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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 TRANSACTION

RENEWED CONSULTANCY SERVICES AGREEMENT

The Board announces that on 14 December 2011, the Company and CA NB entered into the Renewed Consultancy Services Agreement, pursuant to which the Company agreed to retain CA NB for the provision of certain consultancy services.

Since the annual consultancy fee payable by the Company to CA NB under the Renewed Consultancy Services Agreement does not exceed 5% of the applicable percentage ratios (other than the profits ratio) set out in Rule 14.07 of the Listing Rules, the provision of services by CA NB to the Company under the Renewed Consultancy Services Agreement is only subject to the reporting and announcement requirements and is exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

On 17 August 2010, the Company and CA NB entered into the Consultancy Services Agreement, pursuant to which the Company agreed to retain CA NB for the provision of certain consultancy services for a period from 17 August 2010 to 31 December 2011. The Board announces that on 14 December 2011, the Company and CA NB entered into the Renewed Consultancy Services Agreement. The details of the Renewed Consultancy Services Agreement are set out below:

THE PRINCIPAL TERMS OF THE RENEWED CONSULTANCY SERVICES AGREEMENT

Date	:	14 December 2011
Parties	:	The Company; and CA NB
Services	:	CA NB shall provide the Company with consultancy services in connection with its operation and management (the scope of services can be adjusted by the Parties from time to time subject to their mutual agreement in writing)
Term	:	36 months, i.e. from 1 January 2012 to 31 December 2014, both dates inclusive

Monthly fee : HK\$368,000 per calendar month, payable on or prior to the last working day of each calendar month

The annual cap of the consultancy fee payable by the Company under the Renewed Consultancy Services Agreement are as follows:

	Year ending 31 December 2012 <i>HK\$</i>	Year ending 31 December 2013 <i>HK\$</i>	Year ending 31 December 2014 <i>HK\$</i>
Total:	4,416,000	4,416,000	4,416,000

IMPLICATIONS UNDER THE LISTING RULES

As CA NB is a substantial shareholder of the Company which indirectly holds approximately 32.815% of the issued share capital of the Company, CA NB is a connected person of the Company and the provision of services by CA NB to the Company under the Renewed Consultancy Services Agreement constitutes a continuing connected transaction for the Company under Rule 14A.14 of the Listing Rules. Further, each of Mr. Patrick Thomas Siewert, Mr. Gregory Michael Zeluck, Ms. Feng Janine Junyuan and Ms. Ng Shieu-Yeing Christina, each a non-executive Director, is also a director of Carlyle which ultimately owns CA NB. Each of the said Directors has abstained from voting on the board resolution approving the Renewed Consultancy Services Agreement.

Since the annual consultancy fee payable by the Company to CA NB under the Renewed Consultancy Services Agreement does not exceed 5% of the applicable percentage ratios (other than the profits ratio) set out in Rule 14.07 of the Listing Rules, the provision of services by CA NB to the Company under the Renewed Consultancy Services Agreement is only subject to the reporting and announcement requirements and is exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

REASONS FOR THE TRANSACTION

CA NB, the principal activities of which is investment holding and the provision of consultancy services, has experienced professionals in the field of operation and management of businesses. The Directors believe that CA NB's personnel can assist the Company in the following manner:-

1. assisting the Company to review, prepare, draft and conduct business proposals and functions from time to time;
2. providing management staff or consultation, advice and solutions to operational, management and decision-making level or issues of the Company;
3. providing third party advisory search and supervisory services when needed as a result of the operational requirements of the Company; and
4. providing any other management and consultation services as requested by the Company from time to time.

As the consultancy fees payable by the Company under the Renewed Consultancy Services Agreement were determined after arm's length negotiations between the Parties having regard to (i) the services to be provided by CA NB under the Renewed Consultancy Services Agreement; (ii) the experience and expertise of the relevant personnel of CA NB; and (iii) the current market situation, the Directors (including the independent non-Executive Directors) believe that the terms of the Renewed Consultancy Services Agreement (including the consultancy fees payable thereunder) are on normal commercial terms and fair and reasonable, and are also in the interests of the Company and the Shareholders as a whole.

INFORMATION ABOUT CA NB

CA NB is an exempted company incorporated in the Cayman Islands with limited liability on 30 September 2009. The principal activities of CA NB is investment holding and the provision of consultancy services. CA NB is ultimately owned by Carlyle Asia Partners III, L.P. (the “Fund”), a Cayman Islands limited liability partnership that was launched in 2007. The Fund is advised by investment advisory entities within Carlyle, including Carlyle Asia Investment Advisors Limited, an entity established in Hong Kong. Carlyle Asia Investment Advisors Limited has offices in Hong Kong, Mumbai, Seoul, Beijing, Shanghai, Singapore and Sydney. Carlyle Asia Investment Advisors Limited acts as the Asian investment advisor to various Asian focused investment funds managed by Carlyle. Each of Mr. Patrick Thomas Siewert, Mr. Gregory Michael Zeluck, Ms. Feng Janine Junyuan and Ms. Ng Shieu-Yeung Christina, each a non-executive Director, is also a director of Carlyle.

INFORMATION ABOUT THE COMPANY

The Company is listed on the main board of the Stock Exchange and the principal business of the Group is to manufacture and distribute beauty and spa products, and to operate a spa franchise network in the Greater China Region.

DEFINITIONS

In this announcement, the following terms have the following meanings:

“Board”	the board of Directors
“Carlyle”	The Carlyle Group, including Carlyle Asia Investment Advisors Limited, an entity established in Hong Kong. Carlyle Asia Investment Advisors Limited has offices in Hong Kong, Mumbai, Seoul, Beijing, Shanghai, Singapore and Sydney. Carlyle Asia Investment Advisors Limited acts as the Asian investment advisor to various Asian focused investment funds
“CA NB”	CA NB Limited, a company incorporated in the Cayman Islands with limited liability
“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
“Consultancy Services Agreement”	a consultancy services agreement dated 17 August 2010 and entered into between CA NB and the Company for a period from 17 August 2010 to 31 December 2011
“Directors”	the directors of the Company
“Greater China Region”	PRC, Hong Kong, Macau 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
“Parties”	the parties to the Renewed Consultancy Services Agreement

“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 Consultancy Services Agreement”	a consultancy services agreement dated 14 December 2011 and entered into between CA NB and the Company for the provision of consultancy services by CA NB during the a period from 1 January 2012 to 31 December 2014, both dates inclusive
“Stock Exchange”	the Stock Exchange of Hong Kong Limited

By Order of the Board
Natural Beauty Bio-Technology Limited

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. Feng Janine Junyuan and Ms. Ng Shieu-Yeing Christina 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, 14 December 2011