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NB

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)

SUPPLEMENTAL ANNOUNCEMENT PROFIT WARNING

This announcement is made by Natural Beauty Bio-Technology Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “**SFO**”) and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Reference is made to the announcement of the Company dated 22 January 2021 in relation to the profit warning of the Company (the “**Announcement**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Board of the Company would like to inform the Shareholders and potential investors that based on the preliminary assessment of the latest unaudited consolidated management accounts of the Group for the year ended 31 December 2020 and the latest information available to the management of the Group:

1. revenue of the Group is expected to decrease from HK\$438.4 million for the year ended 31 December 2019 to HK\$410.5 million for the year ended 31 December 2020 (i.e. a decrease of 6.4%). The decrease in the Group’s revenue is mainly attributable to the significant decrease in the Group’s revenue in the PRC, which is expected to decrease from HK\$303.8 million for the year ended 31 December 2019 to HK\$221.0 million for the year ended 31 December 2020 (i.e. a decrease of 27.2%) due to the suspension of the business of the Group’s franchising stores in the PRC arising from the impact of COVID-19 epidemic;

2. gross profit of the Group is expected to decrease from HK\$265.6 million for the year ended 31 December 2019 to HK\$241.0 million for the year ended 31 December 2020 (i.e. a decrease of 9.3%). The decrease in the Group's gross profit is mainly attributable to the significant decrease in the Group's revenue in the PRC as disclosed in paragraph 1 above; and
3. net profit of the Group is expected to decrease from HK\$21.9 million for the year ended 31 December 2019 to HK\$3.4 million for the year ended 31 December 2020 (i.e. a decrease of 84.5%). The decrease in the Group's net profit is mainly attributable to (i) the decrease in the Group's gross profit as disclosed in paragraph 2 above; and (ii) the increase in the Group's administrative expenses, which are expected to increase from HK\$72.5 million for the year ended 31 December 2019 to HK\$85.1 million for the year ended 31 December 2020 (i.e. an increase of 17.4%) arising from the Company's application for the resumption of trading in Shares.

The Company is in the process of finalising the annual results of the Group for the year ended 31 December 2020. The information contained in this announcement is only based on a preliminary assessment by the Board of the unaudited management accounts of the Group for the year ended 31 December 2020 and the information currently available to the Company, which have not been audited or reviewed by the Company's auditors. Shareholders and potential investors of the Company should note that detailed information on the Group's performance for the year ended 31 December 2020 will be disclosed in its results announcement for the same period to be published in due course.

CONTINUED SUSPENSION OF TRADING

Trading in the Shares on the Stock Exchange has been suspended at the request of the Company since 9:00 a.m. on 25 March 2020 and will remain suspended until further notice. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Natural Beauty Bio-Technology Limited
LEI Chien
Chairperson

Hong Kong, 28 January 2021

As at the date of this announcement, the Board comprises Dr. Lei Chien and Mr. Pan Yi-Fan as executive directors; Ms. Lu Yu-Min, Ms. Lin Shu-Hua and Mr. Chen Shou-Huang as non-executive directors; and Mr. Chen Ruey-Long, Mr. Lu Chi-Chant and Mr. Yang Shih-Chien as independent non-executive directors.