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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 a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in MODERN BEAUTY SALON HOLDINGS LIMITED, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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MODERN BEAUTY SALON HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 919)

PROPOSALS FOR RE-ELECTION OF DIRECTORS, GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of Modern Beauty Salon Holdings Limited to be held at 9/F., Gloucester Tower, The Landmark, 15 Queen's Road Central, Hong Kong, on Friday, 26 August 2016 at 11:00 a.m., is set out on pages 14 to 18 of this circular.

Whether or not you are able to attend the annual general meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to Modern Beauty Salon Holdings Limited's share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.

This circular is in English and Chinese. In case of any inconsistency, the English version shall prevail.

26 July 2016

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DEFINITIONS

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

“2015 Extension Mandate”	the general and unconditional mandate granted to the Directors to extend the 2015 Issue Mandate granted to the Directors by adding to it an amount of the nominal value of the share capital of the Company not exceeding the aggregate nominal value of the Shares purchased pursuant to the 2015 Repurchase Mandate
“2015 Issue Mandate”	the general and unconditional mandate granted to the Directors to allot, issue and otherwise deal with Shares up to a maximum of 20% of the aggregate nominal value of the share capital of the Company in issue as at 26 August 2015
“2015 Repurchase Mandate”	the general and unconditional mandate granted to the Directors to repurchase up to a maximum of 10% of the aggregate nominal value of the share capital of the Company in issue as at 26 August 2015
“AGM”	the annual general meeting of the Company to be held at 9/F., Gloucester Tower, The Landmark, 15 Queen’s Road Central, Hong Kong, on Friday, 26 August 2016 at 11:00 a.m.
“AGM Notice”	the notice convening the AGM
“Articles”	the Articles of Association of the Company
“Board”	the board of directors of the Company
“Companies Law”	the Companies Law of the Cayman Islands
“Company”	Modern Beauty Salon Holdings Limited, a company incorporated in the Cayman Islands with limited liability on 19 August 2005, the shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the Issue Mandate during the relevant period

DEFINITIONS

“Group”	the Company and its subsidiaries
“Issue Mandate”	the general and unconditional mandate proposed to be granted to the Directors to exercise all the powers of the Company to allot, issue and otherwise deal with new Shares not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing of the resolution granting such mandate
“Latest Practicable Date”	19 July 2016, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	the general and unconditional mandate proposed to be granted to the Directors to exercise all the powers of the Company to purchase Shares up to a maximum of 10% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing of the resolution granting such mandate
“Retiring Directors”	the Directors who shall retire at the AGM and, being eligible, offer themselves for re-election at the AGM in accordance with the Articles of Association
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of nominal value HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent



MODERN BEAUTY SALON HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 919)

Board of Directors

Executive Directors:

Dr. Tsang Yue, Joyce

(Chairperson and Chief Executive Officer)

Mr. Yip Kai Wing

Ms. Yeung See Man

Independent Non-executive Directors:

Ms. Liu Mei Ling, Rhoda

Mr. Wong Man Hin, Raymond

Mr. Hong Po Kui, Martin

Mr. Lam Tak Leung

Company Secretary:

Mr. Wong Shu Pui

Registered office:

P.O. Box 309 GT

Ugland House

South Church Street

George Town

Grand Cayman

Cayman Islands

Head office and principal place

of business in Hong Kong:

6th Floor, Sino Industrial Plaza

9 Kai Cheung Road

Kowloon Bay

Kowloon

Hong Kong

26 July 2016

To the Shareholders

Dear Sir or Madam,

PROPOSALS FOR RE-ELECTION OF DIRECTORS, GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES AND NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

The purpose of this circular is to give you the AGM Notice and provide you with information of the resolutions to be proposed at the AGM for the approval of (i) re-election of the Retiring Directors; (ii) granting of the Issue Mandate, Repurchase Mandate and Extension Mandate to issue and repurchase Shares to the Directors.

LETTER FROM THE BOARD

RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Article 130 of the Articles, Mr. Yip Kai Wing, Ms. Liu Mei Ling, Rhoda and Mr. Hong Po Kui, Martin, being one-third of the Directors for the time being, shall retire by rotation at the AGM and, being eligible, offer themselves for re-election at the AGM.

Details of the Retiring Directors who are proposed to be re-elected at the AGM are provided in Appendix I to this circular.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the last annual general meeting of the Company held on 26 August 2015, the Directors were granted (i) the 2015 Issue Mandate to allot, issue and otherwise deal with Shares up to a maximum of 20% of the aggregate nominal value of the share capital of the Company in issue as at 26 August 2015, (ii) the 2015 Repurchase Mandate to repurchase Shares up to a maximum of 10% of the aggregate of the nominal value of the share capital of the Company in issue as at 26 August 2015 and (iii) the 2015 Extension Mandate to allot, issue and otherwise deal with Shares repurchased pursuant to the 2015 Repurchase Mandate. The total issued share capital as at 26 August 2015 was 873,996,190 Shares. The maximum number of new Shares which could be issued under the 2015 Issue Mandate is 174,799,238 Shares.

No Shares have been repurchased, allotted, issued or otherwise dealt with pursuant to the 2015 Issue Mandate. Under the terms of the 2015 Issue Mandate, the 2015 Repurchase Mandate, the 2015 Extension Mandate and the Listing Rules, the unutilized 2015 Issue Mandate, 2015 Repurchase Mandate and 2015 Extension Mandate will lapse at the conclusion of the AGM.

At the AGM, separate ordinary resolutions will be proposed to seek the approval of the Shareholders to grant these general mandates to enable the Directors to:

- (i) allot, issue and deal with further Shares up to a maximum of 20% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing of the resolution, i.e., to issue a maximum of 174,799,238 Shares based on the issued share capital of the Company comprising 873,996,190 Shares as at the Latest Practicable Date on the assumption that no further Shares will be issued prior to the date of the forthcoming Annual General Meeting;
- (ii) repurchase Shares up to a maximum of 10% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing of the resolution; and
- (iii) subject to the passing of the aforesaid ordinary resolutions, extend the Issue Mandate granted to the Directors under (i) above by adding to it an amount of the nominal value of the share capital of the Company not exceeding the aggregate nominal value of the Shares purchased pursuant to the Repurchase Mandate.

LETTER FROM THE BOARD

The full text of above resolutions are set out in resolutions numbered 5 to 7 as set out in the notice of the AGM contained in pages 14 to 18 of this circular.

Each of the Issue Mandate, the Repurchase Mandate and the Extension Mandate will expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company following the AGM; (b) the date by which the next annual general meeting is required by the Companies Law or the Articles to be held; or (c) when the mandate given to the Directors thereunder is revoked or varied by ordinary resolution(s) of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

Under the Listing Rules, the Company is required to give the Shareholders all information which is reasonably necessary to enable the Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Repurchase Mandate at the AGM. An explanatory statement for such purpose is set out in Appendix II to this circular.

AGM

The AGM Notice detailing all the proposed resolutions is set out on pages 14 to 18 of this circular.

A form of proxy for use at the AGM is also enclosed with this circular. To be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof, must be lodged with the Company's share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude a Shareholder from attending and voting in person at the AGM.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. The chairman of the AGM will exercise his power under Article 90 of the Articles to put each of the resolutions to be proposed at the AGM to be voted by way of a poll. Pursuant to Article 97, every Shareholder present in person or by proxy shall have one vote for every Share held by that Shareholder on a poll.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the proposed resolutions set out in the notice of AGM including (a) the re-election of the Retiring Directors and (b) the granting of the Issue Mandate, the Repurchase Mandate and the Extension Mandate are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors, together with their associates, intend to vote in favour of the relevant resolutions in respect of their respective shareholdings in the Company and recommend Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular.

Yours faithfully,
For and on behalf of the Board
Dr. Tsang Yue, Joyce
Chairperson

APPENDIX I INFORMATION ON THE RETIRING DIRECTORS PROPOSED FOR RE-ELECTION

The following are the particulars of the Directors proposed to be re-elected at the AGM:

A. EXECUTIVE DIRECTOR

Mr. Yip Kai Wing, aged 42, is the Chief Technology Officer and an Executive Director of the Company. Mr. Yip is responsible for all computer and information system matters of the Group. Mr. Yip brings with him about thirteen years of experience in the system integration, information system, network operation and telecommunications industries. He graduated from the Chinese University of Hong Kong in 1997 with a Bachelor Degree in Social Science and was awarded a Microsoft Certified Professional Systems Engineer, as well as CheckPoint Certified Administrator and Turbolinux Engineer in 2002. Mr. Yip joined the Group in March 2002.

Mr. Yip had entered into a letter of appointment for a term of 3 years commencing on 1 April 2015, subject to, inter alia, retirement from office by rotation at least once every three years and re-election in accordance with the Company's articles of association. There will be no director's fee or director's remuneration payable to Mr. Yip by the Company in connection with her holding of the position as an executive director of the Company. Mr. Yip is entitled to a monthly salary of HK\$55,000 and discretionary bonus and such other benefit schemes as the Board may in its discretion determine. The remuneration of Mr. Yip is determined by the Board on the basis of the Company's performance and profitability, the duties, responsibility and contribution of Mr. Yip, the remuneration benchmark in the industry and the prevailing marketing conditions.

Mr. Yip does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Yip is interested or deemed to be interested in the issued share capital of the Company within the meaning of Part XV of the SFO as follows:

Name	Capacity in which interests are held	Interests in Shares	Equity Derivatives		Total Interests	Approximate Percentage of Issued Voting Shares of the Company ¹
			(Share Options)	(Convertible Note)		
Mr. Yip Kai Wing	Beneficial Owner	185,000	500,000	—	685,000	0.08%
	Interest of spouse ²	—	200,000	—	200,000	0.02%

Notes:

1. The percentage has been compiled based on the total number of issued voting Shares of the Company in issue as at 31 March 2016 (i.e. 873,996,190 Shares).

APPENDIX I	INFORMATION ON THE RETIRING DIRECTORS PROPOSED FOR RE-ELECTION
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2. Mr. Yip Kai Wing is the spouse of Ms. Ng Kwai Ho and is deemed to be interested in the derivative shares in which Ms. Ng Kwai Ho is deemed or taken to be interested for the purpose of the SFO (Ms. Ng Kwai Ho is the grantee of an option in respect of 200,000 Shares of HK\$0.10 each of the Company under the Share Option Scheme adopted by the Shareholders of the Company on 20 January 2006).

B. INDEPENDENT NON-EXECUTIVE DIRECTOR

Ms. Liu Mei Ling, Rhoda, aged 54, was appointed as an Independent Non-executive Director in December 2009. Ms. Liu is a Member of the Canadian Chartered Professional Accountants, Fellow Practicing Member of the Hong Kong Institute of Certified Public Accountants, Fellow Member of the Taxation Institute of Hong Kong, and Fellow Member of the Hong Kong Institute of Directors. Ms. Liu holds a Bachelor of Art Degree in Finance and Commercial Studies from University of Western Ontario in Canada, Professional Degree in China Law from Tsing Hua University in China, and a Master of Business Administration Degree from McMaster University in Canada. Ms. Liu is a Practicing Certified Public Accountant in Hong Kong and sole proprietor of Liu & Wong, Certified Public Accountants. Ms. Liu is also an independent non-executive director, chairperson of audit committee and member of remuneration committee and nomination committee of Mirach Energy Limited, a company listed on the Singapore Stock Exchange. Save as disclosed above, Ms. Liu did not hold directorship in other listed public companies in the past three years.

Ms. Liu had entered into a letter of appointment for a term of three years commencing from 27 August 2013, subject to, inter alia, retirement from office by rotation at least once every three years and re-election in accordance with the Company's articles of association. Ms. Liu is entitled to the director's fee of HK\$27,000 per month for the performance of his duties as an independent non-executive Director, which is determined with reference to the prevailing market rate and the director's time commitment and expertise in the Company's affair.

Ms. Liu does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Ms. Liu does not have any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Hong Po Kui, Martin, aged 66, was appointed as an Independent Non-executive Director in December 2009. Mr. Hong has been practicing as a solicitor of the High Court of the Hong Kong Special Administrative Region for over 37 years. Mr. Hong is a Notary Public issued by Hong Kong Society of Notaries. Mr. Hong is now the senior partner of Messrs. Lau Chan & Ko, Solicitors & Notaries. Mr. Hong is also an independent non-executive director of Sau San Tong Holdings Limited (stock code: 8200), a company listed on the Growth Enterprise Market of the Stock Exchange.

APPENDIX I	INFORMATION ON THE RETIRING DIRECTORS PROPOSED FOR RE-ELECTION
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Mr. Hong had entered into a letter of appointment for a term of three years commencing from 27 August 2013, subject to, inter alia, retirement from office by rotation at least once every three years and re-election in accordance with the Company's articles of association. Mr. Hong is entitled to the director's fee of HK\$22,000 per month for the performance of his duties as an independent non-executive Director, which is determined with reference to the prevailing market rate and the director's time commitment and expertise in the Company's affair.

Mr. Hong does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Hong does not have any interest in the Shares within the meaning of Part XV of the SFO.

C. GENERAL INFORMATION

Saved as disclosed above, (i) the Directors proposed to be re-elected at the AGM do not hold any directorship in other public listed companies in Hong Kong in the past three years or any position in the Group, nor he/she has any relationship with any Directors, senior management or substantial or controlling Shareholders; and (ii) there is no information to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there is no other matters that need to be brought to the attention of the Shareholders in connection with their re-election.

This appendix serves as an explanatory statement as required by the Listing Rules to provide the requisite information to you for your consideration of the proposal of the Repurchase Mandate.

GENERAL MANDATE TO REPURCHASE SHARES

At the AGM, an ordinary resolution will be proposed that the Directors be given a general and unconditional mandate to exercise all the powers of the Company to repurchase Shares up to 10% of the issued share capital of the Company as at the date of passing of the resolution to approve the Repurchase Mandate.

The Repurchase Mandate will continue to be in force until (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Articles or any applicable laws of Cayman Islands; or (iii) the revocation by ordinary resolution of Shareholders in general meeting, whichever is the earlier.

(a) Share capital

As at the Latest Practicable Date, the number of Shares in issue was 873,996,190 Shares. Accordingly, the exercise of the Repurchase Mandate in full (being the repurchase of 10% of the Shares in issue as at the date of the passing of the resolution to approve the Repurchase Mandate) would enable the Company to repurchase 87,399,619 Shares (assuming no Share is issued or repurchased after the Latest Practicable Date and up to the passing of the relevant resolution).

(b) Source of funds

Repurchase of Shares must be funded out of funds legally available for the purpose in accordance with the memorandum and articles of association of the Company and the laws of Cayman Islands. Under the Cayman Islands laws, any repurchase of Shares by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase or, if so authorised by its articles of association and subject to the provisions of the Companies Law, out of capital. Any premium payable on a redemption or purchase over the par value of the Shares to be purchased must be provided for out of the profits of the Company or from sums standing to the credit of the share premium account of the Company or, if authorised by its memorandum and articles of association and subject to the provisions of the Companies Law, out of capital.

(c) Reasons for repurchases

The Directors believe that it is in the best interest of the Company and the Shareholders for the Directors to have general authority from the Shareholders to enable the Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made if the Directors believe that such repurchases will benefit the Company and the Shareholders.

(d) Impact on working capital or gearing level

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its most recent published audited financial statements as at 31 March 2016) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Group or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Group.

(e) Share prices

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months up to the Latest Practicable Date were as follows:

	Share Prices	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2015		
July	0.77	0.53
August	0.71	0.56
September	0.62	0.58
October	0.68	0.60
November	0.64	0.52
December	0.53	0.49
2016		
January	0.49	0.3600
February	0.4250	0.3850
March	0.55	0.39
April	0.48	0.4450
May	0.48	0.44
June	0.4800	0.4000
July (up to and including the Latest Practicable Date)	0.4250	0.3900

(f) Undertaking of Directors

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates currently intends to sell any Shares to the Company or its subsidiaries, in the event that the Repurchase Mandate is approved by the Shareholders.

No connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so in the event that the Company is authorised to make purchases of Shares.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

(g) Effect of Takeovers Code

If, as a result of a securities repurchase, a shareholder's proportionate interest in the voting rights of the Company is increased, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a shareholder or a group of shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Dr. Lee Soo Ghee, Allied Wealth Limited, Silver Compass Holdings Corp. and Silver Hendon Enterprises Corp. together are beneficially interested in 647,410,190 Shares, representing 74.07% of the total number of issued Shares of the Company as at the latest Practicable Date.

Dr. Lee Soo Ghee is the spouse of Dr. Tsang Yue, Joyce, an Executive Director and Chief Executive Officer of the Company. Allied Wealth Limited, Silver Compass Holdings Corp. and Silver Hendon Enterprises Corp. are indirect wholly-owned subsidiaries of Allied Chance Management Limited. Allied Chance Management Limited is in turn a direct wholly-owned subsidiary of Kelday International Limited. TMF (Cayman) Ltd. is the ultimate holding company of Allied Chance Management Limited and Kelday International Limited. TMF (Cayman) Ltd. is the trustee of the trust of which Dr. Tsang Yue, Joyce is the founder.

In the event that the Directors exercise in full the power to repurchase the Shares under the Repurchase Mandate and if there is no other change in the total number of issued Shares of the Company, the collective shareholdings of Dr. Lee Soo Ghee, Allied Wealth Limited, Silver Compass Holdings Corp. and Silver Hendon Enterprises Corp. in the Company will be increased to approximately 82.31% of the total number of issued Shares of the Company. The Directors are aware that such increase will reduce the amount of Shares held by the public to less than 25 per cent. The Directors do not intend to exercise the Repurchase Mandate to such an extent that the Company cannot satisfy its minimum requirement for public float under the Listing Rules.

Save as aforesaid, the Directors are not aware of any consequences of any purchases made under the Repurchase Mandate which may arise under the Takeovers Code.

(h) Share repurchase made by the Company

No repurchase of Shares have been made by the Company (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

NOTICE OF ANNUAL GENERAL MEETING



MODERN BEAUTY SALON HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 919)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting of Modern Beauty Salon Holdings Limited (the “Company”) will be held at 9/F., Gloucester Tower, The Landmark, 15 Queen’s Road Central, Hong Kong, on Friday, 26 August 2016 at 11:00 a.m. for the following purposes:

1. To receive and adopt the audited financial statements and the reports of the directors and auditors for the year ended 31 March 2016.
2. To declare a final dividend for the year ended 31 March 2016.
3. (A) (a) To re-elect Mr. Yip Kai Wing as a director.
(b) To re-elect Ms. Liu Mei Ling, Rhoda as a director.
(c) To re-elect Mr. Hong Po Kui, Martin as a director.
(B) To authorise the board of directors to fix the directors’ remuneration.
4. To re-appoint KPMG as independent auditors and to authorise the board of directors to fix their remuneration.
5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal value of share capital allotted or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to or in consequence of (i) a Rights Issue (as hereinafter defined); (ii) an issue of shares under any share option scheme or similar arrangement for the time being adopted for the grant or issue of shares or rights to acquire shares of the Company; (iii) an issue of shares upon the exercise of the subscription or conversion rights under the terms of any warrants or any securities of the Company which are convertible into shares of the Company or warrants to subscribe for shares of the Company; or (iv) any scrip dividends or similar arrangement, providing for the allotment and issue of shares in lieu of the whole or part of a dividend or shares in accordance with the Articles of Association of the Company from time to time, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly; and

- (d) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws of Cayman Islands to be held;
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company.

NOTICE OF ANNUAL GENERAL MEETING

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to the holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange applicable to the Company).”

6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase issued shares of the Company of HK\$0.10 each on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares of the company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal value of shares of the Company of HK\$0.10 each which the directors of the Company are authorised to repurchase pursuant to the approval in paragraph (a) above during the Relevant period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws of Cayman Islands to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company.”

NOTICE OF ANNUAL GENERAL MEETING

7. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** subject to the passing of the resolution nos. 5 and 6 set out in the notice convening this meeting, the general mandate granted to the directors of the Company to allot, issue and deal with additional shares pursuant to resolution no. 5 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Company of HK\$0.10 each repurchased by the Company under the authority granted pursuant to resolution no. 6 set out in the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution.”

By order of the Board
Dr. Tsang Yue, Joyce
Chairperson

Hong Kong, 26 July 2016

As at the date of this announcement, the Board consists of three Executive Directors, Dr. 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.

Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote instead of him. Any member of the Company who is the holder of two or more Shares may appoint more than one proxy to represent him and vote on his behalf at the meeting. A proxy need not be a member of the Company.
2. To be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof, must be lodged with the Company's share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the meeting.

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3. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, 24 August 2016 to Friday, 26 August 2016, both days inclusive, during which period no transfer of Share will be effected. In order to be eligible to attend and vote at the AGM, all transfers of Shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 23 August 2016. The proposed final dividend is subject to the passing of an ordinary resolution by the Shareholders at the AGM. The record date for entitlement to the proposed final dividend is Wednesday, 7 September 2016. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Monday, 5 September 2016 to Wednesday, 7 September 2016, both days inclusive, during which period no transfer of Share will be effected. In order to qualify for the proposed final dividend, all transfers of Shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrars in Hong Kong, Tricor Investor Services Limited, for registration not later than 4:30 p.m. on Friday, 2 September 2016. The payment of final dividend will be made on Monday, 3 October 2016.
4. Where there are joint holders of any share, any one of such joint holder may vote, either in person or by proxy, in respect of such Share as if he were solely entitled thereto, but if more than one of such joint holders be present at the meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.