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**THE CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you have sold or transferred** all your shares in Medicskin Holdings Limited, you should at once hand this circular to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)**

**MAJOR TRANSACTION  
ACQUISITION OF PROPERTY**

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A letter from the Board is set out on pages 4 to 9 of this circular.

14 March 2017

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## CHARACTERISTICS OF GEM

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GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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## CONTENTS

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	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	4
<b>APPENDIX I – FINANCIAL INFORMATION OF THE GROUP</b> .....	10
<b>APPENDIX II – UNAUDITED FINANCIAL INFORMATION OF THE PROPERTY</b> .....	12
<b>APPENDIX III – VALUATION REPORT</b> .....	15
<b>APPENDIX IV – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP</b> .....	19
<b>APPENDIX V – GENERAL INFORMATION</b> .....	25

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“Acquisition”	the acquisition of the Property by the Purchaser from the Vendor pursuant to the terms and conditions of the Provisional Agreement and the Formal Agreement;
“Announcement”	the announcement dated 24 January 2017 made by the Company in respect of the Acquisition which constitutes a major transaction of the Company;
“Board”	the board of Directors;
“Company”	Medicskin Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the GEM of the Stock Exchange (stock code: 8307);
“Completion”	completion of the Acquisition pursuant to the terms and conditions of the Provisional Agreement and the Formal Agreement;
“connected person(s)”	shall have the meaning as ascribed to it under the GEM Listing Rules;
“controlling shareholder”	shall have the meaning as ascribed to it under the GEM Listing Rules;
“Directors”	the directors of the Company;
“Dr. Kong”	Dr. Kong Kwok Leung, the controlling Shareholder, executive Director and chairman of the Company;
“Formal Agreement”	the formal sale and purchase agreement entered into between the Purchaser and the Vendor on 7 February 2017 in relation to the Acquisition;
“Fullshare”	Fullshare Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose issued shares are listed on the Stock Exchange (stock code: 607);
“GEM”	Growth Enterprise Market of the Stock Exchange;

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## DEFINITIONS

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“GEM Listing Rules”	The Rules Governing the Listing of Securities on the GEM;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party(ies)”	third party independent of and not connected with the Company and its connected persons;
“Medicskin Centre(s)”	the medical skin care centre(s) operated by the Group;
“Latest Practicable Date”	10 March 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“percentage ratios”	shall have the meaning ascribed to such term in Chapter 19 of the GEM Listing Rules;
“Property”	the whole of the 25th Floor (which includes units A, B, C and D of 25th Floor), Guangdong Tours Centre, 18 Pennington Street, Hong Kong with a total gross floor area of approximately 3,230 square feet;
“Provisional Agreement”	the provisional agreement for sale and purchase of the Property dated 24 January 2017, entered into between the Purchaser and the Vendor in relation to the Acquisition;
“Purchase Price”	the consideration in the amount of HK\$44,000,000 payable by the Purchaser for the Acquisition in accordance with the terms and conditions of the Provisional Agreement and the Formal Agreement;
“Purchaser”	Golden Dickson (HK) Limited, a company incorporated in Hong Kong with limited liability and is a direct wholly-owned subsidiary of the Company;

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## DEFINITIONS

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“Rich Unicorn”	Rich Unicorn Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Fullshare;
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription”	the subscription of 80,000,000 new Shares issued by the Company to Rich Unicorn in accordance with the terms and conditions of the subscription agreement dated 29 September 2016 which was completed on 25 October 2016;
“Topline”	Topline Worldwide Limited, a company incorporated in the British Virgin Islands with limited liability and a controlling Shareholder of the Company;
“Vendor”	Affirm Motion Limited, a company incorporated in Hong Kong with limited liability; and
“%”	per cent.

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LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Dr. Kong Kwok Leung

Mr. Lo Kwok Bun

Ms. Kong Chung Wai

Ms. Sin Chui Pik Christine

*Registered office:*

PO Box 309

Ugland House

Grand Cayman, KY1-1104

Cayman Islands

*Independent non-executive Directors:*

Mr. Chan Cheong Tat

Mr. Lee Ka Lun

Mr. Leung Siu Cheung

*Headquarter and principal place  
of business in Hong Kong:*

21st Floor

New World Tower II

16-18 Queen's Road Central

Hong Kong

14 March 2017

*To the Shareholders*

Dear Sir or Madam,

**MAJOR TRANSACTION  
ACQUISITION OF PROPERTY**

**INTRODUCTION**

Reference is made to the Announcement in relation to the Acquisition of the Property by the Purchaser from the Vendor at a consideration of HK\$44,000,000.

As one or more of the applicable percentage ratios (as defined under Chapter 19 of the GEM Listing Rules) in respect of the Acquisition are more than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to reporting, announcement, circular and Shareholders' approval requirements under the GEM Listing Rules.

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## LETTER FROM THE BOARD

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To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for approving the Acquisition. A written Shareholder's approval dated 24 January 2017 has been obtained from Topline (which as at the Latest Practicable Date held 277,000,040 Shares, representing approximately 57.66% of the issued share capital of the Company) in respect of the Acquisition. Such written approval has been accepted in lieu of holding a general meeting of the Company for approving the Acquisition. Therefore, no general meeting of the Company will be convened for approving the Acquisition pursuant to Rule 19.44 of the GEM Listing Rules.

The purpose of this circular is to provide you with, among other things, details of the Acquisition and other information as required under the GEM Listing Rules.

### THE AGREEMENTS AND THE ACQUISITION

#### The Provisional Agreement

Date	:	24 January 2017
Parties	:	(1) The Vendor (2) The Purchaser
Consideration	:	HK\$44,000,000

To the best of Director's knowledge, information and belief, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) (if applicable) are Independent Third Parties.

#### The Property

The Property to be acquired by the Purchaser from the Vendor is located on the whole of the 25th Floor (which includes units A, B, C and D of 25th Floor), Guangdong Tours Centre, 18 Pennington Street, Hong Kong (the "**Property**"), having a total gross floor area of approximately 3,230 square feet.



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## LETTER FROM THE BOARD

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The Property has been occupied by a tenant. The tenant and its ultimate beneficial owner(s) are Independent Third Parties. No vacant possession of the Property will be delivered to the Purchaser on Completion until the termination or expiration of the existing lease which is expected to end on or before 21 February 2018 (the “Lease”). The Property is currently subject to the Lease with a monthly rental income of HK\$86,000 (exclusive of management fee, air conditioning fee and government rent and rates and other operating outgoings) for a term commencing on 22 February 2016 and expiring on 21 February 2018. The Lease can be renewed for a term of one year commencing from 22 February 2018 to 21 February 2019 by mutual consent of the landlord and the tenant. The Property was used by the Vendor for its own use for the period from 1 April 2013 to 21 February 2016. Rental income generated from the Property for the period from 22 February 2016 (date of commencement of the Lease) to 31 March 2016 amounted to approximately HK\$28,000. Rental income of the Property received by the Vendor for the nine months ended 31 December 2016 was approximately HK\$688,000. There are two months and twenty days rent-free period from 22 February to 21 March 2016, from 1 December to 31 December 2016 and from 1 February to 20 February 2018. If the tenant fails to pay the rent and/or any charges payable under the Lease for seven days after the same shall become payable or if the tenant commits a breach of any of the terms and conditions contained in the Lease, the landlord can at any time re-enter the Property whereupon the Lease shall absolutely determine.

Upon expiration of the Lease, the Property will be used as the new Medicskin Centre which will provide one-stop effective and evidence-based medical solution targeting individual’s specific needs, requirements and skin conditions.

The Group is unable to gain full access to the underlying books and records or other financial information of the Vendor regarding the direct costs and other expenses for the preparation of the financial information of the Property for the relevant financial years in compliance with the requirements of Rule 19.67(6)(b)(i) of the GEM Listing Rules. The Company has therefore applied to the Stock Exchange for a waiver from strict compliance with the GEM Listing Rule 19.67(6)(b)(i), such that the following information be disclosed instead. The tenant is responsible for management fee, air conditioning fee and government rent and rates and other operating outgoings. Based on the terms of the Lease of the Property and the experience of the Company’s management in the property industry, the estimated expenses paid and payable by the Vendor in respect of the three financial years ended 31 March 2014, 2015 and 2016 amounted to approximately HK\$169,000, HK\$172,000 and HK\$156,000 respectively. The estimated expenses paid and payable by the tenant in respect of the period from 22 February 2016 (date of commencement of the Lease) to 31 March 2016 would be approximately HK\$14,000. Save for the above limited information, no other expenses such as depreciation, repair and maintenance, and finance costs were included. The information set out above is prepared using accounting policies which are materially consistent with those of the Company.

A valuation of the Property has been carried out by Asset Appraisal Limited, which valued the market value of the Property at HK\$44,000,000 as at 31 January 2017. The valuation report of the Property performed by Asset Appraisal Limited is set out in Appendix III to this circular.

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## LETTER FROM THE BOARD

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### **The Formal Agreement**

The Purchaser and the Vendor entered into the Formal Agreement on 7 February 2017. The Formal Agreement has incorporated the terms and conditions contained in the Provisional Agreement and other terms mutually agreed between the Vendor and the Purchaser.

### **Purchase Price and payment terms**

The Purchase Price in the aggregate amount of HK\$44,000,000 for the Acquisition is to be satisfied by the Purchaser in the following manner:

- (1) HK\$2,200,000 was paid to the Vendor upon signing of the Provisional Agreement as initial deposit;
- (2) HK\$2,200,000 was paid to the Vendor upon signing of the Formal Agreement on 7 February 2017 as further deposit; and
- (3) the remaining balance of HK\$39,600,000 shall be paid in full to the Vendor upon completion of the Acquisition, which is expected to take place on or before 24 March 2017.

As at the Latest Practicable Date, the initial deposit and further deposit have been settled by the Purchaser in cash.

The Purchase Price was determined after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to the market value of similar properties in similar locations. The Directors (including the independent non-executive Directors) believe that the Purchase Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole. It is expected that the Purchase Price will be financed by the net proceeds from the Subscription as disclosed in the Company's announcement dated 29 September 2016.

### **Completion**

Completion of the Acquisition shall take place on or before 24 March 2017.

### **INFORMATION ON THE VENDOR**

The Vendor is a company incorporated in Hong Kong with limited liability engaged in property investment.

To the best of Directors' knowledge, information and belief having made all reasonable enquiries, there is no prior transaction with the Vendor or its ultimate beneficial owner(s) (if applicable) which is required to be aggregated with the Acquisition pursuant to Rule 19.22 of the GEM Listing Rules.

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## LETTER FROM THE BOARD

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### INFORMATION ON THE PURCHASER AND THE COMPANY

The Purchaser is a direct wholly-owned subsidiary of the Company and its principal business is property holding. The Group is principally engaged in the provision of medical skin care services in Hong Kong. The Group is currently operating two Medicskin Centres that primarily focus on the treatment of skin diseases/problems and/or the improvement of appearance of its clients, offering one-stop skin care solutions according to client's specific needs, requirements and skin conditions. As disclosed in the management discussion and analysis in the Company's annual report for the year ended 31 March 2016, the Group is in the process of exploring and identifying a location for potential new Medicskin Centre as well as assessing the market conditions.

### REASONS FOR THE ACQUISITION

As disclosed in the Company's announcement dated 29 September 2016, the Company intends to use the majority of the net proceeds from the Subscription of approximately HK\$40,000,000 for acquisition of premises in relation to a new Medicskin Centre to be established in a prime district in Hong Kong. Upon expiration of the Lease, the Property will be used as the new Medicskin Centre which will provide one-stop effective and evidence-based medical solution targeting individual's specific needs, requirements and skin conditions.

### FINANCIAL EFFECT ON THE GROUP

The Property is held as leasehold land and building under property, plant and equipment in the Group after Completion. Following the Acquisition, the property, plant and equipment of the Group is expected to increase by approximately HK\$48,559,000, representing the sum of the Purchase Price, agency fee, stamp duty and other expenses incurred for the Acquisition; the total assets and net asset value of the Group is expected to be remain unchanged as the increase in property, plant and equipment will be offset by the decrease in bank balances and cash of the Group. The Group expects the Acquisition will increase the annual depreciation charges by approximately HK\$971,000. The Property will contribute other income (i.e. rental income) of approximately HK\$885,000 to the Group for the period from the Completion to the date of expiration of the Lease.

### GEM LISTING RULE IMPLICATIONS

In respect of the Acquisition, as one or more of the applicable percentage ratios (as defined under Chapter 19 of the GEM Listing Rules) in respect of the Acquisition are more than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company and is therefore subject to reporting, announcement, circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

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## LETTER FROM THE BOARD

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To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for approving the Acquisition.

A written Shareholder's approval dated 24 January 2017 has been obtained from Topline (which as at the Latest Practicable Date held 277,000,040 Shares, representing approximately 57.66% of the issued share capital of the Company) in respect of the Acquisition. Such written approval has been accepted in lieu of holding a general meeting of the Company for approving the Acquisition. Therefore, no general meeting of the Company will be convened for approving the Acquisition pursuant to Rule 19.44 of the GEM Listing Rules. This circular will therefore be sent to the Shareholders for their information only. Dr. Kong, our executive Director and the chairman of the Board, holds 100% shareholding of Topline.

### RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the view that the Acquisition is fair and reasonable and is in the interests of the Company and the Shareholders as a whole. Hence, the Board recommends the Shareholders to vote in favour of the resolutions to approve the Acquisition if voting action of the Shareholders would have been required.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

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

**1. FINANCIAL SUMMARY OF THE GROUP**

The published audited consolidated financial statements of the Group (i) for the year ended 31 March 2016 is disclosed on pages 37 to 78 of the 2015/16 annual report of the Company released on 23 June 2016; and (ii) for the year ended 31 March 2015 is disclosed on pages 35 to 75 of the 2014/15 annual report of the Company released on 24 June 2015. All these financial statements have been published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.medicskin.com](http://www.medicskin.com).

**2. WORKING CAPITAL**

After due and careful enquiry, the Directors are of the opinion that, after taking into account the effect of the Acquisition and the present available financial resources of the Group including our internally generated funds, the Group has sufficient working capital for its present requirements, that is for the next 12 months from the date of this circular in the absence of unforeseen circumstances.

**3. STATEMENT OF INDEBTEDNESS**

Apart from intra-group liabilities, the Group did not, at the close of business on 31 January 2017, have any outstanding loan capital issued, outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptances credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

The Directors confirmed that there has been no material change in the indebtedness and contingent liabilities of the Group since 31 January 2017.

**4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

The Group is principally engaged in the provision of medical skin care services in Hong Kong. The Group is currently operating two Medicskin Centres that primarily focus on the treatment of skin diseases/problems and/or the improvement of appearance of its clients, offering one-stop skin care solutions according to client's specific needs, requirements and skin conditions. As disclosed in the management discussion and analysis in the Company's annual report for the year ended 31 March 2016, the Group is in the process of exploring and identifying a location for potential new Medicskin Centre as well as assessing the market conditions.

As disclosed in the Company's announcement dated 29 September 2016, the Company intends to use the majority of the net proceeds from the Subscription for acquisition of premises in relation to a new Medicskin Centre to be established in a prime district in Hong Kong. Due to the continue increase in rent of office buildings in prime locations in Hong Kong, the Company considers that it will be in the long term interests of the Company and its Shareholders to have its Medicskin Centres operating in self-owned properties. Upon expiration of the Lease, the Property will be used as the new Medicskin Centre which will provide one-stop effective and evidence-based medical solution targeting individual's specific needs, requirements and skin conditions.

Taking into account the high growth rate of female population in Hong Kong and the growing emphasis on personal physical appearance in the society, the Board expects there will be continuous growths in demand for medical skin care services, and considers that opening of the new Medicskin Centre in a new location will expand the Group's service scale, broaden the Group's customer base and enhance the Group's market position so as to broaden the Group's revenue stream, and thus be in the interest of the Company and the Shareholders as a whole.

**PROFIT AND LOSS STATEMENT OF THE PROPERTY**

Pursuant to Rule 19.67(6)(b)(i) of the GEM Listing Rules, a circular issued in relation to an acquisition constituting a major transaction must contain a profit and loss statement of the Property for the three preceding financial years ended 31 March 2014, 2015 and 2016 (the “**Relevant Financial Years**”) on identifiable net income stream and valuation in relation to the Property which must be reviewed by the auditor or reporting accountant to ensure that such information has been properly compiled and derived from the underlying books and records.

The Property was used by the Vendor for its own use for the period from 1 April 2013 to 21 February 2016. The Property is currently let to a third party. Except for a copy of the Lease for a term commencing on 22 February 2016 and expiring on 21 February 2018, despite requests made by the Company with the Vendor, the Vendor has not agreed to grant permission for the Group to gain full access to the underlying books and records or other financial information regarding the direct costs and other expenses for the preparation of the financial information of the Property for the Relevant Financial Years except the Lease and some information regarding the Property, such as the recent demand note for rates from January to March 2017, debit note for management fee for February 2017, electricity bill from 11 January to 9 February 2017 and water bill from 16 July to 14 November 2016 provided by the tenant (the “**Supporting Documents**”). The Group is unable to comply the disclosure requirement under Rule 19.67(6)(b)(i) of the GEM Listing Rules.

The Company has therefore applied to the Stock Exchange for a waiver from strict compliance with the Rule 19.67(6)(b)(i), such that the following information be disclosed instead. The financial information of the Property for each Relevant Financial Year set out below has been prepared by the Directors solely based on the terms of the Lease and the experience of the Group and/or the Company’s management in the property industry. Dr. Kong, the executive Director and chairman of the Company, has experience in the property industry for over 10 years. Accordingly, it may not give a true picture of the performance of the Property actually occurred during the Relevant Financial Years.

Pursuant to the Lease, which has a fixed term of two years commencing on 22 February 2016 and expiring on 21 February 2018, the monthly rental is HK\$86,000 (exclusive of management fee, air conditioning fee and government rent and rates and other operating outgoings). Gross rental income for the period from 22 February 2016 (date of commencement of the Lease) to 31 March 2016 amounted to approximately HK\$28,000. There was no rental income generated by the Property for the financial years ended 31 March 2014 and 2015. The rental income generated by the Property for the nine months ended 31 December 2016 was approximately HK\$688,000.

Pursuant to the Lease, the tenant is responsible for management fee, air conditioning fee and government rent and rates and other operating outgoings. The estimated expenses paid and payable by the Vendor in respect of the three financial years ended 31 March 2014, 2015 and 2016 and the nine months ended 31 December 2016 would be approximately HK\$169,000, HK\$172,000, HK\$156,000 and nil respectively. The estimated expenses paid and payable by the Vendor were determined with reference to the terms of the Lease, the Supporting Documents and rates concession of the relevant fiscal years, with the assumptions that except for the rates, the relevant expenses remained the same through the years and incurred evenly in a year. The natures of the expenses paid and payable by the Vendor during the three financial years ended 31 March 2014, 2015 and 2016 included management fee, government rates, electricity and water. The estimated expenses paid and payable by the tenant in respect of the period from 22 February 2016 (date of commencement of the Lease) to 31 March 2016 and the nine months ended 31 December 2016 would be approximately HK\$14,000 and HK\$128,000 respectively. The estimated expenses paid and payable by the tenant were determined with reference to the terms of the Lease and the Supporting Documents.

Save for the above limited information, the Directors are unable to ascertain the amount of expenses in relation to the Property. Accordingly, no expenses such as depreciation, repair and maintenance, and finance costs were included in the above estimation. The information set out above is prepared using accounting policies which are materially consistent with those of the Company.

*Notes:*

In accordance with the Rule 19.67(6)(b)(i) of the GEM Listing Rules, the Directors engaged Deloitte Touche Tohmatsu, the auditor of the Company to conduct certain agreed upon procedures in respect of the rental income of the Property, in accordance with the Hong Kong Standard on Related Services 4400 “Engagements to Perform Agreed-Upon Procedures Regarding Financial Information” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The procedures were performed solely to assist the Directors in evaluating the accuracy of the gross rental income from the Property, and are summarised as follows:

1. The auditor obtained the schedule setting out the address, names of lessor and lessee, rental period, monthly rent and gross rental income for the three years ended 31 March 2014, 2015 and 2016 from the management of the Company (the “**Gross Rental Income Summary**”) and checked the arithmetical accuracy of the total Gross Rental Income for the three years ended 31 March 2014, 2015 and 2016. The Gross Rental Income Summary was prepared by and the sole responsibility of the Directors.
2. From the Gross Rental Income Summary, the auditor agreed the address, names of the lessor and lessee, rental period and monthly rent (the “**Particulars**”) to the Lease provided by the Vendor. The auditor of the Company report its findings below:
  - a. With respect to procedure 1, the auditor found the total Gross Rental Income for the three years ended 31 March 2014, 2015 and 2016 included in the Gross Rental Income Summary to be arithmetically accurate.
  - b. With respect to procedure 2, from the Gross Rental Income Summary, the auditor found the Particulars to be in agreement with the relevant Lease.



Because the above procedures do not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, the auditor of the Company does not express any assurance on the Gross Rental Income and the Gross Rental Income Summary. Had the auditor performed additional procedures or had the auditor performed an assurance engagement of the Gross Rental Income and the Gross Rental Income Summary in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by HKICPA, other matters might have come to the auditor's attention that would have been reported to the Directors.

The Directors consider the omission of a profit and loss statement for the Property's net income stream for the Relevant Financial Years would not render this circular materially incomplete or misleading or deceptive.

*The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this circular received from Asset Appraisal Limited, an independent valuer, an independent property valuer, in connection with its valuation as at 31 January 2017 of the Property to be acquired by the Company.*



**Asset Appraisal Limited**  
中誠達資產評值顧問有限公司

Rm 901, 9/F., On Hong Commercial Building  
145 Hennessy Road, Wanchai, Hong Kong  
香港灣仔軒尼詩道145號  
安康商業大廈9字樓901室  
Tel : (852) 2529 9448 Fax : (852) 3521 9591

14 March 2017

**The Board of Directors**  
**Medicskin Holdings Limited**

21st Floor  
New World Tower II  
16-18 Queen's Road Central  
Hong Kong

Dear Sirs,

**The whole of the 25th Floor**  
**Guangdong Tours Centre**  
**18 Pennington Street**  
**Hong Kong**

In accordance with the instructions of Medicskin Holdings Limited (the “**Company**”) to value the captioned property (the “**Property**”), we confirm that we have carried out inspection of the Property, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property as at 31 January 2017 (the “**Date of Valuation**”).

**BASIS OF VALUATION**

Our valuation of the Property represents the market value which we would define as intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

**TITLESHIP**

We have caused searches to be made at the appropriate Land Registry for the Property. However, we have not verified ownership of the Property or to verify the existence of any amendments which do not appear on the copies handed to us. All documents have been used for reference only.

According to the Land Registry records, the registered owner of the Property is Affirm Motion Limited.

**VALUATION METHODOLOGY**

The Property is valued by the comparison method where comparison based on prices realised or market prices of comparable properties is made. Comparable properties of similar size, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of capital values.

**ASSUMPTIONS**

Our valuation has been made on the assumption that the Group sell the Property on the market in their existing states without the benefit of deferred terms contracts, leaseback, joint ventures, management agreements or any similar arrangement which would serve to affect the value of the Property.

As the Property is held by the owner by means of long term Government lease, we have assumed that the owner has a free and uninterrupted right to use the Property for the whole of the unexpired term of its Government lease.

Other special assumptions for our valuation (if any) would be stated out in the footnotes of the valuation certificate attached herewith.

**LIMITING CONDITIONS**

No allowance has been made in our report for any charges, mortgages or amounts owing on the Property valued nor for any expenses or taxation. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have not carried out detailed site measurements to verify the correctness of the floor areas in respect of the Property but have assumed that the floor areas shown on the legal documents handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

The Property were last inspected on 16 February 2017 by Mr. YANG Junhao, who is a probationer member of Royal Institutions of Chartered Surveyors and an employee of us. However, no structural survey has been made for them. In the course of our inspection, we did not note any apparent defects. We are not, however, able to report whether the buildings and structures inspected by us are free of rot, infestation or any structural defect. No test was carried out on any of the building services and equipment.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

In valuing the Property, we have complied with all the requirements contained in Chapter 8 of the Rules Governing the Listing of Securities on the Growth Enterprise Market issued by The Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors.

We enclose herewith our valuation certificate.

Yours faithfully,

for and on behalf of

**Asset Appraisal Limited**

**Sandra Lau**

*MHKIS AAPI RPS(GP)*

*Director*

*Sandra Lau is a member of the Hong Kong Institute of Surveyors, an Associate of the Australian Property Institute and a Registered Professional Surveyor in General Practice. She is on the list of Property Valuers for Undertaking Valuations for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers of the Hong Kong Institute of Surveyors, Registered Business Valuer under the Hong Kong Business Valuation Forum and has over 10 years' experience in valuation of properties in Hong Kong, in Macau and in the People's Republic of China.*

## VALUATION CERTIFICATE

## Property to be acquired by the Company

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 January 2017
The whole of the 25th Floor Guangdong Tours Centre, 18 Pennington Street, Hong Kong	The property comprises four contiguous office units on 25th Floor of a 29-storey office building completed in about 1994.	As advised by the Company, the property is subject to a tenancy for a term commencing on 22 February 2016 and expiring on 21 February 2018 at a monthly rent of	HK\$44,000,000
330/10950th shares of and in the Remaining Portion of Section G, Sub-Section 1 of Section I, the Remaining Portion of Section E, Sub-Section 2 of Section C and the Remaining Portion of Section C of Inland Lot No.955.	The property has a total gross floor area of approximately 3,230 square feet and a total saleable area of approximately 1,938 square feet.	HK\$86,000 exclusive of management fee, air conditioning fee, government rent and rates and other operating outgoings.	
	The subject land lots are held under Government lease for a term of 999 years commencing on 25 December 1884 at an aggregate Government rent of HK\$8.15 per annum.		

## Notes:

1. The registered owner of the property is Affirm Motion Limited registered vide memorial no. UB9066478 dated 10 November 2003.
2. Occupation Permit No.H17/94 of the subject development was registered vide memorial no. UB5924239 dated 3 February 1994.
3. Deed of Mutual Covenant of the subject development was registered vide memorial no.UB5943002 and re-registered vide memorial no. 6208155 dated 24 February 1994.
4. Mortgage and Rental Assignment was registered vide memorial no. 14121200700042 and 14121200700056 dated 24 November 2014.
5. The property falls within an area currently zoned "Commercial" use under the Causeway Bay Outline Zoning Plan No. S/H6/15 dated 17 September 2010.

**INTRODUCTION**

In connection with the major acquisition of a property (the “**Property**”) by Golden Dickson (HK) Limited, a direct wholly owned subsidiary of the Company from Affirm Motion Limited (the “**Vendor**”) and the transaction referred to as the “**Acquisition**”), the unaudited pro forma consolidated statement of assets and liabilities of the Company and its subsidiaries (the “**Unaudited Pro Forma Consolidated Statement of Assets and Liabilities**”) has been prepared by the Directors in accordance with paragraph 7.31 of the GEM Listing Rules and is solely for the purpose to illustrate the effect of the Acquisition on the Group’s financial position as at 30 September 2016 as if the Acquisition had been completed on 30 September 2016.

The Unaudited Pro Forma Consolidated Statement of Assets and Liabilities is prepared based on the unaudited consolidated statement of financial position of the Group as at 30 September 2016 which has been extracted from the Group’s interim report for the six months ended 30 September 2016 issued on 11 November 2016, and after making pro forma adjustment relating to the Acquisition that are (i) directly attributable to the Acquisition; and (ii) factually supportable as if the Acquisition had been undertaken as at 30 September 2016.

The Unaudited Pro Forma Consolidated Statement of Assets and Liabilities is prepared by the Directors based on the aforesaid historical data after giving effect to the pro forma adjustment described in the accompanying notes. Narrative description of the pro forma adjustment of the Acquisition that are (i) directly attributable to the transactions; and (ii) factually supportable, is summarised in the accompanying notes.

The Unaudited Pro Forma Consolidated Statement of Assets and Liabilities has been prepared by the Directors based on certain assumptions, estimates and uncertainties for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group. Accordingly, the Unaudited Pro Forma Consolidated Statement of Assets and Liabilities does not purport to describe the financial position of the Group that would have been attained had the Acquisition been completed on 30 September 2016, nor to predict the future financial position of the Group.

**APPENDIX IV**

**UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE GROUP**

**UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF ASSETS AND  
LIABILITIES**

	The Group HK\$000	Unaudited pro forma adjustment HK\$000	(Notes)	The Group upon Completion HK\$000
<b>Non-current assets</b>				
Property, plant and equipment	8,903	48,559	(1)	57,462
Rental deposits	<u>2,554</u>			<u>2,554</u>
	<u>11,457</u>			<u>60,016</u>
<b>Current assets</b>				
Inventories	2,797			2,797
Trade receivables	791			791
Other receivable, deposits and prepayments	1,307			1,307
Tax recoverable	1,159			1,159
Pledged bank deposits	8,500			8,500
Bank balances and cash	<u>15,895</u>	(48,301)	(1),(2)	<u>(32,406)</u>
	<u>30,449</u>			<u>(17,852)</u>
<b>Current liabilities</b>				
Trade payables	559			559
Accrued liabilities	2,767			2,767
Deferred revenue	<u>8,954</u>			<u>8,954</u>
	<u>12,280</u>			<u>12,280</u>
<b>Net current assets</b>	<u>18,169</u>			<u>(30,132)</u>
<b>Total assets less current liabilities</b>	<u>29,626</u>			<u>29,884</u>
<b>Non-current liabilities</b>				
Other payable	–	258	(2)	258
Deferred tax liability	<u>270</u>			<u>270</u>
	<u>270</u>			<u>528</u>
<b>Net assets</b>	<u><u>29,356</u></u>			<u><u>29,356</u></u>

*Notes:*

1. The adjustment is to reflect the Acquisition at a purchase price of HK\$44,000,000 together with other directly attributable costs of HK\$4,559,000, which comprising stamp duty of HK\$3,740,000 and other expenses of HK\$819,000 including property agent commission and legal and professional fees relating to the Acquisition. The Property has been occupied by a tenant. No vacant possession of the Property will be delivered to the Group upon the completion of the Acquisition until the termination or expiration of the existing lease which is expected to end on or before 21 February 2018 (the "**Lease**"). The Property is classified as property, plant and equipment as the Directors intend to use the Property as the new Medicskin Centre upon expiration of the Lease. The Group will settle the purchase price and direct costs as to approximately HK\$48,559,000 by the net proceeds from the issue of new shares of the Company on 25 October 2016, which has not been reflected here for the purpose of this Unaudited Pro Forma Consolidated Statement of Assets and Liabilities.
2. Pursuant to the relevant sale and purchase agreements, the Vendor shall transfer the rental deposit received from the tenant of HK\$258,000 to the Group by cash upon the completion of the Acquisition, which will be repaid to the tenant upon termination or expiration of the Lease by the Group, hence classified as other payable.



*The following is the text of the assurance report received from Deloitte Touche Tohmatsu, Certified Public Accountants of our Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this circular.*

**Deloitte.****德勤****INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE  
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION  
TO THE DIRECTORS OF MEDICSKIN HOLDINGS LIMITED**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Medicskin Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”), by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of assets and liabilities as at 30 September 2016 and related notes as set out on pages 19 to 21 of the circular issued by the Company dated 14 March 2017 (the “**Circular**”) in connection with the major acquisition of a property (the “**Acquisition**”). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages 19 to 21 of the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the Acquisition on the Group's financial position as at 30 September 2016 as if the Acquisition had taken place at 30 September 2016. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's consolidated financial statements for the six months ended 30 September 2016, on which no auditor's report or review report has been published.

**Directors' responsibilities for the Unaudited Pro Forma Financial Information**

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG7**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

**Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountants’ Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 7.31 of the GEM Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 September 2016 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related unaudited pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion:

- a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- b) such basis is consistent with the accounting policies of the Group; and
- c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*

Hong Kong  
14 March 2017

## 1. RESPONSIBILITY STATEMENT

This circular, 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 circular 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 misleading.

## 2. DISCLOSURE OF INTERESTS

### **Directors' and chief executives' interests and short positions in shares, underlying shares and debentures**

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register required to be kept under section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

#### **(a) Long position in the Shares**

<b>Director</b>	<b>Capacity and nature of interests</b>	<b>Number of Shares held</b>	<b>Approximate % of issued share capital</b>
Dr. Kong <i>(note)</i>	Interest in a controlled corporation	277,000,040	57.66%

*Note:* The 277,000,040 Shares are registered in the name of Topline, which is wholly owned by Dr. Kong. Under the SFO, Dr. Kong is deemed to be interested in all the Shares of the Company registered in the name of Topline.

**(b) Options to subscribe for Shares**

Particular of the Directors' interests in the share option scheme adopted by the Company on 3 December 2014 were as follows:

Name of the Directors	Grant date	Exercise price per share	Vesting period	Exercise period	Number of share options as at 1.4.2016 and the Latest Practicable Date
Chan Cheong Tat	17.08.2015	0.67	17.08.2015 – 16.08.2016	17.08.2016 – 16.08.2017	400,000
Lee Ka Lun	17.08.2015	0.67	17.08.2015 – 16.08.2016	17.08.2016 – 16.08.2017	400,000
Leung Siu Cheung	17.08.2015	0.67	17.08.2015 – 16.08.2016	17.08.2016 – 16.08.2017	400,000
					1,200,000

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or (b) to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or (c) as to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

**Substantial Shareholders' and other persons' interests and short position in shares and underlying shares**

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had, or were deemed or taken to have interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or who was substantial shareholder as recorded in the register required to be kept under section 336 of the SFO:

**Long position in the ordinary shares of the Company**

Name of Shareholders	Capacity and nature of interests	Number of Shares held	Approximate % of issued share capital
Topline (note a)	Beneficial owner	277,000,040	57.66%
Rich Unicorn (note b)	Beneficial owner	80,000,000	16.65%
Fullshare (note b)	Interest in a controlled corporation	80,000,000	16.65%
Magnolia Wealth (note b)	Interest in a controlled corporation	80,000,000	16.65%
Mr. Ji (note b)	Interest in a controlled corporation	80,000,000	16.65%

*Notes:*

- (a) The 277,000,040 Shares are registered in the name of Topline, which is wholly owned by Dr. Kong. Under the SFO, Dr. Kong is deemed to be interested in all the Shares of the Company registered in the name of Topline.
- (b) On 29 September 2016, a subscription agreement was entered into between the Company and Rich Unicorn, pursuant to which the Company has conditionally agreed to allot and issue, and Rich Unicorn has conditionally agreed to subscribe for, 80,000,000 subscription Shares at the subscription price of HK\$0.648 per subscription Share. The completion of subscription took place on 25 October 2016. Rich Unicorn is beneficially owned by Fullshare. Fullshare is in turn owned as to 46.58% 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**”). In addition, Mr. Ji holds 4.75% of Fullshare directly as the beneficial owner. Therefore, Fullshare, Magnolia Wealth and Mr. Ji are deemed to be interested in all the Shares held by Rich Unicorn.

Save as disclosed above, so far as was known to the Directors, as at the Latest Practicable Date, there was no other person (other than the Directors or chief executive of the Company) who had any interests or short positions in the Shares and the underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or who was substantial Shareholder as recorded in the register required to be kept by the Company under section 336 of the SFO.

### 3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

### 4. MATERIAL CONTRACTS

The following contracts, not being contracts in the ordinary course of business of the Group, were entered into by the Group within two years immediately preceding the date of this circular which are or may be material:

- (a) the Formal Agreement;
- (b) the Provisional Agreement; and
- (c) the subscription agreement dated 29 September 2016 entered into between the Company and Rich Unicorn in respect of the subscription of 80,000,000 Shares at a consideration of HK\$51,840,000.

Save as disclosed above, no contract (not being a contract entered into in the ordinary course of business carried on by the Group) has been entered into by any member of the Group within two years preceding the date of this circular which are or may be material.

#### **5. DIRECTORS' INTEREST IN ASSETS AND/OR ARRANGEMENT**

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any members of the Group, or were proposed to be acquired or disposed of by or leased to any members of the Group since 31 March 2016, being the date to which the latest published audited consolidated financial statements of the Company were made up.

#### **6. COMPETING INTERESTS**

As at the Latest Practicable Date, none of the Directors or the controlling Shareholders or their respective associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the GEM Listing Rules.

#### **7. LITIGATION**

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was or may become a party to any other litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

#### **8. QUALIFICATION AND CONSENT OF EXPERTS**

Set out below are the qualifications of the experts who have given opinions and advice which are contained in this circular:

<b>Name</b>	<b>Qualification</b>
Deloitte Touche Tohmatsu	Certified Public Accountants
Asset Appraisal Limited	professional property valuer

- (a) Neither Deloitte Touche Tohmatsu nor Asset Appraisal Limited had any shareholding, directly or indirectly, in the Company or any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company or any member of the Group as at the date of this circular;
- (b) Both Deloitte Touche Tohmatsu nor Asset Appraisal Limited have given their consent and neither of them has withdrawn its written consent to the issue of this circular with the inclusion herein of their letters dated 14 March 2017 and/or reference to their names in the form and context in which they are included; and
- (c) Neither Deloitte Touche Tohmatsu nor Asset Appraisal Limited had any direct or indirect interest in any asset which had been acquired, or disposed of by, or leased to the Company or any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group since 31 March 2016, the date to which the latest published audited financial statements of the Group were made up.

#### **9. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse changes in the financial or trading position of the Group since 31 March 2016, being the date to which the latest published audited consolidated accounts of the Group have been made up.

#### **10. GENERAL**

- (a) The registered office of the Company is located at P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.
- (b) The headquarter and principal place of business is located at 21st Floor, New World Tower II, 16-18 Queen's Road Central, Hong Kong.
- (c) The principal share registrar and transfer office is Maples Fund Services (Cayman) Limited, which is located at P.O. Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands.
- (d) The Hong Kong branch share registrar and transfer office is Tricor Investor Services Limited, which is located at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (e) The secretary of the Company is Ms. Sin Chui Pik Christine, who is an executive Director and the chief financial officer of the Company and a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.



- (f) The compliance officer of the Company is Ms. Kong Chung Wai, who is an executive Director of the Company and a fellow member of the Association of Chartered Certified Accountants.
- (g) The Company has established the audit committee (the “**Audit Committee**”) on 3 December 2014 with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Company, make recommendations to the Board on the appointment, reappointment and removal of the external auditor and review the Company’s financial information. The Audit Committee currently consists of three independent non-executive Directors, namely, Mr. Chan Cheong Tat, Mr. Lee Ka Lun and Mr. Leung Siu Cheung. Mr. Chan Cheong Tat is the chairman of the Audit Committee.
- (h) In the event of any inconsistency, the English text of this circular prevails over the Chinese text.

#### 11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the Company’s principal place of business in Hong Kong at 21st Floor, New World Tower II, 16-18 Queen’s Road Central, Hong Kong for a period of 14 days from the date of this circular:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company containing audited consolidated financial statements of the Company for the two years ended 31 March 2016;
- (c) the letter and valuation certificate prepared by Asset Appraisal Limited, the text of which is set out in Appendix III to this circular;
- (d) the letter from Deloitte Touche Tohmatsu in respect of the unaudited pro forma financial information of the Group, the text of which is set out in Appendix IV to this circular;
- (e) the material contracts referred to in the paragraph headed “4. Material Contracts” in this appendix;
- (f) the letters of consent referred to under the paragraph headed “8. Qualification and Consent of Experts” in this appendix; and
- (g) this circular.