

## LEVEL 7 ASSESSMENT SPECIFICATION

|                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                      |                                 |
|---------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|---------------------------------|
| Student name:                   | WONG CHI HO                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Student ID number:                                   | 2119643                         |
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# HKBM7008 – Finance for Business Managers

**Name:** Wong Chi Ho, Joe

**Student Number:** 2119643

## **Executive Summary**

This report aims to evaluate the financial management of UMP healthcare limited. UMP is a clinic chain established in Hong Kong in year 1990. Its major business is to provide primary healthcare services. A comprehensive review of UMP's financial situation, operational review and challenge would be analysed. This included an analysis of several critical areas like liquidity, bankruptcy index, profitability, efficiency, solvency and stock market. Another two companies EC healthcare and Perfect Medical has been selected to perform vertical analysis.

Corporate governance is an important area for a listed company. The effectiveness of UMP's corporate governance would also be studied. It would be followed by a suggestion for improvement areas of internal control and risk management.

An investment project would be proposed to resolve the current challenge UMP is facing. Financial funding options would be evaluated and recommend the best option for UMP. Finally, an implementation plan with a schedule would be proposed.

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## **1. Introduction**

Financial analysis is a crucial part to evaluate the performance of an entity. It is extremely useful to identify a financially distressed situation before the declaration of bankruptcy. There are lots of financial ratios that we could use to evaluate existing performance and predict future performance (Chen and Shimerda, 1981). In this report, we are going to conduct a financial analysis by calculating and evaluating the relevant accounting ratio for the selected company, UMP healthcare holding limited. A similar set of ratios would be used to compare two other companies in the same industry, primary healthcare providers. The account ratio would be obtained from the nearest 3 years. They are the financial statement with fiscal year end in 2021, 2020 and 2019 respectively.

### **1.1 Company background**

UMP healthcare holdings limited is one of the leading clinic chain service providers in Hong Kong. It is over 30 years of well-established brand UMP in HK with wide network coverage of 1000+ service providers in HK, Macau and Mainland China, with GBA as an entry point. UMP offer one-stop healthcare solutions to private patients, corporate clients and insurance companies. (UMP Website, n.d.).

UMP has undergone IPO in the year 2015. As of 30 June 2021, UMP's stock price at 0.93 Hong Kong dollars. The market value of approximately 775.4 million Hong Kong dollars (Yahoo finance, 2022a). Market value has dropped from 1204.9 million as of 30 June 2019. On the other hand, In the fiscal year 2021, it recorded a drop of 4% turnover from the UMP's B2B scheme business (UMP, 2021).

### **1.2 UMP internal operation business review**

UMP's major income from B2B business. It is around 40% of total revenue (UMP, 2020). To diversify the business model, management from UMP also express their intention to develop in the B2C segment. As a first step, they are willing to invest HK 50 million in a clinic system revamp in 2022 (UMP, 2021).

On the other hand, UMP group has actively performed mergers and acquisitions to increase penetration in the laboratory and imaging area. The recent investment in PET-CT centre in AXON and Flash mover MRI centre show that they are decisive on this strategy. They are finally consolidating into one branding – Procure laboratory and imaging. In the annual report 2021, laboratory and imaging have been increased by 50% (UMP, 2021).

### **1.3 External business environment review**

The pandemic for COVID-19 started in the year 2019. Healthcare professionals need to work OT to address the demands (Mckinsey, 2021). Due to the demand happening globally, it is found that there is a growing trend that doctors and nurses start to leave Hong Kong. This has worsened the shortage of the workforce (RTHK, 2021). Healthcare professional costs are the direct cost of each clinic's revenues. This becomes a challenge to the healthcare industry on the profit margins. The adoption of technology may help streamline clinic flow. It will reduce manual work and hence the cost for healthcare professionals.

On the demand side, opportunities happened as a result of increasing private expenditures on healthcare. The government promoted a self-financed insurance scheme - Voluntary Health Insurance Schedule (VHIS) by providing tax deductions to HK citizens (Government Press Release, 2018). Consumers covered under healthcare have more intention to maintain a healthy lifestyle and pay for preventive healthcare (Cangelosi, Ranelli and Markham, 2009). The tailor-made preventive laboratory and imaging service to the B2C business segment may be one of the ways to improve business performance. This would not only widen the customer base but also improve the operation period and cash period due to account receivable is reduced significantly.

### **1.4 Research two other companies in the same industry as UMP healthcare holding limited**

Two comparisons of EC Healthcare (2138) and Perfect Medical Health Management Limited (1830) have been selected. The above two companies have the same nature of business with UMP healthcare holding limited, i.e operating clinic chain and focusing on primary care. The size of the enterprise and market share are very close to each other (see the following table).

As such, it is meaningful to make use of these two companies to compare financial performance.

Table 1.4.1 – summary of UMP and two companies with similar nature of business

| <b>Company</b>        | <b>UMP</b>    | <b>EC healthcare</b> | <b>Perfect Medical</b>             |
|-----------------------|---------------|----------------------|------------------------------------|
| Stock number          | (0722)        | (2138)               | (1830)                             |
| Market value (note 1) | 594.5 Million | 7.07 Billion         | 4.904 Billion                      |
| PE (note 1)           | 15.00         | 35.29                | 15.8                               |
| Market area           | HK and China  | HK and China         | HK, China, Australia and Singapore |

Note 1: stock market closing date as of 21 Aug, 2022 (Yahoo Finance, 2022a)

## **2. UMP's financial analysis**

There are a lot of financial ratios that could be derived from the Balance sheet and the income statement reveals the liquidity, the ability to pay debt, efficiency and profitability of a company (Yu, Ho, Law and Fung, 2003). In this section, we are going to evaluate UMP's financial performance in different aspects vertically by comparing EC healthcare and Perfect Medical. A horizontal trend from 3 successive years will also be analysed for UMP.

The key financial figures from the balance sheet could be referred to appendix 7.1, while the income statement figures could be referred to appendix 7.2. Those financial ratios used in this section could be referred to appendix 7.3. Figures for UMP is extracted from UMP annual reports (UMP, 2019; UMP, 2020; UMP, 2021). The consolidated statement of comprehensive income, financial position and change of equity for 2020 and 2021 could also be referred to appendix 7.6. Figures for EC healthcare are extracted from EC healthcare annual reports (EC Healthcare annual report, n.d.). Figures for Perfect Medical is extracted from Perfect Medical annual reports (Perfect Medical Annual Report, n.d.).

### **2.1 Solvency and bankruptcy measurement**

In a more comprehensive way to detect bankruptcy, Altman (1968) compiled a list of 22 financial ratios that may be critical for evaluation. He classified these variables into five standard ratio categories: liquidity, profitability, leverage, solvency, and activity ratios. The Z-score measurement is listed below. When  $Z < 1.8$ , it is in the bankruptcy zone; when  $1.8 \leq$

$Z < 2.99$ , it is located in grey area; when  $Z \geq 2.99$  it is in the Security Zone (Altman et al., 2014).

$$Z = 1.2 A + 1.4 B + 3.3 C + 0.6 D + 0.99 E$$

A = Working Capital / Total Assets

B = Retained Earnings / Total Assets

C = Earnings Before Interest and Taxes / Total Assets

D = Market Value of Equity / Total Liabilities

E = Sales / Total Assets

Three companies the Z-Score values are as follows

Table 2.1.1 – Z rate related ratio

| HKD (Per thousands)           |       |             |             |             |               |                 |
|-------------------------------|-------|-------------|-------------|-------------|---------------|-----------------|
|                               |       | UMP         |             |             | EC Healthcare | Perfect Medical |
|                               |       | <b>2021</b> | <b>2020</b> | <b>2019</b> | <b>2021</b>   | <b>2021</b>     |
| Net Current Assets            |       | 270,612     | 229,113     | 232,267     | 97,508        | 94,329          |
| Total Assets                  |       | 969,977     | 891,307     | 842,100     | 3,790,482     | 1,480,368       |
| Retained Earnings             |       | 638,723     | 611,080     | 612,237     | 1,268,734     | 562,558         |
| EBIT                          |       | 54,886      | 77,231      | 34,275      | 289,545       | 365,892         |
| Stock Price (HKD)             |       | 0.93        | 1.30        | 1.59        | 6.78          | 4.43            |
| Number of stock (1000 shares) |       | 775,350     | 765,760     | 757,818     | 1,071,016     | 1,222,887       |
| Market capitalization         |       | 721,076     | 995,488     | 1,204,931   | 7,261,487     | 5,417,389       |
| Total Liabilities             |       | 276,921     | 220,800     | 156,138     | 2,159,696     | 795,521         |
| Sales                         |       | 622,765     | 557,484     | 567,377     | 2,080,403     | 1,089,768       |
|                               |       |             |             |             |               |                 |
|                               |       |             |             |             |               |                 |
| A                             | 1.2   | 0.28        | 0.26        | 0.28        | 0.03          | 0.06            |
| B                             | 1.4   | 0.66        | 0.69        | 0.73        | 0.33          | 0.38            |
| C                             | 3.3   | 0.06        | 0.09        | 0.04        | 0.08          | 0.25            |
| D                             | 0.6   | 2.60        | 4.51        | 7.72        | 3.36          | 6.81            |
| E                             | 0.999 | 0.64        | 0.63        | 0.67        | 0.55          | 0.74            |
| Z Score                       |       | 3.65        | 4.88        | 6.79        | 3.32          | 6.25            |

Source: Constructed by Author

UMP is in the security area ( $Z > 2.99$ ) for the past three years. It is better than EC healthcare and ranks number 2 among the 3 companies. Although there is a trend of decrease in UMP's Z-score between 2019 - 2021, there is no risk of insolvency and bankruptcy currently.

## 2.2 Liquidity and paying debt ability

The liquidity of the business operation is the measurement of how the company could pay back its short-term liability when it comes due (Gitman, 1997). The below financial ratio evaluates how is the ability of the debt to be paid.

Table 2.2.1 – paying debt ability

| <u>Paying debt ability measure</u> | <u>UMP</u>  |             |             | <u>EC Healthcare</u> | <u>Perfect Medical</u> |
|------------------------------------|-------------|-------------|-------------|----------------------|------------------------|
| <u>Year</u>                        | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2021</u>          | <u>2021</u>            |
| Current Ratio                      | 2.21        | 2.43        | 2.67        | 1.07                 | 1.17                   |
| Quick Ratio                        | 2.17        | 2.38        | 2.59        | 1.04                 | 1.16                   |
| Cash ratio                         | 1.33        | 1.45        | 1.51        | 0.71                 | 0.89                   |
| Total Debt Ratio                   | 0.29        | 0.25        | 0.19        | 0.57                 | 0.54                   |
| Debt / Equity Ratio                | 0.40        | 0.33        | 0.23        | 1.32                 | 1.16                   |
| Long Term Debt Ratio               | 0.00        | 0.00        | 0.00        | 0.00                 | 0.00                   |
| Time Interest Earned               | 15.39       | 20.19       | N/A         | 12.24                | 47.32                  |
| Cash coverage                      | 36.95       | 40.65       | N/A         | 25.35                | 69.47                  |

Source: constructed by author

### Current Ratio / Quick Ratio

The quick ratio would be a better way to measure liquidity when the inventory is not easily converted to cash (Gitman, 1997). In the clinic chain business, most of the inventories are medicines. Their fair value is not high when compared to the other assets. It is not much different by using the current ratio or quick ratio for comparison.

UMP has slightly decreased the current ratio and quick ratio from 2.67 and 2.58 in 2019 to 2.21 and 2.17 in 2022. It is still higher than both EC healthcare and perfect medical which is between 1 and 1.2 for both current ratio and quick ratio. It shows that UMP has high liquidity and yet try to leverage more current asset.

### Cash ratio

The cash ratio is another way to measure liquidity. It is based on cash, time deposit and pledge deposit over current liabilities. Those current assets are all cash related. It is expected

no loss in asset value when it is used for cash outflow to settle the liabilities. UMP have a cash ratio of 1.33 in the year 2021. It is consistently higher than EC healthcare and Perfect medical which are 0.71 and 0.89 respectively. It shows that UMP is better in liquidity.

A similar decreasing trend in cash ratio was identified for UMP. It shows that the company are trying to leverage the more current asset to improve business performance while maintaining high liquidity.

#### Total Debt Ratio / Debt to Equity Ratio / Long Term Debt Ratio

The debt ratio equals total debt over total assets. Debt to equity ratio equals total debt over total equity. Long term debt ratio equals the long-term debt liability over total equity. The higher the ratio, the more leverage on financial funding the company uses (Gitman, 1997).

UMP has a relatively low total debt ratio (0.29 in the year 2021) when compared to two other companies (between 0.53 to 0.57 in the year 2021). It is nearly half of the same industries. On the other hand, the debt to equality ratio is even far less than the two other companies. UMP is having 0.40 debt to equality ratio while the other two company range from 1.16 to 1.32, around one-third of companies in the same industries. It shows that UMP has not leveraged too much from the loan.

All three companies don't have long-term debt.

#### Time interest earned

UMP has 15.4 times interest earned. It is better performed than EC healthcare (12.24 times) but lower than perfect medical (47.32 times).

There is no interest recorded in the year 2019. It is showing that the company start to leverage financial funding to generate profits.

#### Overall paying debt ability and liquidity

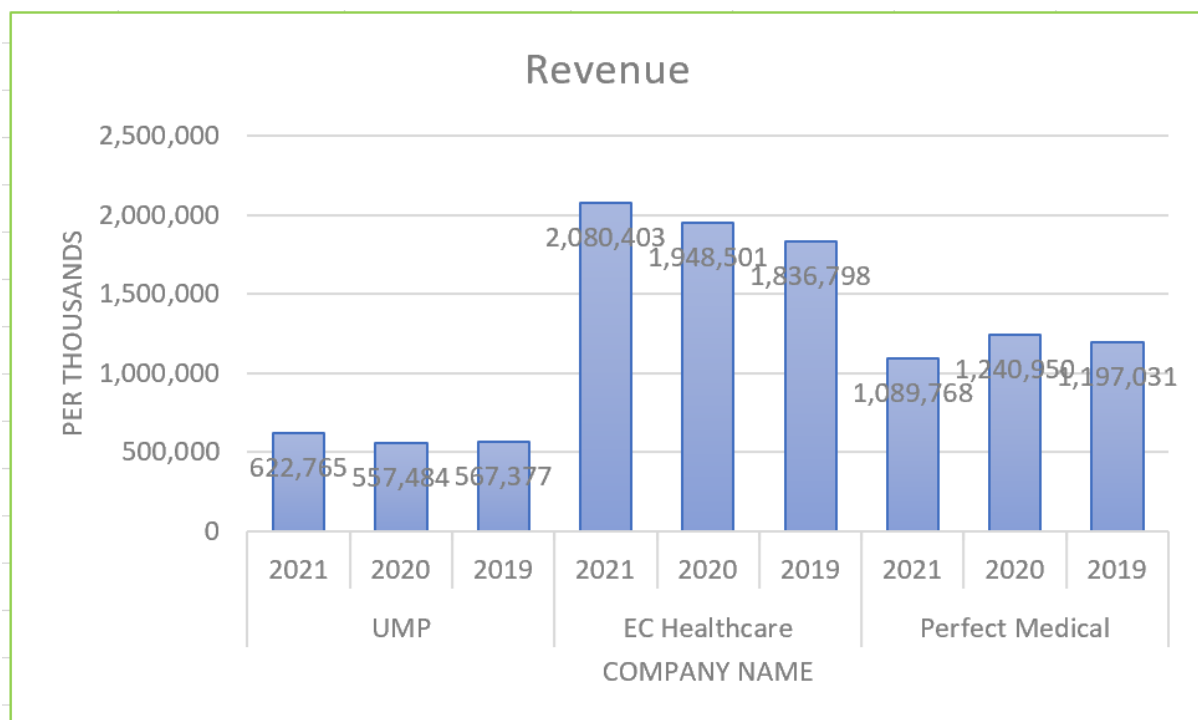
UMP is outstanding in this area. It is the most liquidity based on current / quick / cash ratio. In terms of the total debt / debt to equity ratio, UMP is the lowest one. The paying debt ability is good. From the time to interest ratio, It ranks middle among the three companies. It reveals that UMP could invest wisely from debt to generate profits.

## 2.3 Operation efficiency

### Sales

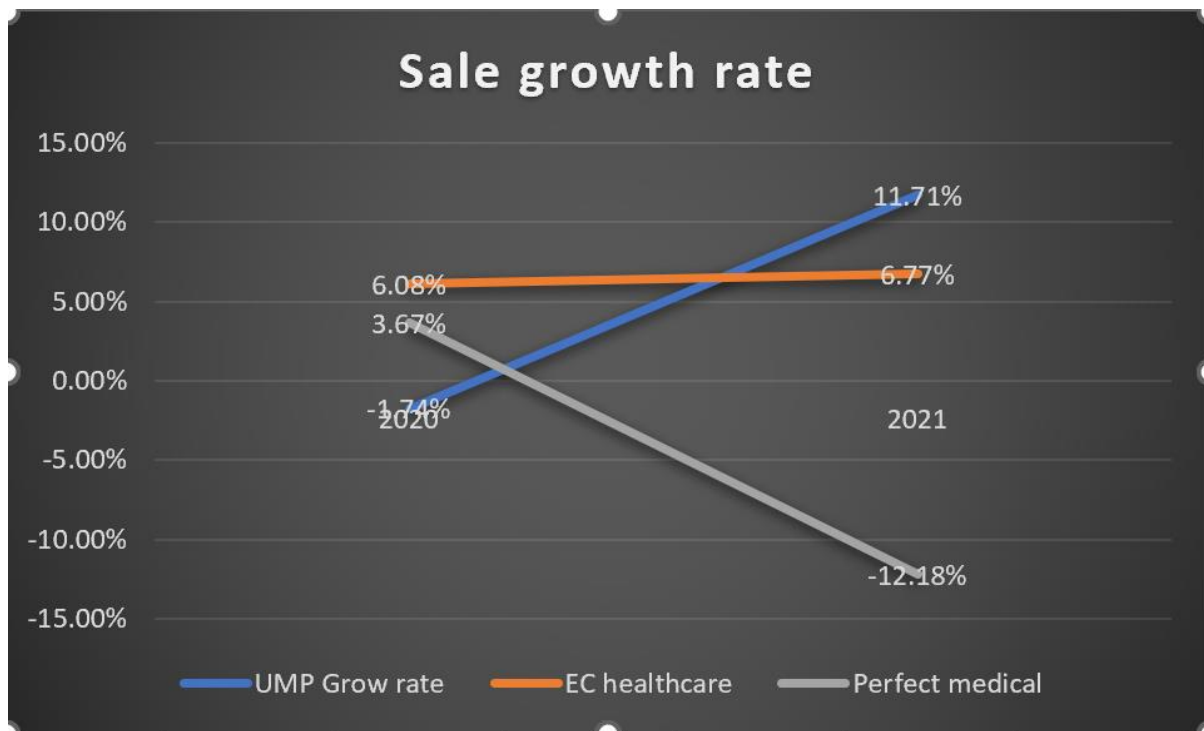
UMP's revenue has slightly decreased by 1.74% in the year 2020 while increasing by 11.71% in the year 2021. The increase in the revenue year 2021 was partly contributed by the visa medical examination business due to increasing numbers of residents leaving Hong Kong (South China Morning Post, 2021).

Figure 2.3.1 – revenue among three companies between 2019 to 2021



Source: constructed by author

Figure 2.3.2 – sale grow rate among three companies



source: constructed by author

From figure 2.3.2, EC healthcare sales recorded a steady growth of around 6% during 2020 and 2021. The worst would be perfect medical. There is decreasing trend from 2020 to 2021 (-12.18%).

### Expense

UMP operation expense includes employee, rental, depreciation and other expense. For perfect medical, it didn't distinguish between professional service and back-office staff. we have allocated 50% of manpower costs to employee costs based on industrial practice. UMP has been in the industrial average with employee spending and rental. However, the other expense in the year 2021 was high when compared to the year 2020. This would affect the net profit margin in the year 2021.

Table 2.3.3 - expense

| <b>Expense ratio</b>          |             |             |             |                      |                        |
|-------------------------------|-------------|-------------|-------------|----------------------|------------------------|
|                               | <b>UMP</b>  |             |             | <b>EC healthcare</b> | <b>Perfect medical</b> |
| <b>Year</b>                   | <b>2021</b> | <b>2020</b> | <b>2019</b> | <b>2021</b>          | <b>2021</b>            |
| Employee                      | 25.48%      | 27.57%      | 25.64%      | 30.16%               | 21.84%                 |
| Property and rental           | 1.85%       | 2.41%       | 9.70%       | 2.47%                | 0.32%                  |
| Depreciation and amortization | 13.21%      | 15.31%      | 4.05%       | 16.10%               | 21.55%                 |
| Other expense                 | 14.89%      | 5.55%       | 14.28%      | 6.08%                | 11.93%                 |

Source: constructed by author]

Other indicators: inventory turnover, account receivable, account payable, payment period, cash period and the total asset turnover

Since UMP are running in the network card business, they also hold doctor payment once it is collected from insurance companies. As such, the trade creditor already includes the payable to the doctor concerning the service delivery to the client, that is the trade. The below formula has been adjusted to include professional service in the denominator when calculating the payment period of UMP.

### 2.3.4 – other operational indicators

| <u>Other indicator</u>    |                                                                                                                  |            |        |        |                      |                        |
|---------------------------|------------------------------------------------------------------------------------------------------------------|------------|--------|--------|----------------------|------------------------|
|                           |                                                                                                                  | <u>UMP</u> |        |        | <u>EC healthcare</u> | <u>Perfect Medical</u> |
| <u>Year</u>               |                                                                                                                  | 2021       | 2020   | 2019   | 2021                 | 2021                   |
| Inventory turn over       | COGS / Inventory                                                                                                 | 3.74       | 3.40   | 2.59   | 5.95                 | 6.40                   |
| Day's sale in inventory   | 365 / Inventory turn over                                                                                        | 97.65      | 107.46 | 140.68 | 61.31                | 57.03                  |
| Receivable turn over      | revenue / trade receivable                                                                                       | 7.47       | 7.50   | 5.40   | 11.62                | 13.97                  |
| Average collection period | 365 / receivable turn over                                                                                       | 48.86      | 48.68  | 67.55  | 31.40                | 26.12                  |
| Payment period            | closing trade creditor / (COGS) * 365<br>For UMP<br>closing trade creditor / (COGS - professional service) * 365 | 88.76      | 53.64  | 69.63  | 72.37                | 14.85                  |
| Operating period          | Inventory period + collection period                                                                             | 146.51     | 156.14 | 208.22 | 92.71                | 83.15                  |
| Cash period               |                                                                                                                  | 57.75      | 102.51 | 138.59 | 20.34                | 68.30                  |
| Total Asset Turnover      | revenue / Total Asset                                                                                            | 64%        | 63%    | 67%    | 55%                  | 74%                    |

Source: constructed by author

### Cash period

The cash period is high because UMP has relied more on the network card business. As such, the customer won't pay cash for the service rendered. The cash period would be improved if the business model shift more to B2C and required payment or even pre-payment before rendering the service.

### Total asset turnover

UMP can maintain a steady asset turnover (63%-67%). It also meets the peer average where EC healthcare is 55% and Perfect medical is 74%.

## 2.4 Profitability

Below are those factors that measure companies' profitability.

Table: 2.4.1 - profitability

| <u>Profitability measurement</u>   | <u>Formula</u>                                    | <u>UMP</u>  |             |             | <u>EC Healthcare</u> | <u>Perfect medical</u> |
|------------------------------------|---------------------------------------------------|-------------|-------------|-------------|----------------------|------------------------|
| <u>Year</u>                        |                                                   | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2021</u>          | <u>2021</u>            |
| Gross profit Margin                | (Revenue - COGS - professional service) / Revenue | 59.00%      | 56.00%      | 54.00%      | 67.00%               | 82.00%                 |
| Operation margin                   | Operating income / revenue                        | 9.00%       | 14.00%      | 6.00%       | 14.00%               | 34.00%                 |
| Net profit margin                  | Net income after tax /revenue                     | 5.00%       | 11.00%      | 3.00%       | 11.00%               | 26.00%                 |
| EBITDA margin                      | EBITDA / revenue                                  | 21.00%      | 28.00%      | 10.00%      | 29.00%               | 49.00%                 |
| Return on asset (ROA after tax)    | Net income after tax /Total Asset                 | 3.00%       | 7.00%       | 2.00%       | 6.00%                | 19.00%                 |
| Return on Equity (ROE after tax)   | Net income after tax / Total Equity               | 5.00%       | 9.00%       | 3.00%       | 14.00%               | 42.00%                 |
| Equity multiplier (leverage ratio) | Total Asset / Total Equity                        | 1.40        | 1.33        | 1.23        | 2.32                 | 2.16                   |

Source: Constructed by Author

### Gross Profit Margin

For clinical chain revenue, the direct cost is not only the cost of good sold (medicine), but also involve healthcare professional services cost. As such, the formula has been minus professional service as shown in the table above. For perfect medical, it didn't separate the professional service cost from back-office staff cost. Instead, it records the cost of employees and manpower. In the above calculation, regarding industrial standards, 50% of the employee and manpower cost has been allocated to professional service.

UMP has an improvement in gross profit margins from 54% in the year 2019 to 59% in the year 2021. This revealed that UMP has utilized doctor and healthcare professional fees effectively and managed the cost of medicine in recent years. However, it is still 7-8% less than its competitors EC healthcare and Perfect Medical. There is still room for improvement.

UMP has improved operation net profit / net profit and EBITDA margin from the year 2019 to 2020. However, those factors all dropped in 2021. The net profit margin was 5% in the year 2021. It is far lower than perfect medical at 49% and EC healthcare at 11%.

The low-profit margin for UMP 2021 was due to other expenses significantly increasing by 205.2% from HKD 28.4 million to HKD 86.6 million. The other expense has been contributed by impairment of goodwill due to disposal of subsidiary, prepayment, other receivable, other expenditure due to expansion and reversal of equity-based payment expense in the year 2020 (UMP, 2021). The business decision involved in the disposal of the under-perform subsidiary may help to increase net profit margins in upcoming years.

#### Return on Asset / Return on Equity / Equity multiplier

UMP's Return on Asset (ROA) and Return on Equity (ROE) have increased from 2% to 7% and from 3% to 9% respectively from the year 2019 to 2020 while they dropped slightly to 3% and 5% respectively in the year 2021. This is also explained by other expenses in the year 2021 that significantly affected the net profit.

The ROA for UMP (3%) is only one-sixth of Perfect medical (19%) and half of EC healthcare (6%). It shows that UMP is not leveraged its asset to generate revenue. This could be explained by its low total debt ratio discussed in section 2.2. It is recommended that UMP leverage more on its available asset to invest to gain generate more revenue

The ROE for UMP (5%) was even far behind the two other companies. It is only one-eighth of Perfect medical (42%) and one-third of EC healthcare (14%).

The average ROE rate for S& P 500 companies was 21.88% in the year 2021. A technology or retail firm with smaller assets and debt relative to net income normally has an ROE level of 18% or more. It is suggested company target its ROE equal to or a little bit above the industries (Fernando, 2021). UMP needs to improve the leverage ratio from 1.40 to factors comparable to EC healthcare (2.32) and perfect medical (2.16).

#### Recommendation for the profitability

Throughout the capability analysis, it is found that UMP's profitability is far less than companies in the same industry. It is recommended UMP should leverage more assets and borrow more loans to capture new investment opportunities. A new revenue generator could be developed by investing in the B2C business segment.

### **2.5 Growth Ability and Stock Market Prospect Analysis**

Table 2.5.1 – Stock market and growth ability analysis

| <u>Market value measure</u>  |             |             |               |               |                 |
|------------------------------|-------------|-------------|---------------|---------------|-----------------|
|                              | UMP         |             |               | EC Healthcare | Perfect Medical |
| <u>Year</u>                  | <u>2021</u> | <u>2020</u> | <u>2019</u>   | <u>2021</u>   | <u>2021</u>     |
| Market capitalization        | 721,075,583 | 995,487,939 | 1,204,930,620 | 7,261,487,144 | 5,417,389,410   |
| Price-Earning ratio (times)  | 22.86       | 16.51       | 61.64         | 32.19         | 19.03           |
| Market to book ratio         | 1.04        | 1.48        | 1.76          | 4.45          | 7.91            |
| Dividend yield               | 55.06%      | 48.81%      | 249.95%       | 50.47%        | 99.17%          |
| Self-sustainable growth rate | 92.16%      | 91.14%      | 89.25%        | 77.80%        | 82.14%          |

Source: Constructed by author

UMP's price-earnings ratio (PE) dropped from 61.64 in the year 2019 to 22.86 in the year 2021. This factor is near the same as perfect medical with 19.03 in the year 2021. On the other hand, the PE ratio for EC healthcare in the year 2021 was 32.19, much worse than UMP.

The dividend yield is 55.06%. Although dividend yield is less than perfect medical with 99.17%, it is still paid a higher percentage than EC healthcare with 50.47%.

Regarding self-sustainable growth rate, UMP maintained around 90% between 2019 -2021. However, both EC healthcare and perfect medical only maintained at 77.8% and 82.14% respectively.

#### Growth capacity and stock market value analysis

UMP's growth capacity level is the most well performed among its peers. It can maintain a high dividend yield and its stock is at a reasonable level.

### **3. Corporate governance - Internal control and Risk Management**

There were many high-profile corporate being collapsed even though their annual report is good. Those corporate collapses not only affected local economy but also international communities. Large corporate like RBS could fall into ruin after the financial tsunami in the year 2008 as a result of aggressive investment due to short-term bonuses on the traders. Enron collapsed as a result of CEO and Financial department setting up special purpose entities to hide excessive loss (Mallin, 2016).

It is important to have good corporate governance to safeguard shareholders' interests.

### **3.1 UMP's existing governance**

#### **a) Chairman and family relationship in some of the Board of Director member**

UMP was set up by Dr Sun Yiu Kwong. After IPO in the year 2015, he is the Chairman and Chief Executive Officer of the company. As of 30 June 2021, Dr Sun Yiu Kwong holds 280,920,049 shares, equivalent to 36.2% of the total number of stock 775,350,089 (UMP, 2021). His son, Dr Sun Man Kin, Michael, being one of the Executive Director hold 2.57% of the shares. His son-in-law, Mr Tsang On Yip, Patrick, is one of the Executive Director and the remuneration committee hold 0.46% of the shares.

To some extent, UMP is operated by a family-based business. There is an advantage to having shareholders directly manage the company for higher decision-making efficiency. However, there are still certain concerns without separation of ownership and control. There were lots of instances that shareholders with control power may abuse in their daily management decision such as overpaying directors with poor performance. Once the shareholders act like an owner. They could directly influence the board and the company. The power of ownership still returns to the original owners rather than to the company and all minority shareholders (Mallin, 2016).

#### **b) The role for the Board in corporate governance function**

The board oversees the business, management and strategic direction of the company. It delegates daily operations to management. The board and the management collaborate to

define various internal control. It doesn't delegate matters to executive directors, board committees or management if the issue significant hinders the board to perform its function (UMP, 2021).

The board play important role in corporate governance. This includes setting up and reviewing the company's policies in corporate governance. It plays an important role to comply with legal and regulatory requirements, including the listing rules. Besides, the board also provide adequate and continuous training and development of directors and senior management (UMP, 2021).

c) The structure of the board

The board consist of executive directors and independent non-executive directors. Each of the members of the board is subject to retirement from office by rotation and re-election every three years.

The board committees have set up four committees below.

i. Remuneration committee:

It is responsible for recommending to the board the structure of all directors and senior management remuneration. It also develops a transparent procedure for remuneration. On the other hand, the committee assesses the performance of executive directors and proposes a remuneration package to the board. In the year 2021, this committee consist of 2 independent non-executive directors and 1 executive director. The independence helps to avoid overpaying the underperformed executive directors even though some executive directors have family relations with chairmen (UMP, 2021).

ii. Nomination committee:

It is responsible to review the structure, diversity and size of the board. It recommends the board selects, appoints and re-appoint directors and their successors. It also reviews the independence of the independent non-executive

director. This committee also consist of 2 independent non-executive directors and 1 executive director (UMP, 2021).

iii. Audit committee:

It holds regular meetings with the board for effective financial reporting control, internal control and risk management. It reviews and makes recommendations related to financial statements, reports and accounts, systems of internal control, risk management and compliance. It consists of 3 members. All are independent non-executive directors (UMP, 2021).

iv. Management committee:

This is a newly established committee in the year 2021 (UMP, 2021). It consists of the executive directors. This committee help executes the strategic direction of the board to achieve a growth plan.

It is observed that the board is well structured into different committees to separate the board's function. Those committees help define both the board and management structure. However, the board size is small, currently 6 executive directors and 3 independent directors. Based on the size of the board, some of the members may play more than one role in different committees. The best part is that all members of the audit committee are independent non-executive. This is crucial to maintain independence for internal control purposes.

d) Connected transaction with major shareholders and executive directors

i. Property leasing framework agreement with Rich Point Group

Dr Sun Yiu Kwong, the chair and CEO of UMP, holds 30% Rich Point Group. The group has referred to historical rentals paid for the properties to make the agreement fair to the group. The annual cap was 4.5 Million while the actual amount payable in the year 2021 was 4.17 million (UMP, 2021).

ii. Consultation agreement with Dr. Lee Pak Cheung, Patrick, an executive director

There was a continuous consultation agreement with Dr Lee Pak Cheung, Patrick with an annual cap of 7 million. The actual transaction with the consultant agreement to UMP, was 4.14 million (UMP, 2021).

iii. Medical Service Framework agreement with CTFE

UMP has entered an agreement with CTFE to provide medical services to CTFE with an annual cap of 29 million. The actual amount receivable was 17.49 million. CTFE is a substantial shareholder of UMP. Besides, Mr Tsang On Yip, Patrick, an executive director of UMP and son-in-law of Dr Sun Yiu Kwong, is also the CEO and director of CTFE (UMP, 2021). There needs to have more monitoring and control framework to ensure that the transaction between UMP and CTFE is fair to both companies.

### **3.2 Improvement area to mitigate potential risk and challenge**

- a) Separate team members from the board and management team. The management committee should consist of executive directors as those are already the board members.
- b) Strengthen risk management by setting up a group risk committee. This should cover the first line on the operation side and the second line of defence to establish best practise and process to strengthen risk management and internal control.
- c) Appoint a data protection officer to address potential legal risks: There are increasing concerns to protect patients' data. There was an increasing challenge in data protection. The General Data Protection Regulation (GDPR) has been effective in the year 2018 as long as it collects data related to people in the EU. There could be huge fines for the breach up to 10 million euros (Wolford, 2018). To avoid potential legal risk, it is recommended to strengthen data protection with appropriate control frameworks.

#### 4. Investment project proposal

As mentioned in section 1.2, the UMP group has been actively growing laboratory and imaging through acquisition. It made the group become one of the largest providers in Hong Kong with 10 services point over a popular areas such as Causeway Bay, Central, Tsim Sha Tsui and Mongkok.

On the other hand, UMP established another brand, WeWell healthcare, in the year 2022 (WeWell Healthcare, 2022). The sales hub online shop currently sells simple checkup packages, nutrition services and supplements to attract walk-in customer and turn it into a regular customers through membership. It is suggested more accessible point that could be exclusive to the “Wewell” member to provide service delivery. To increase accessibility to laboratory and imaging, the proposed investment is to implement the multi-purpose medical truck to cover the limitation of the current service point. Service provided by the multi-purpose medical truck includes below:

- Basic imaging and laboratory service
- Specialist telemedicine service targeting long-term illness customers
- Diagnostic service immediately provided as referred by Specialist telemedicine service
- Nutrition consultation service
- B2B2C Sales hub to provide pick up service for the online shop supplement

##### 4.1 project basic information

| <b><u>Project cost</u></b>  | <b><u>amount (per thousand)</u></b> | <b><u>remark</u></b>                                                                                                                                                                                                                           |
|-----------------------------|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Multi-purpose medical truck | 15,000.00                           | - Mobile diagnosis unit truck implemented in western Kenya in year 2016 costed around USD 132 452.92 (Dhoot et al., 2018).<br>- Assume the truck cost 1.5 million each for shipping to HK and as to pricing in year 2022<br>- buying 10 trucks |
| Software implementation     | 20,000.00                           | - Mobile application development for B2B2C sale hub with membership CRM features<br>- Develop software to have imaging data integration from multi-purpose medical truck                                                                       |

|                                             |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------------|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                             |                     | <p>back to centralized clinical system for data analysis and integration</p> <p>- Refer to 7.4 customized Clinic system around 6 Million</p> <p>- Refer to 7.5 mobile app around 2 Million with B2C and CRM functionality</p> <p>- Develop AI driven laboratory and imaging to integrate with digitalize clinic system, aims to shorten laboratory test results lead time for gimmick. Budget assume 2 times the clinic system customization. That is 6 Million x 2 = 12 Million</p> <p>Initial software implementation = 6M + 2M + 12M = 20 Million</p> |
| Total cost                                  | 35,000.00           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b><u>Remaining basic information</u></b>   | <b><u>value</u></b> | <b><u>Remark</u></b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Multi-purpose medical truck                 | 5 years             | UMP regular approach for medical equipment (note 1)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Software implementation                     | 3 years             | UMP regular approach for computer and software (note 1)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| sales growth rate                           | 12%                 | Revenue increase percentage between 2020 and 2021                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| ultimate growth rate                        | 2%                  | Assume following inflating growth rate 2% as at year 2021<br>(Hong Kong's Information Services Department, 2021)                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| EBITDA                                      | 21%                 | EBITDA / revenue (UMP,2021)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Operation period                            | 146                 | Ratio in 2021 (UMP, 2021)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Cash period                                 | 58                  | Current business model is mainly with B2B, not include too much on B2C. This lead to long account receivable from insurance company (UMP, 2021)                                                                                                                                                                                                                                                                                                                                                                                                          |
| Expected cash period for the new businesses | 29                  | Focusing on B2C (assume the cash period would be improved by discounting 50%)                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

Note 1 : Source from UMP annual report (UMP, 2021)

## 4.2 First year revenue

Table 4.2.1 – First year revenue calculation and assumptions

| <u>Project cost</u>                                | <u>amount</u><br><u>(per</u><br><u>thousand)</u> | <u>remark</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|----------------------------------------------------|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Revenue generated from multi-purpose medical truck | 30,000.00                                        | <p>Assume below services will generate HKD1000 revenue per hour per truck. 10 operation hours per truck per day and 300 days a years. Total revenue = HKD 1000 * 10 * 300 * 10 = 30 Millions</p> <ul style="list-style-type: none"> <li>• Basic imaging and laboratory service</li> <li>• Specialist telemedicine service targeting long-term illness customers</li> <li>• Diagnostic service immediately provided as referred by Specialist telemedicine service</li> <li>• Nutrition consultation service</li> <li>• B2B2C Sales hub to provide pick up service for the online shop supplement</li> </ul> |

Source: Constructed by author

## 4.3 Net profit calculation

Table 4.3.1 – Net profit for the new project (figures per thousand)

| Growth                          |                           | 12%       | Increase in revenue from year 2020 to 2021 |           |           |           |
|---------------------------------|---------------------------|-----------|--------------------------------------------|-----------|-----------|-----------|
| End of Financial year           |                           | 1         | 2                                          | 3         | 4         | 5         |
| Sales                           | Refer to growth           | 30,000.00 | 33,512.98                                  | 37,437.33 | 41,821.21 | 46,718.45 |
| EBITDA margin (using year 2021) | 21%                       | 6,346.89  | 7,090.10                                   | 7,920.35  | 8,847.82  | 9,883.89  |
| Depr                            | straight line depr method |           |                                            |           |           |           |
| 10 medical truck                | 5                         | 3,000.00  | 3,000.00                                   | 3,000.00  | 3,000.00  | 3,000.00  |
| Software impl.                  | 3                         | 6,666.67  | 6,666.67                                   | 6,666.67  | 0.00      | 0.00      |
| Total Depr                      |                           | 9,666.67  | 9,666.67                                   | 9,666.67  | 3,000.00  | 3,000.00  |
| EBIT                            |                           | -3,319.78 | -2,576.56                                  | -1,746.32 | 5,847.82  | 6,883.89  |
| Tax (GovHK, n.d.)               | 16.50%                    | 0.00      | 0.00                                       | 0.00      | 964.89    | 1,135.84  |
| Profit                          |                           | -3,319.78 | -2,576.56                                  | -1,746.32 | 4,882.93  | 5,748.05  |

Note 1: profit after 5 year would be using ultimate growth rate as mentioned in 4.1

Source: constructed by author

#### 4.4 Cash flow calculation

Table 4.4.1 – Cash flow (figures per thousands)

| End of Financial year |                                                         | 1       | 2       | 3       | 4       | 5       |
|-----------------------|---------------------------------------------------------|---------|---------|---------|---------|---------|
| EBITDA (using margin) |                                                         | 6346.9  | 7090.1  | 7920.4  | 8847.8  | 9883.9  |
| Expenditure           | Cash period (using 29 days as mentioned in section 4.1) | -2383.6 | -2662.7 | -2974.5 | -3322.8 | -3711.9 |
| Tax                   |                                                         | 0.0     | 0.0     | 0.0     | -964.9  | -1135.8 |
| Cashflow              |                                                         | 3963.3  | 4427.4  | 4945.9  | 4560.1  | 5036.2  |

Note 1: cashflow after 5 year would be using ultimate growth rate as mentioned in 4.1

Source: Constructed by author

#### 4.5 ARR calculation

Table: 4.5.1 – ARR calculation

| <u>ARR</u>                          | <u>amount (per thousand)</u> |
|-------------------------------------|------------------------------|
| Total income for 15 years           | 67,186.66                    |
| Average profit                      | 4,479.11                     |
| Initial cost                        | 35,000.00                    |
| ARR = Average profit / initial cost | 12.80%                       |

Source: Constructed by author

#### 4.6 NPV calculation

Table 4.6.1 – NPV calculation

- all amounts are per thousand. NPV based on  $r=3\%$  (ROA in year 2021) where  $t$  year = cash

| Year                        | Cashflow in/(out) | PV of cashflow |
|-----------------------------|-------------------|----------------|
| 0                           | (35,000.0)        | (35,000)       |
| 1                           | 3,963.3           | 3,848          |
| 2                           | 4,427.4           | 4,173          |
| 3                           | 4,945.9           | 4,526          |
| 4                           | 4,560.1           | 4,052          |
| 5                           | 5,036.2           | 4,344          |
| 6-10                        | 26,732.62         | 21,096.71      |
| 11-15                       | 29,514.97         | 20,092.29      |
| NPV = net PV - initial cost |                   | 27,132.23      |

Source: Constructed by author

#### 4.7 Payback period and IRR

Table 4.7.1 Payback period – PV based on  $r=3\%$  (ROA in year 2021)

| <u>Year</u>    | <u>Cashflow in/(out)</u> | <u>PV of cashflow</u> | <u>Cumulative Cashflow</u> |
|----------------|--------------------------|-----------------------|----------------------------|
| 0              | (35,000.0)               | (35,000.0)            | (35,000.0)                 |
| 1              | 3,963.3                  | 3,847.9               | (31,036.7)                 |
| 2              | 4,427.4                  | 4,173.3               | (26,609.2)                 |
| 3              | 4,945.9                  | 4,526.2               | (21,663.4)                 |
| 4              | 4,560.1                  | 4,051.6               | (17,103.2)                 |
| 5              | 5,036.2                  | 4,344.2               | (12,067.0)                 |
| Payback period |                          |                       | 7 YEARS 4 MONTHS           |
| IRR            |                          |                       | 11.53%                     |

Source: Constructed by author

#### 4.8 Investment appraisals

From the data analysis, the new multi-purpose medical trucks business is going to pay back in 7 years and 4 months and the net present value is also positive. Therefore, the project investment is a positive return. This helps the group to develop B2C membership and on the other hand increase penetration to some other non-popular residential areas, especially in the north new territory. This also serves new business sources to diversify its B2B network card business and is expected to reduce the cash period.

#### 4.9 New project appraisal methods for analysis

- ARR: 12.80%. It is much higher than ROA 3% in year 2021. This will help improve the ROA in short term to reach the industrial average.
- IRR: 11.53%. It is much higher than current ROA 3% in year 2021
- The net present value is 27.13 million.

Since the projects last for 15 years, it is not only to resolve the profit-based problem but more cash flow based in a time series fashion. As such, it is simpler and more relevant to make use of IRR for measures.

## 5. Financing and capital requirement

UMP need to invest with cash of 35 million (about 5.62% of 2021 revenue). We are going to analyse the different forms of financing.

Table 5.1 – Financial and capital requirement analysis

| Per thousand                            | UMP     |         |         | EC Healthcare | Perfect Medical |
|-----------------------------------------|---------|---------|---------|---------------|-----------------|
|                                         | 2021    | 2020    | 2019    | 2021          | 2021            |
| Bank borrowing                          | 0       | 0       | 0       | 287,348       | 0               |
| time deposit with initial term 3 months | 0       | 0       | 0       | 4,751         | 214             |
| Pledged deposits                        | 1,893   | 1,354   | 1,354   | 0             | 8,802           |
| Cash and cash equivalents               | 293,974 | 230,671 | 207,644 | 931,063       | 489,773         |
| Current liability                       | 222,760 | 159,775 | 138,716 | 1,317,227     | 559,488         |
| Cash ratio                              | 1.33    | 1.45    | 1.51    | 0.71          | 0.89            |
| Total Debt Ratio                        | 0.29    | 0.25    | 0.19    | 0.57          | 0.54            |
| Interest cost                           | -3,566  | -3,825  | 0       | -23,648       | -7,732          |

Source: Constructed by author

1. Cash payment: cash ratio for UMP is high when compared to EC healthcare and Perfect medical. With this investment settled by cash, the cash ratio only dropped a bit. That is  $(293,974 - 35,000) / 222,760 = 1.16$ . It is still much more liquidity than the two other companies.

ROA would also be increased in this project if existing cash could be utilized. However, UMP still has leveraged financial facilities to generate revenue. It is suggested to make use of 5 million of cash and the other 30 million could be acquired by increasing financing debt. As such, cash ratio become  $(293,974 - 5,000) / (222,760 + 30,000) = 1.14$ .

2. Issue marketable corporate bond: The yield rate for a 10-year Hong Kong government bond is 3% (Trading Economics, 2022). On the other hand, UMP holds other corporate bonds as debt investments with short-term fixed maturity dates between 2022 and 2023 (2020: 2020 and 2023) and fixed interest rates ranging from 4.25% to 8.5% per annum (2020: 4.25% to 8.5% per annum) (UMP, 2021). Taking reference to

this market interest rate, it is suggested to 10-year corporate bond long-term debt lower the interest rate to 4%.

The pros of this approach are to lock the yield rate and this ensures that the cash flow could be maintained until the project reach a payback period of 7 years 4 months. The cons for this approach is to ensure there is a market to buy the bond despite the company is not popular. There is a potential risk of no buyers for the captioned bond.

This is not recommended as the funding is quite difficult to obtain.

3. Bank loan: HKD-denominated corporate loans could be fixed or floating and normally based on HIBOR or PRIME rate. According to the HKMA study, the average maturity of loan size 10 -100M is 30 months. The average loan spread is 1.5% on top of HIBOR in this loan amount range (Wu, M. and Liu, Z, 2020). As of 26 Aug 2022, the HIBOR rate is 1.81% (HSBC website, 2022). The interest rate would be  $1.5 + 1.81$  (around 3.3%) and is volatile.

The pros of this approach are those corporate loans could be revolving after maturity. It is more feasible to start a shorter tender like 2 years and revolve based on the needs.

The cons of this approach are the interest rate for the bank loan is expected to increase with the interest rate cycle. It is hard to predict the cost throughout the loan tenure.

#### Recommendation:

A bank loan is recommended as a source of financial funding. Based on section 4.4, it is projected that the project will generate a cash flow of 8.39 million in the first 2 years. It allows us to review 2 years later whether it is still required to revolve the loan based on the related liquidity and solvency measure. Also, if the interest rate increases to a certain point that is much higher than ROA (currently 3%), the loan won't revolve and use the existing cash to settle the outstanding loan.

It is recommended to borrow 30 million with a 2-year maturity and 5 million taken from existing cash on hand to fund the project. Although it is projected cash ratio still maintains

1.16 if we take out all cash for this investment, the bank loan is to ensure the company is still of good sign in case there is a worse case situation where the new business needs more cash than it is projected.

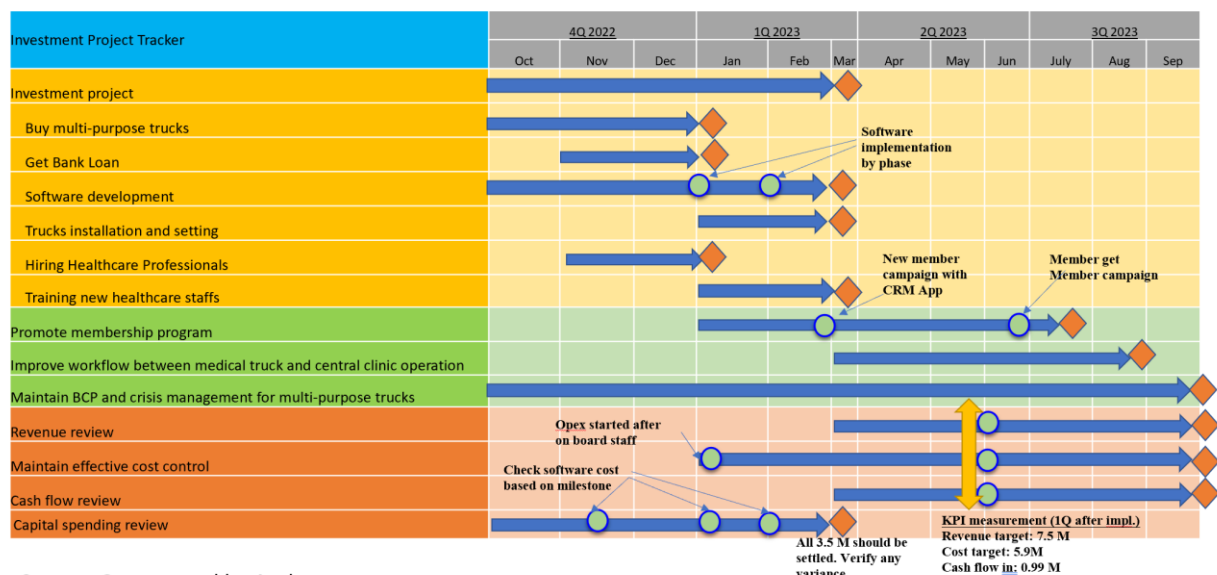
## 6. Conclusion and Recommendation

UMP is financial health in the liquidity, and operation efficiency. Its profitability is behind the industries. This could be explained by low leverage on assets. The investment proposal not only helps to develop the B2C area to diversify the current portfolio in the B2B business segment but also to improve the cash period and the return on assets.

### 6.1 Recommendation

It is recommended that the investment project should be finished in the first 5 months starting October 2022. The new business is expected to go live on March 2023. As such, there would be 4 months to reflect the cash flow and revenue before the fiscal year end of June 2023.

Figure 6.1 - Gantt Chart for Investment of multi-purpose trucks and B2C program



Source: Constructed by Author

Two major measurements need to ensure the project finance and its benefit is realized. The measurement is illustrated in the lowest section of figure 6.1 Gantt Chart. First, the capital

spending needs to be tracked from Oct 2022 based on software development progress. Total investment as of March 2023 should be 3.5M as budgeted in this project. Second, KPI on revenue, cost and cash flow should be checked against pro-rated projected figures at the end of May (one quarter after the business launch). This is to ensure that the project benefit is realized. In case there are discrepancies with project return, management could be stepped in and identify a potential mitigation plan to regain revenue and cash flow.

## 7. Appendix

### 7.1 Balance Sheet figures extracted from Annual report from UMP, EC healthcare and Perfect Medical

|                                                              | Per thousand dollar |                |                | Per dollar           |                      |                      | Per thousand dollar |                  |                |
|--------------------------------------------------------------|---------------------|----------------|----------------|----------------------|----------------------|----------------------|---------------------|------------------|----------------|
|                                                              | UMP                 |                |                | EC Healthcare        |                      |                      | Perfect Medical     |                  |                |
|                                                              | 2021                | 2020           | 2019           | 2021                 | 2020                 | 2019                 | 2021                | 2020             | 2019           |
| Property, plant and equipment                                | 99,430              | 96,424         | 101,061        | 792,004,597          | 725,180,462          | 294,686,071          | 162,385             | 142,162          | 108,486        |
| Right-of-use assets                                          | 73,666              | 82,152         | 0              |                      |                      |                      | 251,783             | 246,386          |                |
| Goodwill                                                     | 164,768             | 171,264        | 163,711        | 477,355,992          | 155,437,016          | 99,099,208           |                     |                  |                |
| Other intangible assets                                      | 61,681              | 76,972         | 79,378         | 511,627,295          | 115,086,308          | 89,493,118           |                     |                  |                |
| Investments in joint ventures                                | 7,970               | 0              | 1,158          | 53,204,474           | 50,729,399           | 37,051,803           |                     |                  |                |
| Investments in associates                                    | 4,501               | 8,546          | 8,976          |                      |                      |                      |                     |                  |                |
| Investment property                                          |                     |                |                | 186,300,000          | 189,000,000          | 232,000,000          |                     |                  |                |
| Financial assets at amortised cost                           | 19,025              | 20,206         | 46,668         |                      |                      |                      |                     |                  |                |
| Investments at fair value through other comprehensive income | 23,603              | 23,187         | 52,938         |                      |                      |                      | 309,077             | 37,232           | 70,277         |
| Deferred tax assets                                          | 1,417               | 1,691          | 1,300          | 26,547,997           | 22,324,635           | 12,239,612           | 53,858              | 52,213           | 9,255          |
| Financial assets at fair value through profit or loss        |                     |                |                | 92,510,888           | 90,584,807           | 37,356,812           |                     |                  |                |
| deposit and prepayment                                       |                     |                |                |                      |                      |                      | 49,448              | 33,396           | 29,268         |
| Prepayment and other receivable                              |                     |                |                | 169,304,410          | 102,782,281          | 104,513,425          |                     |                  |                |
| Deposits                                                     | 20,544              | 21,977         | 15,927         | 66,890,894           | 51,837,382           | 35,847,456           |                     |                  |                |
| <b>Total non-current asset</b>                               | <b>476,605</b>      | <b>502,419</b> | <b>471,117</b> | <b>2,375,746,547</b> | <b>1,502,962,290</b> | <b>942,287,505</b>   | <b>826,551</b>      | <b>511,389</b>   | <b>217,286</b> |
| Inventories                                                  | 9,198               | 9,083          | 11,803         | 39,524,076           | 59,633,764           | 52,080,763           | 2,799               | 1,783            | 2,651          |
| Trade receivables                                            | 83,364              | 74,354         | 104,997        | 178,984,435          | 79,025,977           | 104,668,285          | 77,986              | 74,666           | 153,570        |
| Prepayments, other receivables                               | 18,088              | 32,423         | 20,951         | 191,106,358          | 188,887,999          | 198,690,058          | 40,146              | 40,313           | 47,202         |
| Deferred cost                                                |                     |                |                | 63,181,589           | 73,014,766           | 80,455,099           |                     |                  |                |
| Financial assets at fair value through profit or loss        | 27,115              | 1,723          | 2,400          | 2,884,868            | 110,960,036          | 599,830,857          | 34,097              | 33,525           | 35,218         |
| Financial assets at amortised cost                           | 14,046              | 35,646         | 14,066         |                      |                      |                      |                     |                  |                |
| Amounts due from associates                                  | 3,730               | 2,204          | 4,077          |                      |                      |                      |                     |                  |                |
| Amount due from a joint venture                              | 451                 | 0              | 0              |                      |                      |                      |                     |                  |                |
| Amounts due from related companies                           | 1,220               | 1,220          | 3,633          |                      |                      |                      |                     |                  |                |
| Tax recoverable                                              | 551                 | 210            | 58             | 3,239,439            | 19,392,130           |                      |                     |                  |                |
| time deposit with initial term 3 months                      |                     |                |                | 4,751,078            | 950,000              |                      | 214                 | 71,116           | 56,814         |
| Pledged deposits                                             | 1,893               | 1,354          | 1,354          |                      |                      | 2,001,612            | 8,802               | 2,861            | 4,021          |
| Cash and cash equivalents                                    | 293,974             | 230,671        | 207,644        | 931,063,153          | 520,441,937          | 366,969,663          | 489,773             | 563,591          | 338,671        |
| Assets of disposal groups classified as held for sale        | 39,742              | 0              | 0              |                      |                      |                      |                     |                  |                |
| <b>Total current asset</b>                                   | <b>493,372</b>      | <b>388,888</b> | <b>370,983</b> | <b>1,414,734,996</b> | <b>1,052,306,609</b> | <b>1,404,696,337</b> | <b>653,817</b>      | <b>787,855</b>   | <b>638,147</b> |
| <b>Total Assets</b>                                          | <b>969,977</b>      | <b>891,307</b> | <b>842,100</b> | <b>3,790,481,543</b> | <b>2,555,268,899</b> | <b>2,346,983,842</b> | <b>1,480,368</b>    | <b>1,299,244</b> | <b>855,433</b> |
| Trade payables                                               | 62,185              | 36,370         | 49,589         | 46,657,207           | 35,719,130           | 21,879,324           | 729                 | 736              | 609            |
| Other payables and accruals                                  | 64,376              | 62,584         | 73,084         | 168,446,521          | 122,876,724          | 144,054,378          | 88,440              | 69,132           | 75,025         |
| Amounts due to associates                                    | 0                   | 184            | 138            |                      |                      |                      |                     |                  |                |
| Amounts due to related companies                             | 5,618               | 2,020          | 620            |                      |                      |                      |                     |                  |                |
| Amount due to a joint venture                                | 561                 | 203            | 180            |                      |                      |                      |                     |                  |                |

|                                                                             |                |                |                |                      |                      |                      |                |                |                |
|-----------------------------------------------------------------------------|----------------|----------------|----------------|----------------------|----------------------|----------------------|----------------|----------------|----------------|
| Derivative financial instrument                                             | 0              | 0              | 743            |                      |                      |                      |                |                |                |
| Lease liabilities                                                           | 38,731         | 43,420         | 0              | 207,452,990          | 161,190,926          | 5,882,739            | 105,598        | 93,497         | 0              |
| Tax payable                                                                 | 26,848         | 14,994         | 14,362         | 44,786,208           | 50,938,562           | 34,936,345           | 45,540         | 58,582         | 70,220         |
| Bank borrowing                                                              |                |                |                | 287,348,215          | 261,950,991          | 497,713,680          |                |                |                |
| Deferred revenue                                                            |                |                |                | 562,535,941          | 436,619,721          | 420,461,620          | 316,723        | 158,701        | 116,337        |
| provision for reinstatement cost                                            |                |                |                |                      |                      |                      | 2,458          | 2,769          | 2,306          |
| Liabilities associated with the disposal groups classified as held for sale | 24,441         | 0              | 0              |                      |                      |                      |                |                |                |
| <b>Total Current Liability</b>                                              | <b>222,760</b> | <b>159,775</b> | <b>138,716</b> | <b>1,317,227,082</b> | <b>1,069,296,054</b> | <b>1,124,928,086</b> | <b>559,488</b> | <b>383,417</b> | <b>264,497</b> |
| <b>Net Current asset</b>                                                    | <b>270,612</b> | <b>229,113</b> | <b>232,267</b> | <b>97,507,914</b>    | <b>-16,989,445</b>   | <b>279,768,251</b>   | <b>94,329</b>  | <b>404,438</b> | <b>373,650</b> |
| <b>Total asset less current liability</b>                                   | <b>747,217</b> | <b>731,532</b> | <b>703,384</b> | <b>2,473,254,461</b> | <b>1,485,972,845</b> | <b>1,222,055,756</b> | <b>920,880</b> | <b>915,827</b> | <b>590,936</b> |
|                                                                             |                |                |                |                      |                      |                      |                |                |                |
| Lease liabilities                                                           | 39,296         | 43,145         | 0              | 294,787,392          | 296,761,978          | 40,889,102           | 156,001        | 158,507        |                |
| Deferred tax liabilities                                                    | 12,238         | 14,572         | 14,609         | 74,747,338           | 11,127,747           | 6,159,759            | 69,324         | 69,982         | 24,594         |
| Other payable                                                               |                |                |                | 220,115,116          | 0                    |                      |                |                |                |
| convertible bonds                                                           |                |                |                | 239,818,973          | 0                    |                      |                |                |                |
| Provision                                                                   | 2,627          | 3,308          | 2,813          | 13,000,000           | 8,550,000            | 9,110,000            | 10,708         | 8,342          | 5,598          |
| <b>Total Non-Current Liability</b>                                          | <b>54,161</b>  | <b>61,025</b>  | <b>17,422</b>  | <b>842,468,819</b>   | <b>316,439,725</b>   | <b>56,158,861</b>    | <b>236,033</b> | <b>236,831</b> | <b>30,192</b>  |
|                                                                             |                |                |                |                      |                      |                      |                |                |                |
| <b>Total Liability</b>                                                      | <b>276,921</b> | <b>220,800</b> | <b>156,138</b> | <b>2,159,695,901</b> | <b>1,385,735,779</b> | <b>1,181,086,947</b> | <b>795,521</b> | <b>620,248</b> | <b>294,689</b> |
| <b>Net asset</b>                                                            | <b>693,056</b> | <b>670,507</b> | <b>685,962</b> | <b>1,630,785,642</b> | <b>1,169,533,120</b> | <b>1,165,896,895</b> | <b>684,847</b> | <b>678,996</b> | <b>560,744</b> |
|                                                                             |                |                |                |                      |                      |                      |                |                |                |
| Issue capital                                                               | 775            | 766            | 758            | 10,710               | 9,853                | 9,845                | 122,289        | 111,552        | 110,514        |
| Reserves                                                                    | 638,723        | 611,080        | 612,237        | 1,268,734,402        | 1,002,717,654        | 1,041,988,419        | 562,558        | 567,444        | 450,230        |
| non-controllable interest                                                   | 53,558         | 58,661         | 72,967         | 362,040,530          | 166,805,613          | 123,898,631          | 0              | 0              |                |
| <b>Total Equity</b>                                                         | <b>693,056</b> | <b>670,507</b> | <b>685,962</b> | <b>1,630,785,642</b> | <b>1,169,533,120</b> | <b>1,165,896,895</b> | <b>684,847</b> | <b>678,996</b> | <b>560,744</b> |
|                                                                             |                |                |                |                      |                      |                      |                |                |                |
| Retain earning                                                              | 176,136        | 169,409        | 137,664        | 238,578,724          | 249,288,803          | 303,307,675          | 259,832        | 447,526        | 241,469        |
| No of share (Actual number)                                                 | 775,350,089    | 765,759,953    | 757,818,000    | 1,071,015,803        | 985,277,448          | 984,519,948          | 1,222,887,000  | 1,115,516,000  | 1,105,140,000  |
| Dividend declared (cash flow from finance activities)                       | 17,364         | 29,437         | 48,862         | 113,857,804          | 344,813,357          | 290,210,660          | 282,271        | 218,765        | 327,121        |
|                                                                             |                |                |                |                      |                      |                      |                |                |                |
|                                                                             |                |                |                |                      |                      |                      |                |                |                |

## 7.2 Income statement figures extracted from Annual report from UMP, EC healthcare and Perfect Medical

|                                             | Per thousand dollar |                |               | Per dollar         |                    |                    | Per thousand dollar |                |                |
|---------------------------------------------|---------------------|----------------|---------------|--------------------|--------------------|--------------------|---------------------|----------------|----------------|
|                                             | UMP                 |                |               | EC Healthcare      |                    |                    | Perfect Medical     |                |                |
|                                             | 2021                | 2020           | 2019          | 2021               | 2020               | 2019               | 2021                | 2020           | 2019           |
| Revenue                                     | 622,765             | 557,484        | 567,377       | 2,080,403,394      | 1,948,500,643      | 1,836,798,361      | 1,089,768           | 1,240,950      | 1,197,031      |
| Other Income                                | 10,335              | 25,634         | 25,414        | 104,934,873        | 38,571,647         | 36,190,688         | 56,943              | 5,466          | 3,495          |
| Other gain/loss                             |                     |                |               |                    |                    |                    | 6,077               | -3,062         | 2,649          |
| professional service                        | -221,339            | -216,653       | -229,321      | -448,659,677       | -297,275,711       | -207,277,549       |                     |                |                |
| Employee                                    | -148,280            | -140,923       | -143,817      | -580,382,990       | -539,871,422       | -446,391,375       |                     |                |                |
| Employee and manpower                       |                     |                |               |                    |                    |                    | -347,162            | -356,136       | -340,736       |
| Property and rental                         | -10,784             | -12,317        | -54,390       | -47,503,503        | -42,662,695        | -175,578,191       | -2,515              | -16,092        | -94,093        |
| Cost of inventories                         | -34,382             | -30,851        | -30,624       | -235,316,728       | -215,636,061       | -227,286,741       | -17,914             | -14,968        | -13,600        |
| Depreciation and amortization               | -76,868             | -78,269        | -22,701       |                    |                    |                    |                     |                |                |
| Depreciation - property and plant           |                     |                |               | -77,546,659        | -69,963,994        | -48,987,080        | -55,101             | -55,436        | -70,390        |
| Depreciation - right of use of asset        |                     |                |               | -200,348,300       | -162,870,997       | 0                  | -116,155            | -99,388        | 0              |
| Amortization of intangible asset            |                     |                |               | -31,968,248        | 0                  | 0                  |                     |                |                |
| Other expense                               | -86,639             | -28,384        | -80,118       | -117,016,095       | -103,926,837       | -113,481,088       | -94,772             | -108,345       | -115,387       |
| marketing and advertisement expense         |                     |                |               | -109,381,226       | -124,443,256       | -154,538,138       | -153,277            | -136,794       | -169,111       |
| credit card expense                         |                     |                |               | -49,312,826        | -50,218,456        | -46,723,372        |                     |                |                |
| charity donation                            |                     |                |               | -3,344,488         | -1,736,885         | -3,273,956         |                     |                |                |
| Financial cost                              | -3,566              | -3,825         | 0             | -23,648,224        | -18,063,642        | -2,743,135         | -7,732              | -5,617         | 4,195          |
| Share of joint ventor (loss)/profit         |                     |                |               |                    |                    |                    |                     |                |                |
| - a Joint Venture                           | -1,255              | -167           | 11            | 4,987,575          | 121,046            | 3,372,057          |                     |                |                |
| - associates                                | 1,333               | 1,677          | 2,444         | -490               | 0                  | 0                  |                     |                |                |
| <b>Profit before tax</b>                    | <b>51,320</b>       | <b>73,406</b>  | <b>34,275</b> | <b>265,896,388</b> | <b>360,523,380</b> | <b>450,080,481</b> | <b>358,160</b>      | <b>450,578</b> | <b>404,053</b> |
| Income tax expense                          | -19,783             | -13,096        | -14,726       | -40,303,029        | -50,251,407        | -65,575,517        | -73,526             | -90,421        | -85,020        |
| <b>Profit for the year</b>                  | <b>31,537</b>       | <b>60,310</b>  | <b>19,549</b> | <b>225,593,359</b> | <b>310,271,973</b> | <b>384,504,964</b> | <b>284,634</b>      | <b>360,157</b> | <b>319,033</b> |
| <b>EBIT</b>                                 | <b>54,886</b>       | <b>77,231</b>  | <b>34,275</b> | <b>289,544,612</b> | <b>378,587,022</b> | <b>452,823,616</b> | <b>365,892</b>      | <b>456,195</b> | <b>399,858</b> |
| <b>EBITDA</b>                               | <b>131,754</b>      | <b>155,500</b> | <b>56,976</b> | <b>599,407,819</b> | <b>611,422,013</b> | <b>501,810,696</b> | <b>537,148</b>      | <b>611,019</b> | <b>470,248</b> |
| Attribute to:                               |                     |                |               |                    |                    |                    |                     |                |                |
| owner of the company                        | 34,834              | 58,915         | 12,798        | 192,864,983        | 286,576,155        | 361,105,819        | 284,634             | 360,157        | 319,033        |
| Non-controllable interests                  | -3,297              | 1,395          | 6,751         | 32,728,376         | 23,695,818         | 23,399,145         | 0                   | 0              | 0              |
|                                             | 31,537              | 60,310         | 19,549        | 225,593,359        | 310,271,973        | 384,504,964        | 284,634             | 360,157        | 319,033        |
| Earning per share                           |                     |                |               |                    |                    |                    |                     |                |                |
| basic                                       | 0.0458              | 0.0779         | 0.0171        | 0.188              | 0.291              | 0.367              | 0.243               | 0.322          | 0.289          |
| dilute                                      | 0.458               | 0.0776         | 0.0169        | 0.187              | 0.29               | 0.366              | 0.243               | 0.321          | 0.287          |
| reclass currency translation diff           | 2,372               | -1,463         | -1,238        | -1,323,748         | 1,181,215          | 497,941            | 20,091              | -14,100        | -7,667         |
| fair value (loss)/gain taken to reserve     | -27                 | -256           | 48            | 0                  | 0                  | 0                  | -30,219             | 1,941          | -446           |
| join venture                                |                     | -44            | -79           |                    |                    |                    |                     |                |                |
| associate                                   |                     | -37            | -48           |                    |                    |                    |                     |                |                |
| Other Comprehensive income / loss           | 4,833               | -29,495        | 2,979         |                    |                    |                    |                     |                |                |
| Total other comprehensive                   | 7,178               | -31,295        | 1,662         | -1,323,748         | 1,181,215          | 497,941            | -10,128             | -12,159        | -8,113         |
| <b>Total comprehensive income to equity</b> | <b>38,715</b>       | <b>29,015</b>  | <b>21,211</b> | <b>224,269,611</b> | <b>311,453,188</b> | <b>385,002,905</b> | <b>274,506</b>      | <b>347,998</b> | <b>310,920</b> |
| Attribute to:                               |                     |                |               |                    |                    |                    |                     |                |                |
| owner of the company                        | 42,012              | 27,620         | 14,460        | 191,541,235        | 287,757,370        | 361,603,760        | 284,634             | 360,157        | 319,033        |
| Non-controllable interests                  | -3,297              | 1,395          | 6,751         | 32,728,376         | 23,695,818         | 23,399,145         | 0                   | 0              | 0              |
|                                             | 38,715              | 29,015         | 21,211        | 224,269,611        | 311,453,188        | 385,002,905        | 284,634             | 360,157        | 319,033        |

## 7.3 Financial ratio calculated from balance sheet and income statement from UMP, EC healthcare and Perfect Medical

| HKD/thousands                 |  | Example  | UMP         |             |               | EC Healthcare |               |               | Perfect Medical |               |               |
|-------------------------------|--|----------|-------------|-------------|---------------|---------------|---------------|---------------|-----------------|---------------|---------------|
|                               |  | 2007     | 2021        | 2020        | 2019          | 2021          | 2020          | 2019          | 2021            | 2020          | 2019          |
| Net Current Assets            |  | 2175,867 | 270,612     | 229,113     | 232,267       | 97,507,914    | -16,989,445   | 279,768,251   | 94,329          | 404,438       | 373,650       |
| Total Assets                  |  | 8989,465 | 969,977     | 891,307     | 842,100       | 3,790,481,543 | 2,555,268,899 | 2,346,983,842 | 1,480,368       | 1,299,244     | 855,433       |
| Retained Earnings             |  | 2,731    | 638,723     | 611,080     | 612,237       | 1,268,734     | 1,002,718     | 1,041,988     | 562,558         | 567,444       | 450,230       |
| EBIT                          |  | 1270,218 | 54,886      | 77,231      | 34,275        | 289,544,612   | 378,587,022   | 452,823,616   | 365,892         | 456,195       | 399,858       |
| Stock Price (HKD)             |  | 18.79    | 0.93        | 1.3         | 1.59          | 6.78          | 3.4           | 5.84          | 4.43            | 1.88          | 2.67          |
| RMB/HKD ex rate               |  | 1.074    | 1           | 1           | 1             | 1             | 1             | 1             | 1               | 1             | 1             |
| Number of stock (1000 shares) |  | 557,219  | 775,350,089 | 765,759,953 | 757,818,000   | 1,071,015,803 | 985,277,448   | 984,519,948   | 1,222,887,000   | 1,115,516,000 | 1,105,140,000 |
| Market capitalization         |  |          | 721,075,583 | 995,487,939 | 1,204,930,620 | 7,261,487,144 | 3,349,943,323 | 5,749,596,496 | 5,417,389,410   | 2,097,170,080 | 2,950,723,800 |
| Total Liabilities             |  | 6121.39  | 276,921     | 220,800     | 156,138       | 2,159,695,901 | 1,385,735,779 | 1,181,086,947 | 795,521         | 620,248       | 294,689       |
| Sales                         |  | 2726,983 | 622,765     | 557,484     | 567,377       | 2,080,403,394 | 1,948,500,643 | 1,836,798,361 | 1,089,768       | 1,240,950     | 1,197,031     |

|         |       |      |      |      |      |      |        |      |      |      |       |
|---------|-------|------|------|------|------|------|--------|------|------|------|-------|
| A       | 1.2   | 0.24 | 0.28 | 0.26 | 0.28 | 0.03 | (0.01) | 0.12 | 0.06 | 0.31 | 0.44  |
| B       | 1.4   | 0.30 | 0.66 | 0.69 | 0.73 | 0.33 | 0.39   | 0.44 | 0.38 | 0.44 | 0.53  |
| C       | 3.3   | 0.14 | 0.06 | 0.09 | 0.04 | 0.08 | 0.15   | 0.19 | 0.25 | 0.35 | 0.47  |
| D       | 0.6   | 1.59 | 2.60 | 4.51 | 7.72 | 3.36 | 2.42   | 4.87 | 6.81 | 3.38 | 10.01 |
| E       | 0.999 | 0.30 | 0.64 | 0.63 | 0.67 | 0.55 | 0.76   | 0.78 | 0.74 | 0.96 | 1.40  |
| Z Score |       | 2.44 | 3.65 | 4.88 | 6.79 | 3.32 | 3.24   | 5.10 | 6.25 | 5.13 | 10.21 |

### Inventory, account receivable, payable and asset leveraging indicator

|                                                                                                                                                                                                                            |                                                              |        |        |        |       |        |        |       |       |        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|--------|--------|--------|-------|--------|--------|-------|-------|--------|
| Inventory turn over                                                                                                                                                                                                        | COGS / Inventory                                             | 3.74   | 3.40   | 2.59   | 5.95  | 3.62   | 4.36   | 6.40  | 8.39  | 5.13   |
| Day's sale in inventory                                                                                                                                                                                                    | 365 / Inventory turn over                                    | 97.65  | 107.46 | 140.68 | 61.31 | 100.94 | 83.64  | 57.03 | 43.48 | 71.15  |
| Receivable turn over                                                                                                                                                                                                       | revenue / trade receivable                                   | 7.47   | 7.50   | 5.40   | 11.62 | 24.66  | 17.55  | 13.97 | 16.62 | 7.79   |
| Average collection period                                                                                                                                                                                                  | 365 / receivable turn over                                   | 48.86  | 48.68  | 67.55  | 31.40 | 14.80  | 20.80  | 26.12 | 21.96 | 46.83  |
| Creditor ratio / period of credit received from trade creditor                                                                                                                                                             | closing trade creditor / COGS * 365                          | 660.16 | 430.30 | 591.04 | 72.37 | 60.46  | 35.14  | 14.85 | 17.95 | 16.34  |
| Creditor ratio / period of credit received from trade creditor                                                                                                                                                             | closing trade creditor / (COGS + professional service) * 365 | 88.76  | 53.64  | 69.63  | 72.37 | 60.46  | 35.14  | 14.85 | 17.95 | 16.34  |
| Operating period                                                                                                                                                                                                           | Inventory period + collection period                         | 146.51 | 156.14 | 208.22 | 92.71 | 115.74 | 104.44 | 83.15 | 65.44 | 117.97 |
| ** UMP are mostly perform network card service. Doctor fee payable are made payable as the cash is not received from the client. It may be included in the trade payable. As such, professional service has been taken in/ |                                                              |        |        |        |       |        |        |       |       |        |
| Cash period                                                                                                                                                                                                                |                                                              | 57.75  | 102.51 | 138.59 | 20.34 | 55.28  | 69.30  | 68.30 | 47.49 | 101.63 |
| Total Asset Turnover                                                                                                                                                                                                       | revenue / Total Asset                                        | 0.64   | 0.63   | 0.67   | 0.55  | 0.76   | 0.78   | 0.74  | 0.96  | 1.40   |
| <b>Profitability measurement</b>                                                                                                                                                                                           |                                                              |        |        |        |       |        |        |       |       |        |
| Gross profit Margin                                                                                                                                                                                                        | (Revenue - COGS) / Revenue                                   | 0.94   | 0.94   | 0.95   | 0.89  | 0.89   | 0.88   | 0.98  | 0.99  | 0.99   |
|                                                                                                                                                                                                                            | (Revenue - COGS - professional service) / Revenue            | 0.59   | 0.56   | 0.54   | 0.67  | 0.74   | 0.76   | 0.82  | 0.84  | 0.85   |
| ** If counting professional service, the gross profit margin more close to the reality. However, for Perfect medical it only have employee and manpower, meaning the cost calculation has included the backoffice employee |                                                              |        |        |        |       |        |        |       |       |        |
| Operation margin                                                                                                                                                                                                           | Operating income / revenue                                   | 0.09   | 0.14   | 0.06   | 0.14  | 0.19   | 0.25   | 0.34  | 0.37  | 0.33   |
| Net profit margin                                                                                                                                                                                                          | Net income after tax / revenue                               | 0.05   | 0.11   | 0.03   | 0.11  | 0.16   | 0.21   | 0.26  | 0.29  | 0.27   |
| EBITDA margin                                                                                                                                                                                                              | EBITDA / revenue                                             | 0.21   | 0.28   | 0.10   | 0.29  | 0.31   | 0.27   | 0.49  | 0.49  | 0.39   |

|                                  |  |                                                                                       |             |             |               |               |               |               |               |               |               |
|----------------------------------|--|---------------------------------------------------------------------------------------|-------------|-------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Return on asset (ROA after tax)  |  | Net income after tax / Total Asset                                                    | 0.03        | 0.07        | 0.02          | 0.06          | 0.12          | 0.16          | 0.19          | 0.28          | 0.37          |
| Return on Equity (ROE after tax) |  | Net income after tax / Total Equity                                                   | 0.05        | 0.09        | 0.03          | 0.14          | 0.27          | 0.33          | 0.42          | 0.53          | 0.57          |
| Equity multiplier                |  | Total Asset / Total Equity                                                            | 1.40        | 1.33        | 1.23          | 2.32          | 2.18          | 2.01          | 2.16          | 1.91          | 1.53          |
|                                  |  |                                                                                       |             |             |               |               |               |               |               |               |               |
| Market value measure             |  |                                                                                       |             |             |               |               |               |               |               |               |               |
| Market capitalization            |  | Price per share * no of share                                                         | 721,075,583 | 995,487,939 | 1,204,930,620 | 7,261,487,144 | 3,349,943,323 | 5,749,596,496 | 5,417,389,410 | 2,097,170,080 | 2,950,723,800 |
| PE ratio                         |  | Price per share / Earing per share                                                    | 22.86       | 16.51       | 61.64         | 32.19         | 10.80         | 14.95         | 19.03         | 5.82          | 9.25          |
| Market to book ratio             |  | price per share / book value (equity) per share                                       | 1.04        | 1.48        | 1.76          | 4.45          | 2.86          | 4.93          | 7.91          | 3.09          | 5.26          |
| Dividend yield                   |  | Dividend / net profit                                                                 | 0.5506      | 0.4881      | 2.4995        | 0.5047        | 1.1113        | 0.7548        | 0.9917        | 0.6074        | 1.0254        |
| Self-sustainable growth rate     |  | Retain earning / equity                                                               | 0.9216      | 0.9114      | 0.8925        | 0.7780        | 0.8574        | 0.8937        | 0.8214        | 0.8357        | 0.8029        |
|                                  |  |                                                                                       |             |             |               |               |               |               |               |               |               |
| paying debt ability measure      |  |                                                                                       |             |             |               |               |               |               |               |               |               |
| Current Ratio                    |  | Current asset / Current liability                                                     | 2.2148      | 2.4340      | 2.6744        | 1.0740        | 0.9841        | 1.2487        | 1.1686        | 2.0548        | 2.4127        |
| Quick Ratio                      |  | (Current asset - inventory) / Current liability                                       | 2.1735      | 2.3771      | 2.5893        | 1.0440        | 0.9283        | 1.2024        | 1.1636        | 2.0502        | 2.4027        |
| Cash ratio                       |  | Cash + time deposit and pledge deposit/ Current liability                             | 1.3282      | 1.4522      | 1.5067        | 0.7104        | 0.4876        | 0.3280        | 0.8915        | 1.6629        | 1.5104        |
| Total Debt Ratio                 |  | Total Liability / Total Asset                                                         | 0.2855      | 0.2477      | 0.1854        | 0.5698        | 0.5423        | 0.5032        | 0.5374        | 0.4774        | 0.3445        |
| Debt / Equity Ratio              |  | Total Liability / Total Equity                                                        | 0.3996      | 0.3293      | 0.2276        | 1.3243        | 1.1849        | 1.0130        | 1.1616        | 0.9135        | 0.5255        |
| Long Term Debt Ratio             |  | Long Term liability / Total Equity                                                    | 0.0000      | 0.0000      | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        |
| Time Interest Earned             |  | EBIT / Interest                                                                       | 15.3915     | 20.1911     | #DIV/0!       | 12.2438       | 20.9585       | 165.0752      | 47.3218       | 81.2168       | -95.3178      |
| Cash coverage                    |  | EBITDA / Interest                                                                     | 36.9473     | 40.6536     | #DIV/0!       | 25.3468       | 33.8482       | 182.9333      | 69.4708       | 108.7803      | -112.0973     |
|                                  |  |                                                                                       |             |             |               |               |               |               |               |               |               |
| Expense ratio                    |  |                                                                                       |             |             |               |               |               |               |               |               |               |
| Employee                         |  | Manpower cost / total cost (Perfect medical: allocate 50% total cost to employee cost | 25.48%      | 27.57%      | 25.64%        | 30.16%        | 33.19%        | 31.30%        | 21.84%        | 22.46%        | 21.32%        |
| Property and rental              |  |                                                                                       | 1.85%       | 2.41%       | 9.70%         | 2.47%         | 2.62%         | 12.31%        | 0.32%         | 2.03%         | 11.77%        |
| Depreciation and amortization    |  |                                                                                       | 13.21%      | 15.31%      | 4.05%         | 16.10%        | 14.31%        | 3.43%         | 21.55%        | 19.53%        | 8.81%         |
| Other expense                    |  |                                                                                       | 14.89%      | 5.55%       | 14.28%        | 6.08%         | 6.39%         | 7.96%         | 11.93%        | 13.67%        | 14.44%        |

### 7.3 Stock price used to calculate Z-scope

|             | UMP (0722) |            |            | EC Healthcare (2138) |           |           | Perfect Medical (1830) |           |           |
|-------------|------------|------------|------------|----------------------|-----------|-----------|------------------------|-----------|-----------|
|             | 30/06/202  | 30/06/2020 | 30/06/2019 | 31/3/2021            | 31/3/2020 | 31/3/2019 |                        | 31/3/2020 | 31/3/2019 |
| Stock price | 0.93       | 1.3        | 1.59       | 6.78                 | 3.4       | 5.84      | 4.43                   | 1.88      | 2.67      |

<https://hk.finance.yahoo.com/quote/2138.HK/history?period1=1585612800&period2=1585699200&interval=1d&filter=history&frequency=1d&includeAdjustedClose=true>

UMP  
30/06/2021

聯合證券 (0722.HK)  
 HKSE-HK4SE 提供價格、行情及 HKD、  
**0.770** -0.010 (-1.28%)  
 收市價：7月22日 04:08PM HKT

|      |    |    |      |      |      |    |    |    |     |      |
|------|----|----|------|------|------|----|----|----|-----|------|
| 內容提要 | 圖表 | 對話 | 統計資料 | 歷史數據 | 基本資料 | 台股 | 分析 | 關鍵 | 標榜人 | 可持續性 |
|------|----|----|------|------|------|----|----|----|-----|------|

日期: 2021年6月30日 - 2021年7月04日 显示: 请见附录 刷新: 明天

| 日期         | 期型    | 票面    | 票值    | 利率*   | 折现后应付款** | 成本     |
|------------|-------|-------|-------|-------|----------|--------|
| 2021年7月02日 | 0.040 | 0.060 | 0.020 | 0.030 | 0.081    | 645.00 |
| 2021年6月30日 | 0.040 | 0.040 | 0.030 | 0.030 | 0.081    | 704.00 |

UMP  
28/06/2019

**聯合醫務 (0722.HK)**  
 HKSE : HKSE 延遲開盤 · 實時看 HKD · [加入短訊列表](#)  
**0.770 -0.010 (-1.28%)**  
 收市價：2月22日 04:08PM HKT

[內容摘要](#) [圖表](#) [對話](#) [統計資料](#) [歷史數據](#) [基本資料](#) [介紹](#) [分析](#) [摘要](#) [持股人](#) [可持續性](#)

日期: 2019年6月28日 - 2019年7月04日 
 顯示: 週日服務 
 頻率: 每天 


| 日期         | 開市    | 最高    | 最低    | 收市*   | 收市點位升跌* | 收市    |
|------------|-------|-------|-------|-------|---------|-------|
| 2019年7月13日 | 1.500 | 1.500 | 1.500 | 1.500 | 1.344   |       |
| 2019年7月22日 | 1.480 | 1.480 | 1.450 | 1.500 | 1.344   | 40.00 |
| 2019年6月12日 | 1.500 | 1.600 | 1.500 | 1.590 | 1.425   | 34.00 |

EC healthcare  
31/03/2020

**國泰健康 (2138.HK)**
☆ 加入追蹤清單

-KOSDAQ - KOSDAQ 追蹤價格 - 實時熱圖 - HKD -

**7.000** -0.090 (-1.27%)

內容摘要 圖表 附註 統計資料 歷史數據 基本資料 金融 分析 匯報 接班人 可持續性

日期: 2020年3月31日 - 2020年4月01日 显示: 请什德 格式: 图表

| 日期         | 開市    | 最高    | 最低    | 收市*   | 成交量(手)* | 成交金額(港幣) |
|------------|-------|-------|-------|-------|---------|----------|
| 2020年3月31日 | 3.300 | 3.400 | 3.260 | 3.400 | 3,221   | 1,110.0  |

\*收市價已包括除息： \*\*成交量中的每手為1股，其成交金額已包括除息調整。

Perfect Medical  
29/03/2019

完美醫療 (1830.HK)  
 HKSE - HKSE 港幣價格 - 與新海 HKD -  
**3.850 +0.050 (+1.32%)**  
 收市價：7月22日 04:09PM HKT

[內容摘要](#) [圖表](#) [對話](#) [統計資料](#) **[歷史數據](#)** [基本資料](#) [合股](#) [分析](#) [財務](#) [持股人](#) [可持續性](#)

時段: 2019年3月28日 - 2019年4月02日 ▼
 顯示: 過往股價 ▼
 頻率: 每天 ▼
 [查詢](#)

| 日期         | 项目    | 数量    | 单价    | 总价    | 数量    | 单价    | 总价 |
|------------|-------|-------|-------|-------|-------|-------|----|
| 2019年3月01日 | 2.500 | 2.730 | 2.400 | 2.400 | 2.271 | 0.448 |    |
| 2019年3月28日 | 2.720 | 2.740 | 2.400 | 2.400 | 2.262 | 0.602 |    |
| 2019年3月28日 | 2.500 | 2.710 | 2.470 | 2.700 | 2.286 | 7.960 |    |

Perfect Medical  
31/03/2021

光美醫療 (1830.HK)  
 HKSE: 1830 富途證券 · 查閱 HKSE ·  
**3.850** +0.050 (+1.32%)  
 富途證券 · 查閱 HKSE

內容提要 圖文 評語 統計資料 歷史數據 基本資料 目錄 介紹 附錄 參考人 其他備註

日期: 2021年5月28日 - 2021年6月02日  显示: 逐日数据  编辑: 明天  

UMP  
30/06/2020

**聯合證券 (0722.HK)**  
 HKSE - HKSE 託證機構 - 貨幣為 HKD - [☆ 加入追蹤清單](#)  
**0.770 -0.010 (-1.28%)**  
 收市價：7月22日 04:09PM HKT

[內容摘要](#) [圖表](#) [對話](#) [誠懇資料](#) [歷史數據](#) [基本資料](#) [合約](#) [分析](#) [圖檔](#) [持票人](#) [可持續性](#)

www.konrad-zuse.de    030 2639 3100    030 2639 3101

| 日期         | 均价    | 最高    | 最低    | 均价*   | 涨跌幅和均价* | 成交量   |
|------------|-------|-------|-------|-------|---------|-------|
| 2020年7月03日 | 1.300 | 1.200 | 1.300 | 1.300 | 1.192   |       |
| 2020年7月02日 | 1.300 | 1.300 | 1.300 | 1.300 | 1.192   |       |
| 2020年6月30日 | 1.280 | 1.300 | 1.280 | 1.300 | 1.192   | 66.00 |

EC healthcare  
31/03/2021

**醫思健康 (2138.HK)**  
 HSE: HSE 近期價格 - 查詢 HSE -  
**7.000 -0.090 (-1.27%)**  
 請注意: 2025/03/04 09PM HKT

[内容摘要](#) [目录](#) [前言](#) [统计资料](#) [历史回顾](#) [基本资料](#) [企业](#) [分析](#) [附录](#) [附录人](#) [可寻链接](#)

日期: 2021年3月31日 - 2021年4月01日 
 顯示: 過往股價 
 頻率: 每天 


| 日期         | 開市    | 最高    | 最低    | 收市*   | 盤後收市行情** | 成交量     |
|------------|-------|-------|-------|-------|----------|---------|
| 2021年3月31日 | 6.810 | 6.850 | 6.720 | 6.780 | 6.575    | 403,000 |

EC healthcare  
29/03/2019

**7.000** -0.090 (-1.27%)

[內容摘要](#) [圖表](#) [對話](#) [統計資料](#) [歷史數據](#) [基本資料](#) [金融](#) [分析](#) [異議](#) [投資人](#) [可持續性](#)

請選: 2019年3月29日 - 2019年4月02日 ▾      顯示: 過往股價 ▾      頻率: 每天 ▾      查詢

| 日期         | 股价    | 高派    | 低派    | 溢价*   | 股票溢价率* | 溢价    |
|------------|-------|-------|-------|-------|--------|-------|
| 2019年4月11日 | 5.900 | 5.900 | 5.600 | 5.750 | 5.080  | 1.990 |
| 2019年3月28日 | 6.000 | 6.000 | 5.600 | 5.600 | 5.145  | 4.260 |
| 2019年3月28日 | 6.000 | 6.000 | 5.600 | 5.900 | 5.277  | 977   |

Perfect Medical  
31/03/2020

完美醫療 (1830.HK)  
 HKSE - HKSE 恆生價格, 查詢請 HKD  
**3.850 +0.050 (+1.32%)**  
 收市價: 7月22日 04:00PM HKT

店內營業 圖書 雜誌 設計資訊 歷史數據 基本資料 介紹 分類 雜誌 訂閱人 其他功能

日期: 2020年3月28日 - 2020年6月02日  显示: 日历视图  刷新: 每天  

| 日期         | 涨停    | 最高    | 最低    | 均价    | 涨停涨停率* | 涨停    |
|------------|-------|-------|-------|-------|--------|-------|
| 2020年4月10日 | 1.880 | 1.880 | 1.780 | 1.800 | 1.617  | 2,712 |
| 2020年4月13日 | 1.880 | 1.950 | 1.840 | 1.850 | 1.659  | 1,327 |
| 2020年4月16日 | 1.880 | 1.880 | 1.730 | 1.800 | 1.617  | 1,587 |

## 7.4 Vendor quotation reference – Clinic system enhancements



### Project Ballpark Estimation

| No. | Particular                                                   | Phase | Priority | Ballpark Estimate (HK\$) |
|-----|--------------------------------------------------------------|-------|----------|--------------------------|
| 101 | Appointment Booking Screen                                   | 1     | 3        | 223,200                  |
| 102 | Appointment Interfaces                                       | 1     | 3        | 144,000                  |
| 103 | Automated SMS notifications                                  | 1     | 1        | 151,200                  |
| 104 | Date Range Placeholders on Letter                            | 1     | 2        | 36,000                   |
| 105 | Doctors Records Enhancement                                  | 1     | 2        | 230,400                  |
| 106 | Treatment Room View Enhancement                              | 1     | 2        | 273,600                  |
| 107 | Auto-Adjust Drug Dosage Child Prescriptions                  | 1     | 4        | 144,000                  |
| 108 | Data Migration                                               | 1     | 1        | 288,000                  |
| 109 | e-Claim Integration                                          | 1     | 2        | 144,000                  |
| 110 | Drug Inventory Enhancement                                   | 1     | 2        | 280,800                  |
| 111 | Identity and Recommend Eligible Labs and Tests               | 1     | 3        | 302,400                  |
| 112 | Standardize Disease Coding on Diagnosis                      | 1     | 3        | 108,000                  |
| 113 | Patient Self-Service Features (Part 1)                       | 1     | 1        | 144,000                  |
| 114 | Reports Generation                                           | 1     | 3        | 252,000                  |
| 115 | Dispensary Workflow Enhancement                              | 1     | 2        | 144,000                  |
| 116 | Order Services from Laboratory                               | 1     | 4        | 288,000                  |
| 117 | Standardize Billing Template                                 | 1     | 3        | 64,800                   |
| 118 | Payment integrates with Payment Terminal                     | 1     | 3        | 288,000                  |
| 201 | Preset Patient Flow                                          | 2     | 3        | 194,400                  |
| 202 | Appointment Synchronize to O365                              | 2     | 5        | 252,000                  |
| 203 | Drug Set Enhancement                                         | 2     | 2        | 180,000                  |
| 204 | Link with UMP virtual consultation and telemedicine services | 2     | 5        | 288,000                  |
| 205 | Billing & Payment Enhancement                                | 2     | 3        | 151,200                  |
| 206 | Audit Report                                                 | 2     | 3        | 72,000                   |
| 207 | Business Intelligence                                        | 2     | 4        | 180,000                  |
| 208 | Patient Self-Service Features (Part 2)                       | 2     | 2        | 180,000                  |
| 209 | Laboratory Integration                                       | 2     | 5        | 216,000                  |
| 301 | Prescription suggestion based on diseases                    | 3     | 3        | 72,000                   |
| 302 | Lab Result Collection                                        | 3     | 3        | 165,600                  |
| 303 | API Integration to Backend System                            | 3     | 3        | 396,000                  |
| 304 | Built-in Communication Tool (Internal use)                   | 3     | 4        | 72,000                   |
| 305 | e-Claim Integration (Comprehensive)                          | 3     | 2        | 216,000                  |

|         |           |
|---------|-----------|
| Phase 1 | 3,506,400 |
| Phase 2 | 1,713,600 |
| Phase 3 | 921,600   |



TO

| Item                                                                                                                                                                                                                                                                                                                         | Description                                                                                    | Quantity  | Unit Price<br>Per Annum | Total<br>In HKD    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|-----------|-------------------------|--------------------|
| 1                                                                                                                                                                                                                                                                                                                            | LoyaltyPlus Solution Subscription (From 1-Nov-2020 to 31-Oct-2021)                             | 12 Months | \$8,700                 | \$104,400          |
| 2                                                                                                                                                                                                                                                                                                                            | Cloudnifier Virtual Apps SaaS solution (HK\$36,000 per month) (From 1-Nov-2020 to 31-Oct-2021) | 12 Months | \$36,000                | \$432,000          |
| 3                                                                                                                                                                                                                                                                                                                            | Core Apps Implementation Service                                                               | 1         | \$1,220,550             | \$1,220,550        |
| 4                                                                                                                                                                                                                                                                                                                            | B2C Web Portal Implementation                                                                  | 1         | \$233,050               | \$233,050          |
| 5                                                                                                                                                                                                                                                                                                                            | LoyaltyPlus Solution Implementation                                                            | 1         | \$345,625               | \$345,625          |
| <p><b><u>Payment Term</u></b></p> <p>100% after quotation for the subscription and 40% Deposit, 25% Blueprint signoff, 25% UAT Signoff, 10% go-live for the implementation with payment term 14 days</p> <p>Maintenance Service after go-live is 10% of net implementation cost</p> <p>Quotation Valid Until 30-Aug-2020</p> |                                                                                                |           |                         |                    |
| <b>Total Net Price</b>                                                                                                                                                                                                                                                                                                       |                                                                                                |           |                         | <b>\$2,335,625</b> |

## **7.6 UMP Financial statement with 2020/2021 figures**

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS 綜合損益表

For the year ended 30 June 2021  
截至2021年6月30日止年度

|                                      |                   | Notes | 2021<br>2021年<br>HK\$'000<br>千港元 | 2020<br>2020年<br>HK\$'000<br>千港元 |
|--------------------------------------|-------------------|-------|----------------------------------|----------------------------------|
|                                      |                   | 附註    |                                  |                                  |
| <b>REVENUE</b>                       | <b>收入</b>         | 5     | 622,765                          | 557,484                          |
| Other income and gains               | 其他收入及收益           | 6     | 10,335                           | 25,634                           |
| Professional services expenses       | 專業服務費用            |       | (221,339)                        | (216,653)                        |
| Employee benefit expense             | 員工福利開支            |       | (148,280)                        | (140,923)                        |
| Property rental and related expenses | 物業租金及相關開支         |       | (10,784)                         | (12,317)                         |
| Cost of inventories consumed         | 已耗存貨成本            |       | (34,382)                         | (30,851)                         |
| Depreciation and amortisation        | 折舊及攤銷             |       | (76,868)                         | (78,269)                         |
| Other expenses, net                  | 其他支出淨額            |       | (86,639)                         | (28,384)                         |
| Finance cost                         | 融資成本              | 8     | (3,566)                          | (3,825)                          |
| Share of (loss)/profit of:           | 分佔(虧損)/利潤：        |       |                                  |                                  |
| A joint venture                      | 一間合資公司            |       | (1,255)                          | (167)                            |
| Associates                           | 聯營公司              |       | 1,333                            | 1,677                            |
| <b>PROFIT BEFORE TAX</b>             | <b>除稅前利潤</b>      | 7     | 51,320                           | 73,406                           |
| Income tax expense                   | 所得稅費用             | 11    | (19,783)                         | (13,096)                         |
| <b>PROFIT FOR THE YEAR</b>           | <b>年內利潤</b>       |       | 31,537                           | 60,310                           |
| Attributable to:                     | 以下各方應佔：           |       |                                  |                                  |
| Owners of the Company                | 本公司擁有人            |       | 34,834                           | 58,915                           |
| Non-controlling interests            | 非控股權益             |       | (3,297)                          | 1,395                            |
|                                      |                   |       | 31,537                           | 60,310                           |
| <b>EARNINGS PER SHARE</b>            | <b>本公司普通權益持有人</b> | 13    |                                  |                                  |
| <b>ATTRIBUTABLE TO ORDINARY</b>      | <b>應佔每股盈利</b>     |       |                                  |                                  |
| <b>EQUITY HOLDERS OF THE</b>         |                   |       |                                  |                                  |
| <b>COMPANY</b>                       |                   |       |                                  |                                  |
| Basic                                | 基本                |       | HK4.58cents港仙                    | HK7.79 cents港仙                   |
| Diluted                              | 攤薄                |       | HK4.58cents港仙                    | HK7.76 cents港仙                   |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 綜合全面收入表

For the year ended 30 June 2021  
截至2021年6月30日止年度

|                                                                                                                | Notes<br>附註                       | 2021<br>2021年<br>HK\$'000<br>千港元 | 2020<br>2020年<br>HK\$'000<br>千港元 |
|----------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------------------------|----------------------------------|
| <b>PROFIT FOR THE YEAR</b>                                                                                     | <b>年內利潤</b>                       | <b>31,537</b>                    | <b>60,310</b>                    |
| <b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>                                                                       | <b>其他全面收入／(虧損)</b>                |                                  |                                  |
| Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:            | 於其後期間可能重新分類至損益的其他全面收入／(虧損)：       |                                  |                                  |
| Changes in fair value of debt investments at fair value through other comprehensive income                     | 按公允價值計入其他全面收入的債務投資的公允價值變動         | –                                | (256)                            |
| Release of reserve upon disposal of debt investment at fair value through other comprehensive loss             | 於出售按公允價值計入其他全面虧損的債務投資後解除儲備        | (27)                             | –                                |
| Exchange differences on translation of foreign operations                                                      | 折算海外業務的匯兌差額                       | 2,372                            | (1,463)                          |
| Share of other comprehensive loss of a joint venture                                                           | 分佔一間合資公司的其他全面虧損                   | –                                | (44)                             |
| Share of other comprehensive loss of an associate                                                              | 分佔一間聯營公司的其他全面虧損                   | –                                | (37)                             |
| Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods         | 於其後期間可能重新分類至損益的其他全面收入／(虧損)淨額      | 2,345                            | (1,800)                          |
| Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:       | 於其後期間不會重新分類至損益的其他全面收入／(虧損)：       |                                  |                                  |
| Changes in fair value of equity investments designated at fair value through other comprehensive income/(loss) | 指定為按公允價值計入其他全面收入／(虧損)之股本投資的公允價值變動 | 4,833                            | (29,495)                         |
| <b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX</b>                                              | <b>年內其他全面收入／(虧損)，扣除稅項</b>         | <b>7,178</b>                     | <b>(31,295)</b>                  |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>                                                                 | <b>年內全面收入總額</b>                   | <b>38,715</b>                    | <b>29,015</b>                    |
| Attributable to:                                                                                               | 以下各方應佔：                           |                                  |                                  |
| Owners of the Company                                                                                          | 本公司擁有人                            | 42,012                           | 27,620                           |
| Non-controlling interests                                                                                      | 非控股權益                             | (3,297)                          | 1,395                            |
|                                                                                                                |                                   | <b>38,715</b>                    | <b>29,015</b>                    |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### 綜合財務狀況表

As at 30 June 2021  
於2021年6月30日

|                                                              |                  | Notes | 2021<br>2021年<br>HK\$'000<br>千港元 | 2020<br>2020年<br>HK\$'000<br>千港元 |
|--------------------------------------------------------------|------------------|-------|----------------------------------|----------------------------------|
|                                                              |                  | 附註    |                                  |                                  |
| <b>NON-CURRENT ASSETS</b>                                    | <b>非流動資產</b>     |       |                                  |                                  |
| Property, plant and equipment                                | 物業、廠房及設備         | 14    | 99,430                           | 96,424                           |
| Right-of-use assets                                          | 使用權資產            | 15(a) | 73,666                           | 82,152                           |
| Goodwill                                                     | 商譽               | 16    | 164,768                          | 171,264                          |
| Other intangible assets                                      | 其他無形資產           | 17    | 61,681                           | 76,972                           |
| Investments in joint ventures                                | 於合資公司的投資         | 19    | 7,970                            | –                                |
| Investments in associates                                    | 於聯營公司的投資         | 20    | 4,501                            | 8,546                            |
| Financial assets at amortised cost                           | 按攤銷成本計量的金融資產     | 21    | 19,025                           | 20,206                           |
| Investments at fair value through other comprehensive income | 按公允價值計入其他全面收入的投資 | 22    | 23,603                           | 23,187                           |
| Deferred tax assets                                          | 遞延稅項資產           | 32    | 1,417                            | 1,691                            |
| Deposits                                                     | 保證金              | 25    | 20,544                           | 21,977                           |
| <b>Total non-current assets</b>                              | <b>非流動資產總額</b>   |       | <b>476,605</b>                   | <b>502,419</b>                   |
| <b>CURRENT ASSETS</b>                                        | <b>流動資產</b>      |       |                                  |                                  |
| Inventories                                                  | 存貨               | 23    | 9,198                            | 9,083                            |
| Trade receivables                                            | 貿易應收款項           | 24    | 83,364                           | 74,354                           |
| Prepayments, other receivables and other assets              | 預付款項、其他應收款項及其他資產 | 25    | 18,088                           | 32,423                           |
| Financial assets at fair value through profit or loss        | 按公允價值計入損益的金融資產   | 26    | 27,115                           | 1,723                            |
| Financial assets at amortised cost                           | 按攤銷成本計量的金融資產     | 21    | 14,046                           | 35,646                           |
| Amounts due from associates                                  | 應收聯營公司款項         | 27    | 3,730                            | 2,204                            |
| Amount due from a joint venture                              | 應收合資公司款項         | 27    | 451                              | –                                |
| Amounts due from related companies                           | 應收關聯公司款項         | 28    | 1,220                            | 1,220                            |
| Tax recoverable                                              | 可收回稅項            |       | 551                              | 210                              |
| Pledged deposits                                             | 抵押存款             | 29    | 1,893                            | 1,354                            |
| Cash and cash equivalents                                    | 現金及現金等價物         | 29    | 293,974                          | 230,671                          |
|                                                              |                  |       | <b>453,630</b>                   | <b>388,888</b>                   |
| Assets of disposal groups classified as held for sale        | 分類為持作出售組別之資產     | 47    | 39,742                           | –                                |
| <b>Total current assets</b>                                  | <b>流動資產總額</b>    |       | <b>493,372</b>                   | <b>388,888</b>                   |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

As at 30 June 2021  
於2021年6月30日

|                                                                                |                 | Notes | 2021<br>2021年<br>HK\$'000<br>千港元 | 2020<br>2020年<br>HK\$'000<br>千港元 |
|--------------------------------------------------------------------------------|-----------------|-------|----------------------------------|----------------------------------|
|                                                                                |                 | 附註    |                                  |                                  |
| <b>CURRENT LIABILITIES</b>                                                     | <b>流動負債</b>     |       |                                  |                                  |
| Trade payables                                                                 | 貿易應付款項          | 30    | 62,185                           | 36,370                           |
| Other payables and accruals                                                    | 其他應付款項及應計費用     | 31    | 64,376                           | 62,584                           |
| Amounts due to associates                                                      | 應付聯營公司款項        | 27    | –                                | 184                              |
| Amounts due to related companies                                               | 應付關聯公司款項        | 28    | 5,618                            | 2,020                            |
| Amount due to a joint venture                                                  | 應付一間合資公司款項      | 27    | 561                              | 203                              |
| Lease liabilities                                                              | 租賃負債            | 15(b) | 38,731                           | 43,420                           |
| Tax payable                                                                    | 應付稅項            |       | 26,848                           | 14,994                           |
|                                                                                |                 |       | 198,319                          | 159,775                          |
| Liabilities associated with the disposal of groups classified as held for sale | 與分類為持作出售組別有關之負債 | 47    | 24,441                           | –                                |
| Total current liabilities                                                      | 流動負債總額          |       | 222,760                          | 159,775                          |
| <b>NET CURRENT ASSETS</b>                                                      | <b>流動資產淨額</b>   |       | 270,612                          | 229,113                          |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                                   | <b>總資產減流動負債</b> |       | 747,217                          | 731,532                          |
| <b>NON-CURRENT LIABILITIES</b>                                                 | <b>非流動負債</b>    |       |                                  |                                  |
| Lease liabilities                                                              | 租賃負債            | 15(b) | 39,296                           | 43,145                           |
| Deferred tax liabilities                                                       | 遞延稅項負債          | 32    | 12,238                           | 14,572                           |
| Provision                                                                      | 撥備              | 33    | 2,627                            | 3,308                            |
| Total non-current liabilities                                                  | 非流動負債總額         |       | 54,161                           | 61,025                           |
| Net assets                                                                     | 資產淨額            |       | 693,056                          | 670,507                          |
| <b>EQUITY</b>                                                                  | <b>權益</b>       |       |                                  |                                  |
| Equity attributable to owners of the Company                                   | 本公司擁有人應佔權益      |       |                                  |                                  |
| Issued capital                                                                 | 已發行股本           | 34    | 775                              | 766                              |
| Reserves                                                                       | 儲備              | 37    | 638,723                          | 611,080                          |
|                                                                                |                 |       | 639,498                          | 611,846                          |
| Non-controlling interests                                                      | 非控股權益           |       | 53,558                           | 58,661                           |
| Total equity                                                                   | 權益總額            |       | 693,056                          | 670,507                          |

Sun Yiu Kwong  
孫耀江  
Director  
董事

Kwok Cheuk Kwan, Jacquen  
郭卓君  
Director  
董事

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

Year ended 30 June 2021  
截至2021年6月30日止年度

|             |                                                                                              | Attributable to owners of the Company<br>本公司擁有人應佔 |                                        |                                        |                                          |                                        |                                        |                                        |                                        |                                        |                                        |                                        |                                        |             |  |
|-------------|----------------------------------------------------------------------------------------------|---------------------------------------------------|----------------------------------------|----------------------------------------|------------------------------------------|----------------------------------------|----------------------------------------|----------------------------------------|----------------------------------------|----------------------------------------|----------------------------------------|----------------------------------------|----------------------------------------|-------------|--|
| Notes<br>附註 |                                                                                              | Issued capital                                    | Share premium account                  | Capital contribution reserve           | Shares held under the share award scheme | Share-based payment reserve            | Fair value reserve                     | Legal reserve                          | Exchange fluctuation reserve           | Retained profits                       | Total                                  | Non-controlling interests              | Total equity                           | Notes<br>附註 |  |
|             |                                                                                              | 已發行股本                                             | 股份溢價賬                                  | 出資儲備                                   | 項下預留的股份                                  | 以股份為基礎的儲備                              | 公允價值儲備                                 | 法定儲備                                   | 匯兌波動儲備                                 | 留存利潤                                   | 合計                                     | 非控股權益                                  | 權益總額                                   |             |  |
|             |                                                                                              | HK\$'000<br>千港元<br>(note 34)<br>(附註34)            | HK\$'000<br>千港元<br>(note 37)<br>(附註37) | HK\$'000<br>千港元<br>(note 37)<br>(附註37) | HK\$'000<br>千港元<br>(note 36)<br>(附註36)   | HK\$'000<br>千港元<br>(note 37)<br>(附註37) | HK\$'000<br>千港元<br>(note 37)<br>(附註37) | HK\$'000<br>千港元<br>(note 37)<br>(附註37) | HK\$'000<br>千港元<br>(note 37)<br>(附註37) | HK\$'000<br>千港元<br>(note 37)<br>(附註37) | HK\$'000<br>千港元<br>(note 37)<br>(附註37) | HK\$'000<br>千港元<br>(note 37)<br>(附註37) | HK\$'000<br>千港元<br>(note 37)<br>(附註37) |             |  |
|             | At 30 June 2019                                                                              | 758                                               | 387,602*                               | 37,294*                                | (14,620)*                                | 58,082*                                | 7,199*                                 | 1,240*                                 | (2,224)*                               | 137,664*                               | 612,995                                | 72,967                                 | 685,962                                |             |  |
|             | Effect of adoption of HKFRS 16                                                               |                                                   |                                        |                                        |                                          |                                        |                                        |                                        |                                        | (2,866)                                | (2,866)                                | (463)                                  | (3,329)                                |             |  |
|             | At 1 July 2019 (restated)                                                                    | 758                                               | 387,602                                | 37,294                                 | (14,620)                                 | 58,082                                 | 7,199                                  | 1,240                                  | (2,224)                                | 134,798                                | 610,129                                | 72,504                                 | 682,633                                |             |  |
|             | Profit for the year                                                                          | -                                                 | -                                      | -                                      | -                                        | -                                      | -                                      | -                                      | -                                      | 58,915                                 | 58,915                                 | 1,395                                  | 60,310                                 |             |  |
|             | Other comprehensive loss for the year:                                                       |                                                   |                                        |                                        |                                          |                                        |                                        |                                        |                                        |                                        |                                        |                                        |                                        |             |  |
|             | Changes in fair value of equity investments at fair value through other comprehensive income | -                                                 | -                                      | -                                      | -                                        | -                                      | (29,244)                               | -                                      | (251)                                  | -                                      | (29,495)                               | -                                      | (29,495)                               |             |  |
|             | Changes in fair value of debt investments at fair value through other comprehensive income   | -                                                 | -                                      | -                                      | -                                        | -                                      | (256)                                  | -                                      | -                                      | -                                      | (256)                                  | -                                      | (256)                                  |             |  |
|             | Exchange differences on translation of foreign operations                                    | -                                                 | -                                      | -                                      | -                                        | -                                      | -                                      | -                                      | (1,463)                                | -                                      | (1,463)                                | -                                      | (1,463)                                |             |  |
|             | Share of other comprehensive loss of an associate                                            | -                                                 | -                                      | -                                      | -                                        | -                                      | -                                      | -                                      | (37)                                   | -                                      | (37)                                   | -                                      | (37)                                   |             |  |
|             | Share of other comprehensive loss of a joint venture                                         | -                                                 | -                                      | -                                      | -                                        | -                                      | -                                      | -                                      | (44)                                   | -                                      | (44)                                   | -                                      | (44)                                   |             |  |
|             | Total comprehensive income for the year                                                      | -                                                 | -                                      | -                                      | -                                        | -                                      | (29,500)                               | -                                      | (1,795)                                | 58,915                                 | 27,620                                 | 1,395                                  | 29,015                                 |             |  |
|             | Acquisition of non-controlling interests                                                     | -                                                 | -                                      | -                                      | -                                        | -                                      | -                                      | -                                      | -                                      | (194)                                  | (194)                                  | (56)                                   | (250)                                  |             |  |
|             | Deregistration of subsidiaries                                                               | -                                                 | -                                      | -                                      | -                                        | -                                      | -                                      | -                                      | -                                      | -                                      | -                                      | 492                                    | 492                                    |             |  |
|             | Dividends paid/payable to non-controlling interests                                          | -                                                 | -                                      | -                                      | -                                        | -                                      | -                                      | -                                      | -                                      | -                                      | -                                      | (15,674)                               | (15,674)                               |             |  |
|             | Final 2019 dividend                                                                          | 12                                                | -                                      | -                                      | -                                        | -                                      | -                                      | -                                      | -                                      | (19,065)                               | (19,065)                               | -                                      | (19,065)                               |             |  |
|             | Interim 2020 dividend                                                                        | 12                                                | -                                      | -                                      | -                                        | -                                      | -                                      | -                                      | -                                      | (4,921)                                | (4,921)                                | -                                      | (4,921)                                |             |  |
|             | Shares issued in lieu of cash dividend                                                       | 34                                                | 8                                      | 10,475                                 | -                                        | -                                      | -                                      | -                                      | -                                      | -                                      | 10,483                                 | -                                      | 10,483                                 |             |  |
|             | Issue of shares under the share award scheme                                                 | 36                                                | -                                      | (465)                                  | 1,898                                    | (1,693)                                | -                                      | -                                      | -                                      | -                                      | (260)                                  | -                                      | (260)                                  |             |  |
|             | Purchases of shares for the share award scheme                                               | 36                                                | -                                      | -                                      | (708)                                    | -                                      | -                                      | -                                      | -                                      | -                                      | (708)                                  | -                                      | (708)                                  |             |  |
|             | Equity-settled share-based payment arrangements                                              | 35,36                                             | -                                      | -                                      | -                                        | (11,238)                               | -                                      | -                                      | -                                      | -                                      | (11,238)                               | -                                      | (11,238)                               |             |  |
|             | Transfer to legal reserve                                                                    | -                                                 | -                                      | -                                      | -                                        | -                                      | -                                      | 124                                    | -                                      | (124)                                  | -                                      | -                                      | -                                      |             |  |
|             | At 30 June 2020                                                                              | 766                                               | 397,612                                | 37,294                                 | (13,430)                                 | 45,151                                 | (22,301)                               | 1,364                                  | (4,019)                                | 169,409                                | 611,846                                | 58,661                                 | 670,507                                |             |  |

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