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B. A. L. HOLDINGS LIMITED

變靚 D 控股有限公司

(Continued into Bermuda with limited liability)

(Stock Code: 8079)

MEMORANDUM OF UNDERSTANDING IN RESPECT OF POSSIBLE ACQUISITION OF INTEREST IN A HOSPITAL

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules.

The Board announces that on 29 December 2009, the Company entered into a non-legally binding MOU with Shenzhen Peng'ai Hospital Investment Company Limited in relation to the possible acquisition of not more than 50% interest in Peng'ai Medical Aesthetic Hospital, a medical aesthetic hospital in Shenzhen, PRC. It is also proposed that neither parties shall negotiate with any party for the Possible Acquisition within 180 days of the signing of the MOU.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor is not a connected person of the Company and is an independent third party not connected with the Company and its connected persons.

The MOU is not legally binding and the detailed structure of the transactions contemplated thereunder has not been determined.

The Board wishes to emphasize that no binding agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. As such, the Possible Acquisition may or may not proceed. If the Possible Acquisition is materialized, it may constitute a notifiable transaction of the Company. Shareholders and investors are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the proposed acquisition will be made in accordance with all applicable requirements of the GEM Listing Rules as and when appropriate.

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules.

The Memorandum of Understanding in respect of the Possible Acquisition of certain interests in Peng'ai Medical Aesthetic Hospital

The Board announces that on 29 December 2009, the Company entered into a non-legally binding Memorandum of Understanding with the Vendor in relation to the possible acquisition of interest in the Hospital, a medical aesthetic hospital in Shenzhen, PRC.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor is not a connected person of the Company and is an independent third party not connected with the Company and its connected persons.

Major Terms of MOU

The MOU is not legally binding and the detailed structure of the transactions contemplated under the MOU has not been determined.

Under the MOU, it is proposed that the Company will acquire not more than 50% interests in the Hospital from the Vendor. It is also proposed that neither parties shall negotiate with any party for the Possible Acquisition within 180 days of the signing of the MOU.

The MOU, save for certain provisions, will cease to have effect on the parties thereto upon entering into of the Formal Agreement; or one month's written notice served by either party to the other; or 180 days from the date of signing of the MOU.

If the Formal Agreement is entered into, it is expected that the Possible Acquisition will or will not constitute a notifiable transaction on the part of the Company pursuant to the GEM Listing Rules. In this regard, the Company will comply with the reporting, disclosure and/or Shareholders' approval requirements under the GEM Listing Rules.

Reasons for the Possible Acquisition

The Company is principally engaged in the retails business of beauty products in Hong Kong and also in the provision of beauty services, clinical services in Hong Kong, Macau and the PRC, securities investment and property investment in Hong Kong. The Vendor and its subsidiaries is principally engaged in operation of medical aesthetic hospitals in the PRC.

The Company viewed the Possible Acquisition as a good opportunity to expand its medical aesthetic operation into the PRC due to the fact that medical operation is restricted business in the PRC. Also, the Company viewed that Shenzhen, being one of the fastest growing economy in the PRC, will be a good place to start its medical aesthetic operation in the PRC.

The Board wishes to emphasize that no binding agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. As such, the Possible Acquisition may or may not proceed. If the Possible Acquisition is materialized, it may constitute a notifiable transaction of the Company. Shareholders and investors are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the proposed acquisition will be made in accordance with all applicable requirements of the GEM Listing Rules as and when appropriate.

Definitions

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

"Board"	The board of directors of the Company from time to time
"Company"	B.A.L. Holdings Limited (Stock code: 8079)
"connected persons"	has the meaning ascribed thereto in the GEM Listing Rules
"Directors"	Directors of the Company
"Formal Agreement"	The formal sale and purchase agreement that may or may not be entered into in relation to the Possible Acquisition
"GEM"	The Growth Enterprise Market of the Stock Exchange
"GEM Listing Rules"	The Rules Governing the Listing of Securities on GEM
"Hospital"	Peng'ai Medical Aesthetic Hospital
"MOU"	The non-legally binding memorandum of understanding entered into by the Company with the Vendor on 29 December 2009 in respect of the Possible Acquisition
"Possible Acquisition"	The possible acquisition of not more than 50% interests in the Hospital by the Company as contemplated under the MOU
"PRC"	The People's Republic of China, which for the purpose of this announcement excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Vendor"	Shenzhen Peng'ai Hospital Investment Company Limited, a limited liability company established in the PRC

Made by the order of the Board, the directors of which collectively and individually accept responsibility for the accuracy of this announcement.

By Order of the Board
B.A.L. Holdings Limited
Siu York Chee
Chairperson

Hong Kong, 29 December 2009

As at the date of this announcement, the Board comprises Ms. Siu York Chee, Mr. Leung Kwok Kui and Ms. Leung Ge Yau 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.