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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)

**RESIGNATION OF EXECUTIVE DIRECTOR AND
CHIEF EXECUTIVE OFFICER;
APPOINTMENT OF CHIEF EXECUTIVE OFFICER;
AND
APPOINTMENT OF EXECUTIVE DIRECTOR**

The Board hereby announces that, with effect from 1 March 2018:

- (a) Mr. Lo resigned as an executive Director, the CEO and a member of the Remuneration Committee;
- (b) Dr. Kong, an executive Director and the Chairman, has been appointed as the CEO; and
- (c) Ms. Tsui has been appointed as an executive Director.

**RESIGNATION OF EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER AND
APPOINTMENT OF CHIEF EXECUTIVE OFFICER**

The board (the “**Board**”) of Directors (each a “**Director**” and collectively the “**Directors**”) of Medicskin Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) hereby announces that Mr. Lo Kwok Bun (“**Mr. Lo**”) tendered his resignation as an executive Director, the chief executive officer of the Company (the “**CEO**”) and a member of the remuneration committee of the Board (the “**Remuneration Committee**”) with effect from 1 March 2018 so as to spend more time with his family and further pursue his personal interests. Following his resignation, Mr. Lo will also cease to act as an alternate authorised representative of the Company pursuant to Rule 5.24 of the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) with effect from even date.

Mr. Lo confirms that he has no disagreement with the Board and there is no other matter that needs to be brought to the attention of the shareholders of the Company in relation to his resignation.

Following the resignation of Mr. Lo as the CEO, Dr. Kong Kwok Leung (“**Dr. Kong**”), an executive Director and the chairman of the Board (the “**Chairman**”), has been appointed as the CEO with effect from 1 March 2018.

The biographical details of Dr. Kong is set out below:

Dr. Kong, aged 64, is an executive Director, the Chairman, the controlling shareholder of the Company as well as the founder of the Group. He is also the chairman of the nomination committee of the Company and a member of the Remuneration Committee. He is responsible for overseeing the overall operation of the Group and leading and directing the Group's overall business and development strategies.

Dr. Kong graduated from the Faculty of Medicine of The University of Hong Kong in November 1978 and obtained a Bachelor of Medicine and Bachelor of Surgery (MBBS (HK)). He subsequently obtained a Diploma in Dermatology from the University of London in September 1995 and a Postgraduate Diploma in Practical Dermatology from Cardiff University in October 2007. He had also obtained the qualifications of Diploma in Child Health from Royal College of Physicians of London in January 1985. Dr. Kong has been in private medical practice for more than three decades and has over 20 years of practising experience in the medical skin care services sector. In 1996, Dr. Kong commenced the practice of providing medical skin care services in Central, Hong Kong. In July 2000, Dr. Kong founded the Group by setting up Medicskin Laboratories Limited ("**Medicskin**"), a wholly-owned subsidiary of the Company, to provide skin treatment services.

Currently, Dr. Kong is also the directors of the following wholly-owned subsidiaries of the Company:

1. Active True Mark Limited
2. Amazing Queen Limited
3. Beauty Snow Development Limited
4. Golden Dickson (HK) Limited
5. Internet Plus Beauty (Shenzhen) Trading Co Limited
6. Medicskin
7. Multiple Profit Limited
8. Wealthy Plenty Limited

Dr. Kong is the uncle of Ms. Kong Chung Wai, an executive Director. Dr. Kong is also cohabiting as spouse with Ms. Tsui (as defined below), an executive Director with effect from 1 March 2018.

As at the date of this announcement, in his capacity as an executive Director, Dr. Kong has entered into a service agreement with the Company for a term of three years commencing from 18 December 2014 and continuing thereafter until terminated by either party giving not less than three months' notice in writing to the other. Pursuant to the said service agreement, Dr. Kong is entitled to receive a fixed monthly Director's fee of HK\$5,000, subject to annual review by the Remuneration Committee, and an annual discretionary bonus of a sum to be determined by the Remuneration Committee and approved by the Board at its absolute discretion. The remuneration shall be determined by the Remuneration Committee with regard to both corporate and individual performance and factors such as comparable market remuneration, time commitment and responsibilities. Dr. Kong has also entered into an employment agreement with Medicskin, which Dr. Kong has been employed as the chief medical practitioner of the Group with effect from 1 January 2017. Pursuant to the said employment agreement, Dr. Kong is entitled to a monthly fixed salary of HK\$130,000 as well as a monthly incentive payments for the professional services rendered by him as chief medical practitioner. The monthly incentive payments is calculated with reference to the amount of revenue received from clients generated directly by Dr. Kong. When such revenue generated by Dr. Kong exceeds a certain threshold, the excess amount, after deducting the cost of associated consumables used in the treatments, is multiplied by a certain percentage to arrive at the monthly incentive payments. Dr. Kong is also entitled to a year-end bonus to be determined by the Remuneration Committee and approved by the Board at its absolute discretion. On 28 February 2018, Dr. Kong has entered into another employment agreement with the Company in respect of his appointment as the CEO. Pursuant to such employment agreement, Dr. Kong's appointment as the CEO will be effective

from 1 March 2018 and he will be entitled to receive a fixed monthly salary of HK\$130,000 plus an annual discretionary performance-based bonus, which is determined with reference to his responsibilities and duties, the Company's remuneration policy and prevailing market conditions, while his employment agreement with Medicskin in respect of his employment as a managing director with entitlement of a fixed monthly salary of HK\$100,000 will be terminated with effect from even date. Save as disclosed above, Dr. Kong is not entitled to any other emoluments.

As at the date of this announcement, Dr. Kong has a personal interest in 274,865,400 shares of the Company (the "Shares"), representing approximately 57.22% of the total issued Shares of the Company.

Save as disclosed above, Dr. Kong (i) does not have any interest in the Shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); (ii) does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company; and (iii) has not held any other directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas for the last three years.

Save as disclosed above, there is no further information to be disclosed pursuant to the requirements of Rule 17.50(2) of the GEM Listing Rules and there is no other matter relating to the appointment of Dr. Kong as the CEO that needs to be brought to the attention of the shareholders of the Company.

DEVIATION FROM THE CORPORATE GOVERNANCE CODE

Code provision A.2.1 of the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules states that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Being aware of the said deviation from code provision A.2.1, the Board believes that with the support of the management, vesting the roles of both chairman of the Board and the CEO in Dr. Kong, the founder of the Group, can facilitate the execution of the Group's business strategies and boost effectiveness of its operation. In addition, the Board is also supervised by three independent non-executive Directors. The Board considers that the present structure will not impair the balance of power and authority between the Board and the management of the Group as the Board assumes collective responsibility on the decision-making process of the Company's business strategies and operation. The Directors will meet regularly to consider major matters affecting the operations of the Group.

CHANGE OF MEMBER OF REMUNERATION COMMITTEE

The Board also announces that, Ms. Sin Chui Pik Christine, an executive Director, has been appointed as a member of the Remuneration Committee upon the resignation of Mr. Lo becomes effective.

APPOINTMENT OF EXECUTIVE DIRECTOR

The Board is pleased to announce that Ms. Tsui Kan ("Ms. Tsui") has been appointed as an executive Director with effect from 1 March 2018.

Ms. Tsui, aged 34, is the vice-president of the Company. She is also a director and the chief executive officer of Beauty Choice Limited, a wholly-owned subsidiary of the Company. She joined the Group in January 2016 and is responsible for overseeing the product development and marketing strategies of the Group. Ms. Tsui obtained her bachelor's degree of Laws from Zhejiang University in June 2004.

Ms. Tsui is a person cohabiting as spouse with Dr. Kong, an executive Director, the Chairman, the CEO and a controlling shareholder of the Company.

Save as disclosed above, Ms. Tsui (i) has not held any directorship in any other listed public companies during the last three years preceding the date of this announcement; and (ii) does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the date of this announcement, Ms. Tsui does not have any interest in the Shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Pursuant to the service agreement entered into between Ms. Tsui and the Company dated 28 February 2018, Ms. Tsui's appointment will be effective from 1 March 2018 and she will be appointed for a term of three years subject to retirement by rotation and re-election at the annual general meetings in accordance with the Company's articles of association. Either the Company or Ms. Tsui may terminate the appointment by serving not less than three months' notice in writing to the other party. Ms. Tsui will be entitled to receive a fixed monthly Director's fee of HK\$5,000 plus an annual discretionary performance-based bonus, which is determined with reference to her responsibilities, the Company's remuneration policy and prevailing market conditions.

Save as disclosed above, there is no further information to be disclosed pursuant to the requirements of Rule 17.50(2) of the GEM Listing Rules and there is no other matter relating to the appointment of Ms. Tsui as an executive Director that needs to be brought to the attention of the shareholders of the Company.

The Company would like to take this opportunity to thank Mr. Lo for his valuable contributions to the Company during his term of office and welcome Ms. Tsui for joining the Board.

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

Hong Kong, 28 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 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.