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MEDICSKIN HOLDINGS LIMITED

密迪斯肌控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8307)

VOLUNTARY ANNOUNCEMENT MEMORANDUM OF UNDERSTANDING WITH KORACLE LIMITED

This is a voluntary announcement made by Medicskin Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for keeping the shareholders of the Company (the “**Shareholders**”) and potential investors informed of the latest business development of the Group.

The board of directors (the “**Board**”) of the Company is pleased to announce that, on 10 August 2016 (after trading hours), the Company entered into a non-binding memorandum of understanding (the “**MOU**”) with Koracle Limited (“**Koracle**”) in relation to, among other things, (i) the provision of consultancy service to Koracle by the Group and (ii) the proposed formation of a joint venture company (the “**Proposed Joint Venture**”) for the purpose of setting up and operating a new medical skin care centre.

The MOU was intended to record the preliminary mutual understanding between the parties to the MOU and to serve as a platform for further negotiations and no binding agreement in relation to the Proposed Joint Venture has been entered into by the relevant parties.

REASONS FOR THE PROPOSED JOINT VENTURE

The Group is a medical skin care group operating two medical skincare centres in Hong Kong that primarily focus on the treatment of skin diseases and problems and/or improvement of appearance of clients. The Board believes that the Proposed Joint Venture can (i) expand and strengthen the Group's presence in Hong Kong; and (ii) enhance the Group's overall competitiveness in the medical skincare industry to achieve better financial performance and which, the Board considers, would be beneficial and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON KORACLE

Koracle is a company with limited liability incorporated in Hong Kong and has established a medical skin care centre in Tsim Sha Tsui. According to the information provided by Koracle, it is a non-wholly-owned subsidiary of Oracleland Company Limited (“**Oracleland**”) as at the date of this announcement. Oracleland is a company with limited liability incorporated in the Republic of Korea (“**South Korea**”) in 2004. Oracleland and its subsidiaries are one of the largest network of South Korean dermatology and plastic surgery franchises in Asia operating 48 clinics in South Korea and 22 clinics in other overseas countries.

To the best knowledge, information and belief of the directors of the Company (the “**Directors**”) after

having made all reasonable enquiries, Koracle, Oracleland and its ultimate beneficial owners are independent third parties who are not connected persons (as defined under the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of the Stock Exchange (the “GEM Listing Rules”)) of the Company.

Shareholders and potential investors of the Company should note that the MOU may or may not lead to the entering into of the definitive agreement and transactions contemplated thereunder may or may not be consummated. The Board wishes to emphasize that no binding agreement in relation to the Proposed Joint Venture has been entered into by the Company as at the date of this announcement. The Proposed Joint Venture, if materialized, may constitute a notifiable transaction for the Company under the GEM Listing Rules. Further announcement will be made in respect thereof as and when required by the GEM Listing Rules.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By the order of the Board
Medicskin Holdings Limited
Dr. Kong Kwok Leung
Chairman and Executive Director

Hong Kong, 10 August 2016

As at the date of this announcement, the executive Directors are Dr. Kong Kwok Leung, Mr. Lo Kwok Bun and Ms. Kong Chung Wai, and the independent non-executive Directors are Mr. Chan Cheong Tat, Mr. Lee Ka Lun and Mr. Leung Siu Cheung.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM’s website at www.hkgem.com for at least 7 days from the day of its posting. This announcement will also be published on the Company’s website at www.medicskin.com.