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MODERN BEAUTY SALON HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 919)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that, based on a preliminary review of the management accounts of the Group, it is expected that the Group would record a profit for the six months ended 30 September 2010 when compare with a loss for the corresponding period in 2009. The major reasons are:

- (1) Increasing in sale turnover due to implementation of development and marketing strategies by the new management team.
- (2) Launching of new product line.
- (3) The Group's effective control of its gross margin as well as expenses.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

The announcement is made by Modern Beauty Salon Holdings Limited (the "Company", together with its subsidiaries, the "Group") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules").

The board of directors of the Company (the "Board") wishes to inform the shareholders of the Company (the "Shareholders") and potential investors that, based on a preliminary review of the management accounts of the Group, it is expected that the Group would record a profit for the six months ended 30 September 2010 when compare with a loss for the corresponding period in 2009.

The improvement of the Group's financial result can be attributed to the Group in the following aspects:

- (1) Increasing in sale turnover due to implementation of development and marketing strategies by the new management team.
- (2) Launching of new product line.
- (3) The Group's effective control of its gross margin as well as expenses.

The information in this announcement is based on the Board's preliminary assessment of the unaudited consolidated management account of the Company and other information and data available to the Group, and such accounts have not been audited by the Company's auditor. The Company is still in the course of preparing the Group's interim result for the six months ended 30 September 2010 and the results announcement of the Company for the six months ended 30 September 2010 is expected to be released by the end of November 2010.

Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 18 October 2010

As at the date of this announcement, the Board consists of five executive Directors, Ms. Tsang Yue, Joyce, Mr. Yip Kai Wing, Mr. Tung Kwok Lui, 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.