
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your 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 B.A.L. Holdings Limited (“**Company**”), 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 the transfer was effected for onward transmission to the purchaser or transferee.

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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)

**MAJOR DISPOSAL,
CHANGE OF COMPANY NAME
AND
NOTICE OF SPECIAL GENERAL MEETING**

A notice convening a special general meeting of the Company to be held at Room 1401, 14th Floor, Guardian House, 32 Oi Kwan Road, Wanchai, Hong Kong on Wednesday, 13 October 2010 at 4:30 p.m. is set out on pages 22 to 24 of this circular.

Whether or not you are able to attend the special general meeting, you are requested to complete and return the accompanying form of proxy, in accordance with the instructions printed thereon and return the same as soon as possible and in any event not later than 48 hours before the special general meeting or any adjournment thereof with the Company’s Hong Kong branch share registrar, Tricor Standard Limited, at 26/F, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the special general meeting or any adjournment thereof should you so wish.

This circular will remain on the GEM website with the domain name of www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the Company’s website at www.hkbealady.com.

20 September 2010

CHARACTERISTICS OF GEM

Characteristics of The Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Exchange”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

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

“associates”	has the meaning ascribed to it in the GEM Listing Rules
“Board”	the board of Directors from time to time
“Change of Company Name”	the proposed change of the Company name from “B.A.L. Holdings Limited 變靚D控股有限公司” to “Unlimited Creativity Holdings Limited 無限創意控股有限公司”
“Company”	B.A.L. Holdings Limited (Stock code: 8079), a company incorporated in the Cayman Islands and continued into Bermuda with limited liability and whose issued shares are listed on GEM
“Completion”	the completion of the Proposed Disposal
“Completion Date”	the date on which Completion shall take place
“connected person(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Cut-off Date”	31 August 2010 or such other date as may be agreed by the parties
“Director(s)”	director(s) of the Company
“Excluded Assets”	cash on hand or on deposits and all cash equivalents (other than rental deposits relating to existing leases or tenancy agreements of members of the Target Group, except those which are to be retained by the Vendor as expressly stipulated in the SP Agreement), trade receivables, the Retained Inventories, vehicles and all types of listed securities including shares, stocks, bonds, listed and unlisted funds held by the Target Group as at the Cut-off Date, rental deposits under certain leases or tenancy agreements as expressly stipulated in the SP Agreement and inter-company balances between the Retained Companies and the Target Group as at the Cut-off Date
“Excluded Contracts”	interests, rights and obligations under certain existing contracts which shall be assigned to the Vendor before the Completion Date
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM

DEFINITIONS

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	third parties independent of the Company and its connected persons
“Joint Venture”	One Dollar Movies Productions Limited, which is 40% owned by Be A Lady Limited
“Joint Venture Agreement”	the joint venture agreement dated 8 January 2008 entered into between Be A Lady Limited and Heavenly Blaze Limited in respect of the formation of the Joint Venture
“Latest Practicable Date”	16 September 2010, being the latest practicable date for the purpose of ascertaining certain information for inclusion in this circular
“Macau”	the Macau Special Administrative Region of the PRC
“MOU”	the memorandum of understanding entered into by the Vendor and the Purchaser on 13 August 2010 in respect of the Proposed Disposal
“Ms. Siu”	Ms. Siu York Chee, an executive Director and the chairperson of the Board
“ODD Limited”	One Dollar Distribution Limited, an associated company of the Company and is 40% owned by Be A Lady Limited, which is principally engaged in the business of movies distribution
“PRC”	the People’s Republic of China, which for the purpose of this circular excludes Hong Kong, Macau and Taiwan
“Proposed Disposal”	the proposed disposal of shares in Target Group including all assets owned by the aforesaid companies, subject to the completion of the Reorganisation, and except for the Excluded Assets and the Excluded Contracts
“Purchaser”	Best Union (China) Limited, a company incorporated in Hong Kong with limited liability
“Reorganisation”	a corporate reorganisation to be implemented and upon completion of which the Retained Companies will not form members of the Target Group

DEFINITIONS

“Retained Companies”	Be Cool Limited, Top Euro Limited, Thailand (HK) Plastic Surgery Service Limited, Yvonne Credit Service Company Limited and Be A Lady (Site 1) Medical Limited
“Retained Inventories”	inventories as specifically listed out in the SP Agreement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“SGM”	a special general meeting of the Company to be convened to consider and approve, among other things, the Proposed Disposal and the Change of Company Name, the notice of which is set out on pages 22 to 24 of this circular
“SP Agreement”	the formal sale and purchase agreement entered into between the Vendor and the Purchaser on 31 August 2010 in relation to the Proposed Disposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Group”	Be A Lady Limited and its subsidiaries, New Creative Limited, B.A.L. Clinic Limited and its subsidiary and Excel Future Enterprises Limited, each being a subsidiary of the Company as at the Latest Practicable Date (but excluding the Retained Companies)
“Vendor”	Rainbow Cosmetic (BVI) Limited, a wholly-owned subsidiary of the Company, incorporated in the British Virgin Islands with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD

B.A.L. HOLDINGS LIMITED

變靚D控股有限公司

(Continued into Bermuda with limited liability)

(Stock code: 8079)

Executive Directors:

Ms. Siu York Chee

Mr. Leung Kwok Kui

Ms. Leung Ge Yau, *LL.B. (Hons), LL.M*

Registered office:

Canon's Court

22 Victoria Street

Hamilton HM 12

Bermuda

Independent non-executive Directors:

Mr. Hung Anckes Yau Keung,

FCCA (Practising), FCCA, CICPA, CGA

Dr. Siu Yim Kwan, Sidney, *S.B.St.J.*

Mr. Tsui Pui Hung, Walter,

LL.B. (Hons), LL.M, BSc (Hons)

Head office and principal

place of business in Hong Kong:

Room 1401, 14th Floor

Guardian House

32 Oi Kwan Road

Wanchai, Hong Kong

20 September 2010

To the Shareholders

Dear Sir or Madam

MAJOR DISPOSAL AND CHANGE OF COMPANY NAME

1. INTRODUCTION

Reference is made to (i) the announcement of the Company dated 20 August 2010 in relation to the Proposed Disposal and the Change of Company Name; and (ii) the announcement of the Company dated 31 August 2010 in relation to the latest progress of the Proposed Disposal.

The Proposed Disposal constitutes a major disposal for the Company and is subject to, among other requirements, approval by the Shareholders under Chapter 19 of the GEM Listing Rules. The purpose of this circular is to provide you with further details, in relation to, among other things, the Proposed Disposal and the Change of Company Name; and to give you notice of the SGM which will be held for the Shareholders to consider and, if thought fit, approve the Proposed Disposal and the Change of Company Name.

LETTER FROM THE BOARD

2. PROPOSED DISPOSAL

Summarised below are the principal terms of the SP Agreement (which were substantially the same with the terms and conditions of the MOU):

Date

Date of MOU: 13 August 2010

Date of SP Agreement: 31 August 2010

Parties

Vendor: Rainbow Cosmetic (BVI) Limited, a wholly-owned subsidiary of the Company, incorporated in the British Virgin Islands with limited liability.

Purchaser: Best Union (China) Limited, a company incorporated in Hong Kong with limited liability.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties. The principal activity of the Purchaser is investment holding.

Assets to be disposed of under the SP Agreement

The Target Group and the rental deposits regarding leases and/or tenancy agreements of the companies comprising the Target Group and the machines and equipment currently used by the companies in the Target Group, other than the Excluded Assets and Excluded Contracts ("**Subject Matter**").

Principal members of the Target Group are (i) Be A Lady Limited, a wholly-owned subsidiary of the Company; (ii) New Creative Limited, a 90% owned subsidiary of the Company; (iii) B.A.L. Clinic Limited, a 90% owned subsidiary of the Company; and (iv) Excel Future Enterprises Limited, a wholly-owned subsidiary of the Company. Currently, the Target Group is principally operating the Group's beauty salon business in Hong Kong, Shenzhen, the PRC and Guangzhou, the PRC.

It is the agreement between the Vendor and the Purchaser that the following companies which are currently subsidiaries of the principal members of the Target Group will be excluded from the Proposed Disposal pursuant to the Reorganisation to be implemented by the Group prior to the Completion:

LETTER FROM THE BOARD

- (a) Be Cool Limited, a company incorporated in Hong Kong with limited liability, which is principally engaged in provision of beauty services and sale of beauty products;
- (b) Top Euro Limited, a company incorporated in Hong Kong with limited liability, which is principally engaged in property investment;
- (c) Thailand (HK) Plastic Surgery Service Limited, a company incorporated in Hong Kong with limited liability, which is principally engaged in property investment;
- (d) Yvonne Credit Service Company Limited, a company incorporated in Hong Kong with limited liability, which is principally engaged in money lending business; and
- (e) Be A Lady (Site 1) Medical Limited, a company incorporated in Macau with limited liability, which is principally engaged in provision of clinical services.

The transfer of the equity interest of the Retained Companies pursuant to the Reorganisation will be made at nil or nominal consideration.

Consideration

The consideration of the Proposed Disposal to be paid by the Purchaser (“**Consideration**”) shall be HK\$4,380,000 which comprises the following:

- (a) HK\$2,880,000 for the Vendor’s beauty business located in Hong Kong and Shenzhen, the PRC; and
- (b) HK\$1,500,000 for the Vendor’s beauty business located in Guangzhou, the PRC.

The Consideration shall be satisfied in the following manner:

- (a) as to HK\$876,000, representing 20% of the Consideration as the initial deposit (“**Deposit**”), shall be paid to the Vendor on the date of signing of the MOU;
- (b) as to HK\$1,752,000, representing 40% of the Consideration as the further deposit (“**Further Deposit**”), shall be paid to the Vendor on the date of signing of the SP Agreement; and
- (c) as to the remaining HK\$1,752,000, representing 40% of the Consideration as the balance of Consideration, shall be paid to the Vendor on the Completion Date.

As at the Latest Practicable Date, the Deposit and the Further Deposit have been paid to the Vendor.

The Deposit shall in no event be refundable to the Purchaser.

LETTER FROM THE BOARD

Basis of the Consideration

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser with reference to the net liability of the Subject Matter of approximately HK\$184 million as at 31 March 2010, taking into account (i) the loss making position of the Target Group and the difficult operating environment for the retails of beauty products and provision of beauty services, clinical services in Hong Kong and the PRC; (ii) the fact that those profit making subsidiaries will be excluded from the Target Group after the Reorganisation, which weakens the attractiveness of the Target Group; and (iii) the other factors set out in the paragraph headed "Reasons for and benefits of the Proposed Disposal" below.

Based on the factors mentioned above, the consideration for the Proposed Disposal is considered by the Board as fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions precedent

Completion of the Proposed Disposal is subject to the fulfillment of all the following conditions precedent:

- (a) completion of the Reorganisation;
- (b) the completion of taking up of the unexpired term of various tenancy agreements and/or leases in relation to the operation of the beauty salon business of the subsidiaries of Be A Lady Limited in the PRC;
- (c) the obtaining of relevant approvals and consents from the existing landlords on unexpired term of various tenancy agreements or lease concerning the change of shareholders and/or directors in the Target Group in relation to its operation of the beauty salon business in Hong Kong;
- (d) the obtaining of the Shareholders' approval at the SGM to approve, the Proposed Disposal; and
- (e) (if required) the obtaining of the requisite waivers, consents to and approvals of the Proposed Disposal from all relevant government bodies or regulatory authorities in Hong Kong, the British Virgin Islands, Bermuda or any other place that are not mentioned in the conditions precedent above but are required under the applicable laws, regulations and rules having been obtained.

In the event the abovementioned conditions are not fulfilled on or before 31 October 2010 (or such later date as the parties may agree in writing), the SP Agreement shall lapse and become void and of no further effect, and the parties' obligations thereunder shall cease saved in respect of any antecedent breaches thereof.

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Completion

Completion will take place on the fifth business day after the fulfillment of all the abovementioned conditions precedent but in any event not later than 31 October 2010 (or such other date as the parties may agree in writing).

Other terms and conditions

Other major terms and conditions include:

Excluded Assets

- (a) **Rental deposit:** The Purchaser agrees to procure the receipt of rental deposit of certain expired and on-going leases as set out in the SP Agreement and pay to the Vendor once the same has been refunded by the landlords under those leases.
- (b) **Personal guarantee:** The Purchaser agrees to procure a personal guarantee to be given by two individuals nominated by the Purchaser for guaranteeing the return of all cash on hand or on deposits held by the Target Group and cash equivalents and trade receivables as at the Cut-off Date to the Vendor.
- (c) **Retained Inventories:** The inventories located in the premises of the Target Group after Completion shall be kept by the Purchaser until the same have been removed by the Vendor within 180 days.

Excluded Contracts

- (a) **Plastic surgeries:** The Vendor agrees that The Specialists Limited should perform the treatments under existing contracts made with the Target Group's customers for nil consideration.
- (b) **Joint Venture:** The Purchaser agrees that all the interests, rights and obligations of the Target Group under the Joint Venture Agreement and the Joint Venture shall be transferred and assigned to the Vendor at nil consideration before Completion.
- (c) **ODD Limited:** The Purchaser agrees that all the interests, rights and obligations of the Target Group in ODD Limited shall be transferred and assigned to the Vendor at nil consideration before Completion.

LETTER FROM THE BOARD

Other positive covenant

- (a) **Liabilities:** The Purchaser shall be responsible for all liabilities of the Target Group immediately after the Cut-off Date.
- (b) **Existing contracts:** The Purchaser agrees to procure the companies of the Target Group to honour and duly perform all the existing contracts entered into with the companies of the Target Group from the Cut-off Date and after Completion and the Vendor shall have no responsibility or liability in respect thereof.
- (c) **Non-exclusive licenses:** The Purchaser shall procure non-exclusive licences to be granted to the Group to use (i) the brand names “Be A Lady” and “變靚D”; and (ii) the photos, advertisements and marketing materials in relation to the various spokespersons.
- (d) **Arrangement of the existing leases:** The Purchaser shall grant licences to the Group for using certain leased premises currently occupied by the Group.
- (e) **Trade payables:** The Vendor agrees to procure the settlement of all outstanding trade payables of the Target Group on or before Cut-off Date.
- (f) **Appointment of directors:** The Vendor shall procure the appointment of two persons nominated by the Purchaser to join the board of directors as directors in each of the companies of the Target Group by 15 September 2010.
- (g) **Release of guarantee:** The Purchaser agrees to procure the release of (i) each of Ms. Siu and Mr. Leung Kwok Kui from their personal guarantee under some of the existing tenancy agreements of the Target Group; and (ii) the Company from its corporate guarantees in respect of liabilities of the Target Group with effect from the Completion Date.
- (h) **Counter-indemnity:** The Purchaser agrees to procure two persons, each being an Independent Third Party, nominated by the Purchaser to provide a counter-indemnity in favour of Ms. Siu, Mr. Leung Kwok Kui and the Company as against their potential liabilities under the guarantees concerned.

Information on the Target Group

The Target Group comprises of (i) Be A Lady Limited and its subsidiaries; (ii) New Creative Limited; (iii) B.A.L. Clinic Limited and its subsidiary; and (iv) Excel Future Enterprises Limited other than the Retained Companies.

LETTER FROM THE BOARD

Particulars of each member of the Target Group are summarized as follows:

Name	Place of incorporation	Principal activities
Be A Lady Limited	Hong Kong	Provision of beauty services and sale of beauty products and securities investment
Be A Lady (TST) Limited	Hong Kong	Provision of beauty services and sale of beauty products
Beauty Business Limited	Hong Kong	Investment holding
Excel Future Enterprises Limited	Hong Kong	Investment holding
New Creative Limited	Hong Kong	Provision of beauty services and sale of beauty products
B.A.L. Clinic Limited	Hong Kong	Provision of beauty and clinical services and sale of beauty products
B.A.L. Medical (Shatin) Limited	Hong Kong	Provision of clinical services
Spa – Be A Lady Limited	Hong Kong	Provision of securities investment
B.A.L. Medical (Tsimshatsui) Limited	Hong Kong	Provision of beauty and clinical services and sale of beauty products
Thailand Plastic Surgery Service Limited	Hong Kong	Provision of clinical services
B.A.L. Medical (YuenLong) Limited	Hong Kong	Provision of beauty services and sale of beauty products
廣州市變靚纖體美容有限公司 Guangzhou Be A Lady Limited [#]	PRC	Provision of beauty services and sale of beauty products

The unaudited combined financial information of the Target Group is as follows:

	For the 17 months ended 31/3/2010 HK\$'000	For the year ended 31/10/2008 HK\$'000
Turnover	119,285	124,446
Net (loss) before tax	(82,649)	(126,397)
Net (loss) after tax before minority interests	(83,557)	(125,883)

[#] The English name of this company represent management's translation of the Chinese names of this company as no English name has been registered.

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	As at	
	31/3/2010	31/10/2008
	HK\$'000	HK\$'000
Total assets	110,882	169,119
Net liabilities	184,245	102,723

Financial effect of the Proposed Disposal

Based on the unaudited management account of the Target Group, it is estimated that upon Completion, the Group is expected to record a book loss of approximately HK\$12.0 million on the Proposed Disposal, which is calculated by reference to the unaudited net liability value of the Target Group as at 31 March 2010, excluding the inter-company balances between the Retained Companies and the Target Group, and the consideration of HK\$4,380,000. Shareholders should note that the actual gain/loss on the Proposed Disposal to be recorded by the Company will depend on the net assets/liabilities of the Target Group as at the date of Completion. Upon Completion, the Company will not have any shareholding interest in the Target Group and each member of the Target Group will cease to be accounted for as a subsidiary of the Company. The total assets and total liabilities of the Group would decrease by approximately HK\$20.7 million and approximately HK\$4.3 million respectively. In addition, the earnings of the Group will increase as a result of the Proposed Disposal.

The deficit of the consideration over the net book value of the Target Group, after taking into account the exclusion of inter-company balances between the Retained Companies and the Target Group, was approximately HK\$12.0 million.

The Company currently intends to apply the net proceeds from the Proposed Disposal as general working capital of the Group.

Reasons for and benefits of the Proposed Disposal

The Group is principally engaged in the retails of beauty products and provision of beauty services, clinical services in Hong Kong, Macau and the PRC, property investment, money lending business, financial instruments and quoted shares investment in Hong Kong.

Since the competition in relation to the provision of beauty services in Hong Kong is severely keen, the Group is aiming to focus more financial resources and management effort on the existing clinical services business in Hong Kong and beauty services in Macau by the remaining members of the Group which currently generate more income to the Group. The Proposed Disposal offers a good opportunity for the Company to dispose of its interest in the Subject Matter so that it can reallocate the financial resources realized therefrom and will facilitate the Company to streamline its business and restructure its operations with focus on its business in the provision of money-lending, property investment and securities investment.

LETTER FROM THE BOARD

While the Group is still required to perform the contracts entered into with The Specialists Limited relating to medical/clinical treatments for the relevant customers, the Group, upon Completion, will be released from the liability regarding the performance of all existing contracts entered into with members of the Target Group prior to the Cut-off Date relating to the beauty services. The prepayment in respect of such beauty services related contracts received by the Group amounted to approximately HK\$4.0 million and such amount forms part of the Excluded Assets for accounting purposes.

The terms of the MOU and the SP Agreement were negotiated on an arm's length basis and were made on normal commercial terms. In view of the above, the Directors consider that the terms of the MOU and the SP Agreement are fair and reasonable, and the entering into the MOU and the SP Agreement is in the best interests of the Group and the Shareholders as a whole.

Implication under the GEM Listing Rules

The Proposed Disposal constitutes a major disposal on the part of the Company pursuant to the Chapter 19 of the GEM Listing Rules and is subject to Shareholders' approval.

3. PROPOSED CHANGE OF COMPANY NAME

To signify the Company's new business development direction following the Completion, the Board announces that subject to the Completion, it intends to put forward a proposal to the Shareholders to change its name from "B.A.L. Holdings Limited 變靚D控股有限公司" to "Unlimited Creativity Holdings Limited 無限創意控股有限公司".

Conditions

The Change of Company Name will be subject to:

- (a) the Completion;
- (b) the passing of a special resolution by the Shareholders at the SGM to approve the Change of Company Name; and
- (c) the approval of Change of Company Name by the Registrar of Companies in Bermuda.

The Company will make further announcement to inform the Shareholders as to when the Change of Company Name becomes effective and on the change of the stock short name of the Company.

LETTER FROM THE BOARD

Effect of the Change of Company Name

The Change of Company Name will not affect any of the rights of the Shareholders. All existing certificates for Shares in issue bearing the existing English and Chinese names of the Company will, after the Change of Company Name becoming effective, continue to be effective and as documents of title to the Shares and will continue to be valid for trading, settlement, registration and delivery purposes. Shareholders, if so elect, may exchange the existing share certificates for new share certificates bearing the new names of the Company at the branch share registrar of the Company in Hong Kong, Tricor Standard Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong free of charge for one month from the effective date of the Change of Company Name. Once the Change of Company Name becomes effective, any issue of share certificates thereafter will be issued with the new names of the Company.

4. SGM

The notice of the SGM is set out on pages 22 to 24 of this circular. The SGM will be convened and held for the Shareholders to consider and, if thought fit, to approve (i) the Proposed Disposal; and (ii) the Change of Company Name. A form of proxy for use at the SGM is enclosed herewith.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the Latest Practicable Date, the Purchaser and its associates do not hold any Shares and no Shareholders and their associates have a material interest in the Proposed Disposal. No Shareholder is required to abstain from voting in favour of the resolutions to approve the Proposed Disposal and the Change of Company Name at the SGM.

Whether or not you are able to attend and vote at the SGM, you are requested to complete and return the enclosed form of proxy to the Company's Hong Kong branch share registrar, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, in accordance with the instructions printed thereon as soon as practicable but in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish.

5. RECOMMENDATION

The Directors consider that the terms of the SP Agreement are fair and reasonable and in the interests of the Group and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions set out in the notice of the SGM in relation to the SP Agreement and the transactions contemplated thereunder and the Change of Company Name.

6. GENERAL

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

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

1. INDEBTEDNESS OF THE GROUP

As at the close of business on 16 September 2010, being the Latest Practicable Date of ascertaining certain information relating to this indebtedness statement, the Group has amount due to minority shareholders of its subsidiaries approximately HK\$1.1 million.

As at 16 September 2010, the Company provided a guarantee to third party with respect to operating leases of approximately HK\$1.7 million.

Save as aforesaid and apart from intra-group liabilities, as at the close of business on 16 September 2010, none of the companies of the Group had any outstanding mortgages, charges, debentures, loan capital, bank loans and overdrafts, debt securities or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances or acceptance credits or any guarantees or other contingent liabilities.

The Directors confirm that there has been no material change in the indebtedness and contingent liabilities of the Group since 31 March 2010, being the date to which the latest published audited financial statements of the Group were made up.

2. WORKING CAPITAL STATEMENT

The Directors, after due and careful consideration, are of the opinion that, the Group will have sufficient working capital for its requirements for the next 12 months from the date of this circular.

3. FINANCIAL AND TRADING PROSPECTS

In the coming financial year, the Group will focus on the existing clinical business in Hong Kong and beauty services in Macau which currently generate more income to the Group. Also, after the Proposed Disposal, more financial resources can be allocated to business in the provision of money-lending, property investment and securities investment.

The Directors consider that, upon completion of Proposed Disposal, the Group's financial and cash positions can be further strengthened, and the Group will be able to make investments promptly when opportunities arise.

1. RESPONSIBILITY STATEMENT

This circular, 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 the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

- (i) Interests and short positions of the Directors or chief executives of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporation(s) (within the meaning of part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors to be notified to the Company and the Stock Exchange were as follows:

Interests in Shares and underlying Shares

Long Position

Name	Capacity	Personal Interests	Controlled			Total	Approximate percentage to the issued share capital of the Company
			Spouse's Interests	corporation's Interests	Other Interests		
Ms. Siu York Chee	Beneficiary owner and family interests	40,643	143 (Note 3)	–	770,558 (Notes 1 and 2)	811,344	0.23%
Ms. Leung Kwok Kui	Beneficiary owner and family interests	143	811,201 (Note 3)	–	–	811,344	0.23%

Notes:

1. Those Shares are beneficially owned by Heavenly Blaze Limited. Heavenly Blaze Limited is beneficially owned as to (i) 46% by Mr. Shiu Stephen Junior, nephew of Ms. Siu York Chee (being the executive Directors); (ii) 34% by Mr. Shiu Yeuk Yuen, younger brother of Ms. Siu York Chee, and Ms. Siu York Chee together hold on behalf of Ms. Shiu Yo Yo and Ms. Shiu Sound Sound, nieces of Ms. Siu York Chee; (iii) 16% by Ms. Shiu Ting Yan, Denise, niece of Ms. Siu York Chee; (iv) 1% by Mr. Cheng Jut Si; and (v) 3% by One Dollar Productions Limited which is beneficially owned as to 25% by Mr. Siu Stephen Junior; and 75% by Ms. Hau Lai Mei, the step-mother of Mr. Shiu Stephen Junior.
2. Ms. Siu York Chee and Mr. Shiu Yeuk Yuen are the trustees of Ms. Shiu Yo Yo and Ms. Shiu Sound Sound.
3. Mr. Leung Kwok Kui, the executive Director, is the spouse of Ms. Siu York Chee.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests and short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporation(s) (within the meaning of part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors to be notified to the Company and the Stock Exchange.

- (ii) Interests and short positions of substantial Shareholders in the Shares, underlying Shares and debentures the Company and its associated corporations

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of SFO, and so far as is known to the Directors and the chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had, or were deemed or taken to have, any interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital, including options in respect of such capital, carrying rights to vote in all circumstances at general meetings of any member of the Group:

Interests in the Shares and underlying shares

Long Position

Name	Capacity	Corporate Interests	Other Interests	Total	Approximate percentage to the issued share capital of the Company
Shikumen Special Situations Fund	Beneficiary owner	28,216,000 (Note 1)	–	28,216,000	7.92%
Shikumen Capital Management Limited	Interest held by controlled corporation	28,216,000 (Note 2)	–	28,216,000	7.92%
Crosby Capital Limited	Interest held by controlled corporation	28,216,000 (Note 3)	–	28,216,000	7.92%

Notes:

1. Shikumen Special Situations Fund is independent of the Company and its connected persons.
2. Shikumen Special Situations Fund is wholly controlled by Shikumen Capital Management Limited.
3. Shikumen Capital Management Limited is a wholly-owned subsidiary of Crosby Capital Limited.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person who had any interests or short positions in the Shares or underlying Shares or debentures of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital, or options in respect of such capital, carrying rights to vote in all circumstances at general meetings of any member of the Group.

3. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

None of the Directors was materially interested in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date which was significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 March 2010 (the date to which the latest published audited consolidated accounts of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

4. MATERIAL CONTRACTS

The following contracts, not being contracts in the ordinary course of business of the Group, were entered into by the Company or its subsidiaries during the period commencing two years preceding the date of this circular and are or may be material:

- (a) the placing agreements dated 3 November 2008 and entered into between the Company as issuer and Kingston Securities Limited as placing agent (“**Placing Agent**”) in relation to the placing of a maximum of 34,000,000 Shares under general mandate and a maximum aggregate number of 150,000,000 Shares subject to Shareholders’ approval on a best effort basis at a price of HK\$0.023 per placing share which were subsequently terminated and replaced by the placing agreement dated 5 November 2008;
- (b) the placing agreement dated 5 November 2008 and entered into between the Company as issuer and the Placing Agent, pursuant to which, the Company agreed to place, through the Placing Agent, a maximum of 184,000,000 placing shares at a price of HK\$0.023 per placing share;
- (c) the placing agreement dated 22 January 2009 and entered into between the Company as issuer and the Placing Agent as placing agent, pursuant to which, the Company agreed to place, through the Placing Agent, a maximum of 40,000,000 placing shares at a price of HK\$0.09 per placing share;
- (d) the conditional placing agreement dated 16 June 2009 between the Company and the Placing Agent as placing agent, pursuant to which, the Company conditionally agreed to place, through the Placing Agent, a maximum of 400,000,000 placing shares by a maximum of four tranches on a best efforts basis, to independent placees at a price of HK\$0.10 per placing share;
- (e) the sale and purchase agreement dated 2 November 2009 entered into between the Be a Lady Limited, a wholly-owned subsidiary of the Company (as purchaser) and One Dollar Productions Limited in relation to acquisition of 40% of the issued share capital of One Dollar Distribution Limited and the loan in the principal amount of HK\$1,200,000 owing by One Dollar Distribution to One Dollar Productions Limited for a total consideration of HK\$6,000,000;
- (f) the memorandum of understanding dated 29 December 2009 entered into between the Company and Shenzhen Peng’ ai Hospital Investment Company Limited in respect of the possible acquisition of not more than 50% interest in Peng’ ai Medical Aesthetic Hospital, a medical aesthetic hospital in Shenzhen, PRC;

- (g) the memorandum of understanding dated 15 January 2010 entered into between the Company and Conder International Holdings Limited in respect of the possible acquisition of the entire issued share capital of the Precise Winner Limited (“**Possible Acquisition**”), pursuant to which the consideration for the Possible Acquisition is expected to be not less than HK\$170 million but in any event, will not be more than HK\$227 million;
- (h) the conditional placing agreement dated 14 April 2010 between the Company and the Placing Agent, pursuant to which, the Company conditionally agreed to place, through the Placing Agent, a maximum of 4,000,000,000 placing shares by a maximum of four tranches on a best efforts basis, to independent placees at a price of HK\$0.05 per placing share;
- (i) the supplemental memorandum of understanding dated 23 April 2010 in respect of the Possible Acquisition, pursuant to which the consideration for the Possible Acquisition should be amended from “not less than HK\$170.0 million but in any event will not be more than HK\$227.0 million” to “not less than HK\$144.5 million but in any event will not be more than HK\$215.0 million”;
- (j) the acquisition agreement dated 24 April 2010 entered into between Top Euro Limited, an indirect wholly-owned subsidiary of the Company (as purchaser) and Jenmaster Development Limited and Cheer Mark Development Limited (as vendors) in relation to the acquisition of the property located at 1st Floor and 2nd Floor, Morrison Plaza, No. 9 Morrison Hill Road, Wanchai, Hong Kong together with certain external wall area for a total consideration of HK\$51,000,000;
- (k) the MOU;
- (l) the SP Agreement; and
- (m) the conditional placing agreement dated 15 September 2010 entered into between the Company and Emperor Securities Limited, pursuant to which, the Company conditionally agreed to place, through Emperor Securities Limited, a maximum of 71,000,000 Shares on a best effort basis at a price of HK\$0.2 per Share.

6. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

7. SERVICE CONTRACTS

Ms. Siu York Chee and Mr. Leung Kwok Kui have entered into a service contract with the Company for an initial term of five years commencing from 1 September 2004. The service contracts shall be renewed automatically after the initial five years unless and until terminated by not less than six months’ notice in writing served by either party on the other.

Ms. Leung Ge Yau has entered into a letter of appointment with the Company for a term of three years commencing from 1 March 2008 subject to termination by either party by six months' written notice.

Save as aforesaid, as at the Latest Practicable Date, none of the Directors has entered into any service contracts with the Company or any of its subsidiaries or associated companies, excluding contracts expiring within one year without payment of compensation other than statutory compensation.

8. COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors nor their respective associates was interested in any business apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with that of the Group.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours from 10:00 a.m. to 5:00 p.m. on any business day at the principal place of business of the Company in Hong Kong at Room 1401, 14th Floor, Guardian House, 32 Oi Kwan Road, Wanchai, Hong Kong from the date of this circular up to and including 4 October 2010, and also be available at the SGM:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the material contracts referred to in the section headed "Material contracts" in this appendix;
- (c) the annual reports of the Company for the year ended 31 October 2008 and for the 17 months ended 31 March 2010; and
- (d) this circular.

10. GENERAL

- (a) The registered address of the Company is at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda.
- (b) The head office and principal place of business of the Company in Hong Kong is at Room 1401, 14th Floor, Guardian House, 32 Oi Kwan Road, Wanchai, Hong Kong.
- (c) The share registrar and transfer agent of the Company in Hong Kong is Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (d) The company secretary of the Company is Mr. Li Chik Ming. He is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.

- (e) The compliance officer of the Company is Ms. Siu York Chee.
- (f) The Company established an audit committee in October 2001 with terms and reference in compliance with the GEM Listing Rules. The primary duties of the audit committee are to review the annual report and accounts, interim reports and quarterly reports of the Company and internal control system of the Company. The audit committee of the Company comprises three members, including one independent non-executive Director who possesses the appropriate professional qualifications or accounting or related financial management expertise. Details of the members of the audit committee are set out below:

Mr. HUNG Anckes Yau Keung, FCPA (Practising), FCCA, CICPA, CGA, aged 57, is a Certified Public Accountant, Chairman of the Audit Committee, was appointed as an independent non-executive Director of the Company in October 2003. Mr. Hung has over 30 years experience in accounting. He is a fellow of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants, the Certified General Accountants Association, and an overseas non-practising member of the Chinese Institute of Certified Public Accountants. Mr. Hung is now the practising director of KND & Co. CPA Limited, Certified Public Accountants (Practising). He is the Honorary Treasurer of The Overseas CICPA Members Association since the incorporation of the Association. He is also the Visiting Professor of the Southwestern University of Finance and Economics and the Research Institute of Economics of the Shenzhen University in China.

Dr. SIU Yim Kwan, Sidney (“Dr. Siu”), S.B.St.J., aged 63, Dr. Siu was appointed as an independent non-executive director and member of Audit Committee of the Company in December 2004. Dr. Siu is the non-executive director of Wang On Group Limited, a listed company in Hong Kong since November 1993. Dr. Siu is a director of The Association of The Directors & Former Directors of Pok Oi Hospital Limited, Bright China Foundation Limited and Chiu Yang Residents Association of Hong Kong Limited, those companies are non-profitable association and providing community services in Hong Kong. Dr. Siu is also a director and chairman of The Hong Kong Tae Kwon Do Association Limited, a sport association in Hong Kong and also an executive member of a number of charitable organizations and sports associations.

Mr. TSUI Pui Hung Walter (“Mr. Tsui”), LL.B. (Hons), LL.M, BSc (Hons), aged 35, is a practicing solicitor of the High Court of Hong Kong. Mr. Tsui was appointed as an independent non-executive director and member of Audit Committee of the Company in June 2007. Mr. Tsui holds the degrees of Master in Laws from University of London, Bachelor of Laws (with Honours) from Manchester Metropolitan University, Bachelor of Science (with Honours) from the Chinese University of Hong Kong. Postgraduate Certificate in Laws from the University of Hong Kong and a Diploma in translation from the Chinese University of Hong Kong. Mr. Tsui has years of management experience and is familiar with internal control issues and regulatory rules of listed company. Mr. Tsui is also an independent non-executive director of China Mandarin Holdings Limited, a company listed on the Main Board of Stock Exchange.

- (g) In the event of inconsistency, the English text of this circular and the accompanying form of proxy shall prevail over the Chinese text.

NOTICE OF SPECIAL GENERAL MEETING

B.A.L. HOLDINGS LIMITED

變靚D控股有限公司

(Continued into Bermuda with limited liability)

(Stock code: 8079)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT a special general meeting (the “**Meeting**”) of B.A.L. Holdings Limited (“**Company**”) will be held at 4:30 p.m. on Wednesday, 13 October 2010 at Room 1401, 14th Floor, Guardian House, 32 Oi Kwan Road, Wanchai, Hong Kong for the purpose of considering and, if thought fit, passing (with or without amendments) the following resolutions:

ORDINARY RESOLUTION

1. “**THAT:**

- (a) the sale and purchase agreement dated 31 August 2010 (“**SP Agreement**”) entered into between Rainbow Cosmetic (BVI) Limited, a wholly-owned subsidiary of the Company (as vendor) and Best Union (China) Limited (as purchaser) in relation to the Proposed Disposal (as defined in the circular of the Company dated 20 September 2010 (“**Circular**”), a copy of which marked “A” and initialed by the chairman of the meeting for identification purpose has been tabled at the meeting) be and are hereby confirmed, approved and ratified; and
- (b) all transactions contemplated under the SP Agreement be and are hereby approved and the directors of the Company (“**Directors**”) or a duly authorised committee of the board of Directors be and are hereby authorised to do all such acts and things (including, without limitation, signing, executing (under hand or under seal), perfecting and delivery of all agreements, documents and instruments on behalf of the Company) which are in their opinion necessary, appropriate, desirable or expedient to implement or to give effect to the terms of the SP Agreement and all transactions contemplated thereunder and all other matters incidental thereto or in connection therewith and to agree to and make such variation, amendment and waiver of any of the matters relating thereto or in connection therewith that are, in the opinion of the Directors, not material to the terms of the SP Agreement and all transactions contemplated thereunder and are in the interests of the Company and its shareholders as a whole.”

NOTICE OF SPECIAL GENERAL MEETING

SPECIAL RESOLUTION

2. “**THAT** subject to (i) completion of the Proposed Disposal (as defined in the circular of the Company dated 20 September 2010 (“**Circular**”), a copy of which marked “A” and initialed by the chairman of the meeting for identification purpose has been tabled at the meeting) and (ii) the approval of the Registrar of Companies in Bermuda being obtained, the name of the Company be changed from “B.A.L. Holdings Limited 變靚D控股有限公司” to “Unlimited Creativity Holdings Limited 無限創意控股有限公司” and the Directors be and are hereby authorized generally to do such acts and things and execute all documents or make such arrangements as they may consider necessary or expedient to effect the change of name of the Company.”

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

Hong Kong, 20 September 2010

Registered office:
Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

*Head office and principal
place of business in Hong Kong:*
Room 1401, 14th Floor
Guardian House
32 Oi Kwan Road
Wanchai, Hong Kong

Notes:

- (1) A form of proxy for use at the Meeting is enclosed herewith.
- (2) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer or attorney duly authorised.
- (3) Any shareholder of the Company entitled to attend and vote at the Meeting convened by the above notice shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company.
- (4) In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding of the above Meeting or any adjournment thereof (as the case may be).
- (5) Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the Meeting convened or at any adjourned meeting (as the case may be) and in such event, the form of proxy will be deemed to be revoked.
- (6) Where there are joint holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the Meeting, whether in person or by proxy, the most senior shall alone be entitled to vote. For this purpose, seniority shall be determined by the order in which the names stand on the register of members of the Company in respect of the joint holding.

NOTICE OF SPECIAL GENERAL MEETING

As at the date of this notice, the board of Directors 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 notice, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited 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 the information contained in this notice is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this notice misleading.

This notice will remain on the Company's website at www.hkbealady.com and at the "Latest Company Announcements" page of the GEM website for at least 7 days from the date of its posting.