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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that it is expected that the consolidated results of the Group for the year ended 31 December 2010 may experience a significant decline as compared to the results of the same period last year.

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

This announcement is made by Natural Beauty Bio-Technology Limited (the “Company” together with its subsidiaries, the “Group”) pursuant to Rule 13.09(1) 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 and potential investors that it is expected that the consolidated profit of the Group for the year ended 31 December 2010 may experience a significant decline as compared to the same period last year. Such decline is primarily attributable to: (i) decline in sales due to change of trade inventory strategy; (ii) higher operating costs due to one-off marketing expense and staff costs of the new management team; (iii) loss-making business exit costs; and (iv) further non-cash provision for slow moving and obsolete inventory. Majority of the decline of full year profit was contributed by the decline of profit for the first half of the year.

As the Company is still in the process of finalizing the results of the year ended 31 December 2010, the information contained in this announcement is only based on the preliminary assessment by the Company's management according to the unaudited management accounts of the Group and not based on information or figures audited or reviewed by the auditors of the Company.

The Board would like to inform the shareholders of the Company that with the continuing strong cash flow from our operations, the final dividend will not be less than that of last year, despite the decline in consolidated results for the year ended 31 December 2010.

Shareholders of the Company and potential investors should read the Group's financial results announcement for the year ended 31 December 2010 carefully, which is expected to be published on 24 March 2011.

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

By order of the Board
Natural Beauty Bio-Technology Limited
Dr. Tsai Yen-Yu
Chairman

Hong Kong, 16 February 2011

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.