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

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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 a stockbroker or other licensed securities dealer, 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, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or 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: 00157)

**PROPOSED RE-ELECTION OF RETIRING DIRECTORS  
AND  
PROPOSED GRANTING OF GENERAL MANDATES TO  
ISSUE NEW SHARES AND TO REPURCHASE SHARES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A letter from the Board is set out on pages 3 to 6 of this circular.

A notice convening the 2017 Annual General Meeting of Natural Beauty Bio-Technology Limited to be held at 10:00 a.m. on Thursday, 25 May 2017 at Room 2, United Conference Centre, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong is set out on pages 15 to 19 of this circular. A form of proxy for use in connection with the Annual General Meeting is also enclosed herewith. Such form of proxy is also published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.corpasia.net/hongkong/0157/irwebsite>).

Whether or not you are able to attend the Annual General Meeting, please complete, sign and return the accompanying form of proxy in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority to the Company's branch share registrar in Hong Kong, Hong Kong Registrars Limited at 17M 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 Annual General Meeting (i.e. not later than 10:00 a.m. on Tuesday, 23 May 2017) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting should you so wish.

19 April 2017

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## CONTENTS

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	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b>	
1. Introduction .....	3
2. Proposed Re-election of Retiring Directors .....	4
3. Proposed Granting of General Mandate to Issue Shares .....	4
4. Proposed Granting of General Mandate to Repurchase Shares .....	5
5. Proposed Extension of the Issuance Mandate .....	5
6. Annual General Meeting and Proxy Arrangement .....	5
7. Voting By Poll .....	6
8. Recommendations .....	6
9. Responsibility Statement .....	6
<b>Appendix I</b> – <b>Details of the Retiring Directors Proposed to be Re-elected at the Annual General Meeting</b> .....	7
<b>Appendix II</b> – <b>Explanatory Statement on the Share Repurchase Mandate</b> .....	12
<b>Notice of Annual General Meeting</b> .....	15

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at 10:00 a.m. on Thursday, 25 May 2017 (or at any adjournment thereof) at Room 2, United Conference Centre, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong, for the purpose of considering and if thought fit, approving, inter alia, the resolutions contained in the AGM Notice;
“AGM Notice”	the notice convening the AGM set out on pages 15 to 19 of this circular;
“Articles of Association”	the articles of association of the Company (as amended from time to time);
“Board”	the board of Directors or a duly authorised committee thereof;
“Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission in Hong Kong;
“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;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Issuance Mandate”	has the meaning ascribed to it in the paragraph headed “Proposed Granting of General Mandate to Issue Shares” of the Letter from the Board;

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## DEFINITIONS

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“Latest Practicable Date”	11 April 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Memorandum and Articles of Associations”	the memorandum of association and articles of association of the Company (as amended from time to time);
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company;
“Share Repurchase Mandate”	has the meaning ascribed to it in the paragraph headed “Proposed Granting of General Mandate to Repurchase Shares” of the Letter from the Board;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“%”	per cent.

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## LETTER FROM THE BOARD

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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)

*Executive Directors:*

Dr. TSAI Yen-Yu (*alias TSAI Yen-Pin*) (*Chairperson*)

Mr. LEE Ming-Ta (*alias LEE Ming-Tah*) (*Vice Chairman*)

Dr. SU Chien-Cheng

*Non-Executive Director:*

Dr. SU Sh-Hsyu

*Independent Non-Executive Directors:*

Mr. CHEN Ruey-Long

Mr. LU Chi-Chant

Mr. HSIEH Pang-Chang (*alias SHIA Ben-Chang*)

*Registered Office:*

P.O. Box 309

Ugland House

Grand Cayman

KY1-1104

Cayman Islands

*Principal Place of Business  
in Hong Kong:*

Level 54, Hopewell Centre

183 Queen's Road East

Hong Kong

19 April 2017

*To the Shareholders*

Dear Sir/Madam,

**PROPOSED RE-ELECTION OF RETIRING DIRECTORS  
AND  
PROPOSED GRANTING OF GENERAL MANDATES TO  
ISSUE NEW SHARES AND TO REPURCHASE SHARES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide the Shareholders with information regarding the following resolutions to be proposed at the AGM relating to:

- (a) the re-election of the retiring Directors;
- (b) the granting of the Issuance Mandate to the Directors to issue new Shares;

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## LETTER FROM THE BOARD

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- (c) the granting of the Share Repurchase Mandate to the Directors to repurchase Shares; and
- (d) the extension of the Issuance Mandate by adding to it the aggregate number of the issued Shares repurchased by the Company under the Share Repurchase Mandate.

The AGM Notice is set out in pages 15 to 19 of this circular.

### **2. PROPOSED RE-ELECTION OF RETIRING DIRECTORS**

Pursuant to Article 117 of the Articles of Association, 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 at the AGM and shall be eligible for re-election thereat. Dr. TSAI Yen-Yu (an Executive Director), Dr. SU Sh-Hysu (a Non-Executive Director) and Mr. CHEN Ruey-Long (an Independent Non-Executive Director), will retire by rotation and, being eligible, offer themselves for re-election at the AGM.

Details of the retiring Directors offering themselves for re-election are set out in Appendix I to this circular.

### **3. PROPOSED GRANTING OF GENERAL MANDATE TO ISSUE SHARES**

At the annual general meeting of the Company held on 25 May 2016, the Directors were given a general mandate to allot and issue new Shares representing up to 20% of the number of the Shares in issue as at the date of passing of such resolution. The mandate will expire at the conclusion of the AGM. At the AGM, an ordinary resolution will be proposed that the Directors be given a general mandate (the "Issuance Mandate") to allot, issue and deal with Shares or securities convertible into Shares, or options, warrants or similar rights to subscribe for Shares, and to make or grant offers, agreements or options which might require the exercise of such powers. The aggregate number of such securities allotted or agreed to be allotted under the Issuance Mandate shall not exceed 20% of the number of the Shares in issue on the date of passing the relevant resolution. In accordance with the Listing Rules, the Company may not make a new issue of Shares or announce a proposed new issue of Shares for a period of 30 days after any purchase by it of Shares without the prior approval of the Stock Exchange. The Issuance Mandate shall be in force during the period ending on the earlier of the date of the next annual general meeting or the date on which the Issuance Mandate is revoked or varied by ordinary resolution of the Shareholders in a general meeting of the Company. On the basis of 2,002,100,932 existing Shares in issue as at the Latest Practicable Date, the Issuance Mandate, if granted by the Shareholders at the AGM, allows the Directors to allot, issue and deal with Shares or securities of the Company up to an aggregate of 400,420,186 new Shares. The Directors have no present intention to issue any new Shares pursuant to the Issuance Mandate. Save as disclosed above, the Company and the Directors have not obtained any other general mandate or special mandate to issue securities in the 12 months preceding the Latest Practicable Date.

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## LETTER FROM THE BOARD

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### **4. PROPOSED GRANTING OF GENERAL MANDATE TO REPURCHASE SHARES**

At the annual general meeting of the Company held on 25 May 2016, the Directors were given a general mandate to repurchase Shares up to 10% of the number of the Shares in issue on the date of passing of such resolution. The mandate will expire at the conclusion of the AGM. At the AGM, an ordinary resolution will be proposed that the Directors be given a general mandate (the “Share Repurchase Mandate”) to exercise all the powers of the Company to repurchase issued and fully-paid Shares up to 10% of the number of Shares in issue on the date of passing the relevant resolution. On the basis of 2,002,100,932 existing Shares in issue as at the Latest Practicable Date, the Share Repurchase Mandate, if granted by the Shareholders at the AGM, allows the Company to repurchase up to 200,210,093 Shares. The Share Repurchase Mandate shall be in force during the period ending on the earlier of the date of the next annual general meeting or the date upon which the Share Repurchase Mandate is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company. The Directors have no present intention to repurchase any Shares pursuant to the Share Repurchase Mandate. Save as disclosed above, the Company and the Directors have not obtained any other general mandate to repurchase Shares in the 12 months preceding the Latest Practicable Date.

An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the Share Repurchase Mandate is set out in Appendix II to this circular.

### **5. PROPOSED EXTENSION OF THE ISSUANCE MANDATE**

In addition, an ordinary resolution will be proposed at the AGM to extend the Issuance Mandate by adding to it the number of Shares repurchased by the Company under the Share Repurchase Mandate.

### **6. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT**

The Company will convene the AGM at 10:00 a.m. on Thursday, 25 May 2017 at Room 2, United Conference Centre, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong, at which resolutions will be proposed for the purpose of considering and if thought fit, approving, inter alia, the resolutions proposed in this circular. The AGM Notice is set out on pages 15 to 19 of this circular.

A form of proxy for use in connection with the AGM is enclosed herewith. Whether or not you are able to attend the AGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible to the branch share registrar of the Company in Hong Kong, Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the AGM (i.e. not later than 10:00 a.m. on Tuesday, 23 May 2017) or any adjourned meeting.

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## LETTER FROM THE BOARD

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Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM should you so wish.

### 7. VOTING BY POLL

Pursuant to Rule 13.39 of the Listing Rules (except for procedural and administrative matters), any vote of Shareholders at a general meeting must be taken by a poll. Therefore, all resolutions proposed at the AGM shall be voted by poll. The results of the poll will be published on the Stock Exchange's website at (<http://www.hkexnews.hk>) and the Company's website at (<http://www.corpasia.net/hongkong/0157/irwebsite>) after the AGM.

As at the Latest Practicable Date, no Shareholder is required to abstain from voting on any resolution set out in the AGM Notice.

### 8. RECOMMENDATIONS

The Directors believe that the proposed re-election of retiring Directors, the Issuance Mandate, the Share Repurchase Mandate and the extension of the Issuance Mandate are in the best interests of the Company as well as the Shareholders. Accordingly, the Directors, including the Independent Non-Executive Directors, recommend that the Shareholders should vote in favour of all resolutions as set out in the AGM Notice.

### 9. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and is not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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



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**APPENDIX I                      DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE  
RE-ELECTED AT THE ANNUAL GENERAL MEETING**

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The following are details of the Directors who will retire and being eligible, offer themselves for re-election at the AGM.

**(1) Dr. TSAI Yen-Yu**

*Chairperson and Executive Director*

Dr. TSAI Yen-Yu (alias TSAI Yen-Pin), aged 69, founder and Chairperson of the Company, the wife of Mr. LEE Ming-Ta (Vice Chairman and Executive Director) and mother of Dr. SU Chien-Cheng (Executive Director) and Dr. SU Sh-Hsyu (Non-Executive Director), is an Executive Director and a member of both the Executive Committee and Nomination Committee of the Company. She has also been a director of NATURAL BEAUTY BIOTECHNOLOGY (HONG KONG) COMPANY LIMITED since 16 May 2001. She is currently also a director of some of our British Virgin Islands, Malaysia, PRC and Taiwan subsidiaries. Dr. TSAI has been awarded numerous honours, positions and prizes such as:

- Honorary Doctor of Commerce, Dewey University, the U.S.A.
- Fellowship of Asian Knowledge Management Association
- Female Entrepreneur Award by Ernst & Young “Entrepreneur of the Year”
- Taiwan’s Top Ten Most Influential Female Entrepreneur awarded by CommonWealth Magazine
- Outstanding Entrepreneurs of Taiwan awarded by Taiwan Women’s Business Association
- “Top 100 Chinese Entrepreneurs” of China
- “Bai Yu Lan” Award by the Shanghai City Government
- Principal consultant in the Chinese Ministry of Labor and the programme “Ji Qing Chuang Ye” of CCTV
- Principal consultant of cosmetology arbitration panel in the Chinese Ministry of Law
- 1st Pacemaker Award and Education Award of Beauty and Cosmetics Industry in China

Dr. TSAI is appointed as an Executive Director of the Company for a term of 3 years and is subject to retirement by rotation and re-election at the AGM in accordance with the Articles of Association. Dr. TSAI renewed her Director’s service contract with the Company for a term of 3 years effective from 1 January 2015. Pursuant to the service contract, Dr. TSAI is entitled to a Director’s fee of HK\$1,000,000 per annum and a discretionary bonus to be determined by the Board at its sole discretion provided that the aggregate amount of bonus payable to all the Directors (including executive and non-executive Directors) in the financial year will not exceed 15% of the audited consolidated profits of the Group attributable to Shareholders (after tax and minority interests but before extraordinary items) for that financial year. No discretionary bonus was proposed and paid to the Directors for the year ended 31 December 2016. The Director’s fee payable to Dr. TSAI and basis of bonus were determined by the Board with reference to the contribution of Dr. TSAI to the Group, her experience in the relevant business of the Group, the then market rate and the financial position of the Group as a whole,

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**APPENDIX I                      DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE  
RE-ELECTED AT THE ANNUAL GENERAL MEETING**

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and is subject to review by the Remuneration Committee from time to time. Apart from the Director's fee, other emoluments of approximately HK\$21,000 were received by Dr. TSAI from the Group for the year ended 31 December 2016.

As at the Latest Practicable Date, Dr. TSAI did not hold any directorship in the last three years in any public companies the securities of which are listed on any securities market in Hong Kong or overseas.

As at the Latest Practicable Date, Dr. TSAI had interest of 1,466,386,559 Shares of the Company and interest of 20,000 shares of Next Focus Holdings Limited (an associated corporation of the Company within the meaning of Part XV of the SFO). Dr. TSAI directly owns 40% of Next Focus Holdings Limited, which, in turn, indirectly owns 100% of Standard Cosmos Limited. Next Focus Holdings Limited is therefore a controlled corporation of Dr. TSAI pursuant to Section 316 of the SFO. As such, interest of 1,466,386,559 Shares of the Company owned by Next Focus Holdings Limited are attributable to Dr. TSAI.

Next Focus Holdings Limited currently controls approximately 73.24% of the voting rights in the Company and is therefore a controlling Shareholder of the Company.

Save as disclosed above, Dr. TSAI does not have any relationship with any other Directors, senior management or substantial or controlling Shareholders of the Company.

As at the Latest Practicable Date, save as disclosed above, Dr. TSAI was not interested in and did not have any interest or 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 pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Save as disclosed, there are no other matters that need to be brought to the attention of the Shareholders in connection with Dr. TSAI's re-election and there is no other information that should be disclosed pursuant to paragraph 13.51(2)(h) to (v) of the Listing Rules.

**(2) Dr. SU Sh-Hsyu**

*Non-Executive Director*

Dr. SU Sh-Hsyu, aged 43, is the daughter of Dr. TSAI Yen-Yu (Chairperson and Executive Director) and Mr. LEE Ming-Ta (Vice Chairman and Executive Director) and the younger sister of Dr. SU Chien-Cheng (Executive Director). Dr. SU had been an Executive Director since 21 September 2004 until she was redesignated as a Non-Executive Director on 24 November 2009, was further redesignated as an Executive Director on 15 December 2011 and was redesignated as a Non-Executive Director on 7 February 2013. She is also a member of the Audit Committee, Remuneration Committee and Executive Committee of the Company. Dr. SU graduated from the London School of Economics with a Master of Science degree in industrial relations and human resources management and obtained her PhD in international and comparative

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**APPENDIX I                      DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE  
RE-ELECTED AT THE ANNUAL GENERAL MEETING**

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education from Columbia University in New York, United States. Dr. SU had been actively engaged in the marketing and business development of the Natural Beauty Group in Taiwan and China during the period from 2004 to 2009. Dr. SU is involved in strategic management of the Group at Board level. Dr. SU has been a director of NATURAL BEAUTY BIO-TECHNOLOGY (HONG KONG) COMPANY LIMITED and Natural Beauty China Holding Limited since 16 May 2001 and 11 July 2008, respectively. She is currently also a director of some of our PRC and Taiwan subsidiaries.

Dr. SU is appointed as a Non-Executive Director of the Company for a term of 3 years and is subject to retirement by rotation and re-election at the AGM in accordance with the Articles of Association. Dr. SU renewed her Director's service contract with the Company for a term of 3 years effective from 1 January 2015. Pursuant to the service contract, Dr. SU is entitled to a Director's fee of HK\$1,250,000 per annum and a discretionary bonus to be determined by the Board at its sole discretion provided that the aggregate amount of bonus payable to all the Directors (including executive and non-executive Directors) in the financial year will not exceed 15% of the audited consolidated profits of the Group attributable to Shareholders (after tax and minority interests but before extraordinary items) for that financial year. No discretionary bonus was proposed and paid to the Directors for the year ended 31 December 2016. The Director's fee payable to Dr. SU and basis of bonus were determined by the Board with reference to the contribution of Dr. SU to the Group, her experience in the relevant business of the Group, the then market rate and the financial position of the Group as a whole, and is subject to review by the Remuneration Committee from time to time. Apart from the Director's fee, other emoluments of approximately HK\$351,000 were received by Dr. SU from the Group for the year ended 31 December 2016.

As at the Latest Practicable Date, Dr. SU did not hold any directorship in the last three years in any public companies the securities of which are listed on any securities market in Hong Kong or overseas.

As at the Latest Practicable Date, Dr. SU was not interested in and did not have any interest or short positions in any Shares or underlying Shares in or any debentures of the Company but had interest of 15,000 shares in Next Focus Holdings Limited (as associated corporation of the Company) within the meaning of Part XV of the SFO as recorded in the register required to be kept pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Next Focus Holdings Limited currently controls approximately 73.24% of the voting rights in the Company and is therefore a controlling Shareholder of the Company.

Save as disclosed above, Dr. SU does not have any relationship with any other Directors, senior management or substantial or controlling Shareholders of the Company.

Save as disclosed, there are no other matters that need to be brought to the attention of the Shareholders in connection with Dr. SU's re-election and there is no other information that should be disclosed pursuant to paragraph 13.51(2)(h) to (v) of the Listing Rules.

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**APPENDIX I                      DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE  
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**(3) Mr. CHEN Ruey-Long**

*Independent Non-Executive Director*

Mr. CHEN Ruey-Long, aged 68, obtained his Bachelor degree of Economics from National Chung-Hsing University in 1970. He was the Minister of the Ministry of Economic Affairs of Taiwan from 2006 to 2008. Prior to that, he held various positions and represented the Ministry of Economic Affairs of Taiwan in various countries and was based in Switzerland from 1987 to 1996 and in Belgium from 1974 to 1979. Mr. CHEN was the Board Chairman of the Institute for Information Industry in Taiwan from 2008 to 2009. Mr. CHEN is currently the Board Chairman of SINOCON Industrial Standards Foundation in Taiwan, the Secretary-general of Cross-Strait CEO Summit, a director of Bank of Panhsin in Taiwan and Teknowledge Development Corporation in Taiwan, and the Board Chairman and Chief Operating Officer of Powerchip Technology Corporation (stock code: 5346), listed on the Taiwan GreTai Securities Market. He is also a director of HannStar Board Corporation (stock code: 5469), Asia Cement Corporation (stock code: 1102) and GINTECH ENERGY CORPORATION (stock code: 3514); a managing director and independent director of Formosa Chemicals and Fibre Corporation (stock code: 1326); an independent director of China Petrochemical Development Corporation, Ltd. (stock code: 1314) and INVENTEC CORPORATION (stock code: 2356), which are listed on the Taiwan Stock Exchange. From June 2011 until 10 June 2014, he was an independent director of E-Ton Solar Tech. Co., Ltd. (stock code: 3452), listed on the Taiwan GreTai Securities Market. He was appointed as the Group's Independent Non-Executive Director on 1 February 2010. He is also the Chairman of the Audit Committee and a member of both the Remuneration Committee and Nomination Committee of the Company.

Mr. CHEN is appointed as an Independent Non-Executive Director of the Company for a term of 1 year and is subject to retirement by rotation and re-election at the AGM in accordance with the Articles of Association. Mr. CHEN renewed his Director's service contract with the Company for a term of 1 year effective from 1 February 2017. Pursuant to the service contract, Mr. CHEN is entitled to a Director's fee of HK\$240,000 per annum and entitled to a quota of free products of the Group at staff discount prices of up to HK\$30,000 per annum. No discretionary bonus was proposed and paid to the Directors for the year ended 31 December 2016. The Director's fee payable to Mr. CHEN was determined by the Board with reference to his duties, responsibilities and performance and results of the Company, and is subject to review by the Remuneration Committee from time to time.

As at the Latest Practicable Date, save as disclosed above, Mr. CHEN did not hold any directorship in the last three years in any public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Save as disclosed above, Mr. CHEN does not have any relationship with any other Directors, senior management or substantial or controlling Shareholders of the Company.

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**APPENDIX I                      DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE  
RE-ELECTED AT THE ANNUAL GENERAL MEETING**

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As at the Latest Practicable Date, Mr. CHEN was not interested in and did not have any interest or 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 pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Save as disclosed, there are no other matters that need to be brought to the attention of the Shareholders in connection with Mr. CHEN's re-election and there is no other information that should be disclosed pursuant to paragraph 13.51(2)(h) to (v) of the Listing Rules.

This explanatory statement contains the information required under Rule 10.06(1)(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 ordinary resolution to be proposed at the AGM in relation to the Share Repurchase Mandate.

## **1. SHARE CAPITAL**

As at 11 April 2017, being the Latest Practicable Date, the issued share capital of the Company was 2,002,100,932 Shares of HK\$0.10 each, all of which have been fully paid.

Subject to the passing of the ordinary resolution set out in item 10 of the AGM Notice in respect of the granting of the Share Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the AGM, i.e. being 2,002,100,932 Shares, the Directors would be allowed under the Share Repurchase Mandate to repurchase a maximum of 200,210,093 Shares, representing 10% of the total number of Shares in issue as at the date of the AGM.

## **2. REASONS FOR SHARE REPURCHASE**

The Directors believe that the Share 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 the 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 SHARE REPURCHASE**

In making repurchases, the Company may only apply funds legally available for such purpose in accordance with its Memorandum and Articles of Association 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 in effect from time to time.

## **4. IMPACT OF SHARE REPURCHASE**

On the basis of the consolidated financial position of the Company as at 31 December 2016 (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 Share Repurchase Mandate, were to be carried out in full during the period of the Share Repurchase Mandate. The Directors do not propose to exercise the Share Repurchase Mandate to such extent as could, in the circumstances, 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.

## **5. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS**

To the best of their knowledge and belief and having made all reasonable enquiries, none of the Directors nor any of their close associates (as defined in the Listing Rules) has any present intention, in the event that the proposal is approved by the Shareholders, to sell their Shares to the Company or its subsidiaries under the Share Repurchase Mandate. No core connected person of the Company (as defined in the Listing Rules) has notified the Company that he/she/it has a present intention to sell his/her/its Shares to the Company or its subsidiaries nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company or its subsidiaries in the event that the Company is authorised to make purchases of the Shares.

## **6. UNDERTAKING OF THE DIRECTORS**

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the proposed resolution in accordance with the Listing Rules and all applicable laws of the Cayman Islands, and in accordance with the regulations set out in the Memorandum and Articles and Associations.

## **7. EFFECT OF THE CODE**

A repurchase of Shares by the Company may result in an increase in the proportionate interests of Shareholders of the Company in the voting rights of the Company, such increase will be treated as an acquisition of voting rights for the purpose of the Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Code), depending on the level of increase in Shareholders' interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Efficient Market Investments Limited, Adventa Group Limited, Fortune Bright Group Limited and Standard Cosmos Limited are collectively interested in the 1,314,030,000 Shares (representing 65.63% of the total issued share capital of the Company). Efficient Market Investments Limited, Adventa Group Limited and Fortune Bright Group Limited are wholly-owned subsidiaries of Standard Cosmos Limited, which is in turn wholly-owned by Starsign International Limited. Starsign International Limited is wholly-owned by Next Focus Holdings Limited, which is directly interested in 152,356,559 Shares. Dr. TSAI Yen-Yu directly owns 40% of Next Focus Holdings Limited. Next Focus Holdings Limited and its

concert parties are therefore controlled corporations of Dr. TSAI Yen-Yu pursuant to Section 316 of the SFO and accordingly, Dr. TSAI and her spouse, Mr. LEE Ming-Ta are interested in 1,466,386,559 Shares (representing 73.24% of the total issued share capital of the Company) in which Next Focus Holdings Limited is interested.

On the basis of the current shareholding of the Company, in the event that the Directors exercise the proposed Share Repurchase Mandate in full, the Directors are not aware of any consequences which may give rise to an obligation to make a mandatory offer under Rule 26 of the Code. The Directors also have no intention to exercise the Share Repurchase Mandate to such extent that would, in the circumstances, give rise to an obligation on them to make a mandatory offer under Rule 26 of the Code and/or result in the aggregate number of Shares held by the public falling below the prescribed minimum percentage required under the Listing Rules.

## 8. SHARES PRICES

The highest and lowest traded prices for the Shares on the Stock Exchange during each of the previous 12 months preceding the Latest Practicable Date were as follows:

Year & Month	Shares	
	Highest HK\$	Lowest HK\$
<b>2016</b>		
April	suspended	suspended
May	suspended	suspended
June	0.89	0.67
July	0.78	0.69
August	0.90	0.68
September	1.02	0.83
October	0.92	0.83
November	0.89	0.79
December	0.93	0.79
<b>2017</b>		
January	0.85	0.76
February	0.85	0.78
March	0.93	0.79
April ( <i>up to the Latest Practicable Date</i> )	0.90	0.85

## 9. SHARE REPURCHASE MADE BY THE COMPANY

During the six months prior to the Latest Practicable Date, the Company had not repurchased any of the Shares whether on the Stock Exchange or otherwise.



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## NOTICE OF ANNUAL GENERAL MEETING

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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)

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting (“AGM”) of Natural Beauty Bio-Technology Limited (the “**Company**”) will be held at 10:00 a.m. on Thursday, 25 May 2017 at Room 2, United Conference Centre, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong, for the purpose of transacting the following resolutions:

#### ORDINARY BUSINESSES

1. To receive and consider the audited consolidated financial statements of the Group and the directors’ report and independent auditors’ report for the year ended 31 December 2016.
2. To re-elect Dr. TSAI Yen-Yu as an Executive Director of the Company.
3. To re-elect Dr. SU Sh-Hsyu as a Non-Executive Director of the Company.
4. To re-elect Mr. CHEN Ruey-Long as an Independent Non-Executive Director of the Company.
5. To authorise the board of directors to fix the remuneration of the Directors of the Company.
6. To re-appoint Messrs. Deloitte Touche Tohmatsu as the Auditors and to authorise the board of directors to fix their remuneration.
7. To declare a final dividend of HK\$0.0327 per share for the year ended 31 December 2016 (“**Final Dividend**”).
8. To declare a special final dividend of HK\$0.025 per share for the year ended 31 December 2016 (“**Special Final Dividend**”).

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## NOTICE OF ANNUAL GENERAL MEETING

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To consider and, if thought fit, pass the following resolutions (with or without amendments) as ordinary resolutions:

9. **“THAT:**

- (a) subject to paragraph 9(c) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to issue, allot and deal with additional shares of the Company (the “Shares”) or securities convertible into Shares, to issue options, warrants or similar rights to subscribe for Shares and to make offers or agreements or grant options, warrants or similar rights which would or might require Shares to be issued and allotted, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph 9(a) above shall authorise the Directors to make offers or agreements or grant options, warrants or similar rights during the Relevant Period (as defined below) which would or might require Shares to be issued and allotted either during or after the end of the Relevant Period (as defined below);
- (c) the aggregate number of Shares or securities allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the approval in paragraphs 9(a) and 9(b) above, otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) the exercise of the subscription rights or conversion rights under warrants or any existing securities of the Company which carry rights to subscribe for or are convertible into Shares issued otherwise than pursuant to this Resolution; (iii) the exercise of the subscription rights under any share option scheme or any other option scheme or similar arrangement for the time being adopted by the Company; and (iv) any scrip dividend or similar arrangement providing for allotment of shares in lieu of the whole or part of a dividend on the Shares of the Company; shall not exceed 20% of the number of the issued Share as at the date of passing of this Resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company following the passing of this Resolution; and
- (ii) the passing of an ordinary resolution by shareholders in a general meeting revoking or varying the authority given to the Directors of the Company by this Resolution.

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## NOTICE OF ANNUAL GENERAL MEETING

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“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

10. **“THAT:**

- (a) subject to paragraph 10(b) of this ordinary resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to repurchase its own Shares on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) or any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Hong Kong Stock Exchange for this purpose and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of Shares of the Company which may be repurchased by the Company pursuant to the approval in paragraph 10(a) above during the Relevant Period (as defined below) shall not exceed 10% of the number of the issued Shares as at the date of this Resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company following the passing of this Resolution; and
- (ii) the passing of an ordinary resolution by shareholders in a general meeting revoking or varying the authority given to the Directors of the Company by this Resolution.”

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## NOTICE OF ANNUAL GENERAL MEETING

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### SPECIAL BUSINESS

As special business, to consider and, if thought fit, pass the following resolution (with or without amendments) as ordinary resolution:

11. “**THAT** conditional upon Resolutions 9 and 10 above being passed (with or without amendments), the general mandate referred to in Resolution 9 above be and is hereby extended by the addition to the aggregate number of the Shares which may be allotted or agreed to be allotted by the Directors pursuant to such general mandate of the aggregate number of Shares repurchased by the Company pursuant to the general mandate referred to in Resolution 10 above provided that such amount shall not exceed 10% of the number of the issued Shares as at the date of the passing of this Resolution.”

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

Hong Kong, 19 April 2017

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

1. All resolutions at the meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the “**Listing Rules**”). The results of the poll will be published on the websites of the Hong Kong Stock Exchange and the Company in accordance with the Listing Rules.
2. A member of the Company who is a holder of the Share(s), and who is entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company. Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending the AGM and vote in person. In such event, the instrument appointing a proxy shall be deemed to be revoked.
3. A form of proxy for the AGM is enclosed. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or authority, must be deposited at the Company’s branch share registrar in Hong Kong, Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the AGM (i.e. not later than 10:00 a.m. on Tuesday, 23 May 2017) or any adjournment thereof.
4. The register of members of the Company (the “**Register of Members**”) will be closed for the following periods:
  - (a) For the purpose of determining the identity of shareholders who are entitled to attend and vote at the AGM, the Register of Members will be closed from Friday, 19 May 2017 to Thursday, 25 May 2017, both days inclusive. In order to be eligible for attending and voting at the AGM, all transfer documents should be lodged for registration with the Company’s Hong Kong branch share registrar, Hong Kong Registrars Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 18 May 2017.
  - (b) For the purpose of determining the identity of shareholders who qualify for the Final Dividend and the Special Final Dividend, the Register of Members will be closed from Monday, 5 June 2017 to Tuesday, 6 June 2017, both days inclusive. In order to qualify for the Final Dividend and the Special Final Dividend, all transfer documents should be lodged for registration with the Company’s Hong Kong branch share registrar, Hong Kong Registrars Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 2 June 2017.
5. The board of directors has proposed the payment of a Final Dividend of HK\$0.0327 per share and a Special Final Dividend of HK\$0.025 per share for the year ended 31 December 2016 and, if such dividends are approved by the shareholders by passing Resolutions 7 and 8, it is expected to be paid on 26 July 2017 to those shareholders whose names appear on the Register of Members on 6 June 2017.
6. With regard to Resolutions 9 and 11 above, the Directors wish to state that they have no immediate plans to issue any new Shares pursuant to the general mandate granted under Resolution 9 above.
7. Bad Weather Arrangements

If a Typhoon Warning Signal No. 8 or above is hoisted or is expected to be hoisted or a Black Rainstorm Warning Signal is in force or expected to be in force in Hong Kong at any time between 6:00 a.m. and 10:00 a.m. on the date of the meeting, the meeting will be automatically postponed to a later date. The Company will post an announcement on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.corpasia.net/hongkong/0157/irwebsite>) to notify shareholders of the date, time and location of the rescheduled meeting.

The meeting will be held as scheduled when an Amber or a Red Rainstorm Warning Signal is in force in Hong Kong. Shareholders should in any event exercise due care and caution when deciding to attend the meeting in adverse weather conditions.