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MODERN BEAUTY SALON HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 919)

RESTRUCTURING OF SHAREHOLDING IN THE COMPANY

The Company has been informed by Ms. Tsang that on 9 December 2011, she completed the Restructuring whereby shareholding interests in the Company in her personal capacity and through controlled corporations had been transferred to a family trust set up by her and there was no change in voting rights on the part of Ms. Tsang and parties acting in concert with her before and after the Restructuring.

The Company had been informed by Ms. Tsang that the executive director of the Corporate Finance Division of the Securities and Futures Commission had granted a waiver to Goldlite and the Goldlite Trust from each of their obligation to make a general offer for the Shares arising as a result of the Restructuring.

This is a voluntary announcement made by the Company.

The Company has been informed by Ms. Tsang that, on 9 December 2011, she completed a restructuring (“**Restructuring**”) whereby shareholding interests in the Company in her personal capacity and through controlled corporations had been transferred to a family trust set up by her.

Prior to the implementation of the Restructuring, the interests in voting rights of Ms. Tsang and parties acting in concert (within the meaning of the Takeovers Code) with her were as follows:

Persons/entities having an interest in the Company	Number of issued Shares (and approximate percentage holding) beneficially owned immediately prior to the Restructuring
Ms. Tsang	5,908,000 (0.8%)
Silver Compass (<i>Note 1</i>)	367,200,000 (50.8%)
Silver Hendon (<i>Note 2</i>)	100,800,000 (13.9%)
Allied Wealth Ltd. (<i>Note 3</i>)	22,376,000 (3.1%)
Lee Soo Ghee (spouse of Ms. Tsang)	<u>650,000 (0.1%)</u>
Total shareholding of Ms. Tsang and parties acting in concert with her	<u>496,934,000 (68.7%)</u>

Notes:

1. The entire issued share capital of Silver Compass was owned by Ms. Tsang prior to the Restructuring.
2. The entire issued share capital of Silver Hendon was owned by Ms. Tsang prior to the Restructuring.
3. Allied Wealth Ltd. had been the vehicle holding the trust properties of a family trust set up by Ms. Tsang in 2007.

The Restructuring involved (i) the transfer by Ms. Tsang of 5,908,000 Shares to Allied Wealth Ltd.; and (ii) the transfer of the entire issued share capital of each of Silver Compass, Silver Hendon and Allied Wealth Ltd. to Goldlite.

The effect of the Restructuring on the shareholding structure of the Company is further illustrated in the table below:

Persons/entities having an interest in the Company	Number of issued Shares (and approximate percentage holding) beneficially owned immediately prior to the Restructuring	Number of issued Shares (and approximate percentage holding) beneficially owned immediately after completion of the Restructuring
Ms. Tsang	5,908,000 (0.8%)	0 (0%)
Silver Compass (<i>Note 1</i>)	367,200,000 (50.8%)	367,200,000 (50.8%)
Silver Hendon (<i>Note 2</i>)	100,800,000 (13.9%)	100,800,000 (13.9%)
Allied Wealth Ltd. (<i>Note 3</i>)	22,376,000 (3.1%)	28,284,000 (3.9%)
Goldlite (<i>Note 4</i>)	0 (0%)	(<i>Note 4</i>)
Lee Soo Ghee (spouse of Ms. Tsang)	<u>650,000 (0.1%)</u>	<u>650,000(0.1%)</u>
Total shareholding of Ms. Tsang and parties acting in concert with her	<u>496,934,000 (68.7%)</u>	<u>496,934,000 (68.7%)</u>

Notes:

1. The entire issued share capital of Silver Compass was owned by Ms. Tsang prior to the Restructuring and is now owned by Goldlite after the Restructuring.
2. The entire issued share capital of Silver Hendon was owned by Ms. Tsang prior to the Restructuring and is now owned by Goldlite after the Restructuring.
3. Allied Wealth Ltd. had been the vehicle holding the trust properties of a family trust set up by Ms. Tsang in 2007 and is now owned by Goldlite after the Restructuring. Its shareholding interests in the Company after the Restructuring also include the 5,908,000 Shares previously beneficially owned by Ms. Tsang transferred to it pursuant to the Restructuring.
4. Goldlite is wholly-owned by the Goldlite Trust which is a family trust set up by Ms. Tsang, the discretionary objects being certain family members of Ms. Tsang. Goldlite, owning the entire issued share capital of each of Silver Compass, Silver Hendon and Allied Wealth Ltd., is interested in 496,284,000 Shares representing 68.6% of the issued share capital of the Company.

TAKEOVERS CODE IMPLICATIONS

As illustrated in the above table, the aggregate voting rights in the Company in which Ms. Tsang and parties acting in concert with her are interested remain unchanged before and after the Restructuring. The principal purpose of effecting the Restructuring is in contemplation of certain family arrangement of Ms. Tsang and such transfers were made in pursuance of note (ii) to Note 6(a) of Notes to Rule 26.1 of the Code where the transfers were between an individual and her related trusts.

The Company noted that the implementation of the Restructuring would result in Goldlite acquiring more than 30% of the voting rights of the Company. The Company had further been informed by Ms. Tsang that the executive director of the Corporate Finance Division of the Securities and Futures Commission had granted a waiver to Goldlite and the Goldlite Trust from each of their obligations to make a general offer for the Shares under Rule 26.1 of the Takeovers Code arising as a result of the Restructuring.

DEFINITIONS

Unless the context requires otherwise, the following terms have the following meanings in this announcement:

“Company”	Modern Beauty Salon Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Goldlite”	Goldlite Development Limited, a company incorporated in the British Virgin Islands with limited liability and ultimately beneficially owned by the Goldlite Trust
“Goldlite Trust”	a family trust set up by Ms. Tsang, the discretionary objects being certain family members of Ms. Tsang

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Ms. Tsang”	Ms. Tsang Yue Joyce, an executive Director, chairperson of the board of Directors and a controlling shareholder of the Company
“Share(s)”	share(s) of HK\$0.10 each of the Company
“Silver Compass”	Silver Compass Holdings Corp., a company incorporated in the British Virgin Islands with limited liability
“Silver Hendon”	Silver Hendon Enterprises Corp., a company incorporated in the British Virgin Islands with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

By the order of the Board of
Modern Beauty Salon Holding Limited
Leung Man Kit
Executive Director

Hong Kong, 9 December 2011

As at the date hereof, the Board consists of four executive Directors, Ms. Tsang Yue, Joyce, Mr. Yip Kai Wing, Mr. Leung Man Kit and Mr. Wong Shu Pui and three independent non-executive Directors, Ms. Liu Mei Ling, Rhoda, Mr. Wong Man Hin, Raymond and Mr. Hong Po Kui, Martin.