



## **Union Medical Healthcare Welcomes Proposed Rules to Regulate Medical Aesthetics Industry**

*Consumer interests can be safeguarded and professionalism of medical aesthetic services can be enhanced in Hong Kong*

(16 December 2016, Hong Kong) Consumer Council has recently published “Consumer Protection of Medical Beauty Services” to advocate the introduction of a new regulatory regime to safeguard consumer interests. **Union Medical Healthcare Limited** (“Union Medical Healthcare” or the “Company”, which together with its subsidiaries, is referred to as the “Group”, SEHK stock code: 2138) welcomes the proposal. The Group believes that the relevant recommendations will help enhance the overall image of the medical aesthetics industry and promote Hong Kong as a hub of medical aesthetics in Asia Pacific.

As a leading aesthetic medical service provider, Union Medical Healthcare is committed to establishing the highest standard according to the principles of the industry’s self-regulation. The Group has already implemented all the nine recommendations<sup>1</sup> where possible on medical beauty services proposed by the Consumer Council. In order to maintain customers’ trust in it, the Group has formulated rules governing the professional conduct of its sales staff. The Group has also established guidelines and policies on in-house staff training and safety of the provision of medical aesthetics services following its consultations with doctors.

### **Sales regulation**

1. Among pioneer in the industry to have adopted the seven-day unconditional refund policy that allows clients to request a full refund within seven days after the purchase of any prepaid packages
2. Adopted policy that commission is not paid to its sales staff for contracted sales which are subsequently refunded in order to safeguard consumer interests
3. Highly values client feedback and have established a comprehensive client feedback management system
4. Record all client feedback received as soon as reasonable through the Group’s information technology infrastructure
5. Client relationship manager is tasked with establishing initial telephonic communication with the relevant client within 48 hours of any unfavourable feedback
6. Within seven working days of the receipt of any unfavourable feedback, the staff is required to review and analyse the matter internally and engages in further telephonic communication with the relevant client to try to reach a preliminary resolution
7. If the matter cannot be resolved by such telephonic communications, the staff is required to report such cases to senior management for further actions and discussion with the relevant client
8. Consultation rooms are installed with video and voice recording devices to monitor the staff’s behaviour during consultations, also to safeguard the interests of the consumers, our employees and the Group

### **Internal training**

1. Junior trained therapists are required to undergo at least approximately 240 hours of training with us prior to performing any service for clients
2. Senior trained therapist are required to attend advanced training programme of over an additional 100 hours
3. All trained therapists are required to undergo over 70 hours of training annually
4. Established multi-tier examination and certification system. Trained therapists must pass both knowledge-based written exams and practical hands-on exams to obtain internally issued certifications before performing quasi-medical service offerings, as well as some of the more complex and advanced procedures
5. Established training and licensing programme for client relationship managers which they are required to have a working knowledge of aesthetic medical services and the related risks
6. Client relationship managers are required to undergo 85 hours of training including basic knowledge regarding aesthetic medical services, potential side-effects and health risks
7. Client relationship managers are required to pass basic internal examinations based on four different subjects prior to serving any clients

### **Internal control protocols and risk-management measures**

1. Engages the services of experienced and well-trained registered practitioners to perform and oversee the Group's medically related operations
2. Increased the number of the Group's registered practitioners from 23 at the time of its listing on Hong Kong's stock market to 44 as at 31 October 2016
3. Takes pre and post-procedure photographs for record keeping purposes
4. Registered practitioners or trained therapists are required to explain the procedures and associated risks and obtain a new consent form prior to a client receiving a procedure
5. Applied certain medical standards even to non-medical services, for example, clients are recommended to consult with one of the Group's registered practitioners prior to receiving any of our services
6. Stringent standards for adding new aesthetic medical procedures into the Group's service offerings and purchasing new types of devices
7. Each of the Group's Hong Kong doctors and dentists subscribed to a relevant medical or dental malpractice indemnity or insurance scheme

**Mr. Eddy Tang, Chairman, Executive Director and Chief Executive Officer of Union Medical Healthcare**, said, "The Group welcomes the Consumer Council's proposal for rules to regulate the medical beauty services, and it is a challenge to the industry players. We believe that the practitioners' professionalism and compliance with laws and regulations can increase customers' loyalty and their confidence in our brand. As a cosmopolitan city, Hong Kong is poised to become a hub of medical aesthetic industry in Asia Pacific if the professional and regulatory standards of the city's medical beauty industry is enhanced."

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### **Appendix 1:**

Nine recommendations on medical beauty services according to the Consumer Council

1. Introduction of relevant legislation to enhance clarity in defining the term "medical beauty services"
2. Establish a clearly identifiable licensing framework
3. Specify the necessary skills and expertise of the medical beauty service providers and ensure that their services are up to recognised standard
4. Establish a registration scheme for medical beauty devices and formal mechanisms for reporting adverse incidents

5. Establish a channel for providing substantiated and standardized information about medical beauty services, drugs and devices available on the market
6. Specify that written consents from customers are required before the medical beauty service is provided
7. Measures should be introduced to restrict the scope of advertising claims that can be made by the medical beauty service providers
8. Legislate for a cooling-off period for agreements signed over medical beauty services
9. The medical aesthetics industry should establish a mediation agency

### **About Union Medical Healthcare Limited**

Union Medical Healthcare is principally engaged in the provision of one-stop aesthetic medical, beauty and health management solutions. 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 2015 in terms of the number of aesthetic injection procedures performed involving utilisation of the top-six revenue-generating aesthetic medications in Hong Kong; and is one of the top three service providers for Invisalign®, clear teeth aligners, in Hong Kong. In 2016, the Group officially opened re:HEALTH, a one-stop health management centre, to provide a full range of comprehensive health screening, health product and health management services. 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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