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Insbro Holdings Limited
保經控股有限公司

(Incorporated in Hong Kong with limited liability)



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)

JOINT ANNOUNCEMENT

- (1) COMPLETION OF THE ACQUISITION OF APPROXIMATELY 51% INTEREST IN THE COMPANY;**
- (2) UNCONDITIONAL MANDATORY GENERAL CASH OFFER FOR ALL THE ISSUED SHARE CAPITAL IN THE COMPANY (OTHER THAN THOSE ALREADY OWNED BY FESS AND/OR PARTIES ACTING IN CONCERT WITH IT) BY
CCB INTERNATIONAL CAPITAL LIMITED
FOR AND ON BEHALF OF THE OFFEROR;**
- (3) ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE;**
- (4) RESIGNATION, APPOINTMENT AND RE-DESIGNATION OF DIRECTORS;**

AND

- (5) RESUMPTION OF TRADING**

Financial Adviser to the Offeror



References are made to the joint announcements of the Company, FESS and the Offeror dated 31 July 2018, 31 August 2018 and 27 September 2018 made pursuant to Rule 3.7 of the Takeovers Code, Rule 13.09(2)(a) of the Listing Rules and Part XIVA of the SFO in relation to, among other things, the Possible Transaction and the Offer.

COMPLETION OF THE ACQUISITION OF SALE SHARES IN THE COMPANY

The Company has been informed that, on 2 October 2018 (after the Stock Exchange trading hours), the Vendors and the Purchasers entered into the Sale and Purchase Agreement, pursuant to which, FESS would acquire from Vendor A 600,630,280 Shares (representing approximately 30% of the total issued share capital of the Company as at the date of this joint announcement) at a consideration of HK\$540,567,252, and the Offeror would acquire from (i) Vendor A 237,849,590 Shares (representing approximately 11.88% of the issued share capital of the Company as at the date of this joint announcement) at a consideration of HK\$214,064,631; and (ii) Vendor B 182,591,606 Shares (representing approximately 9.12% of the issued share capital of the Company as at the date of this joint announcement) at a consideration of HK\$164,332,445.40. Immediately after Completion, the Offeror has thus acquired a total of 420,441,196 Shares (representing approximately 21% of the total issued share capital of the Company as at the date of this joint announcement) at an aggregate consideration of HK\$378,397,076.40. The Sale Shares represent approximately 51% in aggregate of the entire issued share capital of the Company as at the date of this joint announcement. Completion took place on 3 October 2018.

UNCONDITIONAL MANDATORY GENERAL CASH OFFER

Prior to Completion, FESS, EMIC, the Offeror and parties acting in concert with each of them did not own, have control or direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately following Completion, FESS, EMIC, the Offeror and parties acting in concert with each of them became interested in a total of 1,021,071,476 Shares, representing approximately 51% of the entire issued share capital of the Company as at the date of this joint announcement.

Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, FESS is required to make an unconditional mandatory general offer in cash for all the issued share capital of the Company (other than the Shares already owned by FESS and parties acting in concert with it). As FESS and the Offeror are parties acting in concert with each other in respect of the acquisition of voting rights in the Company pursuant to the Sale and Purchase Agreement, and FESS wishes to acquire 30% of the issued share capital of the Company only and not any further shareholding, it has been agreed between the Offeror and FESS that the Offeror will make the Offer.

Principal terms of the Offer

CCBI, as financial adviser to the Offeror, will make the Offer for and on behalf of the Offeror on the terms to be set out in the Composite Document in compliance with the Takeovers Code on the following terms:

For every Offer Share HK\$0.90 in cash

The Offer Price of HK\$0.90 per Offer Share is the same as the price per Sale Share paid by the Offeror under the Sale and Purchase Agreement. The Offer will be unconditional in all respects.

Undertaking not to accept the Offer

According to information provided to the Offeror, the Non-Accepting Tsai-Controlled Shareholders, namely Vendor A, Vendor B, Next Focus Holdings Limited, Standard Cosmos Limited and Fortune Bright Group Limited, prior to Completion, together have a controlling shareholding in the Company and are directly or indirectly controlled by Dr. Tsai. Immediately after Completion, the Non-Accepting Tsai-Controlled Shareholders own, directly or indirectly, the Remaining Non-Accepting Tsai-Controlled Shares of 445,315,083 Shares in aggregate (representing approximately 22.24% of the total issued share capital of the Company as at the date of this joint announcement). Dr. Tsai has irrevocably undertaken to the Offeror to procure each of the Non-Accepting Tsai-Controlled Shareholders not to accept the Offer in respect of its respective Remaining Non-Accepting Tsai-Controlled Shares and, before the final closing of the Offer, not to transfer or sell or otherwise dispose of any of its respective Remaining Non-Accepting Tsai-Controlled Shares or any interests in its respective Remaining Non-Accepting Tsai-Controlled Shares.

According to the information provided to the Offeror, the Non-Accepting Non-Controlling Shareholders, whether itself or through a company or companies directly or indirectly owned or controlled by it, are beneficially interested in the Non-Accepting Non-Controlling Shares of 362,370,000 Shares in aggregate, representing approximately 18.10% of the total issued share capital of the Company immediately after Completion and as at the date of this joint announcement. Each Non-Accepting Non-Controlling Shareholder has irrevocably undertaken to the Offeror not to accept the Offer in respect of its respective Non-Accepting Non-Controlling Shares and, before the final closing of the Offer, not to transfer or sell or otherwise dispose of any of its respective Non-Accepting Non-Controlling Shares or any interests in its respective Non-Accepting Non-Controlling Shares.

Confirmation of financial resources available to the Offeror

The Offer Consideration shall be payable in cash. The Offeror intends to finance the Offer Consideration by a combination of (i) its own internal resources; and (ii) the Loan Facilities. In connection with the Loan Facilities, the Loan Deeds have been entered into by, among others, the Offeror, in favour of King's Town Bank.

CCBI, as the financial adviser to the Offeror in respect of the Offer, are satisfied that sufficient financial resources are available to the Offeror to satisfy its maximum payment obligations upon full acceptance of the Offer of 173,344,373 Shares (excluding the Remaining Non-Accepting Tsai-Controlled Shares and the Non-Accepting Non-Controlling Shares).

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Under Rule 2.1 of the Takeovers Code, a board which receives an offer or which is approached with a view to an offer being made, must, in the interests of shareholders, establish an independent committee of the board to make a recommendation: (i) as to whether the offer is, or is not, fair and reasonable; and (ii) as to acceptance. An Independent Board Committee comprising Mr. Chen Ruey-Long, Mr. Lu Chi-Chant and Mr. Hsieh Pang-Chang, has been formed pursuant to Rule 2.1 of the Takeovers Code to advise and make a recommendation to the Independent Shareholders as to whether the Offer is fair and reasonable and as to acceptance of the Offer.

Dr. Su Sh-Hsyu, a non-executive Director, beneficially owns 30% interest in Next Focus Holdings Limited (which is the holding company of the Vendors) and is therefore considered to have a material interest in the Offer and will not form part of the Independent Board Committee.

An independent financial adviser will be appointed by the Company with approval of the Independent Board Committee to advise it in respect of the Offer, and in particular as to whether the Offer is fair and reasonable and as to the acceptance of the Offer. Further announcement(s) will be made by the Company in respect of appointment of the independent financial adviser as and when appropriate.

RESIGNATION, APPOINTMENT AND RE-DESIGNATION OF DIRECTORS

The Board is currently made up of seven Directors, comprising three executive Directors, being Dr. Tsai Yen-Yu, Mr. Lee Ming-Ta and Dr. Su Chien-Cheng, one non-executive Director, being Dr. Su Sh-Hsyu and three independent non-executive Directors, being Mr. Chen Ruey-Long, Mr. Lu Chi-Chant and Mr. Hsieh Pang-Chang. It is expected that the current independent non-executive Directors will continue to remain in their offices after the close of the Offer.

Each of Mr. Lee Ming-Ta, Dr. Su Chien-Cheng and Dr. Su Sh-Hsyu has given notice to resign as Directors with effect from the earliest time permitted under (or pursuant to any dispensation from) the Takeovers Code or by the Executive. Such resignation also includes their respective resignation as members of the Company's committees. Each of the Outgoing Directors has confirmed that he/she has no disagreement with the Board and there is no matter relating to their resignations that needs to be brought to the attention of the Shareholders.

Dr. Tsai would wish to be re-designated as a non-executive Director and step down from being the chairperson of the Board and be appointed as an honorary chairperson of the Company with effect from the Appointment Effective Date.

The Purchasers have nominated Dr. Chien Lei AKA Chien Joanna Lei as an executive Director and chairperson of the Board, Mr. Pan Yi-Fan Ivan as an executive Director and Mr. Hsiao Wen-Chung as a non-executive Director as new directors to the Board with effect from a date which is no earlier than such date as permitted under the Takeovers Code.

DESPATCH OF COMPOSITE DOCUMENT

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular into the Composite Document. In accordance with Rule 8.2 of the Takeovers Code, the Composite Document (accompanied by the Form of Acceptance) in connection with the Offer setting out, among others, (i) details of the Offer (including the expected timetable); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; and (iii) a letter of advice from the independent financial adviser to the Independent Board Committee in respect of the Offer, will be despatched jointly by the Offeror and the Company to the Shareholders within 21 days of the date of this joint announcement or such later date as the Executive may approve.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 3 October 2018 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 8 October 2018.

References are made to the joint announcements of the Company, FESS and the Offeror dated 31 July 2018, 31 August 2018 and 27 September 2018 made pursuant to Rule 3.7 of the Takeovers Code, Rule 13.09(2)(a) of the Listing Rules and Part XIVA of the SFO in relation to, among other things, the Possible Transaction and the Offer.

COMPLETION OF THE ACQUISITION OF SALE SHARES IN THE COMPANY

The Company has been informed that, on 2 October 2018 (after the Stock Exchange trading hours), the Vendors and the Purchasers entered into the Sale and Purchase Agreement, pursuant to which, FESS would acquire from Vendor A 600,630,280 Shares (representing approximately 30% of the total issued share capital of the Company as at the date of this joint announcement) at a consideration of HK\$540,567,252, and the Offeror would acquire from (i) Vendors A 237,849,590 Shares (representing approximately 11.88% of the issued share capital of the Company as at the date of this joint announcement) at a consideration of HK\$214,064,631; and (ii) Vendor B 182,591,606 Shares (representing approximately 9.12% of the issued share capital of the Company as at the date of this joint announcement) at a consideration of HK\$164,332,445.40. Immediately after Completion, the Offeror has thus acquired a total of 420,441,196 Shares (representing approximately 21% of the total issued share capital of the Company as at the date of this joint announcement) at a consideration of HK\$378,397,076.40. The Sale Shares represent approximately 51% in aggregate of the entire issued share capital of the Company as at the date of this joint announcement.

Completion took place on 3 October 2018. The Purchase Consideration had been fully settled as at the date of this joint announcement.

The total Purchase Consideration for the Sale Shares is HK\$918,964,328.40 (equivalent to HK\$0.90 per Share), which was determined following arm's length negotiations between the Vendors and the Purchasers after taking into account, among other things, (i) the consolidated net asset value of the Group; (ii) the prevailing market price of the Shares; and (iii) the fact that the Purchasers can obtain a controlling interest in the Company after Completion.

Immediately after Completion and as at the date of this joint announcement, the shareholding of Vendor A was reduced from 838,530,000 Shares (representing approximately 41.88%) to 50,130 Shares (representing approximately 0.003%) in the issued share capital of the Company and the shareholding of Vendor B was reduced from 236,580,000 Shares (representing approximately 11.82 %) to 53,988,394 Shares (representing approximately 2.70%) in the issued share capital of the Company.

UNCONDITIONAL MANDATORY GENERAL CASH OFFER

Prior to Completion, FESS, EMIC, the Offeror and parties acting in concert with each of them did not own, have control or direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately following Completion, FESS, EMIC, the Offeror and parties acting in concert with each of them became interested in a total of 1,021,071,476 Shares, representing approximately 51% of the entire issued share capital of the Company as at the date of this joint announcement. Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, FESS is required to make an unconditional mandatory general offer in cash for all the issued share capital of the Company (other than the Shares already owned or agreed to be acquired by FESS and parties acting in concert with it). As FESS and the Offeror are parties acting in concert with each other in respect of the acquisition of voting rights in the Company pursuant to the Sale and Purchase Agreement, and FESS wishes to acquire 30% of the issued share capital of the Company only and not any further shareholding, it has been agreed between the Offeror and FESS that the Offeror will make the Offer.

As at the date of this joint announcement, the Company has 2,002,100,932 Shares in issue. The Company does not have any outstanding options, derivatives, warrants or securities which are convertible into or which confer rights to require the issue of Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible into or which confer rights to require the issue of Shares. Other than the 2,002,100,932 issued share capital of the Company, the Company does not have any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue.

Principal terms of the Offer

CCBI, as financial adviser to the Offeror, will make the Offer for and on behalf of the Offeror on the terms to be set out in the Composite Document in compliance with the Takeovers Code on the following terms:

For every Offer Share HK\$0.90 in cash

The Offer Price of HK\$0.90 per Offer Share is the same as the price per Sale Share paid by the Offeror under the Sale and Purchase Agreement.

The Offer will be unconditional in all respects.

The Offer Price

Before taking into account any adjustments to the quoted prices for the interim dividend declared on 30 August 2018, the Offer Price of HK\$0.90 per Offer Share represents:

- (i) a premium of approximately 4.65% over the closing price of HK\$0.86 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 6.13% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.8480 per Share;
- (iii) a premium of approximately 6.64% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.8440 per Share;

- (iv) a premium of approximately 6.80% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the thirty (30) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.8427 per Share;
- (v) a premium of approximately 176.90% over the audited consolidated net asset value attributable to shareholders per Share as at 31 December 2017 of approximately HK\$0.3250 per Share based on 2,002,100,932 Shares in issue as at the date of this joint announcement; and
- (vi) a premium of approximately 199.34% over the unaudited consolidated net asset value attributable to shareholders per Share as at 30 June 2018 of approximately HK\$0.3007 per Share based on 2,002,100,932 Shares in issue as at the date of this joint announcement.

Highest and lowest Share prices

During the six-month period immediately prior to 31 July 2018, being the commencement date of the offer period (which is the date of the MOU Announcement), up to and including the Last Trading Day, the highest closing price per Share as quoted on the Stock Exchange was HK\$0.87 on 28 and 29 August 2018, and the lowest closing price per Share as quoted on the Stock Exchange was HK\$0.56 on 12 and 22 February 2018.

Value and total consideration of the Offer

As at the date of this joint announcement, there are 2,002,100,932 Shares in issue. Based on the Offer Price of HK\$0.90 per Offer Share, the entire issued share capital of the Company would be valued at HK\$1,801,890,838.80.

Assuming that there is no change in the issued share capital of the Company and taking into account the irrevocable undertakings given by the Non-Accepting Tsai-Controlled Shareholders and Non-Accepting Non-Controlling Shareholders not to accept the Offer in respect of the Remaining Non-Accepting Tsai-Controlled Shares and the Non-Accepting Non-Controlling Shares, respectively and assuming that the Offer is accepted in full (other than in respect of the Non-Accepting Tsai-Controlled Shareholders and the Non-Accepting Non-Controlling Shareholders), there are 173,344,373 Shares subject to the Offer and the total consideration payable by the Offeror for the Offer will be HK\$156,009,935.70 (the “**Offer Consideration**”).

Undertaking not to accept the Offer

Vendor A, Vendor B, Next Focus Holdings Limited, Standard Cosmos Limited and Fortune Bright Group Limited (collectively, the “**Non-Accepting Tsai-Controlled Shareholders**”), prior to Completion, together have a controlling shareholding in the Company and are directly or indirectly controlled by Dr. Tsai. Immediately after Completion, the Non-Accepting Tsai-Controlled Shareholders own, directly or indirectly 445,315,083 Shares in aggregate (the “**Remaining Non-Accepting Tsai-Controlled Shares**”) (representing approximately 22.24% of the total issued share capital of the Company as at the date of this joint announcement). Dr. Tsai has irrevocably undertaken to the Offeror to procure each of the Non-Accepting Tsai-Controlled Shareholders not to accept the Offer in respect of its respective Remaining Non-Accepting Tsai-Controlled Shares and, before the final closing of the Offer, not to transfer or sell or otherwise dispose of any of its respective Remaining Non-Accepting Tsai-Controlled Shares or any interests in its respective Remaining Non-Accepting Tsai-Controlled Shares.

According to information provided to the Offeror, the persons/entities listed in the table below (the “**Non-Accepting Non-Controlling Shareholders**”), whether itself or through a company or companies directly or indirectly owned or controlled by it (the “**Relevant Entity(ies)**”), are beneficially interested in 362,370,000 Shares in aggregate and in such number of Shares as set out against its name in the table below (the “**Non-Accepting Non-Controlling Shares**”), representing approximately 18.10% of the total issued share capital of the Company immediately after Completion and as at the date of this joint announcement. Each Non-Accepting Non-Controlling Shareholder has irrevocably undertaken to the Offeror not to, and to procure each of its respective Relevant Entity(ies) (if applicable) not to, accept the Offer in respect of its respective Non-Accepting Non-Controlling Shares and, before the final closing of the Offer, not to transfer or sell or otherwise dispose of any of its respective Non-Accepting Non-Controlling Shares or any interests in its respective Non-Accepting Non-Controlling Shares.

	Ultimate or beneficial owner(s) (based on information known to the Offeror)	Name of Non-Accepting Non-Controlling Shareholders	Number of Non-Accepting Non-Controlling Shares	Approximate shareholding percentage (%) as immediately after Completion
1.	Ho, Chin-Yi, Ho Chiang, Hua-Mei, Ho, Meng-Chen and Ho, Meng-Yi	Wellsmart Assets Management Limited	50,400,000	2.52
2.	Not applicable	蔣華美	28,390,000	1.42
3.	Not applicable	蔣東濬	50,000,000	2.50
4.	Tang Kwok Chun, Peter	Diligent Trading Limited	50,000,000	2.50
5.	Not applicable	蔡詩豪	9,600,000	0.48
6.	Not applicable	蔡詩怡	5,400,000	0.27
7.	Belinda Mei-Ling Yu, Terrence Chen-Chih Tai, Maurice Song-Wei Tai, Windera Song-Wen Tai and Song-Chi Tai	Welton Capital Management Limited	94,000,000	4.69
8.	Not applicable	吳國榮	1,400,000	0.07
9.	Not applicable	楊嫻嫻	7,800,000	0.39
10.	Not applicable	方乃玲	17,000,000	0.85
11.	Chen Pey-Yun	DSM Capital Management Limited	48,380,000	2.41
	Total:		362,370,000	18.10%

In the event that the Offer Price made by the Offeror is higher than the Purchase Consideration per Share, the unconditional irrevocable undertakings provided by the Non-Accepting Tsai-Controlled Shareholders and the Non-Accepting Non-Controlling Shareholders to the Offeror in respect of the above and in respect of the following matters shall cease to bind them:

- (i) not to sell, offer, transfer, charge, pledge, contract to sell, or grant any option over, warrant to sell, lend or otherwise dispose of or create any encumbrances in respect of any of the relevant Non-Accepting Non-Controlling Shares or the Remaining Non-Accepting Tsai-Controlled Shares (as the case may be) until the close of the offer period in respect of the Offer;

- (ii) not to acquire any additional shares, securities or other interests in the Company;
- (iii) not to take any action or enter into any agreement or arrangement, including through the representation of the Non-Accepting Non-Controlling Shareholder or the Remaining Non-Accepting Tsai-Controlled Shareholder (as the case may be) on the Board which (a) would or might restrict or impede Non-Accepting Non-Controlling Shareholder's or the Remaining Non-Accepting Tsai-Controlled Shareholder's (as the case may be) obligations under the undertaking; or (b) would otherwise be prejudicial to the successful outcome of the Offer; and
- (iv) except as required by the laws, rules, regulations, guidelines, directives, judgments, decrees, order, notices, rulings or decisions of any governmental or regulatory authority or stock exchange, keep confidential and shall not disclose to any person the fact that the Offeror proposed to enter into the Sale and Purchase Agreement, the existence of the terms of the irrevocable undertaking and the Sale and Purchase Agreement and the possibility of the Offer until the publication of this joint announcement.

Save for the above, there are no other circumstances under which the aforementioned irrevocable undertakings may cease to be binding.

Confirmation of financial resources available for the Offer

The Offer Consideration shall be payable in cash. The Offeror intends to finance the Offer Consideration by a combination of (i) its own internal resources; and (ii) the Loan Facilities. In connection with the Loan Facilities, the Loan Deeds have been entered into by, among others, the Offeror, in favour of King's Town Bank.

CCBI, as the financial adviser to the Offeror in respect of the Offer, are satisfied that sufficient financial resources are available to the Offeror to satisfy its maximum payment obligations upon full acceptance of the Offer of 173,344,373 Shares (excluding the Remaining Non-Accepting Tsai-Controlled Shares and the Non-Accepting Non-Controlling Shares).

Effect of accepting the Offer

Acceptance of the Offer by any Shareholder will be deemed to constitute a warranty by such person that all Offer Shares sold by such person under the Offer are free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the date on which the Offer is made or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made, being the date of the despatch of the Composite Document.

Acceptance of the Offer shall be irrevocable and not capable of being withdrawn, subject to the provisions of the Takeovers Code.

Hong Kong stamp duty

Seller's ad valorem stamp duty at a rate of 0.1% of the market value of the Offer Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the amount payable to the relevant Shareholder on acceptance of the Offer. The Offeror will arrange for payment of the sellers' ad valorem stamp duty on behalf of accepting Shareholders and pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares.

Payment

Settlement of the consideration in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within seven (7) business days (as defined under the Takeovers Code) of the date on which the duly completed acceptance of the Offer and the relevant documents of title of the Offer Shares in respect of such acceptance are received by the Offeror (or its agent) to render each such acceptance complete and valid.

Tax advice

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of FESS, EMIC, the Offeror and parties acting in concert with each of them, the Company, CCBI and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offer accepts any responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

Overseas Independent Shareholders

The Offeror intends to make the Offer available to all Independent Shareholders, including those who are not residents in Hong Kong. The availability of the Offer to persons who are not resident in Hong Kong may be affected by the laws of the relevant overseas jurisdictions. The making of the Offer to the Independent Shareholders whose registered addresses are in jurisdictions outside Hong Kong may be prohibited or affected by the laws or regulations of the relevant jurisdictions. Such Independent Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe relevant applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibility of the individual Independent Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any regulatory or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions).

In the event that the receipt of the Composite Document by overseas Independent Shareholders is prohibited by any applicable laws and regulations or may only be effected upon compliance with conditions or requirements in such overseas jurisdictions that would be unduly burdensome, the Composite Document, subject to the Executive's consent, will not be despatched to such overseas Independent Shareholders.

Any arrangements for overseas Independent Shareholders to collect the Composite Document will be set out in a further announcement.

Any acceptance by any Independent Shareholder who is not resident in Hong Kong will be deemed to constitute a representation and warranty from such Independent Shareholder to the Offeror that the local laws and requirements have been complied with. All such Independent Shareholders should consult their professional advisers if in doubt.

DEALING AND INTERESTS IN THE COMPANY'S SECURITIES

Save for the Sale Shares, FESS, EMIC, the Offeror and parties acting in concert with each of them have not dealt in nor owned any Shares or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the period commencing six months prior to 31 July 2018 (being the date of the Company's MOU Announcement).

The Offeror confirms that, as at the date of this joint announcement:

- (i) save for the Sale Shares held by the Offeror upon Completion, none of FESS, EMIC, the Offeror or parties acting in concert with each of them owns or has control or direction over any voting rights or rights over the Shares, options, derivatives, warrants or other securities convertible into Shares;
- (ii) save for the unconditional irrevocable undertakings provided by the Non-Accepting Tsai-Controlled Shareholders not to accept the Offer in respect of the Remaining Non-Accepting Tsai-Controlled Shares and by the Non-Accepting Non-Controlling Shareholders not to accept the Offer in respect of the Non-Accepting Non-Controlling Shares, none of FESS, EMIC, the Offeror or parties acting in concert with each of them has received any irrevocable commitment to accept the Offer;
- (iii) save for the unconditional irrevocable undertakings provided by the Non-Accepting Tsai-Controlled Shareholders not to accept the Offer in respect of the Remaining Non-Accepting Tsai-Controlled Shares and by the Non-Accepting Non-Controlling Shareholders not to accept the Offer in respect of the Non-Accepting Non-Controlling Shares, the Loan Deeds and the Sale and Purchase Agreement, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the Offer;
- (iv) there is no agreement or arrangement to which the Offeror is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (v) none of FESS, EMIC, the Offeror or parties acting in concert with each of them has entered into any arrangements or contracts in relation to any outstanding derivative in respect of the securities in the Company;
- (vi) none of FESS, EMIC, the Offeror or parties acting in concert with each of them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company; and
- (vii) save for the Purchase Consideration, there is no other consideration or benefit in whatever form paid or payable by FESS, EMIC, the Offeror and parties acting in concert with each of them to the Vendors and their ultimate beneficial owners.

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company immediately after Completion and before the Offer (assuming there being no transfer of the Shares and no change in the issued share capital of the Company):

	Immediately after Completion and before the Offer	
	<i>Number of Shares</i>	<i>Approximate %</i>
Vendor A	50,130	0.003
Vendor B	53,988,394	2.70
Fortune Bright Group Limited (<i>Note 2</i>)	236,580,000	11.82
Standard Cosmos Limited (<i>Note 2</i>)	2,340,000	0.12
Next Focus Holdings Limited (<i>Note 3</i>)	152,356,559	7.61
The Offeror and parties acting in concert with it	1,021,071,476	51.00
<i>The Offeror</i>	<i>600,630,280</i>	<i>30.00</i>
<i>FESS</i>	<i>420,441,196</i>	<i>21.00</i>
Other public Shareholders	535,714,373	26.75
Total	2,002,100,932	100

Notes:

- (1) Certain percentage figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.
- (2) Each of Fortune Bright Group Limited and Standard Cosmos Limited is an indirect wholly-owned subsidiary of Next Focus Holdings Limited.
- (3) The figures represents the direct shareholding held by Next Focus Holdings Limited, and does not reflect any deemed shareholding held by it in the capacity as shareholder (directly or indirectly) of Vendor A, Vendor B, Fortune Bright Group Limited and Standard Cosmos Limited.

INFORMATION ON THE GROUP

The Company was incorporated in the Cayman Islands with limited liability as an exempted company and its Shares are listed on the Main Board of the Stock Exchange (stock code: 157). The Group is principally engaged in (a) manufacturing and sales of a range of products, including skin care, beauty and aroma-therapeutic products, health supplements and make-up products under the “Natural Beauty” brand; and (b) provision of skin treatments, beauty and spa services and skin care consulting and beauty training through self-owned spas and franchised beauty salons.

The following table sets out a summary of certain financial information of the Group for the two financial years ended 31 December 2016 and 2017 and for the six months ended 30 June 2018:

	Year ended 31 December 2016	Year ended 31 December 2017	Six months ended 30 June 2018
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
Revenues	475,225	399,579	193,738
Gross profit	352,859	305,112	137,135
Profit before tax	196,217	146,738	44,806
Profit for the year/period	148,403	105,388	29,000
	As at 31 December 2016	As at 31 December 2017	As at 30 June 2018
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
Consolidated net assets	654,673	650,746	601,959

INFORMATION ON THE PURCHASERS

The Offeror

The Offeror is a Hong Kong incorporated company and is wholly-owned by Good Titanic, a company incorporated in the BVI, which is in turn owned as to 100% by Mr. Chao. Mr. Chao is the sole director of each of the Offeror and Good Titanic. Mr. Chao is also a shareholder of approximately 0.07% and a director of, Eastern Home Shopping & Leisure Company Limited, which is directly or indirectly owned as to 25.87% shareholding by EMIC. Neither Mr. Chao, Good Titanic nor the Offeror owns any shares in EMIC.

FESS

FESS is a company incorporated in the Republic of Panama and is a wholly-owned subsidiary of EMIC. EMIC does not have any controlling shareholder (within the meaning of the Takeovers Code and the Listing Rules) as at the date of this joint announcement.

INTENTION OF THE PURCHASERS IN RELATION TO THE GROUP

Following the close of the Offer, the Purchasers intend to continue the existing principal businesses of the Group. The existing principal businesses of the Group include (a) manufacturing and sales of a range of products, including skin care, beauty and aroma-therapeutic products, health supplements and make-up products under the “Natural Beauty” brand; and (b) provision of skin treatments, beauty and spa services and skin care consulting and beauty training through self-owned spas and franchised beauty salons.

It is the intention of the Purchasers that the Group will continue with its existing principal activities after the close of the Offer and will maintain the listing status of the Company. The Purchasers will, following the close of the Offer, conduct a review on the business activities and financial position of the Group to formulate business plans and strategies for the future business development of the Group.

Save as disclosed above, as at the date of this joint announcement, the Purchasers have no intention or plans for any acquisition or disposal of assets and/or business of the Group and no investment or business opportunity has been identified nor have the Purchasers entered into any agreement, arrangements, understandings or negotiation in relation to the injection of any assets or business into the Group, and the Purchasers has no intention to discontinue the employment of any employees of the Group (save for the proposed changes to the composition of the Board) or to redeploy the fixed assets of the Group other than those in its ordinary and usual course of business.

RESIGNATION, APPOINTMENT AND RE-DESIGNATION OF DIRECTORS

The Board is currently made up of seven Directors, comprising three executive Directors, being Dr. Tsai Yen-Yu, Mr. Lee Ming-Ta and Dr. Su Chien-Cheng, one non-executive Director, being Dr. Su Sh-Hsyu and three independent non-executive Directors, being Mr. Chen Ruey-Long, Mr. Lu Chi-Chant and Mr. Hsieh Pang-Chang. It is intended by the Offeror that the current independent non-executive Directors will continue to remain in their offices after the close of the Offer.

Resignation

Each of Mr. Lee Ming-Ta, Dr. Su Chien-Cheng and Dr. Su Sh-Hsyu (together, the “**Outgoing Directors**”) has given notice to resign as Directors with effect from the earliest date as may be permitted under (or pursuant to any dispensation from) the Takeovers Code or by the Executive. Such resignation also includes their respective resignation as members of the Company’s committees. Each of the Outgoing Directors has confirmed that he/she has no disagreement with the Board and there is no matter relating to their resignations that needs to be brought to the attention of the Shareholders.

Re-designation

Dr. Tsai would wish to be re-designated as a non-executive Director and step down from being the chairperson of the Board and be appointed as an honorary chairperson of the Company with effect from the Appointment Effective Date.

Appointment

The Purchasers have nominated Dr. Chien Lei AKA Chien Joanna Lei as an executive Director and chairperson of the Board, Mr. Pan Yi-Fan Ivan as an executive Director and Mr. Hsiao Wen-Chung as a non-executive Director as new directors to the Board with effect from the Appointment Effective Date. The biographies of the proposed new directors of the Company are as follows:

Dr. Chien Lei AKA Chien Joanna Lei (雷倩) (“Dr. Lei”), aged 59, is currently an executive director of Pacific Construction Co., Limited* (太平洋建設股份有限公司), a company listed on Taiwan Stock Exchange (TWSE: 2506) and an independent director of Waterland Financial Holding Co., Ltd.* (國票金融控股公司), a company listed on Taiwan Stock Exchange (TWSE: 2889). Dr. Lei is also serving on the board of a number of non-profit organisations such as the Chinese Childrenhome and Shelter Association* (中華育幼機構兒童關懷協會) and the National Women’s League* (中華民國婦女聯合會). She has over 25 years of experience in the media and broadcasting sector and corporate management.

Dr. Lei began her career as a media and development scholar at the University of Pennsylvania from 1984 to 1987. From 1987 to 1996, she worked in the media conglomerate Capital Cities/ABC, Inc. in New York. She was eventually promoted to Vice President and was one of the highest ranking Asians in mainstream American media. From 1997 to 2002, Dr. Lei was an investment partner of Baring Communication Equity Asia in Singapore. Her investment activities included equity investment, debt restructuring, and merger and acquisitions in telecom, media, and information technology industries across the Asia Pacific region excluding Japan.

In 2000, Dr. Lei returned to Taiwan and from 2003 to 2004, she was an executive director of Eastern Broadcasting Company Co., Ltd (“EBC”). She has been elected as senator at the Legislative Yuan of the Republic of China in 2005 and until 2008. Dr. Lei was appointed as the chairman of a government-owned enterprise, Kinmen Kaoliang Liquor Co., Limited* (金門酒廠實業股份有限公司) in 2008. From 2009 to 2017, Dr. Lei has worked again in EBC as a board director.

Dr. Lei obtained a bachelor of arts degree in foreign languages and literature from the National Taiwan University in June 1980. She has received a master of arts degree in June 1983 and a doctor of philosophy from the University of Pennsylvania (Philadelphia) in June 1996.

Dr. Lei has not entered into any service contract with the Company nor has he been appointed for a specified length of service period but will be subject to retirement by rotation, and eligible for re-election pursuant to the articles of association of the Company. She is entitled to a director’s fee to be determined by the remuneration committee of the Company with reference to her duties and responsibilities in the Company and the market benchmark.

Mr. Pan Yi-Fan Ivan (潘逸凡) (“Mr. Pan”), aged 48, is currently the chief strategy officer at Eastern Media Group (東森集團) and the general manager of Eastern Integrated Marketing, Inc.(東森整合行銷股份有限公司). He has more than 10 years of experience in private equity investment and corporate management. Prior to joining Eastern Media Group and Eastern Integrated Marketing, Inc. in February 2017, Mr. Pan worked as a consultant at McKinsey & Co. from 1999 to 2005. He was then a vice president at Crimson Investment from 2005 to 2007 and a director at Deutsche Bank from 2007 to 2010. He has worked as a director at the CID Group in Shanghai from 2010 to 2017.

Mr. Pan obtained a bachelor of business administration degree from National Taiwan University in June 1993 and he received a master of business administration degree from the University of Michigan in April 1999.

Mr. Pan has not entered into any service contract with the Company nor has he been appointed for a specified length of service period but will be subject to retirement by rotation, and eligible for re-election pursuant to the articles of association of the Company. He is entitled to a director’s fee to be determined by the remuneration committee of the Company with reference to his duties and responsibilities in the Company and the market benchmark.

Mr. Hsiao Wen-Chung (蕭文聰) (“Mr. Hsiao”), aged 60, is currently a director of Shanghai Natural Beauty Company Limited* (上海自然美生物科技有限公司), Shanghai Natural Beauty Fuli Cosmetics Co., Ltd* (上海自然美富麗化妝品有限公司) and Shanghai Natural Beauty Bio-Med Company Limited* (上海自然美生物醫學有限公司). Mr. Hsiao joined the Company on 16 October 2006 as the chief operating officer for the Group’s Taiwan, Hong Kong and Malaysia markets. Mr. Hsiao was subsequently re-designated as the chief operating officer of the Group with effect from 15 April 2009 and was responsible for consolidating and expanding the Group’s

operations until 9 February 2010. After 9 February 2010, He was re-designated to take charge of the Group's Taiwan market and he left the Group on 30 July 2011. Mr. Hsiao subsequently re-joined the Group and was appointed as chief operating officer and interim chief executive officer of the Group with effect from 21 December 2015 and 1 January 2016, respectively. Mr. Hsiao was re-designated as the chief executive officer of the Group and ceased to be the chief operating officer, in each case, with effect from 1 September 2016. Mr. Hsiao resigned as the chief executive officer of the Group due to personal reasons on 9 July 2018. For details of Mr. Hsiao's resignation, please refer to the announcement of the Company dated 9 July 2018.

Mr. Hsiao graduated from the Department of Journalism of Chinese Culture University in 1981. Prior to joining the Group in October 2006, Mr. Hsiao has over 23 years of operational management experience in the consumer goods industry. He was the national key account manager of Tait & Co., the national sales director of Unilever Taiwan, the greater china sales and marketing director of Warner-Lambert and Energizer Schick Taiwan Limited, leading the sales team of the company operating globally in the broad categories of household and personal care products. From November 2014 to November 2015, Mr. Hsiao was the executive vice president of Panion & BF Biotech Inc., Taiwan (Stock Code: 1760).

Mr. Hsiao has not entered into any service contract with the Company nor has he been appointed for a specified length of service period but will be subject to retirement by rotation, and eligible for re-election pursuant to the articles of association of the Company. He is entitled to a director's fee to be determined by the remuneration committee of the Company with reference to his duties and responsibilities in the Company and the market benchmark.

Save as disclosed above, each of Dr. Lei, Mr. Hsiao and Mr. Pan (i) does not hold any other position with the Company or any of its subsidiaries; (ii) has not hold any other directorship in any other public companies the securities of which are listed on any security market in Hong Kong or overseas in the three years prior to the date of this joint announcement; (iii) does not have any relationship with any directors, senior management or substantial or controlling shareholders (as defined under the Listing Rules) of the Company; (iv) does not have any interest in the Shares or underlying Shares in the Company (within the meaning of Part XV of the SFO). There is no other information in relation to the appointments of Dr. Lei, Mr. Pan and Mr. Hsiao that is required to be disclosed nor are/were they involved in any of the matters required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offeror has no intention to privatise the Group and intends to maintain the listing of the Shares on the Stock Exchange. The Offeror will undertake to the Stock Exchange to take appropriate steps to ensure that not less than 25% of the issued share capital of the Company will be held by the public at all times following closing of the Offer.

Pursuant to the Listing Rules, if, at the closing of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued share capital of the Company, are held by the public or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market, the Stock Exchange will consider exercising its discretion to suspend dealing in the Shares.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Under Rule 2.1 of the Takeovers Code, a board which receives an offer or which is approached with a view to an offer being made, must, in the interests of shareholders, establish an independent committee of the board to make a recommendation: (i) as to whether the offer is, or is not, fair and reasonable; and (ii) as to acceptance. An Independent Board Committee comprising Mr. Chen Ruey-Long, Mr. Lu Chi-Chant and Mr. Hsieh Pang-Chang, has been formed pursuant to Rule 2.1 of the Takeovers Code to advise and make a recommendation to the Independent Shareholders as to whether the Offer is fair and reasonable and as to acceptance of the Offer.

Dr. Su Sh-Hsyu, a non-executive Director, beneficially owns 30% interest in Next Focus Holdings Limited (which is the holding company of the Vendors) and is therefore considered to have a material interest in the Offer and will not form part of the Independent Board Committee.

An independent financial adviser will be appointed by the Company with approval of the Independent Board Committee to advise it in respect of the Offer, and in particular as to whether the Offer is fair and reasonable and as to the acceptance of the Offer. Further announcement(s) will be made by the Company in respect of appointment of the independent financial adviser as and when appropriate.

Independent Shareholders are encouraged to read the Composite Document carefully, including the advice of the independent financial adviser to the Independent Board Committee and the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Offer, before deciding whether or not to accept the Offer.

DESPATCH OF THE COMPOSITE DOCUMENT

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular into the Composite Document. In accordance with Rule 8.2 of the Takeovers Code, the Composite Document (accompanied by the Form of Acceptance) in connection with the Offer setting out, among others, (i) details of the Offer (including the expected timetable); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; and (iii) a letter of advice from the independent financial adviser to the Independent Board Committee in respect of the Offer, will be despatched jointly by the Offeror and the Company to the Shareholders within 21 days of the date of this joint announcement or such later date as the Executive may approve.

GENERAL

Disclosure of dealings in the Shares

For the purpose of the Takeovers Code, the offer period is deemed to commence on the date of the MOU Announcement, being 31 July 2018. In accordance with Rule 3.8 of the Takeovers Code, the associates (including any person holding 5% or more of a class of relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code)) of the Company and the Offeror are hereby reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code. In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

WARNING: The Directors make no recommendation as to the fairness or reasonableness of the Offer or as to the acceptance of the Offer in this joint announcement, and strongly recommend the Independent Shareholders not to form a view on the Offer unless and until they have received and read the Composite Document, including the recommendations of the Independent Board Committee in respect of the Offer and a letter of advice from the independent financial adviser.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 3 October 2018 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 8 October 2018.

DEFINITIONS

In this joint announcement, unless the context otherwise requires, capitalised terms used shall have the following meanings:

“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“Appointment Effective Date”	the earliest date as may be permitted under the Takeovers Code (i.e. the date of posting of the Composite Document) after the posting of the Composite Document except with the consent of the Executive
“associate(s)”	has the meaning ascribed thereto in the Listing Rules or the Takeovers Code (as the case may be)

“Board”	the board of the Directors
“BVI”	the British Virgin Islands
“CCBI”	CCB International Capital Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the financial adviser to the Offeror in respect of the Offer
“Company”	Natural Beauty Bio-Technology Limited, a company incorporated in the Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 157)
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the Sale and Purchase Agreement
“Composite Document”	the composite document to be issued jointly by the Offeror and the Company to the Shareholders in relation to the Offer in accordance with the Takeovers Code
“Director(s)”	the director(s) of the Company
“Dr. Tsai”	Dr. Tsai Yen-Yu (alias Tsai Yen-Pin), a non-executive Director after Completion
“EMIC”	Eastern Media International Corporation, a company whose shares are listed on the Taiwan Stock Exchange (TWSE stock code: 2614)
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“FESS”	Far Eastern Silo & Shipping (Panama) S.A., a company incorporated in the Republic of Panama with limited liability
“Form of Acceptance”	the form of acceptance and transfer of Share(s) in respect of the Offer accompanying this Composite Document
“Good Titanic”	Good Titanic Limited, a company incorporated in the BVI, the sole shareholder of the Offeror and is wholly-owned by Mr. Chao
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

“Independent Board Committee”	the independent board committee of the Company comprising all the non-executive Directors (save for Dr. Su Sh-Hsyu), namely Mr. Chen Ruey-Long, Mr. Lu Chi-Chant and Mr. Hsieh Pang-Chang, formed for the purpose of making a recommendation to the Independent Shareholders regarding the terms of the Offer
“Independent Shareholder(s)”	the Shareholders, other than the Offeror and parties acting in concert with it
“King’s Town Bank”	King’s Town Bank Co., Ltd. (京城商業銀行股份有限公司), a Taiwan-based bank principally engaged in financial businesses, whose shares are listed on the Taiwan Stock Exchange (TWSE stock code: 2809)
“Last Trading Day”	2 October 2018, being the last trading day immediately prior to the suspension in the trading of the Shares on the Stock Exchange pending the publication of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Deeds”	the two loan deeds both dated 24 August 2018 executed by the Offeror as borrower and pledgor, Mr. Wang Ling-Lin and Good Titanic as guarantors, in favour of King’s Town Bank relating to the Loan Facilities, which are secured by a pledge of 420,441,196 Shares which will be owned by the Offeror upon the Completion and all of the Offer Shares to be acquired by the Offeror during the Offer
“Loan Facilities”	two committed loan facilities of up to USD55 million, in aggregate (equivalent to approximately HK\$429.62 million) granted to the Offeror as borrower for financing, among others, the Offer Consideration by King’s Town Bank
“MOU”	the memorandum of understanding dated 30 July 2018 entered into between the Vendors, the Purchasers and Dr. Tsai in relation to the sale and purchase of the Sale Shares
“MOU Announcement”	the joint announcement published by the Purchasers and the Company dated 31 July 2018 in relation to, among others, the MOU

“Mr. Chao”	Mr. Chao Shih-Heng, the ultimate shareholder of the Offeror and the sole director of each of the Offeror and Good Titanic
“Non-Accepting Non-Controlling Shareholders”	has the meaning ascribed to it under the section headed “Unconditional Mandatory General Cash Offer – Undertaking not to accept the Offer” in this joint announcement
“Non-Accepting Non-Controlling Shares”	has the meaning ascribed to it under the section headed “Unconditional Mandatory General Cash Offer – Undertaking not to accept the Offer” in this joint announcement
“Non-Accepting Tsai-Controlled Shareholders”	has the meaning ascribed to it under the section headed “Unconditional Mandatory General Cash Offer - Undertaking not to accept the Offer” in this joint announcement
“Offer”	the mandatory unconditional general offer in cash to be made by CCBI for and on behalf of the Offeror to acquire all of the Offer Shares in accordance with the terms and conditions set out in the Composite Document and the accompanying Form of Acceptance
“Offer Consideration”	the cash consideration payable by the Offeror for the purchase of the Offer Share(s) under the Offer
“Offer Price”	the price at which the Offer will be made, being HK\$0.90 per Offer Share
“Offer Share(s)”	any and all of the issued share capital of the Company not already owned or agreed to be acquired by the Offeror and parties acting in concert with it
“Offeror”	Insbro Holdings Limited, a company incorporated in Hong Kong and an indirect wholly-owned company of Mr. Chao
“Outgoing Directors”	has the meaning ascribed to it under the section headed “Resignation, Appointment and Re-Designation of Director” in this joint announcement
“PRC”	the People’s Republic of China which, for the purpose of this joint announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchase Consideration”	the consideration paid by the Purchasers to the Vendors for the purchase of the Sale Shares pursuant to the Sale and Purchase Agreement
“Purchasers”	collectively, FESS and the Offeror
“Remaining Non-Accepting Tsai-Controlled Shares”	has the meaning ascribed to it under the section headed “Unconditional Mandatory General Cash Offer – Undertaking not to accept the Offer” in this joint announcement

“Sale and Purchase Agreement”	the sale and purchase agreement dated 2 October 2018 (after the Stock Exchange trading hours) entered into amongst the Purchasers and the Vendors in respect of the sale and purchase of the Sale Shares
“Sale Shares”	1,021,071,476 Shares
“SFC”	the Securities and Futures Commission of Hong Kong
“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 issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers and Share Buy-backs
“USD”	United States Dollar, the lawful currency of United States of America
“Vendor A”	Efficient Market Investments Limited, a company incorporated in the BVI and owns 50,130 Shares (representing approximately 0.003% shareholdings interests) in the issued share capital of the Company as at the date of this joint announcement
“Vendor B”	Adventa Group Limited, a company incorporated in the BVI and owns 53,988,394 Shares (representing approximately 2.70% shareholding interests) in the issued share capital of the Company as at the date of this joint announcement
“Vendors”	collectively, Vendor A and Vendor B
“%”	per cent.

By order of the board of
Insbro Holdings Limited
Chao Shih-Heng
Director

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

Hong Kong, 5 October 2018

As at the date of this joint announcement, the Board comprises Dr. Tsai Yen-Yu, Mr. Lee Ming-Ta and Dr. Su Chien-Cheng as executive directors; Dr. Su Sh-Hsyu as non-executive director; and Mr. Chen Ruey-Long, Mr. Lu Chi-Chant and Mr. Hsieh Pang-Chang as independent non-executive directors.

As at the date of this joint announcement, Mr. Chao is the sole director of each of the Offeror and Good Titanic.

As at the date of this joint announcement, the directors of FESS are Mr. Liao Shang-Wen, Mr. Chiu Jaw-Shin and Mr. Tsai Kao-Ming.

As at the date of this joint announcement, the directors of EMIC are Mr. Liao Shang-Wen, Mr. Chiu Jaw-Shin, Mr. Tsai Kao-Ming, Mr. Paul Chen, Mr. Lee Kuen-Chang, Mr. Chen Su-Chang and Mr. Shyr Tien-Wei.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than information relating to the Purchasers) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of FESS or the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

The sole director of the Offeror, the directors of FESS and the directors of EMIC jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than information relating to the Group, and the Vendors) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

In the case of inconsistency, the English text of this joint announcement shall prevail over the Chinese text.