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## **MODERN BEAUTY SALON HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 919)**

### **SUPPLEMENTAL ANNOUNCEMENT ON DISCLOSEABLE TRANSACTION – FORMATION OF JOINT VENTURE**

Reference is made to the announcement (“**Announcement**”) of Modern Beauty Salon Holdings Limited (“**Company**”) dated 30 July 2014 regarding the JV Agreement and the JV Arrangement contemplated thereunder. Terms defined in the Announcement shall have the same meanings when used herein, unless the context requires otherwise.

The Company wishes to provide additional information regarding the JV Arrangement as follows:

#### **JV COMPANY**

Immediately after completion of the Acquisition, Main Deal and Mr. Khodr own 49% and 51% equity interests respectively in the JV Company. The JV Company will be accounted for as an associate of the Company. Immediately after completion of the acquisition of two additional JV Shares by Main Deal from Mr. Khodr on the Predetermined Date of Change in Shareholding, Main Deal and Mr. Khodr will own 51% and 49% equity interests respectively in the JV Company and the JV Company will become a non wholly-owned subsidiary of the Company.

#### **FINANCIAL INFORMATION OF THE JV GROUP**

The JV Company was incorporated in Australia on 25 June 2014 and had not commenced its business before the Acquisition. The paid up capital of the JV Company is AUD100 (equivalent to approximately HK\$730) and the total assets value and net assets value of the JV Company as at 31 July 2014 were AUD100 (equivalent to approximately HK\$730). No revenue and profits/loss of the JV Company has been recorded since the date of its incorporation.

As set out in the Announcement, the JV Company will acquire certain assets (other than the Real Property) relating to the Beauty and Skincare Business from ANA. The total value of the assets (including but not limited to some machinery and apparatus) to be acquired by the JV Company from ANA and the Real Property was approximately AUD1,233,000 (equivalent to approximately HK\$9,000,900). Set out below is certain unaudited financial information of ANA, which was principally engaged in the Beauty and Skincare Business, for the two years ended 30 June 2013 prepared in accordance with Australian Accounting Standards:

	<b>For the year ended 30 June 2012</b>	<b>For the year ended 30 June 2013</b>
	<i>AUD</i> (approximately)	<i>AUD</i> (approximately)
Turnover	1,421,000 (equivalent to approximately HK\$10,373,300)	889,800 (equivalent to approximately HK\$6,495,540)
Net profit before taxation	73,200 (equivalent to approximately HK\$534,360)	80,000 (equivalent to approximately HK\$584,000)
Net profit after taxation	51,200 (equivalent to approximately HK\$373,760)	56,000 (equivalent to approximately HK\$408,800)

Set out below is certain unaudited financial information of ANHK for the two years ended 31 March 2014 respectively:

	<b>For the year ended 31 March 2013</b>	<b>For the year ended 31 March 2014</b>
	<i>HK\$</i>	<i>HK\$</i>
Turnover	Nil	Nil
Net loss before taxation	6,224	6,153
Net loss after taxation	6,224	6,153

The unaudited total assets value and net assets value of ANHK as at 31 March 2014 were approximately HK\$130,700.

Modern Advanced was incorporated in Hong Kong on 24 July 2014 and had not commenced its business before the Acquisition. The paid up capital of Modern Advanced is HK\$10,000 and the total assets value and net assets value of Modern Advanced as at 31 July 2014 were HK\$10,000. No revenue and profits/loss of Modern Advanced has been recorded since the date of its incorporation.

## LISTING RULES IMPLICATIONS

Upon such acquisition of two JV Shares on the Predetermined Date of Change in Shareholding (i.e. 31 March 2016), each of ANA and Mr. Khodr will be regarded as a connected person of the Company for the purpose of Chapter 14A of the Listing Rules and the sale of the raw materials relating to the Beauty and Skincare Business at cost by ANA to the JV Group may constitute continuing connected transactions of the Company depending on the then circumstances. The Group expects that based on the stock of the raw materials that ANA currently holds, such sale of the raw materials by ANA to the JV Group will cease before the Predetermined Date of Change in Shareholding. Depending on the then circumstances, the Company will comply with the applicable requirements under the Listing Rules as and when appropriate.

*Unless otherwise specified, for the purpose of this announcement and for the purpose of illustration only, amounts in AUD have been translated into HK\$ using the following rate:*

$$AUD1 = HK\$7.3$$

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

Hong Kong, 31 July 2014

*As at the date of this announcement, the Board consists of Three Executive Directors, Ms Tsang Yue, Joyce, Mr Yip Kai Wing and Ms Yeung See Man and Four Independent Non-executive Directors, Ms Liu Mei Ling, Rhoda, Mr Wong Man Hin, Raymond, Mr Hong Po Kui, Martin and Mr Lam Tak Leung.*