reorganisation, the Company has not commenced any business or operation since its incorporation.

As at the date of this report, no statutory financial statements have been prepared for the Company, as the Company is not subject to statutory audit requirements under the relevant rules and regulations in its jurisdiction of incorporation.

As at the end of the Track Record Period, the Company has direct and indirect interests in the subsidiaries as set out in note 1 of Section II below. All companies now comprising the Group have adopted 30 June as their financial year end date except for certain subsidiaries incorporated in the People's Republic of China and Macau which have adopted 31 December as financial year end. The statutory financial statements of the companies now comprising the Group were prepared in accordance with the relevant accounting principles applicable to these companies in the countries/jurisdictions in which they were incorporated and/or established. Details of their statutory auditors during the Track Record Period are set out in note 1 of Section II below.

For the purpose of this report, the directors of the Company (the "Directors") have prepared the consolidated financial statements of the Group (the "Underlying Financial Statements") in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The Underlying Financial Statements for each of the years ended 30 June 2013, 2014 and 2015 were audited by us in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

The Financial Information set out in this report has been prepared from the Underlying Financial Statements with no adjustments made thereon.

Directors' responsibility

The Directors are responsible for the preparation of the Underlying Financial Statements and the Financial Information that give a true and fair view in accordance with HKFRSs, and for such internal control as the Directors determine is necessary to enable the preparation of the Underlying Financial Statements and the Financial Information that are free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

It is our responsibility to form an independent opinion on the Financial Information and to report our opinion thereon to you.

For the purpose of this report, we have carried out procedures on the Financial Information in accordance with Auditing Guideline 3.340 *Prospectuses and the Reporting Accountant* issued by the HKICPA.

Opinion in respect of the Financial Information

In our opinion, for the purpose of this report and on the basis of presentation set out in note 2.1 of Section II below, the Financial Information gives a true and fair view of the financial position of the Group as at 30 June 2013, 2014 and 2015 and of the Company as at 30 June 2015, and of the consolidated financial performance and the consolidated cash flows of the Group for each of the Track Record Period.

I. FINANCIAL INFORMATION

Consolidated statements of profit or loss

	Section II Notes	Year ended 30 June		
		2013	2014	2015
		HK$'000	HK$'000	HK$'000
REVENUE	5	316,291	353,025	401,037
Other income and gains, net	5	3,834	3,669	7,928
Professional services expenses		(196,220)	(213,497)	(234,351)
Employee benefit expense		(39,570)	(45,189)	(65,780)
Property rental and related expenses		(15,778)	(18,518)	(23,169)
Cost of inventories consumed		(11,786)	(13,176)	(15,898)
Depreciation		(2,358)	(2,447)	(6,028)
Other expenses, net		(15,100)	(17,489)	(17,893)
Share of profits and losses of associates		1,592	2,821	1,934
PROFIT BEFORE TAX	6	40,905	49,199	47,780
Income tax expense	9	(5,894)	(6,653)	(6,920)
PROFIT FOR THE YEAR		35,011	42,546	40,860
Attributable to:				
Owners of the Company		33,601	41,537	41,392
Non-controlling interests		1,410	1,009	(532)
		35,011	42,546	40,860
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	12	N/A	N/A	N/A

Details of the dividends payable and proposed for the Track Record Period are disclosed in note 10 to the Financial Information.

Consolidated statements of comprehensive income

	Year ended 30 June		
	2013	2014	2015
	HK$'000	HK$'000	HK$'000
PROFIT FOR THE YEAR	35,011	42,546	40,860
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	–	–	5
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	–	–	5
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	35,011	42,546	40,865
Attributable to:			
Owners of the Company	33,601	41,537	41,397
Non-controlling interests	1,410	1,009	(532)
	35,011	42,546	40,865

Consolidated statements of financial position

	Section II Notes	As at 30 June		
		2013	2014	2015
		HK$'000	HK$'000	HK$'000
NON-CURRENT ASSETS				
Property, plant and equipment	13	3,579	7,983	27,027
Goodwill	14	–	24,399	28,086
Investments in joint ventures	16	–	–	–
Investments in associates	17	9,371	10,564	1,862
Available-for-sale investments	18	2,000	3,510	3,510
Deferred tax assets	30	1,334	1,086	1,242
Deposits	21	2,778	5,203	5,011
Total non-current assets		19,062	52,745	66,738
CURRENT ASSETS				
Inventories	19	2,932	5,609	5,216
Trade receivables	20	42,743	41,752	45,057
Prepayments, deposits and other receivables	21	3,528	4,208	9,784
Financial assets at fair value through profit or loss	22	2,551	2,779	2,722
Due from a joint venture	23	920	–	–
Due from associates	24	4,779	3,202	3,562
Due from related companies	25	52,146	66,973	31,925
Tax recoverable		163	121	145
Pledged deposits	26	1,029	1,029	1,019
Cash and cash equivalents	26	63,000	53,173	83,477
Total current assets		173,791	178,846	182,907
CURRENT LIABILITIES				
Trade payables	27	36,042	38,249	41,058
Other payables, accruals and deferred income	28	20,754	25,066	46,245
Due to a joint venture	23	169	–	–
Due to associates	24	1,319	847	149
Due to related companies	25	10,585	9,530	79,173
Due to a director	29	–	–	6,769
Tax payable		7,431	7,105	8,238
Total current liabilities		76,300	80,797	181,632
NET CURRENT ASSETS		97,491	98,049	1,275
TOTAL ASSETS LESS CURRENT LIABILITIES		116,553	150,794	68,013
NON-CURRENT LIABILITIES				
Deferred tax liabilities	30	75	158	450
Provision	31	938	1,083	1,372
Total non-current liabilities		1,013	1,241	1,822
Net assets		115,540	149,553	66,191
EQUITY				
Equity attributable to owners of the Company				
Share capital	32	–	–	–
Reserves	33	112,514	148,536	67,711
		112,514	148,536	67,711
Non-controlling interests		3,026	1,017	(1,520)
Total equity		115,540	149,553	66,191

Consolidated statements of changes in equity

		Attributable to owners of the Company								
	Section II Notes	Share capital	Capital contribution reserve	Other reserve	Share-based payment reserve	Legal reserve	Retained profits	Total	Non-controlling interests	Total equity
		HK$'000 (note 32)	HK$'000 (note 33)	HK$'000 (note 33)	HK$'000 (note 33)	HK$'000 (note 33)	HK$'000	HK$'000	HK$'000	HK$'000
At 1 July 2012		–	–	51,329	–	5	61,487	112,821	2,997	115,818
Profit for the year and total comprehensive income for the year		–	–	–	–	–	33,601	33,601	1,410	35,011
Capital injection by non-controlling interests		–	–	–	–	–	–	–	2	2
Dividends paid to the then shareholders	10	–	–	–	–	–	(34,418)	(34,418)	–	(34,418)
Dividends paid to non-controlling interests		–	–	–	–	–	–	–	(1,383)	(1,383)
Equity-settled share-based payments	34	–	–	–	510	–	–	510	–	510
At 30 June 2013 and at 1 July 2013		–	–*	51,329*	510*	5*	60,670*	112,514	3,026	115,540
Profit for the year and total comprehensive income for the year		–	–	–	–	–	41,537	41,537	1,009	42,546
Changes in non-controlling interests without change in control	37	–	349	–	–	–	–	349	(1,249)	(900)
Acquisitions of subsidiaries	36	–	28,377	–	–	–	(450)	27,927	(471)	27,456
Dividends paid to the then shareholders	10	–	–	–	–	–	(34,181)	(34,181)	–	(34,181)
Dividends paid to non-controlling interests		–	–	–	–	–	–	–	(1,298)	(1,298)
Equity-settled share-based payments	34	–	–	–	390	–	–	390	–	390
At 30 June 2014 and at 1 July 2014		–	28,726*	51,329*	900*	5*	67,576*	148,536	1,017	149,553

	Section II Notes	Share capital	Capital contribution reserve	Other reserve	Share-based payment reserve	Legal reserve	Exchange reserve	Retained profits	Total	Non-controlling interests	Total equity
		Attributable to owners of the Company									
		HK$'000 (note 32)	HK$'000 (note 33)	HK$'000 (note 33)	HK$'000 (note 33)	HK$'000 (note 33)	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 30 June 2014 and at 1 July 2014		–	28,726	51,329	900	5	–	67,576	148,536	1,017	149,553
Profit for the year		–	–	–	–	–	–	41,392	41,392	(532)	40,860
Other comprehensive income:											
Exchange differences on translation of foreign operation		–	–	–	–	–	5	–	5	–	5
Total comprehensive income for the year		–	–	–	–	–	5	41,392	41,397	(532)	40,865
Deemed distribution to the then shareholders		–	–	(51,329)	–	–	–	–	(51,329)	–	(51,329)
Capital injection by non-controlling interests		–	–	–	–	–	–	–	–	4	4
Dividends payable to the then shareholders	10	–	–	–	–	–	–	(70,893)	(70,893)	–	(70,893)
Dividends payable to non-controlling interests		–	–	–	–	–	–	–	–	(2,009)	(2,009)
Transfer to retained profits	34	–	–	–	(900)	–	–	900	–	–	–
At 30 June 2015		–	28,726*	–*	–*	5*	5*	38,975*	67,711	(1,520)	66,191

* These reserve accounts comprise the consolidated reserves of HK$112,514,000, HK$148,536,000 and HK$67,711,000 in the consolidated statements of financial position as at 30 June 2013, 2014 and 2015, respectively.

Consolidated statements of cash flows

	Section II Notes	Year ended 30 June		
		2013	2014	2015
		HK$'000	HK$'000	HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		40,905	49,199	47,780
Adjustments for:				
Share of profits and losses of associates		(1,592)	(2,821)	(1,934)
Gain on disposal of investment in an associate	5	–	–	(2,990)
Interest income	5	(95)	(79)	(46)
Dividend income from listed investments	5	(78)	(132)	(1,022)
Fair value gains on financial assets at fair value through profit or loss	5	(151)	(228)	(561)
Depreciation	6	2,358	2,447	6,028
Write-off of trade receivables	6	61	78	52
Loss on disposal of items of property, plant and equipment	6	101	8	41
Equity-settled share-based payment expenses	6	510	390	–
		42,019	48,862	47,348
Decrease/(increase) in inventories		(200)	(501)	393
Decrease/(increase) in trade receivables		(2,978)	3,034	(3,351)
Decrease/(increase) in prepayments, deposits and other receivables		2,065	1,042	(2,731)
Increase/(decrease) in trade payables		(227)	1,495	2,809
Increase/(decrease) in other payables, accruals and deferred income		(5,382)	(3,177)	6,522
Changes in balances with joint ventures, net		367	751	–
Changes in balances with associates, net		631	(472)	(1,058)
Cash generated from operations		36,295	51,034	49,932
Interest received		95	79	46
Hong Kong profits tax paid		(4,797)	(6,909)	(5,686)
Net cash flows from operating activities		31,593	44,204	44,292
CASH FLOWS FROM INVESTING ACTIVITIES				
Dividends received from listed investments		78	132	1,022
Proceeds from disposal of an associate	17	–	–	11,470
Acquisitions of subsidiaries	36	–	4,258	3,609
Proceeds from disposal of financial assets at fair value through profit or loss		–	–	618
Purchases of items of property, plant and equipment		(1,770)	(5,315)	(21,590)
Purchase of available-for-sale investments		–	(1,510)	–
Deposits paid for purchases of items of property, plant and equipment		(223)	(2,573)	(538)
Decrease/(increase) in pledged time deposits		(72)	–	10
Decrease/(increase) in non-pledged deposits with original maturity of more than three months when acquired		–	(1,625)	1,625
Dividends received from associates		1,324	3,205	2,156
Net cash flows used in investing activities		(663)	(3,428)	(1,618)

	Section II Notes	Year ended 30 June 2013	2014	2015
		HK$'000	HK$'000	HK$'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Advances from related companies		69,641	30,130	143,456
Repayment to related companies		(65,958)	(45,979)	(160,979)
Advances from a director		–	–	6,769
Repayment to a director		(1,643)	–	–
Purchase of an additional interest in a subsidiary from non-controlling interests	37	–	(900)	–
Capital injection by non-controlling interests		2	–	4
Dividends paid to the then shareholders		(34,418)	(34,181)	–
Dividends paid to non-controlling interests		(1,383)	(1,298)	–
Net cash flows used in financing activities		(33,759)	(52,228)	(10,750)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(2,829)	(11,452)	31,924
Effect of foreign exchange rate changes, net		–	–	5
Cash and cash equivalents at beginning of year		65,829	63,000	51,548
CASH AND CASH EQUIVALENTS AT END OF YEAR		63,000	51,548	83,477
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
Cash and bank balances		59,104	49,066	82,684
Non-pledged deposits with original maturity of less than three months when acquired		3,896	2,482	793
Non-pledged deposits with original maturity of more than three months when acquired		–	1,625	–
Cash and cash equivalents as stated in the consolidated statements of financial position	26	63,000	53,173	83,477
Non-pledged deposits with original maturity of more than three months when acquired		–	(1,625)	–
Cash and cash equivalents as stated in the consolidated statements of cash flows		63,000	51,548	83,477

Statement of financial position of the Company

	Section II Notes	As at 30 June 2015
		HK$'000
NON-CURRENT ASSETS		
Investments in subsidiaries	15	–
Total non-current assets		–
CURRENT LIABILITIES		
Accruals	28	15
Due to a subsidiary	15	903
Due to a related company	25	48
Total current liabilities		966
Net liabilities		(966)
EQUITY		
Issued capital	32	–
Accumulated loss	33	(966)
Total equity		(966)

II. NOTES TO FINANCIAL INFORMATION

1. Corporate and Group Information

UMP Healthcare Holdings Limited (the "Company") was incorporated in the Cayman Islands on 5 November 2014 as an exempted company with limited liability under the Company Law (2011 Revision) (as consolidated and revised) of the Cayman Islands. The principal place of business of the Company is located at Room 1401–1403, Wing On House, 71 Des Voeux Road Central, Hong Kong.

No statutory financial statements have been prepared for the Company as it is newly incorporated and has not involved in any significant business transactions since the date of its incorporation other than the Reorganisation.

The Company is an investment holding company. During the Track Record Period, the Group is principally engaged in the provision of healthcare services which include:

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

In the opinion of the Directors, the ultimate holding company of the Company is True Point Holdings Limited, a company incorporated in the British Virgin Islands. The address of the registered office of the ultimate holding company is P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands.

The Company and its subsidiaries now comprising the Group underwent the Reorganisation as set out in the section headed "History and Reorganisation" in the Prospectus. The Company became the holding company of the subsidiaries now comprising the Group upon completion of the Reorganisation.

As at the end of the Track Record Period, the Company had direct and indirect interests in the following subsidiaries:

Company name	Place of incorporation/ place of business and date of incorporation/ registration	Issued ordinary/ registered share capital	Percentage of equity interest attributable to the Company		Principal activities
			Direct	Indirect	
UMP Healthcare China Limited (note (a))	Cayman Islands/ Hong Kong/ 7 November 2014	US$0.01	100	–	Investment holding

Company name	Place of incorporation/ place of business and date of incorporation/ registration	Issued ordinary/ registered share capital	Percentage of equity interest attributable to the Company		Principal activities
			Direct	Indirect	
UMP Healthcare Limited (note (a))	Cayman Islands/ Hong Kong/ 7 November 2014	US$0.01	100	–	Investment holding
AP Care Limited (note (e))	Hong Kong/ Hong Kong/ 3 December 2008	HK$10,000	–	100	Provision of medical and laboratory services
Dr. Lee Dental Centre Limited (note (d))	Hong Kong/ Hong Kong/ 26 March 2004	HK$1	–	100	Provision of dental services
eClaims (Hong Kong) Limited (note (e))	Hong Kong/ Hong Kong/ 19 December 2001	HK$100	–	100	Provision of electronic medical claims submission platform and information technology services
Hong Tai Polyclinic Limited (note (a))	Macau/ Macau/ 12 November 2004	MOP25,000	–	100	Provision of medical services
UMP Corporate Administration Services Limited (note (e))	Hong Kong/ Hong Kong/ 4 April 2002	HK$100	–	100	Investment holding
UMP Dental Centre Limited (note (e))	Hong Kong/ Hong Kong/ 27 June 2003	HK$10,000	–	100	Provision of dental services
UMP Dental Services Limited (note (e))	Hong Kong/ Hong Kong/ 19 May 2000	HK$2	–	100	Investment holding
UMP Health Centre Management Limited (note (e))	Hong Kong/ Hong Kong/ 19 May 2000	HK$2	–	100	Investment holding
UMP Health Plan Management Limited (note (e))	Hong Kong/ Hong Kong/ 31 October 2001	HK$2	–	100	Inactive
UMP Holdings (Macau) Limited (note (a))	Macau/ Macau/ 15 February 2007	MOP25,000	–	100	Investment holding
UMP Medical Centre Limited (note (e))	Hong Kong/ Hong Kong/ 24 February 1999	HK$100	–	100	Investment holding and provision of medical services
UMP Medical Centre (Hong Kong) Limited (note (e))	Hong Kong/ Hong Kong/ 19 December 2001	HK$100	–	100	Provision of medical services
UMP Medical Centre Management Limited (formerly known as UMP Medical Centre (Outlying Island) Limited) (note (e))	Hong Kong/ Hong Kong/ 5 May 2000	HK$100	–	100	Investment holding and provision of medical services

Company name	Place of incorporation/ place of business and date of incorporation/ registration	Issued ordinary/ registered share capital	Percentage of equity interest attributable to the Company		Principal activities
			Direct	Indirect	
UMP Medical Centre Management (II) Limited (formerly known as UMP Medical Centre (Kowloon) Limited) (note (e))	Hong Kong/ Hong Kong/ 14 June 2000	HK$100	–	100	Investment holding and provision of medical services
UMP Medical Centre Management (III) Limited (formerly known as Central Specialist Medical Centre Limited) (note (e))	Hong Kong/ Hong Kong/ 29 October 2001	HK$100	–	100	Investment holding and provision of medical services
UMP Medical Centre (New Territories) Limited (note (e))	Hong Kong/ Hong Kong/ 27 January 2006	HK$2	–	100	Provision of medical services
UMP Professional Management Limited (note (e))	Hong Kong/ Hong Kong/ 2 January 1996	HK$50,000,012	–	100	Investment holding and provision of corporate healthcare solution
UMP Professional Management (Macau) Limited (note (c))	Macau/ Macau/ 11 March 1997	MOP10,000	–	100	Investment holding and provision of corporate healthcare solution
UMP Specialist Medical Centre Limited (formerly known as UMP IT Limited) (note (e))	Hong Kong/ Hong Kong/ 19 May 2000	HK$2	–	100	Provision of medical services
UMP TCM Limited (note (e))	Hong Kong/ Hong Kong/ 13 March 2002	HK$10,000	–	100	Provision of medical services
UMP Tsim Sha Tsui Dental Centre Limited (note (e))	Hong Kong/ Hong Kong/ 27 December 2000	HK$10,000	–	87.65	Provision of dental services
UMP Phoenix Healthcare Limited (note (a))	British Virgin Islands/ Mainland China/ 11 November 2014	US$0.01	–	100	Investment holding and provision for medical services
United Medical Services (China) Limited ("UMSC") (note (a))	British Virgin Islands/ Mainland China/ 6 August 1999	US$100	–	100	Investment holding
Beijing Eaton Consulting Limited 北京耀東管理顧問有限公司 (note (b))	People's Republic of China ("PRC")/ Mainland China 23 August 2000	US$1,000,000	–	100	Provision of healthcare and hospital management
238 Specialist Medical Centre Limited (note (e))	Hong Kong/ Hong Kong/ 14 June 2007	HK$10,000	–	60	Provision of medical services
Hirayanagi Shika Company Limited (note (e))	Hong Kong/ Hong Kong/ 28 April 1987	HK$500,000	–	71.76	Provision of dental services
Hong Kong ENT Limited (note (e))	Hong Kong/ Hong Kong/ 4 September 2008	HK$10,000	–	50.5	Provision of medical services

Company name	Place of incorporation/ place of business and date of incorporation/ registration	Issued ordinary/ registered share capital	Percentage of equity interest attributable to the Company		Principal activities
			Direct	Indirect	
Metro International Clinic Limited (note (a))	Macau/ Macau/ 18 January 2005	MOP100,000	–	69	Provision of medical services
ProCare Medical Imaging & Laboratory Centre Limited (formerly known as UMP Medical Centre (Kowloon West) Limited) (note (e))	Hong Kong/ Hong Kong/ 19 May 2000	HK$10,000	–	62.5	Provision of medical managing and laboratory services
UMP Central Dental Centre Limited (note (e))	Hong Kong/ Hong Kong/ 24 February 2011	HK$100	–	90	Provision of dental services
UMP Dental Investment Limited (note (e))	Hong Kong/ Hong Kong/ 23 October 2000	HK$2,000,000	–	82.35	Investment holding
UMP Physiotherapy Centre Limited (note (e))	Hong Kong/ Hong Kong/ 11 July 2001	HK$100	–	60	Provision of medical and physiotherapy services

Notes:

(a) No audited financial statements have been prepared for these companies since their incorporation as these companies are incorporated in jurisdictions which do not have any statutory audit requirements for these companies.

(b) The statutory financial statements of this company for the years ended 31 December 2013 and 2014 prepared under PRC Generally Accepted Accounting Principles were audited by Zhongjing Certified Public Accountants Office Co., Ltd., certified public accountants registered in the PRC.

The English name of the PRC company referred to this note represents management's best efforts in translating the Chinese name of this company as no English name has been registered or available.

(c) The statutory financial statements of this company for the years ended 31 December 2013 and 2014 prepared under Macao General Financial Reporting Standards were audited by Keng Ou CPAs, certified public accountants registered in Macau.

(d) The statutory financial statements of this company for the years ended 31 March 2013 and 2014 prepared under HKFRSs were audited by Vision A.S. Limited, certified public accountants registered in Hong Kong. The statutory financial statements of this company for the period ended 30 June 2015 prepared under HKFRSs were audited by Ernst & Young, Hong Kong. Prior to the period ended 30 June 2015, this company adopted 31 March as its financial year end. As part of the Reorganisation, the company has changed its financial year end date to 30 June to conform with the Group.

(e) The statutory financial statements of these companies for the years ended 30 June 2013 and 2014 prepared under HKFRSs were audited by RSM Nelson Wheeler, certified public accountants registered in Hong Kong. The statutory financial statements of these companies for the year ended 30 June 2015 prepared under HKFRSs were audited by Ernst & Young, Hong Kong.

2.1 Basis of Presentation

Pursuant to the Reorganisation as more fully explained in the paragraph headed "Reorganisation" in the section headed "History and Reorganisation" in the Prospectus, the Company became the holding company of the companies comprising the Group on 30 December 2014. As the Reorganisation involved the transfer of certain subsidiaries now comprising the Group to new holding companies and has not resulted in any change of economic substances, the Financial Information has been presented as continuation of the existing companies using the pooling of interests method as if the Reorganisation had been completed at the beginning of the Track Record Period.

The consolidated statements of profit or loss, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for the Track Record Period include the results and cash flows of all companies now comprising the Group from the earliest date presented or since the date when the subsidiaries first came under the common control, where this is a shorter period. The consolidated statements of financial position of the Group as at 30 June 2013, 2014 and 2015 have been prepared to present the assets and liabilities of the companies now comprising the Group, as if the group structure after completion of the Reorganisation had been in existence at these dates.

Equity interests in subsidiaries not held by First Point Holdings Limited (the then holding company of the subsidiaries now comprising the Group) prior to the Reorganisation are presented as non-controlling interests in equity in applying the principles of merger accounting. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

All intra-group transactions and balances have been eliminated on consolidation.

2.2 Basis of Preparation

The Financial Information has been prepared in accordance with HKFRSs (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the HKICPA and accounting principles generally accepted in Hong Kong. All HKFRSs effective for the accounting period commencing from 1 July 2014, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Financial Information throughout the Track Record Period.

The Financial Information has been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which have been measured at fair value. The Financial Information is presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand ("HK$'000") except when otherwise indicated.

2.3 Issued but not yet Effective Hong Kong Financial Reporting Standards

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 9	*Financial Instruments*[3]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[1]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	*Investment Entities: Applying the Consolidation Exception*[1]
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*[1]
HKFRS 14	*Regulatory Deferral Accounts*[4]
HKFRS 15	*Revenue from Contracts with Customers*[3]
Amendments to HKAS 1	*Disclosure Initiative*[1]
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*[1]
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plants*[1]
Amendments to HKAS 27 (2011)	*Equity Method in Separate Financial Statements*[1]
Annual Improvements 2012-2014 Cycle	Amendments to a number of HKFRSs[1]

1 Effective for annual periods beginning on or after 1 January 2016

2 Effective for annual periods beginning on or after 1 January 2017

3 Effective for annual periods beginning on or after 1 January 2018

4 Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group

Further information about those HKFRSs that are expected to be applicable to the Group is as follows:

In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt HKFRS 9 from 1 July 2018. The Group expects that the adoption of HKFRS 9 will have an impact on the classification and measurement of the Group's financial assets. Further information about the impact will be available nearer the implementation date of the standard.

The amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The Group expects to adopt the amendments from 1 July 2016.

HKFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. An entity must identify the promised goods and services within the arrangement and determine which of those goods and services are separate, or distinct, performance obligations with the following steps (i) identify the contract(s) with the customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognise revenue when (or as) the entity satisfies a performance obligations. Under HKFRS 15, appropriately identifying the entity's performance obligation in a contract is fundamental to the determination of whether the entity is acting as a principal or an agent. That is, in order for the entity to conclude it is acting as the principal in the arrangement, the entity must determine that it controls the goods or services promised to the customer before those goods and services are transferred to the customer. After an entity identifies its promise and determines whether it is the principal or the agent, the entity recognises revenue when it satisfies that performance obligation.

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. The Group expects to adopt HKFRS 15 on 1 July 2018 and is currently assessing the impact of HKFRS 15 upon adoption.

Amendments to HKAS 1 include narrow-focus improvements in respect of the presentation and disclosure in financial statements in five areas, including materiality, disaggregation and subtotals, notes structure, disclosure of accounting policies and presentation of items of other comprehensive income arising from equity accounted investments. The amendments further encourage entities to apply professional judgement in determining what information to disclose and how to structure the disclosure in the financial statements. The Group expects to adopt the amendments from 1 July 2016.

2.4 Summary of Significant Accounting Policies

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Hong Kong Accounting Standard 39 *Financial Instruments: Recognition and Measurement* ("HKAS 39") is measured at fair value with changes in fair value either recognised in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of HKAS 39, it is measured in accordance with the appropriate HKFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 30 June. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The results of the subsidiaries are included in the Company's profit or loss to the extent the dividends received or receivables. The Company's investments in subsidiaries are stated at cost less any impairment losses.

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statements of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statements of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statements of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person (i) has control or joint control over the Group; (ii) has significant influence over the Group; or (iii) is a member of the key management personnel of the Group or of a parent of the Group; or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a); and

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Fair value measurement

The Group measures its financial assets at fair value through profit or loss at the end of each Track Record Period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each Track Record Period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each Track Record Period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvements	Over the lease terms
Furniture, fixtures and office equipment	20%
Medical equipment	20%
Computer equipment and software	33.3%
Motor vehicle	33.3%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to profit or loss on the straight-line basis over the lease terms.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables and available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by HKAS 39.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with positive net changes in fair value presented as other income and gains and negative net changes in fair value presented as finance costs in profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for "Revenue recognition" below.

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in HKAS 39 are satisfied.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated as at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in profit or loss. The loss arising from impairment is recognised in profit or loss.

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity investments. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss.

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in profit or loss, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to profit or loss. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in profit or loss.

When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statements of financial position) when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets

The Group assesses at the end of each Track Record Period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to profit or loss.

Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

Subsequent measurement of loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred.

Cash and cash equivalents

For the purpose of the consolidated statements of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statements of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries/jurisdictions in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

(a) from the provision of healthcare solution services, upon the provision of the relevant services or on a time proportion basis over the terms of the fixed-fee service contracts (including annual retainer and capitation plans). Further explained in the accounting policy for "fixed-fee service contracts" below;

(b) from the rendering of medical and dental services, upon provision of the relevant services;

(c) from the provision of administrative support services, upon rendering of services;

(d) dividend income, when the shareholders' right to receive payment has been established; and

(e) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Fixed-fee service contracts

The Group has certain medical, dental and other service contracts, in which the Group agrees to provide specific services over the terms of the contracts for a fixed-fee in which the level of services depends on uncertain future events (the "Fixed-fee Service Contracts"). The Fixed-fee Service Contracts are in general of one to two years and the Group receives the related service fees upfront. The contract customers cannot recover the service fee upon the expiration of the respective fixed-fee service contract period irrespective of whether the plan members utilised any services under the Fixed-fee Service Contracts.

At the end of each reporting period, tests are performed by the Group to ensure the adequacy of the contract liabilities under the Fixed-fee Service Contracts. In performing these tests, current best estimates of future contractual cash flows under the Fixed-fee Service Contracts are used. Any deficiency is immediately charged to profit or loss by establishing a provision for losses.

Fees received or receivable under the Fixed-fee Service Contracts are recognised on a time proportion basis (i.e., straight-line basis) over the terms of the Fixed-fee Service Contracts. At the time of revenue recognition, plan members may not utilise any services under the Fixed-fee Service Contracts and hence, no direct cost will be incurred by the Group in association with the professional services rendered by the doctors, dentists and auxiliary service providers. Accordingly, expenses incurred in connection with the Fixed-fee Service Contracts are charged to profit or loss as incurred.

Share-based payments

The beneficial shareholders or holding companies of companies now comprising the Group and the Group may grant equity instruments to employees (including directors) or entities designated by the relevant employees and consultants of the Group for the purpose of providing incentives and/or rewards to those who contribute to the success of the Group. Employees (including directors) or entities designated by the relevant employees and consultants of the Group may directly or indirectly receive remuneration/reward in the form of share-based payment transactions, whereby the Group receives goods or services as consideration for equity instruments ("equity-settled transactions").

In situations where the share-based payment transactions are with employees of the Group, the cost of equity-settled transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted, taking into account the terms and conditions upon which these equity instruments are granted. In situations where the share-based payment transactions are with non-employees of the Group, the cost of equity-settled transactions is measured by reference to the fair value of goods or services received, unless that fair value cannot be estimated reliably. If the Group cannot estimate reliably the fair value of the goods or services received, the Group measures their value, indirectly, by reference to the fair value of the equity instruments granted.

The fair value is determined by external valuer using an appropriate valuation model, further details of which are given in note 34 under Section II of this report.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are not met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of the modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Other employee benefits

The Group operates an occupational retirement scheme registered under the Occupational Retirement Schemes Ordinance (Cap. 426). This scheme has been granted exemption pursuant to Section 5 of the Mandatory Provident Fund Schemes Ordinance. Contributions are made based on a percentage of the employees' basic salaries. When an employee leaves the scheme, unvested benefits will be used to reduce the ongoing employer's contributions.

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiary which operates in Mainland China are required to participate in a central pension scheme operated by the local municipal government. This subsidiary is required to contribute 5% of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in profit or loss.

A provision for reinstatement costs is recognised when a contractual obligation under the terms of an operating lease has arisen to reinstate a leased property at the end of the lease. Reinstatement costs are provided at the value of the expected costs to settle the obligation at the end of the reporting period using estimated cash flows and an equivalent asset is recognised and depreciated over the term of the operating lease. The estimated future costs of reinstatement are reviewed, and adjusted if appropriate, at least at each financial year end. Changes in the estimate future costs are added to or deducted from the cost of the corresponding asset.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries and joint ventures are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statements of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

3. Significant Accounting Judgements and Estimates

The preparation of the Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Financial Information:

Income taxes

The Group has exposure to income taxes in different jurisdictions. Significant judgement is involved in determining the provision for income taxes. Determining income tax provisions involves judgement on the future tax treatment of certain transactions and interpretation of tax rules. The Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislation, interpretations and practices in respect thereof.

Share-based payment transactions

The beneficial shareholders or holding companies of companies now comprising the Group have entered into equity-settled share-based payment transactions with employees or non-employees of the Group for the purpose of providing incentives and/or rewards to those who contribute to the success of the Group. The Group measures the cost of these equity-settled transactions with employees and non-employees by reference to the fair value of the equity instruments at the date at which they are granted. Judgement is required in determining the most appropriate valuation model for the equity instruments granted, depending on the terms and conditions of the grant and other specific facts and circumstances. Management is also required to use judgement in determining the most appropriate inputs to the valuation model. Further details are contained in note 34 under Section II of this report.

Fixed-fee Service Contracts

The Group enters into certain Fixed-fee Service Contracts in which the Group uses its own medical and dental centres, staff and other resources, including affiliated clinics and affiliated service providers, to provide healthcare services covered by the contracts. The level of services to be rendered under the Fixed-fee Service Contracts is uncertain and depends on uncertain future events. The Group has to consider whether the cost of meeting its contractual obligations to provide the services under the Fixed-fee Service Contracts may exceed the revenue it will receive and the probability of such risk (the "Risk"), when assessing the pricing and provisioning for such contracts.

The frequency and severity of the Risk are affected by many factors, including, inter alia, the health status and awareness of the persons covered by the Fixed-fee Service Contracts and that of the general public in Hong Kong, the outbreak/potential outbreak of any epidemic, climatic changes, the duration of those contracts (which in general are of short duration), as well as a diversity of social, industrial and economic factors. The risk associated with such factors (including any undue concentration thereof and the probability of the occurrence of certain events affected by them) on the actual utilisation ratio for individual contracts is the key source of uncertainty that needs to be estimated.

The Group manages the Risk through periodic review of the estimated and actual utilisation ratio of individual contracts and considers such assessment in revising the relevant fee schedules and whether or not to renew such Fixed-fee Service Contracts.

Revenue from provision of healthcare services

The Group provides clinical healthcare services and corporate healthcare solutions services to its contract customers. The healthcare services can broadly be further categorised into two types, that is, out-patient services; and in-patient services.

In determining whether the Group is acting as a principal or as an agent in provision of healthcare services and corporate healthcare solutions services requires judgement and consideration of all relevant facts and circumstances. The Group is acting as a principal when it has exposure to the significant risks and rewards associated with rendering of services and report revenue on the gross inflows of economic benefits. In evaluation of the Group acting as a principal, the Group considers, individually or in combination, whether the Group has (i) the primary responsibility for providing goods or services to the customers or for fulfilling the order; (ii) inventory risk before, during or after the customer order; (iii) latitude in establishing prices, either directly or indirectly; and (iv) bears the customer's credit risk on the receivable due from the customer. Conversely, the Group is an agent when it does not have exposure to the significant risks and rewards associated with the rendering of services and report revenue on the net inflows of economic benefits (that is, net of the amounts collected on behalf of the principal). Having considered the relevant facts and circumstances, the Directors consider that the Group is exposed to significant risks and rewards associated with the rendering of out-patient services while the Group is not exposed to significant risks and rewards associated to the in-patient services. Accordingly, the Group is acting as a principal for the out-patient services and the related revenue is presented on a gross basis while the Group is acting as an agent for the in-patient services and the related revenue is presented on a net basis. The Group received net in-patient services revenue of approximately HK$5,330,000, HK$5,969,000 and HK$5,741,000 for the year ended 30 June 2013, 2014 and 2015, respectively, which accounted for approximately 1.7%, 1.7% and 1.4% of the Group's total revenue in the respective years.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of loans and receivables

The Group assesses at the end of each of the Track Record Period whether there is any objective evidence that a loan/receivable is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each of the Track Record Period. Non-financial assets with finite lives are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The calculation of the fair value less costs to sell is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are given in note 14 under Section II of this report.

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 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 associates as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude goodwill, financial assets at fair value through profit or loss, and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude other 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.

Geographical information

During the Track Record Period, the Group operates within three geographical locations, Hong Kong, Macau and PRC. Approximately 96% of its revenue was generated in Hong Kong and about 91% of its non-current assets and capital expenditure were located/incurred in Hong Kong. Accordingly, no geographical information in respect of revenue from external customers and locations of non-current assets is presented.

Year ended/as at 30 June 2013	Corporate Healthcare Solution Services to Contract Customers	Clinical Healthcare Services	Total
	HK$'000	HK$'000	HK$'000
Segment revenue:			
External sales	247,946	68,345	316,291
Intersegment sales	578	50,765	51,343
	248,524	119,110	367,634
Reconciliation:			
Elimination of intersegment sales			(51,343)
Revenue			316,291
Segment results	22,630	12,896	35,526
Reconciliation:			
Interest income			95
Other income and gains			3,739
Share of profits and losses of associates			1,592
Corporate and other unallocated expenses			(47)
Profit before tax			40,905
Segment assets	145,561	40,468	186,029
Reconciliation:			
Elimination of intersegment receivables			(2,123)
Corporate and other unallocated assets			8,947
Total assets			192,853
Segment liabilities	67,831	10,584	78,415
Reconciliation:			
Elimination of intersegment payables			(2,123)
Corporate and other unallocated liabilities			1,021
Total liabilities			77,313

Year ended/as at 30 June 2013	Corporate Healthcare Solution Services to Contract Customers	Clinical Healthcare Services	Total
	HK$'000	HK$'000	HK$'000
Other segment information			
Share of profits and losses of associates	–	1,592	1,592
Depreciation	239	2,119	2,358
Investments in associates	–	9,371	9,371
Capital expenditure*	–	1,993	1,993

Note:

* Capital expenditure consists of additions to property, plant and equipment and deposits paid for purchases of items of property, plant and equipment.

Year ended/as at 30 June 2014	Corporate Healthcare Solution Services to Contract Customers	Clinical Healthcare Services	Total
	HK$'000	HK$'000	HK$'000
Segment revenue:			
External sales	264,923	88,102	353,025
Intersegment sales	654	59,985	60,639
	265,577	148,087	413,664
Reconciliation:			
Elimination of intersegment sales			(60,639)
Revenue			353,025
Segment results	27,579	16,834	44,413
Reconciliation:			
Interest income			79
Other income			3,199
Unallocated gains			391
Share of profits and losses of associates			2,821
Corporate and other unallocated expenses			(1,704)
Profit before tax			49,199

Year ended/as at 30 June 2014	Corporate Healthcare Solution Services to Contract Customers	Clinical Healthcare Services	Total
	HK$'000	HK$'000	HK$'000
Segment assets	147,783	56,916	204,699
Reconciliation:			
Elimination of intersegment receivables			(6,502)
Corporate and other unallocated assets			33,394
Total assets			231,591
Segment liabilities	70,387	17,039	87,426
Reconciliation:			
Elimination of intersegment payables			(6,502)
Corporate and other unallocated liabilities			1,114
Total liabilities			82,038
Other segment information			
Share of profits and losses of associates	–	2,821	2,821
Other non-cash expenses	–	145	145
Depreciation	250	2,197	2,447
Investments in associates	–	10,564	10,564
Capital expenditure*	292	8,805	9,097

Note:

* Capital expenditure consists of additions to property, plant and equipment, including additions from the acquisition of subsidiaries, and deposits paid for purchases of items of property, plant and equipment.

Year ended/as at 30 June 2015	Corporate Healthcare Solution Services to Contract Customers	Clinical Healthcare Services	Total
	HK$'000	HK$'000	HK$'000
Segment revenue:			
External sales	271,823	129,214	401,037
Intersegment sales	775	60,295	61,070
	272,598	189,509	462,107
Reconciliation:			
Elimination of intersegment sales			(61,070)
Revenue			401,037

Year ended/as at 30 June 2015	Corporate Healthcare Solution Services to Contract Customers	Clinical Healthcare Services	Total
	HK$'000	HK$'000	HK$'000
Segment results	25,706	16,446	42,152
Reconciliation:			
Interest income			46
Other income			4,331
Unallocated gains			3,551
Share of profits and losses of associates			1,934
Corporate and other unallocated expenses			(4,234)
Profit before tax			47,780
Segment assets	143,498	72,445	215,943
Reconciliation:			
Elimination of intersegment receivables			(17,571)
Corporate and other unallocated assets			51,273
Total assets			249,645
Segment liabilities	68,963	48,122	117,085
Reconciliation:			
Elimination of intersegment payables			(17,571)
Corporate and other unallocated liabilities			83,940
Total liabilities			183,454
Other segment information			
Share of profits and losses of associates	–	1,934	1,934
Other non-cash expenses	–	284	289
Depreciation	553	5,475	6,028
Investments in associates	–	1,862	1,862
Capital expenditure*	1,480	21,318	22,798

Note:

* Capital expenditure consists of additions to property, plant and equipment including additions from the acquisition of subsidiaries and deposits paid for purchases of items of property, plant and equipment.

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 for each of the Track Record Period is set out below:

	Year ended 30 June		
	2013	2014	2015
	HK$'000	HK$'000	HK$'000
Customer A	35,963	44,289	49,587
Customer B	27,409	29,381	28,057

5. Revenue, Other Income and Gains, Net

Revenue represents the aggregate of the gross amounts received and receivable from third parties for the provision of healthcare services for the Track Record Period.

An analysis of the Group's revenue, other income and gains, net for the Track Record Period is as follows:

	Year ended 30 June		
	2013	2014	2015
	HK$'000	HK$'000	HK$'000
Revenue			
Provision of corporate healthcare solution services to contract customers:			
Medical services	232,631	249,142	255,505
Dental services	15,315	15,781	16,318
Provision of clinical healthcare services:			
Medical services	50,975	67,313	86,095
Dental services	17,370	20,789	43,119
	316,291	353,025	401,037
Other income and gains, net			
Bank interest income	95	79	46
Administrative support fees	2,615	2,428	2,241
Dividend income from financial assets at fair value through profit or loss	78	132	1,022
Fair value gains on financial assets at fair value through profit or loss	151	228	561
Foreign exchange differences, net	–	163	–
Gain on disposal of investment in an associate	–	–	2,990
Others	895	639	1,068
	3,834	3,669	7,928

6. Profit Before Tax

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

	Year ended 30 June		
	2013	2014	2015
	HK$'000	HK$'000	HK$'000
Auditors' remuneration	381	400	1,040
Cost of inventories consumed	11,786	13,176	15,898
Cost of services rendered	196,220	213,497	234,351
Depreciation	2,358	2,447	6,028
Employee benefit expense (including directors' remuneration (note 7)):			
Salaries, allowances, bonuses and other benefits	36,967	42,757	62,967
Equity-settled share-based payment expense (note 34)	510	390	–
Pension scheme contributions (defined contribution schemes)	2,093	2,042	2,813
	39,570	45,189	65,780
Foreign exchange differences, net	268	(163)	705
Gain on disposal of investment in an associate	–	–	(2,990)
Loss on disposal of items of property, plant and equipment	101	8	41
Listing expenses	–	–	1,425
Minimum leases payments under operating leases	13,171	15,611	19,723
Write-off of trade receivables	61	78	52
Write-down of inventories to net realisable value	–	90	–

As at 30 June 2013, 2014 and 2015, the Group had no material forfeited contributions available to reduce its contributions to the pension schemes in future years.

7. Directors' and Chief Executive's Remuneration

Director and chief executive's remuneration

Directors' and chief executive's remuneration for the Track Record Period, disclosed pursuant to the Rules governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, is as follows:

	Year ended 30 June		
	2013	2014	2015
	HK$'000	HK$'000	HK$'000
Fees	–	–	–
Other emoluments:			
Salaries, allowances and benefits in kind	2,828	2,768	2,854
Performance related bonuses*	6,762	10,335	9,167
Equity-settled share-based payment expense (note 34)	510	390	–
Pension scheme contributions	255	255	258
	10,355	13,748	12,279
	10,355	13,748	12,279

* Certain executive directors of the Company are entitled to bonus payments which are determined with reference to the Group's performance for the relevant year.

Independent non-executive directors

Mr. Lee Luen-Wai, John *BBS JP*, Mr. Li Kwok Tung, Donald *SBS JP* and Mr. Yeung Wing Sun, Mike were appointed as independent non-executive directors of the Company on 6 November 2015. There were no fees or other emoluments paid or payable to the independent non-executive directors of the Company during the Track Record Period.

Executive directors

The Company was incorporated in the Cayman Islands on 5 November 2014. Dr. Sun Yiu Kwong and Ms. Kwok Cheuk Kwan, Jacquen were appointed as directors of the Company on 23 April 2015 and 5 November 2014, respectively, and redesignated as executive directors on 29 August 2015. Dr. Sun Yiu Kwong was also redesignated as the chief executive of the Company on 29 August 2015.

Mr. Tsang On Yip, Patrick, Dr. Sun Man Kin, Michael, Mr. Lee Kar Chung, Felix and Mr. Jiang Tianfan were appointed as directors of the Company on 18 August 2015 and redesignated as executive directors on 29 August 2015.

The remuneration as disclosed below represents the amounts in respect of their services rendered by the executive directors to the companies and businesses now comprising the Group during the Track Record Period.

The remuneration of each of the executive directors of the Company for the Track Record Period is set out below:

	Salaries, allowances and benefits in kind	Performance related bonuses	Equity-settled share-based payment expense	Pension scheme contributions	Total remuneration
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Year ended 30 June 2013					
Dr. Sun Yiu Kwong	2,280	4,591	345	240	7,456
Ms. Kwok Cheuk Kwan, Jacquen	548	2,171	165	15	2,899
	2,828	6,762	510	255	10,355
Year ended 30 June 2014					
Dr. Sun Yiu Kwong	2,280	6,973	263	240	9,756
Ms. Kwok Cheuk Kwan, Jacquen	488	3,362	127	15	3,992
	2,768	10,335	390	255	13,748
Year ended 30 June 2015					
Dr. Sun Yiu Kwong	2,280	6,195	–	240	8,715
Ms. Kwok Cheuk Kwan, Jacquen	574	2,972	–	18	3,564
	2,854	9,167	–	258	12,279

During the Track Record Period, no remuneration was paid or payable by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office. There was no arrangement under which a director waived or agreed to waive any remuneration during the Track Record Period.

8. Five Highest Paid Employees

The five highest paid employees during the years ended 30 June 2013, 2014 and 2015 included 2, 2 and 2 directors, respectively. Details of whose remuneration are set out in note 7 above. Details of the remuneration of the remaining 3, 3 and 3 highest paid employees who are neither a director nor chief executive for each of the Track Record Period are analysed as follows:

	Year ended 30 June		
	2013	2014	2015
	HK$'000	HK$'000	HK$'000
Salaries, allowances and other benefits	1,920	1,980	2,994
Discretionary bonuses	310	264	190
Pension scheme contributions	141	120	81
	2,371	2,364	3,265

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Year ended 30 June		
	2013	2014	2015
HK$500,001 to HK$1,000,000	3	3	–
HK$1,000,001 to HK$1,500,000	–	–	3
	3	3	3

9. Income Tax

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the Track Record Period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries (or jurisdictions) in which the Group operates.

	Year ended 30 June		
	2013	2014	2015
	HK$'000	HK$'000	HK$'000
Current — Hong Kong			
Charge for the year	5,306	6,727	5,799
Overprovision in prior years	(142)	(955)	–
Current — Elsewhere			
Charge for the year	450	43	359
Withholding tax	210	507	626
Deferred (note 30)	70	331	136
Total tax charge for the year	5,894	6,653	6,920

A reconciliation of the tax expense applicable to profit before tax using the Hong Kong statutory tax rate (the statutory tax rate for the jurisdiction in which the majority of the Group's subsidiaries are domiciled) to the tax charge at the Group's effective tax rate is as follows:

	Year ended 30 June		
	2013	**2014**	**2015**
	HK$'000	**HK$'000**	**HK$'000**
Profit before tax	40,905	49,199	47,780
Tax at the Hong Kong statutory tax rate of 16.5%	6,749	8,118	7,884
Lower tax rates for specific jurisdictions or enacted by local tax authority, net	(356)	(366)	(166)
Adjustment in respect of current tax of previous periods	(142)	(955)	–
Profits and losses attributable to associates	(262)	(465)	(319)
Income not subject to tax	(384)	(560)	(1,584)
Expenses not deductible for tax	76	343	452
Withholding tax in respect of dividend payments	210	507	626
Others	3	31	27
Tax charge at the Group's effective rate	5,894	6,653	6,920

10. Dividends

The dividends declared by subsidiaries of the Company to the then shareholders during each of the Track Record Period are as follows:

	Year ended 30 June		
	2013	**2014**	**2015**
	HK$'000	**HK$'000**	**HK$'000**
Dividends	34,418	34,181	70,893

11. Loss Attributable to the Owners of the Company

The consolidated profit attributable to the owners of the Company for the period ended 30 June 2015 includes a loss of HK$966,000 which has been dealt with in the financial statements of the Company (note 33).

12. Earnings Per Share Attributable to Ordinary Equity Holders of the Company

Earnings per share information is not presented as its inclusion, for the purpose of this report, is not considered meaningful due to the Reorganisation and the presentation of the results of the Group for the Track Record Period as further explained in note 2.1 under Section II of this report.

13. Property, Plant and Equipment

	Leasehold improvements	Furniture, fixtures and office equipment	Medical equipment	Computer equipment and software	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
30 June 2013					
At 1 July 2012:					
Cost	12,746	2,934	12,466	5,928	34,074
Accumulated depreciation	(11,269)	(2,634)	(10,714)	(5,051)	(29,668)
Net carrying amount	1,477	300	1,752	877	4,406
At 1 July 2012, net of accumulated depreciation	1,477	300	1,752	877	4,406
Additions	1,123	115	158	374	1,770
Disposals/write-off	(116)	(25)	(94)	(4)	(239)
Depreciation provided during the year	(876)	(134)	(868)	(480)	(2,358)
At 30 June 2013, net of accumulated depreciation	1,608	256	948	767	3,579
At 30 June 2013:					
Cost	12,303	2,967	11,256	6,201	32,727
Accumulated depreciation	(10,695)	(2,711)	(10,308)	(5,434)	(29,148)
Net carrying amount	1,608	256	948	767	3,579
30 June 2014					
At 1 July 2013:					
Cost	12,303	2,967	11,256	6,201	32,727
Accumulated depreciation	(10,695)	(2,711)	(10,308)	(5,434)	(29,148)
Net carrying amount	1,608	256	948	767	3,579
At 1 July 2013, net of accumulated depreciation	1,608	256	948	767	3,579
Additions	1,873	308	3,039	463	5,683
Acquisitions of subsidiaries (note 36)	557	56	569	27	1,209
Disposals/write-off	(30)	(1)	(10)	–	(41)
Depreciation provided during the year	(865)	(129)	(942)	(511)	(2,447)
At 30 June 2014, net of accumulated depreciation	3,143	490	3,604	746	7,983
At 30 June 2014:					
Cost	14,389	3,253	14,377	6,569	38,588
Accumulated depreciation	(11,246)	(2,763)	(10,773)	(5,823)	(30,605)
Net carrying amount	3,143	490	3,604	746	7,983

	Leasehold improvements	Furniture, fixtures and office equipment	Medical equipment	Computer equipment and software	Motor vehicle	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
30 June 2015						
At 1 July 2014:						
Cost	14,389	3,253	14,377	6,569	–	38,588
Accumulated depreciation	(11,246)	(2,763)	(10,773)	(5,823)	–	(30,605)
Net carrying amount	3,143	490	3,604	746	–	7,983
At 1 July 2014, net of accumulated depreciation	3,143	490	3,604	746	–	7,983
Additions	9,422	424	11,965	2,641	–	24,452
Disposals/write-off	(37)	(4)	(1)	(8)	–	(50)
Acquisitions of subsidiaries (note 36)	–	57	–	17	596	670
Depreciation provided during the year	(2,096)	(202)	(2,624)	(998)	(108)	(6,028)
At 30 June 2015, net of accumulated depreciation	10,432	765	12,944	2,398	488	27,027
At 30 June 2015:						
Cost	20,593	3,583	25,882	9,180	596	59,834
Accumulated depreciation	(10,161)	(2,818)	(12,938)	(6,782)	(108)	(32,807)
Net carrying amount	10,432	765	12,944	2,398	488	27,027

14. Goodwill

	As at 30 June		
	2013	2014	2015
	HK$'000	HK$'000	HK$'000
At beginning of year	–	–	24,399
Acquisitions of subsidiaries (note 36)	–	24,399	3,687
At end of year	–	24,399	28,086

Goodwill acquired through business combinations is allocated to the following cash-generating units for impairment testing. No provision for impairment was made against goodwill during the Track Record Period.

- medical services cash generating unit; and
- dental services cash generating unit.

The carrying amount of goodwill allocated to each of the cash generating units is as follows:

	Medical services		Dental services		Total	
	2014	2015	2014	2015	2014	2015
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Carrying amount of goodwill	1,297	4,984	23,102	23,102	24,399	28,086

Impairment testing of goodwill

The recoverable amount of the above cash-generating units have been determined based on a value in use calculation using cash flow projections based on financial budgets approved by senior management covering a five-year period by assuming growth rates and discount rates as below:

	2014	2015
Medical Services		
Growth rate	10%	10%
Discount rate	12%	12%
Dental Services		
Growth rate	10%	10%
Discount rate	12%	12%

Other assumptions were used in the value in use calculation of the cash-generating unit for 30 June 2014 and 2015. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted revenue – The basis used to determine the value assigned to the budgeted revenue is the average revenue achieved in the year immediately before the budget year, taking into account the expected growth rate.

Growth rate – The growth rate is determined with reference to the growth rate for the relevant unit, adjusted for expected business, market development and economic condition.

Discount rate – The discount rate used is before tax and reflects specific risks relating to the relevant unit which is determined with reference to weighted average cost of capital of the Group.

15. Investments in Subsidiaries

	As at 30 June
	2015
	HK$'000
Unlisted shares, at cost	–

Details of the subsidiaries are disclosed in note 1 under Section II of this report.

As at 30 June 2015, the amount due to a subsidiary of HK$903,000 included in the current liabilities is unsecured, interest-free and has no fixed term of repayments.

16. Investments in Joint Ventures

	As at 30 June
	2013
	HK$'000
Share of net assets	–

Particulars of the Group's joint ventures as at 30 June 2013 are as follows:

Name	Particulars of issued shares held	Place of registration and business	Percentage of effective interest: Ownership interest	Voting power	Profit sharing	Principal activities
Metro International Clinic Limited ("Metro International")	1 quota of MOP 50,000	Macau	45	45	45	Provision of Medical Services and Dental Services
UMP Eyecare and Optometry Centre Limited ("UMP Eyecare")	50 shares of HK$1 each	Hong Kong	50	50	50	Provision of medical services and sale of spectacles

The above investments are indirectly held by the Company.

During the year ended 30 June 2014, on 29 October 2013, the Group carried out certain group restructuring and the Group's interest in UMP Eyecare was transferred from UMP Medical Centre Management (III) Limited to UMP Medical Centre Limited, both of which are the subsidiaries of the Company. In the opinion of the Directors, upon completion of the restructuring, the Group has significant influence, but not joint control, over the financial and operating policy decisions of UMP Eyecare. Accordingly, the Group's interest in UMP Eyecare was classified as an associate.

During the year ended 30 June 2014, on 11 November 2013, a 90%-owned subsidiary of the Company acquired an additional 19% equity interest in Metro International and the Group's equity interest and effective interest therein increased from 50% to 69% and 45% to 62.1%, respectively. Following the completion of the acquisition, Metro International became a subsidiary of the Group. Details of the transaction are disclosed in note 36 under Section II of this report.

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

	Year ended/as at 30 June 2013
	HK$'000
Share of the joint ventures' profit or loss for the year	–
Share of the joint ventures' total comprehensive income	–
Aggregate carrying amount of the Group's investments in the joint ventures	–

The Group has discontinued the recognition of its share of losses of joint ventures because the share of losses of the joint ventures exceeded the Group's interests in the joint ventures and the Group has no obligation to take up further losses. The amounts of the Group's unrecognised share of losses for the year ended 30 June 2013 and cumulative losses of the joint ventures as at 30 June 2013 were HK$89,000 and HK$1,652,000, respectively.

17. Investment in Associates

	As at 30 June		
	2013	2014	2015
	HK$'000	HK$'000	HK$'000
Share of net assets	5,332	6,525	1,862
Goodwill on acquisition	4,039	4,039	–
	9,371	10,564	1,862

Particulars of the principal associates are as follows:

Name	Particulars of issued shares held	Place of incorporation/ registration	Percentage of ownership interest to the Group 2013	2014	2015	Principal activities
UMP Central Dental Centre Limited ("UMP CDC") (note (a))	Ordinary shares	Hong Kong	50	–	–	Provision of dental services
Causeway Bay MRI Centre Limited	Ordinary shares	Hong Kong	20	20	20	Provision of medical laboratory scanning services
Perfect Life Asia Limited ("Perfect Life") (note (b))	Ordinary shares	Hong Kong	37	37	–	Provision of clinical and surgical treatments
Tiger Era Limited	Ordinary shares	Hong Kong	30	30	30	Provision of surgical and consultation services
UMP Medical Centre (Tsing Yi) Limited . . .	Ordinary shares	Hong Kong	50	50	50	Provision of medical services
UMP Medical Centre (Grandiose) Limited ("UMP Grandiose") . . .	Ordinary shares	Hong Kong	50	50	50	Provision of medical services
UMP Medical Centre (Yuen Long) Limited . .	Ordinary shares	Hong Kong	50	50	50	Provision of medical services
UMP Eyecare (note 16)	Ordinary shares	Hong Kong	–	50	50	Provision of medical services and sale of spectacles
UMP Medical Centre Management Limited (formerly known as UMP Medical Centre (Outlying Island) Limited ("UMP Medical Centre")) (note (c)) . .	Ordinary shares	Hong Kong	50	–	–	Provision of medical services

The statutory financial statements of the above associates were not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network.

Notes:

(a) On 15 April 2014, the Group acquired an additional 40% equity interest in UMP CDC, increasing its interest therein from 50% to 90%. In the opinion of Directors, the Group obtains control of UMP CDC and UMP CDC became a subsidiary of the Group thereafter. Details of the transaction are set out in note 36 under Section II of this report.

(b) On 9 January 2015, Perfect Life was disposed of to an independent third party for a consideration of HK$11,470,000, resulting in a gain on disposal of HK$2,990,000.

(c) On 1 July 2013, the Group acquired the remaining 50% equity interest in UMP Medical Centre whose became a wholly-owned subsidiary of the Group thereafter. Details of the transaction are set out in note 36 under Section II of this report.

The following table illustrates the aggregate financial information of the Group's other associates that are not individually material for the years ended 30 June 2013, 2014 and 2015:

	Other associates
	HK$'000
Year ended 30 June 2013	
Group's share of the following items of the associates:	
Profits less losses after tax and total comprehensive income/(loss) for the year	1,746
Aggregate carrying amount of the Group's share of net assets of the associates	2,145
Year ended 30 June 2014	
Group's share of the following items of the associates:	
Profits less losses after tax and total comprehensive income for the year	1,567
Aggregate carrying amount of the Group's share of net assets of the associates	2,084
Year ended 30 June 2015	
Group's share of the following items of the associates:	
Profits less losses after tax and total comprehensive income for the year	1,934
Aggregate carrying amount of the Group's share of net assets of the associates	1,862

The following table illustrates the summarised financial information in respect of Perfect Life, which is considered as a material associate of the Group, adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements for the years ended 30 June 2013 and 2014:

	2013	2014
	HK$'000	HK$'000
Dividend received	–	–
Revenue	62,785	74,014
Profit/(loss) and total comprehensive income/(loss) for the year	(416)	3,388
Current assets	13,364	15,779
Non-current assets	5,620	4,409
Current liabilities	(9,872)	(8,023)
Non-current financial liabilities	(498)	(162)
Net assets	8,614	12,003
Reconciliation to the Group's interests in the associates:		
Proportion of the Group's ownership	37%	37%
Net assets shared by the Group	3,187	4,441
Goodwill on acquisition	4,039	4,039
Carrying amount of the investment	7,226	8,480

Perfect Life, which is considered a material associate of the Group, is engaged in clinical and surgical treatments and is accounted for using the equity method.

The Group has discontinued the recognition of its share of losses of associates, UMP Grandiose and UMP Eyecare, because the share of losses of these associates exceeded the Group's interests in these associates and the Group has no obligation to take up further losses. The amounts of the Group's unrecognised share of losses of these associates for the years ended 30 June 2013, 2014 and 2015 were HK$217,000, HK$310,000 and HK$599,000; and cumulative losses were HK$283,000, HK$1,226,000 and HK$1,823,000 as at 30 June 2013, 2014 and 2015 , respectively.

18. Available-for-sale Investments

	As at 30 June		
	2013	2014	2015
	HK$'000	HK$'000	HK$'000
Unlisted equity investments, at cost	2,000	3,510	3,510

As at 30 June 2013, 2014 and 2015, the unlisted equity investments were stated at cost less impairment because the range of reasonable fair value estimates is so significant that the Directors are of the opinion that their fair values cannot be measured reliably. The Group does not intend to dispose of them in the near future.

19. Inventories

	As at 30 June		
	2013	2014	2015
	HK$'000	HK$'000	HK$'000
Pharmaceutical supplies	2,932	5,609	5,216

20. Trade Receivables

	As at 30 June		
	2013	2014	2015
	HK$'000	HK$'000	HK$'000
Trade receivables	42,743	41,752	45,057

The Group's trading terms with its contract customers are mainly on credit. The credit period is generally one month to its contract customers, 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 credit control department 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 aging analysis of the trade receivables as at the end of each of the Track Record Period, based on the invoice date, is as follows:

	As at 30 June		
	2013	2014	2015
	HK$'000	HK$'000	HK$'000
Within 1 month	29,572	30,581	33,416
1 to 2 months	10,694	7,165	7,652
2 to 3 months	1,295	3,085	2,694
Over 3 months	1,182	921	1,295
	42,743	41,752	45,057

An aging analysis of the trade receivables that are not individually or collectively considered to be impaired is as follows:

	As at 30 June		
	2013	2014	2015
	HK$'000	HK$'000	HK$'000
Neither past due nor impaired	29,942	31,193	33,428
Less than 1 month past due	10,458	6,745	7,653
1 to 3 months past due	1,179	3,715	3,754
More than 3 months past due	1,164	99	222
	42,743	41,752	45,057

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the Directors are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

Included in the trade receivables as at 30 June 2013, 2014 and 2015 are trade receivables from related companies of HK$271,000, HK$440,000 and HK$235,000, respectively, which have the same credit period as other contract customers. Chow Tai Fook Enterprises Limited ("CTFE") is a major beneficial shareholder of these related companies in which Mr. Patrick Tsang, an executive director of the Company is the chief executive officer of CTFE.

21. Prepayments, Deposits and Other Receivables

	As at 30 June		
	2013	2014	2015
	HK$'000	HK$'000	HK$'000
Prepayments	585	1,288	2,795
Deposits paid for the purchases of items of property, plant and equipment	223	2,573	538
Deposits	3,439	4,241	8,456
Other receivables	2,059	1,309	2,531
Deferred expenses	–	–	475
	6,306	9,411	14,795
Less: Portion classified as non-current assets	(2,778)	(5,203)	(5,011)
Current portion	3,528	4,208	9,784

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

22. Financial Assets at Fair Value Through Profit or Loss

	As at 30 June		
	2013	2014	2015
	HK$'000	HK$'000	HK$'000
Listed equity investments, at fair value	2,010	2,210	2,722
Unlisted investment fund	541	569	–
	2,551	2,779	2,722

The above listed equity investments and unlisted investment fund at 30 June 2013, 2014 and 2015 were classified as held for trading.

23. Balances with Joint Ventures

The balances with joint ventures were unsecured, interest-free and had no fixed terms of repayment.

24. Balances with Associates

The amounts are unsecured, interest-free and have no fixed terms of repayment.

25. Balances with Related Companies

Name of related companies	Relationship with the Group
First Point Holdings Limited ("First Point")	First Point was the then ultimate holding company of subsidiaries now comprising the Group before completion of the Reorganisation on 30 December 2014. Dr. Sun Yiu Kwong and Ms. Jacquen Kwok Cheuk Kwan, executive directors of the Company, are also directors of First Point.
Rich Point Investment Holdings Limited ("Rich Point", formerly known as UMP Healthcare Limited)	Rich Point is a wholly-owned subsidiary of First Point. It was the then holding company of subsidiaries now comprising the Group before completion of the Reorganisation on 30 December 2014.
United Medical Services (China) Limited ("UMSC")	UMSC was previously owned by Dr. Sun Yiu Kwong and First Point as to 60% and 40%, respectively. On 1 November 2014, True Point, the ultimate holding company of the Company, acquired the 60% interest from Dr. Sun Yiu Kwong and the remaining 40% interest in UMSC was transferred from First Point to True Point, UMSC became a wholly-owned subsidiary of True Point. The Group acquired the entire interest in UMSC from True Point on 30 June 2015.
UMP Medical Investment Limited ("UMP Investment")	UMP Investment is a wholly-owned subsidiary of First Point.
Everex Holdings Limited ("Everex")	Everex is a wholly-owned subsidiary of First Point and the immediate holding company of Rich Point.
Guangzhou Ruian Enterprise Management Company Limited ("GZ Ruian")	GZ Ruian is the immediate holding company of Shanghai Eaton Consulting. Dr. Michael Sun, an executive director of the Company, is the controlling shareholder of GZ Ruian.
Shanghai Eaton Consulting Limited ("Shanghai Eaton Consulting")	Shanghai Eaton Consulting is a wholly-owned subsidiary of GZ Ruian.
Beijing Eaton Clinic Limited ("Beijing Eaton Clinic")	Beijing Eaton Clinic is a wholly-owned subsidiary of Shanghai Eaton Consulting.
Chow Tai Fook Enterprises Limited ("CTFE")	Mr. Patrick Tsang, an executive director of the Company, is the Chief Executive Officer of CTFE.

Group

	As at 30 June		
	2013	2014	2015
	HK$'000	HK$'000	HK$'000
Due from related companies	52,146	66,973	31,925
Due to related companies	10,585	9,530	79,173

The balances with related companies are unsecured, interest-free and have no fixed terms of repayment.

Further details of the amounts due from related companies as at the end of each of the Track Record Period are as follows:

	As at 30 June		
	2013	2014	2015
	HK$'000	HK$'000	HK$'000
First Point	31,819	27,253	23,258
Rich Point	20,308	9,331	–
UMSC	19	137	–
UMP Investment	–	30,252	–
Everex	–	–	3,579
GZ Ruian	–	–	1,473
Shanghai Eaton Consulting	–	–	1,851
Beijing Eaton Clinic	–	–	779
CTFE	–	–	985
	52,146	66,973	31,925

Below is additional information of amounts due from related companies as at 30 June 2013, 2014 and 2015 in which Dr. Sun Yiu Kwong, Dr. Michael Sun and Mr. Patrick Tsang, executive directors of the Company, are either a major beneficial shareholder or senior management of these related companies:

30 June 2013	30 June 2013	Maximum amount outstanding during the year	1 July 2012
	HK$'000	HK$'000	HK$'000
UMSC	19	19	–

30 June 2014	30 June 2014	Maximum amount outstanding during the year	1 July 2013
	HK$'000	HK$'000	HK$'000
UMSC	137	137	19

30 June 2015	30 June 2015	Maximum amount outstanding during the year	1 July 2014
	HK$'000	HK$'000	HK$'000
UMSC	–	137	137
GZ Ruian	1,473	1,473	–
Shanghai Eaton Consulting	1,851	1,851	–
Beijing Eaton Clinic	779	779	–
CTFE	985	985	–

Further details of the amounts due to related companies as at the end of each of the Track Record Period are as follows:

Group

	As at 30 June		
	2013	2014	2015
	HK$'000	HK$'000	HK$'000
UMP Investment	(1,045)	–	–
Everex	(9,540)	(9,530)	–
Rich Point	–	–	(76,990)
Beijing Eaton Clinic	–	–	(2,183)
	(10,585)	(9,530)	(79,173)

Company

	As at 30 June		
	2013	2014	2015
	HK$'000	HK$'000	HK$'000
Due to:			
Rich Point	–	–	(48)

The amount due to a related company is unsecured, interest-free and has no fixed terms of repayment.

26. Cash and Cash Equivalents

	As at 30 June		
	2013	2014	2015
	HK$'000	HK$'000	HK$'000
Cash and bank balances	60,133	50,095	83,703
Time deposits	3,896	4,107	793
	64,029	54,202	84,496
Less: Pledged deposits (note)	(1,029)	(1,029)	(1,019)
Cash and cash equivalents	63,000	53,173	83,477

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between three months to five months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

Note: Included in the pledged deposits as at 30 June 2013, 2014 and 2015 is a deposit of HK$793,368, HK$793,368 and HK$500,000, respectively, in connection with a surety bond issued by a bank in favour of an independent third party for potential damages of dental equipment.

Included in the pledged deposits as at 30 June 2013, 2014 and 2015 is another deposit of HK$236,000, HK$236,000 and HK$519,152, respectively, in connection with a bank guaranteed issued by a bank in favour of a landlord for leasing of a medical centre of the Group.

27. Trade Payables

An aged analysis of the trade payables as at the end of each of the Track Record Period, based on the invoice date, is as follows:

	As at 30 June		
	2013	2014	2015
	HK$'000	HK$'000	HK$'000
Within 1 month	13,444	14,952	15,112
1 to 3 months	22,564	23,182	25,331
Over 3 months	34	115	615
	36,042	38,249	41,058

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

28. Other Payables, Accruals and Deferred Income

	Group			Company
	As at 30 June			As at 30 June
	2013	2014	2015	2015
	HK$'000	HK$'000	HK$'000	HK$'000
Other payables	2,263	5,125	7,753	–
Accruals	4,379	6,557	16,274	15
Deposits received	1,647	1,846	1,747	–
Deferred income	11,341	9,566	11,699	–
Due to non-controlling interests	1,124	1,972	8,265	–
Deferred rental	–	–	507	–
	20,754	25,066	46,245	15

Other payables and accruals are non-interest-bearing and are normally repayable on demand. The amounts due to non-controlling interests of subsidiaries are unsecured, non-interest-bearing and have no fixed terms of repayment.

Included in the amounts due to non-controlling interests of subsidiaries as at 30 June 2013 and 2014 are the amounts due to Dr. Au Yeung Cheuk Lun, Henry, a director of First Point and also a director of certain of the Group's subsidiaries, of HK$139,000 and HK$589,000, respectively.

29. Due to a Director

The amount due to a director, Dr. Sun Yiu Kwong, is unsecured, interest-free and has no fixed terms of repayment.

30. Deferred Tax

The movements in gross deferred tax assets of the Group during the Track Record Period are as follows:

Gross deferred tax assets

	Depreciation in excess of related depreciation allowance	Losses available for offsetting future taxable profits	Total
	HK$'000	HK$'000	HK$'000
At 1 July 2012	783	607	1,390
Deferred tax credited/(charged) to profit or loss during the year (note 9)	14	(70)	(56)
At 30 June 2013 and 1 July 2013	797	537	1,334
Deferred tax charged to profit or loss during the year (note 9)	(56)	(192)	(248)
At 30 June 2014 and 1 July 2014	741	345	1,086
Deferred tax credited/(charged) to profit or loss during the year (note 9)	249	(93)	156
At 30 June 2015	990	252	1,242

The Group has tax losses arising in Hong Kong of HK$3,472,000 and HK$2,091,000 and HK$1,527,000 for the years ended 30 June 2013, 2014 and 2015, that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

The movements in gross deferred tax liabilities of the Group during the Track Record Period are as follows:

Gross deferred tax liabilities

	Depreciation allowance in excess of related depreciation
	HK$'000
At 1 July 2012	61
Deferred tax charged to profit or loss during the year (note 9)	14
At 30 June 2013 and at 1 July 2013	75
Deferred tax charged to profit or loss during the year (note 9)	83
At 30 June 2014 and at 1 July 2014	158
Deferred tax charged to profit or loss during the year (note 9)	292
At 30 June 2015	450

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statements of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	As at 30 June		
	2013	2014	2015
	HK$'000	HK$'000	HK$'000
Net deferred tax assets recognised in the consolidated statement of financial position	1,334	1,086	1,242
Net deferred tax liabilities recognised in the consolidated statement of financial position	(75)	(158)	(450)
	1,259	928	792

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

31. Provision

	As at 30 June		
	2013	2014	2015
	HK$'000	HK$'000	HK$'000
Non-current provision:			
At beginning of year	938	938	1,083
Addition during the year	–	145	289
At end of year	938	1,083	1,372

Pursuant to the terms of the respective tenancy agreements entered into by the Group, the Group is required to return certain of its leased properties to the conditions as stipulated in the respective tenancy agreements at the expiration or sooner determination of the corresponding lease term as appropriate. The provision for reinstatement costs was estimated based on certain assumptions and estimates made by the Directors with reference to quoted prices and/or other available information. The assumptions and estimates are reviewed on an ongoing basis and revised as appropriate.

32. Share Capital

Shares

	As at 30 June	
	2015	2015
	Number of shares	
Authorised:		
Ordinary shares of US$0.01 each	50,000	US$500
Issued and fully paid:		
Ordinary share of US$0.01 each	1	HK$0.08

On 5 November 2014, the Company was incorporated with authorised share capital of US$50,000 divided into 5,000,000 shares of US$0.01 each. On the same date, 1 ordinary share of the Company of US$0.01 (i.e., HK$0.08) was allotted and issued at par for cash to True Point Holdings Limited, the Company's ultimate holding company.

33. Reserves

Group

The amounts of the Group's reserves and the movements therein for each of the Track Record Period are presented in the consolidated statements of changes in equity on pages IA-5 and IA-6 of this report.

Capital contribution reserve

Capital contribution reserve represents the fair value of the shares of the then ultimate holding company that were used to satisfy the consideration of the Group's acquisition of equity interests in certain subsidiaries and additional interests in certain subsidiaries as disclosed in notes 36 and 37 under Section II of this report.

Other reserve

The other reserve represents the aggregate of the nominal value of the paid-up capital of the subsidiaries acquired pursuant to the Reorganisation.

Share-based payment reserve

The share-based payment reserve represents the difference between the fair value of the shares granted to employees of the Group and the costs paid by these employees. Upon the issue of shares to the employees on 30 September 2014, the relevant share-based payment is transferred from share-based payment reserve to retained profits. Details of which are set out in note 34 under Section II of this report.

Legal reserve

The legal reserve represents the transfer of the profit generated from subsidiaries incorporated in Macau from retained profits to the legal reserve in accordance with article 377 of the Macao Commercial Code until the legal reserve balance reaches half of the capital of the relevant subsidiaries. The legal reserve is not distributable.

Company

	Accumulated loss
	HK$'000
At 5 November 2014 (date of incorporation)	–
Loss and total comprehensive loss during the period (note 11)	(966)
At 30 June 2015	(966)

34. Equity-settled Share-based Payment Transactions

During the Track Record Period, the beneficial shareholders or holding companies of the companies now comprising the Group entered into the following equity-settled share-based payment transactions with the Group's employees or non-employees for the purpose of providing incentives and/or rewards to those who contribute to the success of the Group. Details of the transactions are as follows:

(a) Pursuant to a resolution of the board of directors of First Point passed on 9 August 2013, the former ultimate holding company of subsidiaries now comprising the Group, Dr. Sun Yiu Kwong and Ms. Jacquen Kwok, both are directors and shareholders of First Point, will subscribe new shares of First Point at a subscription price of HK$6,365 per share. The number of shares of First Point to be allotted will depend on the bonus to be awarded to Dr. Sun Yiu Kwong and Ms. Jacquen Kwok for the years ended 30 June 2013 and 2014. On 30 September 2014, 1,817 and 870 shares of First Point were issued to a company designated by Dr. Sun Yiu Kwong and Ms. Jacquen Kwok, respectively, for an aggregate consideration of approximately HK$17,103,000.

The fair value of the 2,687 shares of First Point as at the grant date was approximately HK$18,003,000 (HK$6,700 each) in which the Group recognised share-based payment expense of HK$510,000 and HK$390,000 for the years ended 30 June 2013 and 2014, respectively.

(b) Pursuant to a resolution of the board of directors of First Point passed on 31 October 2014, it was approved to allot and issue 339 shares of First Point to Ms. Jacquen Kwok. The total consideration of the 339 shares was approximately HK$4,432,000 at a subscription price per share of HK$13,074. The 339 shares of First Point were issued to Ms. Jacquen Kwok on 31 October 2014.

The fair value of the 339 shares of First Point as at the grant date was approximately HK$4,432,000 (HK$13,074 each). No share-based payment expense was recognised during the Track Record Period therefor.

(c) On 5 November 2014, the shareholders of First Point who are also the shareholders of True Point, transferred 4,018 shares in True Point to Everex Limited, a wholly-owned subsidiary of First Point, for future use as incentive shares (the "Incentive Shares") available for subscription by senior management and selected individuals of the Group.

Pursuant to a resolution of the board of directors of First Point passed on 10 January 2015, the Incentive Shares were approved to be granted to 12 senior management and/or consultant of the Group (the "Selected Individuals"). The offer was communicated and accepted by the Selected Individuals at a subscription price of HK$15,164 per share for an aggregate consideration of approximately HK$60,929,000 on 31 January 2015. The Incentive Shares were transferred to EM Team Limited, a company owned by the Selected Individuals in which the respective shareholding is mirror to proportional interest in the Incentive Shares of the Selected Individuals on 30 June 2015.

The fair value of the 4,018 shares of True Point as at the grant date was approximately HK$60,929,000 (HK$15,164 each). No share-based payment expense was recognised during the Track Record Period therefor.

The cost of the above equity-settled share-based payment transactions were measured by reference to the fair value of equity instruments (that is, the shares of First Point or True Point, collectively the "Equity Instruments") at the date at which they were granted, taking into account the terms and conditions upon which the Equity Instruments were granted. The fair value of the Equity Instruments was determined using the market approach with reference to comparable arm's length transactions in the shares of First Point or True Point, where appropriate, near the valuation date.

35. Partly-owned Subsidiary With Material Non-controlling Interests

Details of 238 Specialist Medical Centre Limited ("238 Specialist"), a 60% owned subsidiary of the Group, that have non-controlling interests that are considered material to the Group are set out below:

	As at 30 June		
	2013	**2014**	**2015**
Percentage of equity interest held by non-controlling interest	40%	40%	40%

	Years ended 30 June		
	2013	**2014**	**2015**
	HK$'000	**HK$'000**	**HK$'000**
Profit for the year allocated to non-controlling interests	486	556	666
Dividends paid to non-controlling interests	–	(600)	(1,548)
Accumulated balances of non-controlling interests at the reporting dates	1,523	1,479	597

The following tables illustrate the summarised financial information of 238 Specialist. The amounts disclosed are before any inter-company eliminations:

	As at 30 June		
	2013	**2014**	**2015**
	HK$'000	**HK$'000**	**HK$'000**
Current assets	4,308	4,036	5,084
Non-current assets	265	330	583
Current liabilities	(764)	(667)	(4,174)

	Year ended 30 June		
	2013	2014	2015
	HK$'000	HK$'000	HK$'000
Revenue	13,071	14,372	16,302
Total expenses	(11,856)	(12,981)	(14,638)
Profit for the year and total comprehensive income for the year	1,215	1,391	1,664
Net cash flows from operating activities	1,264	1,588	5,633
Net cash flows used in investing activities	(64)	(217)	(376)
Net cash flows used in financing activities	(1,000)	(1,500)	(3,870)
Net increase/(decrease) in cash and cash equivalents	200	(129)	1,387

36. 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 Track Record Period:

(a) On 1 July 2013, the Group acquired the remaining 50% equity interest in UMP Medical Centre for a cash consideration of HK$880,000. UMP Medical Centre was previously a 50%-owned associate of the Group and upon completion of the transaction, it became a wholly-owned subsidiary of the Group thereafter. UMP Medical Centre is principally engaged in the provision of medical services in Hong Kong.

(b) On 11 November 2013, a 90%-owned subsidiary of the Company acquired an additional 19% equity interest in Metro International for a cash consideration of MOP19,000 (equivalent to HK$18,447) and the Group's equity interest and effective interest therein increased from 50% to 69% and 45% to 62.1%, respectively. Following the completion of the acquisition, Metro International became a subsidiary of the Group. Metro International is principally engaged in the provision of medical services in Macau.

(c) On 15 April 2014, the Group entered into a sale and purchase agreement with Dr. Patrick Lee to acquire, directly or indirectly, (i) a 100% interest in Dr. Lee Dental Centre Limited ("Dr. Lee Dental"); (ii) a 30% interest in UMP Dental Centre Limited ("Dental Centre"); (iii) a 40% interest in UMP Central Dental Centre Limited ("UMP CDC"); (iv) a 17.64% interest in UMP Dental Investment Limited ("Dental Investment"); (v) a 23.23% interest in Hirayanagi Shika Company Limited ("Hira Shika"); (vi) a 10% interest in UMP Holdings (Macau) Limited ("UMP (Macau)"); (vii) a 12.36% interest in UMP Tsim Sha Tsui Dental Centre Limited ("UMP TST"); and (viii) a 10% interest in Hong Tai Polyclinic Limited ("Hong Tai") (collectively, the "Dental Interests") for 2,426 shares in First Point (the "First Point Shares"), representing 5.49% of the enlarged capital. The fair value of the First Point Shares as at the acquisition date was determined to be HK$31,718,000.

The Group's interests in the above entities before and after the acquisition are set out below:

	Effective interest attributable to the Group		Relationship with the Group	
Acquired entities	**Before the acquisition**	**After the acquisition**	**Before the acquisition**	**After the acquisition**
Dr. Lee Dental	–	100%	–	Subsidiary
UMP CDC	50%	90%	Associate	Subsidiary
Dental Centre	70%	100%	Subsidiary	Subsidiary
Dental Investment	64.71%	82.35%	Subsidiary	Subsidiary
Hira Shika*	48.53%	71.76%	Subsidiary	Subsidiary
UMP (Macau)	90%	100%	Subsidiary	Subsidiary
UMP TST^	75.29%	87.65%	Subsidiary	Subsidiary
Hong Tai#	90%	100%	Subsidiary	Subsidiary

* Dental Investment owned as to a 75% interest in Hira Shika.

^ Dental Investment owned as to a 70% interest in UMP TST.

\# UMP (Macau) owned as to a 100% interest in Hong Tai.

The above acquired entities are principally engaged in the provision of dental services in Hong Kong and Macau. Further details of the acquisition of Dental Centre, Dental Investment, Hira Shika, UMP (Macau), UMP TST and Hong Tai are set out in note 37 under Section II of this report.

As part of the above acquisitions, Dr. Patrick Lee entered into a separate agreement with the Group, pursuant to which, the consideration of the above acquisitions is subject to potential downward adjustment, which is dependent on the future performance of certain dental centres operated by the Group during the period from 1 July 2014 to 30 June 2017. As at the end of each of the reporting period, an assessment was performed by the Group with reference to the actual performance of these dental centres. In the opinion of the Directors, no adjustment to the consideration is expected as at 30 June 2014 and 2015 and up to the date of this report.

(d) On 1 November 2014, True Point acquired a 60% equity interest in United Medical Services (China) Limited ("UMSC") from Dr. Sun Yiu Kwong, satisfied by 3,887 shares in True Point, representing 7.74% of the enlarged capital. The fair value of 3,887 shares in True Point is HK$780, which was the nominal value of True Point as at 1 November 2014. Upon completion of the transaction, UMSC became a wholly-owned subsidiary of True Point. On 30 June 2015, the Group acquired the 100% equity interest of UMSC for a cash consideration of US$100 (approximately of HK$780) from True Point. Since the Group and UMSC are under common control of True Point both before and after the transaction, this common control business combination was accounted for as if the acquisition had been completed when UMSC first came under the common control on 1 November 2014. UMSC, together with its subsidiary, is principally engaged in the provision of healthcare and hospital management.

Year ended 30 June 2014

The fair values of the identifiable assets and liabilities of the acquisitions carried out during the year ended 30 June 2014 were as follows:

	Section II Notes	UMP Medical Centre	Metro International	Dr. Lee Dental	UMP CDC	Total
		HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Property, plant and equipment	13	108	31	941	129	1,209
Inventories		35	111	2,030	–	2,176
Trade receivables		83	1,739	299	–	2,121
Prepayments, deposits and other receivables		–	–	304	1,493	1,797
Cash and cash equivalents		152	483	3,260	1,261	5,156
Trade payables		–	–	(149)	(563)	(712)
Other payables, accruals and deferred income		(470)	(4,221)	(1,714)	(1,084)	(7,489)
Tax payables		–	–	(114)	(189)	(303)
Total identifiable net assets/(liabilities) at fair value		(92)	(1,857)	4,857	1,047	3,955
Non-controlling interests		–	576	–	(105)	471
Fair value of equity interests acquired in prior years		46	928	–	(524)	450
		(46)	(353)	4,857	418	4,876
Goodwill on acquisition	14	926	371	20,997	2,105	24,399
		880	18	25,854	2,523	29,275
Satisfied by						
Cash		880	18	–	–	898
Fair value of First Point shares ascribed to the acquisition		–	–	25,854	2,523	28,377
		880	18	25,854	2,523	29,275

The fair values of the trade receivables and other receivables as at the date of acquisition amounted to HK$2,121,000 and HK$1,125,000, respectively. The gross contractual amounts of the trade receivables and other receivables were HK$2,121,000 and HK$1,125,000, respectively.

No transaction cost was incurred for these acquisitions.

An analysis of the cash flows in respect of the acquisitions of above subsidiaries is as follows:

	UMP Medical Centre	Metro International	Dr. Lee Dental	UMP CDC	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Cash consideration	(880)	(18)	–	–	(898)
Cash and cash equivalents acquired	152	483	3,260	1,261	5,156
Net inflow/(outflow) of cash and cash equivalents included in cash flows from investing activities	(728)	465	3,260	1,261	4,258

Year ended 30 June 2015

The fair values of the identifiable assets and liabilities of UMSC of which the acquisition was carried out during the year ended 30 June 2015 were as follows:

	Fair value recognised on acquisition
	HK$'000
Property, plant and equipment (note 13)	670
Trade receivables	6
Prepayments, deposits and other receivables	4,688
Cash and cash equivalents	3,609
Other payables, accruals and deferred income	(12,648)
Tax payables	(11)
Total identifiable net liabilities at fair value	(3,686)
Goodwill on acquisition (note 14)	3,687
Satisfied by 3,887 shares in True Point at the acquisition date	1

The fair values of the trade receivables and other receivables as at the date of acquisition amounted to HK$6,000 and HK$4,568,000, respectively. The gross contractual amounts of trade receivables and other receivables were HK$6,000 and HK$4,568,000, respectively.

No transaction cost was incurred for this acquisition.

An analysis of the cash flows in respect of the acquisition of UMSC is as follows:

	HK$'000
Cash and bank balances acquired and inflow of cash and cash equivalents included in cash flows from investing activities	3,609

Goodwill arose in the acquisitions of UMP Medical Centre, Metro International and the Dental Interests because the consideration paid for the acquisitions effectively included amounts in relation to the benefits of expected synergies, revenue growth, future market development and the assembled workforce of the respective acquired entities. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

Since the acquisitions, the contributions to the Group's revenue and to the consolidated profit for the years ended 30 June 2014 and 2015 by the above acquired companies, are as follows:

	Year ended 30 June 2014		Year ended 30 June 2015	
	Revenue	Profit/(loss) for the year	Revenue	Loss for the year
	HK$'000	HK$'000	HK$'000	HK$'000
UMP Medical Centre	3,198	607	–	–
Metro International	3,737	(110)	–	–
Dr. Lee Dental	3,370	145	–	–
UMP CDC	2,172	120	–	–
UMSC	–	–	1,097	(180)
	12,477	762	1,097	(180)

Had the combinations of UMP Medical Centre, Metro International and the Dental Interests taken place at the beginning of the year ended 30 June 2014, the revenue of the Group and the profit of the Group for the year ended 30 June 2014 would have been HK$374,845,000 and HK$46,749,000, respectively.

Had the combination of UMSC taken place at the beginning of the year ended 30 June 2015, the revenue of the Group and the profit of the Group for the year ended 30 June 2015 would have been HK$401,257,000 and HK$40,939,000, respectively.

37. Acquisition of Additional Interests in Subsidiaries

During the year ended 30 June 2014, in addition to the additional interests in subsidiaries acquired through the acquisition of Dental Interests as detailed in note 36 under Section II of this report, on 1 July 2013, the Group acquired the remaining 19.87% equity interest in AP Care Limited ("AP Care") for a cash consideration of HK$900,000. AP Care was previously an 80.13%-owned subsidiary of the Group and upon completion of the transaction, it became a wholly-owned subsidiary of the Group. AP Care is principally engaged in the provision of medical and laboratory services.

A summary of additional interests acquired immediately before and after the acquisitions is during the year ended 30 June 2014 is set out below:

	Effective interest attributable to the Group		
Acquired entities	Before the acquisition	After the acquisition	Non-controlling interests after the acquisition
Dental Centre	70%	100%	–
Dental Investment	64.71%	82.35%	17.65%
Hira Shika	48.53%	71.76%	28.24%
UMP (Macau)	90%	100%	–
UMP TST	75.29%	87.65%	12.35%
Hong Tai	90%	100%	–
AP Care	80.13%	100%	–

The effect of the acquisitions on the equity attributable to the owners of the Company is as follows:

	Dental Centre	Dental Investment	Hira Shika	UMP (Macau)	UMP TST	Hong Tai	AP Care	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Consideration:								
Cash	–	–	–	–	–	–	900	900
Fair value of First Point's shares ascribed to the acquisition	442	1,181	1,245	–	473	–	–	3,341
Less: Share of net (assets)/liabilities in the subsidiaries acquired	(207)	(352)	(354)	(5)	(43)	24	(312)	(1,249)
Acquisition in non-controlling interests recognised directly in equity	235	829	891	(5)	430	24	588	2,992

38. Notes to the Consolidated Statements of Cash Flows

Major non-cash transactions

During the Track Record Period, the Group had the following major non-cash transactions:

(a) During the Track Record Period, the Group entered into tenancy agreements in respect of certain of its medical centres and office under operating leases. Pursuant to the terms of respective tenancy agreements entered into by the Group, the Group is required to restore the lease properties to the conditions as stipulated in the tenancy agreements. Accordingly, a provision for reinstatement costs in respect of the leased properties of the Group amounting to HK$145,000 and HK$289,000, for the years ended 30 June 2014 and 2015, respectively, was recognised and these costs were included as part of the cost of the property, plant and equipment of the Group and reflected as additions to leasehold improvements of the Group during the Track Record Period.

(b) During the year ended 30 June 2015, interim dividends of HK$2,009,000 and HK$70,893,000 payable to non-controlling interests and the former holding company of subsidiaries now comprising the Group, respectively, remained unsettled and was included in the respective line items of other payables, accruals and deferred income, and amounts due to related companies on the consolidated statement of financial position as at 30 June 2015.

(c) During the year ended 30 June 2014, the Group's acquisition of the Dental Interests was satisfied by the shares of First Point and the fair value of the consideration was recorded in capital contribution reserve as a capital contribution from the then shareholders. Further details of which are disclosed in notes 36 and 37 of Section II under this report.

(d) During the year ended 30 June 2015, the Group's acquisition of UMSC was satisfied by the shares of True Point and the fair value of the consideration was recorded in capital contribution reserve as a capital contribution from the ultimate holding company. Further details of which are disclosed in note 36 of Section II under this report.

39. Commitments

Capital commitments

The Group had the following capital commitments at the end of each of the Track Record Period:

	As at 30 June		
	2013	2014	2015
	HK$'000	HK$'000	HK$'000
Contracted, but not provided for:			
Leasehold improvements	19	719	348
Computer equipment and software	–	71	–
Medical equipment	–	–	29
	19	790	377

Operating lease commitments

As lessee

The Group leases certain of its office properties, medical centres and office equipment under operating lease arrangements. Leases for properties are negotiated for terms ranging from 2 to 6 years.

At 30 June 2015, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	As at 30 June		
	2013	2014	2015
	HK$'000	HK$'000	HK$'000
Within one year	8,717	10,474	15,105
In the second to fifth years, inclusive	9,274	5,941	37,267
After five years	–	96	–
	17,991	16,511	52,372

40. Related Party Transactions

Name of related companies	Relationship with the Company or the Group
Rich Point	Rich Point is a wholly-owned subsidiary of First Point. It was the then holding company of subsidiaries now comprising the Group before completion of the Reorganisation on 30 December 2014.
UMP Investment	UMP Investment is a wholly-owned subsidiary of First Point.
Belstar Limited ("Belstar")	Belstar is a wholly-owned subsidiary of Dr. Sun Yiu Kwong, an executive director of the Company.
DP Properties Limited ("DP Properties")	CTFE is a major beneficial shareholder of DP Properties. Mr. Patrick Tsang, an executive director of the Company, is the Chief Executive Officer of CTFE.
Keenhome Far East Investment Limited ("Keenhome")	Keenhome is a company wholly-owned by a family member of Mr. Felix Lee, an executive director of the Company.
Group companies of Chow Tai Fook Enterprises Limited ("CTFE Group Companies")	CTFE is a major beneficial shareholder of CTFE Group Companies. Mr. Patrick Tsang, an executive director of the Company, is the Chief Executive Officer of CTFE.
Shanghai Eaton Consulting	Shanghai Eaton Consulting is a wholly-owned subsidiary of GZ Ruian in which Dr. Michael Sun, an executive director of the Company, is the controlling shareholder.
Beijing Eaton Clinic	Beijing Eaton Clinic is a wholly-owned subsidiary of Shanghai Eaton Consulting.

(a) In addition to the transactions arrangements and balances detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the Track Record Period:

	Notes	Year ended 30 June 2013	2014	2015
		HK$'000	HK$'000	HK$'000
Associates:				
Administrative support fee income	(i)	984	675	700
Professional services expense	(ii)	17,173	12,914	9,325
Healthcare services income	(iii)	1,050	906	230
Joint ventures:				
Administrative support fee income	(i)	144	64	–
Professional services expense	(ii)	1,156	525	–
Rich Point:				
Management fee expense	(iv)	6,669	7,039	–
Property rental and related expenses	(v)	703	703	703
Belstar:				
Property rental and related expenses	(v)	912	912	1,190
UMP Investment:				
Property rental and related expenses	(v)	–	–	1,357
DP Properties:				
Property rental and related expenses	(v)	870	917	1,052
Keenhome:				
Property rental and related expenses	(v)	–	–	51
CTFE group companies:				
Contract healthcare solution services income	(vi)	9,040	9,464	10,060
Beijing Eaton Clinic:				
Management fee income	(vii)	–	–	570
Shanghai Eaton:				
Professional services expense	(viii)	–	–	761

Notes:

(i) The administrative support fee income was related to administrative support services, such as payroll services, rendered by the Group and was charged at terms mutually agreed with the relevant parties.

(ii) The professional services expense was related to healthcare services rendered by the relevant parties to the Group and was charged at terms mutually agreed with the relevant parties.

(iii) The healthcare services income was related to medical services rendered by the Group and was charged at terms mutually agreed between the relevant parties.

(iv) The management fee expense was related to administration, planning and business strategy services rendered by the relevant party to the Group and was charged at terms mutually agreed between the relevant parties.

(v) The property rental and related expenses was related to leasing of certain medical centres or premises for the Group's operation and were charged at terms stipulated in respective tenancy agreements.

(vi) Contract healthcare solution services was related to provision of healthcare services to their employees and was charged at terms mutually agreed between the relevant parties.

(vii) The management fee income was related to the administrative and human resources services rendered by the Group and was charged at a monthly fixed fee of starting from 1 November 2014.

(viii) The professional service expense was related to healthcare services rendered by the related party and was charged at a monthly fixed fee of RMB100,000 (equivalent to HK$126,000) under a services agreement starting from 1 January 2015.

(b) Other transactions with related parties

Professional services fees paid to an executive director of the Company and the key personnel of the former ultimate holding company in relation to the rendering of healthcare services to the Group are as follows:

	Year ended 30 June		
	2013	2014	2015
	HK$'000	HK$'000	HK$'000
An executive director (note (i))	1,730	2,189	2,929
Key management personnel of the former ultimate holding company (note (ii))	2,913	3,265	1,825
	4,643	5,454	4,754

Notes:

(i) The professional services fee related to healthcare services rendered by Dr. Michael Sun, an executive director of the Company, the son of Dr. Sun Yiu Kwong who is a major shareholder and a director of the former ultimate holding company of certain subsidiaries of the Group prior to 30 December 2014, a major shareholder of the Company's ultimate holding company and an executive director of the Company.

(ii) The professional services fees included in the above were related to healthcare services rendered by Dr. Au Yeung Cheuk Lun, Henry and Dr. Leung Chi Sai during the Track Record Period. Both Dr, Au Yeung Cheuk Lun, Henry and Dr. Leung Chi Sai are the shareholders and directors of First Point, the former ultimate holding company of subsidiaries now comprising the Group prior to the completion of the Reorganisation on 30 December 2014.

(c) Compensation of key management personnel of the Group:

	Year ended 30 June		
	2013	2014	2015
	HK$'000	HK$'000	HK$'000
Short term employee benefits	11,660	15,169	16,758
Post-employment benefits	352	359	398
Total compensation paid to key management personnel	12,012	15,528	17,156

Further details of directors' emoluments are included in note 7 under Section II of this report.

41. Financial Instruments by Category

The carrying amounts of each of the categories of financial instruments at the end of each of the Track Record Period are as follows:

2013

Financial assets

	Financial assets at fair value through profit or loss — held for trading	Loans and receivables	Available-for-sale financial assets	Total
	HK$'000	HK$'000	HK$'000	HK$'000
Available-for-sale investments	–	–	2,000	2,000
Trade receivables	–	42,743	–	42,743
Financial assets included in prepayments, deposits and other receivables	–	5,498	–	5,498
Financial assets at fair value through profit or loss	2,551	–	–	2,551
Due from a joint venture	–	920	–	920
Due from associates	–	4,779	–	4,779
Due from related companies	–	52,146	–	52,146
Pledged deposits	–	1,029	–	1,029
Cash and cash equivalents	–	63,000	–	63,000
	2,551	170,115	2,000	174,666

Financial liabilities

	Financial liabilities at amortised cost
	HK$'000
Trade payables	36,042
Financial liabilities included in other payables, accruals and deferred income	4,020
Due to a joint venture	169
Due to associates	1,319
Due to related companies	10,585
	52,135

2014

Financial assets

	Financial assets at fair value through profit or loss — held for trading	Loans and receivables	Available-for-sale financial assets	Total
	HK$'000	HK$'000	HK$'000	HK$'000
Available-for-sale investments	–	–	3,510	3,510
Trade receivables	–	41,752	–	41,752
Financial assets included in prepayments, deposits and other receivables	–	5,550	–	5,550
Financial assets at fair value through profit or loss	2,779	–	–	2,779
Due from associates	–	3,202	–	3,202
Due from related companies	–	66,973	–	66,973
Pledged deposits	–	1,029	–	1,029
Cash and cash equivalents	–	53,173	–	53,173
	2,779	171,679	3,510	177,968

Financial liabilities

	Financial liabilities at amortised cost
	HK$'000
Trade payables	38,249
Financial liabilities included in other payables, accruals and deferred income	8,370
Due to associates	847
Due to related companies	9,530
	56,996

2015

Financial assets

	Group			
	Financial assets at fair value through profit or loss — held for trading	Loans and receivables	Available-for-sale financial assets	Total
	HK$'000	HK$'000	HK$'000	HK$'000
Available-for-sale investments	–	–	3,510	3,510
Trade receivables	–	45,057	–	45,057
Financial assets included in prepayments, deposits and other receivables	–	10,987	–	10,987
Financial assets at fair value through profit or loss	2,722	–	–	2,722
Due from associates	–	3,562	–	3,562
Due from related companies	–	31,925	–	31,925
Pledged deposits	–	1,019	–	1,019
Cash and cash equivalents	–	83,477	–	83,477
	2,722	176,027	3,510	182,259

Financial liabilities

	Group	Company
	Financial liabilities at amortised cost	Financial liabilities at amortised cost
	HK$'000	HK$'000
Trade payables	41,058	–
Financial liabilities included in other payables, accruals and deferred income	17,803	15
Due to a subsidiary	–	903
Due to associates	149	–
Due to related companies	79,173	48
Due to a director	6,769	–
	144,952	966

42. Fair Value and Fair Value Hierarchy of Financial Instruments

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts			Fair values		
	2013	2014	2015	2013	2014	2015
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Financial assets						
Financial assets at fair value through profit or loss	2,551	2,779	2,722	2,551	2,779	2,722

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, trade receivables, trade payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables, accruals and deferred income, balances with joint ventures, associates, related companies and a director approximate to their carrying amounts largely due to the short term maturities of these instruments/no fixed terms of repayments of these instruments or because the effect of discounting is not material.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of listed equity investments are based on quoted market price. The fair values of unlisted investment funds are assessed to approximate the net asset values indicated on the net asset value statements issued by the investment fund managers, which take into consideration of the fair values of the underlying investments, including shares, bonds and foreign currencies products.

Below is a summary of valuation technique used and the significant unobservable input of the equity investment at fair value through profit or loss:

Save as the disposal of the unlisted investment at fair value through profit or loss of the Group of HK$618,000 during the year ended 30 June 2015, there were no material movements in fair value measurements in Level 3 during the Track Record Period.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 30 June 2013

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	HK$'000	HK$'000	HK$'000	HK$'000
Equity investments at fair value through profit or loss	2,010	–	541	2,551

Assets measured at fair value:

As at 30 June 2014

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	HK$'000	HK$'000	HK$'000	HK$'000
Equity investments at fair value through profit or loss	2,210	–	569	2,779

As at 30 June 2015

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	HK$'000	HK$'000	HK$'000	HK$'000
Equity investments at fair value through profit or loss	2,722	–	–	2,722

The Group did not have any financial liabilities measured at fair value at 30 June 2013, 2014 and 2015.

During the Track Record Period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or of Level 3 for both financial assets and financial liabilities.

43. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise cash and cash equivalents and short term deposits. The main purpose of these financial instruments is to finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its Group's operations.

The main risks arising from the Group's financial instruments are credit risk and liquidity risk. The board of Directors reviews and agrees policies for managing each of these risks and they are summarised below.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, pledged deposits, trade receivables, deposits and other receivables, amounts due from a joint venture, associates and related companies, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments concentration of credit risk are managed by customer/counterparty.

At the end of the reporting period, the Group had certain concentrations of credit risk as 20%, 18% and 17% of the Group's trade receivables at 30 June 2013, 2014 and 2015, respectively were due from the Group's largest debtor.

At the end of the reporting period, the Group had certain concentrations of credit risk as 48%, 48% and 32% of the Group's trade receivables at 30 June 2013, 2014 and 2015, respectively were due from the Group's five largest debtors.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 20 under Section II of this report.

Liquidity risk

The Group monitors and maintains a sufficient level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuation in cash flows. Management reviews and monitors the Group's working capital requirements regularly.

The maturity profile of the Group's and the Company's financial liabilities at the end of each of the Track Record Period, based on the contractual undiscounted payments, is as follows:

	As at 30 June 2013		
	Group		
	On demand/no fixed terms of repayment	Less than 3 months	Total
	HK$'000	HK$'000	HK$'000
Trade payables	34	36,008	36,042
Financial liabilities included in other payables, accruals and deferred income	–	4,020	4,020
Due to a joint venture	169	–	169
Due to associates	1,319	–	1,319
Due to related companies	10,585	–	10,585
	12,107	40,028	52,135

	As at 30 June 2014		
	Group		
	On demand/no fixed terms of repayment	Less than 3 months	Total
	HK$'000	HK$'000	HK$'000
Trade payables	115	38,134	38,249
Financial liabilities included in other payables, accruals and deferred income	–	8,370	8,370
Due to associates	847	–	847
Due to related companies	9,530	–	9,530
	10,492	46,504	56,996

	As at 30 June 2015					
	Group			Company		
	On demand/no fixed terms of repayment	Less than 3 months	Total	On demand/no fixed terms of repayment	Less than 3 months	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Trade payables	615	40,443	41,058	–	–	–
Financial liabilities included in other payables, accruals and deferred income	1,693	16,110	17,803	15	–	15
Due to subsidiaries	–	–	–	903	–	903
Due to associates	149	–	149	–	–	–
Due to related companies	79,173	–	79,173	48	–	48
Due to a director	6,769	–	6,769	–	–	–
	88,399	56,553	144,952	966	–	966

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Track Record Period. The capital of the Group represents cash and cash equivalents.

44. Events after the Reporting Period

The Group had the following significant events occurred after the end of the reporting period:

(a) On 13 July 2015, the Group entered into a joint venture agreement (the "JV Agreement") with Pinyu Limited ("Pinyu") to form a joint venture company on 50-50 basis and set up medical centres in the Beijing, Tianjin and Hebei regions. Under the term of the JV Agreement, each of the Group and Pinyu will advance interest-free shareholder's loans in an aggregate sum of no less than RMB50 million (equivalent to HK$63 million) to the joint venture in stages. Pinyu is an indirectly wholly-owned subsidiary of Phoenix Healthcare Group Co. Ltd which is a company listed on the Stock Exchange and owns as to 20% equity interest in the Company, Further details of the JV Agreement are set out in paragraph headed "JV Agreement with Phoenix" under section headed "Business" in the Prospectus.

(b) On 18 August 2015, the Company adopted a pre-IPO share option scheme, pursuant to which the Company conditionally granted share options to, among others, certain employees, executives, officers and consultant of the Group and certain Directors. Further details of the pre-IPO share option scheme and the share options granted are set out in paragraph headed "Share option schemes" to Appendix VII "Statutory and General Information" in the Prospectus.

(c) On 9 September 2015, the Group entered into an equity transfer agreement with GZ Ruian to acquire the entire interest in Shanghai Eaton Consulting for a total consideration of RMB5.1 million (equivalent to HK$6.4 million). The acquisition was completed on 30 October 2015. Details of the financial information of Shanghai Eaton Consulting for the Track Record Period are set out in Appendix IB in the Prospectus.

(d) Subsequent to 30 June 2015, on 2 November 2015, a final dividend of HK$30 million in respect of the year ended 30 June 2015 was declared by the board of directors and approved by the shareholders of the Company.

III. SUBSEQUENT FINANCIAL INFORMATION

No audited financial statements have been prepared by the Company and its subsidiaries in respect of any period subsequent to 30 June 2015.

Yours faithfully,
Ernst & Young
Certified Public Accountants
Hong Kong

The following is the text of a report received from Ernst & Young, Certified Public Accountants, Hong Kong, the reporting accountants of the Target Company, for the purpose of incorporation in this prospectus.

22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

17 November 2015

The Directors

UMP Healthcare Holdings Limited
J.P. Morgan Securities (Far East) Limited

Dear Sirs

We set out below our report on the financial information of Shanghai Eaton Consulting Limited (上海耀東保健諮詢服務有限公司) (the "Target Company") and its subsidiaries (hereinafter collectively referred to as the "Target Group") comprising the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Target Group for each of the years ended 30 June 2013, 2014 and 2015 (the "Track Record Period"), and the consolidated statements of financial position of the Target Group and the statements of financial position of the Target Company as at 30 June 2013, 2014 and 2015, together with the notes thereto (the "Financial Information"), prepared on the basis of preparation set out in note 2.1 of Section II below, for inclusion in the prospectus of UMP Healthcare Holdings Limited ("UMP") dated 17 November 2015 in connection with the acquisition of the entire registered capital of the Target Company by UMP. The Target Company was established in the People's Republic of China on 17 December 2002.

As at the end of the Track Record Period, the Target Company has direct interests in the subsidiaries as set out in note 1 of Section II below. The statutory separate financial statement of each of the Target Company and its subsidiaries adopted 31 December as their financial year end. For the purpose of this report, the financial information of the Target Group has been prepared and adopted 30 June as the financial year end. The statutory financial statements of the companies now comprising the Target Group were prepared in accordance with the relevant accounting principles applicable to these companies in the jurisdiction in which they were established. Details of their statutory auditors during the Track Record Period are set out in note 1 of Section II below.

For the purpose of this report, the sole director of the Target Company (the "Director") has prepared the consolidated financial statements of the Target Group (the "Underlying Financial Statements") in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The Underlying Financial Statements for each of the years ended 30 June 2013, 2014 and 2015 were audited by us in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

The Financial Information set out in this report has been prepared from the Underlying Financial Statements with no adjustments made thereon.

Director's responsibility

The Director is responsible for the preparation of the Underlying Financial Statements and the Financial Information that give a true and fair view in accordance with HKFRSs, and for such internal control as the Director determines is necessary to enable the preparation of the Underlying Financial Statements and the Financial Information that are free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

It is our responsibility to form an independent opinion on the Financial Information and to report our opinion thereon to you.

For the purpose of this report, we have carried out procedures on the Financial Information in accordance with Auditing Guideline 3.340 *Prospectuses and the Reporting Accountant* issued by the HKICPA.

Opinion in respect of the Financial Information

In our opinion, for the purpose of this report, the Financial Information gives a true and fair view of the financial position of the Target Group and the Target Company as at 30 June 2013, 2014 and 2015, and of the consolidated financial performance and consolidated cash flows of the Target Group for each of the Track Record Period.

I. FINANCIAL INFORMATION

Consolidated statements of profit or loss and other comprehensive income

	Section II	Year ended 30 June		
	Notes	2013	2014	2015
		RMB	RMB	RMB
REVENUE	5	4,642,356	16,760,656	24,411,458
Other income and gains	5	56,269	60,865	61,749
Employee benefit expense		(1,974,812)	(5,947,585)	(9,172,310)
Property rental and related expenses		(1,731,819)	(1,914,598)	(2,583,401)
Cost of inventories consumed		–	(138,617)	(279,498)
Depreciation		(228,494)	(816,878)	(1,057,196)
Other expenses		(916,273)	(3,498,891)	(5,971,216)
PROFIT/(LOSS) BEFORE TAX	6	(152,773)	4,504,952	5,409,586
Income tax expense	9	(75,347)	(393,681)	(1,312,246)
PROFIT/(LOSS) FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		(228,120)	4,111,271	4,097,340

Consolidated statements of financial position

	Section II	Year ended 30 June		
	Notes	2013	2014	2015
		RMB	RMB	RMB
NON-CURRENT ASSETS				
Property, plant and equipment	12	2,777,889	3,765,134	3,394,064
Goodwill	13	–	3,204,109	3,204,109
Deposits	17	468,189	518,189	518,189
Total non-current assets		3,246,078	7,487,432	7,116,362
CURRENT ASSETS				
Inventories	15	1,616	113,828	120,671
Trade receivables	16	366,803	264,830	173,749
Prepayments, deposits and other receivables	17	47,417	490,784	528,949
Financial asset at fair value through profit or loss	18	–	–	50,000
Due from the immediate holding company	19	–	2,300,000	2,300,411
Due from related companies	20	4,595,286	2,756,324	1,727,226
Cash and cash equivalents	21	2,171,885	6,696,131	10,274,553
Total current assets		7,183,007	12,621,897	15,175,559
CURRENT LIABILITIES				
Trade payables	22	36,986	781,008	577,607
Other payables and accruals	23	2,616,498	4,165,956	4,496,254
Due to related companies	20	2,096,947	4,902,372	2,406,957
Corporate income tax payable		16,872	360,940	814,710
Total current liabilities		4,767,303	10,210,276	8,295,528
NET CURRENT ASSETS		2,415,704	2,411,621	6,880,031
TOTAL ASSETS LESS CURRENT LIABILITIES		5,661,782	9,899,053	13,996,393
NON-CURRENT LIABILITY				
Provision	24	56,000	182,000	182,000
Net assets		5,605,782	9,717,053	13,814,393
EQUITY				
Share capital	25	3,500,000	3,500,000	3,500,000
Reserves	26	2,105,782	6,217,053	10,314,393
Total equity		5,605,782	9,717,053	13,814,393

Consolidated statements of changes in equity

	Share capital	Statutory legal reserve	Retained profits	Total equity
	RMB	RMB (note 26)	RMB	RMB
At 1 July 2012	3,500,000	378,651	1,955,251	5,833,902
Loss and total comprehensive loss for the year	–	–	(228,120)	(228,120)
Transfer to statutory legal reserve	–	31,552	(31,552)	–
At 30 June 2013 and at 1 July 2013	3,500,000	410,203*	1,695,579*	5,605,782
Profit and total comprehensive income for the year	–	–	4,111,271	4,111,271
Transfer to statutory legal reserve	–	378,838	(378,838)	–
At 30 June 2014 and at 1 July 2014	3,500,000	789,041*	5,428,012*	9,717,053
Profit and total comprehensive income for the year	–	–	4,097,340	4,097,340
Transfer to statutory legal reserve	–	569,852	(569,852)	–
At 30 June 2015	3,500,000	1,358,893*	8,955,500*	13,814,393

* These reserve accounts comprise the consolidated reserves of RMB2,105,782, RMB6,217,053 and RMB10,314,393 in the consolidated statements of financial position as at 30 June 2013, 2014 and 2015, respectively.

Consolidated statements of cash flows

	Section II	Year ended 30 June		
	Notes	2013	2014	2015
		RMB	RMB	RMB
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(loss) before tax		(152,773)	4,504,952	5,409,586
Adjustments for:				
Interest income	5	(6,269)	(22,448)	(29,640)
Fair value gain on financial asset at fair value through profit or loss	5	–	(7,364)	(9,164)
Depreciation	6	228,494	816,878	1,057,196
Loss on disposal of items of property, plant and equipment	6	–	–	46,733
Impairment of a deposit	6	–	–	488,850
		69,452	5,292,018	6,963,561
Increase in inventories		(1,616)	(15,208)	(6,843)
Decrease in trade receivables		26,810	143,817	91,081
Decrease/(increase) in prepayments, deposits and other receivables		1,638,506	30,701	(527,015)
Increase/(decrease) in trade payables		36,986	(82,324)	(203,401)
Increase/(decrease) in other payables and accruals		19,773	(937,613)	330,298
Cash generated from operations		1,789,911	4,431,391	6,647,681
Corporate income tax paid		(88,234)	(49,613)	(858,476)
Net cash flows from operating activities		1,701,677	4,381,778	5,789,205
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received		6,269	22,448	29,640
Proceeds from disposal of items of property, plant and equipment		–	–	19,417
Purchases of items of property, plant and equipment		(2,950,383)	(1,204,818)	(752,276)
Acquisition of a subsidiary	27	–	973,087	–
Net cash flows used in investing activities		(2,944,114)	(209,283)	(703,219)

	Section II	Year ended 30 June		
	Notes	2013	2014	2015
		RMB	RMB	RMB
CASH FLOWS FROM FINANCING ACTIVITIES				
Purchase of financial asset at fair value through profit or loss		–	–	(40,836)
Disposal of financial asset at fair value through profit or loss		–	1,507,364	–
Advances to the immediate holding company		–	(2,300,000)	(411)
Fund transfers from related parties		1,674,533	1,144,387	4,360,909
Fund transfers to related companies		–	–	(5,827,226)
Net cash flows from/(used in) financing activities		1,674,533	351,751	(1,507,564)
NET INCREASE IN CASH AND CASH EQUIVALENTS		432,096	4,524,246	3,578,422
Cash and cash equivalents at beginning of year		1,739,789	2,171,885	6,696,131
CASH AND CASH EQUIVALENTS AT END OF YEAR		2,171,885	6,696,131	10,274,553
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
Cash and bank balances	21	2,171,885	6,696,131	10,274,553

Statements of financial position of the Target Company

	Section II	As at 30 June		
	Notes	2013	2014	2015
		RMB	RMB	RMB
NON-CURRENT ASSETS				
Property, plant and equipment	12	–	13,410	10,617
Investments in subsidiaries	14	3,500,000	7,000,000	7,000,000
Deposits	17	468,189	468,189	468,189
Total non-current assets		3,968,189	7,481,599	7,478,806
CURRENT ASSETS				
Trade receivables	16	319,103	169,813	–
Prepayments, deposits and other receivables	17	40,974	352,838	482,228
Due from subsidiaries	14	104,740	207,841	2,042,442
Due from related companies	20	4,595,286	2,892,184	–
Cash and cash equivalents	21	472,626	1,185,888	3,231,177
Total current assets		5,532,729	4,808,564	5,755,847
CURRENT LIABILITIES				
Other payables and accruals	23	2,096,835	2,119,366	2,277,487
Due to related companies	20	2,096,947	4,120,626	1,784,458
Tax payable		16,872	23,388	–
Total current liabilities		4,210,654	6,263,380	4,061,945
NET CURRENT ASSETS/(LIABILITIES)		1,322,075	(1,454,816)	1,693,902
Net assets		5,290,264	6,026,783	9,172,708
EQUITY				
Share capital	25	3,500,000	3,500,000	3,500,000
Reserves	26	1,790,264	2,526,783	5,672,708
Total equity		5,290,264	6,026,783	9,172,708

II. NOTES TO FINANCIAL INFORMATION

1. Corporate and Group Information

Shanghai Eaton Consulting Limited* (the "Target Company") was established in the People's Republic of China (the "PRC") on 17 December 2002 with limited liability under PRC law. The principal place of business of the Target Company is located at Room 213, Block M, No. 2715 Zha Chuan Lu Pu Jiang Town, Min Hang District, Shanghai, the PRC.

The Target Company is an investment holding company and is also involved in the provision of healthcare services in the PRC. The Target Group is engaged in the provision of healthcare and medical services in the PRC.

On 10 March 2014, Guangzhou Ruian Enterprise Management Company Limited* (廣州瑞安企業管理有限公司) ("Guangzhou Ruian"), a company established in the PRC, acquired the entire registered capital of the Target Company from Beijing Hang Feng Yong Ye Trading Company Limited* and Beijing Yu Chang Long Trading Company Limited*. In the opinion of the Director, Guangzhou Ruian became the immediate holding company and the ultimate holding company of the Target Company thereafter.

As at the end of the Track Record Period, the Target Company had direct interests in the following subsidiaries:

Company name	Place of registration, place of business and date of establishment	Registered capital	Percentage of equity directly attributable to the Target Company	Principal activities
Shanghai Eaton Clinic Limited* (上海怡東門診部有限公司) (note (a))	PRC/ Mainland China 22 November 2012	RMB3,500,000	100	Provision of healthcare services
Beijing Eaton Clinic Limited* (北京耀東門診部有限公司) (note (b))	PRC/ Mainland China 15 July 2005	RMB3,500,000	100	Provision of healthcare and medical services

Notes:

(a) The statutory financial statements of this company for the years ended 31 December 2013 and 2014 prepared under PRC Generally Accepted Accounting Principles ("PRC GAAP") were audited by Shanghai Deking Certified Public Accountants, certified public accountants registered in the PRC.

(b) The statutory financial statements of this company for the years ended 31 December 2012, 2013 and 2014 prepared under PRC GAAP were audited by Zhongjing Certified Public Accountants Office Co., Ltd., certified public accountants registered in the PRC.

* The English name of the PRC companies referred to in this note represented management's best efforts in translating the Chinese names of these companies as no English names have been registered or available.

2.1 Basis of Preparation

The Financial Information has been prepared in accordance with HKFRSs (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the HKICPA and accounting principles generally accepted in Hong Kong. All HKFRSs effective for the accounting period commencing from 1 July 2014, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Financial Information throughout the Track Record Period.

The Financial Information has been prepared under the historical cost convention, except for financial asset at fair value through profit or loss which have been measured at fair value. The Financial Information is presented in Renminbi ("RMB") except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Target Company and its subsidiaries (collectively referred to as the "Target Group") for the years ended 30 June 2013, 2014 and 2015. The financial statements of the subsidiaries are prepared for the same reporting period as the Target Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Target Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Target Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Target Group are eliminated in full on consolidation.

The Target Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Target Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Target Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Target Group had directly disposed of the related assets or liabilities.

2.2 Issued but not yet Effective Hong Kong Financial Reporting Standards

The Target Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 9	*Financial Instruments*[3]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[1]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	*Investment Entities: Applying the Consolidation Exemption*[1]
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*[1]
HKFRS 14	*Regulatory Deferral Accounts*[4]
HKFRS 15	*Revenue from Contracts with Customers*[3]
Amendments to HKAS 1	*Disclosure Initiative*[1]
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*[1]
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plants*[1]
Amendments to HKAS 27 (2011)	*Equity Method in Separate Financial Statements*[1]
Annual Improvements 2012-2014 Cycle	Amendments to a number of HKFRSs[1]

1 Effective for annual periods beginning on or after 1 January 2016

2 Effective for annual periods beginning on or after 1 January 2017

3 Effective for annual periods beginning on or after 1 January 2018

4 Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Target Group

Further information about those HKFRSs that are expected to be applicable to the Target Group is as follows:

In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Target Group expects to adopt HKFRS 9 from 1 July 2018. The Target Group expects that the adoption of HKFRS 9 will have an impact on the classification and measurement of the Target Group's financial assets. Further information about the impact will be available nearer the implementation date of the standard.

The amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The Target Group expects to adopt the amendments from 1 July 2016.

HKFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. An entity must identify the promised goods and services within the arrangement and determine which of those goods and services are separate, or distinct, performance obligations with the following steps (i) identify the contract(s) with the customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognise revenue when (or as) the entity satisfies a performance obligations. Under HKFRS 15, appropriately identifying the entity's performance obligation in a contract is fundamental to the determination of whether the entity is acting as a principal or an agent. That is, in order for the entity to conclude it is acting as the principal in the arrangement, the entity must determine that it controls the goods or services promised to the customer before those goods and services are transferred to the customer. After an entity identifies its promise and determines whether it is the principal or the agent, the entity recognises revenue when it satisfies that performance obligation.

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. The Target Group expects to adopt HKFRS 15 on 1 July 2018 and is currently assessing the impact of HKFRS 15 upon adoption.

Amendments to HKAS 1 include narrow-focus improvements in respect of the presentation and disclosure in financial statements in five areas, including materiality, disaggregation and subtotals, notes structure, disclosure of accounting policies and presentation of items of other comprehensive income arising from equity accounted investments. The amendments further encourage entities to apply professional judgement in determining what information to disclose and how to structure the disclosure in the financial statements. The Target Group expects to adopt the amendments from 1 July 2016.

2.3 Summary of Significant Accounting Policies

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Target Group, liabilities assumed by the Target Group to the former owners of the acquiree and the equity interests issued by the Target Group in exchange for control of the acquiree. For each business combination, the Target Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Target Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of HKAS 39 is measured at fair value with changes in fair value either recognised in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of HKAS 39, it is measured in accordance with the appropriate HKFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Target Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Target Group performs its annual impairment test of goodwill as at 30 June. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Target Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Target Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Target Company. Control is achieved when the Target Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Target Group the current ability to direct the relevant activities of the investee).

When the Target Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Target Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Target Group's voting rights and potential voting rights.

The results of subsidiaries are included in the Target Company's profit or loss to the extent of dividends received and receivable. The Target Company's investments in subsidiaries are stated at cost less any impairment losses.

Related parties

A party is considered to be related to the Target Group if:

(a) the party is a person or a close member of that person's family and that person (i) has control or joint control over the Target Group; (ii) has significant influence over the Target Group; or (iii) is a member of the key management personnel of the Target Group or of a parent of the Target Group; or

(b) the party is an entity where any of the following conditions applies:

 (i) the entity and the Target Group are members of the same group;

 (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

 (iii) the entity and the Target Group are joint ventures of the same third party;

 (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

 (v) the entity is a post-employment benefit plan for the benefit of employees of either the Target Group or an entity related to the Target Group;

 (vi) the entity is controlled or jointly controlled by a person identified in (a); and

 (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Fair value measurement

The Target Group measures its financial asset at fair value through profit or loss at the end of each Track Record Period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Target Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Target Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Target Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each Track Record Period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each Track Record Period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Target Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvements	Over the lease terms
Furniture, fixtures and office equipment	20%
Computer equipment and software	33.3%
Medical equipment	20% to 33.3%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Target Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to profit or loss on the straight-line basis over the lease terms.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss or loans and receivables, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Target Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by HKAS 39.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with positive net changes in fair value presented as other income and gains and negative net changes in fair value presented as finance costs in profit or loss.

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in HKAS 39 *Financial Instruments: Recognition and Measurement* ("HKAS 39") are satisfied.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated as at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in profit or loss. The loss arising from impairment is recognised in profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Target Group's consolidated statements of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Target Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Target Group has transferred substantially all the risks and rewards of the asset, or (b) the Target Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Target Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Target Group continues to recognise the transferred asset to the extent of the Target Group's continuing involvement. In that case, the Target Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Target Group has retained.

Impairment of financial assets

The Target Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Target Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Target Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Target Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

Subsequent measurement of loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred.

Cash and cash equivalents

For the purpose of the consolidated statements of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Target Group's cash management.

For the purpose of the consolidated statements of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in profit or loss.

A provision for reinstatement costs is recognised when a contractual obligation under the terms of an operating lease has arisen to reinstate a leased property at the end of the lease. Reinstatement costs are provided at the value of the expected costs to settle the obligation at the end of the reporting period using estimated cash flows and an equivalent asset is recognised and depreciated over the term of the operating lease. The estimated future costs of reinstatement are reviewed, and adjusted if appropriate, at least at each financial year end. Changes in the estimate future costs are added to or deducted from the cost of the corresponding asset.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries/jurisdictions in which the Target Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Target Group and when the revenue can be measured reliably, on the following bases:

(a) from the provision of healthcare and medical services, when the relevant services has been rendered; and

(b) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Employee benefits

Pension scheme

The employees of the Target Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the respective local municipal government. The subsidiaries are required to contribute 5% of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Foreign currencies

The Financial Information is presented in RMB, which is the Target Company's functional and presentation currency. Each entity in the Target Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Target Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

3. Significant Accounting Judgements and Estimates

The preparation of the Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Target Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Financial Information:

Income taxes

The Target Group has exposure to income taxes in different jurisdictions in which it operates. Significant judgement is involved in determining the provision for income taxes. Determining income tax provisions involves judgement on the future tax treatment of certain transactions and interpretation of tax rules. The Target Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislation, interpretations and practices in respect thereof.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of loans and receivables

The Target Group assesses at the end of each reporting period whether there is any objective evidence that a loan/receivable is impaired. To determine whether there is objective evidence of impairment, the Target Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

The Target Group maintains an allowance for estimated impairment of loan receivable and other receivable balances arising from the inability of its debtors to make the required payments. The Target Group makes its estimates based on the assessments of the recoverability of its loan receivable balances and other receivable balances, including debtors' creditworthiness, past repayment history and historical write-off experience. If the financial condition of its debtors was to deteriorate so that the actual impairment loss might be higher than expected, the Target Group would be required to revise the basis of making the allowance.

Impairment of non-financial assets (other than goodwill)

The Target Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets with finite lives are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The calculation of the fair value less costs to sell is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Impairment of goodwill

The Target Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Target Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are given in note 13 under Section II of this report.

4. Operating Segment Information

The Target Group is principally engaged in the provision of healthcare and medical services in Mainland China. Information reported to the Target Group's management for the purpose of resources allocation and performance assessment focuses on the operating results of the Target Group as a whole as the Target Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

Geographical information

Since all the Target Group's revenue and profit were generated from healthcare and medical services in Mainland China and all the Target Group's non-current assets were located in Mainland China during the Track Record Period, no geographical information in accordance with HKFRS 8 *Operating Segments* ("HKFRS 8") is presented.

Information about major customers

Since no revenue derived from sales to a single customer of the Target Group has individually accounted for over 10% of the Target Group's total revenue during each of the Track Record Period, no information about major customers in accordance with HKFRS 8 is presented.

5. Revenue, Other Income and Gains

Revenue represents the aggregate of the net amounts received and receivable for the provision of healthcare and medical services during the Track Record Period.

An analysis of the Target Group's other income and gains for the Track Record Period is as follows:

	Year ended 30 June		
	2013	2014	2015
	RMB	RMB	RMB
Other income and gains			
Bank interest income	6,269	22,448	29,640
Fair value gain on financial asset at fair value through profit or loss	–	7,364	9,164
Government subsidies (note)	50,000	30,000	10,000
Others	–	1,053	12,945
	56,269	60,865	61,749

Note: Government subsidies were received by a subsidiary in connection with support fundings to small and medium enterprises in PRC. There are no unfulfilled conditions or contingencies relating to these subsidies.

6. Profit/(Loss) before Tax

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

	Section II	Year ended 30 June		
	Notes	2013	2014	2015
		RMB	RMB	RMB
Cost of inventories consumed		–	138,617	279,498
Depreciation	12	228,494	816,878	1,057,196
Minimum lease payments under operating leases		1,235,630	1,389,023	1,802,781
Auditors' remuneration		2,000	27,000	18,000
Employee benefit expense:				
Salaries, allowances, bonuses and other benefits		1,717,548	5,219,522	8,046,095
Pension scheme contributions (defined contribution scheme)		257,264	728,063	1,126,215
		1,974,812	5,947,585	9,172,310
Impairment of a deposit	17	–	–	488,850
Loss on disposal of items of property, plant and equipment		–	–	46,733

7. Director's Remuneration

The Director did not receive any fees or emoluments in respect of her services to the Target Group during the years ended 30 June 2013, 2014 and 2015.

8. Five Highest Paid Employees

Details of the remuneration of the five highest paid employees who are neither a director of the Target Company for the years ended 30 June 2013, 2014 and 2015 are as follows:

	Year ended 30 June		
	2013	2014	2015
	RMB	RMB	RMB
Salaries, bonuses, allowances and other benefits	743,260	1,323,304	1,666,936
Pension scheme contributions	86,135	125,432	152,673
	829,395	1,448,736	1,819,609

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees Year ended 30 June		
	2013	2014	2015
Nil to RMB500,000	5	5	5

During the Track Record Period, no remuneration was paid by the Target Group to any of the five highest paid employees as an inducement to join or upon joining the Target Group or as compensation for loss of office. There was no arrangement under which a five highest paid employee waived or agreed to waive any remuneration during the Track Record Period.

9. Income Tax

The Target Company and its subsidiaries established in Mainland China are subject to PRC corporate income tax at a standard rate of 25% for each of the Track Record Period.

	Year ended 30 June		
	2013	2014	2015
	RMB	RMB	RMB
Current income tax – Mainland China			
Charge for the year	75,347	393,681	1,312,246

A reconciliation of the tax expense/(credit) applicable to profit/(loss) before tax using the applicable statutory tax rate in Mainland China to the tax expense at the effective tax rate is as follows:

	Year ended 30 June		
	2013	2014	2015
	RMB	RMB	RMB
Profit/(loss) before tax	(152,773)	4,504,952	5,409,586
Tax at the applicable PRC statutory tax rate of 25%	(38,193)	1,126,238	1,352,397
Income not subject to tax	–	(142,033)	(499,451)
Expenses not deductible for tax	25,000	138,085	632,427
Tax losses utilised from previous periods	–	(711,933)	(208,133)
Others	88,540	(16,676)	35,006
Tax charge at the Target Group's effective rate	75,347	393,681	1,312,246

The Target Group had unrecognised tax losses arising in Mainland China of RMB3,015,000 and RMB1,709,000 as at 30 June 2013 and 2014, respectively that would expire in one to five years for offsetting against future taxable profits of the companies in which the losses arose. The utilisation of the above tax losses are subject to the agreement by the relevant tax authorities. Deferred tax assets were not recognised in respect of these losses due to the then unpredictability of future taxable profits of the companies in which the losses arouse.

10. Dividend

During the years ended 30 June 2013, 2014 and 2015, no dividend was paid or declared by the Target Company.

11. Profit/(loss) Attributable to owners of the Target Company

The consolidated profit/(loss) attributable to owners of the Target Company for the years ended 30 June 2013, 2014 and 2015 included a loss of RMB543,638 and a profit of RMB736,519 and RMB3,145,925, respectively, which has been dealt with in the financial statements of the Target Company for the respective years.

12. Property, Plant and Equipment

Target Group

	Leasehold improvements	Furniture, fixtures and office equipment	Computer equipment and software	Medical equipment	Total
	RMB	RMB	RMB	RMB	RMB
30 June 2013					
At 1 July 2012, net of accumulated depreciation	–	–	–	–	–
Additions	1,585,700	217,103	4,180	1,199,400	3,006,383
Depreciation provided during the year	(100,680)	(13,650)	(221)	(113,943)	(228,494)
At 30 June 2013, net of accumulated depreciation	1,485,020	203,453	3,959	1,085,457	2,777,889
At 30 June 2013:					
Cost	1,585,700	217,103	4,180	1,199,400	3,006,383
Accumulated depreciation	(100,680)	(13,650)	(221)	(113,943)	(228,494)
Net carrying amount	1,485,020	203,453	3,959	1,085,457	2,777,889
30 June 2014					
At 30 June 2013 and at 1 July 2013:					
Cost	1,585,700	217,103	4,180	1,199,400	3,006,383
Accumulated depreciation	(100,680)	(13,650)	(221)	(113,943)	(228,494)
Net carrying amount	1,485,020	203,453	3,959	1,085,457	2,777,889
At 1 July 2013, net of accumulated depreciation	1,485,020	203,453	3,959	1,085,457	2,777,889
Additions	126,000	11,231	53,029	1,140,558	1,330,818
Acquisition of a subsidiary (note 27)	–	5,641	54,146	413,518	473,305
Depreciation provided during the year	(311,202)	(49,857)	(27,274)	(428,545)	(816,878)
At 30 June 2014, net of accumulated depreciation	1,299,818	170,468	83,860	2,210,988	3,765,134
At 30 June 2014:					
Cost	1,711,700	233,975	111,355	2,753,476	4,810,506
Accumulated depreciation	(411,882)	(63,507)	(27,495)	(542,488)	(1,045,372)
Net carrying amount	1,299,818	170,468	83,860	2,210,988	3,765,134

	Leasehold improvements	Furniture, fixtures and office equipment	Computer equipment and software	Medical equipment	Total
	RMB	RMB	RMB	RMB	RMB
30 June 2015					
At 30 June 2014 and at 1 July 2014:					
Cost	1,711,700	233,975	111,355	2,753,476	4,810,506
Accumulated depreciation	(411,882)	(63,507)	(27,495)	(542,488)	(1,045,372)
Net carrying amount	1,299,818	170,468	83,860	2,210,988	3,765,134
At 1 July 2014, net of accumulated depreciation	1,299,818	170,468	83,860	2,210,988	3,765,134
Additions	–	14,276	–	738,000	752,276
Disposals	–	–	–	(66,150)	(66,150)
Depreciation provided during the year	(329,529)	(48,664)	(37,752)	(641,251)	(1,057,196)
At 30 June 2015, net of accumulated depreciation	970,289	136,080	46,108	2,241,587	3,394,064
At 30 June 2015:					
Cost	1,711,700	248,251	111,355	3,365,476	5,436,782
Accumulated depreciation	(741,411)	(112,171)	(65,247)	(1,123,889)	(2,042,718)
Net carrying amount	970,289	136,080	46,108	2,241,587	3,394,064

Target Company

	Furniture, fixtures and office equipment	Computer equipment and software	Total
	RMB	RMB	RMB
30 June 2013 and 30 June 2014			
At 1 July 2012, 30 June 2013 and 1 July 2013:			
Cost	–	–	–
Accumulated depreciation	–	–	–
Net carrying amount	–	–	–
At 1 July 2013, net of accumulated depreciation			
Additions	2,000	12,699	14,699
Depreciation provided during the year	(32)	(1,257)	(1,289)
At 30 June 2014, net of accumulated depreciation	1,968	11,442	13,410
At 30 June 2014:			
Cost	2,000	12,699	14,699
Accumulated depreciation	(32)	(1,257)	(1,289)
Net carrying amount	1,968	11,442	13,410
30 June 2015			
At 30 June 2014 and 1 July 2014:			
Cost	2,000	12,699	14,699
Accumulated depreciation	(32)	(1,257)	(1,289)
Net carrying amount	1,968	11,442	13,410
At 1 July 2014, net of accumulated depreciation	1,968	11,442	13,410
Depreciation provided during the year	(384)	(2,409)	(2,793)
At 30 June 2015, net of accumulated depreciation	1,584	9,033	10,617
At 30 June 2015:			
Cost	2,000	12,699	14,699
Accumulated depreciation	(416)	(3,666)	(4,082)
Net carrying amount	1,584	9,033	10,617

13. Goodwill

	As at 30 June		
	2013	2014	2015
	RMB	RMB	RMB
At beginning of year	–	–	3,204,109
Acquisition of a subsidiary (note 27)	–	3,204,109	–
Cost and net carrying amount as at 30 June	–	3,204,109	3,204,109

Impairment testing of goodwill

Goodwill acquired through business combination is allocated to the healthcare and medical services cash-generating unit of the Target Group for impairment testing.

The recoverable amount of the cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets approved by senior management covering a 5-year period. The growth rate and discount rate applied to the cash flow projections are 10.2% and 15%, respectively.

Other assumptions were used in the value in use calculation of the cash-generating unit. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted revenue – The basis used to determine the value assigned to the revenue is the average revenue achieved in the year immediately before the budget year, increased for expected business and market developments.

Discount rate – The discount rate used is before tax and reflects specific risks relating to the relevant unit.

14. Investments in Subsidiaries

	As at 30 June		
	2013	2014	2015
	RMB	RMB	RMB
Unlisted investments, at cost	3,500,000	7,000,000	7,000,000

Details of the subsidiaries are disclosed in note 1 under Section II of this report.

The amounts due from subsidiaries of RMB104,740, RMB207,841 and RMB2,042,442 as at 30 June 2013, 2014 and 2015, respectively, included in the Target Company's current assets are unsecured, interest-free and have no fixed terms of repayments.

15. Inventories

Target Group

	As at 30 June		
	2013	2014	2015
	RMB	RMB	RMB
Pharmaceutical supplies	1,616	113,828	120,671

16. Trade Receivables

Target Group

	As at 30 June		
	2013	2014	2015
	RMB	RMB	RMB
Trade receivables	366,803	264,830	173,749

Target Company

	As at 30 June		
	2013	2014	2015
	RMB	RMB	RMB
Trade receivables	319,103	169,813	–

Most of the patients of the Target Group's healthcare and medical practices settle their payments in cash or by credit cards. The credit period is generally two to five days for credit card settlements. The credit period is generally one month for its contract customers, extending up to three months for major customers. The Target Group seeks to maintain strict control over its outstanding receivables to monitor and minimise credit risk. Overdue balances are reviewed regularly by senior management. The Target Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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

Target Group

	As at 30 June		
	2013	2014	2015
	RMB	RMB	RMB
Within 30 days	132,293	238,705	60,611
31 to 60 days	106,836	1,938	6,952
61 to 90 days	127,674	15,448	96,912
Over 90 days	–	8,739	9,274
	366,803	264,830	173,749

Target Company

	As at 30 June		
	2013	2014	2015
	RMB	RMB	RMB
Within 30 days	84,593	169,813	–
31 to 60 days	106,836	–	–
61 to 90 days	127,674	–	–
	319,103	169,813	–

An ageing analysis of the trade receivables that are not individually or collectively considered to be impaired, is as follows:

Target Group

	As at 30 June		
	2013	2014	2015
	RMB	RMB	RMB
Neither past due nor impaired	132,293	238,470	67,563
Less than 1 month past due	106,836	2,173	619
1 to 3 months past due	127,674	16,493	96,713
More than 3 months past due	–	7,694	8,854
	366,803	264,830	173,749

Target Company

	As at 30 June		
	2013	2014	2015
	RMB	RMB	RMB
Neither past due nor impaired	84,593	169,813	–
Less than 1 month past due	106,836	–	–
1 to 3 months past due	127,674	–	–
	319,103	169,813	–

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Target Group. Based on past experience, the Director is of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

17. Prepayments, Deposits and Other Receivables

Target Group

	As at 30 June		
	2013	2014	2015
	RMB	RMB	RMB
Prepayments	–	246,016	34,386
Deposits	473,189	686,139	1,012,039
Other receivables	42,417	76,818	489,563
	515,606	1,008,973	1,535,988
Impairment of a deposit	–	–	(488,850)
	515,606	1,008,973	1,047,138
Analysed into:			
Current portion	47,417	490,784	528,949
Non-current portion	468,189	518,189	518,189
	515,606	1,008,973	1,047,138

The movement in provision for impairment of a deposit is as follows:

	As at 30 June		
	2013	2014	2015
	RMB	RMB	RMB
At beginning of year	–	–	–
Impairment loss recognised (note 6)	–	–	488,850
At end of the year	–	–	488,850

Included in the above provision for impairment is a provision for an impaired rental deposit of RMB488,850 with a carrying amount before provision of RMB488,850. The individually impaired deposit relate to amount that are not expected to be recovered.

Except for financial assets relating to the provision for impairment of a deposit, none of the above assets is either past due or impaired. The financial assets included in the above balances relate to deposits and other receivables for which there was no recent history of default.

Target Company

	As at 30 June		
	2013	2014	2015
	RMB	RMB	RMB
Prepayments	–	20,000	20,000
Deposits	473,189	636,139	473,189
Other receivables	35,974	164,888	457,228
	509,163	821,027	950,417
Analysed into:			
Current portion	40,974	352,838	482,228
Non-current portion	468,189	468,189	468,189
	509,163	821,027	950,417

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

18. Financial Asset at Fair Value through Profit or Loss

Target Group

	As at 30 June		
	2013	2014	2015
	RMB	RMB	RMB
Unlisted investment, at fair value	–	–	50,000

The above unlisted investment at 30 June 2015 was classified as held for trading and was, upon initial recognition, designated by the Target Group as financial asset at fair value through profit or loss.

19. Due From the Immediate Holding Company

The amount due from the immediate holding company is unsecured, interest-free and has no fixed terms of repayment.

20. Balances with Related Companies

Name of related companies/parties	Relationship with Target Group
(i) Beijing Hang Feng Yong Ye Trading Company Limited ("Beijing Hang Feng")	A shareholder owned as to a 50% interest in the Target Company prior to 10 March 2014 and its beneficial shareholders are close associates to Dr. Michael Sun.
(ii) Beijing Yu Chang Long Trading Company Limited ("Beijing Yu Chang Long")	A shareholder owned as to a 50% interest in the Target Company prior to 10 March 2014 and its beneficial shareholders are close associates to Dr. Michael Sun.
(iii) Beijing Eaton Consulting Limited ("Beijing Eaton Consulting")	Dr. Sun Yiu Kwong is a director and also a controlling shareholder of Beijing Eaton Consulting which became a 100%-owned subsidiary of UMP since 30 June 2015. Both Dr. Michael Sun and Dr. Sun Yiu Kwong are executive directors and beneficial shareholders of UMP.
(iv) United Medical Services (China) Ltd ("UMSC")	Dr. Sun Yiu Kwong is a director and also a controlling shareholder of UMSC which became a 100%-owned subsidiary of UMP since 30 June 2015. Both Dr. Michael Sun and Dr. Sun Yiu Kwong are executive directors and beneficial shareholders of UMP.
(v) UMP Medical Centre Management (III) Limited ("UMP (III)")	A 100%-owned subsidiary of UMP in which Dr. Michael Sun and Dr. Sun Yiu Kwong are executive directors and beneficial shareholders of UMP.
(vi) Beijing Eaton Clinic Limited ("Beijing Eaton Clinic")	A company jointly-owned by Beijing Hang Feng and Beijing Yu Chang Long prior to acquisition by the Target Company on 25 October 2013.
(vii) Dr. Michael Sun	The controlling shareholder of the immediate holding company and ultimate holding company of the Target Company since 10 March 2014.
(viii) Dr. Sun Yiu Kwong	Father of Dr. Michael Sun and a director of Beijing Eaton Consulting.

Target Group

	As at 30 June		
	2013	2014	2015
	RMB	RMB	RMB
Due from related companies	4,595,286	2,756,324	1,727,226
Due to related companies	2,096,947	4,902,372	2,406,957

The balances with the related companies are unsecured, interest-free and have no fixed terms of repayment.

Further details of the amounts due from related companies as at the end of each of the Track Record Period are as follows:

	As at 30 June		
	2013	2014	2015
	RMB	RMB	RMB
Beijing Eaton Clinic	203,102	–	–
Beijing Hang Feng	1,500,000	–	–
Beijing Eaton Consulting	2,892,184	2,756,324	–
UMP (III)	–	–	1,727,226
	4,595,286	2,756,324	1,727,226

Further details of the amounts due to related companies as at the end of each of the Track Record Period are as follows:

	As at 30 June		
	2013	2014	2015
	RMB	RMB	RMB
Beijing Hang Feng	1,800,000	550,000	–
Beijing Yu Chang Long	–	3,550,000	–
UMSC	–	480,000	480,000
Beijing Eaton Consulting	–	–	1,599,693
Dr. Sun Yiu Kwong	296,947	322,372	327,264
	2,096,947	4,902,372	2,406,957

Target Company

	As at 30 June		
	2013	2014	2015
	RMB	RMB	RMB
Due from related companies	4,595,286	2,892,184	–
Due to related companies	2,096,947	4,120,626	1,784,458

The balances with the related companies are unsecured, interest-free and have no fixed terms of repayment.

Further details of the amounts due from related companies as at the end of each of the Track Record Period are as follows:

	As at 30 June		
	2013	2014	2015
	RMB	RMB	RMB
Beijing Eaton Clinic	203,102	–	–
Beijing Hang Feng	1,500,000	–	–
Beijing Eaton Consulting	2,892,184	2,892,184	–
	4,595,286	2,892,184	–

Further details of the amounts due to related companies as at the end of each of the Track Record Period as follows:

	As at 30 June		
	2013	2014	2015
	RMB	RMB	RMB
Beijing Hang Feng	1,800,000	250,000	–
Beijing Yu Chang Long	–	3,550,000	–
Beijing Eaton Consulting	–	–	1,463,832
Dr. Sun Yiu Kwong	296,947	320,626	320,626
	2,096,947	4,120,626	1,784,458

21. Cash and Cash Equivalents

Target Group

	As at 30 June		
	2013	2014	2015
	RMB	RMB	RMB
Cash and bank balances	2,171,885	6,696,131	10,274,553

Target Company

	As at 30 June		
	2013	2014	2015
	RMB	RMB	RMB
Cash and bank balances	472,626	1,185,888	3,231,177

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

At the end of each of the Track Record Period, all cash and bank balances of the Target Group were denominated in RMB. RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Target Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

22. Trade Payables

Target Group

An aged analysis of the trade payables as at the end of each of the Track Record Period, based on the invoice date, is as follows:

	As at 30 June		
	2013	2014	2015
	RMB	RMB	RMB
Within 1 month	36,986	98,514	113,452
1 to 3 months	–	72,250	–
Over 3 months	–	610,244	464,155
	36,986	781,008	577,607

The trade payables are non-interest-bearing and repayable upon receipt of invoices.

23. Other Payables and Accruals

Target Group

	As at 30 June		
	2013	2014	2015
	RMB	RMB	RMB
Other payables	2,062,402	2,333,417	2,362,479
Accruals	554,096	1,832,539	2,133,775
	2,616,498	4,165,956	4,496,254

Target Company

	As at 30 June		
	2013	2014	2015
	RMB	RMB	RMB
Other payables	2,053,291	2,063,536	2,208,583
Accruals	43,544	55,830	68,904
	2,096,835	2,119,366	2,277,487

Other payables are non-interest-bearing and are normally repayable on demand.

24. Provision

Target Group

	As at 30 June		
	2013	2014	2015
	RMB	RMB	RMB
At 1 July	–	56,000	182,000
Addition during the year	56,000	126,000	–
At 30 June	56,000	182,000	182,000

Pursuant to the terms of the respective tenancy agreements entered into by the Target Group, the Target Group is required to return its leased properties to the conditions as stipulated in the tenancy agreements at the expiration or sooner determination of the corresponding lease term as appropriate. The provision for reinstatement costs was estimated based on certain assumptions and estimates made by the Director of the Target Company with reference to quoted prices and/or other available information. The assumptions and estimates are reviewed on an ongoing basis and revised as appropriate.

25. Share Capital

	As at 30 June		
	2013	2014	2015
	RMB	RMB	RMB
Registered capital	3,500,000	3,500,000	3,500,000

26. Reserves

The amounts of the Target Group's reserves and the movements therein for the years ended 30 June 2013, 2014 and 2015 are presented in the consolidated statements of changes in equity on page IB-5 of the Financial Information.

Statutory legal reserve

In accordance with the PRC regulations, before distributing the net profit of each year, companies of the Target Group registered in the PRC are required to set aside 10% of their statutory net profit for the year after offsetting any prior year's losses as determined under relevant PRC accounting standards to the statutory legal reserve. When the balance of this reserve reaches 50% of each company's share capital, any further appropriation is optional. The statutory legal reserve is non-distributable except in the event of liquidation. Subject to certain restrictions set out in the relevant PRC regulations, part of the statutory legal reserve may be converted to increase share capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

Target Company

	Statutory legal reserve	Retained profits	Total reserves
	RMB	RMB	RMB
At 1 July 2012	378,651	1,955,251	2,333,902
Loss and total comprehensive loss for the year	–	(543,638)	(543,638)
At 30 June 2013 and at 1 July 2013	378,651	1,411,613	1,790,264
Profit and total comprehensive income for the year	–	736,519	736,519
Transfer to statutory legal reserve	73,652	(73,652)	–
At 30 June 2014 and at 1 July 2014	452,303	2,074,480	2,526,783
Profit and total comprehensive income for the year	–	3,145,925	3,145,925
Transfer to statutory legal reserve	314,593	(314,593)	–
At 30 June 2015	766,896	4,905,812	5,672,708

27. Business Combination

On 25 October 2013, the Target Group acquired a 100% interest in Beijing Eaton Clinic from Beijing Hang Feng and Beijing Yu Chang Long for a consideration of RMB3,500,000. Beijing Eaton Clinic is engaged in the healthcare and medical services. The acquisition was made as part of the Target Group's strategy on business expansion.

The fair values of the identifiable assets and liabilities of Beijing Eaton Clinic as at the date of acquisition were as follows:

	Fair value recognised on acquisition
	RMB
Property, plant and equipment (note 12)	473,305
Inventories	97,004
Trade receivables	41,844
Prepayments, deposits and other receivables	524,068
Financial asset at fair value through profit or loss	1,500,000
Cash and cash equivalents	973,087
Trade payables	(826,346)
Other payables and accruals	(2,487,071)
Total identifiable net assets at fair value	295,891
Goodwill on acquisition (note 13)	3,204,109
Payable to the then shareholders	3,500,000

The fair values of the trade receivables and other receivables as at the date of acquisition amounted to RMB41,844 and RMB26,902, respectively. The gross contractual amounts of trade receivables and other receivables were RMB41,844 and RMB26,902, respectively.

Goodwill arose in the acquisition of Beijing Eaton Clinic because the consideration paid for the acquisition effectively included amounts in relation to the benefits of expected synergies, revenue growth, future market development and the assembled workforce of Beijing Eaton Clinic. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

	RMB
Cash and bank balances acquired and net inflow of cash and cash equivalents included in cash flows from investing activities	973,087

Since the acquisition, Beijing Eaton Clinic contributed RMB6,205,233 to the Target Group's revenue and RMB706,892 to the consolidated profit for the year ended 30 June 2014.

Had the combination taken place at the beginning of the year ended 30 June 2014, the revenue and the profit of the Target Group for the year would have been RMB18,952,927 and RMB10,555,423, respectively.

28. Notes to the Consolidated Statements of Cash Flows

Major non-cash transactions

(a) As at 30 June 2014, the consideration in an aggregate amount RMB3,500,000 payables to the then shareholders of Beijing Eaton Clinic were included in their respective current accounts with the Target Group which were fully settled during the year ended 30 June 2015. Further details of the transaction is set out in note 27 under Section II of this report.

(b) During the Track Record Period, the Target Group entered into tenancy agreements in respect of its clinics under operating leases. Pursuant to the terms of the respective tenancy agreements entered into by the Target Group, the Target Group is required to restore the lease properties to the conditions as stipulated in the tenancy agreements. Accordingly, provision for reinstatement costs in respect of the leased properties of the Target Group amounting to RMB56,000 and RMB126,000, for the years ended 30 June 2013 and 2014, respectively, was recognised and these costs were included as part of the cost of the property, plant and equipment of the Target Group and reflected as additions to leasehold improvements of the Target Group during the Track Record Period.

29. Capital Commitments

At the end of 30 June 2013, 2014 and 2015, the Target Group and Target Company had no material capital commitment.

30. Operating Lease Commitments

As lessee

The Target Group leases its clinics under operating lease arrangements. Leases for properties are negotiated for terms ranging from 2 to 3 years.

At the end of the reporting period, the Target Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	As at 30 June		
	2013	**2014**	**2015**
	RMB	**RMB**	**RMB**
Within one year	1,420,726	1,740,588	1,834,297
In the second to fifth years, inclusive	4,537,905	5,496,184	3,308,058
After five years	1,423,652	–	635,051
	7,382,283	7,236,772	5,777,406

31. Related Party Transactions

In addition to the transactions and balances detailed elsewhere in these Financial Information, the Target Group had the following transactions with related parties during the Track Record Period:

Name of related companies	Relationship with the Target Group
(a) Beijing Eaton Consulting	Dr. Sun Yiu Kwong is a director and also a controlling shareholder of Beijing Eaton Consulting which became wholly-owned subsidiary of UMP since 30 June 2015. Both Dr. Michael Sun and Dr. Sun Yiu Kwong are executive directors and controlling shareholders of UMP.
(b) New World Properties Development Co., Ltd and New World China Electronics Co., Ltd (collectively referred to as the "New World Companies")	Chow Tai Fook Enterprises Limited ("CTFE") is a major beneficial shareholder of the New World Companies. Mr. Patrick Tsang is the chief executive officer of CTFE, the brother-in-law of Dr. Michael Sun and an executive director of UMP.

		Year ended 30 June		
		2013	2014	2015
	Notes	RMB	RMB	RMB
Beijing Eaton Consulting:				
Medical service income	(i)	–	–	600,000
Management fee expenses	(ii)	–	480,000	1,080,000
New World Companies:				
Medical service income	(iii)	–	297,022	376,930
Rental expenses	(iv)	–	204,525	308,833

Notes:

(i) The medical service income received from Beijing Eaton Consulting was related to provision of healthcare services and was charged at a monthly fixed fee of RMB100,000 under a service agreement starting from 1 January 2015.

(ii) The management fee expenses received from Beijing Eaton Consulting was related to provision of administrative and human resources service to the Target Group which was charged at a monthly fixed fee starting from November 2013.

(iii) The medical service income received from New World Companies was related to provision of healthcare and medical services to their employees and was determined at terms agreed between the relevant parties.

(iv) The rental expenses paid to New World Companies was related to leasing of a clinic located in Beijing and was determined at terms agreed between the relevant parties.

32. Financial Instruments by Category

The carrying amounts of each of the categories of financial instruments at the end of each of the Track Record Period are as follows:

2013

Financial assets

	Target Group Loans and receivables	Target Company Loans and receivables
	RMB	RMB
Trade receivables	366,803	319,103
Financial assets included in prepayments, deposits and other receivables	515,606	509,163
Due from a subsidiary	–	104,740
Due from related companies	4,595,286	4,595,286
Cash and cash equivalents	2,171,885	472,626
	7,649,580	6,000,918

Financial liabilities

	Target Group Financial liabilities at amortised cost	Target Company Financial liabilities at amortised cost
	RMB	RMB
Trade payables	36,986	–
Financial liabilities included in other payables and accruals	2,409,807	2,053,981
Due to related companies	2,096,947	2,096,947
	4,543,740	4,150,928

2014

Financial assets

	Target Group Loans and receivables	Target Company Loans and receivables
	RMB	RMB
Trade receivables	264,830	169,813
Financial assets included in prepayments, deposits and other receivables	762,957	432,838
Due from the immediate holding company	2,300,000	–
Due from a subsidiary	–	207,841
Due from related companies	2,756,324	2,892,184
Cash and cash equivalents	6,696,131	1,185,888
	12,780,242	4,888,564

Financial liabilities

	Target Group financial liabilities at amortised cost	Target Company financial liabilities at amortised cost
	RMB	RMB
Trade payables	781,008	–
Financial liabilities included in other payables and accruals	3,109,508	2,063,536
Due to related companies	4,902,372	4,120,626
	8,792,888	6,184,162

2015

Financial assets

Target Group

	Loans and receivables	Financial assets at fair value through profit or loss	Total
	RMB	RMB	RMB
Trade receivables	173,749	–	173,749
Financial assets included in prepayments, deposits and other receivables	1,012,752	–	1,012,752
Financial asset at fair value through profit or loss	–	50,000	50,000
Due from the immediate holding company	2,300,411	–	2,300,411
Due from a related company	1,727,226	–	1,727,226
Cash and cash equivalents	10,274,553	–	10,274,553
	15,488,691	50,000	15,538,691

Target Company

	Loans and receivables
	RMB
Financial assets included in prepayments, deposits and other receivables	930,417
Due from subsidiaries	2,042,442
Cash and cash equivalents	3,231,177
	6,204,036

Financial liabilities

	Target Group Financial liabilities at amortised cost	Target Company Financial liabilities at amortised cost
	RMB	RMB
Trade payables	577,607	–
Financial liabilities included in other payables and accruals	3,331,187	2,208,582
Due to related companies	2,406,957	1,784,458
	6,315,751	3,993,040

33. Fair Value and Fair Value Hierarchy of Financial Instruments

Management has assessed that the fair values of cash and cash equivalents, trade receivables, the current portion of financial assets included in prepayments, deposits and other receivables, amounts due from the immediate holding company and related companies, trade payables, financial liabilities included in other payables and accruals and amounts due to related companies approximate to their carrying amounts largely due to the short term maturities of these instruments/no fixed terms of repayments of these instruments or the effect of discounting is not material.

The fair values of the financial assets and liabilities are the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair value of unlisted investment is determined using market approach based on the rate of return provided by the relevant bank.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Target Group's financial instrument:

Asset measured at fair value:

As at 30 June 2015

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB	RMB	RMB	RMB
Unlisted investment at fair value through profit or loss	–	–	50,000	50,000

The Target Group did not have any financial assets measured at fair value as at 30 June 2013 and 2014. The Target Company did not have any financial assets measured at fair value as at 30 June 2013, 2014 and 2015.

Save as the disposal and purchase of the unlisted investment at fair value through profit or loss of the Group of RMB1,507,364 and RMB40,836 during the years ended 30 June 2014 and 2015, respectively, there were no other material movements in fair value measurements in Level 3 during the Track Record Period.

Liabilities measured at fair value:

The Target Group and the Target Company did not have any financial liabilities measured at fair value as at 30 June 2013, 2014 and 2015. During the years ended 30 June 2013, 2014 and 2015, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

34. Financial Risk Management Objectives and Policies

The Target Group's principal financial instruments comprise cash and cash equivalents. The main purpose of these financial instruments is to finance for the Target Group's operations. The Target Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from the Target Group's operations.

The main risks arising from the Target Group's financial instruments are credit risk and liquidity risk. The board of director reviews and agrees policies for managing each of these risks and they are summarised below.

Credit risk

The Target Group trades on credit only with recognised and creditworthy third parties. Receivable balances are monitored on an ongoing basis and the Target Group's exposure to bad debts is not significant.

The credit risk of the Target Group's other financial assets, which comprise cash and cash equivalents, deposits and other receivables, amounts due from the immediate holding company and related companies, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

The credit risk of the Target Company's other financial assets, which comprise cash and cash equivalents, deposits and other receivables and amounts due from subsidiaries and related companies, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Concentrations of credit risk are managed by customers/counterparty. At the end of the reporting period, the Target Group had certain concentrations of credit risk as 87%, 64% and 19% of the Target Group's trade receivables as at 30 June 2013, 2014 and 2015, respectively, were due from the Target Group's largest debtor.

At the end of the reporting period, the Target Group had certain concentrations of credit risk as 100%, 92% and 92% of the Target Group's trade receivables as at 30 June 2013, 2014 and 2015, respectively, were due from the Target Group's five largest debtors.

Further quantitative data in respect of the Target Group's exposure to credit risk arising from trade receivables are disclosed in note 16 under Section II of this report.

Liquidity risk

The Target Group monitors and maintains a sufficient level of cash and cash equivalents deemed adequate by the management to finance the Target Group's operations and mitigate the effects of fluctuation in cash flows. Management reviews and monitors its working capital requirements regularly.

The maturity profile of the Target Group's and the Target Company's financial liabilities at the end of each of the Track Record Period, based on the contractual undiscounted payments, is as follows:

Target Group

	On demand/no fixed terms of repayment		
	As at 30 June		
	2013	2014	2015
	RMB	RMB	RMB
Trade payables	36,986	781,008	577,607
Financial liabilities included in other payables and accruals	2,409,807	3,109,508	3,331,187
Due to related companies	2,096,947	4,902,372	2,406,957
	4,543,740	8,792,888	6,315,751

Target Company

	On demand/no fixed terms of repayment		
	As at 30 June		
	2013	2014	2015
	RMB	RMB	RMB
Financial liabilities included in other payables and accruals	2,053,981	2,063,536	2,208,582
Due to related companies	2,096,947	4,120,626	1,784,458
	4,150,928	6,184,162	3,993,040

Capital management

The primary objectives of the Target Group's capital management are to safeguard the Target Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholder's value.

The Target Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Target Group may adjust the dividend payment to shareholder, return capital to shareholder or issue new shares. The Target Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Track Record Period. Capital of the Target Group represented cash and cash equivalents.

35. Events after the Reporting Period

The Target Group had the following significant events occurred after the end of the reporting period:

(a) On 1 July 2015, the Target Company entered into a sale and purchase agreement with an independent third party (the "Purchaser") to dispose of its 30% equity interest in Shanghai Eaton Clinic Limited for a consideration of RMB1,158,688 which was determined with reference to the net asset value of Shanghai Eaton Clinic Limited as at the date of disposal. The transaction was completed on 27 August 2015 and Shanghai Eaton Clinic Limited became a 70%-owned subsidiary of the Target Company thereafter.

(b) On 20 July 2015, the Target Company entered into a sale and purchase agreement with the Purchaser to dispose of its 30% equity interest in Beijing Eaton Clinic for a consideration of RMB1,050,000 which was determined with reference to the net asset value of Beijing Eaton Clinic as at the date of disposal. The transaction was completed on 27 August 2015 and Beijing Eaton Clinic became a 70%-owned subsidiary of the Target Company thereafter.

(c) Subsequent to 30 June 2015, on 29 October 2015, an interim dividend of RMB4,213,770 in respect of the year ending 30 June 2016 was approved by the shareholders of the Target Company.

III. SUBSEQUENT FINANCIAL INFORMATION

No audited financial statements have been prepared by the Target Group and Target Company or any of its subsidiaries in respect of any period subsequent to 30 June 2015.

Yours faithfully,
Ernst & Young
Certified Public Accountants
Hong Kong

The following information sets out in this appendix does not form part of the Accountants' Report from Ernst & Young, Certified Public Accountants, Hong Kong, the Company's reporting accountants, as set out in Appendix IA to this prospectus, and is included for information purpose only. The unaudited pro forma financial information should be read in conjunction with "Financial Information" and the Accountants' Report set out in Appendix IA to this prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following is an illustrative statement of unaudited pro forma adjusted consolidated net tangible assets of the Group prepared in accordance with paragraph 4.29 of the Listing Rules and on the basis of the notes set out below for the purpose of illustrating the effect of the Global Offering on the consolidated net tangible assets of the Group attributable to owners of the Company as if the Global Offering had taken place on 30 June 2015. This unaudited pro forma statement of adjusted consolidated net tangible assets of the Group has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group had the Global Offering been completed as at 30 June 2015 or any future dates:

	Consolidated net tangible assets attributable to owners of the Company as at 30 June 2015[(1)]	Estimated net proceeds from the Global Offering[(2)]	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company	Unaudited pro forma adjusted consolidated net tangible assets per Share
	HK$'000	HK$'000	HK$'000	HK$
	(Note 1)	*(Note 2)*		*(Notes 3, 4, 5)*
Based on an Offer Price of HK$1.92 per Share. .	39,625	309,835	349,460	0.47
Based on an Offer Price of HK$2.20 per Share .	39,625	361,355	400,980	0.54

Notes:

(1) The consolidated net tangible assets attributable to the owners of the Company as at 30 June 2015 is arrived at after deducting goodwill of the HK$28,086,000 from the audited consolidated net assets of HK$67,711,000 attributable to the owners of the Company as at 30 June 2015, as shown in the Accountants' Report, the text of which is set out in Appendix IA to this prospectus.

(2) The estimated net proceeds from the Global Offering are based on the Offer Price of HK$1.92 and HK$2.20 per Share, being the Minimum Offer Price and the Maximum Offer Price in the Offer Price Range, after deduction of the estimated underwriting fees and other related expenses payable by the Company and takes no account of any Shares which may be issued upon the exercise of any options which have been or may be granted under the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme.

(3) The unaudited pro forma adjusted consolidated net tangible assets per Share is arrived at after the adjustments described in note (2) above and on the basis that 736,000,000 Shares are in issue, assuming that the Capitalisation Issue and the Global Offering had been completed on 30 June 2015 but takes no account of any Shares which may be issued upon the exercise of any options which have been or may be granted under the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme.

(4) The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company does not take into account the 48,000,000 Shares to be issued upon the full exercise of the options granted under the Pre-IPO Share Option Scheme. Had the Shares to be issued upon the full exercise of the options granted under the Pre-IPO Share Option Scheme been taken into account, assuming that all the Pre-IPO share options granted had been fully exercised on 30 June 2015, the unaudited pro forma adjusted consolidated net tangible assets per Share would be HK$0.52 and HK$0.59, assuming the Minimum Offer Price of HK$1.92 per Share and the Maximum Offer Price of HK$2.20 per Share, respectively.

(5) The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company does not take into account the final dividend of HK$30,000,000 declared and approved on 2 November 2015 for the year ended 30 June 2015. Had such dividend been taken into account, the unaudited consolidated pro forma adjusted net tangible assets per Share would be HK$0.43 and HK$0.50, assuming the Minimum Offer Price of HK$1.92 per Share and the Maximum Offer Price of HK$2.20 per Share, respectively.

(6) No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2015.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

The following is the text of a letter received from the reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.

EY 安永

22/F, CITIC Tower,
1 Tim Mei Avenue,
Central, Hong Kong

17 November 2015

The Directors
UMP Healthcare Holdings Limited

Dear Sirs,

We have completed our assurance engagement to report on the compilation of pro forma financial information of UMP Healthcare Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purpose only. The pro forma financial information consists of the pro forma consolidated net tangible assets as at 30 June 2015, and the related notes as set out in Appendix IIA to the Prospectus issued by the Company (the "Pro Forma Financial Information"). The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Information are described in Appendix IIA to the Prospectus.

The Pro Forma Financial Information has been complied by the Directors to illustrate the impact of the global offering of shares of the Company on the Group's financial position as at 30 June 2015 as if the transaction had taken place at 30 June 2015. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the year ended 30 June 2015, on which an accountants' report has been published.

Directors' responsibility for the Pro Forma Financial Information

The Directors are responsible for compiling the Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Reporting Accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Pro Forma Financial Information, in accordance with paragraph 4.29 of the Listing Rules and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information.

The purpose of Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the global offering of shares of the Company on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purpose of the Pro Forma Financial Information as disclosed pursuant to paragraph 4.29 (1) of the Listing Rules.

Yours faithfully,
Ernst & Young
Certified Public Accountants
Hong Kong

The following information sets out in this appendix does not form part of the Accountants' Report from Ernst & Young, Certified Public Accountants, Hong Kong, the Company's and the Target Company's reporting accountants, as set out in Appendix IA and Appendix IB to this prospectus, and is included for information purpose only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this Prospectus and the Accountants' Report set out in Appendix IA and Appendix IB to this Prospectus.

A. UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION OF THE ENLARGED GROUP

1. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS OF THE ENLARGED GROUP FOR THE YEAR ENDED 30 JUNE 2015

The unaudited pro forma consolidated statement of profit or loss of the Enlarged Group (the "**Unaudited Pro Forma Consolidated Statement of Profit or Loss**") had been prepared in accordance with paragraph 4.29 of the Listing Rules for the purpose of illustrating the effect of the acquisition (the "**Acquisition**") of entire registered capital in Shanghai Eaton Consulting Limited (the "**Target Company**") on the Group's Consolidated Statement of Profit or Loss as if the Acquisition had taken place on 1 July 2014.

The Unaudited Pro Forma Consolidated Statement of Profit or Loss is prepared based on the audited financial information of the Group for the year ended 30 June 2015 as set out in the accountants' report of the Group included in Appendix IA to this prospectus, the audited consolidated statement of profit or loss of the Target Group for the year ended 30 June 2015 as set out in the accountants' report of the Target Group included in Appendix IB to this prospectus and with further adjustments as explained in the notes below.

The Unaudited Pro Forma Consolidated Statement of Profit or Loss has been prepared for illustrative purposes only and, because of its hypothetical nature, may not give a true picture of the results of the Enlarged Group.

	The Group	The Target Group	The Target Group	Total	Pro forma adjustments	Pro forma adjustments	Pro forma Enlarged Group
	HK$'000 (Note 1)	RMB'000 (Note 2)	HK$'000 (Note 3)	HK$'000	HK$'000 (Note 4)	HK$'000 (Note 5)	HK$'000
REVENUE	401,037	24,411	30,936	431,973	(1,311)		430,662
Other income and gains, net	7,928	61	77	8,005		11,042	19,047
Professional services expenses	(234,351)	–	–	(234,351)			(234,351)
Employee benefit expense	(65,780)	(9,172)	(11,623)	(77,403)			(77,403)
Property rental and related expenses	(23,169)	(2,583)	(3,273)	(26,442)			(26,442)
Cost of inventories consumed	(15,898)	(279)	(354)	(16,252)			(16,252)
Depreciation	(6,028)	(1,057)	(1,340)	(7,368)			(7,368)
Other expenses, net	(17,893)	(5,971)	(7,567)	(25,460)	1,311		(24,149)
Share of profits and losses of associates	1,934	–	–	1,934			1,934
PROFIT BEFORE TAX	47,780	5,410	6,856	54,636			65,678
Income tax expenses	(6,920)	(1,312)	(1,663)	(8,583)			(8,583)
PROFIT FOR THE YEAR	40,860	4,098	5,193	46,053			57,095
Attributable to:							
Owners of the Company	41,392	4,098	5,193	46,585			57,627
Non-controlling interests	(532)	–	–	(532)			(532)
	40,860	4,098	5,193	46,053			57,095

2. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE ENLARGED GROUP AS OF 30 JUNE 2015

The unaudited pro forma consolidated statement of financial position of the Enlarged Group as of 30 June 2015 (the "**Unaudited Pro Forma Consolidated Statement of Financial Position**") set out below had been prepared to illustrate the impact of the Acquisition on the Group's consolidated statement of financial position, as if the Acquisition had taken place on 30 June 2015, The Unaudited Pro Forma Consolidated Statement of Financial Position prepared based on the audited consolidated statement of financial position of the Group as of 30 June 2015 as set out in the accountants' report of the Group included in Appendix IA to this prospectus, the audited consolidated statement of financial position of the Target Group as of 30 June 2015 as set out in the accountants' report of the Target Group included in Appendix IB to this prospectus and with further adjustments as explained in the notes below.

The Unaudited Pro Forma Consolidated Statement of Financial Position has been prepared for illustrative purposes only and, because of its hypothetical nature, may not give a true picture of the financial position of the Enlarged Group.

	The Group	The Target Group	The Target Group	Total	Pro forma adjustments	Pro forma adjustments	Pro forma Enlarged Group
	HK$'000 (Note 1)	RMB'000 (Note 2)	HK$'000 (Note 3)	HK$'000	HK$'000 (Note 4)	HK$'000 (Note 5)	HK$'000
NON-CURRENT ASSETS							
Property, plant and equipment	27,027	3,394	4,301	31,328			31,328
Goodwill	28,086	3,204	4,060	32,146			32,146
Investments in associates	1,862	–	–	1,862			1,862
Available-for-sale investments	3,510	–	–	3,510			3,510
Deferred tax assets	1,242	–	–	1,242			1,242
Deposits	5,011	518	656	5,667			5,667
Total non-current assets	66,738	7,116	9,017	75,755			75,755
CURRENT ASSETS							
Inventories	5,216	121	153	5,369			5,369
Trade receivables	45,057	174	221	45,278	(4,825)		40,453
Prepayments, deposits and other receivables	9,784	529	670	10,454			10,454
Equity investments at fair value through profit or loss	2,722	50	63	2,785			2,785
Due from the immediate holding company	–	2,300	2,915	2,915	(2,915)		–
Due from associates	3,562	–	–	3,562			3,562
Due from related companies	31,925	1,727	2,188	34,113	2,915		37,028
Tax recoverable	145	–	–	145			145
Pledged deposits	1,019	–	–	1,019			1,019
Cash and cash equivalents	83,477	10,275	13,022	96,499		(6,463)	90,036
Total current assets	182,907	15,176	19,232	202,139			190,851

	The Group	The Target Group	The Target Group	Total	Pro forma adjustments	Pro forma adjustments	Pro forma Enlarged Group
	HK$'000 (Note 1)	RMB'000 (Note 2)	HK$'000 (Note 3)	HK$'000	HK$'000 (Note 4)	HK$'000 (Note 5)	HK$'000
CURRENT LIABILITIES							
Trade payables	41,058	578	732	41,790			41,790
Other payables, accruals and deferred income	46,245	4,496	5,698	51,943	(4,825)		47,118
Due to associates	149	–	–	149			149
Due to related companies	79,173	2,407	3,050	82,223			82,223
Due to a director	6,769	–	–	6,769			6,769
Tax payables	8,238	815	1,033	9,271			9,271
Total current liabilities	181,632	8,296	10,513	192,145			187,320
NET CURRENT ASSETS	1,275	6,880	8,719	9,994			3,531
TOTAL ASSETS LESS CURRENT LIABILITIES	68,013	13,996	17,736	85,749			79,286
NON-CURRENT LIABILITIES							
Deferred tax liabilities	450	–	–	450			450
Provision	1,372	182	231	1,603			1,603
Total non-current liabilities	1,822	182	231	2,053			2,053
Net assets	66,191	13,814	17,505	83,696			77,233
EQUITY							
Equity attributable to owners of the Company							
Share capital	–	3,500	4,436	4,436		(4,436)	–
Reserves	67,711	10,314	13,069	80,780		(2,027)	78,753
	67,711	13,814	17,505	85,216			78,753
Non-controlling interest	(1,520)	–	–	(1,520)			(1,520)
Total equity	66,191	13,814	17,505	83,696			77,233

Notes to Pro forma Adjustments:

1. The balances are extracted from the audited consolidated financial information of the Group for the year ended 30 June 2015 as set out in the accountants' report of the Group included in Appendix IA to this prospectus.

2. The balances are extracted from the audited financial information of the Target Group for the year ended 30 June 2015 as set out in the accountants' report of the Target Group included in Appendix IB to this prospectus.

3. The balances are converted from Renminbi ("**RMB**") into HK dollars at the People's Bank of China Rate ("**PBOC Rate**") prevailing at 30 June 2015 of RMB1.00 to HK$1.267.

4. The adjustment represents the elimination of transactions or balances between the Group and the Target Group and reclassification of balances to confirm presentation of the Group's financial statements.

5. On 9 September 2015, the Group entered into an equity transfer agreement with Guangzhou Ruian Enterprise Management Limited to acquire the entire interest in the Target Company for a total consideration of RMB5,100,000 (equivalent to HK$6,463,000).

   The adjustment represents

   (a) gain on bargain purchase arising from the Acquisition, assuming the consideration of the Acquisition to be RMB5,100,000 (approximately HK$6,463,000 which is converted from RMB into HK dollars at PBOC Rate prevailing at 30 June 2015 of RMB1.00 to HK$1.267). The gain on bargain purchase is calculated below:

	HK$'000
Fair value of consideration	6,463
Net assets acquired:	
Consolidated net assets of Target Group acquired	(17,505)
Gain on bargain purchase	(11,042)

   The gain on bargain purchase is included in "other income and gains, net" in the Unaudited Pro Forma Consolidated Statement of Profit or Loss. It is assumed that the fair values of net assets acquired approximate the carrying value of net assets as at 30 June 2015; and

   (b) the elimination of the share capital of the Target Group and pre-acquisition reserves on consolidation.

   (c) Subsequent to 30 June 2015, on 30 October 2015, the Target Company declared an interim dividend of RMB4,213,770 (approximately HK$5,339,000) which is converted from RMB into HK dollars at PBOC Rate prevailing at 30 June 2015 to its shareholder. Accordingly, upon completion of the Acquisition, the net assets of the Target Group is adjusted for the effect of such dividend. After taking into account the interim dividend of HK$5,339,000, the adjusted net assets of the Target Group would be HK$12,166,000, resulting in gain on bargain purchase arising from the Acquisition as calculated below:

	HK$'000	HK$'000
Fair value of consideration		6,463
Adjusted net assets acquired		
Consolidated net assets of Target Group acquired	(17,505)	
Dividend to be paid out	5,339	(12,166)
Gain on bargain purchase		(5,703)

   The unaudited pro forma consolidated profit for the year of the Enlarged Group and the profit attributable to owners of the Company would have been HK$51,756,000 and HK$52,288,000 respectively. The unaudited pro-forma consolidated net assets of the Enlarged Group as at 30 June 2015 would have been HK$71,894,000.

6. The Unaudited Pro Forma Financial Information of the Enlarged Group does not take into account of any transactions which is carried out subsequent to 30 June 2015.

B. INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

The following is the text of a letter received from the reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.

EY 安永

22/F, CITIC Tower,
1 Tim Mei Avenue,
Central, Hong Kong

17 November 2015

The Directors
UMP Healthcare Holdings Limited

Dear Sirs,

We have completed our assurance engagement to report on the compilation of pro forma financial information of UMP Healthcare Holdings Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purpose only. The pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 30 June 2015 and the unaudited pro forma consolidated statement of profit or loss for the year ended 30 June 2015, and the related notes as set out in Part A of Appendix IIB to the Prospectus issued by the Company (the "**Pro Forma Financial Information of the Enlarged Group**"). The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Information are described in Part A of Appendix IIB to the Prospectus.

The Pro Forma Financial Information of the Enlarged Group has been complied by the Directors to illustrate the impact of the acquisition of the entire registered capital of Shanghai Eaton Consulting Limited and its subsidiaries (hereinafter collectively referred to as the "**Target Group**") on the Group's financial position as at 30 June 2015 as if the transaction had taken place on 1 July 2014. As part of this process, information about the Group's financial position and the Group's financial performance for the year ended 30 June 2015 has been extracted by the Directors from the accountants' report of the Group for the year ended 30 June 2015, as set out in Appendix IA to the Prospectus. Information about Target Group's financial position as at 30 June 2015 and the Target Group's financial performance for the year ended 30 June 2015 has been extracted by the Directors from the accountants' report of the Target Group as set out in Appendix IB to the Prospectus.

Directors' responsibility for the Pro Forma Financial Information

The Directors are responsible for compiling the Pro Forma Financial Information of the Enlarged Group in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Reporting Accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Pro Forma Financial Information of the Enlarged Group and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Pro Forma Financial Information of the Enlarged Group beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Pro Forma Financial Information of the Enlarged Group, in accordance with paragraph 4.29 of the Listing Rules and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information of the Enlarged Group, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information of the Enlarged Group.

The purpose of Pro Forma Financial Information of the Enlarged Group included in the Prospectus is solely to illustrate the impact of the acquisition of the Target Group on unadjusted financial information of the Group as if the acquisition had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Information of the Enlarged Group has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Financial Information of the Enlarged Group provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and

- The Pro Forma Financial Information of the Enlarged Group reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Pro Forma Financial Information of the Enlarged Group has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Financial Information of the Enlarged Group.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Pro Forma Financial Information of the Enlarged Group has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purpose of the Pro Forma Financial Information of the Enlarged Group as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,
Ernst & Young
Certified Public Accountants
Hong Kong

Certain facts, statistics and data presented in this section and elsewhere in this prospectus have been derived, in part, from various government or official sources. The Group also commissioned an independent industry consultant, Frost & Sullivan, to prepare a report on the healthcare industry in Hong Kong, Macau and the PRC. Frost & Sullivan is an independent provider of information services on the healthcare industry. The Group has been charged a total fee of RMB700,000 for the services provided by Frost & Sullivan.

While the Group has taken all reasonable care to ensure that the relevant official facts and statistics are accurately reproduced from these sources, such facts and statistics have not been independently verified by the Group or the Relevant Persons. Although the Group has no reason to believe that such information is false or misleading, or that any fact has been omitted that would render such information false or misleading, the Group also makes no representation as to the accuracy or completeness of such information, which may not be consistent with other information available. The Group confirms, after taking reasonable care, that there is no adverse change in market information since the date of the Frost & Sullivan report which may qualify, contradict or have an impact on the information in this section.

SOURCE OF INFORMATION

Frost & Sullivan, a market research consultant, is engaged by the Group to prepare the industry report for use in this prospectus. Frost & Sullivan, founded in 1961, provides market research on a variety of industries, including healthcare. The information from Frost & Sullivan disclosed in this prospectus is extracted from the Frost & Sullivan report, a report commissioned by us, and is disclosed with the consent of Frost & Sullivan. In preparing the Frost & Sullivan report, Frost & Sullivan collected and reviewed publicly available data such as government-derived information, annual reports, trade and medical journals, industry reports and other available information gathered by not-for-profit organisations. The data collected by Frost & Sullivan was last updated in October 2015 based upon data available up to then. Frost & Sullivan adopts a comprehensive data collection model, which includes primary research with the industry stakeholders, secondary research on the government statistics, and data validation process with industry key opinion leaders. Frost & Sullivan assumes that the interviewees are not intentionally providing wrong or misleading information and the government statistics do not contain errors. Frost & Sullivan also assumes no unexpected events such as wars or disasters occur during the relevant forecasting period.

Frost & Sullivan has developed its forecast on the following bases and assumptions:

- Hong Kong's economy is expected to grow at a steady rate supported by favorable global and PRC economy, among other factors;
- Hong Kong's total population is likely to remain stable and the proportion of elderly population will increase steadily;
- Hong Kong government's policy on corporate healthcare solutions providers and their role in healthcare system remain unchanged, while the number of physicians serving in both public and private sector will experience mild growth;
- No major technological breakthrough in the treatment of major diseases will occur during the forecast period;
- Specific industry drivers in addition to macroeconomic factors that are likely to drive demand in Hong Kong's corporate healthcare solutions market in the forecast period include but not limited to aging population, increasing concern on health, development of private healthcare sector and other factors.

The Directors and Frost & Sullivan believe that the basic assumptions used in preparing the Frost & Sullivan report, including those used to make future projections, are factual, correct and not misleading. Frost & Sullivan has independently analysed the information, but the accuracy of the conclusions of its review largely relies on the accuracy of the information collected. The Group paid Frost & Sullivan a fee of RMB700,000 for preparation and update of its industry report, which is not contingent upon the completion of the Global Offering.

OVERVIEW OF CORPORATE HEALTHCARE BENEFITS MARKET IN HONG KONG

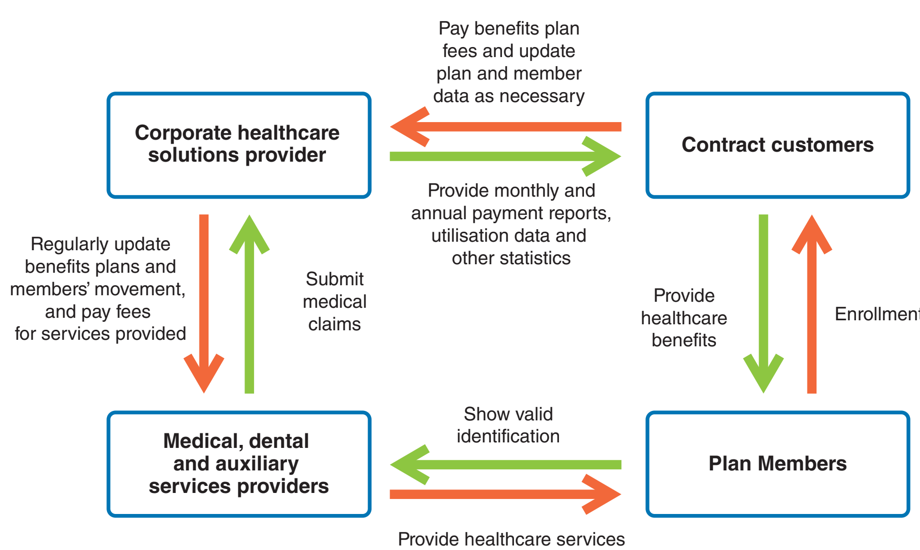
Healthcare benefits have long been a key component of corporate employee benefits globally. It has been recognised in most developed countries as a core factor for employee recruitment and retention. Healthcare benefits coverage scope generally includes doctor's visits, medical procedures, and hospital stays. Dental coverage has also increasingly becoming a standard part of employee benefits. Corporate employers increasingly see healthcare benefits as part of employee's total well-being which is crucial in maintaining a happy and healthy workforce.

Background of corporate healthcare solutions providers

Corporate healthcare solutions providers work with companies to design and administer healthcare plans that best fit each company's benefits needs , such as insurance companies and corporate employers, and the service providers such as doctors and imaging service providers service their insured members and employees. The network of service providers is sometimes referred as "panel network".

Healthcare solutions providers have developed as a way to organise doctors, set fee schedules which doctors in the panel network can adopt, and channel patients to doctors within the network. The general practitioners in the panel network often serve as first point of entry for patients into the medical systems and referral mechanism for specialists and hospital visits. They are also important in supporting employers who prefer to have clear predictability on healthcare benefits budget by using pre-paid medical plans. Some insurers also purchase private out-patient packages to integrate or bundle with their insurance policies.

The diagram below illustrates the relationship between a corporate healthcare solutions provider, its customer, the plan members, and medical, dental and auxiliary services providers.



Corporate healthcare solutions providers also work with insurers providing integrated healthcare insurance products that extend coverage beyond the usual hospitalisation benefits to include out-patient, general practice and specialist practice as well.

A corporate healthcare solutions provider may operate a number of self-owned clinics/medical centres and partner with other independent clinics/medical centres which serve as affiliated service providers to form a service network.

Services provided most commonly include:

- General practitioner and specialist consultations
- Advanced diagnostic services such as MRI
- Lab services
- A range of auxiliary services including dental, optical, physiotherapy, psychology & traditional Chinese medicine
- A limited range of less complex procedures which can be performed through out-patient/day surgery setting
- Administrative services such as third party administration and usage monitoring

A provider may also offer wellness programs, specifically designed for individual corporates, including vaccination programs, seminars, annual check-ups and chronic disease management programs, such as heart disease, diabetes and hypertension.

The providers aim to serve as one-stop shops for corporate customers to take care of their employee's healthcare benefits needs, which will not only help alleviate burdens for human resources administrators but also help the corporate customers better manage their employees' benefits needs with data. Corporate customers can use multiple solutions providers concurrently.

While a provider is mainly involved in clinic based consultations and minor procedures which can be undertaken in out-patient setting, a provider may also negotiate fee arrangements with both doctors and hospitals on certain standard in-patient procedures – for example, a bundled fee covering surgical fees, ward rounds and room and board costs for procedures such as appendectomies. The provider may also act as a third party administrator on behalf of insurance companies and corporates, and can check insured member insurance coverage and out-of-pocket costs for participating insurers and corporates.

Negotiated fees paid to network doctors for consultations tend to be fairly standard, with some flexibility over how many days medication might be provided with a consultation.

Advantages of engaging corporate healthcare solutions providers

(a) Expertise in managing a broad range of services

Most employers lack in-depth knowledge and expertise of the out-patient market to manage and negotiate patient care effectively. Corporate healthcare solutions providers offer a working knowledge of both in-patient and out-patient settings and access to a broad range of service providers to support patients, employers and insurers with relevant advice and services. Many corporate healthcare solutions providers now provide comprehensive services and can act as third party administrators on behalf of both insurers and employers.

(b) Cost effective service delivery

Most corporate healthcare solutions providers regard the ability to offer adequate care in a cost effective manner as one of their primary objectives. Through negotiating with healthcare services providers regarding the fee schedule of their services, the solutions providers encourage cost effective service delivery. With a large customer and member base, the provider will be able to take advantage of economies of scale when providing services. The solutions providers can also spread administration costs across a larger system than smaller group or solo practices. As insurers, employers and others adopt their services, corporate healthcare solutions providers also create a regular and reliable customer base for the doctors and service providers participating in the network.

(c) Ensuring quality

To foster service excellence and promote quality in healthcare delivery, corporate healthcare solutions providers generally select the healthcare services providers they wish to engage with care. Some would implement utilisation management programmes to monitor and review service delivery and set up complaint handling mechanisms to encourage continuous improvement and accountability.

(d) Transparency and convenience

Fee schedules are agreed in advance with the contract customers, which reduces uncertainty and the risk of payment disputes. Depending on the type of plan selected by employers, corporate healthcare solutions providers can provide better predictability to an employer's healthcare benefits budget.

Corporate healthcare solutions providers are different from clinic operators and insurance companies which are pure providers and payers respectively. Corporate healthcare solutions providers help align the interests of healthcare services providers and payers. Under traditional health insurance plans, patients generally have to pay the full bill when receiving medical services and claim for reimbursement from insurance companies afterwards. In contrast, direct billing is widely adopted by corporate healthcare solutions providers. After each service provided the healthcare services provider will directly send the bills to corporate healthcare solutions providers and no separate claim is needed for patients, which removes the upfront payments before treatment and avoids the lengthy process of submitting and receiving claims.

Overview of plan types provided by corporate healthcare solutions providers

To provide flexibilities, corporate healthcare solutions providers generally offer a few types of plan structures for the corporate customers to choose from based on their needs and budget:

(a) Capitation plan

Under a capitation plan, the provider and corporate customer agreed on scope of medical services provided for a fixed amount of annual fee per plan member. Such fee is generally payable upfront, with any adjustments to the fee made semi-annually or annually. Plans can be tailored based on the number of visits or the medical coverage required, a customer's budget, whether any co-payment of the medical expenses by the employees is required and any specific requests made by the corporate customer.

(b) Fee for service

Under a fee for service plan, corporate customers agree on a fixed rate per medical treatment. The amount to be paid is then determined based on the number of medical treatments received. The customer is generally billed for all the treatments received on a regular basis, such as the end of each month.

(c) Annual retainer

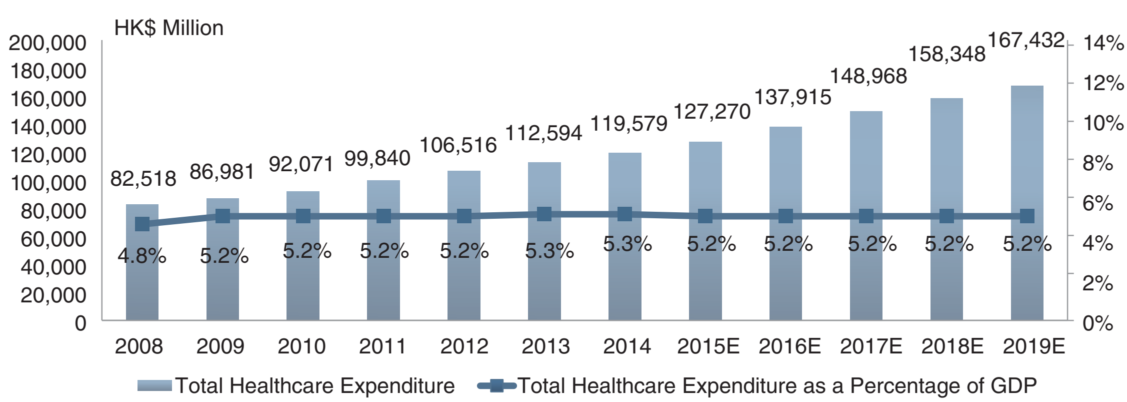
Under an annual retainer, the provider and corporate customer agreed on scope of medical coverage for a fixed amount of annual fee. Such annual fee is generally payable upfront on an annual basis.

Each company will be able to design a plan based on their own benefits needs and budget preference. The providers will work with each company to tailor a solution.

Overview of Hong Kong healthcare market

Hong Kong healthcare expenditure has grown steadily from HK$82.5 billion in 2008 to HK$106.5 billion in 2012, representing a CAGR of 6.6% during this period. Total healthcare expenditure as a percentage of GDP has been stable at approximately 5.2%. According to Frost & Sullivan, Hong Kong's total healthcare expenditure will reach HK$167.4 billion in 2019, representing approximately 5.2% of GDP and a CAGR of 6.8% from 2013 to 2019, as set forth in the chart below.

Hong Kong Total Healthcare Expenditure, 2008-2019E

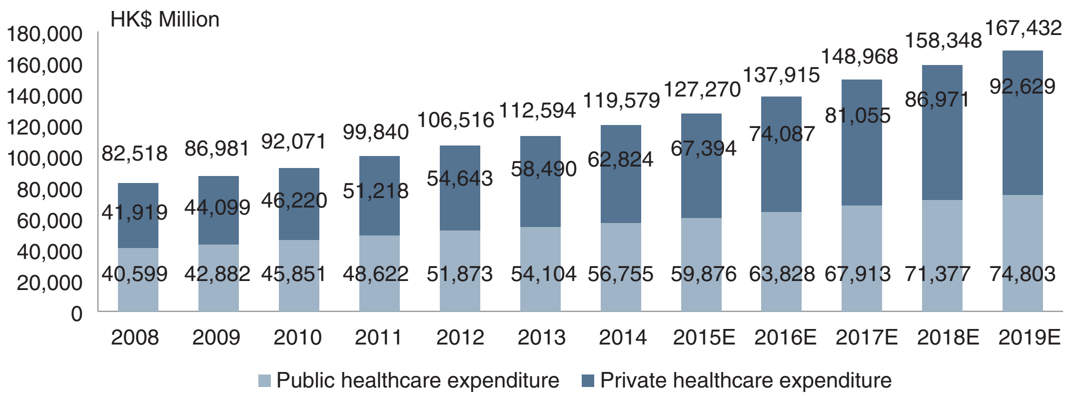


Hong Kong's life expectancy is among the highest in the world. The long life expectancy along with its ageing population are among factors contributing to the steady growth of Hong Kong's healthcare expenditure. According to the Census and Statistics Department of Hong Kong, Hong Kong's population aged 65 or above grew to 1.06 million in 2014, representing a CAGR of 3.4% from 2009 to 2014. The segment increased from 12.9% of total population in 2009 to 14.7% in 2014. The proportion of population aged 65 or above is expected to reach 30% by 2041.

Size of Hong Kong corporate healthcare benefits markets

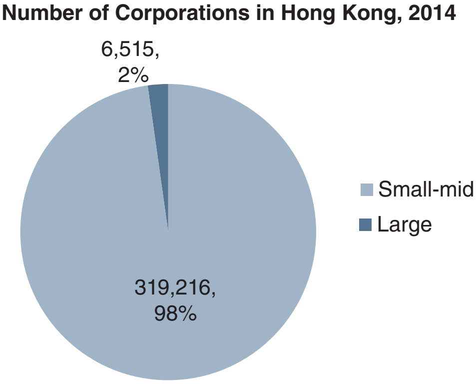
Hong Kong's private healthcare expenditure increased from HK$41.9 billion in 2008 to HK$54.6 billion in 2012, representing a CAGR of 6.9% during this period, while the public healthcare expenditure's CAGR during the same period was 6.3%. Hong Kong's healthcare expenditure growth is expected to be weighted on the private sector in the future years with private expenditure expected to reach HK$92.6 billion in 2019, representing a CAGR of 8.0% from 2013 to 2019 as compared to the projected CAGR of 5.5% of public healthcare expenditure during the same period, as set forth in the chart below.

Breakdown of Total Healthcare Expenditures in Hong Kong by Payment Source, 2008-2019E

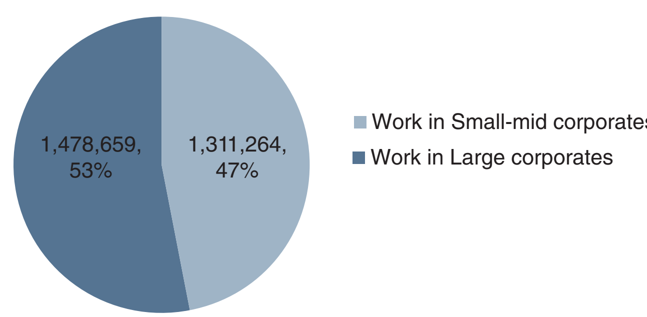


As at 31 December 2014, there were 325,731 registered corporations in Hong Kong. Of the 325,731 corporations, approximately 6,515 had more than 100 employees, and approximately 319,216 had less than 100 employees, as set forth in the chart below.

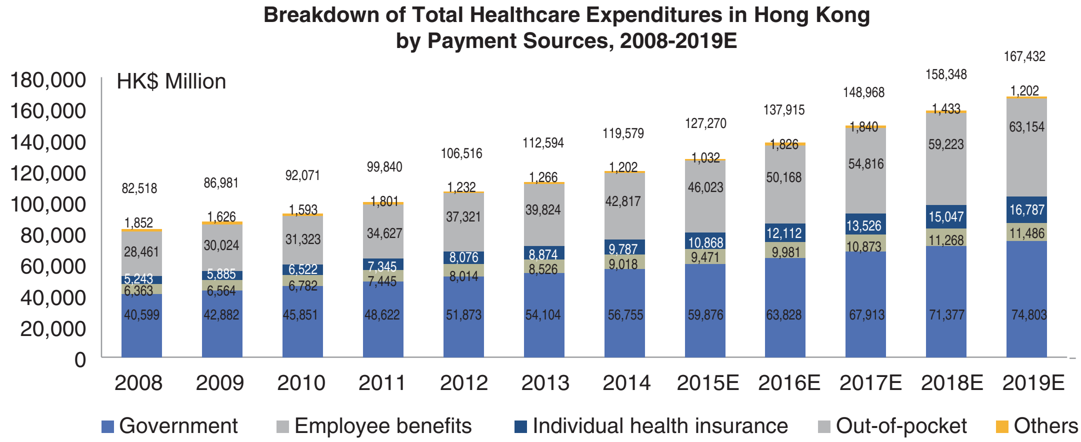
Number of Corporations in Hong Kong, 2014



Number of Employees in Hong Kong, 2014



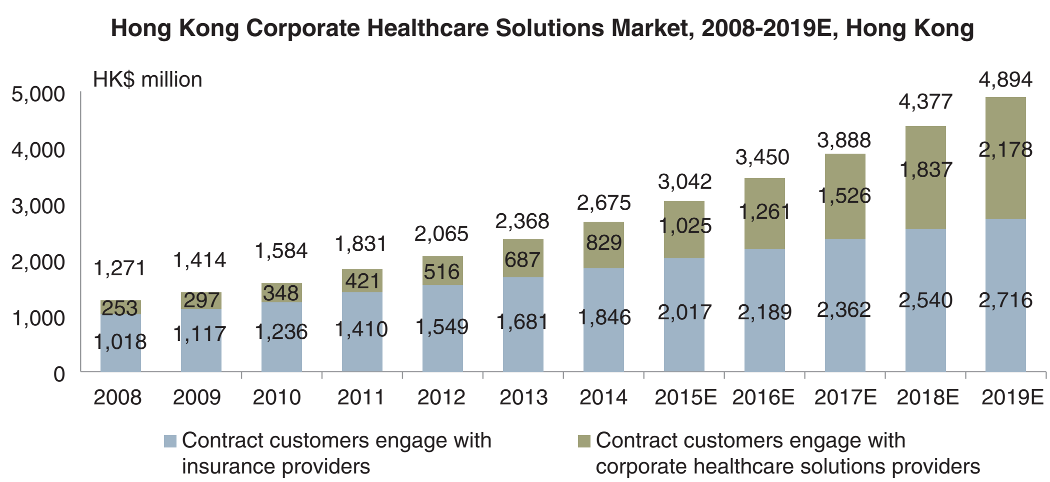
According to Frost & Sullivan, within private healthcare expenditure, employee benefits as payment source accounted for 14.7% of total private healthcare expenditure in 2012 and increased from HK$6.4 billion in 2008 to HK$8.0 billion in 2012, representing a CAGR of 5.9%. The employee benefits market size is expected to increase to HK$11.5 billion by 2019 representing a CAGR of 5.1% from 2013 to 2019, as set forth in the chart below.



According to Frost & Sullivan, the size of corporate healthcare solutions market in Hong Kong has grown significantly from HK$1.3 billion in 2008 to HK$2.7 billion in 2014, representing a CAGR of 13.2%. Corporate healthcare solutions providers accounted for approximately 30% of the total healthcare expenditure paid by employee benefits in 2014. Based on Frost & Sullivan forecasts, the market share of corporate healthcare solutions providers as a percentage of total employee benefits is expected to increase further to 43% in 2019.

Corporate customers can choose to engage with a corporate healthcare solutions provider directly or to engage with an insurance provider. The insurance provider will in turn engage with the corporate healthcare solutions provider to deliver the services needed.

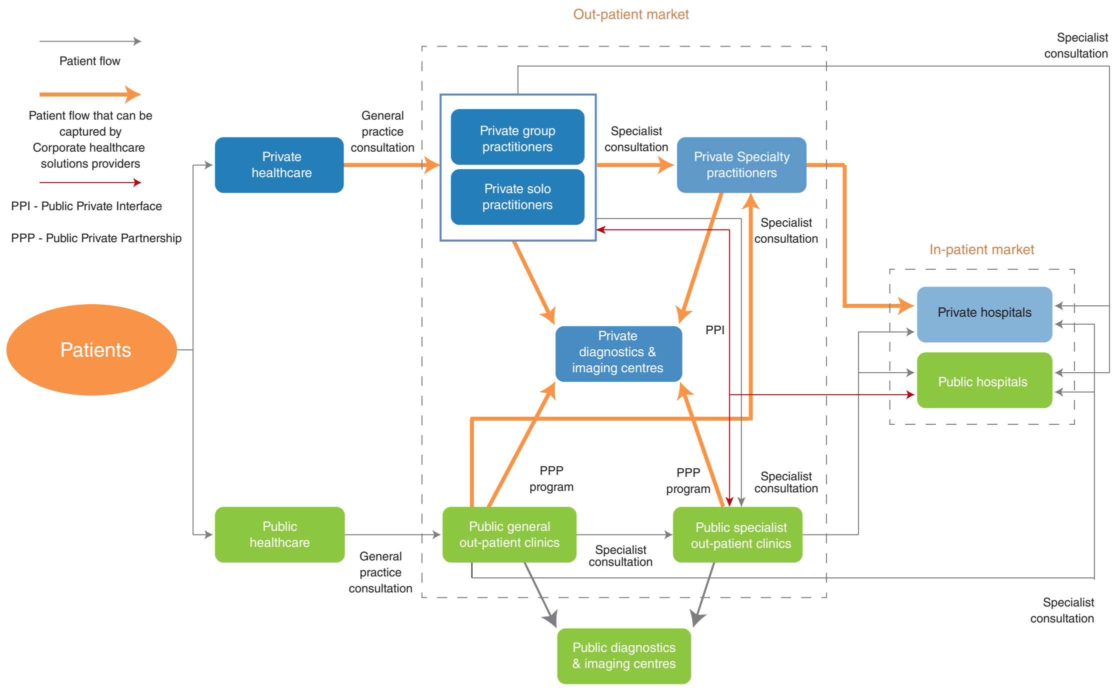
Currently the majority of the corporate customers work with insurance companies representing HK$1.8 billion of the market in 2014 and a CAGR of 10.4% from 2008. It is expected to reach HK$2.7 billion by 2019, representing a CAGR of 7.7% from 2015 to 2019. The larger corporate customers often choose to engage with corporate healthcare solutions providers directly. The market size of such direct contracts increased from HK$0.25 billion in 2008 to HK$0.8 billion in 2014 with a CAGR of 21.9%. It is expected to reach HK$2.2 billion by 2019, representing a CAGR of 20.7% from 2015 to 2019 as set forth in the chart below.



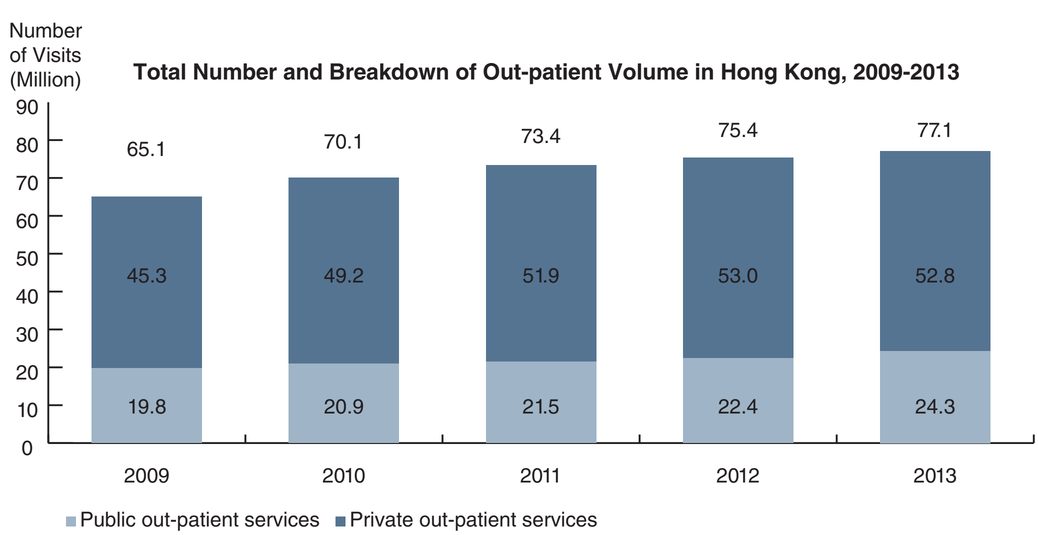
Primary care clinic model in Hong Kong

In Hong Kong, general practitioner or family medicine is most frequently the first level of contact for patients, providing an initial diagnosis. General practitioners will then decide on an appropriate course of action and, if needed, coordinate for additional consultations with specialists or usage of other facilities for secondary or tertiary care.

Typical Patient Flow in Hong Kong Medical System



96.6% of all western clinics in Hong Kong are privately run, which has been the predominant provider of out-patient care, representing approximately 70% of all out-patient consultations in Hong Kong. As such, patients generally enter the healthcare system through private general practitioners. This system helps to better coordinate care, reduce costs and increase efficiency. The chart below sets out the total number and breakdown of out-patient volumes for the years indicated.



On the other hand, the public sector accounted for 79.2% of the hospitals and 87.6% of the hospital beds in Hong Kong, providing over 90% of the in-patient services.

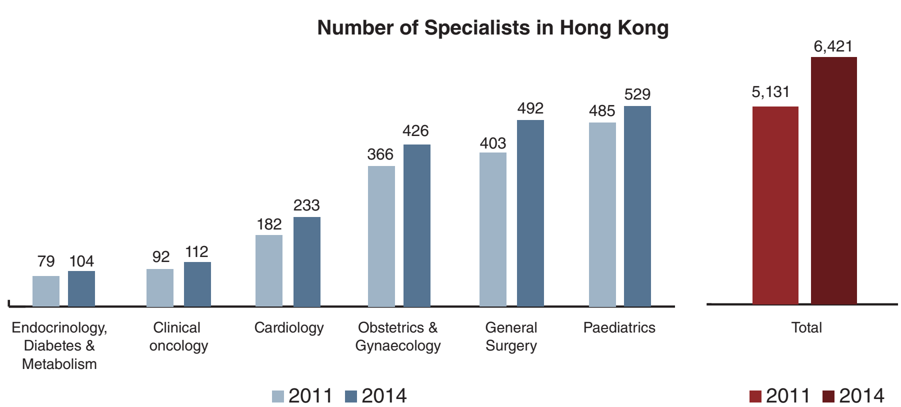
Specialist practitioners in Hong Kong

There are various clinics and hospitals that provide specialist services in Hong Kong including general surgery, obstetrics and gynaecology, paediatric, orthopaedic, oncology, radiology, pathology and dental services. Patients are referred to specialists via hospitals, government general out-patient clinics and private general practitioners. Nevertheless, approximately half of all specialists work in the private sector, combining specialist and general care. There is usually no requirement for referral to private specialist services; therefore it is easy for many patients to access specialist services directly. In general, patients in the public sector have to follow the service procedures of the public system, which has lower fees but longer waiting time and no choice of doctors. Patients seeking private specialist services have greater choices of doctors, as well as a wider range of fees and services.

There is no standardised referral protocol between the private and public sector. Referrals are made up and down the service levels and between public and private sectors. Referral protocol also depends on the insurance and coverage plan of each individual patient.

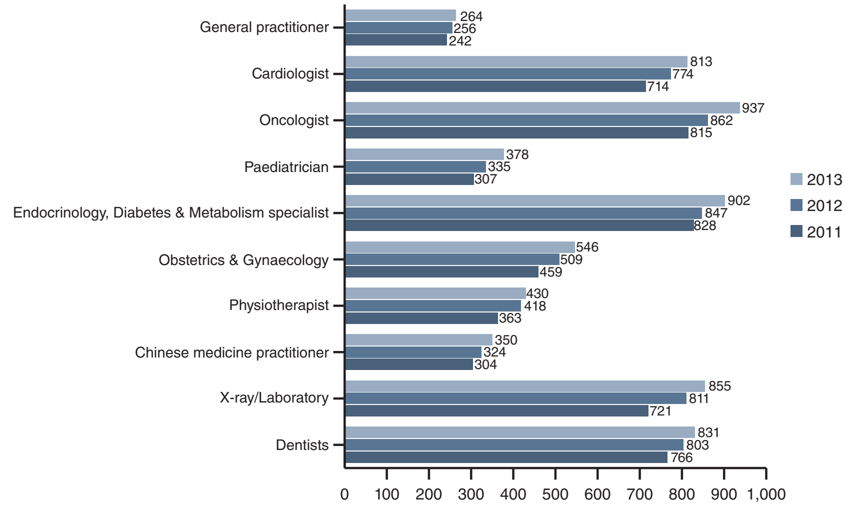
Dental services is one of the major specialist health services, and normally does not require any referral and has more walk-in patients. Currently there are approximately 2,000 dentists in Hong Kong, providing a dentist to population ratio of around 1: 3,200. Traditionally dental care is the type of healthcare service that has the highest household out-of-pocket expenses.

According to data from the Medical Council of Hong Kong (as set forth in the chart below), the number of specialists grew from 5,131 in 2011 to 6,421 in 2014 representing a CAGR of 7.8%. The number of registered doctors in most specialties witnessed a steady increase in recent years, especially in the specialties with rising disease prevalence. For example, the number of registered cardiology specialists rose from 182 in 2011 to 233 in 2014; and registered paediatricians increased from 485 in 2011 to 529 in 2014.



The average fees for specialists are in general higher than those for general practitioners and have enjoyed a strong growth momentum in recent years, as set forth in the chart below. In light of the increasing demand for out-patient services, the average fees are expected to increase over the next few years.

Average Fees For Different Types of Private Out-patient Services in Hong Kong, 2011-2013



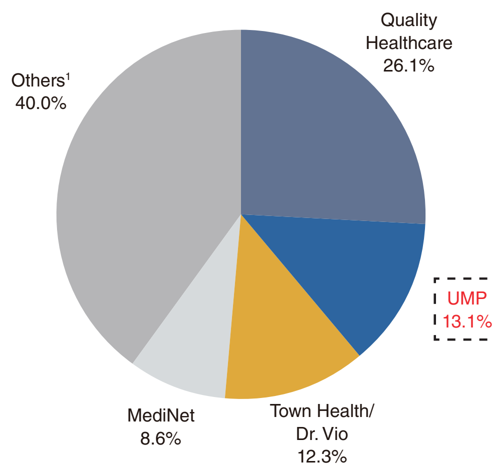
Corporate healthcare benefits provider competitive landscape

According to Frost & Sullivan, there are approximately 3,750 private western clinics in Hong Kong but only five clinic chains have the scale and service capabilities that are able to accommodate the needs of a large corporate customer with thousands of employees. Of the five chains, UMP is currently the largest non-insurance affiliated corporate healthcare solutions provider in Hong Kong.

The following table and chart set forth the top corporate healthcare solutions providers in Hong Kong:

Medical Group	Number of Outlets	Approximate Number of Members	Number of Visits in 2014	In-house Doctors	Affiliated Doctors
Quality Healthcare	• 100 multi-specialty centres • 500 affiliated clinics	*(No available data)*	2.75 million	• 70 general practitioners (GP) • 80 specialist physicians (SP)	500 affiliated doctors
UMP	611 points of service comprising: • 421 GP clinics • 78 SP clinics • 22 dental clinics • 90 auxiliary services points of service (including 36 imaging and laboratory services providers)	• 800,000 plan members • 9,400 healthcare plans administered	1.3 million medical and dental visits	• 53 doctors (including 26 GPs and 27 SPs) • 25 dentists • 14 auxiliary services providers	• 445 doctors (including 377 GPs and 68 SPs) • 10 dentists • 69 auxiliary services providers
Town Health/ Dr. Vio	• 87 clinics • 11 dental clinics • 3 labs	*(No available data)*	About 0.8 million	*(No available data)*	
MediNet	• 291 GP clinics • 57 specialist clinics • 8 physiotherapy centres • 10 TCM clinics	About 0.3 million members	About 0.57 million	Over 400 doctors and medical professionals within network	

Market Shares of Corporate Healthcare Solutions Providers in Hong Kong by Revenue, 2014



[1] Others include HMMP

In 2014, the corporate healthcare solutions market in Hong Kong reached HK$2.7 billion with top three market players accounting for almost 51.5% of total revenue. UMP accounted for 13.1% of corporate healthcare solutions market in terms of revenue.

Key entry barriers to corporate healthcare solutions market in Hong Kong

The Hong Kong corporate healthcare solutions market is well developed with widely recognised providers. There are a few barriers to entry facing new entrants who will need to differentiate themselves from market leaders.

Expertise in managing a broad range of services

Most employers lack in-depth knowledge and expertise of the out-patient market to manage and negotiate patient care effectively. Corporate healthcare solutions providers offer integrated services and access to a broad range of generalists and specialists; they can support patients, employers and insurers with convenience and relevant advice.

Cost effective service delivery

Most corporate healthcare solutions providers regard the ability to offer adequate care in a cost effective manner as one of their primary objectives. Through negotiating with healthcare services providers regarding the fee schedule of their services, the solutions providers encourage cost effective service delivery. The solutions providers can also spread administration costs across a larger system than smaller group or solo practices. As insurers, employers and others adopt to their services, corporate healthcare solutions providers also create a regular and reliable customer base for the doctors and service providers participating in the network.

Ensuring quality and transparency

To foster service excellence and promote quality in healthcare delivery, corporate healthcare solutions providers have set up governance structures to closely monitor the quality of services. In addition, fee schedules are generally transparent which reduces uncertainty and the risk of payment dispute.

Growth drivers for private healthcare market in Hong Kong

Voluntary Health Insurance Scheme

The Hong Kong Government has conducted a public consultation on Voluntary Health Insurance Scheme ("**VHIS**") between 2014 and 2015 aiming to encourage more people to use private healthcare services by regulating in-patient insurance policies.

With corporate healthcare solutions providers' experience in working with large networks of doctors and providing support to insurance companies and corporations, many corporate healthcare solutions providers have developed much of the contracting expertise and infrastructure likely to be useful in implementing packaged services for fixed fees. Such expertise and infrastructure also suggest they have systems which can easily check patient coverage, benefits and out-of-pocket payments prior to treatment, which may well support the easy implementation of large volume registration and enrolment management.

The Government expects the bill and subsidiary legislation would be introduced in 2015/16.

Increasing need for Pan-China medical network

In China, while majority of the medical expenses for corporate employees or individuals and their family members are currently covered by government insurance programmes, individuals and their family members are generally required to seek medical care from public hospitals where the waiting time is often long and sometimes the services are suboptimal. According to Frost & Sullivan, there will be increasing demand for effective corporate healthcare benefits in China in light of increasing tightness in supply of qualified workers and a more educated workforce in general. High and mid level income families are also increasingly seeking better healthcare alternatives in addition to the public hospital dominated system.

Hong Kong is increasingly becoming one of the alternative medical destinations for China patients due to its high standard of medical treatment and easy entry requirements for China residents. This creates potential opportunities for comprehensive healthcare service providers in Hong Kong with presence in China to collaborate with insurance companies to utilise its Pan-China medical network to establish new plans specifically targeting patients from China.

Given the relatively nascent stage of development of insurance industry as well as the limited individual health insurance product offerings in China, Hong Kong has become an alternative destination for China customers looking for insurance products. In recent years, an increasing number of individuals from China travel to Hong Kong and buy health insurance products in Hong Kong. The demand from China insurance buyers is one of the key drivers for the growth in insurance premium in Hong Kong.

According to the statistics released by Office of the Commissioner of Insurance in Hong Kong, the premium income of this segment has exhibited an upward trend and increased significantly from HK$4.4 billion in 2010 to HK$24.4 billion in 2014, representing a CAGR of 53.5% during this period. Health insurance product offerings accounted for a high proportion of the annual premium income.

Public Private Partnership (PPP)

The Hong Kong government has rolled out multiple pilot PPP programmes since 2006. The primary aim of PPP programmes is to alleviate pressure on the overloaded public healthcare system. Initial PPP programmes focused on providing primary care for chronic diseases (e.g. diabetes and hypertension), which utilised a significant capacity of the public healthcare system. Having accumulated experience through pilot PPP programmes, the government has expressed intention to widen the PPP coverage across Hong Kong. PPP programmes are also set to cover a wider range of services and a larger number of diseases.

With the intention to maintain service standard, the government has also set forth a list of technical and infrastructure requirements in order for service providers to be considered as potential bidders to the tenders for certain PPP programmes. For example, the potential service providers will need to have advanced IT systems that are capable of handling large volume registration and billing. Provider will need to be in service for over a certain amount of time in order to qualify for certain programmes. As such, not all service providers will be able to participate in certain PPP tenders.

Potential PPP opportunities for Hong Kong service providers include:

PPP programmes	Estimated patient population	Estimated market size
Vaccination Subsidisation Scheme	**1.28mm** (population of age below 6 and above 65)[1]	**HK$167mm**
Elderly Health Care Voucher Scheme	**662,726** (population of age above 70)[1]	**HK$663mm**
General Out-patient Clinic Public Private Partnership Programme	**7,500** (2,000 per each district — Kwun Tong, Tuen Mun, Wong Tai Sin, 1,500 in Tin Sui Wai)[2,3]	**HK$39.8mm**
Shared Care Programme	**300** (currently enrolled patient)[2]	**HK$42,000**
Provision of Radiological Imaging Service	Number of patient referral from HA to UMP: PET: 250 / CT: 100 / MRI: 300 / U/S: 600 **Total: 1,250**	PET: HK$1.5mm CT: HK$250,000 MRI: HK$1.0mm U/S: HK$350,000 **Subtotal: HK$3.1mm**

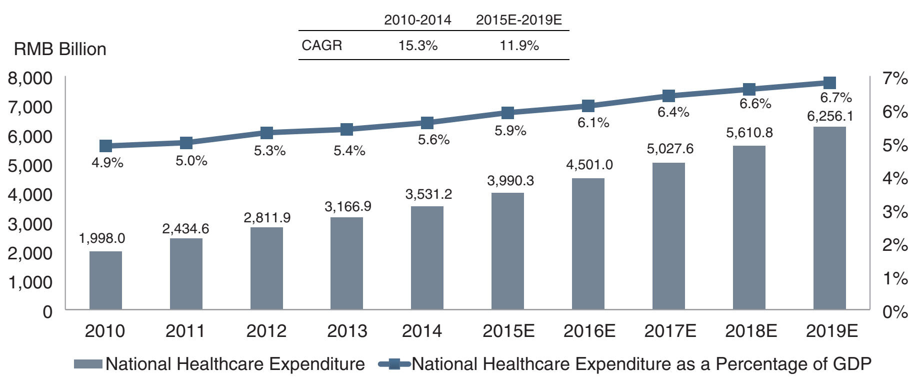
Sources: [1] 2011 Population Census IDDS report; [2] Hospital Authority; [3] Ming Pao Daily News on 17 August 2013

OVERVIEW OF HEALTHCARE SERVICES MARKET IN CHINA

Fast Growing Healthcare Expenditure in China

China is one of the fastest growing and largest healthcare markets in the world. From 2010 to 2014, total healthcare expenditure has grown rapidly from RMB1,998.0 billion to RMB3,531.2 billion, representing a CAGR of 15.3% during this period. According to Frost & Sullivan, China's healthcare expenditure is forecasted to increase to RMB6,256.1 billion by 2019, representing a CAGR of 11.9% from 2015 to 2019, as set forth in the chart below.

Total Healthcare Expenditure in China, 2010-2019E



However, China's healthcare spending per capita was only US$428 in 2014, which is substantially lower than most other developed countries. In 2014, China's healthcare spending as a percentage of GDP was 5.6% as compared to the U.S. where healthcare spending represented 17.0% of GDP.

According to Frost & Sullivan, there are multiple factors contributing to the increased demand for healthcare services in China:

1. Ageing population

According to the National Bureau of Statistics of China, there were 137.6 million individuals 65 years old or above in China in 2014, which accounted for 10.1% of the total population. This number is expected to reach 156.5 million by 2018 representing 11.2% of the total population in China. The demographic shift is expected to lead to immense opportunities for the healthcare services providers.

2. Urbanisation

According to the 2014 World Urbanisation Prospects published by the United Nations, the urbanisation rate in China rose from 35.9% in 2000 to 49.2% in 2010. The urbanisation rate of China is projected to reach 75.8% in 2050, with a total urban population of over 1.0 billion. The increase in the rate of urbanisation is forecasted to boost the development of the healthcare services market in China.

3. Rising prevalence of chronic diseases

Economic prosperity and urbanisation have changed the epidemiological profiles of the Chinese population. For example, it has increased the prevalence of chronic diseases such as diabetes and hypertension. This has led to increased health awareness by the general public and demand for access to better care.

4. *Growing middle class population in China*

China's growing middle class population has become increasingly health conscious and often time felt under served by the existing public hospital system. Given the middle class's rising income, there is a growing demand and willingness to pay for better medical access such as higher-end private healthcare services. Private healthcare services providers are well positioned to fill this demand gap. The middle class population, with strong purchasing power, generally view good health as a priority in achieving a better quality of life for their families. Therefore, the growth of the middle class population provides huge growth potential for the healthcare services providers in China, particularly for high-end medical check-ups and preventive care. The rapid growth in personal income, together with a continuous rise in the middle class population in China, is expected to result in an increasing demand for high quality healthcare services.

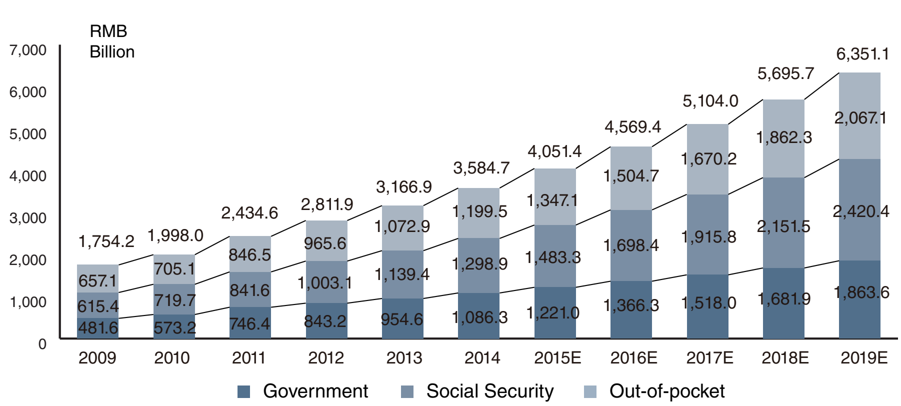
Healthcare services provision model in China

When seeking treatments, China patients tend to visit hospitals and directly consult specialists. General practitioners are not often consulted and most often do not serve as entry point into the healthcare system. Resources are often strained and not properly utilised given the lack of first line diagnosis by general practitioners. Well-trained general practitioners are in shortage in China. General practitioners represent approximately 5% of China's total physicians, while in most developed countries general practitioners represent approximately 50% of total physicians.

Drug sales often represent a significant source of income for hospitals in China. Overprescribing is a common phenomenon which often times lead to extra spending by patients or even unwanted complications.

There are broadly three types of healthcare payers in China: government, social security and patients' own out-of-pocket. Spending from government and social security mainly include various funding and subsidies from central and provincial government for healthcare related services, while out-of-pocket is patient's own expense. Although government spent has steadily increased over the years for increased healthcare coverage, individual out-of-pocket expenses still increased from RMB657 billion in 2009 to RMB1,073 billion in 2013, as set forth in the chart below. China's ageing population is experiencing the dual burdens of a rising rate of chronic diseases and climbing costs for healthcare.

Total Healthcare Expenditures in China by payer, 2009-2019E



Private healthcare market in China

According to Frost & Sullivan, in addition to the general macro factors driving overall demand for healthcare products and services in China, there are additional factors contributing to the growth of private healthcare services in China:

Strained public hospital system: with the ageing population and rising prevalence of chronic diseases, public hospitals are strained in resources and often unable to fully satisfy the rapid growth in demand for healthcare services, requiring private hospitals to play an increasingly important role in addressing the gap in coverage.

Disproportionate allocation of medical resources: large public hospitals are generally highly concentrated in the centres of major cities, leaving many smaller cities and rural areas underserved. Urbanisation and increasing health awareness have resulted in demand for hospitals in the lower tier cities and rural areas.

Multiple-hospital licences for doctor: Newly established pilot programmes in certain cities allow physicians to practise in different places or to work part-time in multiple hospitals. The programmes' goal is to increase doctor mobility between different medical institutions, and promote the development of private healthcare services.

Incentive policies in healthcare reform: The China government has made substantial investment in healthcare reform, and the development of private hospitals has been set as one of the priorities in the Government Work Report and the "12th five-year" healthcare planning. The government is making efforts to eliminate unfair factors between public hospitals and private hospitals and creating a more favourable policy environment for private hospitals in tax and other areas. Also, the reimbursement of social medical insurance has been expanded to cover certain qualified private medical institutions.

Overview of health insurance system in China

China health insurance products can be broadly categorised into public and commercial. Public insurance can be further divided into basic social medical insurance ("**BMI**") and supplementary social medical insurance ("**SMI**", for large-sum medical expenses). Commercial health insurance products currently available can generally be divided into supplementary and high-end insurance. The supplementary social medical insurance and supplementary commercial medical insurance are supplementary to basic medical insurance.

(a) Public health insurance

A key component of China's healthcare reform is the establishment of universal coverage of basic healthcare services for all China citizens. Public health insurance is part of the social security and welfare system, which aims to protect and enhance citizen's health and welfare. Corporations are required by national and local laws to pay for their employees' public insurance premiums.

At present, China's public medical insurance system has three basic components: (1) the Urban Employee Basic Medical Insurance Scheme ("**UEBMIS**"), a programme co-funded by governments, employers and employees, the reimbursement rate for which is determined by the funding ability of employers and employees as well as the level of government input; (2) the Urban Resident Basic Medical Insurance Scheme ("**URBMIS**"), a government-led programme that is funded largely by individuals and is subsidised by government, and provides coverage for major illnesses through the pooling of funds; and (3) the New Rural Co-operative Medical Insurance Scheme ("**NRCMIS**"), a government-led mutual assistance scheme with voluntary enrolment and multi-source funding that aims to cover major illnesses by pooling funds from rural residents.

With the implementation of healthcare reform, the population covered by the public medical insurance schemes is increasing. According to the Frost & Sullivan, the total population covered by URBMIS, UEBMIS and NRCMIS reached 314 million, 283 million and 736 million, respectively, in 2014. In some developed regions, urban and rural healthcare insurance schemes have been integrated to provide better quality medical care for all residents in the region, and this practice may be adopted in more regions in conjunction with the rapid urbanisation of those areas. However, these three insurance programmes currently only provide coverage for basic healthcare services. As a result, commercial insurance is gaining traction among people who wish to supplement their basic healthcare coverage. In addition, in order to address the rapid increase in healthcare expenditure and relieve pressure on public medical insurance programmes, innovative payment methods, such as centralised budgeting, capitated payment and diagnosis-based payment, are being piloted in major cities such as Beijing and Shanghai, and further innovations are also being planned.

China's public health insurance system has the following characteristics:

- *Low premium:* Active employees pay 2% of previous year's average monthly salary for BMI; active and retired employees pay RMB3 per month for SMI. Employers pay 10% of total base premiums each month

- *Claim restrictions:* Treatments not at the designated hospitals or abroad, including those in HK, Macau or Taiwan are not within the claim scope

- *Low reimbursement ceiling:* The cap for annual total reimbursement from the BMI pooled fund is approximately four times of local average employee salary of previous year; for SMI, the annual total reimbursement cap is RMB100,000

- *BMI pooled fund has a deductible:* for sums exceeding the deductible, 3%–20% is self-paid. For SMI, 30%–50% is self-paid

Given the premiums and reimbursement caps, the public health insurance is targeted for mass basic medical needs but cannot meet the need for high price treatments and procedures and mostly limited patients to within public hospital system.

Public Health Insurance in Beijing

UEBMIS

In Beijing, UEBMIS contains basic medical insurance as well as cooperative fund for large sum of medical bills, and the latter can be used to pay for medical bills of in-patient services that exceed the cap of basic medical insurance. Both employers and employees contributed to the funding of UEBMIS at fixed rates, and employees' contribution will all go to their personal medical savings accounts and employers' contribution will be distributed into both personal medical savings accounts and social pooled funds. Payment from medical savings accounts and reimbursement from social pooled funds are both direct billing and no separate claim is needed, all as set forth in the tables below.

Source of Financing

	Basic Medical Insurance Premium	Cooperative Fund for Large Sum of Medical Bills
Employer	Payroll*9%	Payroll*1%
Employee	Payroll*2%	RMB3 per month
Retiree	N/A	RMB3 per month

Personal Medical Savings Account

	Age	Employer's Contribution	Personal Contribution	Total
Employee	<35	Personal salary*0.8%	Personal salary*2%	Personal salary*2.8%
	35-44	Personal salary*1%	Personal salary*2%	Personal salary*3%
	>44	Personal salary*2%	Personal salary*2%	Personal salary*4%
Retiree	<70	RMB100 per month	N/A	RMB100 per month
	>=70	RMB110 per month	N/A	RMB100 per month

Reimbursement Policy for In-patient Services, UEBMIS, Beijing

	Social Pooled Fund of Basic Medical Insurance						Cooperative Fund for Large Sum Medical Bills	
	Deductible	Reimbursement rate				Cap.	Reimbursement rate	Cap.
Employee	RMB1,300		Class III hospital	Class II hospital	Class I hospital	RMB 100,000	85%	RMB200,000
		RMB1,300-30,000	85%	87%	90%			
		RMB30,000-40,000	90%	92%	95%			
		RMB40,000-Cap	95%	97%	97%			
Retiree			Class III hospital	Class II hospital	Class I hospital		90%	
		RMB1,300-30,000	91%	92.2%	94%			
		RMB30,000-40,000	94%	95.2%	97%			
		RMB40,000-Cap	97%	98.2%	98.2%			

Reimbursement Policy for Out-patient Services, UEBMIS, Beijing

Type of Beneficiary and Medical Services		Deductible	Reimbursement Rate	Cap.
Employee	Community health services	RMB1,800	90%	RMB20,000
	Non-community health services		70%	
Retiree	<70 years old, community health services	RMB1,300	90%	
	<70 years old, non-community health services		85%	
	>=70 years old		90%	

URBMIS

URBMIS is only available for following qualified non-rural residents:

- Senior: Age 60 and above for males and 50 and above for females who are not covered by UEBMIS
- Unemployed: Age between 16 to 60 for males and between 16 to 50 for females who are not covered by UEBMIS
- Children and students: All children and students who are attending local kindergartens or schools

Further details are set forth in the tables below.

Annual Premium for URBMIS, Beijing

	Annual Premiums
Senior	RMB360
Unemployed	RMB660
Children and students	RMB160

Reimbursement Policy for URBMIS, Beijing

	Out-patient Services			In-patient Services		
	Deductible	Reimbursement rate	Cap	Deductible	Reimbursement rate	Cap
Senior	RMB650	50%	RMB2,000	1) RMB1,300 for the first time; 2) RMB650 for the second time and later on	60%	RMB 150,000
Unemployed						
Children and students				RMB650	70%	RMB 170,000

Public Health Insurance in Shanghai

In Shanghai, UEBMIS contains basic medical insurance as well as supplement medical insurance, and the basic medical insurance includes social pooled fund and personal medical savings account. Employers contribute to both basic and supplement medical insurances, whereas employees only pay for basic medical insurance. All the premium contribution from employees goes to their personal medical savings accounts, and basic medical insurance premium from employers is distributed into both personal medical savings accounts and social pooled funds at fixed rates.

Savings of current year in personal medical accounts can be used for out-patient services and certain drugs at designated drug stores. Accrued savings from previous years in personal medical accounts can be used in the same way as well as the co-payment part for both out- and in-patient services (either the part below deductible or the part above the cap).

80% of the excess above basic medical insurance cap can be paid by supplement medical insurance, and there is no cap for supplement medical insurance.

Further details are set forth in the tables below.

Source of Financing, UEBMIS, Shanghai

	Basic Medical Insurance Premium	Supplement Medical Insurance Premium
Employer	Payroll*9%	Payroll*2%
Employee	Payroll*2%	N/A
Retiree	N/A	N/A

Personal Medical Savings Account, UEBMIS, Shanghai

	Age	Employee's Contribution	Personal Contribution
Employee	<=34	RMB140/year	Average personal salary*2%
	35-44	RMB280/year	Average personal salary*2%
	>45	RMB420/year	Average personal salary*2%
Retiree	<74	RMB1,120/year	N/A
	>=75	RMB1,260/year	N/A

Reimbursement Policy, UEBMIS, Shanghai

	Age	Supplement Medical Insurance						Basic Medical Insurance					
		OP/Emergency visits				Excess above basic medical insurance cap	Cap	IP visits		Severe diseases under OP services and family bed services			Cap
		Deductible (after MSA)	Reimbursement rate					Deductible	Reimbursement rate	Deductible	Reimbursement rate		
			Level I	Level II	Level III						Severe diseases	Family bed	
Employee	<=44	RMB1,500	65%	60%	50%	80%	No	RMB1,500	85%	0	85%	80%	RMB 390,000
	>45		75%	70%	60%								
	Others I*		75%	70%	70%								
Retiree	<=69	RMB700	80%	75%	70%			RMB1,200	92%	0	92%	80%	
	>70		85%	80%	75%								
	Others II*	RMB300	90%	85%	80%			RMB700					

**Note:* "Others I" refers to the group of people who were born before 31 December 1955 and started working before 31 December 2000.
"Others II" refers to the group of people who retired before 31 December 2000.

Payment and Reimbursement Policy, UEBMIS, Shanghai

			Middle school students and children	College students*	Residents age from 19 to 59	Residents age from 60 to 69	Residents age above 70
Annual Premium			RMB90	RMB90	RMB680	RMB500	RMB340
OP/Emergence visits (including family beds)	Deductible		RMB300	RMB300	RMB1,000	RMB300	RMB300
	Reimbursement rate	Level I hospital	65%	65%	65%	65%	65%
		Level II hospital	55%	55%	55%	55%	55%
		Level III hospital	50%	50%	50%	50%	50%
Inpatient Services	Level I hospital	Deductible	RMB50	RMB50	RMB50	RMB50	RMB50
		Reimbursement rate	80%	80%	80%	90%	90%
	Level II hospital	Deductible	RMB100	RMB100	RMB100	RMB100	RMB100
		Reimbursement rate	70%	70%	70%	80%	80%
	Level III hospital	Deductible	RMB300	RMB300	RMB300	RMB300	RMB300
		Reimbursement rate	60%	60%	60%	70%	70%

**Note:* The reimbursement rates of OP services for college students here only include the ones happening outside campus, and the reimbursement rate for OP services on campus shall not be below 90% although may be different among colleges.

(b) Commercial health insurance

Commercial health insurance products are for-profit services provided by insurance companies. Consumers purchase commercial health insurance depending on their own needs. They pay a certain sum of premium and obtain a certain sum of reimbursements from the insurance company in case of treatments or procedures undertaken. For example, public health insurance does not cover all medicines, medical equipment, or artificial limbs, and has many limitations on covered services (including period and sum). Commercial health insurance helps fill the gap and meet people's needs for additional health insurance.

According to Frost & Sullivan, commercial health insurance products currently available in China can be divided in to two types: supplementary insurance and high-end insurance. Supplementary commercial insurance products generally have the following characteristics:

- Relatively low premiums, usually several hundred RMB
- Some commercial health insurances' reimbursement policies and caps are similar to social insurance, only covering in-patient fees and operation fees, and excluding out-patient and examination fees. While others have different policies stipulating that, as long as reasonable fees occur, the insurance company will pay benefits in a certain proportion or after the deductible is paid

While the goal of supplementary commercial health insurance is to fill the gap of social insurance, it still falls short to meet the needs in the event of a major medial treatment or uncovered medicine, and free choice of hospitals. As a result, high-end insurance products were developed to target individuals who desire more comprehensive coverage. High-end insurance products generally have high benefits caps, no limitations on country and hospital of usage, or medicine, and can directly pay for a wide range of medical treatments.

High-end commercial health insurance products generally have the following characteristics:

- Targeted at high-end customers and expensive premiums from few thousands to tens of thousands
- Fewer restrictions on the reimbursement of special medical services, uncovered medicine, and choice of hospitals
- Convenient services such as direct payment aimed to help save patients' time and provide a more comfortable treatment experience

Limitations of current public health insurance in China

High co-payment and deductible

In-patient costs in China are relatively high when compared to average annual income levels, especially if complex procedures, expensive devices, or patented drugs are needed. There will generally be a requirement of 8%–15% out-of-pocket co-payments even under the more generous UEBMI schemes in more affluent areas such as Shanghai. In addition, relatively low caps for total reimbursement may increase the risk that patients with serious acute or chronic conditions will end up paying a large portion of the medical bills out-of-pocket. Even though some regions in China are starting to expand coverage of out-patient drugs for chronic diseases, out-patients' prescriptions are generally paid by personal healthcare accounts established through an individual's premium payments. Such inadequate coverage ratio leaves populations with chronic diseases, such as diabetes, vulnerable to economic difficulties and limitation in treatments.

Drug exclusions

Although public insurance plans have established lists of reimbursable drugs, cutting-edge innovative drugs and novel treatments are most often excluded from reimbursement, or the reimbursed portion may cover only a small part of the high costs. For example, novel biologicals for the treatment of autoimmune disease or malignancies are often not included. In addition, the government is planning to further reduce the portion of imported and proprietary drugs to cut medical costs, which might further reduce the coverage for patients with severe diseases.

Inflexible plan

Current public health insurance plans in China are inflexible and do not provide room for premium healthcare. Although most public hospitals are designated for public health insurance, no VIP services and very few private healthcare service providers are included. China citizens cannot generally tailor their insurance coverage according to their needs and willingness to pay.

Development of China commercial health insurance

Commercial health insurance has grown steadily since its establishment in 1982 and its growth has been encouraged by the government to provide differentiated and better insurance coverage beyond basic insurance. Commercial health insurance, as an effective supplement to social healthcare insurance, has increasingly becoming an important part of the healthcare services system.

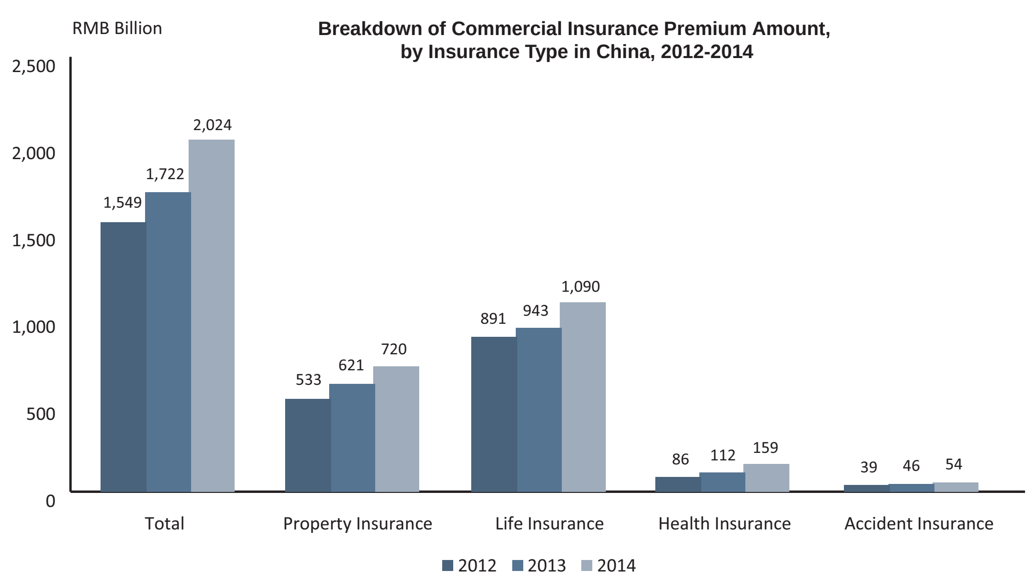
According to Frost & Sullivan, economic growth and wealth are key determinants of insurance penetration. In China, in addition to the government's drive to increase insurance penetration, the promotion of health insurance and age-related products is expected to further drive growth. Non-life premiums are expected to continue to benefit from the government's initiatives to increase insurance penetration.

However, China's insurance market is still relatively underdeveloped as compared to other developed countries. The chart below illustrates the insurance density and penetration by country.

	Insurance density: premiums per capita in USD in 2014		
	Total business	Life business	Non-life business
United States	4,017	1,657	2,360
United Kingdom	4,823	3,638	1,185
Japan	3,778	2,926	852
Hong Kong	5,647	5,071	575
China	235	127	109
	Insurance penetration: premiums in % of GDP in 2014		
United States	7.3	3	4.3
United Kingdom	10.6	8	2.6
Japan	10.8	8.4	2.4
Hong Kong	14.2	12.7	1.4
China	3.2	1.7	1.5

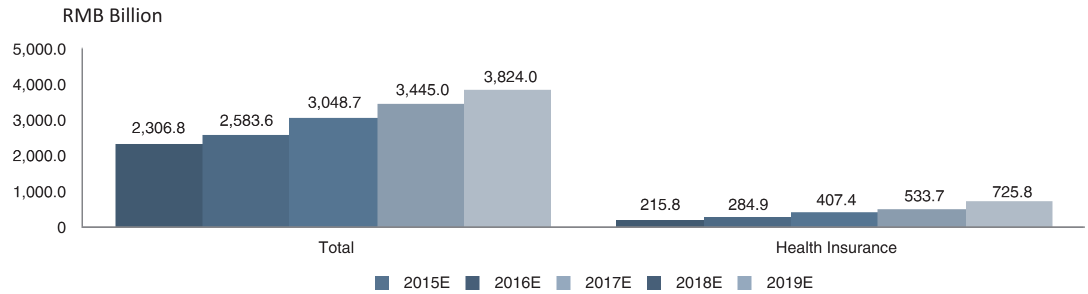
Commercial insurance market in China

According to the China Insurance Regulatory Commission, the total premium of commercial insurance fund increased from RMB1,549 billion in 2012 to RMB2,024 billion in 2014, representing a CAGR of 14.3%, as set forth in the chart below. While health insurance only represented a small portion of market share, this segment has grown most significantly most rapidly. The premiums of commercial health insurance have increased from RMB86 billion to RMB159 billion during 2012–2014, representing a CAGR of 35.6%, indicating the increasing and strong demand for commercial health insurance in the China market.



Health insurance is expected to experience rapid development at a CAGR of 35.4% from 2015 to 2019, and its share in the total premium will increase from 9.4% to 19.0% for the same period, as set forth in the chart below.

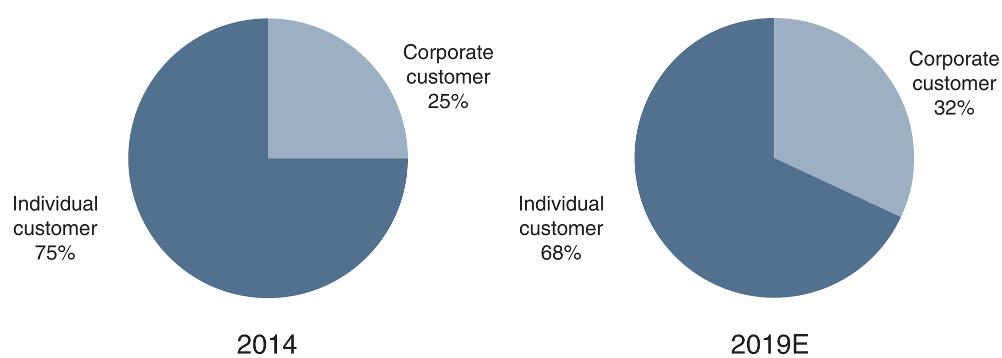
Commercial Insurance Premium and Health Insurance 2015E-2019E



Give the nascent state of the commercial healthcare insurance market in China, there are only a few major providers in the market. All of the health insurance providers have experienced strong growth in recent years.

Most customers of commercial health insurance in China are individual customers, representing about 75% of the premium revenue in 2014, but the corporate portion is expected to comprise a larger market share, as set forth in the chart below.

Breakdown of Commercial medical Insurance Inflow in China by Customer Type in 2014 and 2019E



According to Frost & Sullivan, commercial health insurance companies are expected to have strong growth opportunities given the existing gaps in the public insurance coverage. With better management, additional new products, and better partnership between insurance companies, the government, and healthcare institutions, the market for commercial health insurance is expected to expand considerably, and mid to high-end products will be more prevalent.

Limitations of current commercial health insurance in China

Given China's commercial supplementary healthcare insurance system is in its nascent stage, there are still limitations to the current products available in market.

Limited coverage of diseases and drug reimbursed

The type of diseases and drugs covered under commercial supplementary healthcare insurance are generally limited by insurance companies. Especially for serious diseases, the reimbursement coverage is very low. Most individuals with commercial supplementary healthcare insurance still do not have comprehensive and high-value insurance coverage.

Lack of system governance

Healthcare institutions are an integral part of a viable commercial supplementary healthcare insurance system. Given the lack of an extensive governance mechanism, some healthcare institutions escalate medical charges of treatments and procedures of insured patients which may lead to unnecessary loss for the health insurance companies.

Limited selection for commercial insurance products

Commercial healthcare insurance is either with a very low level or a very high level of coverage. For example, insurance products with low premium of approximately RMB1,000 only provide limited coverage, while those with high premium of approximately RMB10,000 offer well-covered reimbursement options. There are limited mid-tiered insurance products available in China currently. Individuals with middle-level income are unsatisfied with low-end health insurance products but also cannot afford high-end products. This situation is mostly due to the low leverage of current insurance companies in the medical process and cost control, hence it is hard for them to design tailor-made insurance product to meet various needs. There is a need for operators who are able to coordinate medical resources and health insurance management expertise, in order to better address the mid to high-tier market needs.

Favourable government policies on commercial health insurance

Acknowledging the gaps between public health insurance and patients' concerns, the China government is increasingly looking for ways to improve the provision of health insurance and address diverse additional needs of the population. This has created attractive opportunities for commercial health insurance providers.

In 2014, the State Council announced "Several Opinions of the State Council on Expediting the Development of Healthcare Industry", to better drive the development of commercial health insurance to fill in the gaps in public insurance.

Furthermore, the Ministry of Finance ("**MOF**"), the State Administration of Taxation ("**SAT**") and the China Insurance Regulatory Commission ("**CIRC**") jointly released Caishui (2015) No. 56 (Circular 56) on 8 May 2015 to launch the pilot Individual Income Tax ("**IIT**") policies for commercial health insurance. The new policy came into effect on 8 May 2015, and is to be rolled out in pilot cities throughout the PRC.

Circular 56 indicates that a major city in each province will be nominated for the implementation of the pilot programme. All the areas of Beijing, Shanghai, Tianjin, and Chongqing, municipalities directly under the central government, are also included in the programme. For individuals of pilot areas who purchase qualifying types of commercial health insurance, their relevant expenditure is deductible for IIT purposes, limited to RMB2,400 per year (or RMB200 per month). For enterprises and public institutions which purchase qualifying types of commercial health insurance for individuals, the expenditure in excess of the deduction limits will be included in an employee's remuneration and subject to IIT.

The issuance of Circular 56 is consistent with of Several Opinions of the State Council on Expediting the Development of Healthcare Industry, by providing tax breaks for qualified commercial health insurance products. This is also consistent with the speech delivered by Premier Li Keqiang at the executive meeting of the State Council held on 6 May 2015, in regards to leveraging international experience and encouraging the general public to purchase comprehensive health insurance products.

Challenges in commercial medical insurance market in china

According to Frost & Sullivan, most commercial health insurance companies in China face a few challenges:

Low leverage in controlling the increasing medical costs

Most hospitals in China rely heavily on drug sales for revenues. Consequently, such healthcare providers have few incentives to optimise patient treatments, manage overall health status for patients and collaborate with insurance companies to control the increasing medical costs. In addition, under the current governance system, it is almost impossible for insurers to be informed of every step of treatment processes, which further reduces their ability to confirm if claims are medically necessary.

Lack of uniform system

China has no uniform system of private health insurance, so prices can vary widely (from RMB3,000 to as much as RMB30,000 or even more per year), depending on factors such as age and previous medical history, but also on the types of treatments covered by the policy. Adding on extras such as dental and optical cover will normally raise the rates.

Lack of standardised data and medical insurance expertise

In a mature healthcare market, a comprehensive and standardised data environment with coherent medical records enables insurers to offer tailored insurance for each client, manage risk in underwriting efficiently, conduct informed and justified claim reimbursement process, and even engage in managing the health of the insured population. Nevertheless, in most of China such standardised data systems are not available. Insurers are required to adapt their operation to make plans for different types of clients in order to reduce the loss ratio.

Lack of incentives for corporate customers

In many developed countries, government has incentives or even mandatory policies to encourage or require employers to provide premium healthcare insurance for their employees. For example, small business in the US can get tax credits if they offer health insurance for their employees, and all businesses with 50 or more full-time equivalent employees have to provide health insurance to at least 95% of their full-time employees and dependents up to age 26, or pay a fee. However, China still lacks similar policies so that employers are less motivated to provide commercial corporate health insurance for their employees. This in turn has prevented commercial group health insurance from increasing at a large scale outside of multi-national companies.

Corporate healthcare benefits market overview in PRC

According to Frost & Sullivan, current corporate healthcare benefits in PRC are mostly provided in the format of health insurances collaborating with healthcare service providers.

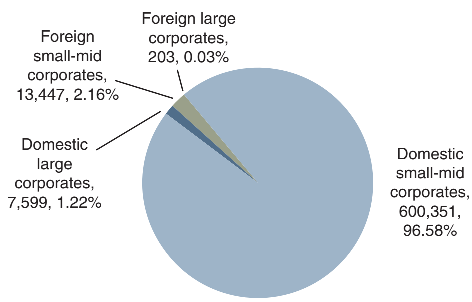
In the PRC, large corporations are defined as those having more than 2,000 employees, RMB300 million revenues and RMB400 million assets. The rest are considered small-mid corporations.

For most domestic small-mid companies, corporate supplementary healthcare benefits are generally not available to low-level employees. For those domestic companies that provide supplementary healthcare benefits, the average budget is RMB700–1,500 per person per year for general staff, and RMB10,000–30,000 per person per year for management staff.

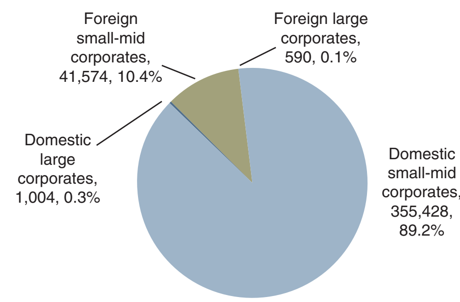
On the other hand, in multi-nation corporations ("**MNC**"), commercial health insurances as part of employee healthcare benefits are more prevalent, given the need to retain expatriate employees and difficulty in attracting skilled local labour. MNCs are usually located in big cities such as Beijing and Shanghai where demand for high-end health services and insurances are on the rise and more staff are covered by group health insurance with higher budgets. For general staff, the average budget is RMB1,000–3,000 per person per year, whereas for employees at senior level such as managers and directors, the average budget is RMB15,000–50,000 per person per year.

Further details are set out in these charts below.

Number of Corporates in Beijing in 2014

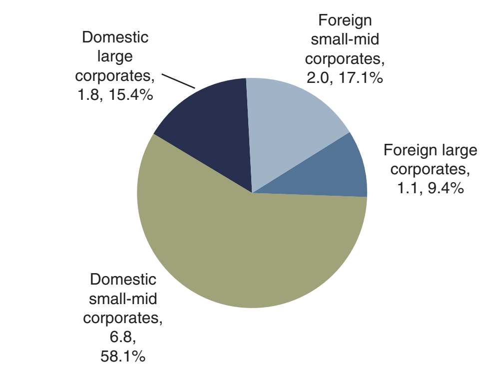


Number of Corporates in Shanghai in 2014



Number of Employees (million) in Different Corporates in Beijing in 2014

Number of Employees (million) in Different Corporates in Shanghai in 2014



According to Frost & Sullivan, there are currently no corporate healthcare solutions providers integrating medical resources and corporate payers in the PRC yet. The one jointly launched by United Family Healthcare and Yong An insurance company, two portfolio companies of Fosun Group, is one of the first healthcare solution products offered in China that directly involves both healthcare institutions and insurance companies. Currently, the China corporate healthcare benefits market is mostly limited to corporate health checkup services. For corporate customers, a broad network of chain health checkup centres could provide convenient access for companies with branches across China. Also, the corporate health checkup packages can provide customised plans for each corporation at a lower price compared to individual health checkups. Thus, an increasing number of companies are offering annual health checkup services for employees as part of their employee healthcare benefits.

According to Frost & Sullivan, the growing burden of both increasing prevalence of chronic diseases and rising medical costs have led to strong demand from China employers for more efficient healthcare management to help with cost control and better care coordination. As such, this will create the need for comprehensive corporate healthcare solutions providers who can help coordinate a large network of healthcare service providers.

Emergence of Professional Corporate Healthcare Solutions Organisations

At present, most of the corporate healthcare benefits plans in China are led by insurance companies with collaborations with healthcare institutions. Insurance companies alone have low bargaining power in medical cost control while healthcare institutions alone still lack management experience needed for plan design, marketing and plan administration and claims. However, such collaborations are often inadequate, and professional corporate healthcare solutions providers are expected to emerge to provide an integrated network of various medical resources and strong administration support.

As partnerships between insurance companies and healthcare institutions progress, more insights will be gained into the needs of corporations. As such, a more systematic corporate healthcare solutions market is expected to be developed. With multiple advantages of corporate healthcare solutions services over traditional health insurance, the corporate healthcare solutions market is likely to grow with the increasing demand for corporate healthcare benefits.

Entry Barriers to Corporate Healthcare Solutions Market in PRC

China's corporate healthcare solutions market is still in its nascent stage and the pioneers in this early stage of the development may be able to create substantial barriers to entry for future competitions.

Recruitment of doctors

Medical professionals are fundamental to each service network. In China, most prestigious doctors practice in the public sector and patients usually rely on public hospitals. The ability to coordinate a group of medical services providers will be key for the success of a service provider.

Start up capital needs

To provide comprehensive healthcare services, healthcare solutions providers may choose to operate clinics as well as auxiliary services such as lab and imaging. These facilities usually require high amount of capital or rent and personnel salaries.

Resource Integration and Coordination

To effectively offer corporate healthcare solutions services it will require the participation of multiple stakeholders including insurance companies, large corporations, physicians, medical group management, equipment and drug suppliers, and external experts. Service providers have to integrate both external and internal resources and coordinate the participation of various stakeholders to create comprehensive solutions. For example, corporate healthcare solutions providers need to have expertise and negotiate fees with clinics within networks to establish well-designed corporate healthcare solution plans with appealing fees and comprehensive medical services. Furthermore, to manage large volume claim/billing process efficiently, a sophisticated IT system will be essential.

Lack of standard medical data

In mature healthcare markets, a comprehensive and standardised data environment with coherent medical records enables corporate healthcare solutions providers to offer tailored plans for each client, managing underwriting risk effectively. Nevertheless, in the nascent China healthcare market, such standardised data systems are not currently available; as a result, it is difficult for new entrants to design their plan offerings.

The following is a brief summary of the laws and regulations in Hong Kong, Macau and the PRC that currently materially affect the Group and its operations. The principal objective of this summary is to provide potential investors with an overview of the key laws and regulations applicable to us. This summary does not purport to be a comprehensive description of all the laws and regulations applicable to the business and operations of the Group and/or which may be important to potential investors. Investors should note that the following summary is based on laws and regulations in force as at the date of his prospectus, which may be subject to change.

LAWS AND REGULATIONS RELATING TO THE GROUP'S BUSINESS AND OPERATIONS IN HONG KONG

Regulation of Medical Practitioners and Clinics

Medical Registration Ordinance

Pursuant to the Medical Registration Ordinance (Chapter 161 of the Laws of Hong Kong) (the "**MRO**"), all practising medical practitioners in Hong Kong are required to be registered with the Medical Council of Hong Kong (the "**Medical Council**") and shall not practise medicine, surgery or midwifery in Hong Kong, or any branch of medicine or surgery in Hong Kong without a valid practising certificate.

To register with the Medical Council, a medical practitioner should, *inter alia*:

- have specific professional qualifications (e.g. MBChB (CUHK), MBBS (HKU) or passed the licensing examination conducted by the Medical Council);
- have completed internship;
- not have been convicted of any criminal offence punishable with imprisonment;
- not been found guilty of professional misconduct; and
- be of good character.

Registered Medical Practitioners are included in the General Register (as defined in the MRO) kept by the Medical Council and will be issued with a practising certificate which will be valid for one year. Registered Medical Practitioners are required to renew their practising certificates annually or their names may be subject to removal from the General Register.

The Medical Council also keeps a Specialist Register (as defined in the MRO) which shall include details of qualifications and experience and such other particulars necessary of those persons who have been approved by the Medical Council to have their names included in that register. To become registered in the Specialist Register, a Registered Medical Practitioner must have either:

- (i) been awarded a Fellowship of the Hong Kong Academy of Medicine ("**HKAM**") and (ii) certified by HKAM that he has completed the postgraduate medical training, which comprised at least six years of supervised post-registration medical training and passing examinations accredited by HKAM, for the relevant specialty and satisfied the continuing medical education requirements for the relevant specialty; or

- been certified by the HKAM that he/she has (i) achieved a professional standard comparable to that recognised by HKAM for the award of his fellowship, (ii) completed postgraduate medical training comparable to those recommended by HKAM for the relevant specialty, and (iii) satisfied the continuing medical education requirements comparable to those recommended by HKAM for the relevant specialty.

The Education and Accreditation Committee of the Medical Council will consult with the appropriate specialty college and seek the formal endorsement of the HKAM's council before making a recommendation to the Medical Council for registration.

A medical practitioner is entitled to only hold himself out as a specialist and use a specialist title in one of the 56 specialties in the Specialist Register, and is required to undergo continuing medical education determined by the HKAM for his specialty.

Code of Professional Conduct

All Registered Medical Practitioners in Hong Kong have to comply with the Code of Professional Conduct for the Guidance of Registered Medical Practitioners issued by the Medical Council (as may be amended from time to time), which covers, *inter alia*, the following aspects:

- medical practitioners' professional responsibilities to patients such as their confidentiality obligations as well as the obligations to act in the interest of patients and, whenever an examination or treatment is beyond his capacity, to consult with or refer to another doctor who has the necessary ability;

- communication in medical practitioners' professional practice, including restriction on practice promotion from being carried out by medical practitioners;

- requirements in relation to prescription and labelling of medicine/drugs to be dispensed;

- regulations in relation to relationship among medical practitioners and other practitioners and/or organisations;

- criminal conviction and disciplinary proceedings of medical practitioners;

- medical practitioners' financial arrangements;

- regulations in relation to new medical procedures, clinical research and alternative medicine;

- regulations against abuse of professional position; and

- regulations governing serious infectious disease and other special areas.

Contravention of the Code of Professional Conduct may render a Registered Medical Practitioner liable to disciplinary action.

Medical Clinics Ordinance

Under the Medical Clinics Ordinance (Chapter 343 of the Laws of Hong Kong) (the "**MCO**"), it is an offence for any person to do any medical diagnosis, or prescribes any medical treatment or takes part in any medical treatment of any person in a clinic which is not registered subject to certain exemptions. Clinics are required to be registered with the Registrar of Clinics (as defined in the MCO), the registration is valid for one year and is subject to re-registration annually.

A Registered Medical Practitioner should generally be appointed to be responsible for the medical management of the clinic. The Registrar of Clinics has a power to inspect any premises which are used for the purpose of a clinic.

Regulation on Advertisements in Hong Kong

Undesirable Medical Advertisements Ordinance

The Undesirable Medical Advertisements Ordinance (Chapter 231 of the Laws of Hong Kong) (the "**UMAO**") aims to protect public health through prohibiting or restricting advertisements which may induce the seeking of improper management of certain health conditions.

Among other restrictions, according to the UMAO, no person shall publish, or cause to be published any advertisements likely to lead to the use of any medicine, surgical appliance or treatment for:

- the purpose of treating human beings for, or preventing them from contracting any of the diseases or conditions specified in schedule 1 to the UMAO subject to certain exceptions; or

- treating human beings for any purpose specified in schedule 2 to the UMAO.

As defined in the UMAO, "advertisement" includes any notice, poster, circular, label, wrapper or document, and any announcement made orally or by means of producing or transmitting light or sound. These include advertisements published in newspapers and magazines, leaflets, on radio, television, and internet, as well as on the label of a container or package containing any medicine, surgical appliance, treatment, or orally consumed product.

If a person named in that advertisement is held out (i) as being a manufacturer or supplier of medicine or surgical appliances; or (ii) as being able to provide any treatment, that person is presumed, until the contrary is proved, to have caused the advertisement to be published.

Regulations on Pharmaceutical Products and Drugs

Pharmacy and Poisons Ordinance and Its Sub-legislations

The Pharmacy and Poisons Ordinance (Chapter 138 of the Laws of Hong Kong) (the "**PPO**") regulates the sale and labelling of products which are classified as pharmaceutical products and medicine. The PPO also requires all pharmacists in Hong Kong to be registered with the Pharmacy and Poisons Board and shall not practise without a valid practising certificate.

Under the Pharmacy and Poisons Regulations (Chapter 138A of the Laws of Hong Kong) (the "**PPR**"), pharmaceutical products must be registered before they can be sold, offered for sale, distributed or possessed for the purposes of sales, distribution or other use in Hong Kong.

Under the PPO, pharmaceutical product or medicine means any substance or mixture of substances which:

- presented as having properties for treating or preventing disease in human beings or animals; or

- that may be used in, or administered to, human beings or animals, either with a view to (i) restoring, correcting or modifying physiological functions by exerting a pharmacological, immunological or metabolic action; or (ii) making a medical diagnosis.

Ingredients that are classified as poisons are listed in the poisons list under schedule 10 to the PPR. The levels of control over the sale of the poison depend on its categorisation as "Part I" or "Part II" poisons according to their potency, toxicity and potential side effects. The supply of medicine and substances categorised as poison by a Registered Medical Practitioner for the purposes of medical treatment is not subject to the conditions and limitations imposed by the PPO and the PPR.

Dangerous Drugs Ordinance

The Dangerous Drugs Ordinance (Chapter 134 of the Laws of Hong Kong) (the "**DDO**") regulates the import, export, procuring, supply, dealing in or with, manufacture and possession of drugs or substances which are classified as dangerous drugs under the DDO.

Dangerous drugs are not allowed to be supplied to any person except to a person authorised or licensed to be in possession of such drugs in accordance with the DDO. Administration of a dangerous drug by or under the direct personal supervision of, and in the presence of, a Registered Medical Practitioner is exempted from the limitations in the DDO. A Registered Medical Practitioner is also authorised by the DDO, so far as may be necessary for the practice or exercise of his profession and in his capacity as such, to be in possession of and to supply a dangerous drug as well as to have in his possession equipment or apparatus fit and intended for the injection of a dangerous drug.

Furthermore, the Dangerous Drugs Regulations (Chapter 134A of the Laws of Hong Kong) regulates the prescriptions, labelling and record keeping of dangerous drugs and monitors the sale of such drugs.

Regulations on Clinical Waste Disposals

Waste Disposal Ordinance

The Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong) (the "**WDO**") and the Waste Disposal (Clinical Waste) (General) Regulation (Chapter 354O of the Laws of Hong Kong) (the "**WDR"**) provide for, among others, the control and regulation of the production, storage, collection and disposal of clinical waste.

Under the WDO, clinical waste means waste consisting of any substance, matter or thing generated in connection with a dental, medical or nursing practice and a dental, medical, veterinary or pathological laboratory practice, and which consists wholly or partly of any of the materials specified in one or more of the groups listed below:

- used or contaminated sharps;
- laboratory waste;
- human and animal tissues;
- infectious materials;

- dressings; and

- such other wastes as specified by the Director of Environmental Protection.

The WDR requires all waste producers to arrange for their clinical waste to be properly disposed of. Waste producers comply with this duty if they consign the waste to a licensed clinical waste collector or arrange for the waste to be delivered to a collection point or licensed clinical waste disposal facility according to the requirements specified in the WDR. The WDR also requires waste producers to keep records of the clinical waste consigned to licensed collectors or delivered to a collection point or licensed disposal facility, and to produce such records for inspection upon request by the Director of Environmental Protection.

The Secretary for the Environment under the WDO published a Code of Practice for the Management of Clinical Waste for both major and small clinical waste producers and waste collectors under the WDO to provide guidance to clinical waste producers to assist them to comply with the legal requirements of the WDO and the WDR. Private medical and dental clinics or practices are classified as small clinical waste producers under such code.

Dentist Registration Ordinance

Pursuant to the Dentists Registration Ordinance (Chapter 156 of the Laws of Hong Kong) (the "**DRO**"), all practising dentists in Hong Kong are required to be registered with the Dental Council of Hong Kong (the "**Dental Council**") and shall not practise as a dentist in Hong Kong without a valid practising certificate.

To register with the Dental Council, a dentist should, *inter alia*:

- have been awarded a bachelor degree in dentistry by a university in Hong Kong or passed the licensing examination conducted by the Dental Council;

- not have been convicted of any criminal offence punishable with imprisonment;

- not been found guilty of professional misconduct; and

- not the subject to an existing order made under the predecessor ordinance.

Dentists registered with the Dental Council are included in the General Register (as defined in the DRO) kept by the Dental Council.

Dentists registered with the Dental Council will be issued with a practising certificate which will be valid for one year. Dentists are required to renew their practising certificates annually or their names may be subject to removal from the register maintained by the Dental Council.

The Dental Council also keeps a Specialist Register (as defined in the DRO) which shall include details of qualifications and experience and such other particulars necessary of those persons who have been approved by the Dental Council to have their names included in that register. To become registered in the Specialist Register, a dentist must be competent in the specialty and have either:

- (i) been awarded a Fellowship of HKAM and (ii) certified by HKAM that he has completed the postgraduate dental training, which comprised at least 6 years of supervised post-registration medical training and passing examinations accredited by

HKAM, for the relevant specialty and satisfied the continuing medical education requirements for the relevant specialty; or

- been certified by the HKAM that he/she has (i) achieved a professional standard comparable to that recognised by HKAM for the award of his fellowship, (ii) completed postgraduate dental training comparable to those recommended by HKAM for the relevant specialty, and (iii) satisfied the continuing education requirements comparable to those recommended by HKAM for the relevant specialty.

The Education and Accreditation Committee of the Dental Council will consult with the appropriate specialty college and seek the formal endorsement of the HKAM's council before making a recommendation to the Dental Council for registration.

Code of Professional Discipline

All dental practitioners in Hong Kong have to comply with the Code of Professional Discipline for the Guidance of Dental Practitioners in Hong Kong issued by the Dental Council of Hong Kong (as may be amended from time to time).

The Code of Professional Discipline provides, *inter alia*, the following guidelines:

- dental practitioners practising as a group and who consider it necessary to identify the practice by the use of a collective title must use a name that is in compliance with the code;

- signs should not be designed to draw public attention to the services of the practice at the expense of others. In selecting a name, and particularly a collective title for a partnership, it is desirable to avoid a name which could be interpreted as implying that the services being provided have received some official recognition not extended to other local dental practitioners;

- canvassing for the purpose of obtaining patients, either by himself, his servants, agents or others whether directly or indirectly, and association with or employment by persons or organisations which canvass, may lead to disciplinary proceedings. It is also not permissible for a dental practitioner to canvass by means of the distribution of visiting cards other than as a result of a request for a card by an individual;

- a dental practitioner in a contractual relationship with an organisation which refers patients to him as employees of that organisation, as members of an insurance scheme, or otherwise, must ensure that its advertising and promotion of any scheme conforms with all the guidelines in the code;

- a dental practitioner may enter into an agreement with individuals and/or organisations in any form to provide dental health care services provided that the agreement does not permit or compel practices which lead to unethical conduct. In performance of such contracts the dental practitioner is required to deal fairly with the public and fellow practitioners. It is unethical for a dental practitioner to contract his services under conditions that make it impossible to render service to his patients in a timely and reasonable manner; and

- when dealing with third parties to provide dental care programmes, dental practitioners have to ensure that (a) there is no canvassing, (b) there is no dichotomy (fee splitting),

(c) these parties should not act as agents, (d) these programmes are open to participation by all dental practitioners and (e) there is no restriction in clinical autonomy and responsibility. Examples of bona fide third parties would be insurance plans bought on an individual basis or supplied as an employee benefit plan, employed dental practitioners, reimbursement schemes and capitation programmes sponsored as employee benefits.

Regulation on Imaging Services

Radiation Ordinance

Under the Radiation Ordinance (Chapter 303 of the Laws of Hong Kong), the manufacture or otherwise produce, or sell or otherwise deal in, or possess or use of radioactive substances and irradiating apparatus such as X-ray or other ionising radiation without the licence from Radiation Board of Hong Kong (the "**Radiation Board**") is prohibited.

The licences are subject to review and renewal by the Radiation Board every year. The licensee is required to give the Radiation Board not less than seven days' notice if he intends to sale or transfer or abandon any irradiating apparatus.

The Radiation (Control of Irradiating Apparatus) Regulations (Chapter 303B of the Laws of Hong Kong) imposes restrictions on the persons who can operate an irradiating apparatus. Radiographers are required to wear a radiation monitoring device and undergo medical examination every 14 months to safeguard their health against exposure to radiation.

LAWS AND REGULATIONS RELATED TO THE HEALTHCARE AND CLINICAL SERVICES IN CHINA

Regulations on the Reform of Medical Institutions

Notice on Further Encouraging and Guiding Private Capital to Invest in Medical Institutions

The Notice on Further Encouraging and Guiding Private Capital to Invest in Medical Institutions (關於進一步鼓勵和引導社會資本舉辦醫療機構意見的通知) ("**Order No. 58**"), which was promulgated by the General Office of the State Council on 26 November 2010, stipulates that the PRC government encourages and supports investments by private investors in medical institutions of various types. Private investors are permitted to apply to establish for-profit or not-for-profit medical institutions according to the operating purposes. Non-profit medical institutions established by private investors in principle shall not be converted into for-profit medical institutions unless relevant approvals have been obtained. Private investors are also encouraged to participate in the reform of existing public hospitals, including those established by state-owned enterprises, by converting them into not-for-profit medical institutions in order to systematically reduce the proportion of public hospitals in the system. Private medical institutions with experience in the provision of healthcare services and good reputation shall be selected as participants in the restructuring of public hospitals. The restructuring of public hospitals may be carried out through pilot reform programmes in hospitals established by state-owned enterprises. Private medical institutions are encouraged to modernise hospital management, establish standardised corporate governance structures, step up cost control and quality management systems, and employ professional managers to manage the hospital. Private investors are encouraged to set up hospital management companies to provide specialised services. Private medical institutions are encouraged to engage or authorise domestic or overseas medical institutions with professional experience to participate in the management of hospitals to improve their efficiencies. Medical institutions are encouraged to develop into large, sophisticated, technology-intensive medical groups and adopt brand-focused development strategies to build good reputation and image. Private medical institutions are encouraged to improve their clinical research and build their research and development teams.

Guiding Opinions on Establishing the System of General Practitioners

Guiding Opinions on Establishing the System of General Practitioners (國務院關於建立全科醫生制度的指導意見), which was promulgated by the State Council on 1 July 2011 and came effect on the same date, advocate a range of measures to establish the vigorous system of general practitioners and realise the promotion of medical and health services reform including: (i) the establishment of a unified and standard training system for general practitioners; (ii) the reform of the practising modes of general practitioners, in particular, general practitioners may register with multiple sites for medical practising and may open their own clinics; (iii) the exploration of the mechanism of classified diagnose and the two-way referral; and (iv) the establishment of the incentive mechanism for general practitioners in respect of the charge of service fees and other reasonable fees, the labour remuneration of general practitioners and the expansion of the career development paths for general practitioners.

Several Opinions on Promoting the Development of Healthcare Service Industry

Several Opinions on Promoting the Development of Healthcare Service Industry (國務院關於促進健康服務業發展的若干意見) (the "**2013 Opinions**") were promulgated by the State Council on 28 September 2013. The 2013 Opinions encourage the private sector to invest in the healthcare service industry by various means, including the establishment of new institutions and participation in restructuring, and also encourage private capital investment in not-for-profit medical institutions for the provision of basic health care services. The 2013 Opinions also propose to relax the requirements for Sino-foreign equity joint or cooperative joint medical institutions and to expand the pilot programme for wholly foreign-invested medical institutions.

Regulations on the Administration and Classification of Medical Institutions

Administrative Measures on Medical Institutions and the Medical Institution Practising Licence

The Administrative Measures on Medical Institutions (醫療機構管理條例), which were promulgated on 26 February 1994 by the State Council and came into effect on 1 September 1994, and the Implementation Measures of the Administrative Measures on Medical Institutions (醫療機構管理條例實施細則), which were promulgated by the National Health and Family Planning Commission (the "**NHFPC**") on 29 August 1994 and came into effect on 1 September 1994, stipulate that the establishment of medical institutions shall comply with the relevant regional planning requirements as well as the basic standards of medical institutions. Any entity or individual that intends to establish a medical institution must follow the application approval procedures and register with the relevant healthcare administrative authorities to obtain a Medical Institution Practising Licence (醫療機構執業許可證).

Administrative Measures for the Examination of Medical Institutions (For Trial Implementation)

The Administrative Measures for the Examination of Medical Institutions (For Trial Implementation) (醫療機構校驗管理辦法(試行)), which were promulgated by the NHFPC and came into effect on 15 June 2009, stipulate a medical institution's Medical Institution Practising Licence is subject to periodic examinations and verifications by registration authorities, and will be cancelled if such medical institution fails to pass the examination.

Opinions on Implementing Classification Administration of Urban Medical Institution

The Opinions on Implementing Classification Administration of Urban Medical Institution (關於城鎮醫療機構分類管理的實施意見), which were jointly promulgated by the Department of Health, State Administration of Chinese Traditional Medicine, the Ministry of Finance (the "**MOF**") and the National Development and Reform Commission (the "**NDRC**") on 18 July 2000 and came into effect on 1 September 2000, provide that not-for-profit and for-profit medical institutions shall be classified based on their business objectives, service purposes and implementation of various financial, taxation, pricing and accounting policies. Also, governments shall not operate for-profit medical institutions. Medical institutions shall file with relevant health authorities written statements of their not-for-profit/for-profit status when they carry out application, registration and re-examination procedures in accordance with relevant laws, and the health authority handling such procedures shall, jointly with other relevant authorities determine the not-for-profit/for-profit status for such medical institution based on the source of its investment and the nature of its business.

Regulations on the Supervision over Pharmaceuticals in Medical Institutions

Measures for the Supervision and Administration of Pharmaceuticals in Medical Institutions (for Trial Implementation)

The Measures for the Supervision and Administration of Pharmaceuticals in Medical Institutions (for Trial Implementation) (醫療機構藥品監督管理辦法(試行)), which were promulgated by the China Food and Drug Administration (the "**CFDA**") and came into effect on 11 October 2011, stipulate that medical institutions must purchase pharmaceuticals from enterprises qualified for the production or distribution of pharmaceuticals and comply with certain standards in respect of the storage, safekeeping, preparations and use of such pharmaceuticals.

Administrative Measures for the Control of Radioactive Pharmaceuticals

The Administrative Measures for the Control of Radioactive Pharmaceuticals (放射性藥品管理辦法), which were promulgated by the State Council and came into effect on 13 January 1989 and revised on 8 January 2011, require medical institutions to comply with relevant national regulations and rules concerning radioisotope health protection when using radioactive pharmaceuticals. Any medical institution that wants to use radioactive pharmaceuticals must obtain a Licence for the Use of Radioactive Pharmaceuticals from the public security departments, the environmental protection departments and the public health departments at provincial, regional or municipal levels, as applicable. The Licence for the Use of Radioactive Pharmaceuticals is valid for five years and is of varying grades based on the technical skill and professional level of the radiological personnel and the equipment of the medical institution.

Regulations on the Administration of Narcotic Pharmaceuticals and Psychotropic Substances

The Regulations on the Administration of Narcotic Pharmaceuticals and Psychotropic Substances (麻醉藥品和精神藥品管理條例), which were promulgated by the State Council on 3 August 2005 and revised on 7 December 2013, provide that, where a medical institution needs to use any narcotic pharmaceutical or Class I psychotropic substance, it shall, upon approval by the competent public health department, obtain the Seal Card for the Purchase and Use of Narcotic Pharmaceuticals and Class I Psychotropic Substances.

Administrative Measures on the Radiotherapy

The Administrative Measures on the Radiotherapy (放射診療管理規定), which were promulgated by the National Health and Family Planning Commission (the "**NHFPC**") on 24 January 2006 and came into effect on 1 March 2006, set out the basic statutory framework for medical institutions engaged in the clinical diagnosis and treatment using radioisotopes and radiation-emitting devices. Depending on the specific radiotherapy treatment, medical institutions shall apply for and obtain the licence for radiotherapy issued by the competent public health administrative authorities. During the course of radiotherapy, medical institutions shall take protective measures in accordance with the relevant laws and regulations.

Laws and Regulations on Medical Personnel and General Practitioners of Medical Institutions and Clinics

Law on Medical Practitioners of the People's Republic of China

The Law on Medical Practitioners of the People's Republic of China (中華人民共和國執業醫師法), which was promulgated by the Standing Committee of the National People's Congress (the "**NPC**") on 26 June 1998 and came into effect on 1 May 1999, provides that physicians in China must obtain qualification licences for their medical profession. Qualified physicians and qualified assistant physicians must register with the relevant public health administrative authorities at or above the county level. After registration, physicians may work at medical institutions in their registered location in the types of jobs and within the scope of medical treatment, disease-prevention or healthcare business as provided in their registration.

The Notice on Issues concerning Multi-sited Practices of Physicians

The Notice on Issues concerning Multi-sited Practices of Physicians (衛生部關於醫師多點執業有關問題的通知), which was promulgated by the NHFPC on 11 September 2009 and came into effect on the same date, provides that a classification administration system shall be implemented for physicians' multi-sited practices. Physicians can practise in cooperative medical institutions after performing relevant record-filing procedures with the authorities with which such physicians' Medical Institution Practising Licences are registered. The local NHFPC shall implement its multi-sited practices policies after being approved by NHFPC.

On 12 July 2011, the Notice of the NHFPC on Expanding the Pilot Scope of Multi-sited Practices of Physicians (衛生部辦公廳關於擴大醫師多點執業試點範圍的通知) further relaxed the regulation of physicians' multi-sited practices and expanded the pilot areas. Qualified physicians in the pilot areas may apply for at most three locations as their practising sites.

Several Opinions on Accelerating the Development of Medical Institutions with Private Capital (關於加快發展社會辦醫的若干意見), which were promulgated on 30 December 2013 by NHFPC and the State Administration of Traditional Chinese Medicine, specifically stipulate that multi-sited practices of physicians shall be permitted and relevant authorities should provide favourable support for the orderly movement of the medical personnel.

Regulations on Nurses

The Regulations on Nurses (護士條例), which were promulgated by the State Council on 31 January 2008 and came into effect on 12 May 2008, provide that a nurse must obtain a nurse's practising certificate, which is valid for five years. The number of nurses on staff at a medical institution shall not be less than the standard number as prescribed by the competent public health administrative authorities.

Laws and Regulations on Medical Malpractice

Tort Liability Law of the People's Republic of China

The Tort Liability Law of the People's Republic of China (中華人民共和國侵權責任法), which was promulgated by the Standing Committee of the NPC on 26 December 2009 and came into effect on 1 July 2010, provides that, if a medical institution or its medical personnel are at fault for damage inflicted on a patient during the course of diagnosis and treatment, the medical institution will be liable for compensation. The damage caused to the patient by the failure of the medical personnel to fulfil their statutory obligations in the course of diagnosis and treatment will be paid by the medical institution. Medical institutions and their medical personnel will protect the privacy of their patients and will be liable for damage caused by divulging the patients' private or medical records without consent.

Regulations on Handling Medical Malpractice

The Regulations on Handling Medical Malpractice (醫療事故處理條例), which were promulgated by the State Council on 4 April 2002 and came into effect on 1 September 2002, provide a legal framework and detailed provisions regarding the prevention, identification, disposition, compensation and penalties of or relating to cases involving personal injury to patients caused by medical institutions or medical personnel due to malpractice.

Regulations on Environmental Protection related to Medical Institutions

Administrative Measures on Urban Drainage Licence

The Administrative Measures on Licensing of Urban Drainage (城市排水許可管理辦法), which were promulgated by the Ministry of Construction (which was subsequently reorganised to the Ministry of Housing and Urban-Rural Development) on 25 December 2006 and came into effect on 1 March 2007, provide that enterprises discharging sewage into the urban drainage network and its ancillary facilities must apply for and obtain a Licence for Urban Drainage (城市排水許可證).

Regulations on the Management of Medical Waste and its implementation measures

The Regulations on the Management of Medical Waste (醫療廢物管理條例), which were promulgated by the State Council on 16 June 2003 and came into effect on the same day, and the Implementation Measures of the Management of Medical Waste (醫療衛生機構醫療廢物管理辦法), which were promulgated by the NHFPC on 15 October 2003 and came into effect on the same day, stipulate that medical institutions must deliver medical waste to a specially designated location for centralised disposal of medical waste and categorise the medical waste in accordance with the Classified Catalogue of Medical Waste in a timely manner. High-risk waste such as the culture medium or specimens of pathogens and the preserving liquid of bacteria strains or virus strains must be sterilised on the spot before disposal. Sewage generated by any medical institution and excretion of its patients or patients suspected of infectious diseases must be sterilised in accordance with the relevant laws, rules and regulations, and must not be discharged into sewage until the relevant standards are met.

Regulations on Urban Drainage and Sewage Treatment

The Regulations on Urban Drainage and Sewage Treatment (城鎮排水與污水處理條例), which were promulgated by the State Council on 2 October 2013 and came into effect on 1 January 2014, require urban entities and individuals to dispose sewage through urban drainage facilities covering their geographical area in accordance with relevant rules. Companies or other entities engaging in medical activities shall apply for a Sewage Disposal Drainage Licence (污水排入排水管網許可證) before disposing sewage into urban drainage facilities. Sewage-disposing entities and individuals shall pay sewage treatment fee in accordance with relevant rules.

Laws and Regulations on Pharmaceutical Distribution

Regulations on Prescription Pharmaceuticals and Non-prescription Pharmaceuticals

The Measures for the Classification and Administration of Prescription Pharmaceuticals and Non-prescription Pharmaceuticals (for Trial Implementation) (處方藥與非處方藥分類管理辦法(試行)), which were promulgated by the CFDA on 18 June 1999 and came into effect on 1 January 2000, set forth the basic system for the classification and administration of prescription pharmaceuticals and non-prescription pharmaceuticals. Enterprises engaging in the wholesale distribution of prescription and non-prescription pharmaceuticals should obtain a Pharmaceutical Distribution Certificate.

The Interim Measures on the Distribution of Prescription Pharmaceuticals and Non-prescription Pharmaceuticals (處方藥與非處方藥流通管理暫行規定), which were promulgated by the CFDA on 28 December 1999 and came into effect on 1 January 2000, set forth further rules for the administration of the distribution of prescription and non-prescription pharmaceuticals.

Regulations on Drug Pricing Reform

Notice on Issuing the Opinions on Promoting Drug Pricing Reform (關於印發推進藥品價格改革意見的通知), which were promulgated by the NDRC, NHFPC, CFDA, Ministry of Commerce People's Republic of China (the "**MOFCOM**") and other three departments on 4 May 2015, and came into effect on the same day, set forth that from 1 June 2015, except for narcotic drugs and Class I psychotropic drugs, the restrictions on the prices of the drugs that were subject to government pricing will be cancelled. Specifically, the prices of narcotic drugs and Class I psychotropic drugs are still subject to maximum factory prices and maximum retail prices set by the NDRC for the time being. The medical insurance regulatory authority shall, along with other competent departments, draw up provisions in relation to the standards, procedures, basis and methods of the payment of drugs paid by medical insurance funds. With regard to patent drugs and exclusively produced drugs, the prices thereof are set through transparent and public negotiation among multiple parties. The prices for blood products not listed in the Medical Insurance Drugs List, immunity and prevention drugs that are purchased by the state in a centralised manner, and AIDS antiviral drugs and contraceptives provided by the state for free, shall be set through tendering purchase or negotiation. Except as otherwise mentioned as above, the prices for other drugs may be determined by the manufacturers and the operators on their own on the basis of production or operation costs and market supply and demand.

LAWS AND REGULATIONS RELATED TO FOREIGN INVESTMENT IN CHINA

The Industry Catalogue for Guiding Foreign Investment and Interim Provisions Guiding Foreign Investment Direction

The current Industry Catalogue for Guiding Foreign Investment (外商投資產業指導目錄) (the "**Foreign Investment Catalogue**") was jointly promulgated by the NDRC and MOFCOM on 10 March 2015 and came into effect on 10 April 2015, and the Provisions Guiding Foreign Investment Direction (指導外商投資方向規定), which were promulgated by the State Council on 11 February 2002 and came into effect on 1 April 2002, classify all foreign investment projects into four categories: (i) encouraged projects, (ii) permitted projects, (iii) restricted projects, and (iv) prohibited projects. If the industry in which the investment is to occur falls into the encouraged category, foreign investment, in certain cases, may enjoy preferential policies or benefits. If the industry is categorised as restricted, foreign investment may be conducted in accordance with applicable legal and regulatory restrictions. If industry is categorised as prohibited, foreign investment of any kind is not allowed. According to the current Foreign Investment Catalogue, medical institutions have been moved from the permitted industry category to the restricted, and foreign investment in medical institutions must be in the form of Sino-foreign equity joint ventures or cooperative joint ventures. This restriction effectively means that any medical institutions established or acquired on or after 10 April 2015, cannot be wholly foreign owned. Although the Interim Administrative Measures on Sino-Foreign Equity Medical Institutions and Sino-Foreign Cooperative Medical Institutions (中外合資、合作醫療機構管理暫行辦法) provide that the equity percentage of the foreign partner in a Sino-foreign joint venture shall not exceed 70%, the Foreign Investment Catalogue does not stipulate any such limit on the permitted shareholding of foreign investors.

The Mainland and Hong Kong Closer Economic Partner Arrangement and its adoption into PRC domestic law

During the first half of 2015, the Group obtained three CEPA licences (as defined below) which are held by its entities incorporated in Hong Kong. The Group also underwent a reorganisation such that the one of the entities holding the CEPA licence is wholly-owned by UMP Phoenix JV and the application for the clinic licences in Beijing will be carried out through this CEPA arrangement.

The Mainland and Hong Kong Closer Economic Partner Arrangement (內地與香港關於建立更緊密經貿關係的安排) and its six Annexes (collectively, "**CEPA**") were entered into between the governments of Hong Kong and the PRC on 29 June 2003 and 29 September 2003, respectively. CEPA aims to promote the joint economic prosperity and development of the PRC and Hong Kong and to facilitate the further development of economic links between the PRC, Hong Kong and other countries and regions. Among other things, CEPA encourages trade in services between the PRC and Hong Kong though the progressive reduction or elimination of restrictive measures against services and service suppliers.

Relevant CEPA provisions relating to the medical services industry have been adopted into PRC domestic law by (i) the Notice regarding the 'Interim Administrative Measures on the Establishment in the PRC of Wholly Foreign Owned Hospitals by Hong Kong and Macao Service Providers' (衛生部、商務部關於印發《香港和澳門服務提供者在內地設立獨資醫院管理暫行辦法》的通知), which was jointly published by the Ministry of Health and MOFCOM on 22 December 2010 and came into effect on 1 January 2011; (ii) the Notice on Certain Questions regarding the Establishment in the PRC of Medical Institutions by Hong Kong and Macao Service Providers (衛生部、商務部關於香港和澳門服務提供者在內地設立醫療機構有關問題的通知), which was jointly published by the Ministry of Health and MOFCOM on 22 October 2012 and came into effect on 1 January 2013; and (iii) the Notice of the Adjustment to the Approval Authority for the Establishment in the PRC of Medical Institutions by Hong Kong and Macao Service Providers (國家衛生和計劃生育委員會關於調整港澳台服務提供者在內地設置獨資醫院審批權限的通知), which was published by the National Health and Family Planning Commission on and with effect from 12 December 2013.

In accordance with CEPA and based on the abovementioned PRC domestic regulations, subject to the approval of the PRC health administration department at the provincial level, properly qualified and licensed Hong Kong service suppliers are permitted to establish wholly-owned medical institutions in the PRC. The effect of CEPA and the domestic regulations is therefore to lift the restrictions otherwise imposed on foreign investment in the medical industry under the Foreign Investment Catalogue and the Interim Administrative Measures on Sino-Foreign Equity Medical Institutions and Sino-Foreign Cooperative Medical Institutions.

Interim Administrative Measures on Sino-Foreign Equity Medical Institutions and Sino-Foreign Cooperative Medical Institutions

The Interim Administrative Measures on Sino-Foreign Equity Medical Institutions and Sino-Foreign Cooperative Medical Institutions (中外合資、合作醫療機構管理暫行辦法), which were promulgated by the MOFCOM on 15 May 2000 and came into effect on 1 July 2000, allow foreign investors to partner with Chinese medical entities to establish a medical institution in China by means of equity joint venture or cooperative joint venture. Establishment of equity joint ventures or cooperative joint ventures must meet certain requirements, including that the total investment sum is not less than RMB20 million, and that the equity percentage of the Chinese partner in the joint venture must not be less than 30%. Establishment of equity joint venture or cooperative joint venture is subject to approval by relevant authorities.

Notice on Further Encouraging and Guiding Private Capital to Invest in Medical Institutions

Pursuant to Order No. 58, foreign investors are permitted to establish for-profit or not-for-profit medical institutions in China as foreign-invested projects. Overseas medical institutions, enterprises and other economic organisations are permitted to establish medical facilities together with domestic medical institutions, enterprises or other economic organisations in the form of equity or cooperative joint ventures, and the restrictions on equity proportion for foreign capital will be gradually removed. A pilot programme will be introduced and gradually expanded to permit eligible foreign investors to establish wholly foreign owned medical institutions.

Additional Provisions to the Interim Administrative Measures on Sino-Foreign Equity Medical Institutions and Sino-Foreign Cooperative Medical Institutions

Pursuant to the Additional Provisions to the Interim Administrative Measures on Sino-Foreign Equity Medical Institutions and Sino-Foreign Cooperative Medical Institutions (《中外合資、合作醫療機構管理暫行辦法》的補充規定), which were jointly promulgated by the MOFCOM and the NHFPC on 30 December 2007 and came into effect on 1 January 2008, beside for the provision of the Interim Administrative Measures on Sino-Foreign Equity Medical Institutions and Sino-Foreign Cooperative Medical Institutions (中外合資、合作醫療機構管理暫行辦法), the total investment by a Hong Kong or Macau service provider in establishing equity or cooperative medical institutions in China shall not be less than RMB10 million. Hong Kong and Macau service providers shall comply with the Closer Economic Partnership Arrangement between Mainland China and Hong Kong (內地與香港關於建立更緊密經貿關係的安排) and Arrangement regarding Establishing Closer Economic Partnership between Mainland China and Macau (內地與澳門關於建立更緊密的經貿關係的安排), respectively.

Additional Provisions (Second) to the Interim Administrative Measures on Sino-Foreign Equity Medical Institutions and Sino-Foreign Cooperative Medical Institutions

The Additional Provisions (Second) to the Interim Administrative Measures on Sino-Foreign Equity Medical Institutions and Sino-Foreign Cooperative Medical Institutions (《中外合資、合作醫療機構管理暫行辦法》的補充規定二), which were jointly promulgated by the MOFCOM and the NHFPC on 7 December 2008 and came into effect on 1 January 2009, allow Hong Kong and Macau service providers to establish wholly-owned clinics within Guangdong province without limitation of total investment. Hong Kong and Macau service providers may partner with Chinese medical entities to establish a clinic in Guangdong Province by means of equity joint venture or cooperative joint venture without limitation on total investment or equity percentage, the establishment of the clinic shall obtain the approval of the department of commerce of Guangdong province.

LAWS AND REGULATIONS RELATED TO TAXATION IN CHINA

Enterprise Income Tax

According to the Enterprise Income Tax Law (中華人民共和國企業所得稅法) (the "**EIT Law**"), which was promulgated by the National People's Congress on 16 March, 2007 and came into effect on 1 January 2008, and the Implementation Regulations on the EIT Law (企業所得稅法實施條例), which were promulgated by the State Council on 6 December 2007 and came into effect on 1 January 2008, a uniform income tax rate of 25% will be applied to domestic enterprises, foreign-invested enterprises and foreign enterprises that have established production and operation facilities in China. These enterprises are classified as either resident enterprises or non-resident enterprises. Resident enterprises refer to enterprises that are established in accordance with PRC laws, or that are established in accordance with the laws of foreign countries but whose actual or de facto control is administered from within the PRC. Non-resident enterprises refer to enterprises that are set up in accordance with the laws of foreign countries and whose actual administration is conducted outside the PRC, but who (whether or not through the establishment of institutions in the PRC) derive income from the PRC. Under the EIT Law and relevant implementing regulations, a uniform corporate income tax rate of 25% is applicable. However, if non-resident enterprises have not established institutions in the PRC, or if they have established institutions in the PRC but there is no actual relationship between the relevant income derived in the PRC and the institutions set up by them, enterprise income tax is set at the rate of 10%.

Withholding Tax and International Tax Treaties

According to the Treaty on the Avoidance of Double Taxation and Tax Evasion between Mainland and Hong Kong (內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排) (the "**Tax Treaty**"), if the non-PRC parent company of a PRC enterprise is a Hong Kong resident which beneficially owns a 25% or more interest in the PRC enterprise, the 10% withholding tax rate applicable under the EIT Law may be lowered to 5% for dividends and 7% for interest payments once approvals have been obtained from the relevant tax authorities. The determination of beneficial ownership is clarified under the Notice on Understanding and Determining Beneficial Owners (國家稅務總局關於如何理解和認定稅收協定中「受益所有人」的通知) issued by the State Administration of taxation (the "**SAT**") on 27 October 2009, which expressly excludes from the definition of a beneficial owner any company not engaged in actual operations such as manufacturing, sales or management but that is established for the purpose of avoiding or reducing tax obligations or transferring or accumulating profits.

Pursuant to the Notice on the Several Issues of the Implementation of Tax Treaty (國家稅務總局關於執行稅收協定股息條款有關問題的通知), which was promulgated by the SAT and came into effect on 20 February 2009, the non-resident taxpayer or the withholding agent is required to obtain and keep sufficient documentary evidence proving that the recipient of the dividends meets the relevant requirements for enjoying a lower withholding tax rate under a tax treaty if the main purpose of an offshore transaction or arrangement is to obtain a preferential tax treatment.

Pursuant to the Trial Administrative Measures on Non-residents to Enjoy the Treatment Under Tax Treaties (非居民享受稅收協定議待遇管理辦法(試行)的通知), which were promulgated by the SAT on 24 August 2009 and came into effect on 1 October 2009, and the Supplemental Notice on Several Issues of the Trail Administrative Measures on Non-residents to Enjoy the Treatment Under Tax Treaties (關於「非居民享受稅收協定待遇管理辦法(試行)」有關問題的補充通知), which was promulgated by on 21 June 2010, a non-resident enterprise subject to taxation is required to obtain approval from the relevant tax administration department before it may enjoy a tax reduction or exemption under the dividend provision of a tax treaty.

Business Tax

The Temporary Regulations on Business Tax (營業稅暫行條例), which were promulgated by the State Council on 13 December 1993, became effective on 1 January 1994, and amended on 10 November 2008 and came into effect on 1 January 2009, provide that entities and individuals must pay business tax if they are engaged in the provision of services with respect to the industries of transportation, construction, finance and insurance, post and telecommunication, culture and sports, entertainments and service prescribed in Temporary Regulations on Business Tax, or transfer of intangible assets or sale of real estate within China's territory. Healthcare services provided by hospitals, clinics and other medical institutions are exempt from business tax.

Value-added Tax

The Temporary Regulations on Value-added Tax (增值稅暫行條例), which were promulgated by the State Council on 13 December 1993, came into effect on 1 January 1994, and amended on 10 November 2008, and the Detailed Implementing Rules of the Temporary Regulations on Value-added Tax (增值稅暫行條例實施細則), which were promulgated by the MOF and became effective on 25 December 1993, and were amended on 15 December 2008 and 28 October 2011, set out that all taxpayers selling goods or providing processing, repairing or replacement services and importing goods in China shall pay a value-added tax. A tax rate of 17% shall be levied on general taxpayers selling or importing various goods and on taxpayers providing processing, repairing or replacement service; the applicable rate for the export of goods by taxpayers shall be nil, unless otherwise stipulated.

Furthermore, according to the Trial Scheme for the Conversion of Business Tax to Value-added Tax (營業稅改徵增值稅試點方案), which were promulgated by the MOF and the SAT, the government launched gradual taxation reforms starting from 1 January 2012, whereby it collected value-added tax in lieu of business tax on a trial basis in regions and industries showing strong economic performance, such as transportation and certain modern service industries.

The Notice on Relevant Tax Policies on Medical and Health Institutions (關於醫療衛生機構有關稅收政策的通知), which was promulgated by the MOF and the State Administration of Tax on 10 July 2000 and came into effect on the same date, provides that incomes of for-profit medical institutions are taxable in accordance with relevant rules. Nevertheless, for-profit medical institutions are granted a three-year tax holiday commencing from the issuance of practice licence if the profit is directly used for improving medical and health conditions, during which (1) self-produced preparations for self-use by for-profit medical institutions are exempted from value-added tax and (2) properties, land and vehicles for self-use by for-profit medical institutions are exempted for property tax, urban land use tax and vehicle use tax. Pharmaceutical retail enterprises spun-off from drug stores of for-profit medical institutions shall be subject to applicable taxations.

LAWS AND REGULATIONS RELATING TO THE GROUP'S BUSINESS AND OPERATIONS IN MACAU

Regulation of Medical Practitioners and Clinics

The Private Medical Healthcare Activity Regulation (Decree-Law no. 84/90/M, dated 31 December) determines that the provision of healthcare services by doctors, Chinese medicine doctors, dentists, odontologists, nurses, therapists, masseuses, acupuncturists and Masters of traditional Chinese medicine exercising their professions individually ("**Individual Private Medical Practitioners**") and any entities, individual or collective, who own hospitals, clinics or polyclinics, health centres or houses, maternities, nursing centres, radiology or clinical analysis laboratories, diagnostics centres, treatment centres and rehabilitation centres ("**Private Medical Centres**") are part of the Macau medical system and develop their activity, considered of high social responsibility, in service of public health.

Individual Private Medical Practitioners and Private Medical Centres can only exercise their respective professions and/or activities after due licensing, which serves the purpose of verifying the legal requirements for the exercise of such professions and/or activity.

Individual Private Medical Practitioners and Private Medical Centres must comply, *inter alia*, with the following professional duties:

- keep absolute respect for human life and the dignity and integrity of patients to whom they render services;

- practise their activity with diligence and competency and continuously perfect their scientific and technical knowledge;

- assist people without discrimination, regardless of race, faith or social status;

- not disseminate, by advice or acts, practices contrary to the law or common decency, namely in what regards the use of abortive products, narcotic drugs or psychotropic substances;

- keep professional secrecy regarding the facts made known to them in light of the exercise of their profession, namely regarding their clients' medical condition or circumstances related thereto, without prejudice of taking adequate measures for the defence of the life and health of the clients' family members and other people who may come in contact with them and when such facts must be revealed to public authorities by reason of law or if it becomes necessary to safeguard best interests; and

- comply with the laws and determinations of sanitary authorities and respect the deontological principles of the respective profession.

Non-compliance with the professional duties prescribed under the Private Medical Healthcare Activity Regulation is sanctioned with fines between MOP1,000 to MOP6,000 and, if the infraction constitutes a crime against public health or the illicit commerce of narcotic drugs or psychotropic substances, without prejudice of criminal prosecution, the fine is accompanied by the suspension of the licence for 30 to 90 days and, in case of recidivism, its cancellation. Administrators, managers and directors of Private Medical Centres are jointly liable for the payment of the fines and for the damages caused by the infractions, except when they have previously and expressly disapproved of the actions or omissions that gave rise to the infractions.

Individual Private Medical Practitioners

All practising Individual Private Medical Practitioners in Macau are required to be registered with the Department of Health of the Macau government ("**MDH**") and shall not practise their respective professions in Macau without a valid licence issued by the MDH.

To register with the MDH, an Individual Private Medical Practitioner must:

- possess adequate medical capacity (e.g. for doctors, a university medical degree or similar diploma recognised by law and complementary professionalisation training, for general practitioners, with additional specialised complementary training, for specialist practitioners; for dentists, a university degree in dental medicine; for Chinese medicine doctors, a university degree in Chinese medicine; for odontologists, nurses, therapists, masseuses and acupuncturists, a course that confers a diploma for practising the respective profession; for Masters of traditional Chinese medicine, adequate training for the practice of the profession, recognised by a specialised commission of the MDH);

- not have an incompatibility for the exercise of their profession (e.g. they do not exercise any other activity susceptible of going against the respective deontological principles, namely relating to pharmaceuticals);

- have legal residency in Macau;

- not have been convicted or any intentional crime against public health or any crime related to the commerce or illicit distribution of narcotic drugs or psychotropic substances; and

- possess the facilities and equipment adequate for the exercise of their profession.

Registered Individual Private Medical Practitioners are registered with the MDH in a profession-specific register which contains the name and professional activity of the Individual Private Medical Practitioner, the registration number and the date of the respective authorisation, as well as the dispatch that confers the licence, its renovations, suspensions and cancellations, limitations imposed on the practice of the profession, if any, and any amendments to the initial registration.

Once registration occurs, the Individual Private Medical Practitioner will be notified to request the inspection of the facilities and equipment he/she proposes to affect to the exercise of his/her activity and to provide a blueprint of the facilities and descriptive documents of the facilities and equipment. Inspection should occur within the 15 days subsequent to the receipt of the respective request.

The licence for an Individual Private Medical Practitioner, which must be affixed in the premises where the profession is practised in a location where it is visible to the public, is valid for a period of one year and may be renewed for equal periods, by request of the Individual Private Medical Practitioners. The licence lapses sixty days after the date of its expiry. Licences for Individual Private Medical Practitioners are non-transferable.

Individual Private Medical Practitioners that practise their professions before the concession of the respective licence are subject to fines ranging from MOP4,000 to MOP8,000. If the Individual Private Medical Practitioners do not possess the legally required qualifications for practising their profession, the fine with be MOP8,000. Accumulating the practising of the profession with incompatible activity is punishable with a fine ranging from MOP4,000 to MOP10,000 and, in case of recidivism, with the suspension of the licence for a period of 30 to 120 days.

Private Medical Centres

Under the Private Medical Healthcare Activity Regulation, the licensing of Private Medical Centres may be requested by individuals registered for the provision of healthcare services which constitute the principal activity of the Private Medical Centre and by non-profit organisations or corporate entities which scope of business is, exclusively or predominantly, the provision of healthcare services.

The authorisation for the opening and functioning of Private Medical Centres is subject to the fulfilment of the following general requirements:

- the applicant must be a resident of Macau or, if it is a collective entity, its head office must be in Macau and it must be duly incorporated and registered;
- the individuals that will perform the functions of technical directors and those who will provide healthcare services or exercise technical functions auxiliary to such services must be duly registered with the MDH;
- the premises and equipment affected to the Private Medical Centre must have the adequate conditions for the activity that will be performed therein, according to the rules established by the MDH and the provisions in force regarding safety, hygiene and healthiness of industrial establishments.

The request for licensing of Private Medical Centres is presented by the respective applicant to the director of the MDH and, if the licensing requirements are fulfiled, the applicant will be authorised to proceed with the set-up of the Private Medical Centre. Within the deadline allowed for such set-up and before it ends (six months or longer, if the applicant requests and extension due to delay in the set-up), the applicant must request an inspection to the premises, which should occur within the 15 days subsequent to the receipt of the respective request.

The dispatch of the director of the MDH which confers the licensing permit will be published in the Official Gazette and must contain the name or trade name and residency or registered address of the licensee, the name of the Private Medical Centre, the location where it operates, as well as the activity it was conferred for and its number.

The licence for Private Medical Centres, which must be affixed in the premises where the profession is practised in a location where it is visible to the public, is valid for a period of one year and may be renewed for equal periods, by request of the respective applicant. The licence lapses 60 days after the date of its expiry. Licences for Private Medical Centres are transferable *inter vivos* to non-profit organisations or corporate entities which scope of business is, exclusively or predominantly, the provision of healthcare services and *mortis causa* in accordance to the law regulating successions.

The MDH will register licences for Private Medical Centres and each registration will contain the name or trade name and residency or registered address of the licensee, the name of the Private Medical Centre and the location where it operates, the name of the technical director, when applicable, and the licence number.

Private Medical Centres that open before the concession of the respective licence are subject to fines ranging from MOP5,000 to MOP12,000. If the opening occurs before licensing is requested or after it is denied, the fine with be between MOP9,000 and MOP12,000. Administrators, managers and directors of Private Medical Centres are jointly liable for the payment of the fines and for the damages caused by the infractions, except when they have previously and expressly disapproved of the actions or omissions that gave rise to the infractions.

Regulation on Advertisements in Macau

Advertising of Individual Private Medical Practitioners and Private Medical Centres is regulated under article 26 of the Private Medical Healthcare Activity Regulation and the Advertisement Activity Law (Law no. 7/89/M, dated 7 September).

All stationery used by Individual Private Medical Practitioners and Private Medical Centres licensed under the Private Medical Healthcare Activity Regulation must contain, in Portuguese and Chinese, in addition to the adopted name or trade name, the indication of the profession or activity practised as it is specified In the respective licence or permit. Any advertisement regarding the activity and signage used in or outside Private Medical Centres can only contain the name of the practitioner or Private Medical Centre, the indication of the profession or activity developed, as it is specified in the respective licence or permit, the operating hours and the indication of the academic degree the holder of the licence or permit has. All laudatory advertising is forbidden, even if it is dissimulated.

In addition, advertising relating to medication, pharmaceutical products, prosthesis, medical or paramedical treatments and objects or methods presented as having beneficial effects for one's health must be previously authorised by the MDH.

Non-compliance with the provisions on advertising under article 26 of the Private Medical Healthcare Activity Regulation may lead to the application of fines ranging from MOP1,000 to MOP10,000. Administrators, managers and directors of Private Medical Centres are jointly liable for the payment of the fines and for the damages caused by the infractions, except when they have previously and expressly disapproved of the actions or omissions that gave rise to the infractions.

Non-compliance with the provisions of the Advertisement Activity Law, without prejudice of civil or criminal liability that may arise therefrom, may lead to the application of a fine ranging from MOP4,000 to MOP12,000, which doubles in amount in case of recidivism. The advertiser, the owner or holder of the advertising medium and the advertising agent are jointly liable for the payment of the fines.

This Appendix contains a summary of the Memorandum and Articles of Association of the Company. As the information set out below is in summary form, it does not contain all of the information that may be important to potential investors.

Set out below is a summary of certain provisions of the Memorandum and Articles of Association of the Company and of certain aspects of Cayman company law.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 5 November 2014 under the Cayman Companies Law. The Memorandum of Association (the "**Memorandum**") and the Articles of Association comprise its constitution.

1. MEMORANDUM OF ASSOCIATION

(a) The Memorandum states, inter alia, that the liability of members of the Company is limited to the amount, if any, for the time being unpaid on the Shares respectively held by them and that the objects for which the Company is established are unrestricted (including acting as an investment company), and that the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided in section 27(2) of the Cayman Companies Law and in view of the fact that the Company is an exempted company that the Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands.

(b) The Company may by special resolution alter its Memorandum with respect to any objects, powers or other matters specified therein.

2. ARTICLES OF ASSOCIATION

The Articles were adopted on 13 November 2015 conditional upon Listing. The following is a summary of certain provisions of the Articles:

(a) Directors

(i) Power to allot and issue shares and warrants

Subject to the provisions of the Cayman Companies Law and the Memorandum and Articles and to any special rights conferred on the holders of any shares or class of shares, any share may be issued with or have attached thereto such rights, or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Company may by ordinary resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the board may determine). Subject to the Cayman Companies Law, the rules of any Designated Stock Exchange (as defined in the Articles) and the Memorandum and Articles, any share may be issued on terms that, at the option of the Company or the holder thereof, they are liable to be redeemed.

The board may issue warrants conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may from time to time determine.

Subject to the provisions of the Cayman Companies Law and the Articles and, where applicable, the rules of any Designated Stock Exchange (as defined in the Articles) and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in the Company shall be at the disposal of the board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount.

Neither the Company nor the board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever.

(ii) Power to dispose of the assets of the Company or any subsidiary

There are no specific provisions in the Articles relating to the disposal of the assets of the Company or any of its subsidiaries. The Directors may, however, exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the Articles or the Cayman Companies Law to be exercised or done by the Company in general meeting.

(iii) Compensation or payments for loss of office

Pursuant to the Articles, payments to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must be approved by the Company in general meeting.

(iv) Loans and provision of security for loans to Directors

There are provisions in the Articles prohibiting the making of loans to Directors.

(v) Financial assistance to purchase shares of the Company or its subsidiaries

Subject to compliance with the rules and regulations of the Designated Stock Exchange (as defined in the Articles) and any other relevant regulatory authority, the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company. There is no provision in the Articles that prohibits the Company from giving financial assistance for the purchase shares of its subsidiaries.

(vi) Disclosure of interests in contracts with the Company or any of its subsidiaries

A Director may hold any other office or place of profit with the Company (except that of the auditor of the Company) in conjunction with his office of Director for such period and, subject to the Articles, upon such terms as the board may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) in addition to any remuneration provided for by or pursuant to any other Articles. A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration, profits or other benefits received by him as a director, officer or member of, or from his interest in, such other company. Subject as otherwise provided by the Articles, the board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

Subject to the Cayman Companies Law and the Articles, no Director or proposed or intended Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or the fiduciary relationship thereby established. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case, at the first meeting of the board after he knows that he is or has become so interested.

A Director shall not vote (nor be counted in the quorum) on any resolution of the board approving any contract or arrangement or other proposal in which he or any of his close associates (as defined in the Articles) is materially interested, but this prohibition shall not apply to any of the following matters, namely:

(aa) any contract or arrangement for giving to such Director or his close associate(s) any security or indemnity in respect of money lent by him or any of his close associates or obligations incurred or undertaken by him or any of his close associates at the request of or for the benefit of the Company or any of its subsidiaries;

(bb) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;

(cc) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub underwriting of the offer;

(dd) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company; or

(ee) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death, or disability benefits scheme or other arrangement which relates both to Directors, his close associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.

(vii) Remuneration

The ordinary remuneration of the Directors shall from time to time be determined by the Company in general meeting, such sum (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as the board may agree or, failing agreement, equally, except that any Director holding office for part only of the period in respect of which the remuneration is payable shall only rank in such division in proportion to the time during such period for which he held office. The Directors shall also be entitled to be prepaid or repaid all travelling, hotel and incidental expenses reasonably expected to be incurred or incurred by them in attending any board meetings, committee meetings or general meetings or separate meetings of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties as Directors.

Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration as a Director. An executive Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration (whether by way of salary, commission or participation in profits or otherwise or by all or any of those modes) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the board may from time to time decide. Such remuneration may be either in addition to or in lieu of his remuneration as a Director.

The board may establish or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company's monies to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or ex Director who may hold or have held any executive office or any office of profit with the Company or any of its subsidiaries) and ex-employees of the Company and their dependents or any class or classes of such persons.

The board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex employees and their dependents, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex employees or their dependents are or may become entitled under any such scheme or fund as is mentioned in the previous paragraph. Any such pension or benefit may, as the board considers desirable, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

(viii) Retirement, appointment and removal

At each annual general meeting, one third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. The Directors to retire by rotation shall include any Director who wishes to retire and not offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot. There are no provisions relating to retirement of Directors upon reaching any age limit.

The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the board or as an addition to the existing board. Any Director appointed to fill a casual vacancy shall hold office until the first general meeting of members after his appointment and be subject to re-election at such meeting and any Director appointed as an addition to the existing board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Neither a Director nor an alternate Director is required to hold any shares in the Company by way of qualification.

A Director may be removed by an ordinary resolution of the Company before the expiration of his period of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and the members may by ordinary resolution appoint another in his place at the meeting at which such Director is removed. Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two. There is no maximum number of Directors.

The office of director shall be vacated:

(aa) if he resigns his office by notice in writing delivered to the Company at the registered office of the Company for the time being or tendered at a meeting of the Board;

(bb) if he becomes of unsound mind or dies;

(cc) if, without special leave, he is absent from meetings of the board (unless an alternate director appointed by him attends) for six (6) consecutive months, and the board resolves that his office is vacated;

(dd) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;

(ee) if he is prohibited from being a director by law; or

(ff) if he ceases to be a director by virtue of any provision of law or is removed from office pursuant to the Articles.

The board may from time to time appoint one or more of its body to be managing director, joint managing director, or deputy managing director or to hold any other employment or executive office with the Company for such period and upon such terms as the board may determine and the board may revoke or terminate any of such appointments. The board may delegate any of its powers, authorities and discretions to committees consisting of such Director or Directors and other persons as the board thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may from time to time be imposed upon it by the board.

(ix) Borrowing powers

The board may exercise all the powers of the Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the Cayman Companies Law, to issue debentures, bonds and other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. These provisions, in common with the Articles in general, can be varied with the sanction of a special resolution of the Company.

(x) Proceedings of the Board

The board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it considers appropriate. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have an additional or casting vote.

(xi) Register of Directors and Officers

The Cayman Companies Law and the Articles provide that the Company is required to maintain at its registered office a register of directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar of Companies in the Cayman Islands and any change must be notified to the Registrar within thirty (30) days of any change in such directors or officers.

(b) Alterations to constitutional documents

The Articles may be rescinded, altered or amended by the Company in general meeting by special resolution. The Articles state that a special resolution shall be required to alter the provisions of the Memorandum, to amend the Articles or to change the name of the Company.

(c) Alteration of capital

The Company may from time to time by ordinary resolution in accordance with the relevant provisions of the Cayman Companies Law:

(i) increase its capital by such sum, to be divided into shares of such amounts as the resolution shall prescribe;

(ii) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;

(iii) divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares attach thereto respectively any preferential, deferred, qualified or special rights, privileges, conditions or restrictions as the Company in general meeting or as the directors may determine;

(iv) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum, subject nevertheless to the provisions of the Cayman Companies Law, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights, over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares; or

(v) cancel any shares which, at the date of passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its capital by the amount of the shares so cancelled.

The Company may subject to the provisions of the Cayman Companies Law reduce its share capital or any capital redemption reserve or other undistributable reserve in any way by special resolution.

(d) Variation of rights of existing shares or classes of shares

Subject to the Cayman Companies Law, all or any of the special rights attached to the shares or any class of shares may (unless otherwise provided for by the terms of issue of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of the Articles relating to general meetings will *mutatis mutandis* apply, but so that the necessary quorum (other than at an adjourned meeting) shall be two persons holding or representing by proxy not less than one third in nominal value of the issued shares of that class and at any adjourned meeting two holders present in person or by proxy (whatever the number of shares held by them) shall be a quorum. Every holder of shares of the class shall be entitled to one vote for every such share held by him.

The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

(e) Special resolution majority required

Pursuant to the Articles, a special resolution of the Company must be passed by a majority of not less than three fourths of the votes cast by such members as, being entitled so to do, vote in person or, in the case of such members as are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with the Articles (see paragraph 2 (i) below for further details).

A copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within fifteen (15) days of being passed.

An ordinary resolution is defined in the Articles to mean a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting held in accordance with the Articles.

(f) Voting rights

Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with the Articles, at any general meeting on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. A member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every member present in person (or being a corporation, is present by a duly authorised representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands.

If a recognised clearing house (or its nominee(s)) is a member of the Company it may authorise such person or persons as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by that clearing house (or its nominee(s)) including, where a show of hands is allowed, the right to vote individually on a show of hands.

Where the Company has any knowledge that any shareholder is, under the rules of the Designated Stock Exchange (as defined in the Articles), required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

(g) Requirements for annual general meetings

An annual general meeting of the Company must be held in each year, other than the year of adoption of the Articles (within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting or a period of not more than eighteen (18) months from the date of adoption of the Articles, unless a longer period would not infringe the rules of any Designated Stock Exchange (as defined in the Articles)) at such time and place as may be determined by the board.

(h) Accounts and audit

The board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the Cayman Companies Law or necessary to give a true and fair view of the Company's affairs and to explain its transactions.

The accounting records shall be kept at the registered office or at such other place or places as the board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right to inspect any accounting record or book or document of the Company except as conferred by law or authorised by the board or the Company in general meeting. However, an exempted company shall make available at its registered office in electronic form or any other medium, copies of its books of account or parts thereof as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law (2009 Revision) of the Cayman Islands.

A copy of every balance sheet and profit and loss account (including every document required by law to be annexed thereto) which is to be laid before the Company at its general meeting, together with a printed copy of the Directors' report and a copy of the auditors' report, shall not less than twenty-one (21) days before the date of the meeting and at the same time as the notice of annual general meeting be sent to every person entitled to receive notices of general meetings of the Company under the provisions of the Articles; however, subject to compliance with all applicable laws, including the rules of the Designated Stock Exchange (as defined in the Articles), the Company may send to such persons summarised financial statements derived from the Company's annual accounts and the directors' report instead provided that any such person may by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company's annual financial statement and the directors' report thereon.

Auditors shall be appointed and the terms and tenure of such appointment and their duties at all times regulated in accordance with the provisions of the Articles. The remuneration of the auditors shall be fixed by the Company in general meeting or in such manner as the members may determine.

The financial statements of the Company shall be audited by the auditor in accordance with generally accepted auditing standards. The auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the auditor shall be submitted to the members in general meeting. The generally accepted auditing standards referred to herein may be those of a country or jurisdiction other than the Cayman Islands. If so, the financial statements and the report of the auditor should disclose this fact and name such country or jurisdiction.

(i) Notices of meetings and business to be conducted thereat

An annual general meeting must be called by notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days. All other general meetings (including an extraordinary general meeting) must be called by notice of at least fourteen (14) clear days and not less than ten (10) clear business days. The notice must specify the time and place of the meeting and, in the case of special business, the general nature of that business. In addition notice of every general meeting shall be given to all members of the Company other than to such members as, under the provisions of the Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, and also to the auditors for the time being of the Company.

Notwithstanding that a meeting of the Company is called by shorter notice than that mentioned above if permitted by the rules of the Designated Stock Exchange, it shall be deemed to have been duly called if it is so agreed:

(i) in the case of a meeting called as an annual general meeting, by all members of the Company entitled to attend and vote thereat; and

(ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together representing not less than ninety-five per cent (95%) of the total voting rights at the meeting of all the members.

All business shall be deemed special that is transacted at an extraordinary general meeting and also all business shall be deemed special that is transacted at an annual general meeting with the exception of the following, which shall be deemed ordinary business:

(aa) the declaration and sanctioning of dividends;

(bb) the consideration and adoption of the accounts and balance sheet and the reports of the directors and the auditors;

(cc) the election of directors in place of those retiring;

(dd) the appointment of auditors and other officers;

(ee) the fixing of the remuneration of the directors and of the auditors;

(ff) the granting of any mandate or authority to the directors to offer, allot, grant options over or otherwise dispose of the unissued shares of the Company representing not more than twenty per cent (20%) in nominal value of its existing issued share capital; and

(gg) the granting of any mandate or authority to the directors to repurchase securities of the Company.

(j) Transfer of shares

All transfers of shares may be effected by an instrument of transfer in the usual or common form or in a form prescribed by the Designated Stock Exchange (as defined in the Articles) or in such other form as the board may approve and which may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the board may approve from time to time. The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the board may dispense with the execution of the instrument of transfer by the transferee in any case in which it thinks fit, in its discretion, to do so and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof. The board may also resolve either generally or in any particular case, upon request by either the transferor or the transferee, to accept mechanically executed transfers.

The board in so far as permitted by any applicable law may, in its absolute discretion, at any time and from time to time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

Unless the board otherwise agrees, no shares on the principal register shall be transferred to any branch register nor may shares on any branch register be transferred to the principal register or any other branch register. All transfers and other documents of title shall be lodged for registration and registered, in the case of shares on a branch register, at the relevant registration office and, in the case of shares on the principal register, at the registered office in the Cayman Islands or such other place at which the principal register is kept in accordance with the Cayman Companies Law.

The board may, in its absolute discretion, and without assigning any reason, refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also refuse to register any transfer of any share to more than four joint holders or any transfer of any share (not being a fully paid up share) on which the Company has a lien.

The board may decline to recognise any instrument of transfer unless a fee of such maximum sum as any Designated Stock Exchange (as defined in the Articles) may determine to be payable or such lesser sum as the Directors may from time to time require is paid to the Company in respect thereof, the instrument of transfer, if applicable, is properly stamped, is in respect of only one class of share and is lodged at the relevant registration office or registered office or such other place at which the principal register is kept accompanied by the relevant share certificate(s) and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The registration of transfers may be suspended and the register closed on giving notice by advertisement in a relevant newspaper and, where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange (as defined in the Articles), at such times and for such periods as the board may determine and either generally or in respect of any class of shares. The register of members shall not be closed for periods exceeding in the whole thirty (30) days in any year.

(k) Power for the Company to purchase its own shares

The Company is empowered by the Cayman Companies Law and the Articles to purchase its own Shares subject to certain restrictions and the Board may only exercise this power on behalf of the Company subject to any applicable requirements imposed from time to time by any Designated Stock Exchange (as defined in the Articles).

(l) Power for any subsidiary of the Company to own shares in the Company and financial assistance to purchase shares of the Company

There are no provisions in the Articles relating to ownership of shares in the Company by a subsidiary.

Subject to compliance with the rules and regulations of the Designated Stock Exchange (as defined in the Articles) and any other relevant regulatory authority, the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company.

(m) Dividends and other methods of distribution

Subject to the Cayman Companies Law, the Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the board.

The Articles provide dividends may be declared and paid out of the profits of the Company, realised or unrealised, or from any reserve set aside from profits which the directors determine is no longer needed. Dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Cayman Companies Law and as the Directors deem appropriate.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide, (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid but no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share and (ii) all dividends shall be apportioned and paid *pro rata* according to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. The Directors may deduct from any dividend or other monies payable to any member or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

Whenever the board or the Company in general meeting has resolved that a dividend be paid or declared on the share capital of the Company, the board may further resolve either (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment, or (b) that shareholders entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the board may think fit. The Company may also upon the recommendation of the board by an ordinary resolution resolve in respect of any one particular dividend of the Company that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address, or in the case of joint holders, addressed to the holder whose name stands first in the register of the Company in respect of the shares at his address as appearing in the register or addressed to such person and at such addresses as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

Whenever the board or the Company in general meeting has resolved that a dividend be paid or declared the board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the board and shall revert to the Company.

No dividend or other monies payable by the Company on or in respect of any share shall bear interest against the Company.

(n) Proxies

Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company and shall be entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise if it were an individual member. Votes may be given either personally (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy.

(o) Call on shares and forfeiture of shares

Subject to the Articles and to the terms of allotment, the board may from time to time make such calls upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium). A call may be made payable either in one lump sum or by instalments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding twenty per cent (20%) per annum as the board may agree to accept from the day appointed for the payment thereof to the time of actual payment, but the board may waive payment of such interest wholly or in part. The board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the monies uncalled and unpaid or instalments payable upon any shares held by him, and upon all or any of the monies so advanced the Company may pay interest at such rate (if any) as the board may decide.

If a member fails to pay any call on the day appointed for payment thereof, the board may serve not less than fourteen (14) clear days' notice on him requiring payment of so much of the call as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment and stating that, in the event of non payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect of the shares, together with (if the board shall in its discretion so require) interest thereon from the date of forfeiture until the date of actual payment at such rate not exceeding twenty per cent (20%) per annum as the board determines.

(p) Inspection of register of members

Pursuant to the Articles the register and branch register of members shall be open to inspection for at least two (2) hours during business hours by members without charge, or by any other person upon a maximum payment of HK$2.50 or such lesser sum specified by the board, at the registered office or such other place at which the register is kept in accordance with the Cayman Companies Law or, upon a maximum payment of HK$1.00 or such lesser sum specified by the board, at the Registration Office (as defined in the Articles), unless the register is closed in accordance with the Articles.

(q) Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment of a chairman.

Save as otherwise provided by the Articles the quorum for a general meeting shall be two members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one third in nominal value of the issued shares of that class.

A corporation being a member shall be deemed for the purpose of the Articles to be present in person if represented by its duly authorised representative being the person appointed by resolution of the directors or other governing body of such corporation to act as its representative at the relevant general meeting of the Company or at any relevant general meeting of any class of members of the Company.

(r) Rights of the minorities in relation to fraud or oppression

There are no provisions in the Articles relating to rights of minority shareholders in relation to fraud or oppression. However, certain remedies are available to shareholders of the Company under Cayman law, as summarised in paragraph 3(f) of this Appendix.

(s) Procedures on liquidation

A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares (i) if the Company shall be wound up and the assets available for distribution amongst the members of the Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed *pari passu* amongst such members in proportion to the amount paid up on the shares held by them respectively and (ii) if the Company shall be wound up and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.

If the Company shall be wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Cayman Companies Law divide among the members in specie or kind the whole or any part of the assets of the Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

(t) Untraceable members

Pursuant to the Articles, the Company may sell any of the shares of a member who is untraceable if (i) all cheques or warrants in respect of dividends of the shares in question (being not less than three in total number) for any sum payable in cash to the holder of such shares have remained uncashed for a period of 12 years; (ii) upon the expiry of the 12 year period, the Company has not during that time received any indication of the existence of the member; and (iii) the Company has caused an advertisement to be published in accordance with the rules of the Designated Stock Exchange (as defined in the Articles) giving notice of its intention to sell such shares and a period of three (3) months, or such shorter period as may be permitted by the Designated Stock Exchange (as defined in the Articles), has elapsed since the date of such advertisement and the Designated Stock Exchange (as defined in the Articles) has been notified of such intention. The net proceeds of any such sale shall belong to the Company and upon receipt by the Company of such net proceeds, it shall become indebted to the former member of the Company for an amount equal to such net proceeds.

(u) Subscription rights reserve

The Articles provide that to the extent that it is not prohibited by and is in compliance with the Cayman Companies Law, if warrants to subscribe for shares have been issued by the Company and the Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of a share, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of a share on any exercise of the warrants.

3. CAYMAN ISLANDS COMPANY LAW

The Company is incorporated in the Cayman Islands subject to the Cayman Companies Law and, therefore, operates subject to Cayman law. Set out below is a summary of certain provisions of Cayman company law, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of Cayman company law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar:

(a) Operations

As an exempted company, the Company's operations must be conducted mainly outside the Cayman Islands. The Company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorised share capital.

(b) Share capital

The Cayman Companies Law provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premiums on those shares shall be transferred to an account, to be called the "share premium account". At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The Cayman Companies Law provides that the share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association in (a) paying distributions or dividends to members; (b) paying up unissued shares of the company to be issued to members as fully paid bonus shares; (c) the redemption and repurchase of shares (subject to the provisions of section 37 of the Cayman Companies Law); (d) writing-off the preliminary expenses of the company; and (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course business.

The Cayman Companies Law provides that, subject to confirmation by the Grand Court of the Cayman Islands (the "**Court**"), a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, by special resolution reduce its share capital in any way.

The Articles includes certain protections for holders of special classes of shares, requiring their consent to be obtained before their rights may be varied. The consent of the specified proportions of the holders of the issued shares of that class or the sanction of a resolution passed at a separate meeting of the holders of those shares is required.

(c) Financial assistance to purchase shares of a company or its holding company

Subject to all applicable laws, the Company may give financial assistance to Directors and employees of the Company, its subsidiaries, its holding company or any subsidiary of such holding company in order that they may buy Shares in the Company or shares in any subsidiary or holding company. Further, subject to all applicable laws, the Company may give financial assistance to a trustee for the acquisition of Shares in the Company or shares in any such subsidiary or holding company to be held for the benefit of employees of the Company, its subsidiaries, any holding company of the Company or any subsidiary of any such holding company (including salaried Directors).

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company to another person for the purchase of, or subscription for, its own or its holding company's shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and acting in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm's length basis.

(d) Purchase of shares and warrants by a company and its subsidiaries

Subject to the provisions of the Cayman Companies Law, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a shareholder and the Cayman Companies Law expressly provides that it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company's articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares. However, if the articles of association do not authorise the manner and terms of purchase, a company cannot purchase any of its own shares unless the manner and terms of purchase have first been authorised by an ordinary resolution of the company. At no time may a company redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. A payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares purchased by a company shall be treated as cancelled unless, subject to the memorandum and articles of association of the company, the directors of the company resolve to hold such shares in the name of the company as treasury shares prior to the purchase. Where shares of a company are held as treasury shares, the company shall be entered in the register of members as holding those shares, however, notwithstanding the foregoing, the company shall not be treated as a member for any purpose and shall not exercise any right in respect of the treasury shares, and any purported exercise of such a right shall be void, and a treasury share shall not be voted, directly or indirectly, at any meeting of the company and shall not be counted in determining the total number of issued shares at any given time, whether for the purposes of the company's articles of association or the Cayman Companies Law. Further, no dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company's assets (including any distribution of assets to members on a winding up) may be made to the company, in respect of a treasury share.

A company is not prohibited from purchasing and may purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. There is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases and the directors of a company may rely upon the general power contained in its memorandum of association to buy and sell and deal in personal property of all kinds.

Under Cayman Islands law, a subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

(e) Dividends and distributions

With the exception of section 34 of the Cayman Companies Law, there is no statutory provisions relating to the payment of dividends. Based upon English case law, which is regarded as persuasive in the Cayman Islands, dividends may be paid only out of profits. In addition, section 34 of the Cayman Companies Law permits, subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account (see paragraph 2 (m) above for further details).

(f) Protection of minorities

The Cayman Islands courts ordinarily would be expected to follow English case law precedents which permit a minority shareholder to commence a representative action against or derivative actions in the name of the company to challenge (a) an act which is ultra vires the company or illegal, (b) an act which constitutes a fraud against the minority and the wrongdoers are themselves in control of the company, and (c) an irregularity in the passing of a resolution which requires a qualified (or special) majority.

In the case of a company (not being a bank) having a share capital divided into shares, the Court may, on the application of members holding not less than one fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Court shall direct.

Any shareholder of a company may petition the Court which may make a winding up order if the Court is of the opinion that it is just and equitable that the company should be wound up or, as an alternative to a winding up order, (a) an order regulating the conduct of the company's affairs in the future, (b) an order requiring the company to refrain from doing or continuing an act complained of by the shareholder petitioner or to do an act which the shareholder petitioner has complained it has omitted to do, (c) an order authorising civil proceedings to be brought in the name and on behalf of the company by the shareholder petitioner on such terms as the Court may direct, or (d) an order providing for the purchase of the shares of any shareholders of the company by other shareholders or by the company itself and, in the case of a purchase by the company itself, a reduction of the company's capital accordingly.

Generally claims against a company by its shareholders must be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

(g) Management

The Cayman Companies Law contains no specific restrictions on the power of directors to dispose of assets of a company. However, as a matter of general law, every officer of a company, which includes a director, managing director and secretary, in exercising his powers and discharging his duties must do so honestly and in good faith with a view to the best interests of the company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

(h) Accounting and auditing requirements

A company shall cause proper books of account to be kept with respect to (i) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place; (ii) all sales and purchases of goods by the company; and (iii) the assets and liabilities of the company.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

(i) Exchange control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

(j) Taxation

Pursuant to section 6 of the Tax Concessions Law (2011 Revision) of the Cayman Islands, the Company has obtained an undertaking from the Governor-in-Cabinet:

(1) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciation shall apply to the Company or its operations; and

(2) that the aforesaid tax or any tax in the nature of estate duty or inheritance tax shall not be payable on or in respect of the shares, debentures or other obligations of the Company.

The undertaking for the Company is for a period of twenty years from 25 August 2015.

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are a party to a double tax treaty entered into with the United Kingdom in 2010 but otherwise is not party to any double tax treaties.

(k) Stamp duty on transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

(l) Loans to directors

There is no express provision in the Cayman Companies Law prohibiting the making of loans by a company to any of its directors.

(m) Inspection of corporate records

Members of the Company will have no general right under the Cayman Companies Law to inspect or obtain copies of the register of members or corporate records of the Company. They will, however, have such rights as may be set out in the Articles.

An exempted company may maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as the directors may, from time to time, think fit. A branch register shall be kept in the same manner in which a principal register is by the Cayman Companies Law required or permitted to be kept. The company shall cause to be kept at the place where the company's principal register is kept a duplicate of any branch register duly entered up from time to time. There is no requirement under the Cayman Companies Law for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of members, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law (2009 Revision) of the Cayman Islands.

(n) Winding up

A company may be wound up compulsorily by order of the Court voluntarily; or, under supervision of the Court. The Court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the Court, just and equitable to do so.

A company may be wound up voluntarily when the members so resolve in general meeting by special resolution, or, in the case of a limited duration company, when the period fixed for the duration of the company by its memorandum or articles expires, or the event occurs on the occurrence of which the memorandum or articles provides that the company is to be dissolved, or, the company does not commence business for a year from its incorporation (or suspends its business for a year), or, the company is unable to pay its debts. In the case of a voluntary winding up, such company is obliged to cease to carry on its business from the time of passing the resolution for voluntary winding up or upon the expiry of the period or the occurrence of the event referred to above.

For the purpose of conducting the proceedings in winding up a company and assisting the Court, there may be appointed one or more than one person to be called an official liquidator or official liquidators; and the Court may appoint to such office such qualified person or persons, either provisionally or otherwise, as it thinks fit, and if more persons than one are appointed to such office, the Court shall declare whether any act hereby required or authorised to be done by the official liquidator is to be done by all or any one or more of such persons. The Court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the Court. A person shall be qualified to accept an appointment as an official liquidator if he is duly qualified in terms of the Insolvency Practitioners Regulations. A foreign practitioner may be appointed to act jointly with a qualified insolvency practitioner.

In the case of a members' voluntary winding up of a company, the company in general meeting must appoint one or more liquidators for the purpose of winding up the affairs of the company and distributing its assets. A declaration of solvency must be signed by all the directors of a company being voluntarily wound up within twenty-eight (28) days of the commencement of the liquidation, failing which, its liquidator must apply to Court for an order that the liquidation continue under the supervision of the Court.

Upon the appointment of a liquidator, the responsibility for the company's affairs rests entirely in his hands and no future executive action may be carried out without his approval. A liquidator's duties are to collect the assets of the company (including the amount (if any) due from the contributories), settle the list of creditors and, subject to the rights of preferred and secured creditors and to any subordination agreements or rights of set-off or netting of claims, discharge the company's liability to them (*pari passu* if insufficient assets exist to discharge the liabilities in full) and to settle the list of contributories (shareholders) and divide the surplus assets (if any) amongst them in accordance with the rights attaching to the shares.

As soon as the affairs of the company are fully wound up, the liquidator must make up an account of the winding up, showing how the winding up has been conducted and the property of the company has been disposed of, and thereupon call a general meeting of the company for the purposes of laying before it the account and giving an explanation thereof. At least twenty-one (21) days before the final meeting, the liquidator shall send a notice specifying the time, place and object of the meeting to each contributory in any manner authorised by the company's articles of association and published in the Gazette in the Cayman Islands.

(o) Reconstructions

There are statutory provisions which facilitate reconstructions and amalgamations approved by a majority in number representing seventy-five per cent (75%) in value of shareholders or class of shareholders or creditors, as the case may be, as are present at a meeting called for such purpose and thereafter sanctioned by the Court. Whilst a dissenting shareholder would have the right to express to the Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the Court is unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management.

(p) Compulsory acquisition

Where an offer is made by a company for the shares of another company and, within four (4) months of the offer, the holders of not less than ninety per cent (90%) of the shares which are the subject of the offer accept, the offeror may at any time within two (2) months after the expiration of the said four (4) months, by notice in the prescribed manner require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Court within one (1) month of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the Court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders.

(q) Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the court to be contrary to public policy (e.g. for purporting to provide indemnification against the consequences of committing a crime).

4. GENERAL

Conyers Dill & Pearman, the Company's special legal counsel on Cayman Islands law, have sent to the Company a letter of advice summarising certain aspects of Cayman Islands company law. This letter, together with a copy of the Cayman Companies Law, is available for inspection as referred to in "*Appendix VIII — Documents Delivered to the Registrar of Companies and Available for Inspection*". Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

The following summary of certain Hong Kong, Cayman Islands, Macau and PRC tax consequences of the purchase, ownership and disposition of the Shares is based upon the laws, regulations, rulings and decisions now in effect, all of which are subject to change (possibly with retroactive effect). The summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Shares and does not purport to apply to all categories of prospective investors, some of whom may be subject to special rules. Prospective investors should consult their own tax advisers concerning the application of Hong Kong, Cayman Islands, Macau and PRC tax laws to their particular situation as well as any consequences of the purchase, ownership and disposition of the Shares arising under the laws of any other taxing jurisdiction.

The taxation of the Company and that of the Shareholders is described below. Where Hong Kong, Cayman Islands, Macau and PRC tax laws are discussed, these are merely an outline of the implications of such laws.

Investors should note that the following statements are based on advice received by the Company regarding taxation laws, regulations and practice in force as at the date of this prospectus, which may be subject to change.

A. OVERVIEW OF TAX IMPLICATIONS OF HONG KONG

1. Hong Kong Taxation of the Company

Profits Tax

The Company will be subject to Hong Kong profits tax in respect of profits arising in or derived from Hong Kong at the current rate of 16.5%. Dividend income derived by the Company from its subsidiaries will be excluded from Hong Kong profits tax.

2. Hong Kong Taxation of Shareholders

Tax on Dividends

No tax is payable in Hong Kong in respect of dividends paid by the Company.

Profits Tax

Hong Kong profits tax will not be payable by any Shareholders (other than Shareholders carrying on a trade, profession or business in Hong Kong and holding the Shares for trading purposes) on any capital gains made on the sale or other disposal of the Shares. Shareholders should take advice from their own professional advisers as to their particular tax position.

Stamp Duty

Hong Kong stamp duty will be charged on the sale and purchase of Shares at the current rate of 0.2% of the consideration for, or (if greater) the value of, the Shares being sold or purchased, whether or not the sale or purchase is on or off the Stock Exchange. The Shareholder selling the Shares and the purchaser will each be liable for one-half of the amount of Hong Kong stamp duty payable upon such transfer. In addition, a fixed duty of HK$5 is currently payable on any instrument of transfer of Shares.

Estate Duty

Hong Kong estate duty was abolished effective from 11 February 2006. No Hong Kong estate duty is payable by Shareholders in relation to the Shares owned by them upon death.

B. OVERVIEW OF TAX IMPLICATIONS OF VARIOUS OTHER JURISDICTIONS

1. Taxation in the Cayman Islands

Pursuant to section 6 of the Tax Concessions Law (2011 Revision) of the Cayman Islands, the Company has obtained an undertaking from the Governor-in-Cabinet:

(a) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciation shall apply to the Company or its operations; and

(b) that the aforesaid tax or any tax in the nature of estate duty or inheritance tax shall not be payable on or in respect of the shares, debentures or other obligations of the Company.

The undertaking for the Company is for a period of twenty years from 25 August 2015.

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are a party to a double tax treaty entered into with the United Kingdom in 2010 but otherwise is not party to any double tax treaties.

Stamp Duty

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

Exchange Control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

2. Taxation in Macau

Macau Taxation of the Company

The Company will be subject to Macau Complementary Income Tax in respect of profits arising in or derived from Macau, levied at progressive rates between 3% and 12%.

Dividend income derived by the Company from its subsidiaries will be excluded from Macau Complementary Income Tax.

No stamp or other issuance or transfer taxes or duties and no capital gains, income, withholding or other taxes are payable to Macau or to any political subdivision or taxing authority thereof or therein by or on behalf of the Company in connection with the Listing.

Macau Taxation of Shareholders

No stamp or other issuance or transfer taxes or duties and no capital gains, income, withholding or other taxes are payable to Macau or to any political subdivision or taxing authority thereof or therein by or on behalf of the Shareholders in connection with the Listing.

3. Taxation in the PRC

Enterprise Income Tax

According to the Enterprise Income Tax Law (中華人民共和國企業所得稅法) (the "**EIT Law**"), which was promulgated by the National People's Congress on 16 March, 2007 and came into effect on 1 January 2008, and the Implementation Regulations on the EIT Law (企業所得稅法實施條例), which were promulgated by the State Council on 6 December 2007 and came into effect on 1 January 2008, a uniform income tax rate of 25% will be applied to domestic enterprises, foreign-invested enterprises and foreign enterprises that have established production and operation facilities in China. These enterprises are classified as either resident enterprises or non-resident enterprises. Resident enterprises refer to enterprises that are established in accordance with PRC laws, or that are established in accordance with the laws of foreign countries but whose actual or de facto control is administered from within the PRC. Non-resident enterprises refer to enterprises that are set up in accordance with the laws of foreign countries and whose actual administration is conducted outside the PRC, but who (whether or not through the establishment of institutions in the PRC) derive income from the PRC. Under the EIT Law and relevant implementing regulations, a uniform corporate income tax rate of 25% is applicable. However, if non-resident enterprises have not established institutions in the PRC, or if they have established institutions in the PRC but there is no actual relationship between the relevant income derived in the PRC and the institutions set up by them, enterprise income tax is set at the rate of 10%.

Withholding Tax and International Tax Treaties

According to the Treaty on the Avoidance of Double Taxation and Tax Evasion between Mainland and Hong Kong (內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排) (the "**Tax Treaty**"), if the non-PRC parent company of a PRC enterprise is a Hong Kong resident which beneficially owns a 25% or more interest in the PRC enterprise, the 10% withholding tax rate applicable under the EIT Law may be lowered to 5% for dividends and 7% for interest payments once approvals have been obtained from the relevant tax authorities. The determination of beneficial ownership is clarified under the Notice on Understanding and Determining Beneficial Owners (國家稅務總局關於如何理解和認定稅收協定中「受益所有人」的通知) issued by the State Administration of taxation (the "**SAT**") on 27 October 2009, which expressly excludes from the definition of a beneficial owner any company not engaged in actual operations such as manufacturing, sales or management but that is established for the purpose of avoiding or reducing tax obligations or transferring or accumulating profits.

Pursuant to the Notice on the Several Issues of the Implementation of Tax Treaty (國家稅務總局關於執行稅收協定股息條款有關問題的通知), which was promulgated by the SAT and came into effect on 20 February 2009, the non-resident taxpayer or the withholding agent is required to obtain and keep sufficient documentary evidence proving that the recipient of the dividends meets the relevant requirements for enjoying a lower withholding tax rate under a tax treaty if the main purpose of an offshore transaction or arrangement is to obtain a preferential tax treatment.

Pursuant to the Trial Administrative Measures on Non-residents to Enjoy the Treatment Under Tax Treaties (非居民享受稅收協議待遇管理辦法(試行)的通知), which were promulgated by the SAT on 24 August 2009 and came into effect on 1 October 2009, and the Supplemental Notice on Several Issues of the Trail Administrative Measures on Non-residents to Enjoy the Treatment Under Tax Treaties (關於「非居民享受稅收協定待遇管理辦法(試行)」有關問題的補充通知), which was promulgated by on 21 June 2010, a non-resident enterprise subject to taxation is required to obtain approval from the relevant tax administration department before it may enjoy a tax reduction or exemption under the dividend provision of a tax treaty.

Business Tax

The Temporary Regulations on Business Tax (營業稅暫行條例), which were promulgated by the State Council on 13 December 1993, became effective on 1 January 1994, and amended on 10 November 2008 and came into effect on 1 January 2009, provide that entities and individuals must pay business tax if they are engaged in the provision of services with respect to the industries of transportation, construction, finance and insurance, post and telecommunication, culture and sports, entertainments and service prescribed in Temporary Regulations on Business Tax, or transfer of intangible assets or sale of real estate within China's territory. Healthcare services provided by hospitals, clinics and other medical institutions are exempt from business tax.

Value-added Tax

The Temporary Regulations on Value-added Tax (增值稅暫行條例), which were promulgated by the State Council on 13 December 1993, came into effect on 1 January 1994, and amended on 10 November 2008, and the Detailed Implementing Rules of the Temporary Regulations on Value-added Tax (增值稅暫行條例實施細則), which were promulgated by the Ministry of Finance (the "**MOF**") and became effective on 25 December 1993, and were amended on 15 December 2008 and 28 October 2011, set out that all taxpayers selling goods or providing processing, repairing or replacement services and importing goods in China shall pay a value-added tax. A tax rate of 17% shall be levied on general taxpayers selling or importing various goods and on taxpayers providing processing, repairing or replacement service; the applicable rate for the export of goods by taxpayers shall be nil, unless otherwise stipulated.

Furthermore, according to the Trial Scheme for the Conversion of Business Tax to Value-added Tax (營業稅改徵增值稅試點方案), which were promulgated by the MOF and the SAT, the government launched gradual taxation reforms starting from 1 January 2012, whereby it collected value-added tax in lieu of business tax on a trial basis in regions and industries showing strong economic performance, such as transportation and certain modern service industries.

The Notice on Relevant Tax Policies on Medical and Health Institutions (關於醫療衛生機構有關稅收政策的通知), which was promulgated by the Ministry of Finance and the State Administration of Tax on 10 July 2000 and came into effect on the same date, provides that incomes of for-profit medical institutions are taxable in accordance with relevant rules. Nevertheless, for-profit medical institutions are granted a three-year tax holiday commencing from the issuance of practice licence if the profit is directly used for improving medical and health conditions, during which (1) self-produced preparations for self-use by for-profit medical institutions are exempted from value-added tax and (2) properties, land and vehicles for self-use by for-profit medical institutions are exempted for property tax, urban land use tax and vehicle use tax. Pharmaceutical retail enterprises spun-off from drug stores of for-profit medical institutions shall be subject to applicable taxations.

A. FURTHER INFORMATION ABOUT THE COMPANY

1. Incorporation

The Company was incorporated in the Cayman Islands under the Cayman Companies Law as a limited liability company on 5 November 2014. The Company has established a principal place of business in Hong Kong at Room 1404–1408, Wing On House, 71 Des Voeux Road Central and was registered as a non-Hong Kong company in Hong Kong under the Companies (Non-Hong Kong Companies) Regulation (Chapter 622J of the Laws of Hong Kong) on 11 August 2015. Ms. Ma Hoi Wan was appointed as the authorised representative of the Company on 31 August 2015 for acceptance of the service of process and any notices required to be served on the Company in Hong Kong. The address for service of process on the Company in Hong Kong is the same as its principal place of business in Hong Kong set out above.

As the Company was incorporated in the Cayman Islands, its operations are subject to Cayman law and to its constitution which comprises of the Memorandum and Articles of Association of the Company. A summary of the relevant sections of the Memorandum and Articles of Association of the Company and the relevant aspects of the Cayman Companies Law is set out in *"Appendix V — Summary of the Constitution of the Company and Cayman Islands Company Law"*.

2. Changes in the Share Capital of the Company

As at the date of incorporation of the Company, the authorised share capital of the Company was US$50,000 divided into 5,000,000 shares with a par value of US$0.01 each. The following alterations in the issued and paid up share capital of the Company have taken place since its date of incorporation up to the date of this prospectus:

(a) on 5 November 2014, the Company allotted and issued to Offshore Incorporations (Cayman) Limited one ordinary share at US$0.01 and Offshore Incorporations (Cayman) Limited further transferred such one ordinary share to True Point at a consideration of US$0.01;

(b) On 25 August 2015, the denomination of the share capital of the Company from US dollars to Hong Kong dollars through:

   (i) the increase in the authorised share capital of the Company by HK$390,000 by the creation of 50,000 shares of a par value of HK$7.80 each;

   (ii) the allotment and issuance of an aggregate of 1,000 shares of HK$7.80 each to the then shareholders of the Company;

   (iii) the repurchase of an aggregate of 100,000 Shares of US$0.01 each in the capital of the Company by the Company from the then shareholders of the Company (which was paid out from the proceeds of the issue of the 1,000 shares of HK$7.80 each referred to in (ii) above);

   (iv) the cancellation of the remaining authorised but unissued shares of US$0.01 each;

   (v) the subdivision of every share of HK$7.80 in the capital of the Company into 780 shares of HK$0.01 each such that the authorised share capital of the Company was HK$390,000 divided into 39,000,000 shares of HK$0.01 each; and

(c) pursuant to the resolutions of the Shareholders passed on 2 November 2015, (i) every share of HK$0.01 in the capital of the company was subdivided into 10 shares of HK$0.001 each such that the authorised share capital of the Company was HK$390,000 divided into 390,000,000 shares of HK$0.001 each and (ii) the authorised share capital of the Company was increased to HK$5,000,000 divided into 5,000,000,000 Shares by the creation of an additional 4,610,000,000 Shares, such additional Shares to rank *pari passu* in all aspects with the existing Shares.

Save as disclosed above and in "*— Written Resolutions of the Shareholders passed on 13 November 2015*" below, there has been no alteration in the share capital of the Company since the date of its incorporation.

3. Written Resolutions of the Shareholders passed on 13 November 2015

On 13 November 2015, resolutions of the Company were passed by the then Shareholders pursuant to which, among other things:

(a) the Company approved and adopted the Articles of Association conditional upon Listing; and

(b) conditional upon the satisfaction (or, if applicable, waiver) of the conditions set out in "*Structure of the Global Offering — Conditions of the Global Offering*" and pursuant to the terms set out therein:

(1) the Global Offering was approved and the Directors were authorised to allot and issue the Shares pursuant to the Global Offering;

(2) the Listing was approved and the Directors were authorised to implement the Listing;

(3) the Capitalisation Issue was approved and the Directors were authorised to approve the allotment and issue of Shares pursuant to the Capitalisation Issue;

(4) the adoption of the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme was approved, confirmed and ratified (as the case may be) and the Directors were authorised to allot and issue the Shares which may be issued pursuant to the exercise of the options under the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme;

(5) subject to the "lock-up" provisions under Rule 10.08 of the Listing Rules, a general unconditional mandate was granted to the Directors to allot, issue and deal with the Shares or securities convertible into Shares or options, warrants or similar rights to subscribe for the Shares or such convertible securities and to make or grant offers, agreements or options which would or might require the exercise of such powers, provided that the aggregate nominal value of the Shares allotted or agreed to be allotted by the Directors other than pursuant to a (i) rights issue, (ii) any scrip dividend scheme of similar arrangement providing for the allotment of the Shares in lieu of the whole or part of a dividend on the Shares or (iii) a specific authority granted by the Shareholders in general meeting, shall not exceed the aggregate of:

(A) 20% of the aggregate nominal value of the share capital of the Company in issue immediately following the completion of the Global Offering; and

(B) the aggregate nominal value of the share capital of the Company repurchased by the Company (if any) under the general mandate to repurchase Shares referred to in paragraph (6) below,

such mandate to remain in effect during the period from the passing of the resolution until the earliest of (I) the conclusion of the next annual general meeting of the Company, (II) the end of the period within which the Company is required by the Articles or any applicable laws to hold its next annual general meeting or (III) the date on which the resolution is varied or revoked by an ordinary resolution of the Shareholders in general meeting (the "**Relevant Period**"); and

(6) a general unconditional mandate was granted to the Directors to exercise all the powers of the Company to repurchase the Shares on the Stock Exchange, or on any other stock exchange on which the Shares may be listed (and which is recognised by the SFC and the Stock Exchange for this purpose), and made in accordance with all applicable laws and the requirements of the Listing Rules, with an aggregate nominal value of not more than 10% of the aggregate nominal value of the Company's share capital in issue immediately following the completion of the Global Offering, such mandate to remain in effect during the Relevant Period.

4. Subsidiaries

Details of the subsidiaries of the Company are set out in "*Appendix IA — Accountants' Report on the Financial Information of the Group*".

The following subsidiaries have been incorporated within two years immediately preceding the date of this prospectus:

Name of Subsidiary	Place of Incorporation	Date of Incorporation
UMP Healthcare Limited	Cayman Islands	7 November 2014
UMP Healthcare China Limited	Cayman Islands	7 November 2014

The following sets out the changes in the share capital of the Company's subsidiaries during the two years immediately preceding the date of this prospectus:

(a) On 1 November 2014, Procare Medical Imaging & Laboratory Centre Limited increased its issued share capital to HK$10,000 through an allotment of 9,900 shares in total, 6,900 of which were allotted to UMP Medical Centre Limited and 625 of which were allotted to Dr. Michael Sun. The remaining shares were allotted to independent third parties.

(b) On 10 December 2014, UMP Medical Centre Management Limited increased its issued share capital to HK$20,000,000 through an allotment of 19,999,900 shares in total to UMP Medical Centre Limited.

(c) On 31 March 2015, UMP Specialist Medical Centre Limited increased its issued share capital to HK$100 through an allotment of 98 shares in total to UMP Medical Centre Limited.

(d) On 21 May 2015, UMP Medical Centre Management (III) Limited increased its issued share capital to HK$20,000,000 through an allotment of 19,999,900 shares in total to UMP Medical Centre Limited.

(e) On 2 June 2015, UMP Medical Centre Management (II) Limited increased its issued share capital to HK$20,000,000 through an allotment of 19,999,900 shares in total to UMP Medical Centre Limited.

Save as set out above and in "*Appendix IA — Accountants' Report on the Financial Information of the Group*", there has been no alteration in the share capital of the subsidiaries of the Company within two years immediately preceding the date of this prospectus.

5. Repurchases by the Company of its own Securities

This section sets out information required by the Stock Exchange to be included in this prospectus concerning the repurchase by the Company of its own securities.

(a) Provisions of the Listing Rules

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their own securities on the Stock Exchange subject to certain restrictions, the more important of which are summarised below:

(i) Shareholders' Approval

All proposed repurchase of securities (which must be fully paid up in the case of shares) by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders, either by way of general mandate or by specific approval of a particular transaction.

(ii) Source of Funds

Repurchases must be funded out of funds legally available for the purpose in accordance with the Memorandum and Articles of Association of the Company and the Listing Rules and the applicable laws and regulations of the Cayman Islands. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange.

(iii) Trading Restrictions

The total number of shares which a listed company may repurchase on the Stock Exchange is the number of shares representing up to a maximum of 10% of the aggregate number of shares in issue. A company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange. The Listing Rules also prohibit a listed company from repurchasing its securities if that repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange. A company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require.

(iv) Status of Repurchased Shares

All repurchased securities (whether effected on the Stock Exchange or otherwise) will be automatically delisted and the certificates for those securities must be cancelled and destroyed.

(v) Suspension of Repurchase

A listed company may not make any repurchase of securities after inside information has come to its knowledge until such time as the information has been made publicly available. In particular, during the period of one month immediately preceding the earlier of (1) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of a listed company's results for any year, half-year, quarter or any other interim period (whether or not required under the Listing Rules) and (2) the deadline for publication of an announcement of a listed company's results for any year or half-year under the Listing Rules, or quarter or any other interim period (whether or not required under the Listing Rules) and ending on the date of the results announcement, the listed company may not repurchase its shares on the Stock Exchange other than in exceptional circumstances. In addition, the Stock Exchange may prohibit a repurchase of securities on the Stock Exchange if a listed company has breached the Listing Rules.

(vi) Reporting Requirements

Certain information relating to repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following business day. In addition, a listed company's annual report is required to disclose details regarding repurchases of securities made during the year, including a monthly analysis of the number of securities repurchased, the purchase price per share or the highest and lowest price paid for all such purchase, where relevant, and the aggregate prices paid.

(vii) Connected Persons

A listed company is prohibited from knowingly repurchasing securities on the Stock Exchange from a core "connected person", that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or their close associates and a core connected person is prohibited from knowingly selling his securities to the company.

(b) Reasons for Repurchases

The Directors believe that the ability to repurchase Shares is in the interests of the Company and the Shareholders. Repurchases may, depending on the circumstances, result in an increase in the net assets and/or earnings per Share. The Directors have sought the grant of a general mandate to repurchase Shares to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

(c) Funding of Repurchases

In repurchasing securities, the Company may only apply funds legally available for such purpose in accordance with its Memorandum and Articles of Association, the Listing Rules and the applicable laws and regulations of the Cayman Islands.

There could be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in this prospectus) in the event that the repurchase mandate were to be carried out in full at any time during the share repurchase period. However, the Directors do not propose to exercise the repurchase mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

(d) General

The exercise in full of the repurchase mandate, on the basis of 736,000,000 Shares in issue immediately following the completion of the Global Offering, could accordingly result in up to approximately 73,600,000 Shares being repurchased by the Company during the period prior to:

(i) the conclusion of the next annual general meeting of the Company; or

(ii) the end of the period within which the Company is required by the Articles or any applicable law to hold its next annual general meeting; or

(iii) when varied or revoked by an ordinary resolution of the Shareholders in general meeting,

whichever is the earliest.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates currently intends to sell any Shares to the Company.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the repurchase mandate in accordance with the Listing Rules and the applicable laws in Hong Kong.

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company is increased, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the repurchase mandate.

Any repurchase of Shares that results in the number of Shares held by the public being reduced to less than 25% of the Shares then in issue could only be implemented if the Stock Exchange agreed to waive the Listing Rules requirements regarding the public shareholding referred to above. It is believed that a waiver of this provision would not normally be given other than in exceptional circumstances.

No core connected person of the Company has notified the Company that he or she has a present intention to sell Shares to the Company, or has undertaken not to do so, if the repurchase mandate is exercised.

B. FURTHER INFORMATION ABOUT THE BUSINESS

1. Summary of Material Contracts

The Company and its subsidiaries have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this prospectus that are or may be material:

(a) a shareholders' agreement dated 13 July 2015 entered into among True Point, Phoenix, Pinyu and the Company relating to the regulation of the operation and management of the Company and the relationship between its shareholders;

(b) a joint venture shareholders' agreement dated 13 July 2015 entered into among True Point, the Company, UMP Healthcare China Limited, Phoenix, Pinyu and UMP Phoenix JV relating to the parties' respective rights and obligations in relation to UMP Phoenix JV;

(c) an equity transfer agreement dated 9 September 2015 entered into among Beijing Eaton Consulting Limited, Guangzhou Ruian Enterprise Management Company Limited (廣州瑞安企業管理有限公司) and Ms. Huang Yue Ning (黃悅寧) relating to the acquisition of the entire equity interest in Shanghai Eaton Consulting Limited for a total consideration of RMB5.1 million;

(d) a deed of non-compete undertaking dated 13 November 2015 given by the Controlling Shareholders in favour of the Company; and

(e) the Hong Kong Underwriting Agreement.

2. Intellectual Property

As at the Latest Practicable Date, the Group had registered or applied for registration of the following intellectual property rights which are material to its business:

(a) Trademarks

As at the Latest Practicable Date, the Group had registered the following trademarks:

Trademark	Registered Owner	Place of Registration	Class	Registration Number	Validity Period
	UMP Healthcare Limited	Hong Kong	5, 10,16, 35, 41, 44	301945648	15 June 2011 to 14 June 2021

Trademark	Registered Owner	Place of Registration	Class	Registration Number	Validity Period
聯合醫務 ump 聯合醫務 ump 聯合醫務 ump	UMP Healthcare Limited	Hong Kong	5, 10,16, 35, 41, 44	301945639	15 June 2011 to 14 June 2021
eClaims 康桥	eClaims (Hong Kong) Limited	Hong Kong	42	2002B15957	14 March 2002 to 14 March 2019
医路通 MediPass	UMP Corporate Administration Services Limited	Hong Kong	42	2003B15107	12 August 2002 to 12 August 2019
医路通	UMP Corporate Administration Services Limited	PRC	44	3218583	28 July 2013 to 27 July 2023
MediPass	UMP Corporate Administration Services Limited	PRC	44	3218584	28 July 2013 to 27 July 2023

(b) Domain Names

As at the Latest Practicable Date, the Group had registered the following domain names:

Domain Name	Registered Owner	Expiry Date
ump.com.hk	UMP Professional Management Limited	6 June 2020
umpfeescheme.com.hk	UMP Professional Management Limited	24 January 2016
ump-qhms.com.hk	UMP Professional Management Limited	29 December 2015
eclaims.com.hk	eClaims (Hong Kong) Limited	10 November 2019
procaremedical.com.hk	Procare Medical Imaging & Laboratory Centre Limited	10 September 2019
procaremedical.com.cn	Procare Medical Imaging and Laboratory Centre Limited	23 September 2019
hongtai.com.mo	Hong Tai Polyclinic Limited	11 March 2017
umpphg.com.hk	UMP Professional Management Limited	24 July 2020
umpphg.com	UMP Professional Management Limited	30 July 2020
umpphg.com.cn	UMP Professional Management Limited	31 July 2020
umpphg.cn	UMP Professional Management Limited	31 July 2020
eclaims.com.cn	eClaims (Hong Kong) Limited	24 January 2020

C. FURTHER INFORMATION ABOUT THE DIRECTORS AND OTHERS

1. Disclosure of Interests

Immediately following the completion of the Capitalisation Issue and the Global Offering (assuming no Offer Shares are subscribed by the Eligible Directors and Eligible Shareholders pursuant to the Doctor and Dentist Preferential Offering and the Employee Preferential Offering and without taking into account any Shares which may issued under the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme), the interests and/or short positions (as applicable) of the Directors and the chief executive of the Company in the Shares and debentures of the Company and any interests and/or short positions (as applicable) in shares or debentures of any of the Company's associated corporations (within the meaning of Part XV of the SFO) which (i) will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions (as applicable) which they are taken or deemed to have under such provisions of the SFO), (ii) will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or (iii) will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange, in each case once the Shares are listed on the Stock Exchange, will be as follows:

(a) Interests/Short Positions in the Shares

Name of Director or Chief Executive	Number of Shares/ Pre-IPO Share Options	Nature of interest	Approximate percentage of shareholding immediately following the completion of the Capitalisation Issue and the Global Offering[(1)]
Dr. Sun Yiu Kwong	14,300,000 options	Beneficial interest[(2)]	1.94%
	243,756,943 Shares	Interest in controlled corporation[(3)]	33.12%
Ms. Kwok Cheuk Kwan Jacquen . .	11,380,000 options	Beneficial interest[(4)]	1.55%
	18,700,657 Shares	Beneficial interest	2.54%
Mr. Tsang On Yip Patrick	600,000 options	Beneficial interest[(5)]	0.08%
Dr. Sun Man Kin Michael	600,000 options	Beneficial interest[(6)]	0.08%
Mr. Lee Kar Chung Felix	11,380,000 options	Beneficial interest[(7)]	1.55%

Notes:

(1) The calculation is based on the total number of 736,000,000 Shares in issue immediately following the completion of the Capitalisation Issue and the Global Offering (assuming no Offer Shares are subscribed by the Eligible Directors and Eligible Shareholders pursuant to the Doctor and Dentist Preferential Offering and the Employee Preferential Offering and without taking into account any Shares which may be issued under the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme).

(2) Dr. Sun Yiu Kwong is interested in the options granted pursuant to the Pre-IPO Share Option Scheme to subscribe for 14,300,000 Shares.

(3) Dr. Sun Yiu Kwong holds 100% of the entire issued share capital of East Majestic Group Limited and is therefore deemed to be interested in 199,601,343 Shares held by East Majestic Group Limited. Dr. Sun is also deemed to be interested in 44,155,000 Shares held by his controlled corporation, namely EM Team Limited.

(4) Ms. Kwok Cheuk Kwan Jacquen is interested in the options granted pursuant to the Pre-IPO Share Option Scheme to subscribe for 11,380,000 Shares.

(5) Mr. Tsang On Yip Patrick is interested in the options granted pursuant to the Pre-IPO Share Option Scheme to subscribe for 600,000 Shares.

(6) Dr. Sun Man Kin Michael is interested in the options granted pursuant to the Pre-IPO Share Option Scheme to subscribe for 600,000 Shares.

(7) Mr. Lee Kar Chung Felix is interested in the options granted pursuant to the Pre-IPO Share Option Scheme to subscribe for 11,380,000 Shares.

(b) Long Position in Shares of Associated Corporations

Name of Director or Chief Executive	Name of associated corporation	Number of shares in the corporation	Approximate percentage of shareholding in the corporation
Dr. Sun Man Kin Michael	Procare Medical Imaging & Laboratory Centre Limited(1)	625	6.25%
	Causeway Bay MRI Centre Limited(2)	95	7.6%

Notes:

(1) UMP Medical Centre Limited, a wholly-owned subsidiary of the Company, holds 62.5% of the entire issued share capital of Procare Medical Imaging & Laboratory Centre Limited.

(2) UMP Medical Centre Limited, a wholly-owned subsidiary of the Company, holds 20% of the entire issued share capital of Causeway Bay MRI Centre Limited.

Save as disclosed above, none of the Directors or the chief executive of the Company will, immediately following the completion of the Capitalisation Issue and the Global Offering, have an interest and/or short position (as applicable) in the Shares or debentures of the Company or any interests and/or short positions (as applicable) in the shares or debentures of the Company's associated corporations (within the meaning of Part XV of the SFO) which (i) will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), (ii) will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or (iii) will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange, in each case once the Shares are listed on the Stock Exchange.

(c) Substantial shareholders of other members of the Group

So far as our Directors are aware, the following persons (other than our Directors or chief executive) will, immediately following the completion of the Global Offering, be directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Other members of the Group	Person with 10% or more interest therein (other than the Group)	Percentage of interest
UMP Dental Investment Limited	Lin Kai Wah Clifton	17.64%
UMP Tsim Sha Tsui Dental Centre Limited . .	Lin Kai Wah Clifton	12.35%
UMP Physiotherapy Centre Limited	CSN Limited	20%
UMP Physiotherapy Centre Limited	MBV Limited	20%
UMP Central Dental Centre Limited	Wong Ming Wai	10%
Hong Kong ENT Centre Limited	Fung King Hay	24.75%
Hong Kong ENT Centre Limited	Chu Yip Sun	24.75%
Hirayanagi Shika Company Limited	Yukari Tokiwa	15%
Metro International Clinic Limited	New Chan's Medical Centre of Macau Limited	21%

2. Particulars of service contracts and letters of appointment

Each of the executive Directors has entered into a service contract with the Company for a period commencing on the Listing Date for a term of three years subject to the provision of retirement and rotation of Directors under the Articles and the provision under the service contract.

Each of the independent non-executive Directors has entered into a letter of appointment with the Company for a period commencing on the date of his appointment for a term of three years subject to the provision of retirement and rotation of Directors under the Articles and the provision under the letter of appointment.

The director's fees payable by the Company to the relevant Director is subject to increase or reduction as shall be determined or approved by the Board and the Shareholders (as the case may be).

Each of the Directors is entitled to reimbursement from the Company for all necessary and reasonable out-of-pocket expenses properly incurred in connection with the performance and discharge of his/her duties under his/her service contract or letter of appointment (as the case may be).

None of the Directors has entered into any service contracts with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

3. Directors' Remuneration

For details of the Directors' remuneration, see "*Directors, Senior Management and Committees — Compensation of Directors and Five Highest Paid Individuals*".

4. Agency Fees or Commissions Received

The Underwriters will receive an underwriting commission and the Joint Bookrunners may receive a discretionary incentive fee in connection with the Underwriting Agreements, as detailed in "*Underwriting — Commissions and Expenses*". Save in connection with the Underwriting Agreements, no commissions, discounts, brokerages or other special terms have been granted by the Group to any person (including the Directors and experts referred to in "*— Other Information — Qualifications and Consents of Experts*" below) in connection with the issue or sale of any capital or security of the Company or any member of the Group within the two years immediately preceding the date of this prospectus.

5. Personal Guarantees

The Directors have not provided personal guarantees in favour of lenders in connection with banking facilities granted to the Group.

6. Disclaimers

(a) None of the Directors nor any of the experts referred to in "*— Other Information — Qualifications and Consents of Experts*" below has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by, or leased to, any member of the Group, or are proposed to be acquired or disposed of by, or leased to, any member of the Group.

(b) Save in connection with the Underwriting Agreements, none of the Directors nor any of the experts referred to in "*— Other Information — Qualifications and Consents of Experts*" below, is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of the Group.

(c) None of the Directors has any existing or proposed service contracts with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

(d) Save as disclosed in "*Relationship with the Controlling Shareholder*", neither the Controlling Shareholders nor the Directors are interested in any business apart from the Group's business which competes or is likely to compete, directly or indirectly, with the business of the Group.

(e) No cash, securities or other benefit has been paid, allotted or given within the two years preceding the date of this prospectus to any promoter of the Company nor is any such cash, securities or benefit intended to be paid, allotted or given on the basis of the Global Offering or related transactions as mentioned.

D. SHARE OPTION SCHEMES

1. Pre-IPO Share Option Scheme

The following is a summary of the principal terms of the Pre-IPO Share Option Scheme approved and adopted by the Board on 18 August 2015.

(a) Purpose

The purpose of the Pre-IPO Share Option Scheme is to provide incentive or reward to Eligible Participants (as defined in sub-paragraph (b)) for their contribution to, and continuing efforts to promote the interests of, the Company and to enable the Group to recruit and retain high-calibre employees. In determining the basis of eligibility of each Eligible Participant, the Board would take into account such factors as the Board may at its discretion consider appropriate.

(b) Who may participate

The Board may at its discretion grant options to persons who satisfy the following eligibility criteria ("**Eligible Participant(s)**"):

(i) any executive, non-executive or independent non-executive director of any member of the Group or an entity in which the Group holds an interest ("**Affiliate**");

(ii) any employee of any member of the Group or an Affiliate;

(iii) any customer, supplier, agent, partner, consultant, adviser or shareholder (including director(s) of such shareholder) of, or contractor to, any member of the Group or an Affiliate;

(iv) the trustee of any trust the beneficiary of which or any discretionary trust the discretionary objects of which include any director, employee, customer, supplier, agent, partner, consultant, adviser or shareholder of, or contractor to, any member of the Group or an Affiliate; or

(v) a company beneficially owned by any director, employee, consultant, customer, supplier, agent, partner, shareholder, adviser of, or contractor to, any member of the Group or an Affiliate.

In order for a person to satisfy the Board that he is qualified to be (or, where applicable, continues to qualify to be) an Eligible Participant, such person shall provide all such information as the Board may request for the purpose of assessing his eligibility (or continuing eligibility). The Board shall (subject to the provisions of the Pre-IPO Share Option Scheme) have absolute discretion as to whether or not to grant option(s) to any particular Eligible Participant.

(c) Grant of options

The Board shall be entitled but shall not be bound at any time on or after the adoption date of the Pre-IPO Share Option Scheme and prior to the Latest Practicable Date to grant options to any Eligible Participants selected by the Board may at its absolute discretion, and subject to such conditions as the Board may at its absolute discretion think fit, to subscribe for such number of Shares as the Board may determine at the Subscription Price (as defined in sub-paragraph (f)).

Each grant of options shall be in writing made to an Eligible Participant (the "**Grantee**") by letter in such form as the Board may from time to time determine (the "**Grant Letter**").

(d) Payment on grant

There is no monetary consideration for the grant of any option.

(e) Maximum number of Shares available for subscription

The maximum number of Shares in respect of which options may be granted under the Pre-IPO Share Option Scheme shall be such number of Shares representing 10% of the enlarged issued share capital of the Company as at the Listing Date, subject to adjustment as set out in sub-paragraph (l) below.

The maximum number of Shares in respect of which options may be granted will be adjusted, in such manner as the auditors of the Company or the independent financial advisor to the Company (acting as experts and not as arbitrators) shall certify to be fair and reasonable, in the event of any alteration in the capital structure of the Company whether by way of capitalisation of profits or reserves, rights issue, repurchase, consolidation, redenomination, subdivision or reduction in the share capital structure of the Company as a result of an issue of Shares as consideration in respect of a transaction to which the Company is a party).

(f) Subscription price

Subject to any adjustments described under sub-paragraph (l), the subscription price in respect of each Share issued pursuant to the exercise of options granted under the Pre-IPO Share Option Scheme shall be determined by the Board at its discretion and set out in the relevant Grant Letter(s), provided that it shall not be less than the nominal value of a Share as at the date of grant (the "**Subscription Price**").

(g) Exercise of options

An option may be exercised according to the terms of the Pre-IPO Share Option Scheme and the relevant Grant Letter in whole or in part by the Grantee (or his personal representatives) before its expiry by giving notice in writing to the Company stating that the option is to be exercised and the number of Shares in respect of which it is exercised, provided that the number of Shares shall be equal to the size of a board lot for dealing in Shares on the Stock Exchange or an integral number thereof. The Grantee (or his personal representative) shall also pay to the Company (or as the Company may otherwise direct) the subscription price and the relevant fees and charges, if any, in Hong Kong dollars in immediately available funds. Within 30 days after receipt of the notice and the relevant payment amount, and (where appropriate) receipt of the auditors of the Company's or the independent financial adviser's certificate under sub-paragraph (l), the Company shall allot and issue the relevant Shares to the Grantee (or his personal representatives) credited as fully paid and issue to the Grantee (or his personal representatives) a share certificate in respect of the Shares so allotted.

Unless otherwise determined by the Board and specified in the Grant Letter at the time of the Grant Date, the Grantee is not required to achieve any performance targets. Notwithstanding the above, an option may be exercised by the Grantee (or his personal representatives) at any time during the Exercise Period (as defined in sub-paragraph (j)) according to the terms of the Pre-IPO Share Option Scheme and the relevant Grant Letter provided that:

(i) subject to sub-paragraph (ii) below and sub-paragraphs (j)(iii) and (j)(vi), where the Grantee who holds any Unvested Option (as defined in sub-paragraph (p)) ceases to be an Eligible Participant for any reason, such Unvested Option may only be exercised during such period and in such manner as the Board may in its sole and absolute discretion determine (and, for the avoidance of doubt, in such scenario the Board may in its sole and absolute discretion determine that the right to exercise such Unvested Option shall terminate), and such scenario does not apply to any Vested Option;

(ii) where the Grantee of an outstanding option dies or becomes permanently disabled before exercising the option in full or at all, the option may be exercised up to the entitlement of such Grantee or, if appropriate, an election made pursuant to sub-paragraphs (iii), (iv), (v) or (vi) below by his personal representatives within twelve (12) months after the date of his death or permanent disability or such longer period as the Board may in its sole and absolute discretion determine;

(iii) if a general offer by way of a take-over is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional, the Grantee (or his personal representatives) may thereafter (but before such time as shall be notified by the Company) exercise the option to its full extent or to the extent specified in such notice;

(iv) if a general offer by way of a scheme of arrangement is made to all the Shareholders and the scheme has been approved by the necessary number of Shareholders at the requisite meetings, the Grantee (or his personal representatives) may thereafter (but before such time as shall be notified by the Company) by notice in writing to the Company exercise the option to its full extent or to the extent specified in such notice;

(v) other than a general offer or a scheme of arrangement contemplated in sub-paragraphs (iii) and (iv) above, if a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to the Grantee (together with a notice of the existence of the provisions of this paragraph) on the same date or soon after it despatches the notice to each member or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon the Grantee (or his personal representatives) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of two months thereafter and the date on which such compromise or arrangement is sanctioned by the court of competent jurisdiction, exercise any of his options whether in full or in part, but the exercise of an option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court of competent jurisdiction and becoming effective. Upon such compromise or arrangement becoming effective, all options shall lapse except insofar as previously exercised under the Pre-IPO Share Option Scheme. The Company may require the Grantee (or his personal representatives) to transfer or otherwise deal with the Shares issued as a result of the exercise of options in these circumstances so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement; and

(vi) in the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees (together with a notice of the existence of the provisions of this paragraph) and thereupon, each Grantee (or his personal representatives) is entitled to exercise all or any of his options at any time not later than two business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid.

The exercise of any option shall be subject to the Shareholders in general meeting approving any necessary increase in the authorised share capital of the Company. Subject to such approval, the Board shall make available sufficient authorised but unissued share capital of the Company to meet subsisting requirements on the exercise of options.

(h) Transfer of options

An option is personal to the Grantee and is not assignable nor transferable, and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any option granted under the Pre-IPO Share Option Scheme.

(i) Ranking of the Shares

The Shares to be allotted upon the exercise of an option shall be subject to the Company's Memorandum and Articles of Association for the time being in force and shall rank *pari passu* in all respects with the fully paid Shares in issue of the Company as at the date of allotment and entitles the holders to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the date of allotment.

(j) Lapse of options

The right to exercise an option (to the extent not already exercised) shall terminate immediately upon the earliest of:

(i) the expiry of the period commencing on the Listing Date and ending on the date immediately before the 7th anniversary of the Listing Date (the "**Exercise Period**");

(ii) the expiry of any of the periods referred to in sub-paragraphs (g)(i), (g)(ii) or (g)(iii);

(iii) subject to the scheme of arrangement becoming effective, the expiry of the period referred to in sub-paragraph (g)(iv);

(iv) subject to the compromise or arrangement referred to in sub-paragraph (g)(v);

(v) subject to sub-paragraph (g)(vi), the date of the commencement of the winding-up of the Company;

(vi) in respect of an Unvested Option (as defined in sub-paragraph (p)), the date on which the Grantee of such Unvested Option ceases to be an Eligible Participant by reason of summary dismissal for misconduct or other breach of the terms of his employment or other contract constituting him an Eligible Participant, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has become insolvent or has made any arrangements or composition with his creditors generally or on which he has been convicted of any criminal offence involving his integrity or honesty. A resolution of the Board to the effect that the employment or other relevant contract of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive;

(vii) the date on which the Grantee commits a breach of sub-paragraph (h); or

(viii) the date on which the option is cancelled by the Board as provided in sub-paragraph (k)

The Company shall owe no liability to any Grantee for the lapse of any option under this sub-paragraph (j).

(k) Cancellation of options

The Board may cancel an option granted but not exercised by a Grantee with the approval of an option-holder of such option.

No options may be granted to an Eligible Participant in place of his cancelled options unless there are available unissued options (excluding the cancelled options) within the limit as mentioned in sub-paragraph (c).

(l) Effect of alterations to share capital

In the event of any alteration to the capital structure of the Company arising from capitalisation of profits or reserves, rights issue, consolidation, redenomination, subdivision or reduction of the share capital of the Company in accordance with the resolutions duly passed by Shareholders from time to time, the legal requirements or requirements of the Stock Exchange other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party, adjustment (if any) shall be made to:

(i) the number or nominal amount of Shares subject to the option so far as unexercised;

(ii) the Subscription Price for the Shares subject to the option so far as unexercised;

(iii) the Shares to which the option relates; or

(iv) any combination thereof as the auditors of the Company for the time being or the independent financial adviser to the Company shall at the request of the Company certify in writing to the Board either generally or as regards any particular Grantee that the adjustments are in compliance with Rule 17.03(13) of the Listing Rules and the notes thereto.

Any such adjustments must give a Grantee the same proportion of the equity capital of the Company as to which that Grantee was previously entitled, and any adjustments so made shall be in compliance with the Listing Rules.

(m) Duration and Administration of the Pre-IPO Share Option Scheme

Subject to the termination provisions in sub-paragraph (o), no further options will be granted after the Latest Practicable Date but in all other respects the provisions of the Pre-IPO Share Option Scheme shall remain in full force and effect to the extent necessary or desirable to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the Pre-IPO Share Option Scheme, and options which are granted on or before the Latest Practicable Date may continue to be exercisable in accordance with their terms of issue.

The Pre-IPO Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the Pre-IPO Share Option Scheme or its interpretation or effect (save as otherwise provided herein) shall be final, conclusive and binding on all parties.

Subject to compliance with the provisions of the Pre-IPO Share Option Scheme, the Board shall have the right (i) to interpret and construe the provisions of the Pre-IPO Share Option Scheme; (ii) to determine the Eligible Participants under the Pre-IPO Share Option Scheme and the number of Shares to be issued under the options; (iii) to determine the Subscription Price; (iv) to make such appropriate and equitable adjustments to the terms of options granted under the Pre-IPO Share Option Scheme as it deems necessary or desirable; and (v) to make such other appropriate decisions, determinations or regulations as it shall deem necessary or desirable in the administration of the Pre-IPO Share Option Scheme.

(n) Alteration of the Pre-IPO Share Option Scheme

The Pre-IPO Share Option Scheme may be altered in any respect by resolution of the Board provided that any such alternation is not inconsistent with the Articles of Association.

Any change to the authority of the Board in relation to any alterations to the terms of the Pre-IPO Share Option Scheme must be approved by the Shareholders in general meeting.

Any alterations to the provisions of the Pre-IPO Share Option Scheme which are of a material nature or any change to the terms of options granted must be approved by the Shareholders in general meeting except where the alterations take effect automatically under the existing provisions of the Pre-IPO Share Option Scheme.

(o) Termination of the Pre-IPO Share Option Scheme

The Company, by resolution in general meeting, or the Board may at any time terminate the operation of the Pre-IPO Share Option Scheme and in such event no further option will be offered but in all other respects the provisions of the Pre-IPO Share Option Scheme shall remain in full force and effect and options granted prior to such termination shall continue to be valid and exercisable in accordance with the Pre-IPO Share Option Scheme.

(p) Conditions of the Pre-IPO Share Option Scheme

The Pre-IPO Share Option Scheme shall take effect on its adoption. Any exercise of an option is conditional upon:

(i) the Listing Committee granting approval of the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of any options granted hereunder;

(ii) the commencement of dealings in the Shares on the Stock Exchange; and

(iii) the following vesting period in respect of such option granted to each Grantee on each Grant Date: (i) 10% of which shall only be exercisable from the first anniversary of the Grant Date up to and including the end of the Exercise Period; and (ii) 90% of which shall only be exercisable from the second anniversary of the Grant Date up to and including the end of the Exercise Period (the options that have not yet fallen within the aforesaid vesting period, the "**Unvested Options**", and the Options that have fallen with the aforesaid vesting period, the **"Vested Options"**).

2. Outstanding share options under the Pre-IPO Share Option Scheme

As at the Latest Practicable Date, 48,000,000 share options to subscribe for an aggregate of 48,000,000 Shares had been granted to 14 grantees under the Pre-IPO Share Option Scheme, five of whom are executive Directors, two of whom are members of the senior management team and five of whom are members of the Professional Standards and Compliance Committee of the Company. No consideration was paid by any of the grantees for the share options granted by the Company to them under the Pre-IPO Share Option Scheme. The Shares to be issued upon the full exercise of such options represent approximately 6.52% of the enlarged issued share capital of the Company upon the completion of the Capitalisation Issue and the Global Offering (without taking into account any Shares which may be issued pursuant to any exercise of options granted or to be granted under the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme).

The table below shows details of the outstanding share options granted to all grantees under the Pre-IPO Share Option Scheme as at the Latest Practicable Date. The exercise price for all the share options granted is HK$1.2228, which represents a 40.64% discount to the Offer Price of HK$2.06 per Share, being the midpoint of the Offer Price Range:

Name of option holder	Position held with the Group	Address	Number of Shares represented by options	Approximate percentage of shareholding (%)(1)
Dr. SUN Yiu Kwong	Chairman, Chief Executive Officer and Executive Director	House C, 12 Tai Tam Road, Hong Kong	14,300,000	1.94%
Ms. KWOK Cheuk Kwan Jacquen	Executive Director, Managing Director	Flat A, 2/F, Block 2, Lyttelton Garden, 29 Lyttelton Road, Mid-levels, Hong Kong	11,380,000	1.55%
Mr. TSANG On Yip Patrick	Executive Director	4/F, Seacliff Mansions, 19D Repulse Bay Road, Hong Kong	600,000	0.08%
Dr. SUN Man Kin Michael	Executive Director	House C, 12 Tai Tam Road, Hong Kong	600,000	0.08%
Mr. LEE Kar Chung Felix	Executive Director	Flat 1A, Block 6, Julimount Garden, 1 Hin Tai Street, Tai Wai, New Territories, Hong Kong	11,380,000	1.55%

Note:

(1) Approximate shareholding percentage in the Company immediately following the completion of the Capitalisation Issue and the Global Offering (assuming no Shares are issued pursuant to the exercise of any options granted under the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme).

Below is a list of senior management, members of the Professional Standards and Compliance Committee and other individuals who are grantees under the Pre-IPO Share Option Scheme:

Name of option holder	Position held with the Group	Address	Number of Shares represented by options	Approximate percentage of shareholding (%)(1)
Ms. MA Hoi Wan	Financial Controller/ Company Secretary	Flat H, 11/F Tower 1, Metro City Phase 2, Tseung Kwan O, Hong Kong	3,540,000	0.48%
Mr. WONG Po Ming	Head of Business and Panel Network	9C, Block 1, Metro Harbourview 8 Fuk Lee Street, TaikokTsui Kowloon, Hong Kong	1,600,000	0.22%
Dr. LEE Pak Cheung, Patrick	Dental Director and member of the Professional Standards and Compliance Committee	Flat 19A, Block 10, Braemar Hill Mansions, 33 Braemar Hill Road, North Point, Hong Kong	2,000,000	0.27%
Dr. AU YEUNG Cheuk Lun Henry	Member of the Professional Standards and Compliance Committee	Room D3, 3/F, Morengo Court, 25 Tai Hang, Hong Kong	600,000	0.08%

Name of option holder	Position held with the Group	Address	Number of Shares represented by options	Approximate percentage of shareholding (%)[(1)]
Dr. HUI Yui	Member of the Professional Standards and Compliance Committee	Flat 2B, Block 2B, Perth Apartments, 29 Perth Street, Kowloon, Hong Kong	400,000	0.05%
Dr. TSANG Man Wo	Member of the Professional Standards and Compliance Committee	Flat D, 18/F, Tower 8, Coste Del Sol, Laguna Verde, Hung Hom	400,000	0.05%
Dr. YOUNG Wan Yin Betty	Member of the Professional Standards and Compliance Committee	Flat A2, 6/F, Summit Court, 144 Tin Hau Temple Road, North Point, Hong Kong	400,000	0.05%
Dr. Leung Chi Sai, Samuel	Consultant	Flat A, 30/F, No. 2 Garden Terrace, No. 8A Old Peak Road, Hong Kong	400,000	0.05%
Mr. Yu Hon To David	Former director of certain holding companies of the Company prior to the Reorganisation	5A, Monte Verde, 41 Repulse Bay Road, Hong Kong	400,000	0.05%

Note:

(1) Approximate shareholding percentage in the Company immediately following the completion of the Capitalisation Issue and the Global Offering (assuming no Shares are issued pursuant to the exercise of any options granted under the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme).

Subject to any alterations to the capital structure of the Company referred to in sub-paragraph (I) above after the Listing, the maximum number of Shares in respect of which options may be granted under the Pre-IPO Share Option Scheme is 48,000,000 Shares, representing approximately 6.52% of the issued share capital of the Company immediately upon completion of the Capitalisation Issue and the Global Offering (assuming no Shares are issued pursuant to the exercise of any options granted under the Pre-IPO Share Option Scheme), or approximately 6.12% of the enlarged issued share capital of the Company upon full exercise of all the outstanding options under the Pre-IPO Share Option Scheme. Accordingly, assuming full exercise of the outstanding options granted under the Pre-IPO Share Option Scheme, the shareholding of the Shareholders immediately following completion of the Capitalisation Issue and the Global Offering will be diluted by approximately 6.12%. Further, assuming that (i) the Company had been listed on the Stock Exchange since 1 July 2014 with 736,000,000 Shares in issue; and (ii) all the Pre-IPO Share Option Scheme in respect of 48,000,000 Shares were exercised in full on 1 July 2014, the earning per Share on a pro forma diluted basis would be approximately HK$0.053 (unaudited) for the year ended 30 June 2015.

Save and except as set out above, no other options have been granted or agreed to be granted by the Company under the Pre-IPO Share Option Scheme.

3. Post-IPO Share Option Scheme

The following is a summary of the principal terms of the post-IPO share option scheme conditionally approved and adopted by the Shareholders on 2 November 2015 and its implementation is conditional on the Listing ("**Post-IPO Share Option Scheme**").

(a) Purpose

The purpose of the Post-IPO Share Option Scheme is to incentivise and reward the Eligible Persons (as defined in sub-paragraph (b) below) for their contribution to the Group and to align their interests with that of the Company so as to encourage them to work towards enhancing the value of the Company.

(b) Who may participate

The Board (including any committee or delegate of the Board appointed by the Board to perform any of its functions pursuant to the rules of the Post-IPO Share Option Scheme) may, at its absolute discretion, offer to grant an option to subscribe for such number of Shares as the Board may determine to an employee (whether full time or part-time) or a director of a member of the Group or associated companies of the Company ("**Eligible Persons**").

(c) Maximum number of Shares in respect of which options may be granted

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Post-IPO Share Option Scheme and any other share option schemes (including but not limited to the Pre-IPO Share Option Scheme, the "**Other Schemes**") of the Company must not in aggregate exceed 10% of the total number of Shares in issue as at the Listing Date (the "**Scheme Mandate Limit**"). Options lapsed in accordance with the terms of the Post-IPO Share Option Scheme and any Other Scheme of the Company will not be counted for the purpose of calculating the Scheme Mandate Limit.

The Board may, with the approval of the Shareholders in general meeting, refresh the Scheme Mandate Limit provided that the total number of Shares which may be issued upon the exercise of all options to be granted under the Post-IPO Share Option Scheme and any Other Schemes of the Company under the Scheme Mandate Limit as refreshed must not exceed 10% of the Shares in issue as at the date of on which the Shareholders approve the refreshment of the Scheme Mandate Limit. Options previously granted under the Post-IPO Share Option Scheme and any Other Schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the terms of the relevant scheme, or exercised options) will not be counted for the purpose of calculating the Scheme Mandate Limit as "**refreshed**". The Board may, with the approval of the Shareholders in general meeting, grant options to any Eligible Person specifically identified by them which would cause the Scheme Mandate Limit to be exceeded. The Company shall send to the Shareholders a circular containing the information required under the Listing Rules for the purpose of seeking the approval of the Shareholders.

At any time, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and not yet exercised under the Post-IPO Share Option Scheme and any Other Schemes of the Company to Eligible Persons must not exceed 30% of the total number of Shares in issue from time to time.

The maximum number of Shares in respect of which options may be granted shall be adjusted, in such manner as the auditors of the Company or independent financial advisor appointed by the Board shall certify in writing to the Board to be fair and reasonable, in the event of any alteration in the capital structure of the Company whether by way of capitalisation of profits or reserves, rights issue, repurchase, consolidation, redenomination, subdivision or reduction of the share capital of the Company provided that no such adjustment shall be made in the event of an issue of Shares as consideration in respect of a transaction.

(d) Maximum entitlement of each individual

No options shall be granted to any Eligible Person under the Post-IPO Share Option Scheme and any Other Schemes of the Company which, if exercised, would result in such Eligible Person becoming entitled to subscribe for such number of Shares as, when aggregated with the total number of Shares already issued or to be issued to him under all options granted to him (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of offer of such options, exceeds 1% of the Shares in issue at such date.

Any further grant of options to an Eligible Person in excess of this 1% limit shall be subject to the approval of the Shareholders in general meeting with such Eligible Person and his associates abstaining from voting. The Company must send a circular to the Shareholders disclosing the identity of the Eligible Person in question, the number and terms of the options to be granted (and options previously granted to such Eligible Person) and such other information required under the Listing Rules.

The number and terms (including the exercise price) of the options to be granted to such Eligible Person must be fixed before the Shareholders' approval and the date of the Board meeting approving such further grant shall be taken as the date of grant for the purpose of determining the exercise price of the options.

(e) Grant of options to connected persons

Each grant of options to a Director (including an independent non-executive Director) of any member of the Group or associated company of the Company, chief executive or substantial shareholder of the Company, or any of their respective associates, under the Post-IPO Share Option Scheme must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee of the options).

Where any grant of options to a substantial shareholder or an independent non-executive Director of the Company, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted under the Post-IPO Share Option Scheme (including options exercised, cancelled and outstanding) to such person in the 12 month period up to and including the date of such grant:

(i) representing in aggregate over 0.1% of the Shares in issue; and

(ii) having an aggregate value, based on the closing price of the securities at the date of each grant, in excess of HK$5 million,

such further grant of options by the Board must be approved by the Shareholders in general meeting. Any Shareholder who is a connected person of the Company must abstain from voting on the resolution to approve such further grant of options, except that such a connected person may vote against such resolution subject to the requirements of the Listing Rules. The Company shall send to the Shareholders a circular containing the information required under the Listing Rules for the purpose of seeking the approval of the Shareholders.

(f) Acceptance of an offer of options

An offer of options shall be open for acceptance in writing or by telex or facsimile transmission or (if the Board agree) by electronic communication received by the Chairman (or a person designated by him with the approval of the Board) for such period (not exceeding 30 days inclusive of, and from, the date of offer) as the Board may determine and notify to the Eligible Person concerned provided that no such offer shall be open for acceptance after the expiry of the duration of the Post-IPO Share Option Scheme. An offer of options not accepted within this period shall lapse. An amount of HK$1.00 is payable upon acceptance of the grant of an option and such payment shall not be refundable and shall not be deemed to be a part payment of the exercise price.

The Company shall issue option certificates to any Eligible Person who has accepted an offer under the common seal of the Company (or the securities seal of the Company) within seven days after the end of the period for acceptance of the offer.

(g) Exercise price

Subject to any adjustment made as described in sub-paragraph (u) below, the exercise price shall be such price as determined by the Board and notified to an option-holder and which shall not be less than the higher of:

(i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of offer of the option;

(ii) the average of the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of offer of the option; and

(iii) the nominal value of the Shares.

(h) Duration of Post-IPO Share Option Scheme

The Post-IPO Share Option Scheme shall be valid and effective for a period of ten years commencing on the Listing Date, after which period no further options will be granted but the provisions of the Post-IPO Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto which are at that time or become thereafter capable of exercise under the Post-IPO Share Option Scheme, or otherwise to the extent as may be required in accordance with the provisions of the Post-IPO Share Option Scheme.

(i) Time of vesting and exercise of options

Any option shall be vested on an option-holder immediately upon his acceptance of the offer of options provided that if any vesting schedule and/or conditions are specified in the offer of the option, such option shall only be vested on an option-holder according to such vesting schedule and/or upon the fulfilment of the vesting conditions (as the case may be). Any vested option which has not lapsed and which conditions have been satisfied or waived by the Board in its sole discretion may, unless the Board determines otherwise in its absolute discretion, be exercised at any time from the next business day after the offer of options has been accepted. Any option which remain unexercised shall lapse upon the expiry of the option period, which period shall be determined by the Board and shall not exceed ten years from the offer date of the option (the "**Option Period**").

An option shall be subject to such terms and conditions (if any) as may be determined by the Board and specified in the offer of the option, including any vesting schedule and/or conditions, any minimum period for which any option must be held before it can be exercised and/or any performance target which need to be achieved by an option-holder before the option can be exercised. Such terms and conditions determined by the Board must not be contrary to the purpose of the Post-IPO Share Option Scheme and must be consistent with such guidelines (if any) as may be approved from time to time by the Shareholders.

If an option-holder is transferred to work in the PRC or another country and still continues to hold a salaried office or employment under a contract with a member of the Group or associated companies of the Company, and as a result of that transfer, he either (i) suffers a tax disadvantage in relation to his options (this being shown to the satisfaction of the Board); or (ii) becomes subject to restrictions on his ability to exercise his options or to hold or deal in the Shares or the proceeds of the sale of the Shares acquired on exercise because of the security laws or exchange control laws of the PRC or the country to which he is transferred, then the Board may allow him to exercise his options, vested or unvested, during the period starting three months before and ending three months after the transfer takes place.

No option may be exercised in circumstances where such exercise would, in the opinion of the Board, be in breach of a statutory or regulatory requirement.

An option-holder may exercise any or all of his options by notice of exercise in writing in such form as the Board may from time to time require delivered to the Chairman (or a person designated by him with the approval of the Board). The notice of exercise of the option must be completed, signed by the option-holder or by his appointed agent, and must be accompanied by the:

(i) relevant option certificate; and

(ii) correct payment in full in cleared funds of the total option price for the number of Shares being acquired.

(j) Restriction on the time of grant of options

A grant of options may not be made after inside information has come to the knowledge until such inside information has been announced as required under the Listing Rules. In particular, no option may be granted during the period commencing one month immediately preceding the earlier of:

(i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or other interim period (whether or not required under the Listing Rules); and

(ii) the deadline for the Company to publish an announcement of the results for any year, or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement. The period during which no option may be granted will cover any period of delay in the publication of a results announcement.

(k) Ranking of the Shares

No dividends (including distributions made upon the liquidation of the Company) will be payable and no voting rights will be exercisable in relation to an option that has not been exercised. Shares allotted and issued on the exercise of an option will rank equally in all respects with the Shares in issue on the date of allotment. They will not rank for any rights attaching to Shares by reference to a record date preceding the date of allotment.

(l) Restrictions on transfer

Except for the transmission of an option on the death of an option-holder to his personal representatives, neither the option nor any rights in respect of it may be transferred, assigned or otherwise disposed of by any option-holder to any other person or entity. If an option-holder transfers, assigns or disposes of any such option or rights, whether voluntarily or involuntarily, then the relevant option will immediately lapse.

(m) Rights on voluntary resignation

If an option-holder ceases to be an Eligible Person by reason of his voluntary resignation (other than in circumstances where he is constructively dismissed), any outstanding offer of options shall continue to be open for acceptance for such period as determined by the Board at its absolute discretion and notified to such Eligible Person, and all options (to the extent vested but not already exercised) will continue to be exercisable for such period as the Board may determine at its absolute discretion and notify to such Eligible Person on the date of cessation of employment of such Eligible Person.

(n) Rights on termination of employment

If an option-holder ceases to be an Eligible Person by reason of (i) his employer terminating his contract of employment in accordance with its terms or any right conferred on his employer by law, or (ii) his contract of employment, being a contract for a fixed term, expiring and not being renewed, or (iii) his employer terminating his contract for serious or gross misconduct, then any outstanding offer of an option and all options, vested or unvested, will lapse on the date the option-holder ceases to be an Eligible Person.

(o) Rights on death, disability, retirement and transfer

If an option-holder ceases to be an Eligible Person by reason of:

(i) his death; or

(ii) his serious illness or injury which in the opinion of the Board renders the option-holder concerned unfit to perform the duties of his employment and which in the normal course would render the option-holder unfit to continue performing the duties under his contract of employment for the following 12 months provided such illness or injury is not self-inflicted; or

(iii) his retirement in accordance with the terms of an option-holder's contract of employment; or

(iv) his early retirement by agreement with the option-holder's employer; or

(v) his employer terminating his contract of employment by reason of redundancy; or

(vi) his employer ceasing to be a member of the Group or an associated company of the Company or under the control of the Company; or

(vii) a transfer of the business, or the part of the business, in which the option-holder works to a person who is neither under the control of the Company nor a member of the Group or associated companies of the Company; or

(viii) if the Board determines in its absolute discretion that circumstances exist which mean that it is appropriate and consistent with the purpose of the Post-IPO Share Option Scheme to treat an option-holder whose options would otherwise lapse so that such options do not lapse but continue to subsist in accordance with (and subject to) the provisions of the Post-IPO Share Option Scheme,

then, any outstanding offer of an option which has not been accepted and any unvested option will lapse and the option-holder or his personal representatives (if appropriate) may exercise all his options (to the extent vested but not already exercised) within a period of three months of the date of cessation of employment. Any option not exercised prior to the expiry of this period shall lapse.

If the Board determines that an option-holder who ceases to be an Eligible Person in circumstances such that his options continue to subsist in accordance with (i) to (viii) above:

(a) is guilty of any misconduct which would have justified the termination of his contract of employment for cause but which does not become known to the Company until after he has ceased employment with any member of the Group or associated companies; or

(b) is in breach of any material term of contract of employment (or other contract or agreement related to his contract of employment), without limitation, any confidentiality agreement or agreement containing non-competition or non-solicitation restrictions between him and any member of the Group or associated companies; or

(c) has disclosed trade secrets or confidential information of any member of the Group or associated companies; or

(d) has entered into competition with any member of the Group or associated companies or breached any non-solicitation provisions in his contract of employment,

then it may, in its absolute discretion, determine that any unexercised options, vested or not vested, held by the option-holder shall immediately lapse upon the Board resolving to make such determination (whether or not the option-holder has been notified of the determination).

(p) Rights on cessation to be a director

In the event that any director ceases to be a director of any member of the Group or associated companies, the Company shall, as soon as practicable thereafter, give notice to the relevant option-holder who as a result ceases to be an Eligible Person. Any outstanding offer of an option which has not been accepted and any unvested option will lapse on the date the option-holder ceases to be an Eligible Person. The option-holder (or his personal representative) may exercise all his options (to the extent vested but not already exercised) within a period of three months of the date of the notification by the Board. Any option not exercised prior to the expiry of this period shall lapse.

(q) Rights on a general offer

In the event of a general offer by way of a take-over is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and such offer becomes or is declared unconditional, an option-holder (or his personal representatives) may thereafter (but before such time as shall be notified by the Company) exercise the option to its full extent or to the extent specified in such notice.

(r) Rights on company reconstructions

In the event of a general offer by way of a scheme of arrangement is made to all the Shareholders and the scheme has been approved by the necessary number of Shareholders at the requisite meetings, an option-holder (or his personal representatives) may thereafter (but before such time as shall be notified by the Company) by notice in writing to the Company exercise the option to its full extent or to the extent specified in such notice.

Other than a general offer contemplated in sub-paragraph (q) above or a scheme of arrangement, if a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to an option-holder (together with a notice of the existence of the provisions of this paragraph) on the same date or soon after it despatches the notice to each member or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon the option-holder (or his personal representatives) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of two months thereafter and the date on which such compromise or arrangement is sanctioned by the court of competent jurisdiction, exercise any of his options whether in full or in part, but the exercise of an option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court of competent jurisdiction and becoming effective. Upon such compromise or arrangement becoming effective, all options shall lapse except insofar as previously exercised under the Post-IPO Share Option Scheme. The Company may require the option-holder (or his personal representatives) to transfer or otherwise deal with the Shares issued as a result of the exercise of options in these circumstances so as to place the option-holder in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement.

(s) Rights on winding up

In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all option-holder (together with a notice of the existence of the provisions of this paragraph) and thereupon, each option-holder (or his personal representatives) is entitled to exercise all or any of his options at any time not later than two business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate exercise price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the option-holder credited as fully paid.

(t) Lapse of options

An option will lapse on the earlier of:

(i) the expiry of the Option Period as determined by the Board; or

(ii) the date on which an option-holder is in breach of sub-paragraph (l);

(iii) the expiry of the time provided for in the applicable rule where any of the circumstances provided in sub-paragraphs (m) to (s) above apply.

(u) Effect of alteration to share capital

In the event of any alteration in the capital structure of the Company whilst any option remains exercisable, whether by way of capitalisation of profits or reserves, rights issues, repurchase, consolidation, redenomination, subdivision or reduction of the share capital of the Company in accordance with applicable laws and regulatory requirements (other than an issue of any share capital as consideration in respect of a transaction), such corresponding adjustments (if any) shall be made to the number of Shares, the subject matter of the option (insofar as it is unexercised) and/or the price at which the options are exercisable, as the auditors of the Company or an independent financial advisor appointed by the Board shall certify in writing to the Board to be in their opinion fair and reasonable. Notice of any adjustments shall be given by the Company to an option-holder.

Any such adjustments shall be made on the basis that an option-holder shall have the same proportion of the issued share capital of the Company as that to which he was entitled before such adjustment. No such adjustment shall be made the effect of which would be to enable any Share to be issued at less than its nominal value, or to increase the proportion of the issued share capital of the Company for which any option-holder would have been entitled to subscribe had he exercised all the options held by him immediately prior to such adjustments.

The auditors of the Company or the independent financial advisor selected by the Board (as appropriate) must confirm to the Board in writing that the adjustment satisfies the requirements of the Note to paragraph 17.03(13) of the Listing Rules and such applicable guidance and/or interpretation of the Listing Rules from time to time issued by the Stock Exchange (including, without limitation, the "Supplemental Guidance on Main Board Listing Rule 17.03(13) and the Notice immediately after the Rule" attached to the letter of the Stock Exchange dated 5 September 2005 to all issuers relating to share option schemes), except where such adjustment is made on a capitalisation issue.

The capacity of the auditors or independent financial advisors is that of experts and not of arbitrators and their certification shall be final and binding on the Company and the option-holders in the absence of fraud or manifest error. The costs of the auditors or independent financial advisors shall be borne by the Company.

The Company will notify an option-holder of any adjustments made in accordance with sub-paragraph (u).

(v) Cancellation of options

The Board may cancel an option granted but not exercised by an option-holder with the approval of an option-holder of such option.

No options may be granted to an Eligible Person in place of his cancelled options unless there are available unissued options (excluding the cancelled options) within the limit as mentioned in sub-paragraph (c).

(w) Termination of the Post-IPO Share Option Scheme

The Post-IPO Share Option Scheme will expire automatically on the day immediately preceding the tenth anniversary of the Listing Date. The Board may terminate the Post-IPO Share Option Scheme at any time without Shareholders' approval by resolving that no further options shall be granted under the Post-IPO Share Option Scheme and in such case, no new offers to grant options under the Post-IPO Share Option Scheme will be made and any options which have been granted but not yet exercised shall either (i) continue subject to the Post-IPO Share Option Scheme, or (ii) be cancelled in accordance with sub-paragraph (v).

(x) Amendments to the Post-IPO Share Option Scheme

The Board may amend any of the provisions of the Post-IPO Share Option Scheme (including amendments in order to comply with changes in legal or regulatory requirements) at any time (but not so as to affect adversely any rights which have accrued to any option-holder at that date), except that amendments which are to the advantage of present or future option-holders in respect of matters contained in Rule 17.03 of the Listing Rules must be approved by the Shareholders in general meeting.

Any amendments to the terms and conditions of the Post-IPO Share Option Scheme which are of a material nature or any amendments to the terms of any options granted may only be made with the approval of the shareholders of the Company save where the amendments take effect automatically under the existing terms of the Post-IPO Share Option Scheme.

The Board need not obtain the approval of the shareholders of the Company in general meeting for any minor amendments:

(i) to benefit the administration of the Post-IPO Share Option Scheme;

(ii) to comply with or take account of the provisions of any proposed or existing legislation;

(iii) to take account of any changes to any legislative or regulatory requirements; or

(iv) to obtain or maintain favourable tax, exchange control or regulatory treatment of any member of the Group or any present or future option-holder.

Any amendments to the terms of options granted to an option-holder who is a substantial shareholder of the Company or an independent non-executive Director, or any of their respective associates, must be approved by the Shareholders in general meeting. The resolution to approve the amendment must be taken on a poll and any connected person of the Company must abstain from voting on the resolution to approve such amendment, except that such a connected person may vote against such resolution.

Any change to the authority of the Board in relation to any amendment of the rules of the Post-IPO Share Option Scheme may only be made with the approval of the Shareholders in general meeting.

The amended terms of the Post IPO Share Option Scheme must still comply with Chapter 17 of the Listing Rules.

(y) Conditions of the Post-IPO Share Option Scheme

The adoption of the Post-IPO Share Option Scheme is conditional on:

(i) the Listing Committee granting (or agreeing to grant) approval (subject to such conditions as the Stock Exchange may impose) for the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of any options which may be granted under the Post-IPO Share Option Scheme; and

(ii) the commencement of the dealings in the Shares on the Stock Exchange.

If the conditions above are not satisfied on or before the date following six months after the date the Post-IPO Share Option Scheme was conditionally adopted:

(a) the Post-IPO Share Option Scheme shall forthwith determine;

(b) any option granted or agreed to be granted pursuant to the Post-IPO Share Option Scheme and any offer of such a grant shall be of no effect; and

(c) no person shall be entitled to any rights or benefits or be under any obligation under or in respect of the Post-IPO Share Option Scheme or any option.

(z) General

An application has been made to the Listing Committee to the Stock Exchange for the listing of, and permission to deal in, the new Shares which may be issued pursuant to the exercise of the options which may be granted pursuant to the Post-IPO Share Option Scheme.

As of the Latest Practicable Date, no option had been granted or agreed to be granted by the Company pursuant to the Post-IPO Share Option Scheme.

Details of the Post-IPO Share Option Scheme, including particulars and movements of the options granted during each financial year of the Company, and the employee costs arising from the grant of the options will be disclosed in the annual report.

E. OTHER INFORMATION

1. Estate Duty

The Directors have been advised that no material liability for estate duty is likely to fall on the Group in Hong Kong, the Cayman Islands and the PRC.

2. The Sole Sponsor

The Sole Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

The Sole Sponsor will receive an aggregate fee of US$500,000 for acting as the sponsor for the Listing.

3. Registration Procedures

The register of members of the Company will be maintained in the Cayman Islands by Codan Trust Company (Cayman) Limited and a Hong Kong Branch register of members of the Company will be maintained in Hong Kong by Tricor Investor Services Limited. Save where the directors of the Company otherwise agree, all transfers and other documents of title to Shares must be lodged for registration with, and registered by, the Company's branch share register in Hong Kong and may not be lodged in the Cayman Islands.

4. Preliminary Expenses

The total preliminary expenses of the Company are estimated to be approximately HK$44,168 and are payable by the Company.

5. Promoter

The Company has no promoter. Save as disclosed above, within the two years immediately preceding the date of this prospectus, no cash, securities or other benefits have been paid, allotted or given to the promoters in connection with the Global Offering or the related transactions described in this prospectus.

6. Qualifications and Consents of Experts

The qualifications of the experts which have given opinions or advice which are contained in, or referred to in, this prospectus are as follows:

Name of Expert	Qualifications
J.P. Morgan Securities (Far East) Limited	Licensed under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities
Conyers Dill & Pearman	Legal adviser to the Company as to Cayman Islands law
Commerce & Finance Law Offices	Legal adviser to the Company as to PRC law
Rato, Ling, Lei & Cortés – Advogados	Legal adviser to the Company as to Macau law
Ernst & Young	Certified public accountants
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant
DTZ Debenham Tie Leung Limited	Independent property valuer

Each of the experts above has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its report and/or letter and/or opinion and/or references to its name included herein in the form and context in which they respectively appear.

7. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

8. Bilingual Prospectus

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided in Section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

9. Miscellaneous

(a) Save as disclosed in "*History and Reorganisation*", "*Share Capital*", "*Structure of the Global Offering*" and in this Appendix, within the two years preceding the date of this prospectus, no share or loan capital of the Company or any of its subsidiaries has been issued or has been agreed to be issued fully or partly paid either for cash or for a consideration other than cash.

(b) No share or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option.

(c) No founders, management or deferred shares of the Company or any of its subsidiaries have been issued or have been agreed to be issued.

(d) None of the equity and debt securities of the Company is listed or dealt in on any other stock exchange nor is any listing or permission to deal being or proposed to be sought.

(e) The Company has no outstanding convertible debt securities or debentures.

(f) None of the experts set out in "*Appendix VII — Statutory and General Information — Other Information — Qualifications and Consents of Experts*":

    (i) is interested beneficially or non-beneficially in any shares in any member of the Group; or

    (ii) has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group save in connection with the Underwriting Agreements.

(g) No company within the Group is presently listed on or dealt in on any other stock exchange and no such listing or permission to list is being or is proposed to be sought.

(h) The English text of this prospectus and the Application Forms shall prevail over their respective Chinese text.

(i) There has not been any interruption in the business of the Group which may have or has had a significant effect on the financial position of the Group in the 12 months preceding the date of this prospectus.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were, among other things:

(a) a copy of each of the **WHITE**, **YELLOW**, **GREEN**, **BLUE** and **PINK** Application Forms;

(b) a copy of each of the material contracts referred to in "*Appendix VII — Statutory and General Information — Further Information About the Business — 1. Summary of Material Contracts*"; and

(c) the written consents referred to in "*Appendix VII — Statutory and General Information — Other Information — 6. Qualifications and Consents of Experts*".

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of Ashurst Hong Kong at 11th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong, during normal business hours up to and including the date which is 14 days from the date of this prospectus:

(a) the amended and restated Memorandum and Articles of Association of the Company;

(b) the accountants' reports and the reports on the unaudited pro forma financial information prepared by Ernst & Young, the texts of which are set out in "*Appendix IA — Accountants' Report on the Financial Information of the Group*", "*Appendix IB — Accountants' Report on the Financial Information of the PRC Medical Centre Companies*" and "*Appendix IIA — Unaudited Pro Forma Financial Information*", "*Appendix IIB — Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group*";

(c) the audited consolidated financial statements of the Group for the years ended 30 June 2013, 2014 and 2015;

(d) the letter from Conyers Dill & Pearman, the Company's Cayman Islands legal adviser, in relation to the summary of certain aspects of the Cayman Companies Law referred to in "*Appendix V — Summary of the Constitution of the Company and Cayman Islands Company Law*";

(e) the Cayman Companies Law;

(f) the letter issued by Commerce & Finance Law Offices, the Company's PRC legal adviser, in relation to the summaries of laws and regulations related to the healthcare and clinical services in China referred to in "*Appendix IV — Regulatory Overview*";

(g) the letter issued by Rato, Ling, Lei & Cortés – Advogados, the Company's Macau legal adviser, in relation to the summary of the laws and regulations relating to the Group's business and operations in Macau referred to in "*Appendix IV — Regulatory Overview*";

(h) the industry report prepared by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.;

(i) an opinion letter prepared by DTZ Debenham Tie Leung Limited, the Company's independent property valuer, in relation to the fairness of the terms of certain lease agreements as referred to in "*Connected Transactions*";

(j) the service contracts and letters of appointment referred to in "*Appendix VII — Statutory and General Information — Further Information About the Directors — Particulars of service contracts and letters of appointment*";

(k) the material contracts referred to in "*Appendix VII — Statutory and General Information — Further Information About the Business — Summary of Material Contracts*"; and

(l) the written consents referred to in "*Appendix VII — Statutory and General Information — Other Information — Qualifications and Consents of Experts*".

A. DEFINITIONS

In this prospectus, unless the context otherwise requires, the following expressions shall have the following meanings.

"**Application Form(s)**"	the **WHITE** Application Form(s), **YELLOW** Application Form(s), **GREEN** Application Form(s), **BLUE** Application Form(s) and **PINK** Application Form(s) or, where the context so requires, any of them
"**Articles**" or "**Articles of Association**"	the articles of association of the Company (as amended from time to time), conditionally adopted on 13 November 2015 and which will become effective upon the Listing, a summary of which is set out in "*Appendix V — Summary of the Constitution of the Company and Cayman Islands Company Law*"
"**Assured Doctor and Dentist Entitlement**"	the entitlement of Eligible Doctors and Dentists to apply for the Doctor and Dentist Reserved Shares under the Doctor and Dentist Preferential Offering on the basis of an assured entitlement of 16,000 Doctor and Dentist Reserved Shares for each Eligible Doctor and Dentist
"**Assured Employee Entitlement**"	the entitlement of Eligible Employees to apply for the Employee Reserved Shares under the Employee Preferential Offering on the basis of an assured entitlement of 16,000 Employee Reserved Shares for each Eligible Employee
"**Beijing Eaton Clinic Limited**"	北京耀東門診部有限公司, a limited liability company established in the PRC on 15 July 2005 and is 70% owned by Shanghai Eaton Consulting Limited and 30% owned by an independent third party
"**Beijing Eaton Consulting Limited**"	北京耀東管理顧問有限公司, a limited liability company established in the PRC on 23 August 2000 and an indirect, wholly-owned subsidiary of the Company
"**Board**" or "**Board of Directors**"	the board of directors of the Company
"**business day**"	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for normal banking business
"**BVI**"	the British Virgin Islands
"**CAGR**"	compound annual growth rate
"**Capitalisation Issue**"	the issue of Shares to be made upon the capitalisation of certain sums standing to the credit of the share premium account of the Company, details of which are set out in "*History and Reorganisation — Reorganisation — Capitalisation Issue prior to the Global Offering*"
"**Cayman Companies Law**"	the Companies Law, Cap. 22 (Law 3 of 1961) of the Cayman Islands, as amended or supplemented from time to time
"**CCASS**"	the Central Clearing and Settlement System established and operated by HKSCC

"**CCASS Account**"	a securities account maintained by a CCASS Participant with CCASS
"**CCASS Clearing Participant**"	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant
"**CCASS Custodian Participant**"	a person admitted to participate in CCASS as a custodian participant
"**CCASS Investor Participant**"	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
"**CCASS Participant**"	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
"**Companies Ordinance**"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended or supplemented from time to time
"**Companies (Winding Up and Miscellaneous Provisions) Ordinance**"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended or supplemented from time to time
"**Company**" or "**UMP**"	UMP Healthcare Holdings Limited 聯合醫務集團有限公司, a company incorporated under the laws of the Cayman Islands with limited liability on 5 November 2014
"**Controlling Shareholders**"	Dr. Sun, East Majestic and EM Team, being controlling shareholders of the Company
"**CTFE**"	Chow Tai Fook Enterprises Limited, a company incorporated under the laws of Hong Kong with limited liability on 10 August 1966 which directly owns the entire share capital of Healthcare Ventures
"**Director(s)**"	the director(s) of the Company
"**Doctor and Dentist Preferential Offering**"	the preferential offer of the Doctor and Dentist Reserved Shares on an assured and preferential basis, as further described in *"Structure of the Global Offering – The Doctor and Dentist Preferential Offering"*
"**Doctor and Dentist Reserved Shares**"	the 9,200,000 Offer Shares (representing approximately 5% of the total number of Shares being offered under the Global Offering) being offered pursuant to the Doctor and Dentist Preferential Offering and which are to be allocated out of the International Offer Shares
"**Dr. Michael Sun**"	Dr. Sun Man Kin, Michael, an executive Director
"**Dr. Sun**"	Dr. Sun Yiu Kwong, one of the Controlling Shareholders, the Chairman, Chief Executive Officer of the Company and an executive Director
"**Dr. Patrick Lee**"	Dr. Lee Pak Cheung, Patrick, the Dental Director of the Group and a member of the Professional Standards and Compliance Committee

"**DTZ**"	DTZ Debenham Tie Leung Limited, an independent property valuer
"**East Majestic**"	East Majestic Group Limited, a company incorporated under the laws of the BVI with limited liability on 18 May 2004, which is one of the Controlling Shareholders and wholly-owned by Dr. Sun
"**Eligible Doctor and Dentist**"	a Doctor or Dentist (as defined in "*— Glossary of UMP and Technical Terms*" below) who (a) has a Hong Kong address and is a holder of a Hong Kong Identity Card and (b) has not terminated or given notice to terminate his or her agreement with the Group to provide Medical Services, and/or Dental Services (as the case may be) as at the Latest Practicable Date
"**Eligible Directors**"	certain directors of the Company and its subsidiaries who fall within the definition of Eligible Employees or Eligible Doctors and Dentists and in respect of whom the Stock Exchange has granted a waiver to allow them to participate in either the Employee Preferential Offering or the Doctor and Dentist Preferential Offering (but not both). For the avoidance of doubt, Dr. Sun is not an Eligible Director
"**Eligible Employee**"	a full-time employee of the Company or any of its subsidiaries who (a) is at least 18 years of age, (b) has a Hong Kong address and is a holder of a Hong Kong Identity Card, (c) remains as a full-time employee of the Company or any of its subsidiaries and is not on probation as at the Latest Practicable Date and (d) has not tendered his/her resignation or been given notice of termination of employment for any reason other than redundancy or retirement on or before the Latest Practicable Date
"**Eligible Shareholders**"	certain existing beneficial owners of Shares who fall within the definition of Eligible Employees or Eligible Doctors and Dentists and in respect of whom the Stock Exchange has granted a waiver to allow them to participate in either the Employee Preferential Offering or the Doctor and Dentist Preferential Offering (but not both). For the avoidance of doubt, Dr. Sun is not an Eligible Shareholder
"**EM Team**"	EM Team Limited, a company incorporated under the laws of the BVI with limited liability on 17 April 2015, which is one of the Controlling Shareholders and controlled by Dr. Sun
"**Employee Preferential Offering**"	the preferential offer of the Employee Reserved Shares on an assured and preferential basis, as further described in "*Structure of the Global Offering — The Employee Preferential Offering*"
"**Employee Reserved Shares**"	the 9,200,000 Offer Shares (representing approximately 5% of the total number of Shares being offered under the Global Offering) being offered pursuant to the Employee Preferential Offering and which are to be allocated out of the International Offer Shares
"**Enlarged Group**"	the Group (including the Target Group)

"**First Point**"	First Point Holdings Limited, a company incorporated under the laws of BVI with limited liability on 30 March 2000, a company which indirectly holds the entire shareholding of Rich Point
"**Frost & Sullivan**"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an independent industry consultant
"**FY**" or "**financial year**"	financial year ended or ending 30 June
"**Global Offering**"	the Hong Kong Public Offering and the International Offering (including the Employee Preferential Offering and the Doctor and Dentist Preferential Offering)
"**Group**", "**we**", "**our**" or "**us**"	the Company and its subsidiaries, as if the Reorganisation (excluding the acquisition of the PRC Medical Centre Companies) had been completed
"**Group Company**"	any member of the Group
"**Healthcare Ventures**"	Healthcare Ventures Holdings Limited, a company incorporated under the laws of BVI with limited liability on 8 December 2014, which is a substantial shareholder of the Company and a wholly-owned subsidiary of CTFE
"**HK$**" or "**Hong Kong dollars**"	Hong Kong dollars, the lawful currency of Hong Kong
"**HK eIPO White Form**"	the application for Hong Kong Offer Shares to be issued in the applicant's own name by submitting applications online through the designated website of **HK eIPO White Form** service at **www.hkeipo.hk**
"**HK eIPO White Form Service Provider**"	The Bank of East Asia, Limited
"**HKFRS**"	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
"**HKSCC**"	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"**HKSCC Nominees**"	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC, in its capacity as nominee for HKSCC (or any successor thereto) as operator of CCASS and any successor, replacement or assign of HKSCC Nominees Limited as nominee for the operator of CCASS
"**Hong Kong**"	the Hong Kong Special Administrative Region of the PRC
"**Hong Kong and Macau Business**"	the business carried out by the Group in Hong Kong and Macau, including but not limited to medical and dental practice areas

"**Hong Kong Branch Share Registrar**"	Tricor Investor Services Limited
"**Hong Kong Government**"	the Government of Hong Kong
"**Hong Kong Offer Shares**"	the 18,400,000 Shares being offered by the Company pursuant to the Hong Kong Public Offering (subject to reallocation as described in "*Structure of the Global Offering*")
"**Hong Kong Public Offering**"	the offer of the Hong Kong Offer Shares to the public in Hong Kong for subscription at the Offer Price, on and subject to the terms and conditions set out in this prospectus and the Application Forms, as further described in "*Structure of the Global Offering*"
"**Hong Kong Underwriters**"	the underwriters listed in "*Underwriting — Hong Kong Underwriters*", being the underwriters of the Hong Kong Public Offering
"**Hong Kong Underwriting Agreement**"	the underwriting agreement dated 15 November 2015 relating to the Hong Kong Public Offering entered into among the Company, the Sole Global Coordinator, the Sole Sponsor and the Hong Kong Underwriters, as further described in "*Underwriting*"
"**independent third party**"	any party who is not connected (within the meaning of the Listing Rules) with any director, chief executive or substantial shareholder of the Company or any of its respective subsidiaries or an associate of any of them
"**International Offer Shares**"	the 165,600,000 Shares being offered by the Company pursuant to the International Offering (subject to reallocation as described in "*Structure of the Global Offering*")
"**International Offering**"	the offer of the International Offer Shares outside the United States in offshore transactions in reliance on Regulation S for subscription at the Offer Price, on and subject to the terms and conditions of the International Underwriting Agreement, as further described in "*Structure of the Global Offering*"
"**International Underwriters**"	the underwriters named in the International Underwriting Agreement, being the underwriters of the International Offering
"**International Underwriting Agreement**"	the underwriting agreement relating to the International Offering to be entered into among the Company, the Sole Global Coordinator and the International Underwriters on or about the Price Determination Date, as further described in "*Underwriting*"
"**IRD**"	the Hong Kong Inland Revenue Department
"**Joint Bookrunners**" or "**Joint Lead Managers**"	J.P. Morgan Securities (Asia Pacific) Limited (in relation to the Hong Kong Public Offering), J.P. Morgan Securities plc (in relation to the International Offering) and CIMB Securities Limited

"**Latest Practicable Date**"	9 November 2015, being the latest practicable date for the purpose of ascertaining certain information contained in this prospectus prior to its publication
"**Listing**"	the listing of the Shares on the Main Board of the Stock Exchange
"**Listing Committee**"	the listing committee of the Stock Exchange
"**Listing Date**"	the date, expected to be on or about Friday, 27 November 2015, on which the Shares are first listed and from which dealings in the Shares are permitted to take place on the Main Board of the Stock Exchange
"**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
"**Macau**" or "**Macao**"	the Macau Special Administrative Region of the People's Republic of China
"**Maximum Offer Price**"	HK$2.20 per Offer Share, being the maximum subscription price in the Offer Price Range
"**Memorandum**" or "**Memorandum of Association**"	the amended and restated memorandum of association of the Company adopted by a special resolution on 13 November 2015, as amended from time to time, a summary of which is set out in "*Appendix V — Summary of the Constitution of the Company and Cayman Islands Company Law*"
"**Memorandum and Articles of Association**"	the Memorandum and the Articles
"Metro International"	Metro International Clinic Limited (in Portuguese, Clínica Metro Internacional Limitada, in Chinese, 國際文度醫療所有限公司), a company incorporated under the laws of Macau with limited liability on 18 January 2005, and a joint venture of the Group during FY2013 which the Group acquired as a subsidiary in FY2014
"**Minimum Offer Price**"	HK$1.92 per Offer Share, being the minimum subscription price in the Offer Price Range
"**MNC**"	multinational corporation
"**Mr. Felix Lee**"	Mr. Lee Kar Chung, Felix, an executive Director
"**Ms. Kwok**"	Ms. Kwok Cheuk Kwan, Jacquen, an executive Director and Managing Director of the Company
"**Offer Price**"	the final offer price per Offer Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) of not more than HK$2.20 and expected to be not less than HK$1.92, such price to be determined by agreement between the Sole Global Coordinator (on behalf of the Underwriters) and the Company on or before the Price Determination Date

"**Offer Price Range**"	HK$1.92 to HK$2.20 per Offer Share
"**Offer Shares**"	the Hong Kong Offer Shares and the International Offer Shares (including the Doctor and Dentist Reserved Shares and the Employee Reserved Shares)
"**Perfect Life**"	Perfect Life Asia Limited, a company incorporated under the laws of Hong Kong with limited liability on 20 June 2001, and an associate of the Group during FY2013 and FY2014 which was subsequently disposed of to an independent third party on 9 January 2005
"**Phoenix**"	Phoenix Healthcare Group Co. Ltd., a company incorporated in the Cayman Islands and listed on the Main Board of the Stock Exchange (stock code: 1515), which indirectly owns the entire share capital of Pinyu
"**Phoenix Group**"	Phoenix and its subsidiaries
"**Pinyu**"	Pinyu Limited, a company incorporated under the laws of BVI with limited liability on 3 January 2013, which is a substantial shareholder of the Company and an indirect wholly-owned subsidiary of Phoenix
"**Post-IPO Share Option Scheme**"	the post-IPO share option scheme approved and adopted by the Board on 2 November 2015, a summary of the principal terms of which is set out in "*Appendix VII — Statutory and General Information — Share Option Schemes — Post-IPO Share Option Scheme*"
"**PRC**" or "**China**"	the People's Republic of China, but for the purposes of this prospectus only, except where the context requires, references in this prospectus to PRC or China exclude Hong Kong, Macau and Taiwan
"**PRC Consulting Business**"	the business carried out by United Medical Services (China) Limited and its subsidiary, Beijing Eaton Consulting Limited, which has been injected into the Group as part of the Reorganisation, details of which are set out in "*History and Reorganisation — Reorganisation*"
"**PRC Medical Centre Companies**"	Shanghai Eaton Clinic Limited and Beijing Eaton Clinic Limited, which was acquired by the Group on 30 October 2015 as part of the Reorganisation, details of which are set out in "*History and Reorganisation — Reorganisation*"
"**PRC Medical Centres**"	medical centres operated by Shanghai Eaton Clinic Limited and Beijing Eaton Clinic Limited in the PRC
"**Pre-IPO Share Option Scheme**"	the pre-IPO share option scheme approved and adopted by the Board on 18 August 2015, a summary of the principal terms of which is set out in "*Appendix VII — Statutory and General Information — Share Option Schemes —Pre-IPO Share Option Scheme*"
"**Price Determination Date**"	the date, expected to be on or about 20 November 2015, on which the Offer Price will be determined and, in any event, not later than 26 November 2015

"Regulation S"	Regulation S under the U.S. Securities Act
"Registered Medical Practitioner"	as defined in accordance with the provisions of section 20A(2) of the Medical Registration Ordinance (Chapter 161 of the Laws of Hong Kong)
"Relevant Persons"	the Sole Global Coordinator, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their or the Company's respective directors, officers or representatives or any other person involved in the Global Offering
"Reorganisation"	the restructuring steps taken for the purpose of the formation of the Group, details of which are set out in "*History and Reorganisation — Reorganisation*"
"Reserved Shares"	the Doctor and Dentist Reserved Shares and the Employee Reserved Shares
"Rich Point"	Rich Point Investment Holdings Limited (formerly known as Pan Pacific Healthcare Limited, Pacific Health Services Limited and UMP Healthcare Limited), a limited liability company incorporated under the laws of Hong Kong on 29 May 2000 and the holding company of the businesses of the Group before the Reorganisation. Rich Point is principally a property investment holding company, in which Dr. Sun owns more than 30% of the equity interest
"RMB"	Renminbi, the lawful currency of the PRC
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
"Shanghai Eaton Clinic Limited"	上海怡東門診部有限公司, a limited liability company established in the PRC on 22 November 2012 and is 70% owned by Shanghai Eaton Consulting Limited and 30% owned by an independent third party
"Shanghai Eaton Consulting Limited"	上海耀東保健諮詢服務有限公司, a limited liability company established in the PRC on 17 December 2002 and is an indirect, wholly-owned subsidiary of the Company upon the completion of the acquisition of the Target Group on 30 October 2015
"Shareholder(s)"	holder(s) of Shares
"Shares"	ordinary shares with a nominal value of HK$0.001 each in the share capital of the Company and a "**Share**" means any of them
"SMEs"	small and medium-sized enterprises
"Sole Global Coordinator"	J.P. Morgan Securities (Asia Pacific) Limited
"Sole Sponsor"	J.P. Morgan Securities (Far East) Limited

"**sq. ft.**"	square feet
"**sq. m.**"	square metre
"**Stock Exchange**"	The Stock Exchange of Hong Kong Limited
"**Takeovers Code**"	the Hong Kong Code on Takeovers and Mergers
"**Target Group**"	Shanghai Eaton Consulting Limited and its subsidiaries, namely, Beijing Eaton Clinic Limited and Shanghai Eaton Clinic Limited
"**Track Record Period**"	the three years ended 30 June 2015
"**True Point**"	True Point Holdings Limited, a company incorporated under the laws of BVI with limited liability on 24 September 2014, a company which held 80% of the shareholding of the Company prior to the completion of the Reorganisation
"**UMP Phoenix JV**"	UMP Phoenix Healthcare Limited, a joint venture company formed by the Group and Phoenix through a joint venture agreement entered into between the Group and Phoenix dated 13 July 2015 on a 50-50 basis, details of which are set out in "*Business — Expansion of Healthcare Solutions Network in the PRC — Partnership with Phoenix to form UMP Phoenix JV*"
"**UMP Phoenix JV Group**"	UMP Phoenix JV and its subsidiaries
"**Underwriters**"	the Hong Kong Underwriters and the International Underwriters
"**Underwriting Agreements**"	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
"**U.S.**" or "**United States**"	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
"**US$**" or "**U.S. dollars**"	United States dollars, the lawful currency of the United States
"**U.S. Securities Act**"	the United States Securities Act of 1933, as amended
"**VHIS**"	the Voluntary Health Insurance Scheme, a public consultation conducted by the Hong Kong Government between 2014 and 2015

In this prospectus, unless the context otherwise requires, the terms "**associate**", "**close associate**", "**connected person**", "**connected transaction**", "**controlling shareholder**", "**core connected person**", "**subsidiary**" and "**substantial shareholder**" shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. There may be some differences between certain data in this prospectus and publicly available information which may be attributable to different methods of calculation, presentation or otherwise.

The English names of entities in the PRC, the PRC laws and regulations and the PRC government authorities are translations of their Chinese names and are included in this prospectus for identification purposes only. If there is any inconsistency between such Chinese names and their English translations in this prospectus, the Chinese names shall prevail over their English translations.

B. GLOSSARY OF UMP AND TECHNICAL TERMS

This glossary contains explanations of certain terms used in this prospectus in connection with the Group and its business. The terminologies and their meanings may not correspond to standard industry meanings or usage of those terms.

"**Affiliated Auxiliary Services Provider**"	an auxiliary services provider who has entered or will enter into an agreement directly with the Group to provide Auxiliary Services 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
"**Affiliated Clinic**"	a clinic which is 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 Dentist**"	a dentist who has entered or will enter into an agreement directly with the Group to provide Dental Services to the 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
"**Affiliated Doctor**"	a doctor who has entered or will enter into an agreement directly with the Group to provide Medical Services to the 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
"**Auxiliary Services**"	the services provided by the Auxiliary Services Providers as further described in "*Business — Healthcare Services — Auxiliary Services*"
"**Auxiliary Services Providers**"	collectively, the UMP Auxiliary Services Providers and the Affiliated Auxiliary Services Providers and a "**Auxiliary Services Provider**" means, where the context so requires, any one of them
"**Contract Customers**"	collectively, insurance companies and corporations which have entered or will enter into corporate plans with the Group for healthcare benefits
"**Customers**"	customers of the Group which include (i) Contract Customers, comprising insurance companies and corporations, and (ii) Self-paid Patients, and a "**Customer**" means, where the context so requires, any one of them
"**Dental Services**"	the services provided by the Dentists as further described in "*Business — Healthcare Services — Dental Services*". However, in the context of dental services offered under the healthcare benefits plans to Contract Customers, "**Dental Services**" do not include certain secondary dental care, dental cosmetic care and implants

“**Dentists**”	collectively, the UMP Dentists and the Affiliated Dentists and a “**Dentist**” means, where the context so requires, any one of them
“**Doctors**”	collectively, the UMP Doctors and the Affiliated Doctors and a “**Doctor**” means, where the context so requires, any one of them
“**Healthcare Management Model**”	the Group’s business model that is founded on the basis that general practitioners are best suited to serve as the first point of contact for patients given their training in family medicine, as further described in “*Business — Investment Highlights*”
“**Medical Centres**”	collectively, the UMP Medical Centres and the Affiliated Clinics and a “**Medical Centre**” means, where the context so requires, any one of them
“**Medical Services**”	the general practice and/or specialist services provided by the Doctors, including out-patient surgery and procedures, as further described in “*Business — Healthcare Services — Medical Services*”
“**Plan Members**”	members of the Group’s corporate healthcare benefits plans, who typically include: (i) (with respect to insurance companies which are Contract Customers) policyholders or employees of policyholders; and (ii) (with respect to corporations which are Contract Customers) employees of corporations and/or their dependants
“**Self-paid Patients**”	patients who visit the UMP Medical Centres and pay using cash or credit cards: (i) where the patients are not under any corporate healthcare benefits plan, the fees incurred for the treatment received; (ii) where the patients are Plan Members under a corporate healthcare benefits plan but the treatment received does not fall within the scope of the benefits plan (e.g. cosmetic procedures), the uncovered fees incurred for the treatment received; or (iii) where the patients are Plan Members under a corporate healthcare benefits plan, the co-payment amount for the treatment received as required under the benefits plan
“**UMP Auxiliary Services Provider**”	an auxiliary services provider who is 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

"**UMP Dentist**"	a dentist who is 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
"**UMP Doctor**"	a doctor who is 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
"**UMP Medical Centre**"	a medical centre offering Medical Services, Dental Services and/or Auxiliary Services which is operated by the Group
"**UMP Network**"	the network of UMP Medical Centres and Affiliated Clinics
"**UMP Phoenix Medical Centre**"	a medical centre offering Medical Services, Dental Services and/or Auxiliary Services which will be operated by the UMP Phoenix Group
"**UMP Subsidiary Medical Centre**"	a medical centre offering Medical Services, Dental Services and/or Auxiliary Services which is a subsidiary of the Company and operated by the Group

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