

[For Immediate Release]



Union Medical Healthcare Writes Back HK\$11.30 Million of Tax Provisions

(10 May 2017, Hong Kong) **Union Medical Healthcare Limited** (“Union Medical Healthcare” or the “Company”; together with its subsidiaries, the “Group”, SEHK stock code: 2138), a leading aesthetic medical service provider in Hong Kong, announced that in relation to the late filing of profits tax returns of the Group’s relevant subsidiaries, the Inland Revenue Department of Hong Kong (the “IRD”) will not commence proceedings against the relevant subsidiaries under the Inland Revenue Ordinance upon the Group’s payment of the required sums of approximately HK\$12.20 million in aggregate, and the tax audit in respect of each of the relevant subsidiaries is now considered as fully and finally settled. Given that the Group has made tax provisions in the aggregate amount of approximately HK\$23.50 million for the case, the Company will write back such excess of the tax provision in the sum of approximately HK\$11.30 million to its consolidated income statement for the financial year ended 31 March 2017.

As set out in the prospectus of the Company, during the three years ended 31 March 2013, 2014 and 2015 and for the six months ended 30 September 2015, certain of the Group companies had involved in late filing of profits tax returns. The Group had various correspondences and discussions with the IRD and submitted settlement proposal, on a without prejudice basis, to the IRD for consideration. The IRD agreed not to commence proceedings against the Group’s relevant subsidiaries under the Inland Revenue Ordinance if the relevant subsidiaries agreed to pay to the IRD the required sums of approximately HK\$12.20 million. Having considered the views of the Group’s tax advisers, the tax provisions made, the previous discussions with the IRD and in order to avoid further protracted exchange of correspondences with the IRD, the board of the directors has decided to proceed with the offer by the IRD to resolve the case.

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About Union Medical Healthcare Limited

Union Medical Healthcare is principally engaged in the provision of one-stop aesthetic medical, beauty and health management solutions with 30 clinics and servicing centres across Hong Kong, the PRC and Macau. In 2016, the Group obtained the Hong Kong Top Service Brand and opened re:HEALTH, a one-stop health management centre, to provide a full range of services and products, including comprehensive health screening, health product and health management services. The Group is the largest aesthetic medical service provider in Hong Kong in terms of revenue. The Group ranked first in Hong Kong from 2012 to 2016 in terms of the number of aesthetic injection procedures performed involving utilisation of the top-six revenue-generating aesthetic medications in Hong Kong; and was the Black Diamond Provider of the transparent orthodontic device for teeth alignment, Invisalign®, in 2015 and 2016. The Group has successfully built DR REBORN, a well-recognised brand in Hong Kong, with the reputation of being a premier provider of aesthetic medical services in Hong Kong.

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