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MODERN BEAUTY SALON HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 919)

COMPLETION OF MAJOR AND CONNECTED TRANSACTION INVOLVING THE ISSUE OF CONVERTIBLE NOTE

The Company is pleased to announce that following the satisfaction of all the conditions precedent set out in the Sale and Purchase Agreement, Completion took place on 10 January 2012.

Reference is made to the circular of Modern Beauty Salon Holdings Limited (the “Company”) dated 30 September (the “Circular”) in relation to, among other matters, the major and connected transaction involving the issue of Convertible Note. Capitalised terms used herein shall have the same meanings as defined in the Circular.

By an extension letter dated 30 December 2011 signed between the Vendor and the Purchaser, the long stop date under the Sale and Purchase Agreement, i.e., the last day by which all the conditions precedent for Completion must be fulfilled or waived, has been extended from 31 December 2011 (or such later date the Vendor and the Purchaser may agree in writing) to 31 January 2012.

The Company is pleased to announce that following the satisfaction of all the conditions precedent set out in the Sale and Purchase Agreement, Completion took place on 10 January 2012 and the Convertible Note was issued by the Company. A summary of the principal terms of the Convertible Note is set out in the Circular.

By the order of the Board of
Modern Beauty Salon Holdings Limited
Leung Man Kit, Jonathan
Executive Director

Hong Kong, 10 January 2012

As at the date hereof, the Board consists of four executive Directors, Ms. Tsang Yue, Joyce, Mr. Yip Kai Wing, Mr. Wong Shu Pui and Mr. Leung Man Kit and three independent non-executive Directors, Ms. Liu Mei Ling, Rhoda, Mr. Wong Man Hin, Raymond and Mr. Hong Po Kui, Martin.