

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



自然美
natural beauty

Natural Beauty Bio-Technology Limited

自然美生物科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00157)

CONTINUING CONNECTED TRANSACTIONS

RENEWAL OF TENANCY AGREEMENTS

The Board announces that on 29 October 2010, (a) the Renewed Taipei Tenancy Agreement was entered into between Taiwan NB, an indirect wholly-owned subsidiary of the Company, as tenant and Dr. Tsai Yen-Yu as landlord; and (b) the Renewed Pa-Der Tenancy Agreement was entered into between Taiwan NB as tenant and Dr. Su Chien-Cheng as landlord.

Each of Dr. Tsai Yen-Yu, an executive director of the Company, and Dr. Su Chien-Cheng, a non-executive director of the Company, is a party to an agreement which section 317 of the SFO applies in relation to 65.63% interest in the entire issued share capital of the Company. Therefore, both Dr. Tsai Yen-Yu and Dr. Su Chien-Cheng are considered as connected persons of the Group and the transactions contemplated under the Renewed Tenancy Agreements constitute continuing connected transactions of the Company.

Since the relevant percentage ratios (other than profits ratio) calculated on an annual basis by reference to the maximum aggregate sum of rentals payable by the Group under the Renewed Tenancy Agreements and the Existing Tenancy Agreements (where applicable) is greater than 0.1% but less than 5.0%, in accordance with Rule 14A.34 of the Listing Rules, these tenancy agreements are only subject to the reporting, announcement and annual review requirements set out in Rules 14A.45 to 14A.47 and Rules 14A.37 to 14A.40 of the Listing Rules and are exempted from the independent shareholders' approval requirements.

INTRODUCTION

Reference is made to the Announcement. The lease under the Taipei Tenancy Agreement and the Pa-Der Tenancy Agreement will expire on 31 October 2010 and 31 December 2010 respectively. With a view to renew the respective term of such leases, the parties to the Taipei Tenancy Agreement and the Pa-Der Tenancy Agreement entered into the Renewed Taipei Tenancy Agreement and the Renewed Pa-Der Tenancy Agreement respectively. The details of the Renewed Tenancy Agreements are set out below:

THE PRINCIPAL TERMS OF THE RENEWED TENANCY AGREEMENTS

(1) The Renewed Taipei Tenancy Agreement:

Date	:	29 October 2010
Landlord	:	Dr. Tsai Yen-Yu
Tenant	:	Taiwan NB
Premises	:	The Taipei Premises
Area	:	A total gross floor area of approximately 2,677.84 square metres.
Term	:	Two years commencing from 1 November 2010 and expiring on 31 October 2012, both dates inclusive
Rental	:	TWD2,250,000 (equivalent to approximately HK\$564,929) per calendar month inclusive of government taxes but exclusive of gas, electricity and water charges, and all other outgoings
Deposit	:	Nil

(2) The Renewed Pa-Der Tenancy Agreement:

Date	:	29 October 2010
Landlord	:	Dr. Su Chien-Cheng
Tenant	:	Taiwan NB
Premises	:	The Pa-Der Premises
Area	:	A total gross floor area of approximately 229.32 square metres.
Term	:	Two years commencing from 1 January 2011 and expiring on 31 December 2012, both dates inclusive
Rental	:	TWD75,000 (equivalent to approximately HK\$18,831) per calendar month inclusive of government taxes but exclusive of gas, electricity and water charges, and all other outgoings
Deposit	:	Nil

The rentals payable under the Renewed Tenancy Agreements will be satisfied by the internal resources of the Group.

THE IMPLICATIONS UNDER THE LISTING RULES

Each of Dr. Tsai Yen-Yu, an executive director of the Company, and Dr. Su Chien-Cheng, a non-executive director of the Company, is a party to an agreement which section 317 of the SFO applies in relation to 65.63% interest in the entire issued share capital of the Company. Therefore, both Dr. Tsai Yen-Yu and Dr. Su Chien-Cheng are considered as connected persons of the Group and the transactions contemplated under the Renewed Tenancy Agreements constitute continuing connected transactions of the Company.

Since the Existing Tenancy Agreements, details of which are set out in the Announcement, and the Renewed Tenancy Agreements were entered into between the Group companies as tenants and landlords associated with one another, the tenancies under the Existing Tenancy Agreements and the Renewed Tenancy Agreements may be regarded as a series of transactions under Rules 14A.25 of the Listing Rules. Accordingly, the annual cap for the rentals payable by the Group under these tenancies shall be aggregated for the purpose of calculating the applicable percentage ratios under the Listing Rules. Based on the rents payable per month as set out in the Existing Tenancy Agreements and the Renewed Tenancy Agreements, the breakdown of the annual cap payable by the Group thereunder are as follows:

	Year ending 31 December 2010 <i>HK\$</i>	Year ending 31 December 2011 <i>HK\$</i>	Year ending 31 December 2012 <i>HK\$</i>
Taipei Tenancy Agreement (expiring on 31 October 2010)	5,649,292	-	-
Pa-Der Tenancy Agreement (expiring on 31 December 2010)	210,907	-	-
Beijing Tenancy Agreement 1 (expiring on 30 November 2010 and will not be renewed)	2,934,014	-	-
Beijing Tenancy Agreement 2 (expiring on 30 November 2010 and will not be renewed)	765,395	-	-
Renewed Taipei Tenancy Agreement	1,129,858	6,779,150	5,649,292
Renewed Pa-Der Tenancy Agreement	-	225,972	225,972
Total:	<u>10,689,466</u>	<u>7,005,122</u>	<u>5,875,264</u>

Other than the Existing Tenancy Agreements, the Group has not entered into any other continuing connected transactions that are still subsisting with the landlords of the Renewed Tenancy Agreements and their associates within the previous 12 months from the execution date of the Renewed Tenancy Agreements.

Since the relevant percentage ratios (other than profits ratio) calculated on an annual basis by reference to the maximum aggregate sum of rentals payable by the Group under the Renewed Tenancy Agreements and the Existing Tenancy Agreements (where applicable) is greater than 0.1% but less than 5.0%, in accordance with Rule 14A.34 of the Listing Rules, these tenancy agreements are only subject to the reporting, announcement and annual review

“Board”	the board of directors of the Company
“Beijing Tenancy Agreement 1”	the tenancy agreement entered into between Beijing NB as tenant and Beijing ZAY as landlord dated 3 November 2008
“Beijing Tenancy Agreement 2”	the tenancy agreement entered into between NB Sanlian as tenant and Beijing ZAY as landlord dated 3 November 2008
“Beijing ZAY”	北京中澳意自然美美容美髮技術培訓有限公司 (Beijing Zhong Ao Yi Natural Beauty Cosmetics & Hair-Style Training Co Ltd), a company established in the PRC with limited liability and is beneficially owned by Dr. Tsai Yen-Yu, Dr. Su-Chien Cheng and Dr. Su Sh-Hsyu as to 20%, 40% and 40% respectively
“Company”	Natural Beauty Bio-Technology Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code : 00157)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Euro-Asia”	Euro-Asia Real Estate Appraiser Firm, a licensed independent real estate appraiser in Taiwan
“Existing Tenancy Agreements”	collectively, the Taipei Tenancy Agreement, the Pa-Der Tenancy Agreement, the Beijing Tenancy Agreement 1 and the Beijing Tenancy Agreement 2
“Greater China Region”	PRC, Hong Kong and Taiwan
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“NB Sanlian”	上海自然美三聯化妝品有限公司 (Shanghai Natural Beauty Sanlian Cosmetics Co., Ltd), a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company
“Pa-Der Premises”	the premises at 7/F, No. 439, Section 2, Pa-Der Road, Taipei, Taiwan
“Pa-Der Tenancy Agreement”	the tenancy agreement entered into between Taiwan NB as tenant and Dr. Su Chien-Cheng as landlord dated 3 November 2008
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong and Macau Special Administrative Region of the PRC and Taiwan
“Renewed Pa-Der Tenancy Agreement”	the tenancy agreement entered into between Taiwan NB as tenant and Dr. Su Chien-Cheng as landlord dated 29 October 2010 on terms similar to the Pa-Der

Tenancy Agreement

“Renewed Taipei Tenancy Agreement”	the tenancy agreement entered into between Taiwan NB as tenant and Dr. Tsai Yen-Yu as landlord dated 29 October 2010 on terms similar to the Taipei Tenancy Agreement
“Renewed Tenancy Agreements”	collectively, the Renewed Taipei Tenancy Agreement and the Renewed Pa-Der Tenancy Agreement
“RMB”	Renminbi, being the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Taipei Premises”	the premises at No. 8 of Jhuangjing Road and 2/F, 2/F-1, 3/F & 4/F of No. 9 Songqin Street, Sinyi District, Taipei, Taiwan
“Taipei Tenancy Agreement”	the tenancy agreement entered into between Taiwan NB as tenant and Dr. Tsai Yen-Yu as landlord dated 3 November 2008
“Taiwan NB”	自然美生物科技股份有限公司 (Natural Beauty Bio-Technology Company Limited), a company with limited liability incorporated in Taiwan and is an indirect wholly owned subsidiary of the Company
“TWD”	Taiwan Dollar, the lawful currency of Taiwan, Republic of China

Unless otherwise stated, for illustration purpose, the exchange rate used in this announcement is HK\$1.00 to TWD3.9828 and HKD1.00 to RMB0.8623.

By Order of the Board
Natural Beauty Bio-Technology Limited
Dr. Tsai Yen-Yu
Chairperson

As at the date of this announcement, the board of the Company comprises Dr. Tsai Yen-Yu and Mr. Lee Ming-Ta as executive directors, Dr. Su Chien-Cheng, Dr. Su Sh-Hsyu, Mr. Patrick Thomas Siewert, Mr. Gregory Michael Zeluck, Ms. Janine Junyuan Feng and Ms. Christina Shieu-Yeing Ng as non-executive directors and Mr. Francis Goutenmacher, Ms. Su-Mei Thompson, Mr. Chen Ruey-Long and Mr. Yang Tze-Kaing as independent non-executive directors.

Hong Kong, 29 October 2010