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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)**

### **SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

On 26 February 2018 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company has agreed to allot and issue and the Subscriber has agreed to subscribe for 5,336,000 Subscription Shares at the Subscription Price on the terms and subject to the conditions set out in the Subscription Agreement.

The Subscription Price was determined after arm's length negotiation between the Company and the Subscriber with reference to the market prices of the Shares, the recent trading volume of the Shares and the prospects of the Group. The total subscription price of approximately HK\$2,828,000 is calculated based on the Subscription Price of HK\$0.53 per Subscription Share, which represents: (i) the closing price of HK\$0.53 per Share as quoted on the Stock Exchange on the Last Trading Date; and (ii) a discount of approximately 1.12% to the average closing price of approximately HK\$0.536 per Share as quoted on the Stock Exchange for the five trading days of the Shares immediately prior to the Last Trading Date.

The 5,336,000 Subscription Shares represent (i) approximately 1.11% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 1.10% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares immediately after the Completion, assuming that there will be no change in the issued share capital of the Company (other than the issue of the Subscription Shares) between the date of this announcement and the Completion.

The gross and net proceeds arising from the Subscription will be approximately HK\$2,828,000 and HK\$2,678,000, respectively. The Company intends to apply the proceeds from the Subscription to set up and operate the Anti-aging Centre or otherwise as general working capital of the Group.

The Subscription Shares are to be issued under the General Mandate granted to the Directors pursuant to an ordinary resolution of the Shareholders passed on 26 July 2017 whereby the Directors have been duly authorised to allot and issue new Shares not exceeding 20% of the total issued share capital of the Company as at 26 July 2017. As such, the allotment and issue of the Subscription Shares are not subject to additional Shareholders' approval.

Application will be made to the GEM Listing Committee of the Stock Exchange for granting approval for the listing of, and permission to deal in, the Subscription Shares.

**As Completion is subject to the satisfaction of conditions precedent under the Subscription Agreement and the Subscription may or may not proceed to Completion. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **INTRODUCTION**

Reference is made to the announcement of the Company of 3 October 2017 in relation to the setting up of an anti-aging centre (the “**Anti-aging Centre**”).

On 26 February 2018 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company has agreed to allot and issue and the Subscriber has agreed to subscribe for 5,336,000 Subscription Shares at the Subscription Price on the terms and subject to the conditions set out in the Subscription Agreement.

## **THE SUBSCRIPTION AGREEMENT**

**Date:** 26 February 2018

**Parties:** (i) the Company; and  
(ii) the Subscriber.

The Subscriber is a limited liability company incorporated in Hong Kong. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Subscriber and its beneficial owners are Independent Third Parties prior to the entering into of the Subscription Agreement and the Subscriber and its associates do not hold any Shares as at the date of this announcement.

## **Subscription Shares**

Subject to the fulfilment of the conditions and the terms set out in the Subscription Agreement, the Company has agreed to allot and issue and the Subscriber has agreed to subscribe for 5,336,000 Subscription Shares at the Subscription Price. The 5,336,000 Subscription Shares represent (i) approximately 1.11% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 1.10% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares immediately after the Completion, assuming that there will be no change in the issued share capital of the Company (other than the issue of the Subscription Shares) between the date of this announcement and the Completion.

## **Ranking of the Subscription Shares**

The Subscription Shares, when issued and fully paid up, shall rank pari passu among themselves and with all of the Shares in issue as at the Completion Date.

## **Subscription Price**

The total subscription price of approximately HK\$2,828,000 is calculated based on the Subscription Price of HK\$0.53 per Subscription Share, which represents: (i) the closing price of HK\$0.53 per Share as quoted on the Stock Exchange on the Last Trading Date; and (ii) a discount of approximately 1.12% to the average closing price of approximately HK\$0.536 per Share as quoted on the Stock Exchange for the five trading days of the Shares immediately prior to the Last Trading Date.

The Subscription Price was determined with reference to the prevailing market price, the recent trading volume of the Shares and the prospects of the Group and was negotiated on an arm's length basis between the Company and the Subscriber. The Board (including the independent non-executive Directors) considers that the Subscription Price and the terms of the Subscription Agreement are fair and reasonable and that the Subscription is in the interests of the Company and the Shareholders as a whole.

The gross and net proceeds arising from the Subscription will be approximately HK\$2,828,000 and HK\$2,678,000, respectively.

## **Conditions of the Subscription**

Completion is conditional upon the fulfillment of the following conditions:

- (a) the GEM Listing Committee of the Stock Exchange shall have granted (either unconditionally or subject only to conditions to which neither the Company nor the Subscriber shall reasonably object) or agreed to grant listing of and permission to deal in the Subscription Shares;
- (b) there shall not have occurred any material breach or any event render untrue or inaccurate, any of the warranties under the Subscription Agreement;
- (c) the Shares remaining listed and traded on the Stock Exchange at all times from the date of the Subscription Agreement up to the Completion Date, save for any temporary suspension not exceeding seven consecutive trading days (other than any temporary suspension relating to the clearance of any announcement in respect of the Subscription Agreement), or such longer period as the Subscriber may accept; and
- (d) no indication being received on or before the Completion Date from the Stock Exchange and/or the Securities and Futures Commission to the effect that the listing of the Shares or Subscription Shares (as the case may be) on the Stock Exchange will or may be withdrawn or objected to (or conditions will or may be attached thereto) as a result of the Completion or in connection with the terms of the Subscription Agreement.

If any of the above conditions is not fulfilled on or before the Completion Date or such later date as may be agreed between the parties, the Subscription Agreement will lapse and become null and void and the parties will be released from all obligations thereunder, save for, among others, the liabilities for any antecedent breaches thereof.

## **Restriction on the Disposal of Shares**

Pursuant to the Subscription Agreement, the Subscriber undertakes to and covenants with the Company that the Subscriber shall not, in the period commencing on the Completion Date and ending on the date which is 12 months from the Completion Date, dispose of, nor enter into any agreement to dispose of or otherwise create any encumbrances in respect of any of the Shares which the Subscriber is the beneficial owner, provided that the such restrictions shall not apply to any Shares which the Subscriber or any of its associates may acquire or become interested in following the Completion Date.

## **Completion**

Subject to the fulfillment of the conditions precedent, the Completion shall take place on the Completion Date or such other date as the parties may agree in the office of the Company or at such other place in such other manners as the parties may agree and each party shall perform its respective obligations as set out in the Subscription Agreement.

## **General Mandate**

The Subscription Shares are to be issued under the General Mandate granted to the Directors pursuant to an ordinary resolution of the Shareholders passed on 26 July 2017 whereby the Directors have been duly authorised to allot and issue new Shares not exceeding 20% of the total issued share capital of the Company as at 26 July 2017. As at the date of this announcement, the Company has not exercised the power to allot and issue any new Shares under the General Mandate prior to the allotment and issue of the Subscription Shares. As such, the allotment and issue of the Subscription Shares are not subject to additional Shareholders' approval.

## **Application for listing**

Application will be made by the Company to the GEM Listing Committee of the Stock Exchange for granting approval for the listing of, and permission to deal in, the Subscription Shares.

## **REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS**

As disclosed in the announcement of the Company dated 3 October 2017, the Group is planning to open the Anti-aging Centre in Tsim Sha Tsui. The Group has entered into a business cooperation arrangement with the Subscriber for setting up and operating the Antiaging Centre which will be owned as to 51% by the Group.

The Group believes that the introduction of new types of services and products is one of the driving forces for the growth of the Group's business and is a significant way to maintain the Group's competitiveness and its forefront position in the industry.

The Directors consider the Subscription offers a good opportunity to bring in a strategic partner which may help the Group to expand its business and to promote the Anti-aging Centre and also to raise capital and broaden the shareholders base of the Company.

The gross and net proceeds from the Subscription will be approximately HK\$2,828,000 and HK\$2,678,000, respectively. It is expected that the proceeds from the Subscription will be used by the Company to set up and operate the Anti-aging Centre or otherwise as general working capital of the Group.

The Board (including the independent non-executive Directors) considers that the terms of the Subscription Agreement are fair and reasonable and the Subscription is in the interests of the Company and its Shareholders as a whole.

## EFFECT ON THE SHAREHOLDING STRUCTURE

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, the existing shareholding structure of the Company as at the date of this announcement and the effect on the shareholding structure of the Company upon issue of the Subscription Shares immediately after the Completion (assuming that there will be no change in the issued share capital of the Company (other than the issue of the Subscription Shares) between the date of this announcement and the Completion) is set out as follows:

Shareholder	As at the date of this announcement		Upon allotment and issue of the Subscription Shares	
	<i>Number of Shares</i>	<i>Approximate %<sup>3</sup></i>	<i>Number of Shares</i>	<i>Approximate %<sup>3</sup></i>
Topline Worldwide Limited (“ <b>Topline</b> ”) <sup>1</sup>	274,865,400	57.22	274,865,400	56.59
Rich Unicorn Holdings Limited (“ <b>Rich Unicorn</b> ”) <sup>2</sup>	80,000,000	16.65	80,000,000	16.47
Other public Shareholders	125,534,600	26.13	125,534,600	25.84
Subscriber	–	–	5,336,000	1.10
<b>Total</b>	<b>480,400,000</b>	<b>100</b>	<b>485,736,000</b>	<b>100</b>

Notes:

1. The entire issued share capital of Topline is beneficially owned by Dr. Kong Kwok Leung (“**Dr. Kong**”). Therefore Dr. Kong is deemed to be interested in all the Shares held by Topline.
2. Rich Unicorn is beneficially owned by Fullshare Holdings Limited (“**Fullshare**”) whose issued shares are listed on the Stock Exchange (stock code: 607). Fullshare is in turn owned as to 46.58% by Magnolia Wealth International Limited (“**Magnolia Wealth**”), a company incorporated in the BVI with limited liability, whose entire issued share capital is beneficially owned by Mr. Ji Changqun (“**Mr. Ji**”). In addition, Mr. Ji holds 4.78% 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.
3. The percentage figures in this table are subject to rounding adjustment.

## **EQUITY FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS**

The Company has not conducted any equity fund raising activities (including securities convertible into equity securities of the Company) in the past twelve months prior to the date of this announcement.

**As Completion is subject to the satisfaction of conditions precedent under the Subscription Agreement and the Subscription may or may not proceed to Completion, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **DEFINITIONS**

The following terms have the following meanings in this announcement unless the context otherwise requires:

“Board”	the board of Directors
“BVI”	the British Virgin Islands
“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”	the completion of the Subscription
“Completion Date”	on the basis that the conditions precedent is fulfilled, on 25 August 2018, being the 180th day from the date of the Subscription Agreement
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	The Rules Governing the Listing of Securities on the GEM

“General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 26 July 2017 to allot, issue and deal with up to 96,080,000 new Shares
“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 PRC
“Independent Third Party(ies)”	person(s) who is(are) third party(ies) independent of the Company and its connected persons
“Last Trading Date”	26 February 2018, being the day on which the Shares were traded on the Stock Exchange prior to the issue of this announcement
“PRC”	the People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited



“Subscriber”	Dragon Dragon Company Limited ( 灝龍文化有限公司 ) (previously known as Centreast Investments Limited ( 南陞投資有限公司 ) ), a company incorporated in Hong Kong with limited liability on 26 July 1994
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 26 February 2018 entered into between the Company and the Subscriber in respect of the Subscription
“Subscription Price”	HK\$0.53 per Subscription Share
“Subscription Shares”	5,336,000 new Shares to be allotted and issued by the Company to the Subscriber pursuant to the Subscription Agreement
“%”	per cent

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

Hong Kong, 26 February 2018

*As at the date of this announcement, the executive Directors are Dr. Kong Kwok Leung, Mr. Lo Kwok Bun, Ms. Kong Chung Wai and Ms. Sin Chui Pik Christine; 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](http://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](http://www.medicskin.com).*