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

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for independent advice.

**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  
DISPOSAL OF A PROPERTY HOLDING COMPANY**

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A letter from the Board is set out on pages 4 to 15 of this circular.

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## CHARACTERISTICS OF GEM

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GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, 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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## DEFINITIONS

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

“Announcement”	the announcement dated 29 January 2019 made by the Company in respect of the Disposal which constitutes a major transaction of the Company;
“Bank”	Hang Seng Bank Limited;
“Board”	the board of Directors;
“business day(s)”	a day on which banks in Hong Kong are generally open for normal banking business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong;
“Company”	Medicskin Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM of the Stock Exchange (stock code: 8307);
“Completion”	completion of the Disposal pursuant to the terms and conditions of the Provisional Agreement;
“Completion Date”	the date on which Completion takes place;
“connected person(s)”	shall have the meaning as ascribed to it under the GEM Listing Rules;
“Consideration”	HK\$46,000,000.00, being the consideration for the Disposal;
“controlling shareholder”	shall have the meaning as ascribed to it under the GEM Listing Rules;
“Directors”	the directors of the Company;
“Disposal”	the disposal by the Company of the Sale Share and the Shareholder Loan;
“Dr. Kong”	Dr. Kong Kwok Leung, the controlling Shareholder, an executive Director, chief executive officer of the Company and chairman of the Board;
“GEM”	GEM of the Stock Exchange;

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## DEFINITIONS

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“GEM Listing Rules”	The Rules Governing the Listing of Securities on GEM;
“Group”	the Company and its subsidiaries;
“Guarantee”	the guarantee for HK\$20.0 million provided by the Target Company in favour of the Bank for the banking facilities granted to Medicskin Laboratories by the Bank; such guarantee was made on, among others, all sums of money, debt and liabilities due, owing and/or payable to the Bank by Medicskin Laboratories under any undertakings, contracts and/or engagements, bills, loans etc. given by Medicskin Laboratories in favour of the bank;
“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;
“Latest Practicable Date”	14 April 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Medicskin Laboratories”	Medicskin Laboratories Limited, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of the Company;
“Mortgage”	the then mortgage of the Property registered in the Land Registry by Memorial No. 17092701830054 which was discharged on 19 March 2019;
“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;
“Provisional Agreement”	the provisional sale and purchase agreement dated 29 January 2019 entered into between the Company and the Purchaser in respect of the sale and purchase of the Sale Share and the Shareholder Loan;

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## DEFINITIONS

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“Purchaser”	China Win Assets Limited, a company incorporated in the British Virgin Islands with limited liability;
“Sale Share”	the entire issued share capital in the Target Company held by the Company as at the date of the Provisional Agreement;
“SFO”	the Securities and Future Ordinance (Cap. 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Shareholder Loan”	all such sum of money advanced by way of loan by the Company to the Target Company and due and owing by the Target Company to the Company as at Completion Date;
“sq.m.”	square meter;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	Golden Dickson (HK) Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company and the sole legal and beneficial owner of the Property;
“Topline”	Topline Worldwide Limited, a company incorporated in the British Virgin Islands with limited liability and a controlling Shareholder of the Company;
“%”	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

Ms. Tsui Kan

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

18 April 2019

*To the Shareholders*

Dear Sir or Madam,

**MAJOR TRANSACTION  
DISPOSAL OF A PROPERTY HOLDING COMPANY**

**INTRODUCTION**

The Board announced that on 29 January 2019, the Company and the Purchaser entered into the Provisional Agreement, pursuant to which the Company has agreed to sell the Sale Share and the Shareholder Loan, and the Purchaser has agreed to acquire the same for a Consideration of HK\$46,000,000.00 on and subject to the terms and conditions contained in the Provisional Agreement. The Disposal is subject to the satisfaction of the Conditions as set out in the paragraph headed "Conditions Precedent" below.

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## LETTER FROM THE BOARD

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As one or more of the applicable percentage ratios (as defined under Chapter 19 of the GEM Listing Rules) in respect of the Disposal are more than 25% but less than 75%, the Disposal 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.

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 Disposal. A written Shareholder's approval dated 29 January 2019 has been obtained from Topline (which as at the Latest Practicable Date held 274,865,400 Shares, representing approximately 56.59% of the issued share capital of the Company) in respect of the Disposal. Such written approval has been accepted in lieu of holding a general meeting of the Company for approving the Disposal. Therefore, no general meeting of the Company will be convened for approving the Disposal 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 Disposal and other information as required under the GEM Listing Rules.

### **THE AGREEMENT**

#### **The Provisional Agreement**

Date : 29 January 2019

Parties : (1) The Company, being the vendor

(2) The Purchaser

#### **Subject matter**

The Company has agreed to sell the Sale Share and the Shareholder Loan to the Purchaser pursuant to the terms of the Provisional Agreement.

The Sale Share represents the entire issued share capital of the Target Company and is legally and beneficially owned by the Company. The Shareholder Loan represents all such sum of money advanced by way of loan by the Company to the Target Company and due and owing by the Target Company to the Company as at Completion Date and as at the Latest Practicable Date, such sum amounted to approximately HK\$46.7 million.



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## LETTER FROM THE BOARD

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### Consideration and the payment terms

The Consideration of the Disposal shall be HK\$46,000,000.00 which is to be paid by the Purchaser in the following manner:

- 1) HK\$2,300,000.00 was paid to the Company upon signing of the Provisional Agreement as initial deposit;
- 2) HK\$2,300,000.00 is payable by the Purchaser on or before 28 February 2019 as further deposit; and
- 3) the remaining balance of HK\$41,400,000.00 to be paid upon Completion.

As at the Latest Practicable Date, the initial deposit and the further deposit have been settled by the Purchaser by cheque. All deposits payable by the Purchaser shall be paid to the Company's solicitor as stakeholder and shall only be release to the Company if (a) the Bank has confirmed that the balance of the Purchase Price is sufficient to discharge the Mortgage and (b) the Company duly fulfills item 5) of the condition precedent as stated below.

The Consideration was determined after arm's length negotiations between the Company and the Purchaser on normal commercial terms with reference to the market value of similar properties in similar locations and taking into account the prices of recent transactions of properties in similar locations and the specific conditions of the Property including but not limited to its size, orientation and view. The unit rate (being the price per square feet) of the Disposal was within the range of transacted prices of the then recent transactions of properties located in similar locations. The Consideration was the highest price amongst the potential purchasers of the Property secured by the Company upon signing of the Provisional Agreement and represents the market value of the Property of HK\$46,000,000 as at 31 January 2019 as appraised by Asset Appraisal Limited, an independent valuer. The Directors (including the independent non-executive Directors) believe that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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### Conditions precedent

Completion is conditional upon the following:

- 1) the Purchaser having completed the due diligence investigation on the business, financial and legal aspects of the Target Company and satisfied that the Target Company has no liabilities (other than the Guarantee (to which the Company shall cause it to be released/cancelled/discharged at least three business days prior to the Completion Date), the Shareholder Loan, all tax liabilities, deferred tax liabilities (including any contingent tax liability arising as a result of rental income) (if any), rental deposit received, prepayment received (including but not limited to rental received in advance), accrued accounts payable and accounts payable in the ordinary course of business (if any)) and it has complied with the applicable laws in all material aspects;
- 2) the Company, shall at the Company's own cost, procure the Target Company to prove and show a good title to the Property in accordance with Sections 13 and 13A of the Conveyancing and Property Ordinance (Cap. 219 of the Laws of Hong Kong) and has at the Company's own expenses furnished to the Purchaser such certified or attested copies of any deeds or documents of title, wills and matters of public records as may be necessary to prove such good title;
- 3) all the representations, undertakings and warranties given by the Company under the Provisional Agreement are and shall remain true, accurate, correct and complete and not misleading in all material respects up to the Completion;
- 4) the Disposal shall be duly approved by the Shareholders in accordance with the applicable laws and the GEM Listing Rules; and
- 5) the Company shall cause the Guarantee be released/cancelled/discharged and deliver to the Purchaser such letter of release/cancellation/discharge or evidence showing the same at least three business days prior to the Completion Date.

Save and except item 4), the conditions precedent may be waived by the Purchaser. As at the Latest Practicable Date, no conditions precedent was waived by the Purchaser. If any of the foregoing conditions is not fulfilled (or waived by the Purchaser) on or before the Completion Date, the Purchaser shall be entitled by sending a written notice to the Company on or before the Completion Date to cancel the transaction under the Provisional Agreement whereupon the Company shall return all the deposits paid to the Purchaser forthwith without interest and neither party shall be entitled to claim against the other party for any relief thereafter. As at the Latest Practicable Date, the Company has yet to receive the confirmation from the Purchaser as to its satisfaction to items 1) and 2), while no breach of item 3) has been observed. Item 4) and 5) have been satisfied as at the Latest Practicable Date.

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## LETTER FROM THE BOARD

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### Completion

Completion shall take place at or before 2:00 p.m. on 31 May 2019, or 10 business days after the occurrence of all of the following events, whichever is later:

- (i) the Company has obtained clearance from the Stock Exchange regarding the publication of this circular; and
- (ii) the release/cancellation/discharge of the Guarantee by the Bank.

The Purchaser and the Company further agree that, if the clearance to issue the Circular is not obtained on or before 31 July 2019, or if the Guarantee is not released/cancelled/discharged by the Bank on or before 31 July 2019, either party shall be entitled to cancel the transaction under the Provisional Agreement and the Company shall refund all the deposits (without interest) to the Purchaser forthwith, and thereafter none of the party shall have any claim against the other. As at the Latest Practicable Date, all of the above have been satisfied.

As disclosed in the Announcement, in the event that the Company and the Purchaser shall fail to reach an agreement on the terms of the formal agreement on or before 28 February 2019, the Provisional Agreement shall remain valid and in full force and effect and the parties to the Provisional Agreement shall continue to fulfill their respective obligations thereunder. Further to the negotiations between the Purchaser and the Company, no formal agreement was entered into by the Company with the Purchaser on or before 28 February 2019. Following such, the Company does not intend to enter into any formal agreement with the Purchaser in such regards.

### INFORMATION ON THE COMPANY, THE TARGET COMPANY AND THE PROPERTY

The Company is an investment holding company. The Group, comprising the Company and its subsidiaries, is a medical skin care service provider in Hong Kong. Currently, the Group operates two “Medicskin” branded medical skin care centres, one anti-aging centre and one beauty spa, at prime locations in Hong Kong that primarily focus on the treatment of skin diseases and problems and/or the improvement of appearance of clients. The Group provides wide range of services to clients for the treatment of, *inter alia*, skin diseases and problems such as acne, pigmentation, rosacea, dermatitis, eczema and warts, as well as for the improvement of appearance through, *inter alia*, skin rejuvenation, facial sculpturing and body contouring treatments, treatments of acne scars and enlarged pores, removal of undesirable naevi, and hair removal.

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## LETTER FROM THE BOARD

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The Target Company is a wholly-owned subsidiary of the Company. Its principal business is property holding and it is the sole owner of the Property. Other than holding of the Property for renting out to tenants, the Target Company has no other business activities. The Property is located at the whole of the 25th Floor, Guangdong Tours Centre, 18 Pennington Street, Hong Kong. Currently the Property are subject to two leases and each with a monthly rental income of HK\$43,000 and a term up to 31 May 2020. Approximately half of the Property is used by the Group for the operation of a beauty spa (“**MS Medicspa Centre**”) which offers extensive range of professional services from medical skin care treatments to relaxing facial massages and body treatments; and the other half of the Property is used by a non-controlling shareholder of an insignificant subsidiary (as defined under Chapter 20 of the GEM Listing Rules) of the Company.

Reference is made to the circular of the Company dated 14 March 2017 (the “**Acquisition Circular**”) in relation to, among others, the acquisition of the Property. The Company acquired the Property in March 2017 subject to the then tenancy (the “**Previous Tenancy**”) which the relevant tenant (being a Hong Kong incorporated company, the “**Tenant**”) was then using half of the floor area for operating a beauty spa business under the tradename of “Massada spa” and the remaining half of the floor area as office for trading business at the said premises.

As disclosed in the Acquisition Circular, it was the Company’s then objective that the said premises be used for the operations of a new medical skin care centre. In achieving this objective, in December 2017, the Group had considered different options, including the option of acquiring part of the beauty spa business and operate the beauty spa business together with the Tenant and/or its owner (the “**Tenant Owner**”, being an individual who, to the best knowledge of the Directors, was then an Independent Third Party and is currently a non-controlling shareholder of an insignificant subsidiary of the Group) or setting up a new skin care centre on its own. Taken into account that (i) the Group’s past experience on setting up its medical skin care centres; (ii) the fittings and facilities of the beauty spa business were kept in good conditions as the Tenant had spent significant amount to design and renovate the premises in 2016; (iii) the existing client base of the beauty spa business would also create synergy to the Group’s skin care business; and (iv) the Group would have a chance to observe the operations of the beauty spa business as well as the pedestrian flow of the said premises before extending its operations in the said premises, the Directors were of the view that, in the interest of time and cost, the arrangement of acquiring part of the spa business from the Tenant and continuing to rent half of the said premises to the Tenant for its office use was a better utilization of the Group’s resources than setting up a new one on the Group’s own and thus in the best interests of the shareholders of the Company.

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## LETTER FROM THE BOARD

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Eventually, the Tenant Owner and the Company agreed to set up a new joint venture (the “**JV**”) for the purpose of operating the beauty spa business where the Tenant Owner owned 49% equity interests of the JV and the Group held 51% equity interest of the JV through High Rank Ventures Limited, an indirect wholly-owned subsidiary of the Company. In early June 2018, the Target Company and MS Medicspa Limited, a Hong Kong incorporated company and a wholly-owned subsidiary of the JV (“**MS Medicspa**”) signed a new tenancy agreement in respect of leasing half of the floor area of the said premises to MS Medicspa which would operate the beauty spa business. The Tenant then transferred the assets and liabilities as well as clients of its spa business to MS Medicspa in mid-June 2018. The beauty spa was renamed as “MS Medicspa” and commenced its business on 11 June 2018. As a contingency plan which the Group would be observing the operations of MS Medicspa as well as the pedestrian flow of the said premises, the Target Company entered into a tenancy with the Tenant in June 2018 for a term of two years which the Tenant would continue to operate its trading business in the remaining half of the floor area of the said premises.

The Directors are of the view that the operations of MS Medicspa in the said premises is adherent to the Group’s proposed use of the Property, and the entering into the tenancy with the Tenant was only a contingency plan then adopted by the Group before it decides to expand its operations of the medical skin care centre and/or beauty spa business to the entire premises. Therefore the actual use of the Property does not constitute a material change to the purpose of the Acquisition as disclosed in the Acquisition Circular.

To the best of the Directors’ knowledge, information and belief, the transfer of the half of the Property from property, plant and equipment to investment property (measured using the cost model in accordance Hong Kong Accounting Standard 16 Property, Plant and Equipment) in June 2018 in the Group’s consolidated financial statements does not have any tax implications.

The Property was then subject to the Mortgage, which served as a security of the banking facilities with a combine limit of HK\$10,000,000 granted by the Bank to Medicskin Laboratories (the “**Banking Facilities**”), as standby banking facilities for the operation of the Group. Under the Mortgage, the Target Company charged the Property as security for, among others, the due payment of all moneys payable or which may at any time or from time to time become payable by Medicskin Laboratories to the Bank. The Banking Facilities was subsequently cancelled on 11 February 2019. Also, the Target Company provided the Guarantee to Medicskin Laboratories in favour of the Bank for the Banking Facilities. The Guarantee was subsequently released on 25 February 2019. The Directors confirmed that Medicskin Laboratories had not drawn on such Banking Facilities since the granting of the Banking Facilities and therefore no amount was outstanding as at the Latest Practicable Date and prior to its cancellation.

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## LETTER FROM THE BOARD

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Set out below is a summary of the audited financial information of the Target Company for the period from 1 November 2016 (date of incorporation) to 31 March 2018:

	<b>For the period from 1 November 2016 (date of incorporation) to 31 March 2018</b>
Revenue (representing rental income from the leasing of the Property)	993
Net loss before taxation	85
Net loss after taxation	153

The audited total liabilities and net liabilities of the Target Company as at 31 March 2018 was approximately HK\$48,197,000 and HK\$153,000 respectively. As at the Latest Practicable Date, the net liabilities, total assets and total liabilities of the Target Company, were approximately HK\$128,000, HK\$47,077,000 and HK\$47,204,000, respectively. As at the Latest Practicable Date, the net liabilities, total assets and total liabilities of the Target Company, excluding the value of the Property, were approximately HK\$46,721,000, HK\$484,000 and HK\$47,204,000, respectively. The total assets of the Target Company mainly comprised of bank balances and deposits paid. The total liabilities of the Target Company mainly comprised of the Shareholder loan and rental deposits received from tenants. The Target Company made a loss during the period since its incorporation and up to 31 March 2018 as the Target Company recorded a total expense of approximately HK\$1,078,000, including the depreciation of the Property of approximately HK\$1,053,000.

### INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in the British Virgin Islands and is principally engaged in investment holding.

The Company confirms that to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined in the GEM Listing Rules), and the Purchaser and its ultimate beneficial owner are not related to the vendor (or its ultimate beneficial owner) of the Property when the Company acquired the Property back in March 2017.

### FINANCIAL EFFECT OF THE DISPOSAL ON THE GROUP

Following the Completion, the Target Company will cease to be a subsidiary of the Company and its financial results will cease to be consolidated into the Group's financial statements.

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## LETTER FROM THE BOARD

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### Loss

According to the difference in amount between the aggregate of (i) the expected adjusted consideration of approximately HK\$45.6 million, being the Consideration of HK\$46.0 million less expected deduction on the Consideration based on the Target Company Liabilities (as defined below) of approximately HK\$0.4 million and (ii) the estimated unaudited net liability value of the Target Company as at 31 May 2019 of approximately HK\$0.2 million, and the aggregate of (a) the amount of Shareholder Loan of approximately HK\$46.2 million and (b) the estimated expenses in connection with the Disposal of approximately HK\$0.8 million, the Group is expected to record an unaudited loss (before taxation) of approximately HK\$1.2 million from the Disposal. The actual amount of gain or loss from the Disposal is subject to the review and audit by the auditor of the Company. In addition, as a result of the Disposal, the Group will no longer receive any rental income from leasing of the Property.

### Assets and liabilities

#### *Total assets and total liabilities*

It is expected that the Disposal will result in a decrease in the total assets of the Group by approximately HK\$1.6 million and a decrease in the total liabilities of the Group by approximately HK\$0.4 million. The decrease in the total assets of the Group by approximately HK\$1.6 million is calculated by adding (i) the expected deduction on the Consideration upon Completion of approximately HK\$0.4 million, being the estimated liabilities, including rental deposits received from tenants and tax payable, of the Target Company as at 31 May 2019 (the “**Target Company Liabilities**”); to (ii) the expected unaudited loss (before taxation) of approximately HK\$1.2 million from the Disposal disclosed above. The decrease in the total liabilities of the Group of approximately HK\$0.4 million represents the decrease in the Target Company Liabilities. Shareholders should note that such figures are for illustration purpose only and is subject to audit.

#### *Net assets*

Given that the completion of the Disposal is expected to generate an unaudited loss of approximately HK\$1.2 million to the Group, the consolidated net asset value of the Group is expected to decrease by approximately HK\$1.2 million upon Completion. The actual increase or decrease in the Group’s net assets value is subject to audit.

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## LETTER FROM THE BOARD

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### REASONS FOR THE DISPOSAL AND USE OF PROCEEDS

The uncertainties arising from the US-China Trade War has led to a slowdown in rental and capital value growth of commercial properties in Hong Kong in the second half of 2018, and it is anticipated that Hong Kong's commercial property market will continue to be clouded by the trade war in 2019. Based on the market statistics reviewed by the Directors including the prices of property transactions in similar location as that of the Property in late 2018 and early 2019 which indicated a downward tendency in general and taken into account the stagnant global economic environment as clouded by the US-China Trade War, it was anticipated that the commercial property market in Hong Kong would inevitably be materially affected and the price of the Property would eventually fall in 2019. As the Property serves as a major asset to the Company, the Directors were of the view that it was an appropriate timing to realise the Group's investment in the Property so as to mitigate the potential loss the Company may suffer further in case the price of the Property continue to fall. Besides, the Directors expected that the rental expense would remain relatively stable as the commercial property market in Hong Kong is likely to be continuously affected by the US-China Trade War. Further, the proceeds from the Disposal can further strengthen the cash position of the Group and are expected to be used as general working capital, financing and/or potential acquisition of other businesses in medical skincare industry. The Directors currently intend to use the proceeds from the Disposal as follows:

- approximately HK\$10.0 million has been placed at the Bank as a security (i.e. pledged bank deposits) for credit card settlements services provided by the Bank to the Group, as requested by the Bank, after the Mortgage has been discharged;
- approximately HK\$10.0 million will be used for potential acquisition of other businesses in the medical skincare and/or medical related industry; and
- approximately HK\$26.0 million will be used for general working capital of the Group including but not limited to the purchase of new medical devices and development and/or procurement of new skincare products as well as marketing of the skincare products of the Group.

As at the Latest Practicable Date, the Company did not have any concrete acquisition plan or any identified acquisition target.



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## LETTER FROM THE BOARD

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For the nine months ended 31 December 2018, approximately 3.0% of the Group's revenue was attributable to the income from the operating of the MS Medicspa Centre. The Group will continue with the operation of the MS Medicspa Centre after the Disposal as the relevant lease will only end on 31 May 2020. The monthly rental to be paid by the Group for the use of the said premises would remain unchanged (i.e. HK\$43,000) until the expiry of the current lease. After the expiry of the said lease and subject to the Group's then business development plan and resources as well as the state of the rental market, the Directors currently intend to negotiate with the then landlord on entering into another lease in the said location for the continuation of operation of the MS Medicspa Centre. Whether the MS Medicspa Centre will continue upon the expiration of the current lease will depend on the then financials of MS Medicspa Centre and the terms to be proposed by the then landlord on the renewal of the lease. Taken into account that the operational income from MS Medicspa Centre is not the primary source of income of the Group in the year ended 31 March 2018, and that the Directors expect that the rental of similar commercial properties for the operation of the Group's beauty centres will continue to fall due to the uncertainties of economic environment arising from the US-China Trade War, the Directors are of the view that the Disposal would not have material impact on the Group's business operation in the future.

Despite so, the Directors do not have any current intention to scale down or dispose of any of the Group's business nor has the Group entered into any agreement, arrangement and undertaking in such connection.

Taking into account the abovementioned factors, the Directors consider that the terms and conditions of the Disposal are fair and reasonable and on normal commercial terms and are in the interests of the Company and Shareholders as a whole.

### **GEM LISTING RULE IMPLICATIONS**

In respect of the Disposal, as one or more of the applicable percentage ratios in respect of the Disposal are more than 25% but less than 75%, the Disposal 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.

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 Disposal.

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## LETTER FROM THE BOARD

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A written Shareholder's approval dated 29 January 2019 has been obtained from Topline (which as at the Latest Practicable Date held 274,865,400 Shares, representing approximately 56.59% of the issued share capital of the Company) in respect of the Disposal. Such written approval has been accepted in lieu of holding a general meeting of the Company for approving the Disposal. Therefore, no general meeting of the Company will be convened for approving the Disposal 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, chief executive officer of the Company 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 terms of the Disposal are fair and reasonable and the Disposal 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 Disposal 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 2018 is disclosed on pages 42 to 88 of the 2017/18 annual report of the Company released on 21 June 2018; and (ii) for the year ended 31 March 2017 is disclosed on pages 45 to 90 of the 2016/17 annual report of the Company released on 22 June 2017. 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 Disposal and the present available financial resources of the Group including the 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**

As at the close of business on 28 February 2019, being the latest practicable date for the purpose of ascertaining information contained in this indebtedness statement set out in this circular, the Group had outstanding loan from a non-controlling interest of a subsidiary of approximately HK\$0.5 million. The amount is unsecured, non-interest bearing and repayable on demand.

Save as disclosed above, apart from intra-group liabilities, the Mortgage and normal trade and other payables, the Group did not, at the close of business on 28 February 2019, have any debt securities 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 28 February 2019.

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

The Group is principally engaged in the provision of medical skin care services in Hong Kong. Currently, the Group operates two “Medicskin” branded medical skin care centres, one anti-aging centre and one beauty spa, at prime locations in Hong Kong that primarily focus on the treatment of skin diseases and problems and/or the improvement of appearance of clients. The uncertainties arising from the US-China Trade War has led to a slowdown in rental and capital value growth of commercial properties in Hong Kong in the second half of 2018, and it is anticipated that Hong Kong’s commercial property market will continue to be clouded by the trade war in 2019. The Directors expect that the rental expense would remain relatively stable as the commercial property market in Hong Kong is likely to be continuously affected by the trade war.

The Legislative Council has passed the Private Healthcare Facilities Bill by the Legislative Council in November 2018. The new ordinance will further protect patient safety and consumer rights, it will also facilitate the sustainable development of the healthcare system through the introduction of licensing requirement for private healthcare facilities in Hong Kong. We believe that this new ordinance will ultimately bring higher level of confidence to customers and increase the total spending in the market.

The Group will continue to keep abreast of the latest industry knowledge in order to offer the most suitable, safe and updated services to our clients. The Group continuously performs market research on, and evaluate the effects of the latest products, skills and treatment devices and technology. We believe 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.

It is expected that the Group will continue to face high operating costs base from staff costs and expenses as well as intense competition in the industry. Leveraging the support of the capital market, our own strengths, and consumers’ pursuance on physical appearance, the Group is cautiously confident about its development in the future. We will continue to use our best endeavors to provide the highest quality of medical skin care services and products to our clients and strengthen our market position so as to grow our brand and business and to maximise returns for our investors.

*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, in connection with its valuation as at 31 January 2019 of the Property.*



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

Rm 901 9/F, On Hong Commercial Building  
No.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

18 April 2019

**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** (referred to as the “**Company**”) to value the captioned property interests (refer to as the “**Property**”) situated in Hong Kong, we confirm that we have carried out inspections 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 2019** (the “**Valuation Date**”).

#### **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”.

**Valuation Methodology**

The Property has been 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 owners sell the Property on the market in its existing state 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 owners by means of long term Government lease, we have assumed that the owners have free and uninterrupted rights to use the Property for the whole of the unexpired term of the Government lease.

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

**Titleship**

We have obtained land registration details of the Property in the Land Registry. However, we have not verified ownership of the Property and the existence of any encumbrances that would affect its ownership. Information in relation to land registration of the Property is disclosed herein for reference only.

**Site Inspection**

The Property was inspected on 18 February 2019 by Chen Nelson Chun Kin, who is a holder of master degree of science in construction and real estate awarded by the Hong Kong Polytechnic University. During the site inspection, we have ascertained the following matters of the Property:

- the general environment and development conditions of the area in which the Property is situated;
- the existing use of the Property;
- the occupancy of the Property;
- the facilities provided by the Property;
- the existence of any non-conformity use within the Property;
- the repair and maintenance conditions of the Property; and
- the existence of any closure order and resumption order affixed to the Property.

**Limiting conditions**

No allowance has been made in our report for any charges, mortgages or amounts owing on the Property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value. Our valuation have been made on the assumption that the seller sells the Property on the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the Property.

We have relied to a very considerable extent on the information given by the Company 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 of the Property.

We have carried out inspection of the Property, both externally and internally. However, no structural survey has been made for the Property. In the course of our inspection, we did not note any serious defects. We are unable to report whether the buildings and structures of the Property are free of rot, infestation or any other structural defects. No test was carried out on any of the services of the buildings and structures of the Property.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also sought confirmation from the Company 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 GEM of the Stock Exchange issued by The Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards (2017 Edition) published by The Hong Kong Institute of Surveyors.

The Property has been valued in Hong Kong Dollar (HK\$).

Our valuation certificate is attached herewith.

Yours faithfully,

for and on behalf of

**Asset Appraisal Limited**

**Tse Wai Leung**

*MFin BSc MRICS MHKIS RPS(GP)*

*Director*

*Tse Wai Leung is a member of the Royal Institution of Chartered Surveyors, a member of The Hong Kong Institute of Surveyors, a Registered Professional Surveyor in General Practice and a qualified real estate appraiser in the PRC. He 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 ten (10) years' experience in valuation of Property in Hong Kong, Macau and the PRC.*



## VALUATION CERTIFICATE

## Property to be disposed by the Company

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 January 2019 HK\$
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 two tenancies both for a term commencing on 1 June 2018 and expiring on 31 May 2020 at a total monthly rent of HK\$86,000 exclusive of management fees, air conditioning fee, government rent and rates and other operating outgoings.	46,000,000
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.  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 Golden Dickson (HK) Limited registered vide memorial no. 17042100090014 dated 24 March 2017.
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. 17092701830054 and 17092701830062 dated 19 September 2017.
5. The property falls within an area currently zoned "Commercial" use under the Causeway Bay Outline Zoning Plan No. S/H6/17 dated 18 January 2019.

## 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 or this circular 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	274,865,400	56.59%

*Note:* The 274,865,400 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 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 the Latest Practicable Date
Kong Chung Wai	15.08.2018	0.433	N/A	15.08.2018-14.08.2022	200,000
	15.08.2018	0.433	15.08.2018-14.08.2019	15.08.2019-14.08.2022	400,000
	15.08.2018	0.433	15.08.2018-14.08.2020	15.08.2020-14.08.2022	200,000
Sin Chui Pik Christine	15.08.2018	0.433	N/A	15.08.2018-14.08.2022	200,000
	15.08.2018	0.433	15.08.2018-14.08.2019	15.08.2019-14.08.2022	400,000
	15.08.2018	0.433	15.08.2018-14.08.2020	15.08.2020-14.08.2022	200,000
Chan Cheong Tat	15.08.2018	0.433	N/A	15.08.2018-14.08.2022	200,000
	15.08.2018	0.433	15.08.2018-14.08.2019	15.08.2019-14.08.2022	200,000
Lee Ka Lun	15.08.2018	0.433	N/A	15.08.2018-14.08.2022	200,000
	15.08.2018	0.433	15.08.2018-14.08.2019	15.08.2019-14.08.2022	200,000
Leung Siu Cheung	15.08.2018	0.433	N/A	15.08.2018-14.08.2022	200,000
	15.08.2018	0.433	15.08.2018-14.08.2019	15.08.2019-14.08.2022	200,000
					2,800,000

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 issued voting shares 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 Shares*

Name of Shareholders	Capacity and nature of interests	Number of Shares held	Approximate % of issued share capital
Topline ( <i>note a</i> )	Beneficial owner	274,865,400	56.59%
Rich Unicorn ( <i>note b</i> )	Beneficial owner	80,000,000	16.47%
Fullshare ( <i>note b</i> )	Interest in a controlled corporation	80,000,000	16.47%
Magnolia Wealth ( <i>note b</i> )	Interest in a controlled corporation	80,000,000	16.47%
Mr. Ji ( <i>note b</i> )	Interest in a controlled corporation	80,000,000	16.47%

#### *Notes:*

- (a) The 274,865,400 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 registered in the name of Topline.
- (b) Rich Unicorn Holdings Limited ("**Rich Unicorn**"), a company incorporated in the British Virgin Islands with limited liability, 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 45.05% 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 4.61% 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 issued voting shares 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 had any existing or proposed service contract with any member of the Group 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 Provisional Agreement.

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 2018, being the date to which the latest published audited consolidated financial statements of the Company were made up. There is no contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date in which any Director is materially interested and which is significant to the business of the Group.

**6. COMPETING INTERESTS**

As at the Latest Practicable Date, none of the Directors or the controlling Shareholders or their respective close 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 EXPERT**

Set out below is the qualification of the expert who has given opinions and advice which are contained in this circular:

<b>Name</b>	<b>Qualification</b>
Asset Appraisal Limited	professional property valuer

- (a) Asset Appraisal Limited does not have 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) Asset Appraisal Limited has given their consent and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letters dated 18 April 2019 and/or reference to its name in the form and context in which they are included; and
- (c) Asset Appraisal Limited does not have 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 2018, 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, unless otherwise announced by the Company on the Stock Exchange's website, the Directors were not aware of any material adverse changes in the financial or trading position of the Group since 31 March 2018, 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. The biographical details of members of the Audit Committee are set out in page 40 of the annual report of the Company for the year ended 31 March 2018, which has 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).

- (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 2018;
- (c) the letter and valuation certificate prepared by Asset Appraisal Limited, the text of which is set out in Appendix II to this circular;
- (d) the material contracts referred to in the paragraph headed "4. Material Contracts" in this appendix;
- (e) the letter of consent referred to under the paragraph headed "8. Qualification and Consent of Experts" in this appendix; and
- (f) this circular.