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## DEFINITIONS

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

“Articles”	the articles of association of the Company
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or Sunday) on which banks in Hong Kong are generally open for business throughout their normal business hours
“BVI”	the British Virgin Islands
“CASM”	the tailor-made Customer Activity and Sales Management System of the Group
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CIBTAC”	the Confederation of International Beauty Therapy and Cosmetology
“Companies Law”	the Companies Law (2004 Revision) of the Cayman Islands
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	Modern Beauty Salon Holdings Limited (現代美容控股有限公司), a company incorporated in the Cayman Islands on 19th August, 2005 with limited liability
“Deed of Indemnity”	a deed of indemnity dated 26th January, 2006 given by Ms. Tsang, Silver Compass Holdings Corp. and Silver Hendon Enterprises Corp. in favour of the Group containing, among other things, indemnities in relation to taxation, litigation and claims. Details of the deed of indemnity are set out in the paragraph headed “Estate duty and indemnities on tax, litigation and claims” in Appendix V to this prospectus
“Deed of Undertaking”	a deed entered into between JFH, Ms. Tsang and the Company dated 26th January, 2006 setting out, among other things, the non-competition undertakings by JFH and Ms. Tsang in favour of the Group and the option granted to the Group to purchase the business of JFH. Details of the deed are set out in the sub-section headed “Non-competition undertaking” in the section headed “Business” of this prospectus

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“Director(s)”	the director(s) of the Company
“Exchange Listing Rules”	has the meaning ascribed to it under the Listing Rules
“GDP”	gross domestic product
“Group”	the Company and its subsidiaries or, where the context so requires, in respect of the period before the Company became the holding company of its present subsidiaries, such subsidiaries as if they were the Company’s subsidiaries at that time
“HKICPA”	the Hong Kong Institute of Certified Public Accountants (formerly known as the Hong Kong Society of Accountants)
“HKSAR Government”	the Government of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	a person or company which is independent of and not connected with any member of the Group, the directors, the chief executive and the substantial shareholders (as defined in the Listing Rules) of the Company and its subsidiaries and their respective associates
“ISO”	International Organization for Standardization
“JF (Singapore) Group”	JFH together with its subsidiaries
“JFH”	JF Holdings (S) Pte Limited, a company incorporated in Singapore and is wholly-owned by Ms. Tsang
“Latest Practicable Date”	17th January, 2006, being the latest practicable date prior to the printing of this prospectus for the purpose of ascertaining certain information contained herein
“Listing Date”	the date on which the Shares first commence dealings on the Stock Exchange
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Ms. Tsang”	Ms. Tsang Yue, Joyce, the founder of the Group, a controlling shareholder of the Company and an executive Director

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“Offer Price”	the Hong Kong dollar price per Offer Share (exclusive of brokerage, Stock Exchange trading fee and SFC transaction levy) of not more than HK\$1.08 and expected to be not less than HK\$0.88 at which the Offer Shares are to be subscribed, such price to be agreed and determined between the Company and Sun Hung Kai (for itself and on behalf of the Underwriters) at or before the Price Determination Date
“Offer Shares”	the Public Offer Shares and the Placing Shares
“Over-allotment Option”	the option granted by the Company to the Placing Underwriters, exercisable by Sun Hung Kai (for itself and on behalf of the Placing Underwriters) under the Underwriting Agreement pursuant to which the Company may be required by Sun Hung Kai to allot and issue up to 27,000,000 additional new Shares solely to cover any over-allocation in the Placing
“Placing”	the conditional placing of the Placing Shares to selected professional, institutional and private investors at the Offer Price, on and subject to the terms and conditions stated in this prospectus
“Placing Shares”	the 162,000,000 new Shares initially offered for subscription under the Placing subject to re-allocation and the Over-allotment Option as described in the section headed “Structure of the Share Offer” of this prospectus
“Placing Underwriters”	Sun Hung Kai International Limited, Polaris Securities (Hong Kong) Limited, Taiwan Securities (Hong Kong) Company Limited, SBI E2-Capital Securities Limited, Tai Fook Securities Company Limited, Barits Securities (Hong Kong) Limited, CAF Securities Company Limited, CCB International Capital Limited, CMB International Capital Corporation Limited, Core Pacific - Yamaichi International (H.K.) Limited, Goldbond Securities Limited, Shenyin Wanguo Capital (H.K.) Limited and VC Brokerage Limited
“PRC” or “China”	the People’s Republic of China which, for the purpose of this prospectus (unless otherwise specified), excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Pre-IPO Share Option Scheme”	the share option scheme approved and adopted by the Company on 20th January, 2006, the principal terms of which are summarised in the paragraph headed “Pre-IPO Share Option Scheme” in Appendix V to this prospectus

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“Pre-IPO Options”	the options granted under the Pre-IPO Share Option Scheme to subscribe for Shares
“Price Determination Agreement”	the agreement to be entered into between the Company and Sun Hung Kai (for itself and on behalf of the Underwriters) at or before the Price Determination Date to record and fix the Offer Price
“Price Determination Date”	the date, expected to be on or around Friday, 3rd February at which the Offer Price is fixed for the purpose of the Share Offer and in any event not later than 12:00 noon on Tuesday, 7th February
“Public Offer”	the offer of the Public Offer Shares by the Company for subscription by members of the public in Hong Kong for cash at the Offer Price, payable in full on application, on and subject to the terms and conditions stated in this prospectus and the related application forms
“Public Offer Shares”	the 18,000,000 new Shares initially being offered for subscription under the Public Offer subject to re-allocation as described in the section headed “Structure of the Share Offer” of this prospectus
“Public Offer Underwriter”	Sun Hung Kai
“Reorganisation”	the corporate reorganisation of the Group in preparation for the listing of the Shares on the Stock Exchange, details of which are set out in the paragraph headed “Corporate Reorganisation” in Appendix V to this prospectus
“Restricted Business”	any of the business carried on by any member of the Group in relation to the provision of (i) beauty and facial services, (ii) spa and massage services, (iii) slimming services, (iv) fitness services and sales of beauty products and equipment as at the Listing Date
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Share Offer”	the Public Offer and the Placing

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“Share Option Scheme”	the share option scheme conditionally approved and adopted by the Company on 20th January, 2006, the principal terms of which are summarised in the paragraph headed “Share Option Scheme” in Appendix V to this prospectus
“Stock Borrowing Agreement”	an agreement dated 26th January, 2006 entered into between Sun Hung Kai and Silver Hendon Enterprises Corp. pursuant to which Sun Hung Kai (for itself and on behalf of the Underwriters) may borrow up to 27,000,000 Shares from Silver Hendon Enterprises Corp. to cover over-allocations in the Placing
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sun Hung Kai” or “Sponsor”	Sun Hung Kai International Limited, a licensed corporation under the SFO for regulated activities of type 1 (dealing in securities) and type 6 (advising on corporate finance)
“Trademark Licensing Agreement”	the conditional agreement dated 26th January, 2006 entered into between Koladen Enterprises Inc., a wholly-owned subsidiary of the Company, (on behalf of the Group) and JFH, particulars of which are set out in the sub-section headed “Continuing connected transactions” in the section headed “Business” of this prospectus
“Underwriters”	the Public Offer Underwriter and the Placing Underwriters
“Underwriting Agreement”	the conditional underwriting and placing agreement dated 26th January, 2006 entered into between, among others, the Company and the Underwriters relating to the Share Offer, particulars of which are summarised in the section headed “Underwriting” of this prospectus
“€”	Euro, the lawful currency used in certain countries in the European Union
“UK”	the United Kingdom
“US”	the United States of America
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“S\$”	Singapore dollars, the lawful currency of Singapore
“US\$”	United States dollars, the lawful currency of the US

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## DEFINITIONS

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“sq.ft.” and “sq.m.” square feet and square metres, respectively

“%” per cent.

In this prospectus, unless otherwise stated, certain amounts denominated in €, S\$ and US\$ have been translated into HK\$ at the following exchange rates

HK\$9.706 = €1.00

HK\$4.584 = S\$1.00

HK\$7.80 = US\$1.00

for illustrative purpose only. Such conversions shall not be construed as representations that amounts in HK\$ were or may be converted into €, S\$ and US\$ at such respective rates or any other exchange rates.