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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)

**INSIDE INFORMATION
PROFIT WARNING**

This announcement is made by the Company pursuant to the Inside Information Provisions under Part XIVA of the SFO and Rule 13.09(2)(a) of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that based on its preliminary assessment on the information currently available to the Board, the Group is expected to record a net loss of approximately HK\$102,000,000 to HK\$103,000,000 for FY2024, as compared to its net loss of approximately HK\$15,111,000 recorded for the corresponding period in FY2023. The increase was mainly attributable to: (1) significant increase of selling and distribution expenses to approximately HK\$170,000,000 to HK\$171,000,000 for FY2024, as compared to HK\$142,208,000 for FY2023; (2) increase in impairment of approximately HK\$29,200,000 on the goodwill and assets of the Cash Generating Unit for the sales of cosmetics in Mainland China; and (3) increase in fair value loss on the Group's investment properties to approximately HK\$19,700,000 for FY2024 as compared to HK\$5,764,000 for FY2023.

The information contained in this announcement is only based on a preliminary review and assessment by the Board according to the unaudited consolidated management accounts of the Group for FY2024 and the information currently available to the Company, which has not been reviewed by the Company's auditors, or reviewed by the audit committee of the Company and may be subject to adjustments.

Shareholders and potential investors are advised to exercise caution when dealings in the shares of the Company.

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**”).

The board of directors of the Company (the “**Board**”) would like to inform the shareholders of the Company (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 2024 (“**FY2024**”) and the latest information available to the management of the Group, the Group is expected to record a net loss of approximately HK\$102,000,000 to HK\$103,000,000 for FY2024, as compared with the net loss of approximately HK\$15,111,000 recorded for the corresponding period in 2023 (“**FY2023**”).

Such change is mainly attributable to the combined effect of the following:

1. Significant increase in distribution and selling expense by approximately 19.5% to 20.2%, to approximately HK\$170,000,000 to HK\$171,000,000 for FY2024, as compared to HK\$142,208,000 for FY2023. In 2024, the Group is focusing on rapid business expansion, which has resulted in significant increase in business-related expenses and personnel expenses. The Group expand business by two ways: (A) implement the strategy of multi-channel & multi-brand; and (B) increase the number of franchising stores (which is our core business) through franchising agents.
2. Significant increase in impairment of approximately HK\$29,200,000 on the goodwill and assets of the Cash Generating Unit for the sales of cosmetics in Mainland China. The impairment, which is non-cash in nature, was primarily attributable to changes in the market and economic environment. This was compounded by an increase in business-related and personnel expenses, resulting in lower projected future cash flows associated with the Cash Generating Unit responsible for the sale of cosmetics in Mainland China.
3. Increase in the fair value loss on the Group’s investment properties by approximately 241.8%, to approximately HK\$19,700,000 for FY2024 as compared to HK\$5,764,000 for FY2023. The increase in fair value loss, which is non-cash in nature, was primarily driven by changes in the macroeconomic environment, weakened market rental demand, and added pressure from new supply, leading to a continued downward trend in rental prices across various property sectors in Mainland China in 2024.

4. Increase in the overall revenue of the Group by approximately 5.3% from HK\$336,015,000 for FY2023 to approximately HK\$353,700,000 for FY2024, which has partially off-set the increase in net loss. Despite facing the dual challenges of a global economic slowdown and weak domestic demand this year, the Group has actively adjusted its strategic to expand into the healthcare sector. By leveraging franchising agents to accelerate store expansion, the Group has driven an increase in health supplements revenue by 86.7% to approximately HK\$31,000,000 for FY2024 as compared to HK\$16,606,000 for FY2023.

The Company is still in the process of finalising the annual results of the Group for FY2024. The information contained in this announcement is only based on a preliminary assessment by the Board of the unaudited consolidated management accounts of the Group for FY2024 and the information currently available to the Company, which have not been reviewed by the Company's auditors or reviewed by the audit committee of the Company, and may be subject to adjustments. Shareholders and potential investors are advised to read carefully the results announcement of the annual results of the Group for FY2024, which is expected to be published in no later than March 2025 pursuant to the requirements of the Listing Rules.

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

Hong Kong, 24 January 2025

As at the date of this announcement, the Board comprises Dr. Lei Chien, Mr. Lin Chia-Wei and Ms. Lin Yen-Ling as executive directors; Ms. Lin Shu-Hua and Mr. Chen Shou-Huang as non-executive directors; and Mr. Chen Ruey-Long, Mr. Lin Tsalm-Hsiang and Mr. Yang Shih-Chien as independent non-executive directors.