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B.A.L. Holdings Limited

變靚D控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8079)

DESPATCH OF CIRCULAR AND SIGNING OF SUPPLEMENTAL AGREEMENT IN RELATION TO DISCLOSEABLE AND CONNECTED TRANSACTION: FORMATION OF A JOINT VENTURE

DESPATCH OF CIRCULAR

Due to an oversight on the publication requirements applied to the Transaction under Rule 19.38 of the GEM Listing Rules, the circular in relation to the Transaction (the “Circular”) was delayed in despatch and the Circular will be despatched to the Shareholders on 6 March 2008.

THE SUPPLEMENTAL AGREEMENT

In addition, the Board announces that on 4 March 2008, the Supplemental Agreement in relation to the Transaction was entered into between BAL and Heavenly Blaze pursuant to which BAL and Heavenly Blaze would provide further funding to the Joint Venture in the sum of HK\$2,400,000 and HK\$3,600,000 respectively in the form of shareholders’ loan (the “Further Funding”).

Save and except for the terms on shareholders’ loan, no other term of the Joint Venture Agreement has been amended.

Heavenly Blaze is a substantial shareholder holding approximately 14.71% of the issued share capital of the Company and therefore is a connected person of the Company. The entering into of the Supplemental Agreement constitutes a connected transaction for the Company under Chapter 20 of the GEM Listing Rules. Since one of the applicable percentage ratios of the Supplemental Agreement is more than 2.5% but less than 25% and the additional shareholder’s loan provided by the Company to the Joint Venture is less than HK\$10,000,000, pursuant to Rule 20.32(2) of the GEM Listing Rules, the Supplemental Agreement is only subject to the reporting and announcement requirements set out in Rules 20.45 to 20.47 of the GEM Listing Rules and is exempt from the independent shareholders’ approval requirement of the GEM Listing Rules. In addition, one of the applicable percentage ratios sets out in Rule 19.06 of the GEM Listing Rules with respect to the total investment of the Joint Venture exceeds 5% but is not more than 25%, accordingly, the Supplemental Agreement, when aggregated with the Joint Venture Agreement, constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

Reference is made to the announcement of the Company dated 8 January 2008 in relation to the proposed discloseable and connected transaction regarding the formation of a joint venture (the “Announcement”). Terms used herein have the same meanings as defined in the Announcement and the Circular unless the context otherwise requires.

DESPATCH OF CIRCULAR

Pursuant to Rule 19.38 of the GEM Listing Rules, the Company is required to despatch the Circular to the Shareholders on or before 29 January 2008, being 21 days after publication of the Announcement.

Due to an oversight on the publication requirements applied to the Transaction under Rule 19.38 of the GEM Listing Rules, the Circular was delayed in despatch. The Circular (containing the information regarding both of the Joint Venture Agreement and the Supplemental Agreement) will be despatched to the Shareholders on 6 March 2008.

THE SUPPLEMENTAL AGREEMENT

On 4 March 2008, the Supplemental Agreement in relation to the Transaction was entered into between BAL and Heavenly Blaze pursuant to which BAL and Heavenly Blaze would provide further funding to the Joint Venture in the sum of HK\$2,400,000 and HK\$3,600,000 respectively in the form of shareholders’ loan. The additional shareholder’s loan of HK\$2,400,000 provided by BAL will be financed by the internal resources of the Group in cash within three months upon completion of the Supplemental Agreement and within seven days upon serving of a notice by the Joint Venture.

The Further Funding was determined after arm’s length negotiations between BAL and Heavenly Blaze with reference to their respective shareholdings in the Joint Venture and the future capital requirement of the Joint Venture.

The Directors consider that the Further Funding is necessary for funding of the further development of the Joint Venture. Upon completion of the Supplemental Agreement, the total investment of the Joint Venture will be increased from HK\$18,000,010 to HK\$24,000,010.

Save and except for the terms on shareholders’ loan, no other term of the Joint Venture Agreement has been amended.

Please also refer to the Announcement for information of the Company, BAL, Heavenly Blaze and the Joint Venture.

The Directors, including the independent non-executive Directors, consider that the entering into of the Supplemental Agreement is on normal commercial terms and is in the ordinary and usual course of business of the Company, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Heavenly Blaze is a substantial shareholder holding approximately 14.71% of the issued share capital of the Company and therefore is a connected person of the Company. The entering into of the Supplemental Agreement constitutes a connected transaction for the Company under Chapter 20 of the GEM Listing Rules. Since one of the applicable percentage ratios of the Supplemental Agreement is more than 2.5% but less than 25% and the additional shareholder's loan provided by the Company to the Joint Venture is less than HK\$10,000,000, pursuant to Rule 20.32(2) of the GEM Listing Rules, the Supplemental Agreement is only subject to the reporting and announcement requirements set out in Rules 20.45 to 20.47 of the GEM Listing Rules and is exempt from the independent shareholders' approval requirement of the GEM Listing Rules. In addition, one of the applicable percentage ratios sets out in Rule 19.06 of the GEM Listing Rules with respect to the total investment of the Joint Venture exceeds 5% but is not more than 25%, accordingly, the Supplemental Agreement, when aggregated with the Joint Venture Agreement, constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

On order of the Board
B.A.L. Holdings Limited
Siu York Chee
Chairperson

Hong Kong, 4 March 2008

* *for identification purpose only*

As at the date of this announcement, the Board comprises Ms. Siu York Chee and Mr. Leung Kwok Kui as executive Directors; Mr. Hung Anckes Yau Keung, Dr. Siu Yim Kwan, Sidney and Mr. Tsui Pui Hung, Walter as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are found on bases and assumptions that are fair and reasonable.

This announcement will remain on the "Latest Company Announcements" page of the GEM website for at least 7 days from the date of its posting.