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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)

## **CONTINUING CONNECTED TRANSACTIONS**

### **RENEWAL OF TENANCY AGREEMENTS**

The Board announces that on 29 October 2014, (a) the Renewed Taipei Tenancy Agreement was entered into between Taiwan NB 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 and Dr. Su Chien-Cheng, executive Directors of the Company, is a party to an agreement to which section 317 of the SFO applies in relation to 65.63% interest in the total issued share capital of the Company as at the date such agreement was entered into. As such, both Dr. Tsai Yen-Yu and Dr. Su Chien-Cheng are 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) are greater than 0.1% but less than 5.0%, in accordance with Rule 14A.76(2) of the Listing Rules, these tenancy agreements are only subject to the announcement, annual reporting and annual review requirements set out in Rule 14A.35, Rule 14A.49 and Rules 14A.55 to 14A.57 of the Listing Rules and are exempted from the circular (including independent financial advice) and shareholders' approval requirements.

## **INTRODUCTION**

Reference is made to the announcement of the Company dated 29 October 2012 in relation to the Existing Tenancy Agreements. The leases under the Taipei Tenancy Agreement and the Pa-Der Tenancy Agreement will expire on 31 October 2014 and 31 December 2014 respectively. With a view to renew the respective terms of such leases, the relevant 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 2014
Landlord	:	Dr. Tsai Yen-Yu
Tenant	:	Taiwan NB
Premises	:	The Taipei Premises
Area	:	A total gross floor area of approximately 2,677.85 square metres
Term	:	A period of 26 calendar months commencing on 1 November 2014 and expiring on 31 December 2016, both dates inclusive
Rental	:	TW\$2,250,000 (equivalent to approximately HK\$574,859.5) 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 2014
Landlord	:	Dr. Su Chien-Cheng
Tenant	:	Taiwan NB
Premises	:	The Pa-Der Premises
Area	:	A total gross floor area of approximately 255.71 square metres
Term	:	Two years commencing on 1 January 2015 and expiring on 31 December 2016, both dates inclusive
Rental	:	TW\$75,000 (equivalent to approximately HK\$19,162) per calendar month inclusive of government taxes but exclusive of gas, electricity and water charges, and all other outgoings
Deposit	:	Nil

## IMPLICATIONS UNDER THE LISTING RULES

Each of Dr. Tsai Yen-Yu and Dr. Su Chien-Cheng, executive Directors of the Company, is a party to an agreement to which section 317 of the SFO applies in relation to 65.63% interest in the total issued share capital of the Company as at the date such agreement was entered into. As such, both Dr. Tsai Yen-Yu and Dr. Su Chien-Cheng are 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 dated 29 October 2012, and the Renewed Tenancy Agreements were entered into between (i) a Group company as tenants; and (ii) landlords who are associated with each other, the tenancies under the Existing Tenancy Agreements and the Renewed Tenancy Agreements may be aggregated as a series of connected transactions under Rule 14A.81 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 is as follows:

	Year ending 31 December 2014 HK\$	Year ending 31 December 2015 HK\$	Year ending 31 December 2016 HK\$
Taipei Tenancy Agreement (expiring on 31 October 2014)	5,748,595	–	–
Pa-Der Tenancy Agreement (expiring on 31 December 2014)	229,944	–	–
Renewed Taipei Tenancy Agreement	1,149,719	6,898,314	6,898,314
Renewed Pa-Der Tenancy Agreement	–	229,944	229,944
	<hr/>	<hr/>	<hr/>
<b>Total:</b>	<u>7,128,258</u>	<u>7,128,258</u>	<u>7,128,258</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/or their respective associates within the 12-month period preceding 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) are greater than 0.1% but less than 5.0%, in accordance with Rule 14A.76(2) of the Listing Rules, these tenancy agreements are only subject to the announcement, annual reporting and annual review requirements set out in Rule 14A.35, Rule 14A.49 and Rules 14A.55 to 14A.57 of the Listing Rules and are exempted from the circular (including independent financial advice) and shareholders' approval requirements.

## **REASONS FOR THE TRANSACTIONS**

The Taipei Premises has been used as the headquarters and a training and spa centre of the Group in Taipei, Taiwan, providing a one-stop location for administration, training of franchisees as well as operation of the flagship store in Taiwan.

The terms of the Renewed Taipei Tenancy Agreement were negotiated on an arm's length basis between the parties thereto with reference to the prevailing market value of the monthly rental of the Taipei Premises at TW\$2,279,496 (equivalent to approximately HK\$582,396), as assessed by Euro-Asia.

The Pa-Der Premises has been used as a spa centre of the Group in Taipei, Taiwan.

The terms of the Renewed Pa-Der Tenancy Agreement were negotiated on an arm's length basis between the parties thereto with reference to the prevailing market value of the monthly rental of the Pa-Der Premises at TW\$85,096 (equivalent to approximately HK\$21,741), as assessed by Euro-Asia.

The Directors of the Company (excluding Dr. Tsai Yen-Yu, Dr. Su Chien-Cheng, Mr. Lee Ming-Ta (husband of Dr. Tsai Yen-Yu) and Dr. Su Sh-Hsyu (daughter of Dr. Tsai Yen-Yu and sister of Dr. Su Chien-Cheng), who abstained from participating in the approval of the Renewed Tenancy Agreements due to conflict of interest), including the independent non-executive Directors of the Company, consider that the terms of the Renewed Tenancy Agreements were entered into in the ordinary and usual course of business of the Group, were negotiated and conducted by the Group on an arm's length basis and on normal commercial terms, and such terms are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

## **FUNDING OF THE RENTALS**

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

## **PRINCIPAL BUSINESS OF THE COMPANY AND TAIWAN NB**

### **The Company**

The Company is listed on the Main Board of the Stock Exchange and is principally engaged in (a) manufacturing and selling of skin care, beauty and aromatherapeutic products and (b) provision of skin treatments, beauty and spa services and skin care consulting and beauty training.

### **Taiwan NB**

Taiwan NB is a company incorporated in Taiwan with limited liability and is an indirect wholly-owned subsidiary of the Company. It is engaged in the production and sale of skin care and beauty products.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of Directors of the Company
“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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Euro-Asia”	Euro-Asia Real Estate Appraisers Firm, a licensed independent real estate appraiser in Taiwan
“Existing Tenancy Agreements”	collectively, the Taipei Tenancy Agreement and the Pa-Der Tenancy Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Pa-Der Premises”	the premises at 7/F and 7/F-1, No. 439, Section 2, Pa-Der Road, Songshan District, Taipei, Taiwan
“Pa-Der Tenancy Agreement”	the tenancy agreement dated 29 October 2012 entered into between Taiwan NB as tenant and Dr. Su Chien-Cheng as landlord
“Renewed Pa-Der Tenancy Agreement”	the tenancy agreement in relation to the Pa-Der Premises dated 29 October 2014 entered into between Taiwan NB as tenant and Dr. Su Chien-Cheng as landlord on terms similar to the Pa-Der Tenancy Agreement
“Renewed Taipei Tenancy Agreement”	the tenancy agreement in relation to the Taipei Premises dated 29 October 2014 entered into between Taiwan NB as tenant and Dr. Tsai Yen-Yu as landlord on terms similar to the Taipei Tenancy Agreement
“Renewed Tenancy Agreements”	collectively, the Renewed Taipei Tenancy Agreement and the Renewed Pa-Der Tenancy Agreement
“SFO”	the 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 1/F of No. 8 of Jhuangjing Road and half of 1/F, 2/F, 2/F-1, 3/F & 4/F of No. 9 Songqin Street, Sinyi District, Taipei, Taiwan
“Taipei Tenancy Agreement”	the tenancy agreement dated 29 October 2012 entered into between Taiwan NB as tenant and Dr. Tsai Yen-Yu as landlord
“Taiwan”	Republic of China (Taiwan)
“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
“TW\$”	Taiwan dollar(s), the lawful currency of Taiwan

*Unless otherwise indicated, the exchange rate of HK\$1.00 to TW\$3.914 used in this announcement is for illustration purposes only and does not constitute a representation that any amount has been, could have been or may be converted at such or any other rates at all.*

By order of the Board  
**Natural Beauty Bio-Technology Limited**  
**Tsai Yen-Yu**  
*Chairperson*

Hong Kong, 29 October 2014

*As at the date of this announcement, the Board comprises Dr. Tsai Yen-Yu, Mr. Lee Ming-Ta and Dr. Su Chien-Cheng as executive directors, Mr. Patrick Thomas Siewert, Ms. Christina Shieu-Yeing Ng, Mr. Poon Yee Man Alwin, Dr. Su Sh-Hsyu and Mr. Gregory Michael Zeluck 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.*