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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

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

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自然美
natural beauty

Natural Beauty Bio-Technology Limited
自然美生物科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00157)

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

A notice convening the Annual General Meeting (“AGM”) of Natural Beauty Bio-Technology Limited (the “Company”) to be held at Gloucester Room, Mandarin Oriental Hotel at 5 Connaught Road, Central, Hong Kong on Thursday, 12 June 2008 at 3:00 pm, is set out in the 2007 annual report of the Company.

Whether or not you propose to attend the meeting, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company’s branch share registrar in Hong Kong, Hong Kong Registrars Limited at Rooms 1806–07, 18th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the proxy form will not preclude shareholders from attending and voting in person at the meeting should they so wish.

18 April 2008

LETTER FROM THE CHAIRMAN



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Natural Beauty Bio-Technology Limited

自然美生物科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00157)

Executive Directors:

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

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

Dr. Su Chien Cheng

Dr. Su Sh Hsyu

Independent Non-Executive Directors:

Mr. Yeh Liang Fei

Mrs. Chen Shieh Shu Chen

Mr. Chen Ching

Registered Office:

P.O. Box 309

Ugland House

South Church Street

George Town

Grand Cayman

Cayman Islands

British West Indies

Head Office and Principal

Office in Hong Kong:

Unit 3512, 35/F

The Center

99 Queen's Road Central

Hong Kong

18 April 2008

To the Shareholders:

Dear Sirs or Madams,

PROPOSED ELECTION OF DIRECTORS AT THE AGM

In accordance with the Company' Articles of Association, Dr. Tsai Yen Yu, Mr. Lee Ming Ta and Dr. Su Chien Cheng who were the Executive Directors of the Company during the year, will retire by rotation at the AGM and being eligible, have offered themselves for re-election at the AGM.

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

LETTER FROM THE CHAIRMAN

PROPOSED GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES

By resolutions of the shareholders of the Company (“**Shareholders**”) passed on 15 June 2007, the directors of the Company (the “**Directors**”) were granted a general mandate to allot, issue and deal with the shares of HK\$0.10 each in the issued share capital of the Company (the “**Shares**”) and a general mandate to repurchase the Shares. These mandates will expire at the conclusion of the forthcoming AGM. Resolutions will be proposed at the forthcoming AGM to seek the Shareholders’ approval for the renewal of these general mandates.

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

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

GENERAL MANDATE TO REPURCHASE SHARES

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

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

GENERAL MANDATE TO ISSUE SHARES

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

LETTER FROM THE CHAIRMAN

Subject to the passing of the Ordinary Resolution 5(i) set out in the notice of the Annual General Meeting and on the basis that no further Shares would be issued prior to the Annual General Meeting, the Company would be allowed under the Ordinary Resolution No. 5(i) to issue a maximum of 400,000,000 Shares (representing 20%) based on the issued share capital of the Company as at the Latest Practicable Date.

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

PROCEDURE FOR DEMANDING A POLL

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

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

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

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

LETTER FROM THE CHAIRMAN

At the AGM, the Chairman of the Meeting will exercise his power under Article 81(a) of the Articles of Association of the Company to put each of the resolutions to be voted by way of poll. On a poll, every member present in person (or in the case of a corporation by its corporate representative) or by proxy shall have one vote for each share of any class of which he is the holder.

RECOMMENDATION

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

Yours faithfully,
Dr. Tsai Yen Yu
Chairman

The following are the particulars of the three Directors (as required by the Listing Rules) proposed to be elected at the AGM to be held on 12 June 2008:

1. **Dr. Tsai Yen-Yu** (alias Tsai Yen-Pin), founder and Chairperson of the Company (“**Dr Tsai**”), aged 61, the wife of Mr. Lee Ming Ta and mother of Dr. Su Chien Cheng (both are executive directors of the Company) is an executive director of the Company and is responsible for the strategic development of the Company and its direct and indirect subsidiaries (collectively “**Group**”). Save as disclosed above, Dr. Tsai did not hold any directorship in other listed public companies in the past three years.

After Dr. Tsai’s re-election at the forthcoming AGM, she will continue to serve on the board of Directors for a period of approximately 3 years until she is due to retire by rotation again in accordance with the Articles of Association. Dr. Tsai entered into a service contract dated 11 March 2005 with the Company which provides for a term of employment of a fixed term of 3 years from 11 March 2005 which had expired on 10 March 2008 and renewed for another three years with the same terms effective 11 March 2008 (“**Tsai Service Contract**”). Pursuant to the Tsai Service Contract, Dr. Tsai is entitled to a Director’s remuneration at the rate of HK\$1,000,000 per annum and a discretionary bonus to be determined by the board of Directors at its sole discretion provided that the aggregate amount of bonus payable to all the Directors (including the 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. Dr. Tsai, however, had waived such remuneration and bonus for the year ended 31 December 2007. In determining the basis of remuneration and bonus under the Tsai Service Contract, the Company had taken into consideration the contribution of Dr. Tsai as one of the founders 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.

As at the latest practicable date prior to the printing of this document (the “**Latest Practicable Date**”), Dr. Tsai has interested in 838,530,000 Shares by virtue of her beneficial interests in 100% of the issued share capital of Knightcote Enterprises Limited which in turn holds 100% interests in Efficient Market Investments Limited while Efficient Market Investments Limited holds 838,530,000 Shares (representing 41.93% of the entire issued Shares). Save as disclosed above, as at the Latest Practicable Date, Dr. Tsai was not interested in and did not have any short positions in any Shares or underlying Shares in or any debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities & Futures Ordinance (Cap 571, Laws of Hong Kong) (“**SFO**”) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

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

2. **Mr. Lee Ming Ta** (alias Lee Ming Tah)("Mr. Lee"), aged 61, the husband of Dr. Tsai, and the father of Dr. Su Chien Cheng(both are executive directors of the company) is an executive director of the Company and is responsible for the general administration and internal management of the Company and its direct and indirect subsidiaries (collectively "**Group**"). Prior to joining the Group in 1993, Mr. Lee had worked for various financial institutions at senior management level for over 10 years in corporate management and staff training. Mr. Lee graduated in Fengchia University in Taiwan with a bachelor degree in Banking and Insurance. Save as disclosed above, Mr. Lee did not hold any directorship in other listed public companies in the past three years.

After Mr. Lee's re-election at the forthcoming AGM, he will continue to serve on the board of Directors for a period of approximately 3 years until he is due to retire by rotation again in accordance with the Articles of Association. Mr. Lee entered into a service contract dated 11 March 2005 with the Company which provides for a term of employment of a fixed term of 3 years from 11 March 2005 which had expired on 10 March 2008 and renewed for another three years with the same terms effective 11 March 2008 ("**Lee Service Contract**"). Pursuant to the Lee Service Contract, Mr. Lee is entitled to a Director's remuneration at the rate of HK\$700,000 per annum and a discretionary bonus to be determined by the board of Directors at its sole discretion provided that the aggregate amount of bonus payable to all the Directors (including the 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. Mr. Lee, however, had waived such remuneration and bonus for the year ended 31 December 2007. Mr. Lee is entitled to an annual remuneration of NTD100,000 (approximately HK\$23,725) per month plus bonus payable by one of the subsidiaries of the Company, Natural Beauty Cosmetics Company Limited ("**NB Taiwan**") in consideration of his services to NB Taiwan for the financial year ending 31 December 2007 and has received a total sum of NTD1,443,180 (approximately HK\$342,391) for the year ended 31 December 2007 comprising NTD1,200,000 (approximately HK\$284,698) as salary, NTD171,000 (approximately HK\$40,569) as bonus and NTD72,180 (approximately HK\$17,124) as contribution of NB Taiwan to the employees retirement fund for Mr. Lee. In determining the basis of remuneration and bonus under the Lee Service Contract, the Company had taken into consideration the contribution of Mr. Lee to the Group, his experience in the relevant business of the Group, the then market rate and the financial position of the Group as a whole. Similar considerations were also taken by NB Taiwan when determining the amount of remuneration and bonus payable to Mr. Lee and referred to above.

As at the latest practicable date prior to the printing of this document (the “**Latest Practicable Date**”), Mr. Lee is taken to have family interest in 838,530,000 Shares as he is the spouse of Dr. Tsai who is taken to be interested in 838,530,000 Shares. Save as disclosed above, as at the Latest Practicable Date, Mr. Lee was not interested in and did not have any short positions in any Shares or underlying Shares in or any debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities & Futures Ordinance (Cap 571, Laws of Hong Kong) (“**SFO**”) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

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

3. **Dr. Su Chien Cheng** (“Dr. Su”), aged 36, the son of Dr. Tsai and Mr. Lee (both are executive directors of the Company), is an executive director of the Company and Vice President of NB Taiwan. He is responsible for the financial management and sales and marketing of the Group. Dr. Su graduated from the University of Westminster with a master degree of business administration and obtained his PhD in the Shanghai University of Finance and Economics of the PRC. He joined the Group in 1999. Save as disclosed above, Dr. Su did not hold any directorship in other listed public companies in the past three years.

After Dr. Su’s re-election at the forthcoming AGM, he will continue to serve on the board of Directors for a period of approximately 3 years until he is due to retire by rotation again in accordance with the Articles of Association. Dr. Su entered into a service contract dated 11 March 2005 with the Company which provides for a term of employment of a fixed term of 3 years from 11 March 2005 which had expired on 10 March 2008 and renewed for another three years with the same terms effective 11 March 2008 (“**Su Service Contract**”). Pursuant to the Su Service Contract, Dr. Su is entitled to a Director’s remuneration at the rate of HK\$600,000 per annum and a discretionary bonus to be determined by the board of Directors at its sole discretion provided that the aggregate amount of bonus payable to all the Directors (including the 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. Dr. Su, however, had waived such remuneration and bonus for the year ended 31 December 2007. Dr. Su is entitled to an annual remuneration of NTD90,000 (approximately HK\$21,352) per month plus bonus payable by NB Taiwan in consideration of his services to NB Taiwan for the financial year ending 31 December 2007 and has received a total sum of NTD1,292,980 (approximately HK\$306,757) for the year ended 31 December

APPENDIX I DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

2007 comprising NTD1,080,000 (approximately HK\$256,228) as salary, NTD148,000 (approximately HK\$35,113) as bonus and NTD64,980 (approximately HK\$15,416) as contribution of NB Taiwan to the employees retirement fund for Dr. Su. In determining the basis of remuneration and bonus under the Su Service Contract, the Company had taken into consideration the contribution of Dr. Su to the Group, his experience in the relevant business of the Group, the then market rate and the financial position of the Group as a whole. Similar considerations were also taken by NB Taiwan when determining the amount of remuneration and bonus payable to Dr. Su and referred to above.

As at the Latest Practicable Date, Dr. Su is beneficially interested in 233,500,000 Shares by virtue of his beneficial interests in 100% of the issued share capital of Beautivalue Holdings Limited which in turn holds 100% interests in Aventa Group Limited while Aventa Group Limited holds 233,500,000 Shares (representing 11.68% of the entire issued Shares). Save as disclosed above, as at the Latest Practicable Date, Dr. Su was not interested in and did not have any short positions in any Shares or underlying Shares in or any debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

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

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

1. Share Capital

As at 15 April 2008, being the Latest Practicable Date, the issued and fully-paid share capital of the Company was 2,000,000,000 shares of HK\$0.10 each.

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

2. Reasons for Repurchases

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

3. Funding of Repurchases

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

On the basis of the consolidated financial position of the Company as at 31 December 2007 (being the date to which the latest published audited financial statements of the Company have been made up) and in particular the working capital position of the Company at that time and the number of issued Shares now in issue, the Directors consider that there might be a material adverse impact on the working capital position but that there would not be any material adverse impact on the gearing position of the Company in the event that purchases of all the Shares, the subject of the Repurchase Mandate, were to be carried out in full during the period of the Repurchase Mandate. The Directors do not propose to exercise the Repurchase Mandate to such extent as could, in the circumstance, have a material adverse effect on the working capital or the gearing level of the Company which in the opinion of the Directors is from time to time appropriate for the Company.

4. Prices of Shares

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

	Price per Share	
	Highest traded price <i>HK\$</i>	Lowest traded price <i>HK\$</i>
2007		
April	1.80	1.43
May	1.89	1.61
June	1.85	1.69
July	1.81	1.69
August	1.76	1.33
September	2.08	1.60
October	1.93	1.80
November	1.99	1.81
December	2.65	1.95
2008		
January	2.51	1.90
February	2.12	1.92
March	2.00	1.70

5. Undertaking

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

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

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

6. Hong Kong Code on Takeovers and Mergers

If a Shareholder's proportionate interest in the voting capital of the Company increases as a result of a share repurchase, such increase will be treated as an acquisition for the purposes of Rule 32 of the Hong Kong Code on Takeovers and Mergers (the "Code") and, if such increase results in a change of control, may in certain circumstances give rise to an obligation to make a general offer for Shares under Rule 26 of the Code.

As at the Latest Practicable Date, each of Dr. Tsai Yen Yu, Dr. Su Chien Cheng and Dr. Su Sh Hsyu had, together with their respective associates, indirect and/or deemed interests in Shares representing approximately 41.93%, 11.68% and 11.68% of the issued share capital of the Company respectively (65.29% in aggregate). To the best of the knowledge and belief of the Company, Dr. Tsai Yen Yu, Dr. Su Chien Cheng and Dr. Su Sh Hsyu, together with their respective associates, are the only persons beneficially interested in Shares representing 10% or more of the issued share capital of the Company.

In the event that the Directors exercised in full the power to repurchase Shares which is proposed to be granted pursuant to resolution 5B set out in the notice convening the AGM, the indirect and/or deemed shareholdings of each of Dr. Tsai Yen Yu, Dr. Su Chien Cheng and Dr. Su Sh Hsyu, together with their respective associates, in the Company would be increased to approximately 46.59%, 12.97% and 12.97% of the issued share capital of the Company respectively (72.53% in aggregate). Accordingly, a mandatory offer under Rule 26 of the Code on the part of Dr. Tsai Yen Yu may arise as a result of the exercise in full of the Repurchase Mandate. As at the date of this circular, the Company has no intention to exercise the Repurchase Mandate to such an extent that Dr. Tsai Yen Yu and her associates would become obliged to make a mandatory offer under the Code.

7. Share Repurchases made by the Company

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