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MODERN BEAUTY SALON HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 919)

NON-ACCEPTANCE OF TENDER RECEIVED IN RELATION TO THE POTENTIAL DISPOSAL OF A PROPERTY

The Board announces that the tender period in respect of the sale of the Property closed on 26 August 2010. The Board, being not satisfied with the terms of purchase offered in the tender submitted, has decided not to accept such tender and, accordingly, no binding contract will be concluded between the Group and the tenderer.

Reference is made to the announcement of Modern Beauty Salon Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) dated 26 July 2010 (the “Announcement”) in relation to the Group’s potential disposal of the Property by way of a public tender. Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement, unless defined otherwise.

The Company announces that the tender period in respect of the sale of the Property closed on 26 August 2010. The Board, being not satisfied with the terms of purchase offered in the tender submitted and of the view that the cessation of the potential sale of the Property would not have any material adverse impact on the existing business or financial position of the Group, considers that it will not be in the interests of the Company and its shareholders as a whole to accept such tender and, therefore, the Board has decided not to accept such tender. Accordingly, no binding contract will be concluded between the Group and the tenderer. Save for the return of tender payment to the tenderer by the Group, none of the Group nor the tenderer shall have any claim against or liability or obligation to the other parties in connection with the tender submitted.

By Order of the Board
Modern Beauty Salon Holdings Limited
Tsang Yue, Joyce
Chairperson

Hong Kong, 6 September 2010

As at the date of this announcement, the Board consists of six executive directors, namely Ms. Tsang Yue, Joyce, Mr. Lee Soo Ghee, Mr. Yip Kai Wing, Mr. Kwong Chi Ching, Mr. Tung Kwok Lui and Mr. Wong Shu Pui and three independent non-executive directors, namely Ms. Liu Mei Ling, Rhoda, Mr. Wong Man Hin, Raymond and Mr. Hong Po Kui, Martin.