

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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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 RE-ELECTION OF DIRECTOR,  
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION  
AND  
NOTICE OF THE EXTRAORDINARY GENERAL MEETING**

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A notice convening the EGM of the Company to be held at Unit 3512, 35/F, The Center, 99 Queen's Road Central, Hong Kong on 8 October 2007 at 3:00 p.m., is set out on page 6 of this circular.

Whether or not you propose to attend the EGM, 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 EGM or any adjournment thereof. Completion and return of the proxy form will not preclude shareholders from attending and voting in person at the EGM should they so wish.

27 August 2007

# CONTENTS

	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE CHAIRMAN</b> .....	2
<b>APPENDIX I – DETAILS OF DIRECTOR PROPOSED TO BE RE-ELECTED</b> .....	5
<b>NOTICE OF THE EGM</b> .....	6

## DEFINITIONS

*In this circular, the following expressions shall have the respective meanings set out below:*

“AGM”	the annual general meeting of the Company held on 15 June 2007 in Hong Kong
“Amendments”	the proposed amendments to the Articles as set out in the Letter from the Chairman and the Notice of the EGM in this circular
“Articles”	the memorandum and articles of association of the Company adopted by the Company on 11 March 2002 and as amended from time to time
“Board”	the board of directors of the Company
“Code”	the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules
“Company”	Natural Beauty Bio-Technology Limited, a limited liability company incorporated under the laws of the Cayman Islands
“Director(s)”	the director(s) of the Company
“EGM”	The extraordinary general meeting of the Company to be convened for the purpose of approving the Re-election and the Amendments by the Shareholders, the notice of which is contained on page 6 of this circular
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	24 August 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Re-election”	the re-election of Mrs. Chen Shieh Shu Chen as an Independent Non-executive Director of the Company
“SFO”	The Securities and Futures Ordinance
“Share(s)”	Existing ordinary share(s) of HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company

## 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)

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*Executive Directors:*

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

Mr. Lee Ming Ta (*alias Lee Ming Tah*)

Dr. Su Chien Cheng

Dr. Su Sh Hsyu

*Independent Non-Executive Directors:*

Mr. Yeh Liang Fei

Mrs. Chen Shieh Shu Chen

Mr. Chen Ching

*Company Secretary:*

Mr. Chan Yan Kwan, Andy

*Registered Office:*

P.O. Box 309

Ugland House

South Church Street

George Town

Grand Cayman

Cayman Islands

British West Indies

*Head Office and Principal Office*

*in Hong Kong:*

17/F Chuang's Tower

30-32 Connaught Road Central

Central, Hong Kong

27 August 2007

*To the Shareholders:*

Dear Sirs or Madams,

### PROPOSED RE-ELECTION OF DIRECTOR AT THE EGM

Mrs. Chen Shieh Shu Chen, an Independent Non-executive Director, having served on the Board as an Independent Non-executive Director since 2002, retired and was re-elected as an Independent Non-executive Director in 2004. According to Article 117 of the Articles, at each annual general meeting, one-third of the directors for the time being, or if the total number of Directors is not three or a multiple of three, such number of Directors nearest to but not exceeding one-third shall retire from office by rotation. As the Company has a total of 7 Directors at the time of the AGM, according to the Articles, the number of directors who were required to retire from office was 2 and as a result, Mrs. Chen did not retire from office at the AGM. However, according to Code A.4.2 of the Code, every Director should be subject to retirement by rotation at least once every 3 years. Mrs. Chen, who has been in office since her re-election in 2004, will have served the Company for 3 years by the end of 2007 and is therefore subject to retirement by rotation in 2007. In order to comply with Code A.4.2, Mrs. Chen will retire at the EGM and being eligible, offers herself for re-election at the EGM as an Independent Non-executive Director.

## LETTER FROM THE CHAIRMAN

Details of Mrs. Chen required to be disclosed under the Listing Rules are set out in Appendix I to this circular.

### PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Board notes that there is inconsistency between the Articles and the requirements set out in Code A.4.2 of the Code. The Board therefore wishes to seek the Shareholders' approval at the EGM for the Amendments, which shall provide that every Director, including those appointed for specific term, should be subject to retirement by rotation at least once every three years. Subject to the Shareholders' approval at the EGM, the Company shall file the Amendments with the authority in the Cayman Islands.

A full text of the Amendments is contained in resolution number 2 as a special resolution in the notice of the EGM set out on page 6 of this circular.

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

### PROCEDURE FOR DEMANDING A POLL

The procedure by which Shareholders may demand a poll at the EGM pursuant to Article 81 of the Articles is as follows:

A resolution put to the vote of the EGM 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 EGM; 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 EGM; or
- (d) any Shareholder or Shareholders present in person or by proxy or, in the case of a 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.

## LETTER FROM THE CHAIRMAN

### NOTICE OF THE EGM

The notice of the EGM, which contains, inter alia, an ordinary resolution to approve the Re-election and a special resolution to approve the Amendments is set out on page 6 of this circular.

### RECOMMENDATION

The Board considers that the ordinary resolution as set out in the notice of the EGM to approve the Re-election and the special resolution to approve the Amendments are in the best interests of the Company and its Shareholders and therefore recommend you to vote in favour of both resolutions to be proposed at the EGM.

Yours faithfully,  
**Dr. Tsai Yen Yu**  
*Chairman*

## APPENDIX I      DETAILS OF DIRECTOR PROPOSED TO BE RE-ELECTED

The following is the particulars of the Director (as required by the Listing Rules) proposed to be elected at the EGM to be held on 8 October 2007:

**Mrs. Chen Shieh Shu Chen** (陳謝淑珍), aged 53, is a director of Taipei Australia International Investment Pty. Ltd., a company engaged in real estate development in Australia. Mrs. Chen is also a director of Ho Yin Garments Manufacturing Co., Ltd. in Taiwan. She has been a director of Taipei Australia International Investment Pty. Ltd. for over 10 years and is experienced in property investment, general management and global trading. Mrs. Chen graduated from Soochow University of Taiwan with a bachelor degree of Arts in History. She was appointed as an Independent Non-executive Director in March 2002. She was retired and re-appointed at the annual general meeting in 2004.

After the Re-election at the forthcoming EGM, Mrs. Chen will continue to serve on the board of Directors for a period of approximately 1 year. Mrs. Chen entered into a service contract (the “**Service Contract**”) with the Company which provides for a term of employment of a fixed term of 3 years from 11 March 2005. Pursuant to the Service Contract, Mrs. Chen is entitled to an Independent Non-executive Director’s remuneration at the rate of HK\$20,000 per annum subject to an annual increment at the discretion of the Directors of not more than 10% of the annual remuneration immediately prior to such increase. The Service Contract may be terminated by either Mrs. Chen or the Company by giving to the other party not less than three calendar months’ notice in writing.

Save as disclosed above, Mrs. Chen has not held any directorship in the Company and its subsidiaries or in any other listed companies in the last three years.

Mrs. Chen does not have any relationship with other Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company.

As at the Latest Practicable Date, Mrs. 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 of Hong Kong Limited 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 the Re-election that need to be brought to the attention of the Shareholders.

## NOTICE OF THE EGM



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### NOTICE OF THE EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the extraordinary general meeting (the “**Meeting**”) of Natural Beauty Bio-technology Limited (the “**Company**”) will be held at Unit 3512, 35/F, The Center, 99 Queen’s Road Central, Hong Kong on 8 October 2007 at 3:00 p.m for the following purposes:

#### ORDINARY RESOLUTION

1. To re-elect the retiring director Mrs. Chen Shieh Shu Chen as an Independent Non-executive Director of the Company and to authorize the board of directors to fix her remuneration.

#### SPECIAL RESOLUTION

2. As special business, to consider and, if thought fit, pass with or without amendments the following resolution as a special resolution:

**THAT** the Articles of Association of the Company be and are hereby amended by deleting Article 117 in its entirety and replacing it with the following:

“At each annual general meeting, one-third of the Directors for the time being, or if their number is not three or a multiple of three, then a number not less than one-third, shall retire from office by rotation such that every director is subject to retirement by rotation at least once every three years. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. A retiring Director shall retain office until the close of the meeting at which he retires, and shall be eligible for re-election thereat.”



## NOTICE OF THE EGM

3. To transact any other business.

By order of the Board

**Dr. Tsai Yen Yu**

*Chairman*

Hong Kong, 27 August 2007

*Notes:*

1. The register of members of the Company will be closed from 3 October 2007 to 8 October 2007, both days inclusive, during which period no transfer of shares in the Company can be registered. In order to qualify for attending and voting at the Meeting, all completed transfer forms together with the relevant share certificates must be lodged with the Company's branch share registrar, Hong Kong Registrars Limited at Shop 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 2 October 2007.
2. Any shareholder entitled to attend and vote at the Meeting is entitled to appoint one or more separate proxies to attend and, on a poll, to vote instead of him. A proxy need not be a shareholder of the Company.
3. To be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) must be deposited at the Company's principal office in Hong Kong at 17th Floor, Chuang's Tower, 30-32 Connaught Road Central, Hong Kong not less than 48 hours before the time fixed for holding the Meeting or any adjourned Meeting.

*As of the date hereof, the Executive Directors of the Company are Dr. Tsai Yen Yu, Mr. Lee Ming Ta, Dr. 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.*