THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other 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 and the enclosed proxy form to the purchaser or transferee, or to the bank, stockbroker, registered dealer in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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)

CONTINUING CONNECTED TRANSACTIONS RENEWAL OF PREVIOUS CCT AGREEMENTS; AND NOTICE OF EGM

Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders

Lego Corporate Finance Limited
力高企業融資有限公司

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this circular.

A letter from the Board is set out on pages 6 to 46 of this circular and a letter from the Independent Board Committee is set out on pages 47 to 48 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 49 to 85 of this circular.

A notice convening the EGM to be held at the Conference Room, 8/F, 368 Section 1 Fuxing South Road, Da'an District, Taipei, Taiwan on Monday, 24 August 2026 at 2:00 p.m. is set out on pages 91 to 94 of this circular.

A proxy form is enclosed with this circular. Whether or not you intend to attend and vote at the EGM, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not later than 48 hours (i.e., 2:00 p.m. on Saturday, 22 August 2026) before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from subsequently attending and voting at the EGM or any adjournment thereof (as the case may be) should you so desire and, in such event, the proxy form shall be deemed to be revoked.

3 August 2026

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In this circular, unless otherwise defined or the context otherwise requires, the following expressions shall have the following meanings. Also, where terms are defined and used in only one section of this circular, those defined terms are not included in the table below:

"Announcement"	the announcement of the Company dated 12 June 2026 in relation to the renewal of CCT Agreements
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors of the Company
"CCT Agreements"	comprising each of (a) ET New Media Cooperation Agreement; (b) Eastern Home Product Supply Agreement; (c) Eastern Home Strategic Cooperation Agreement; (d) Eastern Global Sale Agreement; (e) ET New Retail Consignment Agreement; (f) Strawberry Sale Agreement; and (g) Eastern Home Procurement Agreement
"Company"	Natural Beauty Bio-Technology Limited (自然美生物科技有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"controlling shareholder"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Eastern Global"	Eastern Global Business Co., Ltd. (東森全球事業股份有限公司), formerly known as Eastern Tenmax Direct Co., Ltd. (東森天美仕直銷股份有限公司), a company incorporated in Taiwan with limited liability
"Eastern Global Sale Agreement"	the product sale agreement dated 12 June 2026 entered into between Taiwan NB and Eastern Global
"Eastern Home"	Eastern Home Shopping & Leisure Co., Ltd. (東森得易購股份有限公司), a company incorporated in Taiwan with limited liability
"Eastern Home Procurement Agreement"	the product procurement agreement dated 12 June 2026 entered into between Taiwan NB and Eastern Home
"Eastern Home Product Supply Agreement"	the product supply agreement dated 12 June 2026 entered into between Taiwan NB and Eastern Home

"Eastern Home Strategic Cooperation Agreement"	the strategic cooperation agreement dated 12 June 2026 entered into between Taiwan NB and Eastern Home
"EGM"	the extraordinary general meeting of the Company to be convened on Monday, 24 August 2026 for the purpose of considering and, if thought fit, approving the CCT Agreements and the transactions contemplated thereunder including the annual caps for the respective transactions
"EMI"	Eastern Media International Corporation (東森國際股份有限公司), a company incorporated in Taiwan whose shares are listed on the Taiwan Stock Exchange (stock code: 2614.TW) and is principally engaged in the business of forwarding, loading and unloading cargo onto/from ships, the handling and operation of wharf and transit shed facilities, selling pet food and supplies, providing pet beauty service, video advertising services and the production of related shows
"EMI Group"	EMI and its associates, but excluding the Group for the purpose of this circular
"ET New Media"	ET New Media Holding Limited Company (東森新媒體控股股份有限公司), a company incorporated in Taiwan with limited liability
"ET New Media Cooperation Agreement"	the project cooperation agreement dated 12 June 2026 entered into between Taiwan NB and ET New Media
"ET New Retail"	Eastern New Retail Department Store Company Limited (東森新零售百貨股份有限公司), a company incorporated in Taiwan with limited liability
"ET New Retail Consignment Agreement"	the goods consignment agreement dated 12 June 2026 entered into between Taiwan NB and ET New Retail
"FESS"	Far Eastern Silo & Shipping (Panama) S.A. (遠東倉儲航運 (巴拿馬)股份有限公司), a company incorporated in Panama with limited liability and a wholly-owned subsidiary of EMI which is principally engaged in investing activities
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong Dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"Independent Board Committee"	the independent board committee of the Board, comprising all the independent non-executive Directors, established for the purpose of advising the Independent Shareholders on the terms of the CCT Agreements and the transactions contemplated thereunder
"Independent Financial Adviser" or "Lego"	Lego Corporate Finance Limited, a corporation licensed under the SFO to carry out Type 6 (advising on corporate finance) regulated activities as defined in the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders to advise on the terms of the CCT Agreements and the transactions contemplated thereunder
"Independent Shareholders"	any Shareholder(s) other than the controlling shareholders and their associates and who are not required to abstain from voting at the EGM under the Listing Rules
"Independent Third Party"	a third party independent of the Company and connected persons of the Company
"Insbro"	Insbro Holdings Limited (保經控股有限公司), a company incorporated in Hong Kong with limited liability
"Latest Practicable Date"	31 July 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"NB China"	Natural Beauty China Holding Company Limited (自然美中國控股有限公司), a company incorporated in Hong Kong with limited liability
"New CCT Period"	each of the years/period commencing from 1 September 2026 to 31 August 2029
"NT$"	New Taiwan Dollar(s), the lawful currency of Taiwan
"ODM"	original design manufacturing
"OEM"	original equipment manufacturing
"PRC"	the People's Republic of China excluding, for the purpose of this circular, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

"Previous CCT Agreements"	comprising each of (a) the Previous Eastern Global Sale Agreement; (b) the Previous Eastern Home Consignment Agreement; (c) the Previous Eastern Home Strategic Cooperation Agreement ; (d) the Previous ET New Media Cooperation Agreement; (e) the Previous ET New Retail Consignment Agreement; (f) the Previous Strawberry Sale Agreement; and (g) the Previous Eastern Home Procurement Agreement
"Previous CCT Period"	each of the years/period commencing from 1 September 2023 to 31 August 2026
"Previous Eastern Global Sale Agreement"	the products sale agreement dated 12 May 2023 with terms similar to the Eastern Global Sale Agreement, which is expiring on 31 August 2026
"Previous Eastern Home Consignment Agreement "	the product consignment agreement dated 12 May 2023 entered into between Taiwan NB and Eastern Home with terms similar to the Eastern Home Product Supply Agreement, which is expiring on 31 August 2026
"Previous Eastern Home Procurement Agreement"	the procurement agreement dated 12 May 2023 entered into between Taiwan NB and Eastern Home with terms similar to the Eastern Home Procurement Agreement, which is expiring on 31 August 2026
"Previous Eastern Home Strategic Cooperation Agreement "	the franchise agreement dated 12 May 2023 entered into between Taiwan NB and Eastern Home with terms similar to the Eastern Home Strategic Cooperation Agreement, which is expiring on 31 August 2026
"Previous ET New Media Cooperation Agreement"	the project cooperation agreement dated 12 May 2023 entered into between Taiwan NB and ET New Media with terms similar to the ET New Media Cooperation Agreement, which is expiring on 31 August 2026
"Previous ET New Retail Consignment Agreement"	the products consignment agreement dated 12 May 2023 entered into between Taiwan NB and ET New Retail with terms similar to the ET New Retail Consignment Agreement, which is expiring on 31 August 2026
"Previous Strawberry Sale Agreement"	the products sale agreement dated 12 May 2023 entered into between NB China and Strawberry with terms similar to the Strawberry Sale Agreement, which is expiring on 31 August 2026

"SFO"	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 Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Strawberry"	Strawberry Cosmetics (Services) Limited, a company incorporated in Hong Kong with limited liability
"Strawberry Sale Agreement"	the product sale agreement dated 12 June 2026 entered into between NB China and Strawberry
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Taiwan"	Republic of China (Taiwan)
"Taiwan NB"	Natural Beauty Bio-Technology Company Limited (自然美生物科技股份有限公司), a company incorporated in Taiwan with limited liability
"Taiwan Stock Exchange"	Taiwan Stock Exchange Corporation

Unless otherwise indicated, the exchange rate of HK$1.00 to NT$4.01 used in this circular is for illustration purposes only and does not constitute a representation that any amount has been, could have been or may be converted at such or any other rates at all.

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. LEI Chien *(Chairperson)*
Ms. LIN Yen-Ling

Non-executive Directors:
Ms. LIN Shu-Hua
Mr. CHEN Shou-Huang
Ms. CHOU Hui-Ying

Independent Non-executive Directors:
Mr. LIN Tsalm-Hsiang
Mr. YANG Shih-Chien
Mr. DUH Tyzz-Jiun

Registered office:
P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Principal Place of Business in Hong Kong:
Room 1916, 19/F
Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

3 August 2026

To the Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS
RENEWAL OF PREVIOUS CCT AGREEMENTS; AND
NOTICE OF EGM

I. INTRODUCTION

References are made to the Announcement dated 12 June 2026 in relation to the renewal of the Previous CCT Agreements.

As disclosed in the Announcement, the Company (through Taiwan NB and NB China, its subsidiaries) had entered into the CCT Agreements to renew the Previous CCT Agreements with ET New Media, Eastern Home, Eastern Global, ET New Retail and Strawberry, each being connected persons of the Group. Pursuant to the CCT Agreements, the Group shall continue to engage in transactions which principally concerns advertising, product consignment and products wholesale and products procurement in respect of health supplements, commodities and food with the connected parties.

Pursuant to the requirements under the Listing Rules, the Company will seek the Independent Shareholders' approval in relation to the CCT Agreements and the transactions contemplated thereunder including the annual caps.

The purpose of this circular is to provide you with (i) a letter from the Board containing further details in respect of the renewal of the Previous CCT Agreements and; (ii) a letter from the Independent Board Committee to the Independent Shareholders giving its recommendations in respect of the terms of the CCT Agreements; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders containing its advice in respect of the terms of the CCT Agreements; (iv) a notice of the EGM; and (v) other information as required under the Listing Rules.

II. CCT AGREEMENTS

The principal terms for each of the CCT Agreements are as follows:

A. ET New Media Cooperation Agreement

On 12 June 2026, Taiwan NB entered into the ET New Media Cooperation Agreement with ET New Media. The major terms of the ET New Media Cooperation Agreement are as follows:

Date	12 June 2026
Parties	(1) Taiwan NB; and (2) ET New Media
Subject matter	Taiwan NB agreed to engage ET New Media to produce, publish and broadcast advertisements and to organise media events, with a view to enhance the image of the "Natural Beauty" brand and to raise public awareness on the brand (the "**Advertising Service**"). In accordance with the framework as agreed under the ET New Media Cooperation Agreement, Taiwan NB may from time to time instruct ET New Media to carry out advertising projects. The parties shall separately agree on the timing, manner and fees of each specific advertising project at the appropriate time.

Pricing terms	For each advertising project, ET New Media shall offer at least 50% discount to the list price of such advertising project (being prices ET New Media offer to its clients which are Independent Third Parties) to be specified on the supplementary contracts to be entered between the parties regarding each advertising project.
Condition	The ET New Media Cooperation Agreement shall only become effective upon the Company having obtained approval of the Independent Shareholders in accordance with the Listing Rules.
Term	From 1 September 2026 to 31 August 2029.

Basis of determination of pricing terms

The parties determined the pricing term thereunder based on their intention to minimise the advertising costs for Taiwan NB while remain sufficient to cover the costs to be incurred by ET New Media. Such pricing term, being no less favourable than that offered by Independent Third Parties for the same type of services, is considered by the Directors (excluding the independent non-executive Directors, whose views will be set out in a letter from the Independent Board Committee to be included in the Circular) to be fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

Historical transaction amount

Taiwan NB signed the Previous ET New Media Cooperation Agreement with ET New Media on 12 May 2023, which is expiring on 31 August 2026, with terms similar to the ET New Media Cooperation Agreement.

The aggregate fees paid by Taiwan NB under the Previous ET New Media Cooperation Agreement in respect of the Advertising Service up to 30 April 2026 are as follows:

Year/period	From 1 September 2023 to 31 December 2023 (Note 1)	From 1 January 2024 to 31 December 2024 (Note 1)	From 1 January 2025 to 31 December 2025 (Note 1)	From 1 January 2026 to 30 April 2026 (Note 2)
Historical transaction amount	NT$789,100 (equivalent to approximately HK$196,783)	NT$4,397,542 (equivalent to approximately HK$1,096,644)	NT$4,081,872 (equivalent to approximately HK$1,017,923)	NT$1,115,333 (equivalent to approximately HK$278,138)
Historical annual cap	NT$10,000,000 (equivalent to approximately HK$2,493,766)	NT$20,000,000 (equivalent to approximately HK$4,987,531)	NT$35,000,000 (equivalent to approximately HK$8,728,180)	NT$50,000,000 (equivalent to approximately HK$12,468,828) (Note 3)
Utilisation rate (approximately)	7.9%	22.0%	11.7%	2.2%

Note 1: The aggregate fees paid by Taiwan NB within the financial year ended 31 December 2023, 2024 and 2025 include value-added tax.

Note 2: The aggregate fees paid by Taiwan NB for the four months ended 30 April 2026 are unaudited and do not include value-added tax.

Note 3: The historical annual cap was set for the period from 1 January 2026 to 31 August 2026.

Annual cap

Pursuant to the terms of the ET New Media Cooperation Agreement, the annual cap in respect of the fees payable by Taiwan NB to ET New Media shall be as follows:

From 1 September 2026 to 31 December 2026	From 1 January 2027 to 31 December 2027	From 1 January 2028 to 31 December 2028	From 1 January 2029 to 31 August 2029
NT$5,000,000 (equivalent to approximately HK$1,246,883)	NT$10,000,000 (equivalent to approximately HK$2,493,766)	NT$20,000,000 (equivalent to approximately HK$4,987,531)	NT$30,000,000 (equivalent to approximately HK$7,481,297)

The above annual cap has been arrived at based on the following factors:

(i) the historical transaction amount relating to fees for the Advertising Service paid or payable by Taiwan NB under the Previous ET New Media Cooperation Agreement;

(ii) the marketing plan and campaigns of Taiwan NB for the same periods; and

(iii) the advertising volume that Taiwan NB is expected to purchase from ET New Media for the same periods.

The Directors noted that based on the historical transaction amounts, the utilisation rates of the historical annual caps throughout the Previous CCT Period were lower than originally anticipated.

Reasons for low utilisation rates under the historical annual cap

The utilisation rate under the Previous ET New Media Cooperation Agreement is directly tied to the advertising and marketing expenditure of Taiwan NB. Since the Company's operations and revenue in Taiwan have remained relatively stagnant during the Previous CCT Period, without significant expansion in market share, product launches or consumer base, there has been no strategic impetus to increase its advertising budget. Consequently, the actual spending on new media cooperation fell short of the historical annual caps, which were set based on more optimistic growth assumptions at the time when the Previous ET New Media Cooperation Agreement was entered into.

The Board has assessed that the reasons for the low historical utilisation will not continue. During the Previous CCT Period, low marketing spend was aligned with the Group's stagnant operations in Taiwan. As the Group now plans to increase advertising to build its brand and support business growth, it is expected that the advertising and marketing expenditure of Taiwan NB will increase during the New CCT Period.

Basis of determination of the proposed annual caps

The Board has assessed the proposed annual caps under the ET New Media Cooperation Agreement based on a number of factors. While the historical utilisation rates were low, this was mainly due to the Group's relatively stagnant operations and revenue in Taiwan during the Previous CCT Period, which did not justify increased advertising spending. The previous annual caps were set based on more optimistic growth assumptions that did not materialise.

The Board has also taken into account the Group's marketing plans for the coming years. The Group intends to increase its advertising efforts to enhance the "Natural Beauty" brand image, boost brand recognition and expand its customer base, which is aligned with the Group's revenue growth of 52.4% in 2025. The Board expects the number of advertisements to be placed to increase accordingly. The Board has further noted that advertising unit prices have increased in recent years, and the proposed annual caps have been set based on the Company's planned marketing budgets for 2026 to 2030, taking into account the expected increase in advertising volume and potential inflation of advertising service fees.

The Board also noted that actual marketing expenses for 2025 accounted for approximately 1.1% of the Group’s revenue, and the proposed annual caps represent approximately 1.1% to 2.5% of the annual forecasted sales from 2026 to 2029, which the Board considers proportionate to the Group’s expected business growth. In addition, the Board has made downward adjustments to the proposed annual caps from the previous annual cap of NT$35,000,000 for the year ended 31 December 2025 to NT$10,000,000 and NT$20,000,000 for the years ending 31 December 2027 and 2028, respectively, representing reductions of approximately 71.4% and 42.9%, respectively. These adjustments reflect the Board’s prudent approach based on historical utilisation and realistic projections.

The Board considers that the proposed annual caps under the ET New Media Cooperation Agreement are fair and reasonable and in the interests of the Company and its shareholders. The caps support the Group's marketing strategy, align with revenue growth, are based on historical spending and realistic projections, and have been adjusted downward from previous levels. The advertising fees are on normal commercial terms and market rates, and the caps are proportionate to the Group’s business scale.

B. Eastern Home Product Supply Agreement

On 12 June 2026, Taiwan NB entered into the Eastern Home Product Supply Agreement with Eastern Home in respect of (a) product consignment and (b) cost sharing in relation to the sales of products. The major terms of the Eastern Home Product Supply Agreement are as follows:

Date 12 June 2026

Parties
(1) Taiwan NB; and
(2) Eastern Home

Subject matter

a. EH Product Supply

Taiwan NB shall supply Eastern Home with certain products manufactured, distributed or sold by Taiwan NB (the “**EH Target Products**”) which are selected by Eastern Home, for Eastern Home to sell to end customers through its own distribution channels or third-party distribution channels (the “**EH Products Supply**”).

Taiwan NB shall authorise Eastern Home to sell the EH Target Products to end customers and to use related promotional materials for such purpose.

b. EH Cost Sharing

Taiwan NB shall be fully responsible for the costs in relation to the sale of EH Product Supply to end customers, including the costs associated with marketing, transportation and programme production ("**EH Cost Sharing**").

Pricing of the Eastern Home Target Products

a. EH Product Supply

The purchase price of the EH Target Products sold by Taiwan NB to Eastern Home shall be at 50% to 90% discount to their retail price. For OEM or ODM products, the price shall be determined based on a 20% to 60% discount gross profit margin for Eastern Home.

b. EH Cost Sharing

Taiwan NB shall pay a sale commission at 2% of the monthly internet sale proceeds to Eastern Home. Taiwan NB shall additionally pay a marketing sponsorship fee at 3% of the relevant monthly sale proceeds (after deducting sales return) to Eastern Home.

Condition

The Eastern Home Product Supply Agreement and each of the terms in relation to the aforesaid subject matters shall only become effective upon the Company having obtained approval of the Independent Shareholders in accordance with the Listing Rules.

Term

From 1 September 2026 to 31 August 2029.

Basis of determination of pricing terms

The parties determined the pricing terms in respect of EH Product Supply and EH Cost Sharing as follows:

(i) In respect of EH Product Supply, based on the wholesale market prices for similar products and in similar quantities offered by Independent Third Parties; and

(ii) In respect of EH Cost Sharing, the parties agreed a list of business expenses to be included as part of costs in relation to the sale of EH Target Products and the pricing of each business expense. The pricing of each of the business expenses is based on the market level of cost associated with similar product supply agreements.

The Directors (excluding the independent non-executive Directors, whose views will be set out in a letter from the Independent Board Committee to be included in the Circular) takes the view that the pricing terms for each of EH Product Supply, and EH Cost Sharing under the Eastern Home Product Supply Agreement are in line with the market level, and thus consider that the pricing terms is no less favourable than that offered by Independent Third Parties. As such, the Directors consider the pricing terms under the Eastern Home Product Supply Agreement to be fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

Historical transaction amount

Taiwan NB signed the Previous Eastern Home Consignment Agreement with Eastern Home on 12 May 2023, which is expiring on 31 August 2026, with terms similar to the Eastern Home Product Supply Agreement.

The aggregate fees paid by and paid to Taiwan NB under the Previous Eastern Home Consignment Agreement in respect of the EH Product Supply and EH Cost Sharing up to 30 April 2026 are as follows:

EH Product Supply	**From 1 September 2023 to 31 December 2023** *(Note 1)*	**From 1 January 2024 to 31 December 2024** *(Note 1)*	**From 1 January 2025 to 31 December 2025** *(Note 1)*	**From 1 January 2026 to 30 April 2026** *(Note 2)*
Historical transaction amount	NT$23,349,578 (equivalent to approximately HK$5,822,837)	NT$86,840,057 (equivalent to approximately HK$21,655,875)	NT$104,420,973 (equivalent to approximately HK$26,040,143)	NT$36,471,323 (equivalent to approximately HK$9,095,093)
Historical annual cap	NT$50,000,000 (equivalent to approximately HK$12,468,828)	NT$200,000,000 (equivalent to approximately HK$49,875,312)	NT$300,000,000 (equivalent to approximately HK$74,812,968)	NT$500,000,000 (equivalent to approximately HK$124,688,279) *(Note 3)*
Utilisation rate (approximately)	46.7%	43.4%	34.8%	7.3%

EH Cost Sharing	From 1 September 2023 to 31 December 2023 (Note 1)	From 1 January 2024 to 31 December 2024 (Note 1)	From 1 January 2025 to 31 December 2025 (Note 1)	From 1 January 2026 to 30 April 2026 (Note 2)
Historical transaction amount	NT$113,447 (equivalent to approximately HK$28,291)	NT$580,823 (equivalent to approximately HK$144,844)	NT$184,836 (equivalent to approximately HK$46,094)	NT$66,209 (equivalent to approximately HK$16,511)
Historical annual cap	NT$2,800,000 (equivalent to approximately HK$698,254)	NT$12,000,000 (equivalent to approximately HK$2,992,519)	NT$17,000,000 (equivalent to approximately HK$4,239,401)	NT$28,000,000 (equivalent to approximately HK$6,982,544) (Note 3)
Utilisation rate (approximately)	4.1%	4.8%	1.1%	0.2%

Note 1: The aggregate fees paid by and paid to Taiwan NB within the financial year ended 31 December 2023, 2024 and 2025 include value-added tax.

Note 2: The aggregate fees paid by and paid to Taiwan NB for the four months ended 30 April 2026 are unaudited and do not include value-added tax.

Note 3: The historical annual cap was set for the period from 1 January 2026 to 31 August 2026.

Annual caps

The annual caps under the Previous Eastern Home Consignment Agreement were determined based on net proceeds of sales of EH Target Products to end customers from Eastern Home (i.e. sale proceeds from end customers after deduction of commission and costs of sales) ("**EH Net Proceeds**").

Pursuant to the terms of the Eastern Home Product Supply Agreement, the annual cap in respect of EH Product Supply (including sales commission) will be determined based on the purchase price payable by Eastern Home to Taiwan NB for the EH Target Products. Such annual caps in relation to EH Product Supply, and annual caps relating to the EH Cost Sharing by Taiwan NB are set out as follows:

	From 1 September 2026 to 31 December 2026	From 1 January 2027 to 31 December 2027	From 1 January 2028 to 31 December 2028	From 1 January 2029 to 31 August 2029
In respect of EH Product Supply	NT$50,000,000 (equivalent to approximately HK$12,468,828)	NT$200,000,000 (equivalent to approximately HK$49,875,312)	NT$300,000,000 (equivalent to approximately HK$74,812,968)	NT$400,000,000 (equivalent to approximately HK$99,750,623)
In respect of EH Cost Sharing	NT$2,800,000 (equivalent to approximately HK$698,254)	NT$10,000,000 (equivalent to approximately HK$2,493,766)	NT$12,000,000 (equivalent to approximately HK$2,992,519)	NT$14,000,000 (equivalent to approximately HK$3,491,272)

The above annual caps have been arrived at based on the following factors:

(i) the historical transaction amount in respect of the EH Net Proceeds under the Previous Eastern Home Consignment Agreement;

(ii) the projected sales of EH Target Products under the Eastern Home Product Supply Agreement; and

(iii) the projected amount of costs based on the projected sales of EH Target Products.

Reasons for low utilisation rates under the historical annual cap

The cost-sharing mechanism under the Previous Eastern Home Consignment Agreement is contingent on two key variable costs, including (i) a 2% sales commission payable on products sold online; and (ii) a 3% marketing sponsorship fee for promotional activities provided by Eastern Home. The volume of products sold via Eastern Home's online channels was significantly less than projected. This is primarily attributable to shifts in consumer purchasing behaviour, increased competition from other e-commerce platforms, or a slower-than-anticipated transition of the Group's customer base to digital channels. Additionally, the Group's participation in, or the volume of, the marketing sponsorships arranged by Eastern Home did not materialise to the expected extent. This is primarily due to Eastern Home reallocating its promotional resources to other brands or product categories, and a mutual decision to reduce marketing spend in light of market conditions. The aforementioned two factors have resulted in the actual shared costs falling below the historical annual caps during the Previous CCT Period.

The Board has assessed that the reasons for the low utilisation of the historical annual cap for EH Cost Sharing are not expected to persist during the New CCT Period, as the Group and Eastern Home have aligned on a revised strategy to increase collaborative marketing and digital sales initiatives.

Basis of determination of the proposed annual caps

The proposed annual caps have been arrived at based on (i) the historical transaction amount in respect of the EH Net Proceeds under the Previous Eastern Home Consignment Agreement; (ii) the projected sales of EH Target Products under the Eastern Home Product Supply Agreement; and (iii) the projected amount of costs based on the projected sales of EH Target Products.

Based on the procurement plans of Eastern Home, Eastern Home expects to allocate approximately 1% to 3.3% of its forecasted sales as procurement cost from the Group, consistent with historical levels. The projected sales of EH Target Products are approximately NT$37.5 million, NT$182.9 million, NT$274.3 million and NT$320.0 million for the period from 1 September 2026 to 31 December 2026, the years ending 31 December 2027 and 2028, and the period from 1 January 2029 to 31 August 2029, respectively. Specifically, the proposed annual caps for EH Cost Sharing are calculated by applying the agreed 2% sales commission and 3% marketing sponsorship fee to the projected sales value of EH Target Products, which are forecasted to be approximately NT$2.8 million, NT$8.7 million, NT$11.6 million and NT$13.9 million for the period from 1 September 2026 to 31 December 2026, the years ending 31 December 2027 and 2028, and the period from 1 January 2029 to 31 August 2029, respectively. This quantitative projection is supported by Eastern Home's planned emphasis on its digital channels and the expected launch of joint promotional campaigns with the Group.

The Board also notes the Eastern Home's significant expansion, including the new global headquarters scheduled for completion in 2026, which will feature retail shops, a hotel and various entertainment facilities. This expansion is expected to drive increased procurement from the Group.

With respect to cost sharing, the proposed caps for EH Cost Sharing reflect expected increases in online sales commissions and marketing sponsorship fees. The proposed caps for EH Cost Sharing are within historical ranges and represent only a small fraction of the Group's revenue, which the Board does not consider excessive. The Board has also taken into account the positive outlook of the Taiwan retail market, which supports a healthy operating environment for retail distributors. The caps are based on historical patterns, realistic procurement plans and projected growth. The cost sharing arrangements are proportionate and consistent with historical proportions.

Having taken into account of the above, the Directors are of the view that the proposed annual cap for the New CCT Period under the Eastern Home Product Supply Agreement is fair and reasonable.

C. Eastern Home Strategic Cooperation Agreement

On 12 June 2026, Taiwan NB entered into the Eastern Home Strategic Cooperation Agreement with Eastern Home. The major terms of the Eastern Home Strategic Cooperation Agreement are as follows:

Date	12 June 2026
Parties	(1) Taiwan NB; and (2) Eastern Home
Subject matter	Eastern Home shall invest in or establish and operate beauty spa brand stores in Taiwan in its own name, and purchase relevant products from Taiwan NB for use in store operations. Taiwan NB shall provide Eastern Home with consultation on beauty technology knowledge and business management methods, as well as promotional and advertising materials, to assist Eastern Home in operating the beauty business. Eastern Home shall be responsible for the establishment, and operation of the beauty stores. Eastern Home may from time to time make wholesale purchase of Taiwan NB products, and Taiwan NB shall sell such products to Eastern Home at certain discount to relevant retail price for use in store operations by Eastern Home.
Pricing term	The price of the products sold by Taiwan NB to Eastern Home shall be at (i) 10% to 30% of their retail price; (ii) 10% to 20% of their retail price if it is test products, salon-only products or near expiry products; or (iii) for OEM/ODM products, the price shall be determined based on the product type, quantity and cost, at a gross margin of 20% to 60%.
Condition	The Eastern Home Strategic Cooperation Agreement shall only become effective upon the Company having obtained approval of the Independent Shareholders in accordance with the Listing Rules.
Term	From 1 September 2026 to 31 August 2029.

Basis of determination of pricing terms

The parties determined the pricing term based on the wholesale market prices for similar products and in similar quantities offered by Independent Third Party franchisors. Since the pricing under the Eastern Home Strategic Cooperation Agreement is in line with the said wholesale market prices, the Directors (excluding the independent non-executive Directors, whose views will be set out in a letter from the Independent Board Committee to be included in the Circular) consider that it is no less favourable than that offered by Independent Third Parties. As such, the Directors consider the pricing term under the Eastern Home Strategic Cooperation Agreement to be fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

Historical transaction amount

Taiwan NB signed the Previous Eastern Home Franchise Agreement with Eastern Home on 12 May 2023, which is expiring on 31 August 2026, with terms similar to the Eastern Home Strategic Cooperation Agreement.

The aggregate fees paid to Taiwan NB under the Previous Eastern Home Franchise Agreement up to 30 April 2026 are as follows:

Year/period	**From 1 September 2023 to 31 December 2023** *(Note 1)*	**From 1 January 2024 to 31 December 2024** *(Note 1)*	**From 1 January 2025 to 31 December 2025** *(Note 1)*	**From 1 January 2026 to 30 April 2026** *(Note 2)*
Historical transaction amount	NT$8,988,718 (equivalent to approximately HK$2,241,576)	NT$21,948,280 (equivalent to approximately HK$5,473,387)	NT$19,205,244 (equivalent to approximately HK$4,789,338)	NT$8,973,495 (equivalent to approximately HK$2,237,779)
Historical annual cap	NT$10,000,000 (equivalent to approximately HK$2,493,766)	NT$50,000,000 (equivalent to approximately HK$12,468,828)	NT$80,000,000 (equivalent to approximately HK$19,950,125)	NT$100,000,000 (equivalent to approximately HK$24,937,656) *(Note 3)*
Utilisation rate (approximately)	89.9%	43.9%	24.0%	9.0%

Note 1: The aggregate fees paid to Taiwan NB within the financial year ended 31 December 2023, 2024 and 2025 include value-added tax.

Note 2: The aggregate fees paid to Taiwan NB for the four months ended 30 April 2026 are unaudited and do not include value-added tax.

Note 3: The historical annual cap was set for the period from 1 January 2026 to 31 August 2026.

The Board has assessed that the reasons for the historical utilisation rates are not expected to continue during the New CCT Period, as the Previous CCT Period experienced no new spa openings and a decline from 10 to 8 operational spas, whereas the New CCT Period projects an expansion from 14 to 42 operational spas.

Annual caps

Pursuant to the terms of the Eastern Home Strategic Cooperation Agreement, the annual cap in respect of the fees payable by Eastern Home to Taiwan NB shall be as follows:

From 1 September 2026 to 31 December 2026	From 1 January 2027 to 31 December 2027	From 1 January 2028 to 31 December 2028	From 1 January 2029 to 31 August 2029
NT$15,000,000 (equivalent to approximately HK$3,740,648)	NT$60,000,000 (equivalent to approximately HK$14,962,594)	NT$80,000,000 (equivalent to approximately HK$19,950,125)	NT$100,000,000 (equivalent to approximately HK$24,937,656)

Basis of determination of the proposed annual caps

The above annual cap has been arrived at based on the historical transaction amount in respect of the sale proceeds under the Previous Eastern Home Franchise Agreement.

The proposed annual caps represent incremental increases over the relevant periods. Based on business plans of the Group and Eastern Home, sales generated from the agreement are expected to grow, which is generally in line with the proposed cap increments. The proposed annual caps are derived from Eastern Home's detailed operational and procurement forecast for the "Natural Beauty" spa network. This forecast is based on the planned expansion of operational spas and the associated procurement budget for natural beauty products. The number of operational spas is forecasted to increase from 14 at the end of 2026 to 24, 34, and 42 at the end of 2027, 2028, and August 2029, respectively. Correspondingly, the projected procurement from the Group is estimated at approximately NT$13.9 million, NT$54.71 million, NT$76.6 million and NT$94.5 million for the period from 1 September 2026 to 31 December 2026, the years ending 31 December 2027 and 2028, and the period from 1 January 2029 to 31 August 2029, respectively.

Eastern Home plans to procure more products from the Group to support the continued growth in the number of its franchise spas. The expected procurement amount from the Group as a proportion of sales is projected to increase moderately compared to historical levels, resulting in a corresponding increase in estimated procurement from the Group.

The Board further notes that the Group's number of franchisee-owned spas and points of sales has been growing steadily over recent years, which supports Eastern Home's increased procurement needs.

The proposed caps are determined based on Eastern Home's business plans and are supported by the growing number of franchise spas and the corresponding increase in procurement demand. The growth in the proposed caps is consistent with the historical growth trend and the projected business expansion.

Having taken into account of the above, the Directors are of the view that the proposed annual cap for the New CCT Period under the Eastern Home Strategic Cooperation Agreement is fair and reasonable.

D. Eastern Global Sale Agreement

On 12 June 2026, Taiwan NB entered into the Eastern Global Sale Agreement with Eastern Global. The major terms of the Eastern Global Sale Agreement are as follows:

Date	12 June 2026
Parties	(1) Taiwan NB; and (2) Eastern Global
Subject matter	A sales and procurement framework had been established between Taiwan NB and Eastern Global, whereby Taiwan NB may from time to time sell and Eastern Global may from time to time make wholesale purchase of Taiwan NB products such as health supplements, skin-care products and cosmetic products.
Pricing	(1) At 20% to 50% of the relevant retail price; and (2) for OEM and ODM products, the price shall be determined based on product type, quantity and cost, at a gross profit margin of 20% to 60%.
Condition	The Eastern Global Sale Agreement shall only become effective upon the Company having obtained approval of the Independent Shareholders in accordance with the Listing Rules.
Term	From 1 September 2026 to 31 August 2029.

Basis of determination of pricing terms

The parties determined the pricing term based on the wholesale market prices for similar products and in similar quantities. Since the pricing under the Eastern Global Sale Agreement is in line with the said wholesale market prices, the Directors (excluding the independent non-executive Directors, whose views will be set out in a letter from the Independent Board Committee to be included in the Circular) consider that it is no less favourable than that offered by Independent Third Parties. As such, the Directors consider the pricing term under the Eastern Global Sale Agreement to be fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

Historical transaction amount

Taiwan NB signed the Previous Eastern Global Sale Agreement with Eastern Global on 12 May 2023, which is expiring on 31 August 2026, with terms similar to the Eastern Global Sale Agreement.

The aggregate fees paid to Taiwan NB under the Previous Eastern Global Sale Agreement up to 30 April 2026 are as follows:

Year/period	From 1 September 2023 to 31 December 2023 *(Note 1)*	From 1 January 2024 to 31 December 2024 *(Note 1)*	From 1 January 2025 to 31 December 2025 *(Note 1)*	From 1 January 2026 to 30 April 2026 *(Note 2)*
Historical transaction amount	Nil *(Note 3)*	NT$4,843,283 (equivalent to approximately HK$1,207,801)	NT$1,735,174 (equivalent to approximately HK$432,712)	Nil *(Note 3)*
Historical annual cap	NT$20,000,000 (equivalent to approximately HK$4,987,531)	NT$80,000,000 (equivalent to approximately HK$19,950,125)	NT$150,000,000 (equivalent to approximately HK$37,406,484)	NT$200,000,000 (equivalent to approximately HK$49,875,312) *(Note 4)*
Utilisation rate (approximately)	0% *(Note 3)*	6.1%	1.2%	0% *(Note 3)*

Note 1: The aggregate fees paid to Taiwan NB within the financial year ended 31 December 2023, 2024 and 2025 include value-added tax.

Note 2: The aggregate fees paid to Taiwan NB for the four months ended 30 April 2026 are unaudited and do not include value-added tax.

Note 3: No transaction was recorded during the respective periods due to Eastern Global's temporary suspension or significant scaling back of its sales and marketing operations since 2023, as part of a proactive measure to review and restructure its activities to comply strictly with evolving local laws and regulations, which rendered the channel inactive.

Note 4: The historical annual cap was set for the period from 1 January 2026 to 31 August 2026.

Annual Cap

Pursuant to the terms of the Eastern Global Sale Agreement, the annual cap in respect of the fees payable by Eastern Global to Taiwan NB shall be as follows:

From 1 September 2026 to 31 December 2026	From 1 January 2027 to 31 December 2027	From 1 January 2028 to 31 December 2028	From 1 January 2029 to 31 August 2029
NT$10,000,000 (equivalent to approximately HK$2,493,766)	NT$50,000,000 (equivalent to approximately HK$12,468,828)	NT$80,000,000 (equivalent to approximately HK$19,950,125)	NT$100,000,000 (equivalent to approximately HK$24,937,656)

The above annual cap has been arrived at based on the following factors:

(i) the historical amount of purchase made by Eastern Global under the Previous Eastern Global Sale Agreement;

(ii) the projected amount of purchase to be made by Eastern Global under the Eastern Global Sale Agreement; and

(iii) the changes in the price of the products to be purchased.

Reasons for low utilisation rates under the historical annual cap

Eastern Global, as a distribution partner, temporarily suspended its sales and marketing operations since 2023. Such pause was a result of a proactive measure to review and restructure its activities to comply strictly with evolving local laws and regulations by the Group. During the Previous CCT Period, sales activities of Eastern Global were limited, meaning that the Group could not transact through this channel. The Board take the view that the reasons for the relatively low utilisation rates were mainly attributable to this suspension and the resulting inability to transact, and therefore resulted in low transaction amounts under the Previous Eastern Global Sale Agreement. As a result, the utilization of the historical annual cap under the Previous Eastern Global Sale Agreement was minimal during the Previous CCT Period.

Basis of determination of the proposed annual caps

There were no transactions for the period ended 31 December 2023 and relatively small transaction amounts were recorded for the years ended 31 December 2024 and 2025 as compared to the previous annual caps. This was due to an operational pause with Eastern Global's sales and marketing divisions since 2023 to ensure full alignment with local regulatory requirements.

The Board has made significant downward adjustments to the proposed annual caps from the previous annual cap of NT$150,000,000 to NT$50,000,000 and NT$80,000,000 for the years ending 31 December 2027 and 2028, respectively, representing reductions of approximately 66.7% and 46.7%.

The Board has assessed that this operational pause is temporary and is not expected to continue during the New CCT Period. The Group expects Eastern Global to resume its sales and marketing activities following the completion of its internal review which Eastern Global has indicated it expects to finalise by the end of the first quarter of 2027. It is anticipated that Eastern Global will gradually pick up its momentum and progressively place a higher volume of orders with the Group.

In assessing the proposed annual caps, the Board has considered the reasons for the low utilisation of the historical annual caps under the Previous CCT Agreements and is of the view that such low utilisation was attributable to the temporary operational pause, which is not expected to continue during the New CCT Period.

Accordingly, the proposed annual caps have been set at levels that would allow procurement from Eastern Global to recover to levels comparable to those prior to 2023, providing flexibility to accommodate potential growth in demand over the coming years. Quantitatively, the proposed caps are based on Eastern Global's post-resumption business forecast, which projects order volumes of approximately NT$6.8 million, NT$41.8 million, NT$75.3 million, and NT$75.3 million for the period from 1 September 2026 to 31 December 2026, the years ending 31 December 2027 and 2028, and the period from 1 January 2029 to 31 August 2029, respectively.

The proposed annual caps reflect a prudent downward adjustment from previous levels in light of the temporary operational pause, while also providing sufficient flexibility for the expected resumption and growth of Eastern Global's business.

Having taken into account of the above, the Directors are of the view that the proposed annual cap for the New CCT Period under the Eastern Global Sale Agreement is fair and reasonable.

E. ET New Retail Consignment Agreement

On 12 June 2026, Taiwan NB entered into the ET New Retail Consignment Agreement with ET New Retail in respect of (a) product sales and (b) cost sharing in relation to the sales of products. The major terms of the ET New Retail Consignment Agreement are as follows:

Date	12 June 2026
Parties	(1) Taiwan NB; and (2) ET New Retail
Subject matter	**a. ET New Retail Product Sales** Taiwan NB agreed to sell to ET New Retail certain products (the "**ET New Retail Target Products**") supplied by Taiwan NB for ET New Retail to sell through its distribution channels. Taiwan NB shall authorise ET New Retail to sell the ET New Retail Target Products to end customers and to use related promotional materials for such purpose ("**ET New Retail Products Consignment**"). ET New Retail shall be responsible for marketing and selling the ET New Retail Target Products to end customers through its own distribution channels or third party distribution channels. **b. ET New Retail Cost Sharing** Taiwan NB shall be responsible for the costs in relation to the sale of the ET New Retail Products Consignment to end customers, including the costs associated with the marketing, transportation and programme production ("**ET New Retail Cost Sharing**").
Pricing terms	**a. ET New Retail Product Sales** The price of the ET New Retail Target Products sold by Taiwan NB to ET New Retail shall be (i) at 10% to 50% of their retail price; provided that if other similar channels offer a price lower than 10% of the retail price, the price shall be adjusted to match such other channels; and (ii) for OEM or ODM products, at a gross profit margin of 20% to 60%.

b. ET New Retail Cost Sharing

Taiwan NB shall pay a sale commission at 2% of the internet sale proceeds during the month to ET New Retail. Taiwan NB shall additionally pay a marketing sponsorship fee at 3% of the amount of relevant sale proceeds after deducting sales returns for such ET New Retail Target Products sold during the month.

Condition The ET New Retail Consignment Agreement shall only become effective upon the Company having obtained approval of the Independent Shareholders in accordance with the Listing Rules.

Term From 1 September 2026 to 31 August 2029.

Basis of determination of pricing terms

The parties determined the pricing terms in respect of ET New Retail Product Sales and ET New Retail Cost Sharing as follows:

(i) In respect of ET New Retail Product Sales, based on the wholesale market prices for similar products and in similar quantities offered by Independent Third Parties; and

(ii) In respect of ET New Retail Cost Sharing, the parties agreed a list of business expenses to be included as part of costs in relation to the sale of the ET New Retail Products Consignment and the pricing of each business expense. The pricing of each of the business expenses is based on the market level of cost associated with similar products consignment agreements.

The Directors (excluding the independent non-executive Directors, whose views will be set out in a letter from the Independent Board Committee to be included in the Circular) take the view that the pricing terms for each of ET New Retail Product Sales and ET New Retail Cost Sharing under the ET New Retail Consignment Agreement are in line with the said wholesale market prices, and thus consider that the pricing terms are no less favourable than that offered by Independent Third Parties. As such, the Directors consider the pricing terms under the ET New Retail Consignment Agreement to be fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

Historical transaction amount

Taiwan NB signed the Previous ET New Retail Consignment Agreement with ET New Retail on 12 May 2023, which is expiring on 31 August 2026, with terms similar to the ET New Retail Consignment Agreement.

The aggregate fees paid by and paid to Taiwan NB under the Previous ET New Retail Consignment Agreement in respect of the ET New Retail Products Consignment, ET New Retail Cost Sharing up to 30 April 2026 are as follows:

ET New Retail Products Consignment	**From 1 September 2023 to 31 December 2023**(Note 1)	**From 1 January 2024 to 31 December 2024**(Note 1)	**From 1 January 2025 to 31 December 2025**(Note 1)	**From 1 January 2026 to 30 April 2026**(Note 2)
Historical transaction amount	NT$534,881 (equivalent to approximately HK$133,387)	NT$2,587,262 (equivalent to approximately HK$645,202)	NT$410,293 (equivalent to approximately HK$102,317)	NT$69,709 (equivalent to approximately HK$17,384)
Historical annual cap	NT$20,000,000 (equivalent to approximately HK$4,987,531)	NT$50,000,000 (equivalent to approximately HK$14,468,828)	NT$80,000,000 (equivalent to approximately HK$19,950,125)	NT$120,000,000 (equivalent to approximately HK$29,925,187) *(Note 3)*
Utilisation rate (approximately)	2.7%	5.2%	0.5%	0.1%

ET New Retail Cost Sharing	**From 1 September 2023 to 31 December 2023**(Note 1)	**From 1 January 2024 to 31 December 2024**(Note 1)	**From 1 January 2025 to 31 December 2025**(Note 1)	**From 1 January 2026 to 30 April 2026**(Note 2)
Historical transaction amount	NT$24,604 (equivalent to approximately HK$6,136)	NT$247,333 (equivalent to approximately HK$61,679)	NT$59,838 (equivalent to approximately HK$14,922)	NT$12,495 (equivalent to approximately HK$3,116)
Historical annual cap	NT$900,000 (equivalent to approximately HK$224,439)	NT$2,300,000 (equivalent to approximately HK$573,566)	NT$3,600,000 (equivalent to approximately HK$897,756)	NT$5,400,000 (equivalent to approximately HK$1,346,633) *(Note 3)*
Utilisation rate (approximately)	2.7%	10.8%	1.7%	0.2%

Note 1: The aggregate fees paid by and paid to Taiwan NB within the financial year ended 31 December 2023, 2024 and 2025 include value-added tax.

Note 2: The aggregate fees paid by and paid to Taiwan NB for the four months ended 30 April 2026 are unaudited and do not include value-added tax.

Note 3: The historical annual cap was set for the period from 1 January 2026 to 31 August 2026.

Annual caps

The annual caps under the Previous ET New Retail Consignment Agreement were determined based on net proceeds of sale of ET New Retail Target Products to end customers from ET New Retail (i.e. sale proceeds from end customers after deduction of commission and costs of sales) ("**ET New Retail Net Proceeds**").

Pursuant to the terms of the ET New Retail Consignment Agreement, the annual cap in respect of ET New Retail Product Sales (including sales commission) will be determined based on the amount that ET New Retail shall pay to Taiwan NB when ET New Retail made the purchase. Such annual caps in relation to ET New Retail Product Sales, and annual caps relating to the ET New Retail Cost Sharing by Taiwan NB are set out as follows:

	From 1 September 2026 to 31 December 2026	From 1 January 2027 to 31 December 2027	From 1 January 2028 to 31 December 2028	From 1 January 2029 to 31 August 2029
In respect of ET New Retail Product Sales	NT$20,000,000 (equivalent to approximately HK$4,987,531)	NT$50,000,000 (equivalent to approximately HK$12,468,828)	NT$80,000,000 (equivalent to approximately HK$19,950,125)	NT$120,000,000 (equivalent to approximately HK$29,925,187)
In respect of ET New Retail Cost Sharing	NT$900,000 (equivalent to approximately HK$224,439)	NT$2,300,000 (equivalent to approximately HK$573,566)	NT$3,600,000 (equivalent to approximately HK$897,756)	NT$5,400,000 (equivalent to approximately HK$1,346,633)

The above annual caps have been arrived at based on the following factors:

(i) the historical transaction amount in respect of the ET New Retail Net Proceeds under the Previous ET New Retail Consignment Agreement;

(ii) the projected sales of ET New Retail Target Products under the ET New Retail Consignment Agreement; and

(iii) the projected amount of costs based on the projected sales of ET New Retail Target Products.

Reasons for low utilisation rates under the historical annual cap

ET New Retail is the wholly owned subsidiary of Eastern Home, serving as one of the distribution channels of Eastern Home. Historically, Eastern Home have prioritized its broadcast-driven or more established distribution channels, including TV shopping channels and its flagship e-commerce sites namely the "ETMall". However, recognizing the potential of new retail models, Eastern Home is currently in the process of recalibrating its channel strategy to place greater emphasis on ET New Retail which focuses on physical retail storefronts. The low utilisation rate of the historical annual cap of ET New Retail Products Consignment under the Previous ET New Retail Consignment Agreement reflects the fact that such channel was under-utilised in the past, but the new strategy of the Eastern Home aims to significantly increase its role moving forward.

The Board has assessed that the reasons for the low historical utilisation are not expected to continue during the New CCT Period, as Eastern Home's new channel strategy places greater emphasis on the ET New Retail physical storefront model. This strategy is supported by a detailed sales forecast for Natural Beauty products through this channel, which is driven by member repurchase, new client development, new product launches, and promotional campaigns. The forecast projects sales of ET New Retail Target Products are approximately NT$15.0 million, NT$41.4 million, NT$72.0 million and NT$90.0 million for the period from 1 September 2026 to 31 December 2026, the years ending 31 December 2027 and 2028, and the period from 1 January 2029 to 31 August 2029, respectively. In addition, the projected amount of costs based on the projected sales of ET New Retail Target Products is approximately NT$0.7 million, NT$1.9 million, NT$3.0 million and NT$4.7 million for the period from 1 September 2026 to 31 December 2026, the years ending 31 December 2027 and 2028, and the period from 1 January 2029 to 31 August 2029, respectively. The projected sales, combined with the agreed commission and sponsorship fee structure, form the basis for the proposed annual caps for both ET New Retail Product Sales and ET New Retail Cost Sharing.

In respect of ET New Retail Cost Sharing under the Previous ET New Retail Consignment Agreement, the cost-sharing arrangement includes (i) a 2% commission on online sales; and (ii) a 3% fee for marketing sponsorships. The underutilization stemmed from both actual online sales volumes through ET New Retail falling below projections and a reduced volume of marketing sponsorship activities provided by this channel. The underlying factors included subdued consumer demand for the Group's products via this specific platform and a cautious approach to marketing expenditure during the Previous CCT Period.

Basis of determination of the proposed annual caps

Having taken into account of the above, the Directors are of the view that the proposed annual cap for the New CCT Period under the ET New Retail Consignment Agreement is fair and reasonable.

F. Strawberry Sale Agreement

On 12 June 2026, NB China entered into the Strawberry Sale Agreement with Strawberry. The major terms of the Strawberry Sale Agreement are as follows:

Date	12 June 2026
Parties	(1) NB China; and (2) Strawberry
Subject matter	A sales and procurement framework had been established between NB China and Strawberry, whereby NB China may from time to time sell and Strawberry may from time to time make wholesale purchase of products from NB China such as food and cosmetic products for on-sale to end customers.
Pricing	(1) At 20% to 50% of the relevant retail price of the products depending on their product attributes; and (2) for OEM and ODM products, the price shall be determined based on product type, quantity and cost, at a gross profit margin of 10% to 50%.
Condition	The Strawberry Sale Agreement shall only become effective upon the Company having obtained approval of the Independent Shareholders in accordance with the Listing Rules.
Term	From 1 September 2026 to 31 August 2029.

Basis of determination of pricing terms

The parties determined the pricing term based on the wholesale market prices for similar products and in similar quantities. Since the pricing under the Strawberry Sale Agreement is in line with the said wholesale market prices, the Directors (excluding the independent non-executive Directors, whose views will be set out in a letter from the Independent Board Committee to be included in the Circular) consider that it is no less favourable than that offered by Independent Third Parties. As such, the Directors consider the pricing term under the Strawberry Sale Agreement to be fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

Historical transaction amount

NB China signed the Previous Strawberry Sale Agreement with Strawberry on 12 May 2023, which is expiring on 31 August 2026, with terms similar to the Strawberry Sale Agreement.

The aggregate fees paid to NB China under the Previous Strawberry Sale Agreement up to 30 April 2026 are as follows:

Year/period	From 1 September 2023 to 31 December 2023 *(Note 1)*	From 1 January 2024 to 31 December 2024 *(Note 1)*	From 1 January 2025 to 31 December 2025 *(Note 1)*	From 1 January 2026 to 30 April 2026 *(Note 2)*
Historical transaction amount	Nil	Nil	NT$2,026,258	Nil
Historical annual cap	HK$40,000,000	HK$60,000,000	HK$80,000,000	HK$100,000,000 *(Note 3)*
Utilisation rate (approximately)	0% *(Note 4)*	0% *(Note 4)*	2.5%	0% *(Note 4)*

Note 1: The aggregate fees paid to NB China within the financial year ended 31 December 2023, 2024 and 2025 include value-added tax.

Note 2: The aggregate fees paid to NB China for the four months ended 30 April 2026 are unaudited and do not include value-added tax.

Note 3: The historical annual cap was set for the period from 1 January 2026 to 31 August 2026.

Note 4: No transaction was recorded during the respective periods due to a high level of obsolete inventories previously procured from the Group, which required clearance before any new purchases could be made, compounded by Strawberry's concurrent diversification of its product mix to introduce new cosmetics products from the European and American markets, thereby reducing shelf space and procurement budget allocated to the Group's products.

Annual Cap

Pursuant to the terms of the Strawberry Sale Agreement, the annual cap in respect of the fees payable by Strawberry to NB China shall be as follows:

From 1 September 2026 to 31 December 2026	From 1 January 2027 to 31 December 2027	From 1 January 2028 to 31 December 2028	From 1 January 2029 to 31 August 2029
HK$40,000,000	HK$60,000,000	HK$80,000,000	HK$100,000,000

The above annual cap has been arrived at based on the following factors:

(i) the historical amount of purchase made by Strawberry under the Previous Strawberry Sale Agreement;

(ii) the projected amount of purchase to be made by Strawberry under the Strawberry Sale Agreement; and

(iii) the changes in the price of the products to be purchased.

Reasons for low utilisation rates under the historical annual cap

The low utilisation rate under the Previous Strawberry Sale Agreement is attributable to two primary factors pertaining to the counterparty's operational and strategic positioning. Firstly, the counterparty had previously acquired from the Group a substantial volume of inventory which subsequently proved to be slow-moving and, ultimately, obsolete. As a consequence thereof, the counterparty was compelled to prioritise the clearance of such excess stock prior to undertaking any further procurement from the Group, thereby materially curtailing new purchase orders during the Previous CCT Period. Secondly, concurrently with the aforementioned inventory overhang, the counterparty undertook a strategic diversification of its product portfolio, with a particular focus on introducing new cosmetic product lines sourced from European and American markets. This strategic reallocation resulted in a corresponding reduction in shelf space allocation and procurement budget dedicated to the Group's products, which further diminished demand and, consequently, the utilisation rate under the Previous Strawberry Sale Agreement.

The Board has assessed that the primary reasons for the low historical utilisation, Strawberry's inventory clearance of obsolete stock and its strategic diversification into other product lines, are not expected to persist during the New CCT Period. Strawberry has completed its inventory clearance and has indicated a renewed focus on the "Natural Beauty" product line within its portfolio.

Basis of determination of the proposed annual caps

There were no transactions for the period ended 31 December 2023 and the year ended 31 December 2024 under the Previous Strawberry Sale Agreement, primarily due to Strawberry's need to clear a high level of obsolete inventories previously procured from the Group, and its concurrent diversification into new cosmetics products from European and American markets. After disposing of the existing stock, Strawberry resumed its purchases from the Group for the year ended 31 December 2025.

Based on Strawberry's internal budget plan, the Company understands that the revenue of Strawberry generated from products procured from the Group is projected to grow consistently with the Group's business plan. Quantitatively, the proposed annual caps are based on Strawberry's forecasted procurement budget for the Group's products, which is projected to be approximately HK$34.0 million, HK$49.0 million, HK$66.0 million and HK$83.0 million for the period from 1 September 2026 to 31 December 2026, the years ending 31 December 2027 and 2028, and the period from 1 January 2029 to 31 August 2029, respectively. This forecast is supported by Strawberry's plan to allocate increased shelf space and promotional resources to the "Natural Beauty" brand following the completion of its product portfolio realignment.

The Board has also taken into account the generally positive outlook of the Hong Kong e-commerce market, which supports Strawberry's growth prospects.

The proposed annual caps are primarily determined based on Strawberry's indicative order plan and are supported by the positive market outlook for the Hong Kong e-commerce market.

Having taken into account of the above, the Directors are of the view that the proposed annual cap for the New CCT Period under the Strawberry Sale Agreement is fair and reasonable.

G. Eastern Home Procurement Agreement

On 12 June 2026, in addition to Eastern Home Product Supply Agreement and the Eastern Home Strategic Cooperation Agreement, Taiwan NB had also entered into the Eastern Home Procurement Agreement with Eastern Home. The major terms of the Eastern Home Procurement Agreement are as follows:

Date	12 June 2026
Parties	(1) Taiwan NB; and (2) Eastern Home
Subject matter	A sales and procurement framework had been established between Taiwan NB and Eastern Home, whereby Eastern Home may from time to time sell and Taiwan NB may from time to time make wholesale purchase of products such as health supplements, commodities and food from Eastern Home for on-sale at its franchised/self-owned spas, medical cosmetology centers and counters.

Pricing	(1) At 20% to 50% of the relevant retail price, depending on the distribution channel and product attributes; or (2) depending on the product type, the price shall be determined based on quantity and cost, at a gross profit margin of 10% to 30%.
Condition	The Eastern Home Procurement Agreement shall only become effective upon the Company having obtained approval of the Independent Shareholders in accordance with the Listing Rules.
Term	From 1 September 2026 to 31 August 2029.

Basis of determination of pricing term

The parties determined the pricing term based on wholesale market prices for similar products and in similar quantities offered by Independent Third Parties. Since the pricing under the Eastern Home Procurement Agreement is in line with market level, the Directors (excluding the independent non-executive Directors, whose views will be set out in a letter from the Independent Board Committee to be included in the Circular) consider that it is no less favourable than that offered by Independent Third Parties. As such, the Directors consider the pricing term under the Eastern Home Procurement Agreement to be fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

Historical transaction amount

Taiwan NB signed the Previous Eastern Home Procurement Agreement with Eastern Home on 12 May 2023, which expires on 31 August 2026, with terms similar to the Eastern Home Procurement Agreement.

The aggregate fees paid by Taiwan NB to Eastern Home under the Previous Eastern Home Procurement Agreement up to 30 April 2026 are as follows:

Year/period	**From 1 September 2023 to 31 December 2023**(Note 1)	**From 1 January 2024 to 31 December 2024**(Note 1)	**From 1 January 2025 to 31 December 2025**(Note 1)	**From 1 January 2026 to 30 April 2026**(Note 2)
Historical transaction amount	NT$204,516 (equivalent to approximately HK$51,001)	NT$2,458,632 (equivalent to approximately HK$613,125)	NT$671,955 (equivalent to approximately HK$167,570)	NT$277,347 (equivalent to approximately HK$69,164)

Year/period	From 1 September 2023 to 31 December 2023 (Note 1)	From 1 January 2024 to 31 December 2024 (Note 1)	From 1 January 2025 to 31 December 2025 (Note 1)	From 1 January 2026 to 30 April 2026 (Note 2)
Historical annual cap	NT$15,000,000 (equivalent to approximately HK$3,740,648)	NT$50,000,000 (equivalent to approximately HK$12,468,828)	NT$100,000,000 (equivalent to approximately HK$24,937,656)	NT$150,000,000 (equivalent to approximately HK$37,406,484) *(Note 3)*
Utilisation rate (approximately)	1.4%	4.9%	0.7%	0.2%

Note 1: The aggregate fees paid to Eastern Home within the financial year ended 31 December 2023, 2024 and 2025 include value-added tax.

Note 2: The aggregate fees paid to Eastern Home for the four months ended 30 April 2026 are unaudited and do not include value-added tax.

Note 3: The historical annual cap was set for the period from 1 January 2026 to 31 August 2026.

Annual Cap

Pursuant to the terms of the Eastern Home Procurement Agreement, the annual cap in respect of the fees payable by Taiwan NB to Eastern Home shall be as follows:

From 1 September 2026 to 31 December 2026	From 1 January 2027 to 31 December 2027	From 1 January 2028 to 31 December 2028	From 1 January 2029 to 31 August 2029
NT$10,000,000 (equivalent to approximately HK$2,493,766)	NT$20,000,000 (equivalent to approximately HK$4,987,531)	NT$30,000,000 (equivalent to approximately HK$7,481,297)	NT$50,000,000 (equivalent to approximately HK$12,468,828)

The above annual cap has been arrived at based on the projected amount of purchase to be made by Taiwan NB under the Eastern Home Procurement Agreement.

Reasons for low utilisation rates under the historical annual cap

The sales of health supplements, commodities, and food through the Group's own and franchised physical touchpoints (spas, beauty centres, and retail counters) underperformed relative to forecasts. This demand shortfall could be attributed to several factors, including changing consumer preferences away from these product types, increased competition in the health and wellness sector, a reduction in foot traffic to these physical locations (possibly due to broader retail trends or post-pandemic behavioural shifts), or pricing sensitivity. Since the historical annual cap was based on projected demand from these outlets, the actual purchase orders placed by Eastern Home under this agreement were significantly lower, resulting in a low utilisation rate.

The Board has assessed that the reasons for the low historical utilisation are not expected to continue during the New CCT Period, as the Group plans to increase the number of its retail outlets, which will drive higher procurement needs.

Basis of determination of the proposed annual caps

Given the satisfactory performance of the Group's distribution business, the Company has planned to further expand and increase the number of franchised and self-owned spas, medical cosmetology centres and counters in the coming years. Therefore, it will increase its purchases from Eastern Home for sale through these new outlets.

As disclosed in the Company's annual report, the Group's revenue generated from distribution channels amounted to approximately HK$294.5 million, HK$315.8 million and HK$497.8 million for the years ended 31 December 2023, 2024 and 2025, respectively, representing corresponding growths of approximately 20.3% and 57.6%. The number of points of sales for distribution of the Group's products, including franchised spas, self-owned spas and self-owned counters, also increased year-on-year, amounting to an aggregate of 1,562, 1,780 and 2,093 as at 31 December 2023, 2024 and 2025, representing corresponding growths of approximately 14.0% and 17.6%. As such, the potential expansion of the Group's points of sales is in line with its revenue growth from its distribution channels.

Taking into account the increasing points of sales of the Group in the coming years, the proposed annual caps show a progressive increase for the years ending 31 December 2027, 2028 and the period ending 31 August 2029, reflecting the increasing procurement amount by the Group for on-sale at these outlets.

Having taken into account of the above, the Directors are of the view that the proposed annual cap for the New CCT Period under the Eastern Home Procurement Agreement is fair and reasonable.

III. INFORMATION ON THE PARTIES

A. Information on the Group

The Group

The Company is listed on the Main Board of the Stock Exchange. The Group is principally engaged in (a) manufacturing and selling of skin care, beauty and aroma-therapeutic products, health supplements, make-up products and beauty apparatus and (b) provision of skin treatments, beauty and spa services, medical cosmetology services, skin care consulting and beauty training.

Taiwan NB

Taiwan NB is a company incorporated in Taiwan with limited liability. It is principally engaged in production and sales of skin care and beauty products.

Taiwan NB has entered into the ET New Media Cooperation Agreement with ET New Media; the Eastern Home Product Supply Agreement, the Eastern Home Strategic Cooperation Agreement and the Eastern Home Procurement Agreement with Eastern Home; the Eastern Global Sale Agreement with Eastern Global; and the ET New Retail Consignment Agreement with ET New Retail, respectively.

NB China

NB China is a company incorporated in Hong Kong with limited liability. It is principally engaged in investment holding and wholesale and retailing of cosmetic products.

NB China has entered into the Strawberry Sale Agreement with Strawberry.

B. Information on the Connected Persons

ET New Media

ET New Media is a company incorporated in Taiwan with limited liability. It is principally engaged in operation of internet news outlet, sale of advertising, and audio-video production. It is the first news, media and communication networks in Taiwan.

As of the Latest Practicable Date, ET New Media is a direct non-wholly owned subsidiary of EMI. Since EMI is the 100% shareholder of FESS and FESS is a controlling shareholder of the Company, ET New Media is a connected person of the Company for the purposes of the Listing Rules and the transactions contemplated under the ET New Media Cooperation Agreement constitute continuing connected transactions of the Company.

Eastern Home

Eastern Home is a company incorporated in Taiwan with limited liability. It is principally engaged in distribution of goods through TV shopping and e-commerce in Taiwan. It is the first TV shopping company in Taiwan.

As of the Latest Practicable Date, Eastern Home is owned, directly or indirectly, as to approximately 25.87% by EMI; ultimately owned as to approximately 52.71% by individuals named Ms. Wang Yi-Xin (王藝馨), Ms. Wang Ci-Yin (王辭茵), Ms. Wang Ci-Han (王辭涵) and Mr. Wang Ci-Hua (王辭華), who are all Independent Third Parties; and owned as to 21.42% by 147 minority shareholders, none of which individually control more than 5% of the beneficial ownership of Eastern Home.

For the year ended 31 December 2018, Eastern Home was accounted for and consolidated in the audited consolidated accounts of EMI as a subsidiary thereof since EMI could during the relevant time, directly or indirectly, control the composition of a majority of the board of directors of Eastern Home. Since 1 January 2019, EMI can no longer directly or indirectly control the composition of a majority of the board of directors of Eastern Home, and since then Eastern Home has not been and will not be accounted for and consolidated in the audited consolidated accounts of EMI as a subsidiary.

However, as at the date of this circular, given that (a) EMI is holding, directly or indirectly, altogether approximately 25.87% of the shareholding in Eastern Home, (b) one member of the board of directors of Eastern Home, namely Mr. Liao Shang-Wen, is also the chairperson of EMI, (c) FESS is a controlling shareholder of the Company, and EMI is the 100% shareholder of FESS, (d) the vice president of Eastern Home, namely Mr. Chao Shih Heng, is the sole ultimate beneficial owner of Insbro which is holding 22.76% of the issued Shares, (e) the chairperson and an executive Director of the Company, (f) the finance vice president of Eastern Home, namely Ms. Lin Shu-Hua, is also a non-executive Director of the Company; and (g) the Eastern Home Product Supply Agreement, the Eastern Home Strategic Cooperation Agreement and the Eastern Home Procurement Agreement have been entered into on the same date as the other transactions disclosed in this circular, the Directors consider that it is appropriate to voluntarily treat Eastern Home as a connected person of the Company and to comply with Chapter 14A of the Listing Rules accordingly. As such, the transactions contemplated under the Eastern Home Product Supply Agreement, the Eastern Home Strategic Cooperation Agreement and the Eastern Home Procurement Agreement shall constitute continuing connected transactions of the Company.

Eastern Global

Eastern Global is a company incorporated in Taiwan with limited liability. It is principally engaged in wholesale and retailing of various goods.

As of the Latest Practicable Date, Eastern Global is owned and controlled by individuals named Ms. Wang Yi-Xin (王藝馨), Ms. Wang Ci-Yin (王辭茵), Ms. Wang Ci-Han (王辭涵) and Mr. Wang Ci-Hua (王辭華), who are all Independent Third Parties, through Eastern Health Living Limited Company* (東森健康生活股份有限公司) (as to 45%), Xinkai Media Limited Company* (鑫凱傳播事業股份有限公司) (as to 35%), Yuanshun Co., Limited* (元順股份有限公司) (as to 5%), Hengtong Co., Limited* (亨通股份有限公司) (as to 5%), LiAn Co., Limited* (利安股份有限公司) (as to 5%) and Zhengzhe Co., Limited* (正喆股份有限公司) (as to 5%). To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of Eastern Global and its ultimate beneficial owners is an Independent Third Party. However, given that (a) one member of the board of directors and the vice-president of Eastern Global, namely Mr. Chao Shih Heng, is the sole ultimate beneficial owner of Insbro which is holding 22.76% of the issued Shares, and (b) the Eastern Global Sale Agreement has been entered into on the same date as the other transactions disclosed in this circular, the Directors consider that it is appropriate to voluntarily treat Eastern Global as a connected person of the Company and to comply with Chapter 14A of the Listing Rules accordingly. As such, the transactions contemplated under the Eastern Global Sale Agreement shall constitute continuing connected transactions of the Company.

ET New Retail

ET New Retail is a company incorporated in Taiwan with limited liability. It is principally engaged in distribution of goods through e-commerce in Taiwan.

ET New Retail is a wholly-owned subsidiary of Eastern Home. As disclosed in this circular, the Directors consider that it is appropriate to voluntarily treat Eastern Home as a connected person of the Company. As such, the Directors consider that it is also appropriate to voluntarily treat ET New Retail as a connected person of the Company and to comply with Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the ET New Retail Consignment Agreement shall constitute continuing connected transactions of the Company.

Strawberry

Strawberry is a company incorporated in Hong Kong with limited liability. It is principally engaged in sale of internationally renowned skin care and beauty products through internet.

As disclosed in this circular, the Directors consider that it is appropriate to voluntarily treat Eastern Home as a connected person of the Company. As at the date of this circular, (a) Strawberry is a direct wholly owned subsidiary of Eastern Home and (b) Strawberry Sale Agreement was entered into on the same date as the other transactions disclosed in this circular, the Directors consider that it is appropriate to voluntarily treat Strawberry as a connected person of the Company and to comply with Chapter 14A of the Listing Rules accordingly. As such, the transactions contemplated under the Strawberry Sale Agreement shall constitute continuing connected transactions of the Company.

IV. INTERNAL CONTROL MEASURES

In respect of each of the continuing connected transactions as contemplated thereunder the CCT Agreements, the Group shall procure the connected persons to enter into sales orders/purchase contracts and/or agreements (refer to as "**order**" or "**sales or procurement contracts**" in general hereinafter, where appropriate). To ensure that the terms of each of the sale or procurement contracts (both revenue and expense in nature) proposed to be entered into by the Group are fair and reasonable and are on normal commercial terms so far as the Independent Shareholders are concerned, the Group had adopted and will continue to implement the following internal control procedures and corporate governance measures:

(i) The account department of the Group will, before the Group enters into any individual sales and procurement contract, first obtain quotations and other key terms for providing products and services of similar level and types from at least two Independent Third Parties (if any) for reference in relation to market prices and terms. The relevant operational team of the Group will then compare the quotations and terms obtained with the terms of existing sale or procurement contracts or agreements entered into by the Group with Independent Third Parties (if any). The Group will also evaluate the quotations and terms obtained against the terms of such existing sale or procurement contracts or agreements and will take into account the Group's own judgment based on its experience and knowledge of current market conditions;

(ii) Once the operational team is satisfied that the quotation and terms obtained from the aforesaid two Independent Third Parties (if any) are at prevailing market prices and terms, the relevant operational team of the Group will then review and evaluate the prices and terms proposed to be offered by/to the connected persons to/by the Group and compare such prices and terms with that obtained from the Independent Third Parties;

(iii) The general manager and/or chairman of Taiwan NB shall be ultimately responsible for approving the individual sales or procurement contract to ensure that the price and terms as agreed are fair and reasonable and no less favourable than those offered by Independent Third Parties or no more favourable than those offered to Independent Third Parties and in accordance with the CCT Agreements and the pricing policies of the Company through the above-mentioned process;

(iv) The internal accounting department of the Company shall be responsible for reviewing and assessing the internal control procedures of the Group, including but not limited to the relevant information in relation to the CCT Agreements. If and when the chief financial officer of the Company or the audit committee of the Company becomes aware of any signs of deficiency in the internal control system or that the actual aggregate transaction amount of any transaction under the CCT Agreements will soon exceed its annual cap, he/she/it shall ensure that appropriate internal control procedures would be taken and no further transactions in respect of that particular transaction shall be carried out for the remainder of the contract terms;

(v) The auditors of the Group will conduct annual review on the pricing and the annual caps of the transactions contemplated under each of the CCT Agreements;

(vi) The internal audit department of the Group will conduct annual review on the pricing and the annual caps of the transactions contemplated under each of the CCT Agreements; and

(vii) The independent non-executive Directors will conduct an annual review of each of the CCT Agreements to ensure that the transactions contemplated thereunder respectively are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The Group will continue to adopt and implement such internal procedures and corporate governance measures for all ongoing and proposed continuing connected transactions of the Company in order to ensure that the pricing mechanism and terms of the transactions, whether it relates to sales or procurement, are fair and reasonable and no less favourable than the terms provided by any Independent Third Parties, so as to ensure that they serve the interests of the Company and its Shareholders as a whole.

By implementing such internal control measures and procedures, the Directors (including the independent non-executive Directors) consider that the Company has sufficient internal control measures and procedures to ensure that the transactions contemplated under each of the CCT Agreements will be on normal commercial terms and no less favourable to the Group than that available from Independent Third Parties.

V. REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

FESS became a controlling shareholder of the Company on 2 October 2018. EMI, the 100% shareholder of FESS, is an investment holding company holding interests in various companies focusing on media, virtual retail, real estate, and entertainment content production in Taiwan. To the best knowledge of the Directors, EMI is desirous to utilise the network and resources of its subsidiaries or associated companies to accelerate the expansion of the Group's business and to improve the financial performance of the Group.

As the Directors consider that the cooperation between the Group and ET New Media, Eastern Home, Eastern Global, ET New Retail and Strawberry under the Previous CCT Agreements has been satisfactory, and in view of the strategic cooperation relationship with the EMI Group, the Directors intend to continue and strengthen the existing cooperation between the Group with the above parties by entering into the CCT Agreements for the purpose of either (a) extending the contractual term; (b) adjusting the annual caps; (c) fine-tuning certain contract terms and/or (d) expanding the scope of business cooperation.

Specifically, the Directors take the view that:

(1) The ET New Media Cooperation Agreement provides a framework to promote the "Natural Beauty" brand and products by utilising the marketing expertise of ET New Media. Therefore, the renewal of the agreement represents an opportunity to the Group to further enhance brand awareness and increase sales.

(2) Both the Eastern Home Product Supply Agreement and the ET New Retail Consignment Agreement provide a framework to (a) allow the Group to sell "Natural Beauty" products via the well-established sales channels of Eastern Home and ET New Retail, and (b) increase the exposure of the "Natural Beauty" brand and products by leveraging on the extensive sales channels operated by Eastern Home and ET New Retail. Therefore, the renewal of the agreements represents an opportunity to the Group to continue expand its business and increase and diversify sales.

(3) The renewal of the Eastern Home Strategic Cooperation Agreement will provide the Group with an additional distribution channel of the Group's products by authorising Eastern Home to set up spas in Taiwan under the brand name "Natural Beauty" and present an opportunity for the Group to promote its brand and increase sales.

(4) The renewal of each of the Eastern Global Sale Agreement and Strawberry Sale Agreement will continue to provide the Group with an additional distribution channel of the Group's products and hence an opportunity to increase sales.

(5) The renewal of the Eastern Home Procurement Agreement provides a framework for the Group to procure products such as health supplements, skin-care products and cosmetic products for sale at its franchised/self-owned spas, medical cosmetology centers and counters, and hence an opportunity to expand and diversify sales.

The Directors (excluding the independent non-executive Directors) are of the view that the health supplement markets of Taiwan and the PRC are projected to grow in the forthcoming years, supported by sustained consumer demand and favourable market trends across these regions. Given that the Group does not currently have the in-house capability to manufacture health supplement products but does sell to end customers as one of its ordinary and usual course of business, the sales and procurement framework between Taiwan NB and each of Eastern Home and Eastern Global offer an opportunity for the Group to procure health supplements product at a considerable discount to the relevant market retailing price, which is desirable for the Group to capture market share in health supplements market by selling health supplements that are competitively priced in Taiwan and the PRC.

The Directors acknowledge that the scale of the transaction amounts contemplated under the CCT Agreements may give rise to concerns that there may potentially be a level of reliance on Eastern Home and its subsidiaries for the Company's business of sales of skin care, beauty, aroma-therapeutic products, health supplements and makeup products. Specifically, amongst others, the Eastern Home Product Supply Agreement and Strawberry Sale Agreement are entered into by the Group with Eastern Home and its indirect wholly owned subsidiary Strawberry, respectively. However, the Directors have carefully assessed the following factors and are of the view that the transactions contemplated under the Eastern Home Product Supply Agreement and the Strawberry Sale Agreement will not have a material adverse impact on the business of the Group:

(1) Continued business strategy of geographical diversification

Following the completion of the unconditional mandatory general cash offer for all the issued share capital in the Company in November 2018 (the "**Change of Control**"), the then existing businesses operated by the Group have continued to be an integral and well-established source of revenue for the Group. The continuing connected transactions under the CCT Agreements shall continue to be an addition to the existing businesses which are well established and sustainable in terms of revenue without taking into account of any connected transactions.

Throughout the Previous CCT Period, the Company has been implementing business strategy of geographical diversification and had developed geographic markets in the PRC, Taiwan, Hong Kong and Malaysia.

According to the Group's audited consolidated financial statements for the year ended 31 December 2025, the PRC had accounted for approximately 82.7% of the total revenue of the Group. Meanwhile, Taiwan, being the geographic market at which the majority of the continuing connected transactions under the CCT Agreements (including the Eastern Home Product Supply Agreement) occur, account for approximately 16.7% of the total revenue of the Group for the year ended 31 December 2025. Hong Kong, being the geographical market at which the continuing connected transactions under Strawberry Sale Agreement occur, account for approximately 0.4% of the total revenue of the Group as of the year ended 31 December 2025.

All revenue in the PRC market was generated from transactions with Independent Third Parties for the past three financial years and the four months ended 30 April 2026. With regards to the Taiwan market, the revenue and percentage of revenue generated from transactions conducted with Independent Third Parties for the past three financial years and the four months ended 30 April 2026 are as follows:

Year/period	2023	2024	2025	From 1 January 2026 to 30 April 2026
Revenue generated from transactions with Independent Third Parties from Taiwan market	NT$298,371,817 (equivalent to approximately HK$74,406,937)	NT$310,111,454 (equivalent to approximately HK$77,334,527)	NT$313,427,846 (equivalent to approximately HK$78,161,558)	NT$89,649,299 (equivalent to approximately HK$22,356,434)
Total revenue from Taiwan market	NT$382,656,094 (equivalent to approximately HK$95,425,460)	NT$420,796,103 (equivalent to approximately HK$104,936,684)	NT$433,210,403 (equivalent to approximately HK$108,032,519)	NT$135,163,826 (equivalent to approximately HK$33,706,690)
Percentage of revenue generated from transactions with Independent Third Parties from Taiwan market	78.0%	73.7%	72.4%	66.3%

The Directors anticipate that the overall demand for cosmetic products and skin care products in Taiwan, the PRC, and other geographical regions in which the Group operates will continue to grow in the forthcoming years, supported by sustained consumer demand and favourable market trends across these regions.

Therefore, the Directors are of the view that despite the scale of the transaction amounts contemplated under CCT Agreements, it is unlikely for the Group to have reliance issue over on Eastern Home and Strawberry for the Company's business operation.

(2) Sustained and established relationship with the connected parties

The business relationship between the connected parties and the Group had begun since the Change of Control and had sustained and flourished throughout the Previous CCT Period. The Directors are of the view that the risk of the relationship between the Group and the connected parties being terminated shall be low because FESS is the controlling shareholder of the Group and EMI is the 100% shareholder of FESS. As such, the interests of the Group are aligned with the EMI Group.

(3) Substitute customers to mitigate risk exposure

The Directors are of the view that even in the unlikely circumstances that the relationship with the connected parties, including Eastern Home and Strawberry, are terminated, the Group could mitigate its exposure to the risk of potential concentration of revenue from connected persons because there are comparable and readily available substitutes to replace the roles played by the connected persons under the CCT Agreements.

The sale of products by the Group via various distribution channels of the connected persons such as Eastern Home, Strawberry, Eastern Global or ET New Retail could be substituted by other distributors readily available in Taiwan as distribution channels for products such as the sale of cosmetic products normally does not have high entry barriers and there is an abundant number of similar distributors in the Taiwan market. Moreover, in terms of TV shopping and e-commerce platforms, the competitors of Eastern Home and Strawberry are comparable and readily available substitutes for Eastern Home and Strawberry for sale of the Group's products.

Therefore, in light of the availability of comparable and readily available substitutes in the market, the Directors are also of the view that any change in the relationship with the abovementioned connected persons will not have a material adverse impact on the Group's businesses because it will be able to effectively mitigate its exposure.

(4) Continuous effort of the Group to maintain its revenue in the future

The industries of which the connected persons are operating under the CCT Agreements are mainly in relation to wholesale and retail of products via various channels such as TV shopping and e-commerce. These sectors remain dynamic and continue to offer stable, long-term demand in the Group's geographical markets. The Directors are confident that the Group is well-positioned to maintain its revenue in the future, supported by the sustained consumption patterns across these established distribution channels and the Group's ongoing commercial initiatives, irrespective of the degree of reliance on the connected persons.

The Directors (excluding the independent non-executive Directors) consider the terms of each of the CCT Agreements had been negotiated and arrived at on an arms-length basis, on normal commercial terms or better, and are in the ordinary and usual course of business of the Group, and hence consider the terms of the continuing connected transactions as contemplated under the CCT Agreements are fair and reasonable and in the interests of the Shareholders as a whole.

The views of the independent non-executive Directors are set out in the letter from the Independent Board Committee as enclosed on pages 47 to 48 of this circular.

VI. LISTING RULES IMPLICATIONS

The transactions contemplated under each of the CCT Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since (a) ET New Media, Eastern Home, Eastern Global, ET New Retail and Strawberry are connected with one another through FESS, a controlling shareholder of the Company, and/or Insbro, a substantial shareholder of the Company, and (b) as the highest applicable percentage ratio in respect of the aggregate of highest combined annual caps of each of the CCT Agreements exceeds 5% and the aggregate consideration is more than HK$10,000,000, the entering into of the CCT Agreements is subject to the reporting, announcement, Independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

Dr. Lei Chien, Ms. Lin Yen-Ling, Ms. Lin Shu-Hua and Ms. Chou Hui-Ying are Directors nominated by EMI and therefore are considered to have a material interest in the CCT Agreements and the transactions contemplated respectively thereunder. As such, each of Dr. Lei Chien, Ms. Lin Yen-Ling, Ms. Lin Shu-Hua and Ms. Chou Hui-Ying abstained from voting on the relevant board resolutions approving the CCT Agreements and the transactions contemplated respectively thereunder. Save as disclosed above, no other Directors have or are considered to have a material interest in the CCT Agreements and the transactions contemplated respectively thereunder, nor are they required to abstain from voting on the relevant board resolutions approving the CCT Agreements and the transactions contemplated respectively thereunder.

Since the Directors consider that the transactions contemplated under the CCT Agreements are of revenue in nature and in the ordinary and usual course of business of the Group, such transactions do not fall under the definition of "transaction" under Chapter 14 of the Listing Rules and are not subject to the requirements under Chapter 14 the Listing Rules.

VII. INDEPENDENT FINANCIAL ADVISER AND INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors has been established to consider approving the CCT Agreements, and to advise and make recommendations to the Independent Shareholders as to how to vote at the EGM on the resolutions in relation to the CCT Agreements. No member of the Independent Board Committee has any material interest in the CCT Agreements and the transactions contemplated thereunder.

Lego has been appointed as the Independent Financial Adviser in accordance with the Listing Rules to advise the Independent Board Committee and Independent Shareholders as to whether the terms of the CCT Agreements are fair and reasonable, and whether the terms of the CCT Agreements are on normal commercial terms, in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole, and how to vote on the CCT Agreements and the transactions contemplated thereunder.

VIII.EGM

The Company will convene the EGM to be held at Conference Room, 8/F, 368 Section 1 Fuxing South Road, Da'an District, Taipei, Taiwan on Monday, 24 August 2026 at 2:00 p.m. for the purpose of considering and, if thought fit, to approve, among other things, the CCT Agreements and the transactions contemplated thereunder. The voting in relation to the CCT Agreements and the transactions contemplated thereunder will be conducted by way of poll. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, other than FESS which held 600,630,280 Shares (representing 30% of the total issued share capital of the Company) and Insbro which held 455,630,196 Shares (representing 22.76% of the total issued share capital of the Company), no other Shareholder will be required to abstain from voting on the resolutions approving the CCT Agreements at the EGM.

A notice of EGM is set out on pages 91 to 94 of this circular. A proxy form for use by the Shareholders at the EGM is enclosed with this circular. Whether or not you intend to attend and vote at the EGM, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as possible but in any event not later than 48 hours (i.e. 2:00 p.m. on Saturday, 22 August 2026) before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from subsequently attending and voting at the EGM or any adjournment thereof (as the case may be) should you so desire and, in such event, the proxy form shall be deemed to be revoked.

IX. CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining shareholders' entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Wednesday, 19 August 2026 to Monday, 24 August 2026, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the EGM, Shareholders must lodge all transfer documents accompanied by the relevant share certificates for registration with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Tuesday, 18 August 2026.

X. RECOMMENDATION

Your attention is drawn to (i) the letter from the Independent Board Committee set up on pages 47 to 48 of this circular which contains its recommendation to the Independent Shareholders in respect of the CCT Agreements and the transactions contemplated thereunder; (ii) the letter from the Independent Financial Adviser set out on pages 49 to 85 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in respect of the CCT Agreements and the transactions contemplated thereunder.

The Board (including the Independent Board Committee having taken into account of the advice of the Independent Financial Adviser) considers that the CCT Agreements and the transactions contemplated thereunder are (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms, on terms no less favourable than those entered into between independent third parties and the Group and fair and reasonable; and (iii) in the interests of the Company and its Shareholders as a whole.

Accordingly, the Board (including the Independent Board Committee having taken into account of the advice of the Independent Financial Adviser) recommends the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the CCT Agreements and the transactions contemplated thereunder.

XI. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendix to this circular.

Yours faithfully,
For and on behalf of the Board
Natural Beauty Bio-Technology Limited
LEI Chien
Chairperson

* *For identification purpose only*

The following is the text of the letter of recommendation from the Independent Board Committee to the independent Shareholders in relation to the CCT Agreements and the transactions contemplated thereunder.

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)

3 August 2026

To the Independent Shareholders,

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS RENEWAL OF PREVIOUS CCT AGREEMENTS

We refer to the circular of the Company to the Shareholders dated 3 August 2026 (the "**Circular**"), in which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter have the same meanings as given to them in the section headed "Definitions" of the Circular.

We have been appointed by the Board as members of the Independent Board Committee to advise you on the CCT Agreements and the transactions contemplated thereunder.

Lego Corporate Finance Limited has been appointed as the Independent Financial Adviser to advise you and us in this regard. Details of the independent advice of the Independent Financial Adviser, together with the principal factors and reasons the Independent Financial Adviser has taken into consideration in arriving at such advice, are set out on pages 49 to 85 of the Circular.

Your attention is also drawn to the "Letter from the Board" in the Circular and the additional information set out in the appendix thereto.

Having considered the CCT Agreements and the transactions contemplated thereunder and taking into account the advice of the Independent Financial Adviser, in particular the principal factors, reasons and recommendation as set out in their letter, we consider that the renewal and/or entering into of the CCT Agreements are in the ordinary and usual course of business of the Company and in the interests of the Group and the Shareholders as a whole, and the CCT Agreements and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

We therefore recommend you to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the terms of each of the CCT Agreements and the transactions contemplated thereunder.

Yours faithfully,
Independent Board Committee

LIN Tsalm-Hsiang	**YANG Shih-Chien**	**DUH Tyzz-Jiun**
Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*

The following is the full text of the letter from the Independent Financial Adviser setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of the CCT Agreements and the transactions contemplated thereunder, which has been prepared for the purpose of inclusion in this circular.

Lego Corporate Finance Limited
力高企業融資有限公司

3 August 2026

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS
RENEWAL OF PREVIOUS CCT AGREEMENTS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the CCT Agreements, details of which are set out in the letter from the board (the "**Letter from the Board**") contained in the circular of the Company dated 3 August 2026 (the "**Circular**"), of which this letter forms part. Unless specified otherwise, capitalised terms used herein shall have the same meanings as those defined in the Circular.

As the term of the Previous CCT Agreements will expire on 31 August 2026, on 12 June 2026, the Company entered into the CCT Agreements to renew the Previous CCT Agreements with each of ET New Media, Eastern Home, Eastern Global, ET New Retail and Strawberry for a term of three years from 1 September 2026 to 31 August 2029. Pursuant to the CCT Agreements, the Group shall continue to engage in transactions which principally concern advertising, product consignment and products wholesale, as well as products procurement in respect of health supplements, commodities and food with the connected parties.

Since (a) ET New Media, Eastern Home, Eastern Global, ET New Retail and Strawberry are connected with one another through FESS, a controlling shareholder of the Company, and/or Insbro, a substantial shareholder of the Company, and (b) as the highest applicable percentage ratio in respect of the aggregate of highest combined annual caps of each of the CCT Agreements exceeds 5% and the aggregate consideration is more than HK$10,000,000, the entering into of the CCT Agreements is subject to the reporting, announcement, Independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

The Company will convene the EGM to seek approval from the Independent Shareholders in respect of the transactions contemplated under the CCT Agreements, including the proposed annual caps for the respective transactions. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, other than FESS and Insbro, no other Shareholder will be required to abstain from voting on the resolutions approving the CCT Agreements and the transactions contemplated thereunder at the EGM.

The Independent Board Committee comprising all the independent non-executive Directors namely, Mr. Lin Tsalm-Hsiang, Mr. Yang Shih-Chien and Mr. Duh Tyzz-Jiun who have no material interest in the CCT Agreements and the transactions contemplated thereunder, has been established to advise the Independent Shareholders in respect of the transactions contemplated under the CCT Agreements, and as to how to vote on the relevant resolution(s) to be proposed at the EGM in relation to the CCT Agreements. We, Lego Corporate Finance Limited, have been appointed by the Company as the Independent Financial Adviser in accordance with the requirement of the Listing Rules to advise the Independent Board Committee and the Independent Shareholders in relation to the CCT Agreements and to make recommendations as to, among others, whether the terms of the CCT Agreements are fair and reasonable, on normal commercial terms and in the interests of the Company and the Independent Shareholders as a whole, and as to voting in respect of the relevant resolution(s) at the EGM.

OUR INDEPENDENCE

During the past two years, save for our engagement in connection with the CCT Agreements, we did not have any relationship with, or any interest in, the Company or any other parties that could reasonably be regarded as relevant to our independence. Apart from the normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements existed whereby we had received or would receive any fees or benefits from the Company, ET New Media, Eastern Home, Eastern Global, ET New Retail or Strawberry. As at the Latest Practicable Date, Lego did not have any relationships or interests with the Company, ET New Media, Eastern Home, Eastern Global, ET New Retail or Strawberry or any of their respective substantial shareholders, directors or chief executives, or any of their respective associates that could reasonably be regarded as relevant to the independence of Lego. We are independent under Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the CCT Agreements and the transactions contemplated thereunder.

BASIS OF OUR ADVICE

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Group and its advisers; (iii) the opinions expressed by and the representations of the Directors and the management of the Group (the "**Management**"); and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular were true at the time they were made and have continued to be true as at the date of the Circular and all such statements of belief, opinions and intention of the Directors and the Management and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truthfulness, accuracy and completeness of the information and representations provided to us by the Directors, the Management, and/or the advisers of the Company. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the Management were true, accurate, complete and not misleading in all material respects at the time they were made and have continued to be so until the date of the Circular.

We consider that we have reviewed the relevant information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We consider that we have taken reasonable steps, including but not limited to review of the fairness and reasonableness of bases and assumptions for the determination of the proposed annual caps for which the Directors are responsible for, in order to form a reasonable basis and an informed view for our opinion. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the Management, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company, ET New Media, Eastern Home, Eastern Global, ET New Retail or Strawberry or any of their respective associates. Our opinion is necessarily based on financial, economic, market and other conditions in effect, and the information made available to us as at the Latest Practicable Date.

This letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the CCT Agreements. Except for its inclusion in the Circular, this letter shall not be quoted or referred to, in whole or in part, nor shall it be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In giving our recommendations with respect to the CCT Agreements, we have taken into consideration the following principal factors and reasons:

1. Reasons for the entering into of the CCT Agreements

The Group is principally engaged in manufacturing and sales of a range of conventional products, including skin care, beauty and aroma-therapeutic products, health supplements and make-up products under the "Natural Beauty" brand and beauty apparatus. Product sales are the Group's key revenue source and primarily generated from franchised spas, online and other sales platforms, self-owned spas and concessionary counters at department stores. As disclosed in the Letter from the Board, as the Previous CCT Agreements will be expiring on 31 August 2026, the entering into of the CCT Agreements is in substance a renewal of the Previous CCT Agreements which serves to continue the existing cooperation and transactions between the Group and the relevant parties including the EMI Group, the results of which has been satisfactory to the Group as considered by the Directors. In particular, (i) the ET New Media Cooperation Agreement provides a framework to promote the "Natural Beauty" brand and products of the Group by utilising the marketing expertise of ET New Media; (ii) both the Eastern Home Product Supply Agreement and the ET New Retail Consignment Agreement provide a framework to (a) allow the Group to sell "Natural Beauty" products via the well-established sales channels of Eastern Home and ET New Retail and (b) increase the exposure of the "Natural Beauty" brand and products by leveraging on the extensive sales channels operated by Eastern Home and ET New Retail; (iii) the renewal of the Eastern Home Strategic Cooperation Agreement will provide the Group with an additional distribution channel of the Group's products by authorising Eastern Home to set up spas in Taiwan under the brand name "Natural Beauty" and present an opportunity for the Group to promote its brand and increase sales; (iv) the renewal of each of the Eastern Global Sale Agreement and Strawberry Sale Agreement will continue to provide the Group with an additional distribution channel of the Group's products and hence an opportunity to increase sales; and (v) the renewal of the Eastern Home Procurement Agreement provides a framework for the Group to procure products such as health supplements, skin-care products and cosmetic products for sale at its franchised/self-owned spas, medical cosmetology centers and counters, and hence an opportunity to expand and diversify the Group's product portfolio and sales.

In light of that the entering into of the CCT Agreements would (i) allow the Group to continue utilising EMI's resources and distribution network and therefore accelerate the expansion of the Group's business, by leveraging the competitive advantages of EMI Group in media, retail and brand influence while capturing strategic opportunities and resources arising from EMI Group's headquarters expansion (as further discussed in the below section); (ii) further strengthens the existing cooperation between the Group and EMI's subsidiaries or associated companies which has been satisfactory; (iii) extend the contractual terms to ensure a stable business relationship and seamless transition in continuing such business cooperation in the ordinary and usual course of business of the Group over the next three years without any disruption; (iv) enable the Group to evaluate and adjust the relevant annual caps taking into consideration its operational and business development needs for the coming years; and (v) broaden the revenue base and source of income to the Group, we concur with the Director's view that the entering into of the CCT Agreements is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

2. Principal terms of the CCT Agreements and proposed annual caps

(A) ET New Media Cooperation Agreement

Pursuant to the ET New Media Cooperation Agreement, Taiwan NB agreed to engage ET New Media to produce, publish and broadcast advertisements and to organise media events, with a view to enhance the image of the "Natural Beauty" brand and to raise public awareness on the brand (the "**Advertising Service**"), from 1 September 2026 to 31 August 2029. For each advertising project, ET New Media shall offer at least 50% discount to the list price of such advertising project (being prices ET New Media offer to its clients which are Independent Third Parties) to be specified on the supplementary contracts to be entered between the parties regarding each advertising project. As disclosed in the Letter from the Board, the pricing terms for the Advertising Service were determined based on the parties' intention to minimise the advertising costs for Taiwan NB while remain sufficient to cover the costs to be incurred by ET New Media.

For further details on the principal terms of the ET New Media Cooperation Agreement, please refer to the Letter from the Board.

In assessing the fairness and reasonableness of the principal terms of the ET New Media Cooperation Agreement, we have obtained from the Management five sets of order forms and invoices ("**ET New Media Invoices**") under the Previous ET New Media Cooperation Agreement with respect to provision of Advertising Service during the period from 1 September 2023 and up to the Latest Practicable Date. We noticed that the ET New Media Invoices involved advertising at public transportation stations and online news platforms. As the ET New Media Invoices are selected which covered advertising on different types of platforms and were conducted during the period from 1 September 2023 and up to the Latest Practicable Date, we are of the view that the ET New Media Invoices are sufficient and representative. As advised by the Management, there are no comparable quotations from Independent Third Parties due to the uniqueness of the MRT advertising services given the fact that ET New Media has been a dominant market player in the Taipei MRT advertising sector which holds the rights to advertise in the majority of the Taipei MRT stations. Based on our review of the ET New Media Invoices, the total price for the advertising service at public transportation stations comprised of the media fee and production fee. We noted that ET New Media has waived the media fee and/or provide a significant discount of more than 50% in respect to the total advertising service fees to the Group. In respect to online news media advertising, according to an article last updated in January 2026 published by CT Media, a digital marketing and media agency company in Taiwan, we noted that the standard market price for online news advertisement can range from NT$25,000 to NT$100,000 per piece, depending on various factors such as the number of distribution channels, number of words and placement of the advertisement, etc. We noted that the prices offered by ET New Media to the Group under the ET New Media Invoices with respect to advertising on online news platforms are lower than the aforesaid range of market price. Accordingly, it is considered that the price offered by ET New Media to the Group is no less favourable than that offered by ET New Media to Independent Third Parties for similar advertising services.

In view of the above, as the terms offered by ET New Media shall be no less favourable to the Group than terms offered by Independent Third Parties for comparable advertising services, we are of the view that the principal terms of the ET New Media Cooperation Agreement are normal commercial terms, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

Proposed annual caps

Set out below are the historical transaction amounts and utilisation rates of the historical annual caps for the period from 1 September 2023 to 31 December 2023, the two years ended 31 December 2024, 2025, and the period from 1 January 2026 to 30 April 2026, and the proposed annual caps for the period from 1 September 2026 to 31 December 2026, the two years ending 31 December 2027, 2028 and the period from 1 January 2029 to 31 August 2029, respectively, as extracted from the Letter from the Board.

Year/period	**From 1 September 2023 to 31 December 2023** *(Note 1)*	**From 1 January 2024 to 31 December 2024** *(Note 1)*	**From 1 January 2025 to 31 December 2025** *(Note 1)*	**From 1 January 2026 to 30 April 2026** *(Note 2)*
Historical transaction amount	NT$789,100 (equivalent to approximately HK$196,783)	NT$4,397,542 (equivalent to approximately HK$1,096,644)	NT$4,081,872 (equivalent to approximately HK$1,017,923)	NT$1,115,333 (equivalent to approximately HK$278,138)
Historical annual cap	NT$10,000,000 (equivalent to approximately HK$2,493,766)	NT$20,000,000 (equivalent to approximately HK$4,987,531)	NT$35,000,000 (equivalent to approximately HK$8,728,180)	NT$50,000,000 (equivalent to approximately HK$12,468,828) *(Note 3)*
Utilisation rate (approximately)	7.9%	22.0%	11.7%	2.2%

Note 1: The aggregate fees paid by Taiwan NB within the financial year ended 31 December 2023, 2024 and 2025 include value-added tax.

Note 2: The aggregate fees paid by Taiwan NB for the four months ended 30 April 2026 are unaudited and do not include value-added tax.

Note 3: The historical annual cap was set for the period from 1 January 2026 to 31 August 2026.

From 1 September 2026 to 31 December 2026	From 1 January 2027 to 31 December 2027	From 1 January 2028 to 31 December 2028	From 1 January 2029 to 31 August 2029
NT$5,000,000 (equivalent to approximately HK$1,246,883)	NT$10,000,000 (equivalent to approximately HK$2,493,766)	NT$20,000,000 (equivalent to approximately HK$4,987,531)	NT$30,000,000 (equivalent to approximately HK$7,481,297)

As disclosed in the Letter from the Board, the above proposed annual caps have been arrived at based on (i) the historical transaction amount relating to fees for the Advertising Service paid or payable by Taiwan NB under the Previous ET New Media Cooperation Agreement; (ii) the marketing plan and campaigns of Taiwan NB for the same periods; and (iii) the advertising volume that Taiwan NB is expected to purchase from ET New Media for the same periods.

As seen from the above table, the historical transaction amounts were approximately NT$0.8 million, NT$4.4 million and NT$4.1 million for the period ended 31 December 2023 and the years ended 31 December 2024 and 2025, respectively. The utilisation rates of the historical annual caps throughout the Previous CCT Period had been low. With reference to the Letter from the Board, the utilisation rate under the Previous ET New Media Cooperation Agreement is directly tied to the advertising and marketing expenditure of Taiwan NB. Since the Company’s operations and revenue in Taiwan have remained relatively stagnant during the Previous CCT Period, without significant expansion in market share, product launches or consumer base, there has been no strategic impetus to increase its advertising budget. Consequently, the actual spending on new media cooperation fell short of the historical annual caps, which were set based on more optimistic growth assumptions at the time when the Previous ET New Media Cooperation Agreement was entered into. As the historical low marketing spend was aligned with the Group’s stagnant operations in Taiwan, and the Group now plans to increase advertising to build its brand and support business growth, it is expected that the advertising and marketing expenditure of Taiwan NB will increase during the New CCT Period. Therefore, we concur with the Board’s view that the reason for the low historical utilisation of annual caps is not expected to continue.

On an annualised basis, the historical transaction amount for the year ended 31 December 2024 demonstrated a year-on-year growth of 85.8% as compared to the previous year, while remained stable at a similar level for the year ended 31 December 2025. On this basis and balanced with the relatively low utilisation of the previous annual caps, the Management has made downward adjustment to the proposed annual caps from the previous annual caps of NT$35,000,000 for the year ended 31 December 2025 to NT$10,000,000 and NT$20,000,000 for the years ending 31 December 2027 and 2028, respectively, representing reductions of around 71.4% and 42.9% for the relevant period. We have independently enquired with the Management regarding the basis for the proposed annual caps, the Management expects the number of advertisements to be placed by the Group will increase in the coming years as the Group plans to devote more resources and increase its spending into marketing and advertising to enhance the image of the "Natural Beauty" brand and to enhance its brand recognition and expand its customer base, aligning with its moderate revenue growth in recent years (as described below).

We have obtained and reviewed the breakdown of advertising services placed by the Group with ET New Media from 2023 to 2025 and noticed that the unit prices of routine monthly advertisements at public transportation stations and on online news platforms have increased during the period. We have also reviewed the planned budgets for marketing expenses prepared by the Management for 2026 to 2030 which formed the basis of determination of the proposed annual caps having taking into account the increasing number of advertisement placement and potential inflation of the advertising services. As downward adjustment has been made as compared to the previous annual caps in respect of the low historical utilisation and the proposed annual caps are derived based on the Management's planned marketing expenditure during the New CCT Period which represent approximately 79.1%, 96.4%, 95.2% and 85.2% of the corresponding proposed annual caps for the period from 1 September 2026 to 31 December 2026, the years ending 31 December 2027 and 2028, and the period from 1 January 2029 to 31 August 2029, respectively, with a reasonable buffer across the periods/years to cater for any unexpected demand, we consider that the reference to the planned marketing budgets to be relevant in assessing the reasonableness of the proposed annual caps. We noted that the actual marketing expenses under the Previous ET New Media Cooperation Agreement for the year ended 31 December 2025 accounted for approximately 1.1% of the revenue derived from the Group's sales channels for the relevant year, and the proposed annual caps accounted for around 1.1% to 2.5% of the annual forecasted sales from 2026 to 2029, which we consider to be justifiable taking into account the business growth and estimated increase in advertising services to be placed by the Group in the coming years.

On the other hand, with reference to the annual reports of the Company for the years ended 31 December 2024 and 2025, the revenue of the Group showed year-on-year growths of approximately 5.2% and further increased by 52.4% in 2025, while advertising expenses have been a key component of the Group's operating costs contributing over 10% of the Group's distribution and selling expenses, amounting to approximately HK$32.5 million and HK$22.5 million for the years ended 31 December 2024 and 2025. As such, we are of the view that the increasing advertising effort is to align with the revenue growth of the Group, fair and reasonable and is expected to strengthen its future performance.

Based on the above, we are of the view that the determination of the proposed annual caps under the ET New Media Cooperation Agreement is fair and reasonable.

(B) Eastern Home Product Supply Agreement and ET New Retail Consignment Agreement

Taiwan NB entered into the Eastern Home Product Supply Agreement with Eastern Home and the ET New Retail Consignment Agreement with ET New Retail respectively, in respect of (a) product consignment and (b) cost sharing in relation to the sales of products.

Pursuant to the Eastern Home Product Supply Agreement, Taiwan NB shall supply Eastern Home with certain products manufactured, distributed or sold by Taiwan NB (the "**EH Target Products**") which are selected by Eastern Home, for Eastern Home to sell to end customers through its own distribution channels or third-party distribution channels (the "**EH Products Supply**"). Taiwan NB shall authorise Eastern Home to sell the EH Target Products to end customers and to use related promotional materials for such purpose. Taiwan NB shall be responsible for the costs in relation to the sale of EH Product Supply to end customers, including the costs associated with marketing, transportation and programme production ("**EH Cost Sharing**").

For EH Product Supply, the purchase price of the EH Target Products sold by Taiwan NB to Eastern Home shall be at 50% to 90% discount to their retail price. For OEM or ODM products, the price shall be determined at a gross profit margin of 20% to 60%.

For EH Cost Sharing, Taiwan NB shall pay a sale commission at 2% of the monthly internet sale proceeds to Eastern Home. Taiwan NB shall additionally pay a marketing sponsorship fee at 3% of the relevant monthly sale proceeds (after deducting sales return) to Eastern Home.

Pursuant to the ET New Retail Consignment Agreement, Taiwan NB agreed to sell to ET New Retail certain products (the "**ET New Retail Target Products**") for ET New Retail to sell through its distribution channels. Taiwan NB shall authorise ET New Retail to sell the ET New Retail Target Products to end customers and to use related promotional materials for such purpose ("**ET New Retail Products Consignment**"). ET New Retail shall be responsible for marketing and selling the ET New Retail Target Products to end customers through its own distribution channels or third party distribution channels. Taiwan NB shall be responsible for the costs in relation to the sale of the ET New Retail Products Consignment to end customers, including the costs associated with the marketing, transportation and programme production ("**ET New Retail Cost Sharing**").

For ET New Retail Products Consignment, the price of the ET New Retail Target Products sold by Taiwan NB to ET New Retail shall be at 10% to 50% of their retail price; provided that if other similar channels offer a price lower than 10% of the retail price, the price shall be adjusted to match such other channels. For OEM or ODM products, the price shall be determined at a gross profit margin of 20% to 60%.

For ET New Retail Cost Sharing, Taiwan NB shall pay a sale commission at 2% of the internet sale proceeds during the month to ET New Retail. Taiwan NB shall additionally pay a marketing sponsorship fee at 3% of the amount of relevant sale proceeds (after deducting sales returns) during the month.

For further details on the principal terms of the Eastern Home Product Supply Agreement and ET New Retail Consignment Agreement, please refer to the Letter from the Board.

Since the pricing terms and the transaction nature of the Eastern Home Product Supply Agreement and ET New Retail Consignment Agreement and the business cooperation in relation to the sales of products are substantially the same, we have performed review of historical transactions under the Eastern Home Product Supply Agreement and the ET New Retail Consignment Agreement in assessing the principal terms of these two agreements as a whole.

EH Product Supply and ET New Retail Products Consignment

We have obtained and reviewed a total of 10 sets of order forms and corresponding invoices ("**EH and ET New Retail Samples**") under the Previous Eastern Home Consignment Agreement and the Previous ET New Retail Consignment Agreement during 2025 and 2026 in respect of EH Product Supply and ET New Retail Products Consignment. As the EH and ET New Retail Samples are (i) selected which covered various distribution channels such as online, telephone and TV shopping channels; and (ii) conducted during the period from 1 September 2023 and up to the Latest Practicable Date, we are of the view that the EH and ET New Retail Samples are sufficient and representative. Based on our review, the discounts offered under the EH and ET New Retail Samples are within the range of discount to the retail prices of the relevant products and therefore consistent with the pricing terms under the Eastern Home Product Supply Agreement and the ET New Retail Consignment Agreement. As advised by the Management, there were no historical transactions with Independent Third Parties with respect to the sale of similar products of the Group on other independent similar distribution channels. As the products to be sold by the Group would be priced at 10% to 50% of the relevant retail price of the products, we have independently performed market research on the reasonableness of such pricing terms. With reference to an article published in March 2024 on the website of the Industrial Development & Investment Promotion Committee of Tainan City (https://web.tainan.gov.tw/idipc/News_Content.aspx?n=40628&s=8627779), we note that it is common in the cosmetics industry to price the product a retail price 20 to 50 times to the cost, implying that the formulation and packaging of the product only accounts for 2% to 5% of the retail price. Therefore, offering a 50% to 90% discount to retail price for a sales channel is a strategic commercial decision of the manufacturer that provides flexibility to its distribution partners. Based on our discussion with the Management and our observation on the discount range offered by the Group under the I3P Franchise Samples (as described in the below sub-section headed "(C) Eastern Home Strategic Cooperation Agreement"), the Company would offer a similar range of discount to Independent Third Parties for similar types of products upon negotiation.

With respect to sale of OEM and/or ODM products by the Group, we have obtained from the Management five sets of procurement forms and invoices ("**Connected OEM Samples**") for the historical sales of OEM skincare products manufactured by the Group to Eastern Home under the Previous Eastern Home Consignment Agreement, and compared against two sets of agreements, sample order forms and/or invoices ("**I3P OEM Samples**") entered into between the Group as seller and an independent third party in 2023 and 2026 respectively for the sale of OEM skincare and personal care products manufactured by the Group, being all the available comparable transactions entered with Independent Third Parties provided by the Management. Based on the costs of each product included in the Connected OEM Samples and the I3P OEM Samples provided by the Management, we noted that the gross profit margins charged by the Group under the Connected OEM Samples are overall higher than those charged to Independent Third Parties under the I3P OEM Samples.

In view of the above, as the pricing terms offered to Eastern Home and ET New Retail shall be no less favourable than terms offered to Independent Third Parties by the Group, we are of the view that the terms under the Eastern Home Product Supply Agreement and the ET New Retail Consignment Agreement are fair and reasonable and of normal commercial terms.

EH Cost Sharing and ET New Retail Cost Sharing

In assessing the reasonableness of the 2% sales commission of internet sale proceeds payable by the Group under the Eastern Home Product Supply Agreement and the ET New Retail Consignment Agreement, notwithstanding no comparable arrangements with Independent Third Parties, we have performed independent research on such arrangement in the market. We learnt that it is a common market practice to charge a sales commission based on the selling price of the products sold on online marketplaces. As our independent assessment, we have reviewed the standard commission ranges applicable to products sold on Momo.com and Shopee, both of which are leading e-commerce platforms in Taiwan. Notwithstanding the operating scale and size vary among different platforms, given that these online platforms are comparable to ETMall, being the flagship e-commerce platform of Eastern Home, in terms of key target customer segments and range of product offerings based on our review, we consider it appropriate and relevant to compare the commission rates offered by such similar platforms as a reference. Based on the latest standard fee schedule of Momo.com, the commission rates for online sales ranged from 3% to 13.5%, depending on the product category and whether the sale occurs during marketing event period. According to the seller fee schedule of Shopee, the commission fee for products sold on the online platform ranged from 2% to 6% of the selling price, depending on seller type and product category. As the sales commission of 2% charged to the Group falls within the range and is at the lower end of the market range, we consider the rate of the sales commission charged to the Group to be fair and reasonable. Based on our review of the sales commission fees corresponding to the EH and ET New Retail Samples, we noted that the rate of sales commission charged to the Group are consistent with the agreed-upon terms.

In reviewing the reasonableness of the 3% marketing sponsorship fee payable by the Group under the Eastern Home Product Supply Agreement and the ET New Retail Consignment Agreement, we understand from the Management that Eastern Home and ET New Retail shall organise marketing activities from time to time in connection with the sale of EH Target Products and ET New Retail Target Products, respectively. Considering such marketing sponsorship fee is designed to cover the marketing costs of Eastern Home and ET New Retail and that the aggregate of the sales commission fee and marketing sponsorship fee, totaling 5% of sales proceeds, falls within the market rate of 2% to 13.5% as described above, assuming such commission represents an all-inclusive rate that covers all sales and marketing effort, we consider that such fee arrangement to be fair and reasonable. Based on our review of the marketing sponsorship fees corresponding to the EH and ET New Retail Samples, we noted that the rate of marketing sponsorship fee charged to the Group are consistent with the agreed-upon terms.

With respect to the costs associated with marketing, transportation and programme production in relation to the sale of EH Product Supply and ET New Retail Products Consignment, as discussed with the Management, we understand that such costs are determined based on the relevant costs list as set out in the Eastern Home Product Supply Agreement and the ET New Retail Consignment Agreement. Based on our review, such cost lists ("**Cost Lists**") include packaging fees, delivery fees, warehouse storage fees, boxes fees, payment gateway fees, etc. We understand from the Management that such costs under the Cost Lists are quoted by the relevant service providers and the same costs and rates would be applied to independent suppliers by Eastern Home and ET New Retail for similar arrangement. In this regard, we have performed independent check by reviewing the costs and fees shown in the internal portal managed by Eastern Home which is also accessible by independent suppliers in connection with their sales of products to Eastern Home. Based on our review, we noted that similar costs and fees are charged to such independent suppliers. Based on our review, we consider that these costs and rates are customary relating to TV and online shopping. While such costs and rates applied to independent suppliers are subject to floating adjustment depending on the prevailing market conditions, we understand that the Group will be subject to the fixed rates as set out in the Cost Lists during the respective terms of the Eastern Home Product Supply Agreement and ET New Retail Consignment Agreement. Considering the relevant costs including the rate of marketing sponsorship fee and certain delivery and logistics services fees have been previously adjusted upward for independent suppliers based on our review of the relevant fee adjustment notices by Eastern Home, we consider the Cost Lists at fixed rates without corresponding upward adjustments applied to the Group to be fair and reasonable. Further, we have reviewed the lists of costs corresponding to the sales transactions under the EH and ET New Retail Samples and noted that such costs are consistent with the agreed-upon terms. Accordingly, we are of the view that the pricing terms with respect to the EH Cost Sharing and the ET New Retail Cost Sharing to be fair and reasonable.

In view of the above, as the terms offered by Eastern Home and ET New Retail shall be no less favourable to the Group than terms offered by Independent Third Parties for comparable products, we are of the view that the principal terms of the Eastern Home Product Supply Agreement and the ET New Retail Consignment Agreement are normal commercial terms, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

Proposed annual caps

Eastern Home Product Supply Agreement

Set out below are the historical transaction amounts and utilisation rates of the historical annual caps for the period from 1 September 2023 to 31 December 2023, the two years ended 31 December 2024, 2025, and the period from 1 January 2026 to 30 April 2026, and the proposed annual caps for the period from 1 September 2026 to 31 December 2026, the two years ending 31 December 2027, 2028 and the period from 1 January 2029 to 31 August 2029, respectively, as extracted from the Letter from the Board.

EH Products Consignment	**From 1 September 2023 to 31 December 2023** *(Note 1)*	**From 1 January 2024 to 31 December 2024** *(Note 1)*	**From 1 January 2025 to 31 December 2025** *(Note 1)*	**From 1 January 2026 to 30 April 2026** *(Note 2)*
Historical transaction amount	NT$23,349,578 (equivalent to approximately HK$5,822,837)	NT$86,840,057 (equivalent to approximately HK$21,655,875)	NT$104,420,973 (equivalent to approximately HK$26,040,143)	NT$36,471,323 (equivalent to approximately HK$9,095,093)
Historical annual cap	NT$50,000,000 (equivalent to approximately HK$12,468,828)	NT$200,000,000 (equivalent to approximately HK$49,875,312)	NT$300,000,000 (equivalent to approximately HK$74,812,968)	NT$500,000,000 (equivalent to approximately HK$124,688,279) *(Note 3)*
Utilisation rate (approximately)	46.7%	43.4%	34.8%	7.3%

EH Cost Sharing	From 1 September 2023 to 31 December 2023 (Note 1)	From 1 January 2024 to 31 December 2024 (Note 1)	From 1 January 2025 to 31 December 2025 (Note 1)	From 1 January 2026 to 30 April 2026 (Note 2)
Historical transaction amount	NT$113,447 (equivalent to approximately HK$28,291)	NT$580,823 (equivalent to approximately HK$144,844)	NT$184,836 (equivalent to approximately HK$46,094)	NT$66,209 (equivalent to approximately HK$16,511)
Historical annual cap	NT$2,800,000 (equivalent to approximately HK$698,254)	NT$12,000,000 (equivalent to approximately HK$2,992,519)	NT$17,000,000 (equivalent to approximately HK$4,239,401)	NT$28,000,000 (equivalent to approximately HK$6,982,544) (Note 3)
Utilisation rate (approximately)	4.1%	4.8%	1.1%	0.2%

Note 1: The aggregate fees paid by Taiwan NB within the financial year ended 31 December 2023, 2024 and 2025 include value-added tax.

Note 2: The aggregate fees paid by and paid to Taiwan NB for the four months ended 30 April 2026 are unaudited and do not include value-added tax.

Note 3: The historical annual cap was set for the period from 1 January 2026 to 31 August 2026.

	From 1 September 2026 to 31 December 2026	From 1 January 2027 to 31 December 2027	From 1 January 2028 to 31 December 2028	From 1 January 2029 to 31 August 2029
In respect of EH Product Supply	NT$50,000,000 (equivalent to approximately HK$12,468,828)	NT$200,000,000 (equivalent to approximately HK$49,875,312)	NT$300,000,000 (equivalent to approximately HK$74,812,968)	NT$400,000,000 (equivalent to approximately HK$99,750,623)
In respect of EH Cost Sharing	NT$2,800,000 (equivalent to approximately HK$698,254)	NT$10,000,000 (equivalent to approximately HK$2,493,766)	NT$12,000,000 (equivalent to approximately HK$2,992,519)	NT$14,000,000 (equivalent to approximately HK$3,491,272)

As disclosed in the Letter from the Board, the above proposed annual caps have been arrived at based on (i) the historical transaction amount in respect of the EH Net Proceeds under the Previous Eastern Home Consignment Agreement; (ii) the projected sales of EH Target Products under the Eastern Home Product Supply Agreement; and (iii) the projected amount of costs based on the projected sales of EH Target Products.

ET New Retail Consignment Agreement

Set out below are the historical transaction amounts and utilisation rates of the historical annual caps for the period from 1 September 2023 to 31 December 2023, the two years ended 31 December 2024, 2025, and the period from 1 January 2026 to 30 April 2026, and the proposed annual caps for the period from 1 September 2026 to 31 December 2026, the two years ending 31 December 2027, 2028 and the period from 1 January 2029 to 31 August 2029, respectively, as extracted from the Letter from the Board.

ET New Retail Products Consignment	From 1 September 2023 to 31 December 2023 (Note 1)	From 1 January 2024 to 31 December 2024 (Note 1)	From 1 January 2025 to 31 December 2025 (Note 1)	From 1 January 2026 to 30 April 2026 (Note 2)
Historical transaction amount	NT$534,881 (equivalent to approximately HK$133,387)	NT$2,587,262 (equivalent to approximately HK$645,202)	NT$410,293 (equivalent to approximately HK$102,317)	NT$69,709 (equivalent to approximately HK$17,384)
Historical annual cap	NT$20,000,000 (equivalent to approximately HK$4,987,531)	NT$50,000,000 (equivalent to approximately HK$12,468,828)	NT$80,000,000 (equivalent to approximately HK$19,950,125)	NT$120,000,000 (equivalent to approximately HK$29,925,187) (Note 3)
Utilisation rate (approximately)	2.7%	5.2%	0.5%	0.1%

ET New Retail Cost Sharing	From 1 September 2023 to 31 December 2023 (Note 1)	From 1 January 2024 to 31 December 2024 (Note 1)	From 1 January 2025 to 31 December 2025 (Note 1)	From 1 January 2026 to 30 April 2026 (Note 2)
Historical transaction amount	NT$24,604 (equivalent to approximately HK$6,136)	NT$247,333 (equivalent to approximately HK$61,679)	NT$59,838 (equivalent to approximately HK$14,922)	NT$12,495 (equivalent to approximately HK$3,116)
Historical annual cap	NT$900,000 (equivalent to approximately HK$224,439)	NT$2,300,000 (equivalent to approximately HK$573,566)	NT$3,600,000 (equivalent to approximately HK$897,756)	NT$5,400,000 (equivalent to approximately HK$1,346,633) (Note 3)
Utilisation rate (approximately)	2.7%	10.8%	1.7%	0.2%

Note 1: The aggregate fees paid by Taiwan NB within the financial year ended 31 December 2023, 2024 and 2025 include value-added tax.

Note 2: The aggregate fees paid by and paid to Taiwan NB for the four months ended 30 April 2026 are unaudited and do not include value-added tax.

Note 3: The historical annual cap was set for the period from 1 January 2026 to 31 August 2026.

	From 1 September 2026 to 31 December 2026	**From 1 January 2027 to 31 December 2027**	**From 1 January 2028 to 31 December 2028**	**From 1 January 2029 to 31 August 2029**
In respect of ET New Retail Product Sales	NT$20,000,000 (equivalent to approximately HK$4,987,531)	NT$50,000,000 (equivalent to approximately HK$12,468,828)	NT$80,000,000 (equivalent to approximately HK$19,950,125)	NT$120,000,000 (equivalent to approximately HK$29,925,187)
In respect of ET New Retail Cost Sharing	NT$900,000 (equivalent to approximately HK$224,439)	NT$2,300,000 (equivalent to approximately HK$573,566)	NT$3,600,000 (equivalent to approximately HK$897,756)	NT$5,400,000 (equivalent to approximately HK$1,346,633)

As disclosed in the Letter from the Board, the above proposed annual caps under the ET New Retail Consignment Agreement have been arrived at based on (i) the historical transaction amount in respect of the ET New Retail Net Proceeds under the Previous ET New Retail Consignment Agreement; (ii) the projected sales of ET New Retail Target Products under the ET New Retail Consignment Agreement; and (iii) the projected amount of costs based on the projected sales of ET New Retail Target Products.

As shown in the above tables, on an annualised basis, the historical transaction amounts with respect to EH Products Consignment represent consecutive year-on-year increments of approximately 24.0%, 20.2% and 4.8% for the years ended/ending 31 December 2023, 2024, 2025 and 2026, showing corresponding utilisation rates of approximately 46.7%, 43.4%, 34.8% and 14.6% of the previous annual caps for the relevant years, while the utilisation rates of the ET New Retail Products Consignment have been relatively low. With reference to the Letter from the Board, ET New Retail is the wholly owned subsidiary of Eastern Home, serving as one of the distribution channels of Eastern Home. Historically, Eastern Home has prioritised its broadcast-driven or more established distribution channels, including TV shopping channels and the e-commerce platform ETMall. However, recognising the potential of new retail models, Eastern Home is currently in the process of recalibrating its channel strategy to place greater emphasis on ET New Retail which focuses on physical retail storefronts. Accordingly, the low utilisation rate from the ET New Retail Products Consignment reflects the fact that such channel was under-utilised in the past, but the new strategy of Eastern Home aims to significantly increase its role moving forward. Having considered the aforesaid reasons for the low historical utilisation, and as Eastern Home's new channel strategy would place greater emphasis on the ET New Retail physical storefront model, we concur with the Board's view that the reason for the low utilisations of the historical annual caps is not expected to continue during the New CCT Period. Based on our review and understanding from the Management, Eastern Home's new channel strategy to focus more on physical storefront model is supported through targeted marketing initiatives, being member retention, new client acquisition, new product launches and promotional campaigns, projecting sales of ET New Retail Target Products of approximately NT$15.0 million, NT$41.4 million, NT$72.0 million and NT$90.0 million for the period from 1 September 2026 to 31 December 2026, the years ending 31 December 2027 and 2028, and the period from 1 January 2029 to 31 August 2029, respectively. Accordingly, the change to such new channel strategy is expected to improve the utilisation of distribution channels by Eastern Home under the ET New Retail Consignment Agreement.

As advised by the Management, as understand from the management of Eastern Home, both Eastern Home and ET New Retail will accelerate its procurement from the Group in support of its rapid business expansion in the coming years. In this regard, we have reviewed the budget plan of Eastern Home and ET New Retail provided by the Management for 2026 to 2030 ("**Procurement Plan**"). We noted that (i) Eastern Home expects to allocate around 1% to 3.3% of the forecasted sales from their distributions channels as the procurement cost from the Group during 2026 to 2029, which is in line with the historical proportion of procurement cost from the Group to sales in 2025 of 1%; and (ii) ET New Retail expects to allocate around 4% to 7% of forecasted sales as procurement cost from the Group during 2026 to 2029, which is higher than the historical proportion of procurement cost from the Group to sales in 2025 of 0.1%. As the proposed annual caps are derived based on the Management's forecasts during the New CCT Period, which represent (i) approximately 75.0%, 91.4%, 91.4% and 80.0% of the corresponding proposed annual caps for EH Products Consignment and approximately 99.1%, 87.2%, 96.9% and 99.1% of the corresponding proposed annual caps for EH Cost Sharing; and (ii) approximately 75.0%, 82.8%, 90.0% and 75.0% of the corresponding proposed annual caps for ET New Retail Product Sales and approximately 78.9%, 83.0%, 82.7% and 86.1% for ET New Retail Cost Sharing, for the period from 1 September 2026 to 31 December 2026, the years ending 31 December 2027 and 2028, and the period from 1 January 2029 to 31 August 2029, respectively, with additional buffer across the periods/years to cater for any unexpected demand, we consider that the reference to the planned forecasts to be relevant in assessing the reasonableness of the proposed annual caps.

On the other hand, as both Eastern Home and ET New Retail are related companies of EMI (2614.TW), a company listed on the Taiwan Stock Exchange, we have reviewed the annual report of EMI for the year ended 31 December 2025, the presentation material for the investor conference on 26 December 2025 and other publicly available news and noted that EMI and its group is aggressively expanding its footprint in Linkou of New Taipei City and has been investing at NT$14 billion in the Eastern Media Park namely the "Grace Tower" which will feature, among other things, the Eastern Group Global Headquarters. In addition to housing the office spaces for the Eastern group's various business units, the building will feature multi-functional areas including AI-powered smart office spaces, co-working zones, photography studios, conference and exhibition centers, an employee cafeteria, fitness and recreational facilities, food court and scenic restaurants. This development also serves as a vital hub for networking, interaction and leisure activities among the Eastern group members, agents and suppliers.

In light of (i) the Procurement Plan which shows the expected increasing procurement of Eastern Home and ET New Retail from the Group during the New CCT Period aligns with the business growth of the Eastern group; and (ii) the new building complex of Eastern group which is scheduled to come into operation in 2026 is positioned to capture the downstream demand from its expanding network of on-site various retail shops and distribution channels, to facilitate the growing business expansion of the Eastern group and increasing demand from its customers, Eastern Home and ET New Retail will correspondingly increase and deploy more resources to expand their sales and marketing team in order to diversify brands offerings, including to increase the procurement amount from the Group, we are of the view that the determination basis of the proposed annual caps is fair and reasonable.

On the other hand, we understand that the proposed annual caps for EH Cost Sharing and ET New Retail Cost Sharing are primarily determined based on the historical costs incurred and the expected amount of costs based on the projected sales of EH Target Products and ET New Retail Target Products. It is noted that the proportion of the proposed annual caps for EH Cost Sharing represent around 3.5% to 5.6% of the proposed annual caps in respect of EH Product Supply, while the proportion of historical cost of the EH Products Consignment only accounted for less than 1% of the historical transaction amount of the EH Product Supply. We understand that the low utilisation from EH Cost Sharing and ET New Retail Cost Sharing was stemmed from (i) the actual online sales via Eastern Home's online channels and ET New Retail was significantly less than projected; and (ii) a reduced volume of marketing sponsorship activities provided for such channels. With reference to the Letter from the Board, this is primarily attributable to shifts in consumer purchasing behaviour, increased competition from other e-commerce platforms or a slower-than-anticipated transition of the Group's customer base to digital channels, and that Eastern Home has been reallocating its promotional resources to other brands or product categories, and a mutual decision to reduce marketing spend in light of market conditions, thereby resulted in the actual shared costs falling below the historical annual caps during the Previous CCT Period. As the Group and Eastern Home have aligned on a revised strategy to increase collaborative marketing and digital sales initiatives, we concur with the Board's view that the reasons for the low utilisation of the historical annual caps for EH Cost Sharing are not expected to persist during the New CCT Period.

The proposed annual caps for EH Cost Sharing are calculated by applying the agreed 2% sales commission and 3% marketing sponsorship fee to the projected sales value of EH Target Products, which are forecasted to be approximately NT$37.5 million, NT$182.9 million, NT$274.3 million and NT$320.0 million for the period from 1 September 2026 to 31 December 2026, the years ending 31 December 2027 and 2028, and the period from 1 January 2029 to 31 August 2029, respectively. This quantitative projection is supported by Eastern Home's planned emphasis on its digital channels and the expected launch of joint promotional campaigns with the Group. In determining the proposed annual caps for the EH Cost Sharing, we noted that the amount of sales commission is determined based on online sales which is estimated to account for 20% of the projected sales value of EH Target Products, which is broadly comparable with past levels based on our review of the monthly sales invoices and breakdown of EH Target Products during the period from September 2025 to January 2026 as provided by the Management, and we consider such proportion to be fair and reasonable. In this regard, we have enquired with the Management the determination of the proposed annual caps in respect of the EH Cost Sharing. As the Management expects there will be more online sales to Eastern Home involving sales commission at 2% of sales proceeds and increasing marketing sponsorship involving 3% of sale proceeds as compared to the previous years, the proposed annual caps for EH Cost Sharing reflect expected increases in online sales commissions and marketing sponsorship fees. We noted that the proposed annual caps for the ET New Retail Cost Sharing represent around 4.5% to 4.6% of the proposed annual caps for the ET New Retail Products Consignment, which fall around the lower end of the proportion of historical cost of the ET New Retail Products Consignment for the period ended 31 December 2023, the two years ended 31 December 2024, 2025 and the period ended 30 April 2026 which ranged from 4.6% to 17.9%. In addition, we noted that the proposed annual caps in respect of the ET New Retail Cost Sharing of NT$900,000 (equivalent to approximately HK$0.2 million), NT$2,300,000 (equivalent to approximately HK$0.6 million), NT$3,600,000 (equivalent to approximately HK$0.9 million) and NT$5,400,000 (equivalent to approximately HK$1.3 million) for the period ending 31 December 2026, two years ending 31 December 2027, 2028 and the period ending 31 August 2029 merely accounted for around 0.04%, 0.1%, 0.2% and 0.2% of the Group's revenue of approximately HK$538.8 million for the year ended 31 December 2025. As such, we are of the view that the proposed annual caps for the ET New Retail Cost Sharing are not excessive.

With regard to the retail market performance in Taiwan, we have made reference to the relevant releases issued in February and May 2026 by the Directorate-General of Budget, Accounting and Statistics (DGBAS), the official statistical authority of the Taiwanese government. It is stated that the wholesale and retail trade sector grew by 10.84% in the fourth quarter in 2025, after a 6.64% increase in the prior quarter, and further accelerated to 14.71% in the first quarter in 2026. Moreover, with reference to the market report by Mordor Intelligence published in January 2026, the Taiwan retail market size is estimated at USD123.7 billion in 2026 and is projected to expand to USD148.1 billion by 2031, representing a compound annual growth rate ("**CAGR**") of 3.7% over the period. By retail channel, it is mentioned that e-commerce and non-store retail (including sales via TV home shopping and online platforms) are expected to register the highest CAGR at 11.9% through 2031. As observed from the sustained market growth and positive outlook for the market expansion, we consider that the retail market in Taiwan remains promising and such performance suggests a healthy operating environment for retail distributors adopting multi-channel sales funnels.

Based on the above, we are of the view that the determination of the proposed annual caps under the Eastern Home Product Supply Agreement and the ET New Retail Consignment Agreement is fair and reasonable.

(C) Eastern Home Strategic Cooperation Agreement

Pursuant to the Eastern Home Strategic Cooperation Agreement, Eastern Home shall invest in or establish and operate beauty spa brand stores in Taiwan in its own name, and purchase relevant products from Taiwan NB for use in store operations. Taiwan NB shall grant Eastern Home the non-exclusive right to use certain trademarks in respect of certain skin care products in connection with the cooperation business and provide Eastern Home with consultation on beauty technology knowledge and business management methods, as well as promotional and advertising materials, to assist Eastern Home in operating the beauty business. Eastern Home shall be responsible for the establishment and operation of the beauty stores. Eastern Home may from time to time make wholesale purchase of Taiwan NB products, and Taiwan NB shall sell such products to Eastern Home at certain discount to relevant retail price for use in store operations by Eastern Home, for a term from 1 September 2026 to 31 August 2029.

The price of the products sold by Taiwan NB to Eastern Home shall be at (i) 10% to 30% of their retail price; (ii) 10% to 20% of their retail price if it is test products, salon-only products or near expiry products; or (iii) for OEM/ODM products, the price shall be determined based on the product type, quantity and cost, at a gross margin of 20% to 60%. As disclosed in the Letter from the Board, the pricing terms have been determined based on the wholesale market prices for similar products and in similar quantities offered by Independent Third Party franchisors.

For further details on the principal terms of the Eastern Home Strategic Cooperation Agreement, please refer to the Letter from the Board.

In assessing the fairness and reasonableness of the principal terms of the Eastern Home Strategic Cooperation Agreement, we have obtained five sets of order forms and invoices ("**Eastern Home Franchise Samples**") under the Eastern Home Strategic Cooperation Agreement with respect to the sale of various beauty and skincare products to Eastern Home during the period from 1 September 2023 and up to the Latest Practicable Date. As the Eastern Home Franchise Samples are selected which covered a broad range of products of Taiwan NB and issued during the period from 1 September 2023 and up to the Latest Practicable Date, we consider that the Eastern Home Franchise Samples are sufficient and representative for our analysis purpose. Based on our review, we noted that the discounts to the retail prices under the Eastern Home Franchise Samples are substantially consistent with the pricing terms under the Eastern Home Strategic Cooperation Agreement. Further, we have obtained three sets of agreements ("**I3P Franchise Samples**") entered into between the Group with Independent Third Parties as franchisees in 2025 and 2026 in relation to the sale of products by the Group to the franchisees, which is considered to be comparable to the Eastern Home Strategic Cooperation Agreement. We noted that the discounts offered to the Independent Third Parties under the I3P Franchise Samples are comparable to the discounts offered by the Group to Eastern Home under the Eastern Home Franchise Samples, which we consider to be in line with market practice.

In view of the above, as the terms offered to Eastern Home shall be no less favourable to the Group than terms offered to Independent Third Parties for comparable products, we are of the view that the principal terms of the Eastern Home Strategic Cooperation Agreement are normal commercial terms, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

Proposed annual caps

Set out below are the historical transaction amounts and utilisation rates of the historical annual caps for the period from 1 September 2023 to 31 December 2023, the two years ended 31 December 2024, 2025, and the period from 1 January 2026 to 30 April 2026, and the proposed annual caps for the period from 1 September 2026 to 31 December 2026, the two years ending 31 December 2027, 2028 and the period from 1 January 2029 to 31 August 2029, respectively, as extracted from the Letter from the Board.

Year/period	From 1 September 2023 to 31 December 2023(Note 1)	From 1 January 2024 to 31 December 2024(Note 1)	From 1 January 2025 to 31 December 2025(Note 1)	From 1 January 2026 to 30 April 2026(Note 2)
Historical transaction amount	NT$8,988,718 (equivalent to approximately HK$2,241,576)	NT$21,948,280 (equivalent to approximately HK$5,473,387)	NT$19,205,244 (equivalent to approximately HK$4,789,338)	NT$8,973,495 (equivalent to approximately HK$2,237,779)
Historical annual cap	NT$10,000,000 (equivalent to approximately HK$2,493,766)	NT$50,000,000 (equivalent to approximately HK$12,468,828)	NT$80,000,000 (equivalent to approximately HK$19,950,125)	NT$100,000,000 (equivalent to approximately HK$24,937,656)(Note 3)
Utilisation rate (approximately)	89.9%	43.9%	24.0%	9.0%

Note 1: The aggregate fees paid to Taiwan NB within the financial year ended 31 December 2023, 2024 and 2025 include value-added tax.

Note 2: The aggregate fees paid to Taiwan NB for the four months ended 30 April 2026 are unaudited and do not include value-added tax.

Note 3: The historical annual cap was set for the period from 1 January 2026 to 31 August 2026.

From 1 September 2026 to 31 December 2026	From 1 January 2027 to 31 December 2027	From 1 January 2028 to 31 December 2028	From 1 January 2029 to 31 August 2029
NT$15,000,000 (equivalent to approximately HK$3,740,648)	NT$60,000,000 (equivalent to approximately HK$14,962,594)	NT$80,000,000 (equivalent to approximately HK$19,950,125)	NT$100,000,000 (equivalent to approximately HK$24,937,656)

As disclosed in the Letter from the Board, the above proposed annual caps have been arrived at based on the historical transaction amount in respect of the sale proceeds under the Previous Eastern Home Franchise Agreement.

As seen from the above table, the previous annual cap was substantially utilised as to around 89.9% for the period ended 31 December 2023, and the historical transactions amount were NT$21.9 million and NT$19.2 million for the two years ended 31 December 2024 and 2025, respectively. The decline in utilisation rate was due to no new spa openings and a decline from 10 to 8 operational spas during the Previous CCT Period. The Management projects an expansion from 14 to 42 operational spas throughout the New CCT Period. The proposed annual caps of NT$60,000,000, NT$80,000,000 and NT$100,000,000 for the years ending 31 December 2027, 2028 and the period ending 31 August 2029 represent corresponding increments of 33.3% and 25% during the period. The proposed annual caps are derived from Eastern Home's procurement forecast for the "Natural Beauty" spa network ("**Franchise Budget Plan**"), which is based on the planned expansion of operational spas and the associated procurement budget for natural beauty products. Based on our understanding from the Management, Eastern Home plans to procure more products from the Group for its franchise spas as the number of spas would continue to grow in the coming years, which is forecasted to increase from 14 at the end of 2026 to 24, 34, and 42 at the end of 2027, 2028, and August 2029, respectively. Correspondingly, the projected procurement from the Group is estimated at approximately NT$13.9 million, NT$54.7 million, NT$76.6 million and NT$94.5 million for the period from 1 September 2026 to 31 December 2026, the years ending 31 December 2027 and 2028, and the period from 1 January 2029 to 31 August 2029, respectively, which is in line with the growth of the proposed annual caps. As the proposed annual caps are derived based on the Management's forecasts during the New CCT Period, which represent approximately 92.7%, 91.2%, 95.7% and 94.5% of the corresponding proposed annual caps for the period from 1 September 2026 to 31 December 2026, the years ending 31 December 2027 and 2028, and the period from 1 January 2029 to 31 August 2029, respectively, with the remainder being reasonable buffer across the periods/years to cater for any unexpected demand, we consider that the reference to the planned forecasts to be relevant in assessing the reasonableness of the proposed annual caps. Further, according to the annual reports of the Group for the year ended 31 December 2023, 2024 and 2025, the Group principally derived its income from its network of distribution channels including spas and concessionary counters in department stores, and the number of franchisee-owned spa or point of sales amounted to 1,550, 1,768, 2,070, showing year-on-year increments of 14.1% and 17.1%, respectively.

Taking into account that (i) the proposed annual caps are determined based on the Franchise Budget Plan of Eastern Home from 2026 to 2029; (ii) Eastern Home expects to increase its procurement from the Group to support its growing demand arising from the increasing number of franchise spas in the following years; and (iii) the growth in proposed annual caps is consistent with the historical increment in the number of franchise spas of the Group as a whole for the past years, we are of the view that the determination of the proposed annual caps under the Eastern Home Strategic Cooperation Agreement is fair and reasonable.

(D) Eastern Global Sale Agreement

Pursuant to the Eastern Global Sale Agreement, Taiwan NB may from time to time sell and Eastern Global may from time to time make wholesale purchase of Taiwan NB products such as health supplements, skin-care products and cosmetic products, from 1 September 2026 to 31 August 2029. As disclosed in the Letter from the Board, the pricing terms of products to be sold by Taiwan NB under the Eastern Global Sale Agreement would be (1) at 20% to 50% of the relevant retail price; or (2) for OEM and ODM products, the price shall be determined based on product type, quantity and cost, at a gross profit margin of 20% to 60%, which was determined based on wholesale market prices for similar products and in similar quantities.

For further details on the principal terms of the Eastern Global Sale Agreement, please refer to the Letter from the Board.

In assessing the fairness and reasonableness of the principal terms of the Eastern Global Sale Agreement, we have obtained from the Management five sets of order forms and invoices ("**Eastern Global Samples**") under the Eastern Global Sale Agreement with respect to purchase of skincare products placed by Eastern Global during the period from 1 September 2023 and up to the Latest Practicable Date. As the relevant aggregate invoice amounts under the Eastern Global Samples represent approximately 40.7% and 61.3% of the total historical transaction amount for the years ended 31 December 2024 and 2025, respectively, we consider the Eastern Global Samples are sufficient and representative. As advised by the Management, all historical transactions involved the sale of OEM products only by Taiwan NB to Eastern Global. On this basis, we have compared the gross profit margins under the Eastern Global Samples and the I3P OEM Samples as provided by the Management, and noted that the range of gross profit margins charged in the Eastern Global Samples is consistent with the pricing terms of the Eastern Global Sale Agreement and that the range of and average gross profit margins charged by the Group to Eastern Global are generally in line with that charged by the Group to the independent third party.

In view of the above, as the terms offered to Eastern Global shall be no less favourable to the Group than terms offered to Independent Third Parties for comparable products, we are of the view that the principal terms of the Eastern Global Sale Agreement are normal commercial terms, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

Proposed annual caps

Set out below are the historical transaction amounts and utilisation rates of the historical annual caps for the period from 1 September 2023 to 31 December 2023, the two years ended 31 December 2024, 2025, and the period from 1 January 2026 to 30 April 2026, and the proposed annual caps for the period from 1 September 2026 to 31 December 2026, the two years ending 31 December 2027, 2028 and the period from 1 January 2029 to 31 August 2029, respectively, as extracted from the Letter from the Board.

Year/period	From 1 September 2023 to 31 December 2023 (Note 1)	From 1 January 2024 to 31 December 2024 (Note 1)	From 1 January 2025 to 31 December 2025 (Note 1)	From 1 January 2026 to 30 April 2026 (Note 2)
Historical transaction amount	Nil (Note 3)	NT$4,843,283 (equivalent to approximately HK$1,207,801)	NT$1,735,174 (equivalent to approximately HK$432,712)	Nil (Note 3)
Historical annual cap	NT$20,000,000 (equivalent to approximately HK$4,987,531)	NT$80,000,000 (equivalent to approximately HK$19,950,125)	NT$150,000,000 (equivalent to approximately HK$37,406,484)	NT$200,000,000 (equivalent to approximately HK$49,875,312) (Note 4)
Utilisation rate (approximately)	0% (Note 3)	6.1%	1.2%	0% (Note 3)

Note 1: The aggregate fees paid to Taiwan NB within the financial year ended 31 December 2023, 2024 and 2025 include value-added tax.

Note 2: The aggregate fees paid to Taiwan NB for the four months ended 30 April 2026 are unaudited and do not include value-added tax.

Note 3: No transaction was recorded during the respective periods due to Eastern Global's temporary suspension or significant scaling back of its sales and marketing operations since 2023, as part of a proactive measure to review and restructure its activities to comply strictly with evolving local laws and regulations, which rendered the channel inactive.

Note 4: The historical annual cap was set for the period from 1 January 2026 to 31 August 2026.

From 1 September 2026 to 31 December 2026	From 1 January 2027 to 31 December 2027	From 1 January 2028 to 31 December 2028	From 1 January 2029 to 31 August 2029
NT$10,000,000 (equivalent to approximately HK$2,493,766)	NT$50,000,000 (equivalent to approximately HK$12,468,828)	NT$80,000,000 (equivalent to approximately HK$19,950,125)	NT$100,000,000 (equivalent to approximately HK$24,937,656)

As disclosed in the Letter from the Board, the above proposed annual caps have been arrived at based on (i) the historical amount of purchase made by Eastern Global under the Previous Eastern Global Sale Agreement; (ii) the projected amount of purchase to be made by Eastern Global under the Eastern Global Sale Agreement; and (iii) the changes in the price of the products to be purchased.

As seen from the above table, there were no transactions for the period ended 31 December 2023 and relatively small transaction amount was recorded for the year ended 31 December 2024 and 2025 as compared to the previous annual caps for the corresponding years. We have enquired with the Management on the low historical transaction amount. The Company observed that there had been an operational pause with Eastern Global's sales and marketing divisions since 2023 to ensure full alignment with the local regulatory requirements, which we also noted in relevant press coverage. Accordingly, as sales activities of Eastern Global were limited, such pause has led to the drop in historical transaction amounts and minimal transaction amount since 2023. The Management has made significant downward adjustment to the proposed annual caps from the previous annual caps of NT$150,000,000 for the year ended 31 December 2025 to NT$50,000,000 and NT$80,000,000 for the years ending 31 December 2027 and 2028, respectively, representing reductions of around 66.7% and 46.7% for the relevant period. As the operational pause of Eastern Global is temporary which is not expected to continue, and there is plan to resume sales activities, we concur with the Board's view that the reason for the historical low utilisation of annual caps is not expected to continue during the New CCT Period.

The Group expects that the operation pause is a temporary suspension which allows Eastern Global to conduct a comprehensive internal review of policies and procedures to ensure future alignment with the local regulatory requirements. It is expected that following completion of such internal assessment, the sales and marketing divisions of Eastern Global will resume, which Eastern Global has indicated that it expects to finalise completion of its internal review by the end of the first quarter of 2027, such that Eastern Global will gradually pick up its momentum and progressively place a higher volume of orders with the Group under the Eastern Global Sale Agreement. Therefore, notwithstanding the historical low utilisation of the previous annual caps due to a temporary suspension of Eastern Global as mentioned above, the proposed annual caps have been determined to an extent that such procurement amount from Eastern Global would recover, which is intended to provide flexibility to the Group to accommodate any potential growth in demand from Eastern Global over the coming years once it resumes sales activities, which we consider to be justifiable. Quantitatively, the proposed caps are based on Eastern Global's post-resumption business forecast, which projects order volumes of approximately NT$6.8 million, NT$41.8 million, NT$75.3 million, and NT$75.3 million for the period from 1 September 2026 to 31 December 2026, the years ending 31 December 2027 and 2028, and the period from 1 January 2029 to 31 August 2029, respectively. As the proposed annual caps are derived based on the Management's projected orders during the New CCT Period, which represent approximately 68.2%, 83.6%, 94.1% and 75.3% of the corresponding proposed annual caps for the period from 1 September 2026 to 31 December 2026, the years ending 31 December 2027 and 2028, and the period from 1 January 2029 to 31 August 2029, respectively, with the remainder being reasonable buffer across the periods/years to cater for any unexpected demand, we consider that the reference to the forecast orders to be relevant in assessing the reasonableness of the proposed annual caps.

In addition, we noted that the proposed annual caps in respect of the Eastern Global Sale Agreement of NT$10,000,000 (equivalent to approximately HK$2.5 million), NT$50,000,000 (equivalent to approximately HK$12.5 million), NT$80,000,000 (equivalent to approximately HK$20.0 million) and NT$100,000,000 (equivalent to approximately HK$24.9 million) for the period ending 31 December 2026, two years ending 31 December 2027, 2028 and the period ending 31 August 2029 merely accounted for around 0.5%, 2.3%, 3.7% and 4.6% of the Group's revenue of approximately HK$538.8 million for the year ended 31 December 2025. Considering (i) Eastern Global's expected timeline to complete its internal review by the end of the first quarter of 2027 and accordingly resume its procurement from the Group; (ii) the Group's revenue is expected to further increase in the coming three years with rising sales from various distribution channels as the business grows; and (iii) significant downward adjustment has been made as compared to the previous annual caps in respect of the low historical utilisation, we are of the view that the proposed annual caps under the Eastern Global Sale Agreement are not excessive and are fair and reasonable.

(E) Strawberry Sale Agreement

Pursuant to the Strawberry Sale Agreement, NB China may from time to time sell and Strawberry may from time to time make wholesale purchase of products from NB China such as food and cosmetic products for on-sale to end customers, from 1 September 2026 to 31 August 2029. The pricing terms under the Strawberry Sale Agreement would be (1) at 20% to 50% of the relevant retail price of the products depending on their product attributes; and (2) for OEM and ODM products, the price shall be determined based on product type, quantity and cost, at a gross profit margin of 10% to 50%. As disclosed in the Letter from the Board, the pricing terms were agreed based on the wholesale market prices for similar products and in similar quantities.

For further details on the principal terms of the Strawberry Sale Agreement, please refer to the Letter from the Board.

In assessing the fairness and reasonableness of the principal terms of the Strawberry Sale Agreement, as all historical transactions under the Previous Strawberry Sale Agreement involved the sale of ODM cosmetics products manufactured by the Group to Strawberry as advised by the Management, we have obtained and reviewed five sets of invoices ("**Strawberry Invoices**") with respect to the sale of ODM cosmetics products issued during 2025 and 2026. As the Strawberry Invoices covered all types of products sold by the Group during the period from 1 September 2023 and up to the Latest Practicable Date, we are of the view that the Strawberry Invoices are sufficient and representative. Based on our review, the overall gross profit margins under each of the Strawberry Invoices are consistent with the pricing terms under the Strawberry Sale Agreement. We have also attempted to compare the pricing terms of the Strawberry Invoices with any similar historical transactions entered between the Group and independent e-commerce platform or online sales channel. However, as confirmed by the Management, there had been no such comparable transactions entered with Independent Third Parties.

As advised by the Management, the lower range of gross profit margin of 10% to 50% for OEM and ODM products under the Strawberry Sale Agreement as compared to those under the Eastern Home Product Supply Agreement, ET New Retail Consignment Agreement and the Eastern Global Sale Agreement was because the products on the Strawberry online platform are sold to the end customers at relatively lower prices. We have also performed independent research on the market rate of gross profit margin for cosmetics OEM and ODM. According to a market report published by iResearch Inc., a leading market research and consulting firm in China that has an establishment history of over 20 years and delivered over 3,000 industry research reports, it is stated that the gross margin for cosmetics OEM and ODM are usually in the range from 10% to 35%. Based on our review of the Strawberry Invoices, we noted that the gross profit margins of the Group amounted to at least 20%, which is above the low end of the market range. Considering that (i) the gross profit margin is subject to the specification of products on a case-by-case basis; (ii) the gross profit margin of the Group as seen from the Strawberry Invoices are within the market range; and (iii) the Group would charge a gross profit margin of up to 50% for its OEM and ODM products under the Strawberry Sale Agreement, depending on the product type, quantity and cost, we are of the view that the pricing terms are fair and reasonable. With respect to the retail price discount offered by the Group, based on our research described in the above sub-section headed "(B) Eastern Home Product Supply Agreement and ET New Retail Consignment Agreement", we learnt that it is common within the cosmetics industry to price the product a retail price 20 to 50 times to the cost. Therefore, offering a 50% to 80% discount to retail price for a sales channel is a strategic commercial decision of the manufacturer that provides flexibility to its distribution partners. Also, based on our discussion with the Management, the Company would offer a similar range of discount to Independent Third Parties upon negotiation. As such, we are of the view that the pricing terms under the Strawberry Sale Agreement are in line with market practice and of normal commercial terms.

In view of the above, as the terms offered by Strawberry shall be no less favourable to the Group than terms offered by Independent Third Parties for comparable products, we are of the view that the principal terms of the Strawberry Sale Agreement are normal commercial terms, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

Proposed annual caps

Set out below are the historical transaction amounts and utilisation rates of the historical annual caps for the period from 1 September 2023 to 31 December 2023, the two years ended 31 December 2024, 2025, and the period from 1 January 2026 to 30 April 2026, and the proposed annual caps for the period from 1 September 2026 to 31 December 2026, the two years ending 31 December 2027, 2028 and the period from 1 January 2029 to 31 August 2029, respectively, as extracted from the Letter from the Board.

Year/period	From 1 September 2023 to 31 December 2023 (Note 1)	From 1 January 2024 to 31 December 2024 (Note 1)	From 1 January 2025 to 31 December 2025 (Note 1)	From 1 January 2026 to 30 April 2026 (Note 2)
Historical transaction amount	Nil	Nil	HK$2,026,258	Nil
Historical annual cap	HK$40,000,000	HK$60,000,000	HK$80,000,000	HK$100,000,000 (Note 3)
Utilisation rate (approximately)	0% (Note 4)	0% (Note 4)	2.5%	0% (Note 4)

Note 1: The aggregate fees paid to NB China within the financial year ended 31 December 2023, 2024 and 2025 include value-added tax.

Note 2: The aggregate fees paid to NB China for the four months ended 30 April 2026 are unaudited and do not include value-added tax.

Note 3: The historical annual cap was set for the period from 1 January 2026 to 31 August 2026.

Note 4: No transaction was recorded during the respective periods due to a high level of obsolete inventories previously procured from the Group, which required clearance before any new purchases could be made, compounded by Strawberry's concurrent diversification of its product mix to introduce new cosmetics products from the European and American markets, thereby reducing shelf space and procurement budget allocated to the Group's products.

From 1 September 2026 to 31 December 2026	From 1 January 2027 to 31 December 2027	From 1 January 2028 to 31 December 2028	From 1 January 2029 to 31 August 2029
HK$40,000,000	HK$60,000,000	HK$80,000,000	HK$100,000,000

As disclosed in the Letter from the Board, the above proposed annual caps have been arrived at based on (i) the historical amount of purchase made by Strawberry under the Previous Strawberry Sale Agreement; (ii) the projected amount of purchase to be made by Strawberry under the Strawberry Sale Agreement; and (iii) the changes in the price of the products to be purchased.

In view of the absence of transactions during the period ended 31 December 2023 and the year ended 31 December 2024 under the Previous Strawberry Sale Agreement, we were advised by the Management that due to (i) the high level of obsolete inventories previously procured from the Group; and (ii) the fact that Strawberry at the material time has been strategically diversifying its product mix to introduce new cosmetics products from the European and American markets such that shelf space and procurement budget dedicated to the Group's products have reduced correspondingly, Strawberry has temporarily suspended procurement from the Group for the period ended 31 December 2023 and the year ended 31 December 2024. After disposal of the existing stock, Strawberry has resumed its purchase from the Group under the Previous Strawberry Sale Agreement for the year ended 31 December 2025. As Strawberry's inventory clearance of obsolete stock has been completed and that Strawberry has indicated a renewed focus on the "Natural Beauty" product line within its portfolio, we concur with the Board's view that the reason for the historical low utilisation is not expected to persist during the New CCT Period.

In assessing the fairness and reasonableness of the determination of the proposed annual caps, we have made reference to the internal budget plan of Strawberry for the Group's products ("**Strawberry Plan**") setting out, among other things, the respective annual indicative procurement amounts from 2026 to 2030 in respect to various upcoming sales projects. Based on the Strawberry Plan and as advised by the Management, the procurement budget for the Group's products are projected to be approximately HK$34.0 million, HK$49.0 million, HK$66.0 million and HK$83.0 million for the period from 1 September 2026 to 31 December 2026, the years ending 31 December 2027 and 2028, and the period from 1 January 2029 to 31 August 2029, respectively, showing a CAGR of approximately 6.9% on an annualised basis. The Strawberry Plan is supported by Strawberry's target to allocate increased shelf space and promotional resources to the "Natural Beauty" brand following the completion of its product portfolio realignment. As the proposed annual caps are derived based on the Strawberry's indicative procurement amounts during the New CCT Period, which represent approximately 85%, 81.7%, 82.5% and 83% of the corresponding proposed annual caps for the period from 1 September 2026 to 31 December 2026, the years ending 31 December 2027 and 2028, and the period from 1 January 2029 to 31 August 2029, respectively, with reasonable buffer across the periods/years to cater for any unexpected demand, we consider that the reference to the Strawberry's planned procurement to be relevant in assessing the reasonableness of the proposed annual caps.

On the other hand, considering that Strawberry is a Hong Kong-based cross border e-commerce platform, we have independently performed research from the public domain on the market outlook of the Hong Kong e-commerce market. According to Hong Kong eCommerce Whitepaper 2026 released in 2026 by Shopline, a leading Software-as-a Service (SaaS) provider based in Asia that offers e-commerce solutions to over 700,000 merchants worldwide, it is found that despite a slight drop in total gross merchandise volume (GMV) of 2.1% in 2025, the average gross merchandise volume (GMV) per merchant recorded a 11% increase in 2025 and the repurchase rate has rose for a third consecutive year to 31.9%, reflecting a strong customer retention rate. In terms of average order value, cosmetics, skincare and personal healthcare items continued to rank the 4th among other industries, demonstrating its significance within the e-commerce market. With reference to a market report from Mordor Intelligence, an independent market research firm, the market size of the Hong Kong e-commerce market is projected to reach USD41.6 billion by 2031, representing a CAGR of 7.9%. In view of the foregoing, it is expected that the market outlook of the Hong Kong e-commerce market remains generally positive.

As the proposed annual caps are primarily determined based on the indicative order plan of Strawberry for the coming years and the increment of proposed annual caps over the years is generally in line with the expected growth of the Hong Kong e-commerce market, we are of the view that the determination of the proposed annual caps under the Strawberry Sale Agreement is fair and reasonable.

(F) Eastern Home Procurement Agreement

Pursuant to the Eastern Home Procurement Agreement, Eastern Home may from time to time sell and Taiwan NB may from time to time make wholesale purchase of products such as health supplements, commodities and food from Eastern Home for on-sale at its franchised/self-owned spas, medical cosmetology centers and counters, from 1 September 2026 to 31 August 2029. As disclosed in the Letter from the Board, the pricing terms of products to be procured by Taiwan NB under the Eastern Home Procurement Agreement would be (1) at 20% to 50% of the relevant retail price, depending on the distribution channel and product attributes; or (2) depending on the product type, quantity and cost, at a gross profit margin of 10% to 30%, which was determined based on wholesale market prices for similar products and in similar quantities offered by Independent Third Parties.

For further details on the principal terms of the Eastern Home Procurement Agreement, please refer to the Letter from the Board.

In assessing the fairness and reasonableness of the principal terms of the Eastern Home Procurement Agreement, we have obtained and reviewed five sets of historical invoices ("**Eastern Home Procurement Invoices**") under the Previous Eastern Home Procurement Agreement in relation to procurement of products by Taiwan NB from Eastern Home issued during the period from 1 September 2023 and up to the Latest Practicable Date. We have attempted to compare the pricing terms under the Eastern Home Procurement Agreement with any historical transaction entered into between the Group and Independent Third Parties in respect of similar wholesale purchase of products. However, as advised by the Management, there had been no such historical transaction with Independent Third Parties. Alternatively, we have obtained from the Management quotations from Independent Third Parties ("**Eastern Home Procurement Quotations**") concerning five different products and compared the respective unit prices to that set out in the Eastern Home Procurement Invoices with respect to the same products. As the Eastern Home Procurement Invoices are selected which covered different kinds of products including home appliances, small household appliances as well as dining vouchers, and spread across the period from 2025 and up to the Latest Practicable Date, we consider that the Eastern Home Procurement Invoices are sufficient and representative. Based on our review, we noted that each of the unit price under the Eastern Home Procurement Invoices is no less favourable to the Group than those offered by Independent Third Parties under the Eastern Home Procurement Quotations in respect of the same product.

In view of the above, as the terms offered by Eastern Home to the Group is no less favourable to the Group than terms offered by Independent Third Parties for the same or similar products, we are of the view that the principal terms of the Eastern Home Procurement Agreement are normal commercial terms, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

Proposed annual caps

Set out below are the historical transaction amounts and utilisation rates of the historical annual caps for the period from 1 September 2023 to 31 December 2023, the two years ended 31 December 2024, 2025, and the period from 1 January 2026 to 30 April 2026, and the proposed annual caps for the period from 1 September 2026 to 31 December 2026, the two years ending 31 December 2027, 2028 and the period from 1 January 2029 to 31 August 2029, respectively, as extracted from the Letter from the Board.

Year/period	From 1 September 2023 to 31 December 2023 (Note 1)	From 1 January 2024 to 31 December 2024 (Note 1)	From 1 January 2025 to 31 December 2025 (Note 1)	From 1 January 2026 to 30 April 2026 (Note 2)
Historical transaction amount	NT$204,516 (equivalent to approximately HK$51,001)	NT$2,458,632 (equivalent to approximately HK$613,125)	NT$671,955 (equivalent to approximately HK$167,570)	NT$277,347 (equivalent to approximately HK$69,164)
Historical annual cap	NT$15,000,000 (equivalent to approximately HK$3,740,648)	NT$50,000,000 (equivalent to approximately HK$12,468,828)	NT$100,000,000 (equivalent to approximately HK$24,937,656)	NT$150,000,000 (equivalent to approximately HK$37,406,484) (Note 3)
Utilisation rate (approximately)	1.4%	4.9%	0.7%	0.2%

Note 1: The aggregate fees paid to Eastern Home within the financial year ended 31 December 2023, 2024 and 2025 include value-added tax.

Note 2: The aggregate fees paid to Eastern Home for the four months ended 30 April 2026 are unaudited and do not include value-added tax.

Note 3: The historical annual cap was set for the period from 1 January 2026 to 31 August 2026.

From 1 September 2026 to 31 December 2026	From 1 January 2027 to 31 December 2027	From 1 January 2028 to 31 December 2028	From 1 January 2029 to 31 August 2029
NT$10,000,000 (equivalent to approximately HK$2,493,766)	NT$20,000,000 (equivalent to approximately HK$4,987,531)	NT$30,000,000 (equivalent to approximately HK$7,481,297)	NT$50,000,000 (equivalent to approximately HK$12,468,828)

As disclosed in the Letter from the Board, the above proposed annual caps have been arrived at based on the projected amount of purchase to be made by Taiwan NB under the Eastern Home Procurement Agreement.

As seen from the above table, the historical procurement amount by Taiwan NB has increased from 2023 to 2024, then exhibited a notable decline for the year ended 31 December 2025, while the overall utilisation rates of the historical annual caps have been low during the past years. The historical low utilisation rate was primarily due to the sales of health supplements, commodities and food through the Group's own and franchised physical touchpoints (spas, beauty centres, and retail counters) have underperformed relative to forecasts, possibly attributed to changing consumer preferences away from these product types, increased competition in the health and wellness sector, a reduction in foot traffic to these physical locations (possibly due to broader retail trends or post-pandemic behavioural shifts), or pricing sensitivity. Having considered the reasons for the low historical utilisation, and as the Group plans to increase the number of its retail outlets which will drive higher procurement needs, we concur with the Board's view that the reasons for the low utilisations of the historical annual caps are not expected to continue during the New CCT Period. While the Management has made a corresponding downward adjustment to the proposed annual caps for the next years in view of the historical low utilisation, we noted that the historical amounts still accounted for a relatively small portion of the proposed annual caps. In this regard, we have enquired with the Management on the determination basis of the proposed annual cap and were given to understand that having considered the satisfactory performance of the Group's distribution business, the Company has planned to further expand and increase the number of franchised/self-owned spas, medical cosmetology centers and counters in the coming years. Therefore, it will increase its purchase from Eastern Home for sale taking into account establishment of these new outlets. Based on our review of the annual reports of the Group for the years ended 31 December 2024 and 2025, the Group's revenue generated from distribution channels amounted to approximately HK$294.5 million, HK$315.8 million and HK$497.8 million for the years ended 31 December 2023, 2024 and 2025, respectively, representing corresponding growths of around 7.2% and 57.6% during the period. The number of store or point of sales for distribution of the Group's products being franchised spas or point of sales, self-owned spa and self-owned counters also increased year-on-year which amounted to an aggregate of 1,562, 1,780 and 2,093 as at 31 December 2023, 2024 and 2025, representing corresponding growths of around 14.0% and 17.6%. As such, we are of the view that the potential expansion of the Group's points of sales is in line with its revenue growth from its distribution channels. Taking into account the increasing point of sales of the Group in the next years, the proposed annual caps showed a progressive increase for the years ending 31 December 2027, 2028 and the period ending 31 August 2029 accordingly, reflecting the increasing procurement amount by the Group for on-sale at these outlets.

Based on the above, we are of the view that the determination of the proposed annual caps under the Eastern Home Procurement Agreement is fair and reasonable.

3. Internal control measures and annual review

As disclosed in the Letter from the Board, the Company has adopted and will continue to adopt and implement internal procedures and corporate governance measures for all ongoing and proposed continuing connected transactions of the Company in order to ensure that the pricing mechanism and terms of the transactions, whether it relates to sales or procurement, are fair and reasonable and no less favourable than the terms provided by any Independent Third Parties, so as to ensure that they serve the interests of the Company and its Shareholders as a whole.

As disclosed in the Letter from the Board, such internal control measures employed by the Group include that (i) the individual sales and procurement contract will be ultimately approved by the general manager and/or chairman of Taiwan NB only after the relevant quotations and key terms have been obtained from at least two Independent Third Parties in respect of similar products/services of similar level and types (if any) and compared against the terms offered to/by the Group, ensuring that the price and terms as agreed are fair and reasonable and no less favourable to the Group than those offered by/to Independent Third Parties; (ii) the internal accounting department of the Company will regularly review and assess the internal control procedures of the Group and in the event of any signs of deficiency in the internal control system or that the actual aggregate transaction amount of any transaction under the CCT Agreements will soon exceed its annual cap, appropriate internal control procedures would be taken and no further transactions in respect of that particular transaction shall be carried out for the remainder of the contract terms; (iii) the auditors of the Group will conduct annual review on the pricing and the annual caps of the transactions contemplated under each of the CCT Agreements; (iv) the internal audit department of the Group will conduct annual review on the pricing and the annual caps of the transactions contemplated under each of the CCT Agreements; and (v) the independent non-executive Directors will conduct an annual review of each of the CCT Agreements to ensure that the transactions contemplated thereunder respectively are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

As part of our independent assessment, we have obtained from the Management and reviewed three sets of sample documents comprising (i) management approval forms; (ii) corresponding individual procurement forms and invoices; and (iii) quotations from Independent Third Parties in relation to the transactions conducted under the Previous Eastern Global Sale Agreement, Previous Eastern Home Consignment Agreement and the Previous ET New Media Cooperation Agreement, respectively. We noted that the underlying individual transactions were subject to approvals at multiple management levels, including the head of product development department, procurement manager, finance manager and ultimately approved by the general manager and/or the chairman of Taiwan NB. Further, as noted from the annual reports of the Company for the years ended 31 December 2023, 2024 and 2025, the independent non-executive Directors had reviewed the historical continuing connected transactions under the Previous CCT Agreements for each of the previous financial year and confirmed that the transactions have been entered into by the Group in the ordinary and usual course of its business, on normal commercial term or better and in accordance with the terms of the respective agreements governing such transactions that are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. We also noted that the Company has engaged its auditors to report on the Group's continuing connected transactions and confirmed the matters set out in Rule 14A.56 of the Listing Rules during each of the respective financial year.

Accordingly, we are of the view that there are appropriate and adequate internal control procedures in place to govern the conduct of the CCT Agreements and to safeguard the interests of the Independent Shareholders as a whole.

RECOMMENDATIONS

Having taken into consideration the factors and reasons as stated in this letter, we are of the view that the CCT Agreements are conducted in the ordinary and usual course of business of the Group, and the terms of the CCT Agreements are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the relevant resolutions to be proposed at the EGM to approve the CCT Agreements and the transactions contemplated thereunder including the respective proposed annual caps.

Yours faithfully,
For and on behalf of
Lego Corporate Finance Limited
Billy Tang
Managing Director

Mr. Billy Tang is a licensed person registered with the Securities and Futures Commission and a responsible officer of Lego Corporate Finance Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 25 years of experience in the accounting and investment banking industries.

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

(a) Directors' and chief executive's interests

As at the Latest Practicable Date, none of the Directors or the chief executive of the Company or any of their close associates had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or which were required to be recorded in the register to be kept by the Company pursuant to section 352 of the SFO, or which were required, pursuant to section 347 of the SFO and the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

At the Latest Practicable Date, none of the Directors was a director or an employee of a company which had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

(b) Substantial Shareholder Interests

As at the Latest Practicable Date, so far as was known to, or can be ascertained after reasonable enquiry by the Directors or chief executive of the Company or their respective associates, the following persons (other than the Directors or the chief executive of the Company or their respective associates) had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of Shareholders	Capacity	Number of Shares held	Approximate percentage of interests in the total number of issued shares
Eastern Media International Corporation ("**EMI**") *(Note 2)*	Interest of controlled companies	600,630,280	30.00%
Far Eastern Silo & Shipping (Panama) S.A. *(Note 2)*	Beneficial owner	600,630,280	30.00%
Chao Shih-Heng *(Note 3)*	Interest of controlled companies	455,630,196	22.76%
Good Titanic Limited *(Note 3)*	Interest of controlled companies	455,630,196	22.76%
Insbro Holdings Limited *(Note 3)*	Beneficial owner	455,630,196	22.76%
Tsai Yen-Yu *(Note 4)*	Interest of controlled companies	445,315,083	22.24%
Lee Ming-Ta *(Note 5)*	Interest of spouse	445,315,083	22.24%
Next Focus Holdings Limited *(Note 6)*	Beneficial owner/Interest of controlled companies	445,315,083	22.24%
Starsign International Limited *(Note 6)*	Interest of controlled companies	292,958,524	14.63%
Standard Cosmos Limited *(Note 6)*	Beneficial owner/ Interest of controlled companies	292,958,524	14.63%

Notes:

1. There were 2,002,100,932 Shares of the Company in issue at the Latest Practicable Date.

2. As at the Latest Practicable Date, Far Eastern Silo & Shipping (Panama) S.A. was a wholly-owned subsidiary of EMI. As such, the shares of the Company in which Far Eastern Silo & Shipping (Panama) S.A. is interested were attributable to EMI.

3. As at the Latest Practicable Date, Insbro Holdings Limited was wholly owned by Good Titanic Limited, which was in turn owned as to 100% by Mr. Chao Shih-Heng. As at the Latest Practicable Date, Mr. Chao Shih-Heng was the sole director of each of Insbro Holdings Limited and Good Titanic Limited. As such, the shares of the Company in which Insbro Holdings Limited is interested were attributable to Good Titanic Limited and Mr. Chao Shih-Heng.

4. As at the Latest Practicable Date, Dr. Tsai Yen-Yu directly owned 40% of Next Focus Holdings Limited. Next Focus Holdings Limited was therefore a controlled corporation of Dr. Tsai Yen-Yu and interest of 445,315,083 shares of the Company owned by Next Focus Holdings Limited was attributable to Dr. Tsai Yen-Yu.

5. As at the Latest Practicable Date, Mr. Lee Ming-Ta was the spouse of Dr. Tsai Yen-Yu and accordingly, was deemed to be interested in the 445,315,083 shares of the Company attributable to Dr. Tsai Yen-Yu pursuant to the SFO.

6. As at the Latest Practicable Date, Next Focus Holdings Limited directly held 152,356,559 shares of the Company and directly owned 100% of Starsign International Limited. As at the Latest Practicable Date, Starsign International Limited was the sole shareholder of Standard Cosmos Limited, which, in turn, was the sole shareholder of Efficient Market Investments Limited, Adventa Group Limited and Fortune Bright Group Limited. As such, the 290,618,524 shares of the Company collectively held by Efficient Market Investments Limited, Adventa Group Limited and Fortune Bright Group Limited and 2,340,000 shares of the Company held directly by Standard Cosmos Limited (totaling 292,958,524 shares of the Company) were attributable to Standard Cosmos Limited and Starsign International Limited.

Save as disclosed above, so far as was known to the Directors or chief executive of the Company, as at the Latest Practicable Date, no other persons had, or was taken or deemed to have an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group or had any options in respect of such capital.

At the Latest Practicable Date, none of the Directors was a director or an employee of a company which had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Group which does not expire or is not determinable by the Group within one year without payment of compensation other than statutory compensation.

4. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, in so far as the Directors were aware, none of the Directors nor any of his/her respective associates had any direct or indirect interests in any business that constitutes or may constitute a competing business of the Group.

5. DIRECTORS' INTERESTS IN ASSETS AND/OR CONTRACTS AND OTHER INTERESTS

Save as disclosed above, as at the Latest Practicable Date,

(i) none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2025, being the date to which the latest published audited accounts of the Group were made up, acquired or disposed of by, or leased to the Company or any of its subsidiaries, or are proposed to be acquired or disposed of by, or leased to, the Company or any of its subsidiaries; and

(ii) none of the Directors was materially interested in any contract or arrangement entered into by the Company or any of its subsidiaries which contract or arrangement is subsisting as at the Latest Practicable Date and which is significant in relation to the business of the Group.

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2025, being the date to which the latest published audited financial statements of the Group were made up.

8. QUALIFICATION AND CONSENT OF EXPERT

The qualification of the expert who has provided its advice which is contained in this circular is as follows:

Name	Qualification
Lego Corporate Finance Limited	a licensed corporation permitted to carry out type 6 (advising on corporate finance) regulated activities as defined in the SFO

Lego has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and reference to its name in the form and context in which it appears.

As at the Latest Practicable Date, Lego did not have any Shares or share in any members of the Group nor did it have any right (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the Independent Financial Adviser did not have any direct or indirect interest in any asset which had been, since 31 December 2025, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.

9. DOCUMENTS ON DISPLAY

Copies of the following documents will be available on the website of the Stock Exchange (http://www.hkexnews.hk) and the website of the Company (www.ir-cloud.com/hongkong/00157/irwebsite) for a period of fourteen (14) days (both days inclusive):

(i) the ET New Media Cooperation Agreement;

(ii) the Eastern Home Product Supply Agreement;

(iii) the Eastern Home Strategic Cooperation Agreement;

(iv) the Eastern Global Sale Agreement;

(v) the ET New Retail Consignment Agreement;

(vi) the Strawberry Sale Agreement;

(vii) the Eastern Home Procurement Agreement;

(viii) letter from the Independent Board Committee;

(ix) letter from the Independent Financial Adviser; and

(x) letter of consent from the Independent Financial Adviser.

10. MISCELLANEOUS

In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00157)

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the "**EGM**") of Natural Beauty Bio-Technology Limited (the "**Company**") will be held at Conference Room, 8/F, 368 Section 1 Fuxing South Road, Da'an District, Taipei, Taiwan on Monday, 24 August 2026 at 2:00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions, with or without amendments, as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

"**THAT**:

1 (a) the ET New Media Cooperation Agreement dated 12 June 2026 (as defined in the circular of the Company dated 3 August 2026) (the "**Circular**"), a copy of which marked "A" has been produced to the meeting and signed by the chairman of the meeting for the purpose of identification, and the transactions contemplated thereunder and the proposed annual cap for the transactions contemplated thereunder for the term from 1 September 2026 to 31 August 2029 be and are hereby approved;

(b) two directors of the Company, any one director and the secretary (as defined in the articles of association of the Company) of the Company, or some other person(s) (including a director and/or secretary of the Company) appointed by the board of the Company (the "**Board**"), if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company to do all such things and exercise all powers which he/they consider(s) necessary, desirable or expedient in connection with the ET New Media Cooperation Agreement, and otherwise in connection with the implementation of the transactions, contemplated thereunder, including, without limitation, the execution, amendment, supplement, delivery, waiver, submission and implementation of any further agreements, deeds or other documents;

2 (a) the Eastern Home Product Supply Agreement dated 12 June 2026 (as defined in the Circular), a copy of which marked "B" has been produced to the meeting and signed by the chairman of the meeting for the purpose of identification, and the transactions contemplated thereunder and the proposed annual caps for the transactions contemplated thereunder for the term from 1 September 2026 to 31 August 2029 be and are hereby approved;

(b) two directors of the Company, any one director and the secretary (as defined in the articles of association of the Company) of the Company, or some other person(s) (including a director and/or secretary of the Company) appointed by the Board, if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company to do all such things and exercise all powers which he/they consider(s) necessary, desirable or expedient in connection with the Eastern Home Product Supply Agreement , and otherwise in connection with the implementation of the transactions, contemplated thereunder, including, without limitation, the execution, amendment, supplement, delivery, waiver, submission and implementation of any further agreements, deeds or other documents;

3 (a) the Eastern Home Strategic Cooperation Agreement dated 12 June 2026 (as defined in the Circular), a copy of which marked "C" has been produced to the meeting and signed by the chairman of the meeting for the purpose of identification, and the transactions contemplated thereunder and the proposed annual cap for the transactions contemplated thereunder for the term from 1 September 2026 to 31 August 2029 be and are hereby approved;

(b) two directors of the Company, any one director and the secretary (as defined in the articles of association of the Company) of the Company, or some other person(s) (including a director and/or secretary of the Company) appointed by the Board, if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company to do all such things and exercise all powers which he/they consider(s) necessary, desirable or expedient in connection with the Eastern Home Strategic Cooperation Agreement, and otherwise in connection with the implementation of the transactions, contemplated thereunder, including, without limitation, the execution, amendment, supplement, delivery, waiver, submission and implementation of any further agreements, deeds or other documents;

4 (a) the Eastern Global Sale Agreement dated 12 June 2026 (as defined in the Circular), a copy of which marked "D" has been produced to the meeting and signed by the chairman of the meeting for the purpose of identification, and the transactions contemplated thereunder and the proposed annual cap for the transactions contemplated thereunder for the term from 1 September 2026 to 31 August 2029 be and are hereby approved;

(b) two directors of the Company, any one director and the secretary (as defined in the articles of association of the Company) of the Company, or some other person(s) (including a director and/or secretary of the Company) appointed by the Board, if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company to do all such things and exercise all powers which he/they consider(s) necessary, desirable or expedient in connection with the Eastern Global Sale Agreement, and otherwise in connection with the implementation of the transactions, contemplated thereunder, including, without limitation, the execution, amendment, supplement, delivery, waiver, submission and implementation of any further agreements, deeds or other documents;

5 (a) the ET New Retail Consignment Agreement dated 12 June 2026 (as defined in the Circular), a copy of which marked "E" has been produced to the meeting and signed by the chairman of the meeting for the purpose of identification, and the transactions contemplated thereunder and the proposed annual cap for the transactions contemplated thereunder for the term from 1 September 2026 to 31 August 2029 be and are hereby approved;

(b) two directors of the Company, any one director and the secretary (as defined in the articles of association of the Company) of the Company, or some other person(s) (including a director and/or secretary of the Company) appointed by the Board, if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company to do all such things and exercise all powers which he/they consider(s) necessary, desirable or expedient in connection with the ET New Retail Consignment Agreement, and otherwise in connection with the implementation of the transactions, contemplated thereunder, including, without limitation, the execution, amendment, supplement, delivery, waiver, submission and implementation of any further agreements, deeds or other documents;

6 (a) the Strawberry Sale Agreement dated 12 June 2026, a copy of which marked "F" has been produced to the meeting and signed by the chairman of the meeting for the purpose of identification, and the transactions contemplated thereunder and the proposed annual cap for the transactions contemplated thereunder for the term from 1 September 2026 to 31 August 2029 be and are hereby approved;

(b) two directors of the Company, any one director and the secretary (as defined in the articles of association of the Company) of the Company, or some other person(s) (including a director and/or secretary of the Company) appointed by the Board, if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company to do all such things and exercise all powers which he/they consider(s) necessary, desirable or expedient in connection with the Strawberry Sale Agreement, and otherwise in connection with the implementation of the transactions, contemplated thereunder, including, without limitation, the execution, amendment, supplement, delivery, waiver, submission and implementation of any further agreements, deeds or other documents; and

7 (a) the Eastern Home Procurement Agreement dated 12 June 2026, a copy of which marked "G" has been produced to the meeting and signed by the chairman of the meeting for the purpose of identification, and the transactions contemplated thereunder and the proposed annual cap for the transactions contemplated thereunder for the term from 1 September 2026 to 31 August 2029 be and are hereby approved;

(b) two directors of the Company, any one director and the secretary (as defined in the articles of association of the Company) of the Company, or some other person(s) (including a director and/or secretary of the Company) appointed by the Board, if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company to do all such things and exercise all powers which he/they consider(s) necessary, desirable or expedient in connection with the Eastern Home Procurement Agreement, and otherwise in connection with the implementation of the transactions, contemplated thereunder, including, without limitation, the execution, amendment, supplement, delivery, waiver, submission and implementation of any further agreements, deeds or other documents."

On behalf of the Board
Natural Beauty Bio-Technology Limited
LEI Chien
Chairperson

Hong Kong, 3 August 2026

Notes:

1. Any member of the Company entitled to attend and vote at the EGM is entitled to appoint one or (in respect of a member who is the holder of two or more shares) more proxies to attend and vote in his stead. A proxy need not be a member of the Company.

2. A proxy form of the EGM is enclosed. If the appointer is a corporation, the proxy form must be made under its seal or under the hand of an officer or attorney duly authorised on its behalf.

3. Where there are joint registered holders of any shares, any one of such persons may vote at the EGM (or any adjournment thereof), either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders by present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.

4. In order to be valid, the proxy form, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company's branch registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours (i.e. 2:00 p.m. on Saturday, 22 August 2026) before the time appointed for holding the EGM or any adjournment thereof. Delivery of an instrument appointing a proxy shall not preclude a shareholder from subsequently attending and voting in person at the EGM and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

5. For the purpose of ascertaining shareholders' entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Wednesday, 19 August 2026 to Monday, 24 August 2026, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the EGM, Shareholders must lodge all transfer documents accompanied by the relevant share certificates for Registration with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Tuesday, 18 August 2026.

6. All voting by the members at the EGM (or at any adjournment) shall be conducted by way of poll.

7. As at the date of this notice, the executive Directors are Dr. Lei Chien and Ms. Lin Yen-Ling, the non-executive Directors are Ms. Lin Shu-Hua, Mr. Chen Shou-Huang and Ms. Chou Hui-Ying and the independent non- executive Directors are Mr. Lin Tsalm-Hsiang, Mr. Yang Shih-Chien and Mr. Duh Tyzz-Jiun.