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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 **Natural Beauty Bio-Technology Limited**, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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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:157)

**PROPOSED ELECTION OF DIRECTORS,
PROPOSED GENERAL MANDATES
TO REPURCHASE AND ISSUE SHARES
AND
NOTICE OF AGM**

A notice convening the Annual General Meeting ("AGM") of Natural Beauty Bio-Technology Limited (the "Company") to be held at Gloucester Room, Mandarin Oriental Hotel at 5 Connaught Road, Central, Hong Kong on Friday, 15 June 2007 at 3:00 pm, is set out in the 2006 annual report of the Company.

Whether or not you propose to attend the meeting, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Hong Kong Registrars Limited at Shops 1712 – 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the proxy form will not preclude shareholders from attending and voting in person at the meeting should they so wish.

30 April 2007

LETTER FROM THE CHAIRMAN



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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:157)

Executive Directors:

Dr. Tsai Yen Yu (Chairman) (alias Tsai Yen Pin)

Lee Ming Ta (alias Lee Ming Tah)

Su Chien Cheng

Dr. Su Sh Hsyu

Registered Office:

P.O. Box 309

Ugland House

South Church Street

George Town

Grand Cayman

Cayman Islands

British West Indies

Independent Non-Executive Directors:

Yeh Liang Fei

Chen Shieh Shu Chen

Chen Ching

Head Office and Principal

Office in Hong Kong:

17/F Chuang's Tower

30-32 Connaught Road Central

Central, Hong Kong

30 April 2007

To the Shareholders:

Dear Sirs or Madams,

PROPOSED ELECTION OF DIRECTORS AT THE AGM

In accordance with the Company' Articles of Association, Mr. Yeh Liang Fei and Mr. Chen Ching who were appointed as the Independent Non-Executive Directors of the Company during the year, will retire by rotation at the AGM and being eligible, have offered themselves for re-election at the AGM.

Details of the above Directors that are required to be disclosed under the Rules (the "Listing Rules") Governing the Listing of Securities of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") are set out in Appendix I to this circular.

PROPOSED GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES

By resolutions of the shareholders of the Company ("Shareholders") passed on 16 May 2006, the directors of the Company (the "Directors") were granted a general mandate

LETTER FROM THE CHAIRMAN

to allot, issue and deal with the shares of HK\$0.10 each in the issued share capital of the Company (the “**Shares**”) and a general mandate to repurchase the Shares. These mandates will expire at the conclusion of the forthcoming AGM. Resolutions will be proposed at the forthcoming AGM to seek the Shareholders’ approval for the renewal of these general mandates.

The purpose of this document is to provide you with information regarding some of the resolutions to be proposed at the AGM to enable Shareholders to make an informed decision on whether to vote, for or against the resolutions.

The resolutions include (i) re-electing two Directors who will retire at the AGM; (ii) granting to the Directors a general and unconditional mandate to repurchase the Shares up to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution (the “**Repurchase Mandate**”); (iii) granting to the Directors a general and unconditional mandate (a) to allot, issue and deal with new Shares representing up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution (the “**Share Issue Mandate**”) and (b) to extend the Share Issue Mandate by the nominal amount of any Shares repurchased by the Company pursuant to the Repurchase Mandate.

GENERAL MANDATE TO REPURCHASE SHARES

At the AGM, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to exercise all the powers of the Company to repurchase Shares at any time until the next annual general meeting of the Company following the passing of the resolution or such earlier date as stated in the resolution. The maximum number of Shares that may be repurchased pursuant to the Repurchase Mandate will be such number of shares which represents 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution.

In accordance with the Listing Rules, the Company is required to send to Shareholders an explanatory statement which is set out in the Appendix II of this circular.

GENERAL MANDATE TO ISSUE SHARES

At the AGM, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to allot, issue and deal with new Shares at any time until the next annual general meeting of the Company following the passing of the resolution or such earlier date as stated in the resolution representing up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution.

Subject to the passing of the aforesaid ordinary resolutions of the Repurchase Mandate and the Share Issue Mandate, an ordinary resolution will also be proposed to authorize the Directors to allot and issue shares in the capital of the Company in the amount not exceeding the aggregate nominal amount of the shares in the capital of the Company repurchased pursuant to the Repurchase Mandate.

LETTER FROM THE CHAIRMAN

PROCEDURE FOR DEMANDING A POLL

The procedure by which Shareholders may demand a poll at the AGM pursuant to clause 81 of the articles of association of the Company is as follows:

A resolution put to the vote of the AGM shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded. A poll may be demanded by:

- (a) the chairman of the AGM; or
- (b) at least five Shareholders present in person or by proxy and entitled to vote; or
- (c) any Shareholder or Shareholders present in person or by proxy or, in the case of Shareholder being a corporation, by its duly authorized representative and representing in the aggregate not less than one-tenth of the total voting rights of all Shareholders having the right to attend and vote at the AGM; or
- (d) any Shareholder or Shareholders present in person or by proxy or, in the case of Shareholder being a corporation, by its duly authorized representative and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

The notice of AGM, which contains, inter alia, ordinary resolutions to approve re-election of Directors, the Repurchase Mandate, Share Issue Mandate and the extension of the Share Issue Mandate is set out in the annual report accompanying this circular.

RECOMMENDATION

The Board of Directors considers that the ordinary resolutions as set out in the notice of AGM including the re-election of Directors, grant of the Repurchase Mandate, Share Issue Mandate and the extension of the Share Issue Mandate are in the best interests of the Company and its Shareholders and therefore recommend you to vote in favour of the ordinary resolutions to be proposed at the AGM.

Yours faithfully,
Dr. Tsai Yen Yu
Chairman

APPENDIX I DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

The following are the particulars of the two Directors (as required by the Listing Rules) proposed to be elected at the AGM to be held on 15 June 2007:

1. **Mr. Yeh Liang Fei**, aged 75, worked in the police force of Taiwan for more than 40 years. Mr. Yeh held senior positions in several police bureaus in Taiwan. After his retirement from the police force, Mr. Yeh was appointed the honorary President of Ta Feng Securities Co., Ltd. in Taiwan. He is very experienced in administration and human resources management in large organisations. Mr. Yeh graduated from Central Police Officer College of Taiwan. He was appointed as the Company's independent non-executive director in March 2002.

After Mr. Yeh's re-election at the forthcoming AGM, he will continue to serve on the board of Directors for a period of approximately 3 years until he is due to retire by rotation again in accordance with the Articles of Association. Mr. Yeh has entered into a service contract dated 11 March 2005 ("**Yeh Service Contract**") with the Company in respect of his appointment as Independent Non-Executive Director of the Company for a term of 3 years commencing 11 March 2005. Pursuant to the Yeh Service Contract, Mr. Yeh is entitled to a Director's remuneration at the rate of HK\$20,000 per annum.

As at the Latest Practicable Date (as defined hereinafter), Mr. Yeh was not interested in and did not have any short positions in any Shares or underlying Shares in or any debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

Save as disclosed herein, there is no other information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters relating to Mr. Yeh's re-election that need to be brought to the attention of the Shareholders.

2. **Mr. Chen Ching**, aged 44, is the Independent Non-Executive Director of the Group. He is also the Managing Partner of Dinkum & Co, CPAs in Taiwan and has over 15 years of experience in accounting. He was a part-time lecturer of the Accounting Information Department in Takming College from 2000 to 2001 and Accounting Department in Chung Kuo Institute of Technology from 2001 to 2002, respectively, both of which are tertiary academic institutions in Taiwan. Mr. Chen is an Independent Director of Yufo Electronics Corporation, a company listed on the GreTai Securities Market (Over-The-Counter Market) in Taiwan. Mr. Chen graduated from the National Cheng-Chi University with a master of science degree in accounting and is a member of Certified Public Accountants Association of Taiwan.

After Mr. Chen's re-election at the forthcoming AGM, he will continue to serve on the board of Directors for a period of approximately 3 years until he is due to retire by rotation again in accordance with the Articles of Association. Mr. Chen has entered

APPENDIX I DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

into a service contract dated 21 September 2004 (“**Chen Service Contract**”) with the Company in respect of his appointment as Independent Non-Executive Director of the Company for a term of 3 years commencing 21 September 2004. Pursuant to the Chen Service Contract, Mr. Chen is entitled to a Director’s remuneration at the rate of HK\$48,000 per annum.

As at the Latest Practicable Date (as defined hereinafter), Mr. Chen was not interested in and did not have any short positions in any Shares or underlying Shares in or any debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

Save as disclosed herein, there is no other information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters relating to Mr. Chen’s re-election that need to be brought to the attention of the Shareholders.

This explanatory statement contains the information required under Rule 10.06(l)(b) of the Listing Rules. Its purpose is to provide Shareholders with information reasonably necessary to enable them to make an informed decision on whether to vote for or against the resolution approving the Repurchase Mandate.

1. Share Capital

As at 25 April 2007, being the Latest Practicable Date, the issued and fully-paid share capital of the Company was 2,000,000,000 shares of HK\$0.10 each.

Subject to the passing of the ordinary resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 200,000,000 Shares.

2. Reasons for Repurchases

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders. Whilst it is not possible to anticipate in advance any specific circumstance in which the Directors might think it appropriate to repurchase Shares, they believe that an ability to do so would give the Company additional flexibility that would be beneficial to the Company and its Shareholders as such repurchases may, depending on market conditions and funding arrangements at that time, lead to an enhancement of the net asset value per Share and/or earnings per Share. Shareholders can be assured that the Directors would only make such purchases in circumstances where they consider them to be in the best interests of the Company and the Shareholders.

3. Funding of Repurchases

In making repurchases, the Company may only apply funds legally available for such purposes in accordance with its memorandum and articles of association of the Company and the laws of the Cayman Islands. The Company may not purchase shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

On the basis of the consolidated financial position of the Company as at 31 December 2006 (being the date to which the latest published audited financial statements of the Company have been made up) and in particular the working capital position of the Company at that time and the number of issued Shares now in issue, the Directors consider that there might be a material adverse impact on the working capital position but that there would not be any material adverse impact on the gearing position of the Company in the event that purchases of all the Shares, the subject of the Repurchase Mandate, were to be carried out in full during the period of the Repurchase Mandate. The Directors do not propose to exercise the Repurchase Mandate to such extent as could, in the circumstance, have a material adverse effect on the working capital or the gearing level of the Company which in the opinion of the Directors is from time to time appropriate for the Company.

4. Prices of Shares

The highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the previous twelve months prior to the Latest Practicable Date were as follows:

	Price per Share	
	Highest	Lowest
	traded price	traded price
	HK\$	HK\$
2006		
April	0.80	0.68
May	0.70	0.63
June	0.69	0.61
July	0.64	0.59
August	0.65	0.61
September	0.68	0.63
October	0.90	0.67
November	1.09	0.84
December	1.13	0.98
2007		
January	1.26	1.10
February	1.40	1.24
March	1.52	1.30

5. Undertaking

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules, the memorandum and articles of association of the Company and the applicable laws of the Cayman Islands.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates, has any present intention to sell any Shares to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

No connected persons (as defined in the Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company or its subsidiaries, or has undertaken not to do so, in the event that the Repurchase Mandate is granted by the Shareholders.

6. Hong Kong Code on Takeovers and Mergers

If a Shareholder's proportionate interest in the voting capital of the Company increases as a result of a share repurchase, such increase will be treated as an acquisition

for the purposes of Rule 32 of the Hong Kong Code on Takeovers and Mergers (the “Code”) and, if such increase results in a change of control, may in certain circumstances give rise to an obligation to make a general offer for Shares under Rule 26 of the Code.

As at the Latest Practicable Date, each of Dr. Tsai Yen Yu, Mr. Su Chien Cheng and Dr. Su Sh Hsyu had, together with their respective associates, indirect and/or deemed interests in Shares representing approximately 49.0%, 10.5% and 10.5% of the issued share capital of the Company respectively (70% in aggregate). To the best of the knowledge and belief of the Company, Dr. Tsai Yen Yu, Mr. Su Chien Cheng and Dr. Su Sh Hsyu, together with their respective associates, are the only persons beneficially interested in Shares representing 10% or more of the issued share capital of the Company.

In the event that the Directors exercised in full the power to repurchase Shares which is proposed to be granted pursuant to resolution 5B set out in the notice convening the AGM, the indirect and/or deemed shareholdings of each of Dr. Tsai Yen Yu, Mr. Su Chien Cheng and Dr. Su Sh Hsyu, together with their respective associates, in the Company would be increased to approximately 54.44%, 11.67% and 11.67% of the issued share capital of the Company respectively (77.78% in aggregate). Accordingly, a mandatory offer under Rule 26 of the Code on the part of Dr. Tsai Yen Yu may arise as a result of the exercise in full of the Repurchase Mandate. As at the date of this circular, the Company has no intention to exercise the Repurchase Mandate to such an extent that Dr. Tsai Yen Yu and her associates would become obliged to make a mandatory offer under the Code. As the Company must maintain the “minimum prescribed percentage” of 25% of the issued share capital of the Company held by the public in accordance with the requirements of the Listing Rules from time to time, the Directors do not intend to repurchase Shares to such an extent which will result in the amount of Shares held by the public being reduced to less than 25%.

7. Share Repurchases made by the Company

No purchases of Shares have been made by the Company, whether on the Stock Exchange or otherwise, in the six months immediately preceding the date of this circular.