

*The Stock Exchange of Hong Kong Limited (the "Stock Exchange") takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims 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:157)**

## **DISCLOSEABLE TRANSACTION DISPOSAL OF INVESTMENT PROPERTY IN TAIWAN**

The Board announces that on 10 April 2007, NBTW, an indirectly wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement whereby NBTW agrees to sell the Property to the Buyer for a total consideration (tax included) of NTD677.0 million (approximately HK\$159.5 million).

This announcement is made pursuant to Rule 14.06 of the Listing Rules as the relevant percentage ratios are more than 5% but less than 25% and the transaction under the Sale and Purchase Agreement is subject to the publication of an announcement but is exempted from independent shareholders' approval.

### **SALE AND PURCHASE AGREEMENT**

Date:	10 April 2007
Parties:	Chen Kuo Shien (陳國勳) as the buyer NBTW as the seller
Address of the Property:	1st-10th Floors and B1-3, Nos. 186 and 188, Section 2, Chun-Hsin Road, Hsin-Tien City, Taipei, Taiwan
Consideration:	NTD677,000,000 (Approximately HK\$159,496,772) (tax included) (including NTD472,000,000 being the price of the land and NTD205,000,000 being the construction price respectively)
Payment terms:	By four instalments: Deposit: NTD13,500,000, being part payment of the price of the land which had already paid by the Buyer on the date of signing of the Sale and Purchase Agreement 2nd payment: NTD10,000,000, being part payment of the price of the land and to be paid by the Buyer on 10 May 2007 at 10:30 a.m. (Taiwan time) when the relevant documents in respect of the Disposal will be delivered 3rd payment: NTD13,500,000, being part payment of the price of the land and to be paid by the Buyer within 10 days after the assessment of value-added tax and sales tax in respect of the Disposal is completed

- Balance: NTD640,000,000, being balance of the price of the land of NTD435,000,000 and balance of the construction price of NTD205,000,000 respectively and to be paid by the Buyer upon completion of the title registration and the Loan having been advanced to the Buyer
- Completion Date: On or before 31 July 2007, or such earlier date as agreed by both parties if the Buyer's Loan application is approved on an earlier date
- Taxation and Utilities:
- (a) Tax and utilities payable in connection with the Property (including property tax, premium tax, water and electricity, gas and management fee and other necessary tax and utilities) accrued on or before the Completion Date shall be borne by NBTW and all such tax accrued since the day after the Completion Date shall be borne by the Buyer.
  - (b) Land value-added tax and all applicable charges and agent fees in connection with the cancellation of the mortgage or other prior registration amendments shall be borne by NBTW.
  - (c) Sales tax, stamp duty, property registration transfer charges and related agent fees shall be borne by the Buyer.
- Existing Leases:
- (a) The Property is sold subject to and with the benefit of the Existing Leases and all the Existing Leases will be continued after the Completion Date.
  - (b) NBTW is entitled to and reserves the right to claim from the lessees all rent and rental proceeds and other moneys due and owing to NBTW by the lessees under their respective Existing Leases up to and inclusive of the Completion Date.
  - (c) The Buyer is entitled to and reserves the right to claim from the lessees all rent and rental proceeds and other moneys due and owing by the lessees under their respective Existing Leases after and exclusive of the Completion Date.
- Loan:
- (a) The Buyer shall apply for the Loan from financial institutions and execute the relevant financing documents.
  - (b) Unless otherwise agreed by both parties, the Buyer shall be obliged to pay the deficit in cash if the Loan advanced to the Buyer is insufficient for the Buyer to pay the balance of the consideration in full on the Completion Date.
  - (c) Loan facility obtained by NBTW in respect of the Property shall be fully repaid and settled before payment of the balance of the consideration by the Buyer.
- Warranties:
- (a) NBTW warrants that the Property is not subject to any other agreement for sale or registration limitation or litigation proceedings. The Property does not infringe the rights of third parties and is free of encumbrance. NBTW shall be exclusively liable for any third party claims or other disputes in relation to the title of the Property.
  - (b) Before the delivery of the Property and where radio-active steel and sea sand are found upon examination, or in the event of force majeure (such as natural disaster), the Buyer is entitled to rescind the Sale and Purchase Agreement and NBTW shall fully refund all sums received without interests within one month after confirmation of the event. In such circumstances, both parties are not entitled to any damages and NBTW shall bear applicable charges and agent fees.
  - (c) Before the delivery of the Property and upon receipt of government notice of reclamation of part or whole of the Property, the Buyer is entitled to rescind the Sale and Purchase Agreement. However, if such event occurs after delivery of the Property, the Buyer is not entitled to damages nor to rescind the Sale and Purchase Agreement.
  - (d) The Property shall be delivered together with fixture annexed inside or outside of the Property, as well as kitchen and bathroom on an "as is" basis at the time of the signing of the Sale and Purchase Agreement. The existing ancillary water, electricity and hygiene facility shall be kept at normal condition. NBTW shall be liable for repair if water leakage occurs before the delivery of the Property.

- (e) NBTW shall vacate all registrations using the Property as registered address (other than registrations effected by the lessee(s)) before the delivery of the Property. In this connection, NBTW shall remove all items occupied by third party (other than the lessee(s)) or items not included in the Sale and Purchase Agreement before delivery of the Property.

Warranties (b) and (c) above are usual terms in a standard sale and purchase of properties in Taiwan.

#### **REASON FOR ENTERING INTO THE SALE AND PURCHASE AGREEMENT**

The Group is engaged in manufacturing and selling of skin care, beauty and aromatherapeutic products and provision of skin treatments, beauty and spa services and skin care consulting and beauty training. The Directors consider the investment of the Property is not the core business of the Group and it had not generated sufficient financial returns.

The Property is a 10-storey (excluding the basement levels) industrial property with 30 parking spaces located in Taipei, Taiwan. The total gross floor area of the Property is approximately 11,854.79 square metres (excluding the area of the parking spaces of 1,375.55 square metres). The Property was acquired by the Company as an investment property in 1998. About 90% of the Property is leased out to various lessees.

The profits attributable to the Property for the two financial years immediately preceding the transaction are as follows:

	2005 <i>HK\$</i>	2006 <i>HK\$</i>
Profit before tax	5,577,497	<b>5,950,534</b>
Profit after tax	4,183,123	<b>4,462,900</b>

The Property was valued by an independent valuer at the market value of NTD661,150,000 (HK\$157,758,476) as at 31 December 2006. Rents and receivables are taken into account for the purpose of valuation and the valuation is based on the assumption that the Property is sold in an open market subject to the Existing Lease(s). A gain on disposal of approximately NTD1,600,000 (HK\$376,950) is expected through the transaction.

Given that the Property is not part of the core businesses of the Group, the Directors consider that it is in the interests of the Company and its shareholders that the Property be disposed of. Part of the proceeds arising out of the Disposal will be distributed to the shareholders of the Company and will be used in other core businesses in line with the business strategy of the Group, details of which are yet to be approved by the Board. There is no adverse impact on the Group after the Disposal, and the Group can better allocate its resources to other more profitable areas.

To the best of the Board's knowledge, information and belief, having made all reasonable enquiries, the Buyer is an independent third party and is not a connected person (as defined in the Listing Rules) of the Company.

The Directors, including the Independent Non-executive Directors, consider that the terms of the Sale and Purchase Agreement are normal commercial terms which are arrived at after arm's length negotiations between the parties and are fair and reasonable and in the interests of the Company and its shareholders taken as a whole.

#### **GENERAL**

As the relevant percentage ratios under Rules 14.06 of the Listing Rules are more than 5% but less than 25%, the Disposal constitutes discloseable transaction of the Company under Chapter 14 of the Listing Rules.

A circular containing further information on the Disposal will be dispatched to the shareholders of the Company in accordance with the relevant requirements of the Listing Rules as soon as practicable.

#### **DEFINITIONS**

"Board"	the board of directors of the Company
"Buyer"	Chen Kuo Shien (陳國勳), holder of Taiwan identity card number A100136391
"Company"	Natural Beauty Bio-Technology Limited, a company incorporated in the Cayman Islands, whose shares are listed on the main board of the Stock Exchange (Stock Code: 157)
"Completion Date"	on or before 31 July 2007, or such earlier date as agreed by both parties in the case if the Loan is approved on an earlier date
"Directors"	directors of the Company
"Disposal"	the disposal of the Property pursuant to the Sale and Purchase Agreement
"Existing Leases"	All such leases in respect of the whole or any part of the Property entered or to be entered into between NBTW as landlord and other parties as lessee(s) before the Completion Date
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange

“Loan”	a loan facility to be obtained by the Buyer from financial institution(s) to finance the acquisition of the Property
“Property”	One block of investment property located at 1st-10th Floors and B1-3, Nos. 186 and 188, Section 2, Chun-Hsin Road, Hsin-Tien City, Taipei, Taiwan, to be sold to the Buyer pursuant to the Sale and Purchase Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“NBTW”	Natural Beauty Cosmetic Co., Ltd (自然美化粧品股份有限公司), an indirectly wholly-owned subsidiary of the Company incorporated under the laws of Taiwan
“NTD”	New Taiwan dollars, the lawful currency of Taiwan
“Sale and Purchase Agreement”	A sale and purchase agreement dated 10 April 2007 entered into between NBTW and the Buyer in relation to the Disposal
“Taiwan”	Taiwan, Republic of China

The exchange rate used for reference purpose in this announcement is HK\$1.00 to NTD4.2446.

By Order of the Board  
**Natural Beauty Bio-Technology Limited**  
**Su Chien Cheng**  
*Executive Director*

*As of the date hereof, the executive directors of the Company are Dr. Tsai Yen Yu, Mr. Lee Ming Ta, Mr. Su Chien Cheng and Dr. Su Sh Hsyu. The independent non-executive directors of the Company are Mr. Yeh Liang Fei, Mrs. Chen Shieh Shu Chen and Mr. Chen Ching.*

Hong Kong, 13 April 2007

“Please also refer to the published version of this announcement in The Standard.”