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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)

**COMPLETION OF
(I) SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE
AND
(II) PLACING OF EXISTING SHARES BY THE
CONTROLLING SHAREHOLDER**

The Board is pleased to announce that the completion of the Placing, as informed by TWL, and the completion of the Subscription took place on 5 October 2016 and 25 October 2016, respectively. The net proceeds from the Subscription are approximately HK\$49,940,000, which will be used for the potential acquisition of premises and initial set-up costs for the opening of a new Medicskin Centre and general working capital of the Group.

Reference is made to the announcement of the Company dated 29 September 2016 (the “**Announcement**”) in relation to the Subscription of new Shares under General Mandate and Placing of existing Shares by the controlling shareholder of the Company. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Board is pleased to announce that the completion of the Placing, as informed by TWL, took place on 5 October 2016 and a total of 13,000,000 Placing Shares, representing approximately 2.71% of the issued share capital of the Company as at the date of this announcement, were successfully placed to placee(s) at the Placing Price of HK\$0.648 per Placing Share. To the best knowledge, information and belief of the Directors having made all reasonable enquiry, the placee(s) and its ultimate beneficial owners are third parties independent of and not connected with the Vendor, the Company or its connected persons. None of the placee(s) nor any of its ultimate beneficial owners has become a substantial shareholder of the Company immediately upon completion of the Placing.

The Board is also pleased to announce that all conditions precedent under the Subscription Agreement have been fulfilled and the completion of the Subscription took place on 25 October 2016. 80,000,000 Subscription Shares, representing approximately 16.65% of the issued share capital of the Company as at the date of this announcement, at the Subscription Price of HK\$0.648 per Subscription Share have been allotted and issued to the Subscriber on 25 October 2016 in accordance with the terms and conditions of the Subscription Agreement. As a result of the Subscription, the Subscriber has become a substantial shareholder of the Company.

The net proceeds from the Subscription are approximately HK\$49,940,000, which will be used for the potential acquisition of premises and initial set-up costs for the opening of a new Medicskin Centre and general working capital of the Group.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following is a summary of the shareholding in the Company (i) before the completion of the Placing and the Subscription; (ii) immediately after completion of the Placing; and (iii) immediately after completion of the Placing and the Subscription.

Shareholders	Before completion of the Placing and the Subscription		Immediately after completion of the Placing		Immediately after completion of the Placing and the Subscription	
	Number of Shares	approximate %	Number of Shares	approximate %	Number of Shares	approximate %
TWL (Note 1)	290,000,040	72.50	277,000,040	69.25	277,000,040	57.66
The Subscriber (Note 2)	–	–	–	–	80,000,000	16.65
Public Shareholders						
Placee(s)	–	–	13,000,000	3.25	13,000,000	2.71
Other public Shareholders (Note 3)	109,999,960	27.50	109,999,960	27.50	110,399,960	22.98
Total	400,000,000	100.00	400,000,000	100.00	480,400,000	100.00

Notes:

- The entire issued share capital of TWL, a company incorporated in the British Virgin Islands with limited liability, is beneficially owned by Dr. Kong Kwok Leung (“**Dr. Kong**”). Therefore, Dr. Kong is deemed to be interested in all the Shares of the Company held by TWL.

2. The entire issued share capital of the Subscriber, a company incorporated in the British Virgin Islands with limited liability, is beneficially owned by Fullshare. Fullshare is in turn owned as to 55.97% by Magnolia Wealth International Limited (“**Magnolia Wealth**”), a company incorporated in the British Virgin Islands with limited liability, whose entire issued share capital is beneficially owned by Mr. Ji Changqun (“**Mr. Ji**”). Therefore, Fullshare, Magnolia Wealth and Mr. Ji are deemed to be interested in all the Shares of the Company held by the Subscriber.
3. On 13 October 2016, a total of 400,000 Shares were allotted to an eligible person (other than directors of the Company) who exercised the share options granted to him pursuant to the share option scheme adopted by the Company on 3 December 2014.

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

Hong Kong, 25 October 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.