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Union Medical Healthcare Limited

香港醫思醫療集團有限公司*

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2138)

RECENT UPDATE ON SALES VOLUME & UNAUDITED SALES INFORMATION DURING NATIONAL DAY GOLDEN WEEK HOLIDAY IN 2019

This announcement is made by Union Medical Healthcare Limited (the "Company", together with its subsidiaries, the "Group") pursuant to Rule 13.09 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Sales Volume for the six months ended 30 September 2019

The board of directors (the "**Directors**") of the Company (the "**Board**") is pleased to inform the shareholders of the Company (the "**Shareholders**") and potential investors that based on the latest assessment by the Board with reference to the preliminary unaudited sales information of the Group for the six months ended 30 September 2019 (the "**Reporting Period**") currently available, the Group expects to record (i) sales volume of no less than HK\$1 billion for the Reporting Period; (ii) an increase of no less than 10% in sales volume (being the total sales volume generated from contracted sales entered into, and all products and services offered by the Group) for the Reporting Period as compared with the corresponding period last year; (iii) an increment in monthly sales volume for each of the six months during the Reporting Period as compared with the corresponding period last year; and (iv) an increase of no less than 50% in sales volume of medical services offered by the Group for the Reporting Period as compared with the corresponding period last year.

The Board believes that such increase was mainly due to (i) strong demand on medical services offered by the Group which are the essential needs of individuals and remains to be key growth driver of the Group; (ii) the Group's proactive client engagement and promotional campaigns to boost sales despite the challenging operating environment as well as a rising contribution from medical services that the Group is offering, during the Reporting Period.

Sales information during National Day Golden Week Holiday

According to the statistics of the Immigration Department of the Government of Hong Kong, the passenger traffic from mainland China visiting Hong Kong between 1 October 2019 and 7 October 2019 was approximately 0.67 million, representing a decrease of approximately 55.8% for the same period last year.

The Group also announces the unaudited sales volume of the Group from 1 to 10 October 2019 recorded a decrease of no more than 9% as compared with the same period last year. The Group's respective sales performance was affected mainly due to (i) the decline of visitor arrivals from mainland China to Hong Kong; and (ii) business disruption as a result of suspension of operation of certain shopping malls, arcade and office buildings where our clinics and centres are located for multiple days during the National Day Golden Week Holiday.

In encountering the current challenges in Hong Kong, the Group (i) adopted proactive client engagement to retain loyal local customers; (ii) continues to develop new medical services to fulfill the essential needs of our customers; (iii) offered additional promotions to drive new local customers or customers from medical tourism; and (iv) implemented further prudent finance management approach with proactive implementation of cost control initiatives. The Group believes that its agility will retain through our core competency in brand, services and information technology.

The Board wishes to remind Shareholders and potential investors that the above data are based on the unaudited management accounts of the Group which have not been reviewed or audited by the auditors of the Company. Sales performance during the Reporting Period are affected by a series of factors, and, the operational data for the Reporting Period may not be able to reflect the overall performance for a complete Reporting Period.

Shareholders and potential investors of the Company are cautioned not to unduly rely on such data and are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Union Medical Healthcare Limited
Raymond Siu
Company Secretary

Hong Kong, 15 October 2019

As at the date of this announcement, the executive Directors of the Company are Mr. Tang Chi Fai, and Mr. Lee Gabriel, the non-executive Directors are Mr. Luk Kun Shing Ben and Dr. Wang David Guowei, and the independent non-executive Directors are Mr. Ma Ching Nam, Mr. Look Andrew and Mr. Lam Chi Hang Josekin.

*For identification purpose only