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If you have sold or transferred all your shares in **Natural Beauty Bio-Technology Limited**, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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自然美  
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Natural Beauty Bio-Technology Limited

自然美生物科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00157)

**PROPOSALS FOR  
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
AMENDMENTS TO MEMORANDUM AND  
ARTICLES OF ASSOCIATION  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of Natural Beauty Bio-Technology Limited to be held at 3:00 p.m. on 5 June 2009 (Friday) at Alexandra Room, Mandarin Oriental Hong Kong, 5 Connaught Road Central, Hong Kong is set out on pages 32 to 47 of this circular. A form of proxy for use in connection with the annual general meeting is enclosed herewith. Whether or not you are able to attend, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Hong Kong Registrars Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time of the meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you so wish.

23 April 2009

# CONTENTS

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	3
<b>Appendix I – Explanatory Statement on the Repurchase Mandate</b> .....	25
<b>Appendix II – Details of Directors Proposed to be re-elected at the AGM</b> ...	29
<b>Notice of AGM</b> .....	32

## DEFINITIONS

“AGM”	the annual general meeting of the Company to be held at 3:00 p.m. on 5 June 2009 (Friday) at Alexandra Room, Mandarin Oriental Hong Kong, 5 Connaught Road Central, Hong Kong, for the purpose of considering and if thought fit, approving, inter alia, the resolutions proposed in this circular
“AGM Notice”	the notice convening the AGM set out on pages 32 to 47 of this circular
“Articles”	the existing articles of association of the Company
“Code”	The Codes on Takeovers and Mergers and Share Repurchases
“Company”	Natural Beauty Bio-Technology Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	20 April 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum”	the existing memorandum of association of the Company
“M&A Amendments”	the proposed amendments to the Memorandum and the Articles as set out in the AGM Notice and described in this circular

## DEFINITIONS

“New Issue Mandate”	a general and unconditional mandate to be granted to the Directors to allot, issue, and otherwise deal with new Shares and other securities with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution
“Repurchase Mandate”	a general and unconditional mandate to be granted to the Directors to exercise the power of the Company to repurchase Shares in the capital of the Company up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution
“Share(s)”	the share(s) of HK\$0.1 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

LETTER FROM THE BOARD



自然美  
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Natural Beauty Bio-Technology Limited

自然美生物科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00157)

*Executive Directors:*

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

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

Dr. Su Chien Cheng

Dr. Su Sh Hsyu

*Registered office:*

PO Box 309

Ugland House

Grand Cayman

KY1-1104

Cayman Islands

*Independent Non-Executive Directors:*

Mr. Yeh Liang Fei

Mrs. Chen Shieh Shu Chen

Mr. Chen Ching

*Principal place of business*

*in Hong Kong:*

Unit 3512, 35/F, The Center

99 Queen's Road Central

Central

Hong Kong

23 April 2009

*To the Shareholders*

Dear Sirs or Madams,

**PROPOSALS FOR  
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
AMENDMENTS TO MEMORANDUM AND  
ARTICLES OF ASSOCIATION  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding the following resolutions to be proposed at the AGM relating to:

- (a) grant of the New Issue Mandate to issue Shares;

## LETTER FROM THE BOARD

- (b) grant of the Repurchase Mandate for repurchase by the Company of its own Shares;
- (c) grant of general extension mandate to extend the New Issue Mandate to include Shares repurchased under the Repurchase Mandate;
- (d) re-election of Directors; and
- (e) M&A Amendments.

### GENERAL MANDATE TO ISSUE SECURITIES

At the last annual general meeting of the Company held on 12 June 2008, the Directors were given a general mandate to allot and issue new Shares. The mandate will expire at the conclusion of the AGM. At the AGM, an ordinary resolution will be proposed that the Directors be given a general mandate to allot, issue and deal with Shares or securities convertible into Shares, or options, warrants or similar rights to subscribe for Shares, and to make or grant offers, agreements or options which might require the exercise of such powers, with an aggregate nominal value of not exceeding 20% of the aggregate nominal amount of the existing share capital of the Company in issue on the date of passing the relevant resolution. In accordance with the Listing Rules, the Company may not make a new issue of Shares or announce a proposed new issue of Shares for a period of 30 days after any purchase by it of Shares without the prior approval of the Stock Exchange. The New Issue Mandate may only continue in force during the period ending on the earlier of the date of the next annual general meeting or the date upon which such authority is revoked or varied by ordinary resolution of the Shareholders in a general meeting of the Company. As at the Latest Practicable Date, on the basis of 2,000,639,430 existing Shares in issue, the New Issue Mandate could result in up to 400,127,886 new Shares being issued by the Company. The Directors have no present intention to issue any new Shares pursuant to the New Issue Mandate. Save as disclosed above, the Company did not obtain any other general mandate or special mandate to issue securities in the past 12 months.

### GENERAL MANDATE TO REPURCHASE SHARES

At the last annual general meeting of the Company held on 12 June 2008, the Directors were given a general mandate to repurchase Shares. The mandate will expire at the conclusion of the AGM. At the AGM, an ordinary resolution will be proposed that the Directors be given a general mandate to exercise all the powers of the Company to repurchase issued and fully-paid Shares. Under such mandate, the number of Shares that the Company may repurchase shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company on the date of passing the relevant resolution. On the basis of 2,000,639,430 existing Shares in issue as at the Latest Practicable Date, the Repurchase Mandate could result in up to 200,063,943 Shares being repurchased by the Company. The Company's authority is restricted to purchases made on the Stock Exchange in accordance with the Listing Rules. The Repurchase Mandate allows the Company to make or agree to make purchases only during the period ending on the earlier

## LETTER FROM THE BOARD

of the date of the next annual general meeting or the date upon which such authority is revoked or varied by an ordinary resolution of the shareholders in a general meeting of the Company. An explanatory statement giving the particulars required under the Listing Rules in respect of the Repurchase Mandate to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision whether to vote for or against the resolution is set out in the Appendix I of this circular. Save as disclosed above, the Company did not obtain any other general mandate to repurchase Shares in the past 12 months.

### GENERAL EXTENSION MANDATE

In addition, if the Repurchase Mandate and the New Issue Mandate are granted, an ordinary resolution will be proposed at the AGM that the Directors be granted an extension of New Issue Mandate, which provides that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the New Issue Mandate.

### RE-ELECTION OF THE DIRECTORS

Pursuant to article 117 of the Articles, Dr. Su Sh Hsyu, Mr. Yeh Liang Fei and Mr. Chen Ching will retire from office as Directors by rotation at the AGM and being eligible, offer themselves for re-election. Particulars of Directors proposed to be re-elected at the AGM are set out in Appendix II of this circular.

### AMENDMENTS TO MEMORANDUM AND ARTICLES OF ASSOCIATION

In light of the recent amendments to the Listing Rules effective on 1 January 2009 and to bring the memorandum and articles of association of the Company up to date, the Directors propose to amend the Memorandum and the Articles to give effect of the following:

- A. to allow the Company to use the Company's website and other electronic means to send or make available notices or documents to the Shareholders, subject to the compliance with the Listing Rules and applicable laws by the Company;
- B. notice to the Shareholders shall be sent in the case of annual general meetings at least 20 clear business days before the meeting and at least 10 clear business days in the case of all other general meetings;
- C. all resolutions at general meetings of the Company shall be decided by poll;
- D. to clarify that a member who is a recognised clearing house may appoint one or more proxies or representatives to attend and vote at any general meeting and the person so authorised will be deemed to have been duly authorised without the need of producing any documents of title, authorisation or evidence of appointment; and

## LETTER FROM THE BOARD

- E. to exclude the application of section 8 of the Electronic Transactions Law of the Cayman Islands so that the Company can take advantage of the delivery by electronic means as allowed under the Listing Rules to the fullest extent.

Details of the proposed amendments are as follows:

**(A) Clause 6 of the Memorandum**

The existing Clause 6 of the Memorandum provides that:

“The share capital of the Company is HK\$390,000.00 divided into 3,900,000 shares of a nominal or par value of HK\$0.10 each with power for the Company insofar as is permitted by law,”

It is proposed that Clause 6 of the Memorandum be amended as follows:

“The share capital of the Company is HK\$400,000,000.00 divided into 4,000,000,000 shares of a nominal or par value of HK\$0.10 each with power for the Company insofar as is permitted by law,”

**(B) Article 2**

It is proposed that new entries in the following form be added to Article 2:

“business day                      “business day” shall mean any day on which the Exchange is open for business of dealing in securities;”

“Company’s Website              “Company’s Website” shall mean the website of the Company, the address or domain name of which has been notified to members;”

“Corporate Communication      “Corporate Communication” shall mean any document issued or to be issued by the Company for the information or action of holders of any of its securities, including but not limited to: (a) the directors’ report, its annual accounts together with a copy of the auditor’s report, where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a proxy form, within the meaning ascribed thereto under the Listing Rules;”

“electronic                          “electronic” shall have the meaning given to it in the Electronic Transactions Law;”



## LETTER FROM THE BOARD

“electronic means	“electronic means” includes sending or otherwise making available to the intended recipients of the communication in electronic format;”
“Electronic Signature	“Electronic Signature” shall mean an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a person with the intent to sign the electronic communication;”
“Electronic Transactions Law	“Electronic Transactions Law” means the Electronic Transactions Law (2003 Revision) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;”
“Non-application of section 8 of the Electronic Transactions Law	section 8 of the Electronic Transactions Law shall not apply;”.

### (C) Article 3

The existing Article 3 provides that:

“The capital of the Company at the date of the adoption of these Articles is HK\$390,000.00 divided into 3,900,000 shares of HK\$0.10 each.”

It is proposed that Article 3 be amended as follows:

“The capital of the Company at the date of the adoption of these Articles is HK\$400,000,000.00 divided into 4,000,000,000 shares of HK\$0.1 each.”.

### (D) Article 6(a)

The existing Article 6(a) provides that:

“If at any time the share capital of the Company is divided into different classes of shares, all or any of the rights attached to any class of shares for the time being issued (unless otherwise provided for in the terms of issue of the shares of that class) may, subject to the provisions of the Law, be varied or abrogated with the consent in writing of the holder(s) of three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of shares of that class. To every such separate meeting all the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply, but so that the quorum for the purposes of any such separate meeting and of any adjournment thereof shall be a person or persons together holding (or

## LETTER FROM THE BOARD

representing by proxy or, in the case of a member being corporation, by its duly authorized representative) at the date of the relevant meeting not less than one-third in nominal value of the issued shares of that class, and that any holder of shares of the class present in person or by proxy or, in the case of a member being corporation, by its duly authorized representative may demand a poll.”

It is proposed that the following words

“, and that any holder of shares of the class present in person or by proxy or, in the case of a member being corporation, by its duly authorized representative may demand a poll”

in Article 6(a) be deleted.

### **(E) Article 74(a)**

The existing Article 74(a) provides that:

“An annual general meeting and any extraordinary general meeting called for the passing of a special resolution shall be called by not less than 21 days’ notice in writing and any other extraordinary general meeting shall be called by not less than 14 days’ notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given...”

It is proposed that Article 74(a) be amended as follows:

“An annual general meeting (whether for the passing of a special resolution and/or an ordinary resolution) shall be called by not less than 20 business days’ notice or 21 days’ notice (whichever is longer) in writing at the least, and any extraordinary general meeting called for the passing of a special resolution shall be called by 21 days’ notice in writing at the least and any other extraordinary general meeting shall be called by not less than 10 business days’ notice or 14 days’ notice (whichever is longer) in writing at the least. Subject to the requirements of the Listing Rules, the notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given...”

### **(F) Article 74(c)**

The existing Article 74(c) provides that:

“There shall appear with reasonable prominence in every notice of general meetings of the Company a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and, on a poll, vote instead of him and that a proxy need not be a member of the Company.”

It is proposed the words “, on a poll,” in Article 74(c) be deleted.

## LETTER FROM THE BOARD

### (G) Article 81

The existing Article 81 provides that:

“Right to demand a poll and what is to be evidence of the passing of a resolution where poll not demanded

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

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

Unless a poll is so demanded and not withdrawn, a declaration by the Chairman that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Company’s book containing the minutes of the proceedings of meetings of the Company shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.”

## LETTER FROM THE BOARD

It is proposed that Article 81 in its entirety be deleted and replaced with the following new paragraph:

“Poll 81. At any general meeting a resolution put to the vote at the meeting shall be decided on a poll.”.

### (H) Article 82(a) and (b)

The existing Article 82(a) and (b) provide that:

“Poll 82. (a) If a poll is demanded as aforesaid, it shall (subject as provided in Article 82) be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than 30 days from the date of the meeting or adjourned meeting at which the poll was demanded as the Chairman directs. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn, with the consent of the Chairman, at any time before the close of the meeting at which the poll was demanded or the taking of the poll, whichever is earlier.

Business may proceed notwithstanding demand for poll (b) The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.”.

It is proposed that Article 82 (a) and (b) in their entirety be deleted and replaced with the following new paragraph:

“Manner of Poll 82. A poll shall be taken in such manner (including the use of ballot or voting papers or tickets) as the Chairman directs.”.

## LETTER FROM THE BOARD

### (I) Article 83

The existing Article 83 provides that:

“In what case poll taken without adjournment      83. Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.”.

It is proposed that Article 83 in its entirety be deleted and replaced with the following new paragraph:

“Question of adjournment      83. Any question of adjournment shall be decided at the meeting and without adjournment.”.

### (J) Article 84

The existing Article 84 provides that:

“Chairman to have casting vote      84. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.”.

It is proposed that Article 84 in its entirety be deleted and replaced with the following new paragraph:

“Chairman to have casting vote      84. In the case of an equality of votes, the Chairman of the meeting shall be entitled to a second or casting vote.”.

### (K) Article 85

The existing Article 85 provides that:

“A resolution in writing (in one or more counterparts), including a special resolution, signed by all members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly appointed representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held. Any such resolutions shall be deemed to have been passed at a meeting held on the date on which it was signed by the last member to sign.”.

## LETTER FROM THE BOARD

It is proposed that Article 85 be amended as follows:

“Subject to the Listing Rules, a resolution in writing (in one or more counterparts), including a special resolution, signed by all members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly appointed representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held. Any such resolutions shall be deemed to have been passed at a meeting held on the date on which it was signed by the last member to sign.”

### **(L) Article 86**

The existing Article 86 provides that:

“Votes of members      86. Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting on a show of hands every member who is present in person (or, in the case of a member being a corporation, by its duly authorized representative) shall have one vote, and on a poll every member present in person (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy shall have one vote for each share registered in his name in the register. Notwithstanding anything contained in these Articles, where more than one proxy is appointed by a member which is a recognized clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. On a poll a member entitled to more than one vote is under no obligation to cast all his votes in the same way.”

## LETTER FROM THE BOARD

It is proposed that Article 86 in its entirety be deleted and replaced with the following new paragraph:

“Votes of members      86.    Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting, every member present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have one vote for each share registered in his name in the register. A member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way. For the avoidance of doubt, where more than one proxy is appointed by a recognised clearing house or its nominee(s), each proxy is under no obligation to cast all his votes in the same way.”.

### (M) Article 89

The existing Article 89 provides that:

“Votes of members      89.    A member in respect of whom an order has been of unsound mind      made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote, whether on a show of hands or on a poll, by any person authorized in such circumstances to do so, and such person may vote on a poll by proxy.”.

It is proposed that Article 89 in its entirety be deleted and replaced with the following new paragraph:

“Votes of members      89.    A member in respect of whom an order has been of unsound mind      made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote by any person authorized in such circumstances to do so by proxy.”.

## LETTER FROM THE BOARD

### (N) Article 91

The existing Article 91 provides that:

“Proxies                      91.    Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (who must be an individual) as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the meeting. On a poll votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint any number of proxies to attend in his stead at any one general meeting (or at any one class meeting).”.

It is proposed that Article 91 in its entirety be deleted and replaced with the following new paragraph:

“Proxies                      91.    Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (who must be an individual) as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the meeting. Votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member (whether or not a recognized clearing house) may appoint any number of proxies to attend in his stead at any one general meeting (or at any one class meeting).”.



## LETTER FROM THE BOARD

### (O) Article 93

The existing Article 93 provides that:

- “Delivery of authority for appointment of proxy
93. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority, (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the registered office of the Company (or at such other place as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any document sent therewith) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than 48 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid provided always that the Chairman of the meeting may at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited upon receipt of telex or cable or facsimile confirmation from the appointor that the instrument of proxy duly signed is in the course of transmission to the Company. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. Delivery of any instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.”.

## LETTER FROM THE BOARD

It is proposed that Article 93 in its entirety be deleted and replaced with the following new paragraph:

“Delivery of  
authority for  
appointment of  
proxy

93. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority, (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the registered office of the Company (or at such other place as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any document sent therewith) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid provided always that the Chairman of the meeting may at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited upon receipt of telex or cable or facsimile confirmation from the appointor that the instrument of proxy duly signed is in the course of transmission to the Company. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. Delivery of any instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.”.

## LETTER FROM THE BOARD

### (P) Article 95

The existing Article 95 provides that:

“Authority under Instrument Appointing Proxy 95. The instrument appointing a proxy to vote at a general meeting shall: (a) be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit; and (b) unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates, provided that the meeting was originally held within 12 months from such date.”.

It is proposed that Article 95 in its entirety be deleted and replaced with the following new paragraph:

“Authority under Instrument Appointing Proxy 95. The instrument appointing a proxy to vote at a general meeting shall: (a) be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit; and (b) unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates, provided that the meeting was originally held within 12 months from such date.”.

### (Q) Article 97 (b)

The existing Article 97(b) provides that:

“If a recognised clearing house (or its nominees) is a member of the Company it may, by resolution of its directors or other governing body or by power of attorney, authorise such person or persons as it thinks fit to act as its representative(s) at any general meeting of the Company or at any general meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person so authorised pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognised clearing house (or its nominees) which he represents as that recognized clearing house (or its nominees) could exercise as if it were an individual member of the Company holding the number and class of shares specified in such authorisation, including the right to vote individually on a show of hands, notwithstanding any contrary provision contained in these Articles.”.

## LETTER FROM THE BOARD

It is proposed that Article 97(b) be amended as follows:

“If a recognised clearing house (or its nominees) is a member of the Company it may, by resolution of its directors or other governing body or by power of attorney, authorise such person or persons as it thinks fit to act as its representative(s) or proxy(ies) at any general meeting of the Company or any general meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation or proxy form shall specify the number and class of shares in respect of which each such person is so authorised. A person so authorised pursuant to this provision will be deemed to have been duly authorised without the need for producing any documents of title, notarised authorisation and/or further evidence for substantiating the facts that it is duly authorised and will be entitled to exercise the same rights and powers on behalf of the recognised clearing house (or its nominees) which he represents as that recognized clearing house (or its nominees) could exercise as if it were an individual member of the Company holding the number and class of shares specified in such authorisation.”.

### **(R) Article 168(a)**

The existing Article 168(a) provides that:

“Service of Notices      168. (a) Any notice or document (including a share certificate) may be served by the Company and any notices may be served by the Board on any member either personally or by sending it through the post in a prepaid letter addressed to such member at his registered address as appearing in the register or (in the case of notice) by advertisement published in newspapers. In the case of joint holders of a share, all notices shall be given to that holder for the time being one of the joint holders whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders.”

## LETTER FROM THE BOARD

It is proposed that Article 168(a) in its entirety be deleted and replaced with the following new paragraph:

“Services of notices or documents      168. (a) Except as otherwise provided in these Articles, any Corporate Communication may be served by the Company and any notices may be served by the Board on any member either personally or by sending it through the post in a prepaid letter addressed to such member at his registered address as appearing in the register or, to the extent permitted by the Listing Rules and all applicable laws and regulations, by electronic means by transmitting it to any electronic number or address or website supplied by the member to the Company or by placing it on the Company’s Website provided that the Company has obtained either (a) the member’s prior express positive confirmation in writing or (b) the member’s deemed consent, in the manner specified in the Listing Rules to receive or otherwise have made available to him notices and documents to be given or issued to him by the Company by such electronic means, or (in the case of notice) by advertisement published in the manner prescribed under the Listing Rules. In the case of joint holders of a share, all notices shall be given to that holder for the time being whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders.”.

## LETTER FROM THE BOARD

### (S) Article 169

The existing Article 169 provides that:

“Members out of  
Hong Kong

169. A member shall be entitled to have notice served on him at any address within Hong Kong. Any member whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which for the purpose of service of notice shall be deemed to be his registered address. A member who has no registered address in Hong Kong shall be deemed to have received any notice which shall have been displayed at the transfer office and shall have remained there for a period of 24 hours and such notice shall be deemed to have been received by such member on the day following that on which it shall have been first so displayed, provided that, without prejudice to the other provisions of these Articles, nothing in this Article 168 shall be construed as prohibiting the Company from sending, or entitling the Company not to send, notices or other documents of the Company to any member whose registered address is outside Hong Kong.”

## LETTER FROM THE BOARD

It is proposed that Article 169 in its entirety be deleted and replaced with the following new paragraph:

“Members out of  
Hong Kong

169. A member shall be entitled to have notice served on him at any address within Hong Kong. Any member who has not given an express positive confirmation or a deemed confirmation to the Company in the manner specified in the Listing Rules to receive or otherwise have made available to him notices and documents to be given or issued to him by the Company by electronic means and whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which for the purpose of service of notice shall be deemed to be his registered address. A member who has no registered address in Hong Kong shall be deemed to have received any notice which shall have been displayed at the registered office of the Company and shall have remained there for the space of 24 hours and such notice shall be deemed to have been received by such member on the day following that on which it shall have been first so displayed, provided that, without prejudice to the other provisions of these Articles, nothing in this Article 169 shall be construed as prohibiting the Company from sending, or entitling the Company not to send, notices or other documents of the Company to any member whose registered address is outside Hong Kong.”.

## LETTER FROM THE BOARD

### (T) Article 170

The existing Article 170 provides that:

“When notice by post deemed to be served 170. Any notice or document sent by post shall be deemed to have been served on the day following that on which it is put into a post office situated within Hong Kong and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly prepaid, addressed and put into such post office and a certificate in writing signed by the Secretary or other person appointed by the Board that the envelope or wrapper containing the notice or document was so addressed and put into such post office shall be conclusive evidence thereof. Any notice or other document delivered or left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so delivered or left. Any notice served by advertisement shall be deemed to have been served on the day of issue of official publication and/or newspaper(s) in which the advertisement is published (or on the last day of issue if the publication and/or newspaper(s) are published on different dates).”

It is proposed that Article 170 in its entirety be deleted and replaced with the following new paragraph:

“When Corporate Communication deemed to be served 170. (a) Any notice or document sent by post shall be deemed to have been served on the day following that on which it is put into a post office situated within Hong Kong and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly prepaid, addressed and put into such post office and a certificate in writing signed by the Secretary or other person appointed by the Board that the envelope or wrapper containing the notice or document was so addressed and put into such post office shall be conclusive evidence thereof.



## LETTER FROM THE BOARD

- (b) Any notice or other document delivered or left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so delivered or left.
- (c) Any notice served by advertisement shall be deemed to have been served on the day of issue of official publication and/or newspaper(s) in which the advertisement is published (or on the first day of issue if the publication and/or newspaper(s) are published on different dates).
- (d) Any notice given by electronic means as provided herein shall be deemed to have been served and delivered on the day following that on which it is successfully transmitted or at such later time as may be prescribed by the Listing Rules or any applicable laws or regulations.”.

### (U) Article 174

The existing Article 174 provides that:

“How notice to be signed                      174. The signature to any notice to be given by the Company may be written or printed by means of facsimile.”.

It is proposed that Article 174 be amended as follows:

“How notice to be signed                      174. The signature to any notice to be given by the Company may be written or printed by means of facsimile or, where relevant, by Electronic Signature.”.

### ANNUAL GENERAL MEETING

The Company will convene the AGM at 3:00 p.m. on 5 June 2009 (Friday) at Alexandra Room, Mandarin Oriental Hong Kong, 5 Connaught Road Central, Hong Kong at which resolutions will be proposed for the purpose of considering and if thought fit, approving, inter alia, the resolutions proposed in this circular. The notice of the AGM is set out on pages 32 to 47 of this circular of the Company.

## LETTER FROM THE BOARD

A form of proxy for use in connection with the AGM is enclosed herewith. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible to the branch share registrar of the Company in Hong Kong, Hong Kong Registrars Limited at Shops 1712–16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting.

Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM should you so wish.

### VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by a poll. Therefore, all resolutions proposed at the AGM shall be voted by poll. The result of the poll will be published on the HKExnews website at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.nblife.com/ir](http://www.nblife.com/ir) on the business day following the AGM.

### RECOMMENDATION

The Directors believe that the Repurchase Mandate, the New Issue Mandate, the extension of the New Issue Mandate, the re-election of Directors and the M&A Amendments are in the best interests of the Company as well as the Shareholders. Accordingly, the Directors recommend that all Shareholders should vote in favour of all the resolutions set out in the AGM Notice.

### RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other matters the omission of which would make any statement in this circular misleading.

As at the date hereof, the Board comprises Dr. Tsai Yen Yu, Mr. Lee Ming Ta, Dr. Su Chien Cheng and Dr. Su Sh Hsyu as Executive Directors, and Mr. Yeh Liang Fei, Mrs. Chen Shieh Shu Chen and Mr. Chen Ching as Independent Non-executive Directors.

Yours faithfully,  
By order of the Board  
**Dr. Tsai Yen Yu**  
*Chairman*

This explanatory statement contains the information required under Rule 10.06(1)(b) of the Listing Rules. Its purpose is to provide Shareholders with information reasonably necessary to enable them to make an informed decision on whether to vote for or against the resolution approving the Repurchase Mandate.

## **1. SHARE CAPITAL**

As at 20 April 2009, being the Latest Practicable Date, the issued and fully-paid share capital of the Company was 2,000,639,430 shares of HK\$0.10 each.

Subject to the passing of the ordinary resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 200,063,943 Shares.

## **2. REASONS FOR REPURCHASES**

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

## **3. FUNDING OF REPURCHASES**

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

On the basis of the consolidated financial position of the Company as at 31 December 2008 (being the date to which the latest published audited financial statements of the Company have been made up) and in particular the working capital position of the Company at that time and the number of issued Shares now in issue, the Directors consider that there might be a material adverse impact on the working capital position but that there would not be any material adverse impact on the gearing position of the Company in the event that purchases of all the Shares, the subject of the Repurchase Mandate, were to be carried out in full during the period of the Repurchase Mandate. The Directors do not propose to exercise the Repurchase Mandate to such extent as could, in the circumstance, have a material adverse effect on the working capital or the gearing level of the Company which in the opinion of the Directors is from time to time appropriate for the Company.

**4. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS**

None of the Directors or, to the best of their knowledge and belief having made all reasonable enquiries, any of their associates has any present intention, in the event that the proposal is approved by the Shareholders, to sell their Shares to the Company or its subsidiaries under the Repurchase Mandate. No connected person of the Company (as defined in the Listing Rules) has notified the Company that he/she/it has a present intention to sell his/her/its Shares to the Company or its subsidiaries nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company or its subsidiaries in the event that the Company is authorised to make purchases of the Shares.

**5. UNDERTAKING OF THE DIRECTORS**

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases pursuant to the proposed resolution in accordance with the Listing Rules and all applicable laws of Cayman Islands, and in accordance with the regulations set out in the Memorandum and Articles of Association of the Company.

**6. EFFECT OF THE CODE**

A repurchase of Shares by the Company may result in an increase in the proportionate interests of substantial shareholders of the Company in the voting rights of the Company, which could give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, the shareholders who were interested in 5% or more of the issued share capital of the Company, according to the register of interests required to be kept by the Company under section 336 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), were as follows:

Name of Shareholder	Note	Current percentage interest in the issued share capital of the Company	Percentage interest in the issued share capital of the Company in the event the Repurchase Mandate is exercised in full	Number of shares beneficially held
Efficient Market Investments Limited	1	41.91%	46.57%	838,530,000
Knightcote Enterprises Limited	1 & 2	41.91%	46.57%	838,530,000
Adventa Group Limited	3	11.83%	13.14%	236,580,000
Beautivalue Holdings Limited	3 & 4	11.83%	13.14%	236,580,000
Fortune Bright Group Limited	5	11.83%	13.14%	236,580,000
Colour Shine Holdings Limited	5 & 6	11.83%	13.14%	236,580,000
Dr. Tsai Yen Yu	2	41.91%	46.57%	838,530,000
Dr. Su Chien Cheng	4	11.83%	13.14%	236,580,000
Dr. Su Sh Hsyu	6	11.83%	13.14%	236,580,000
Martin Currie Inc.	7	4.51%	5.01%	90,231,000
Martin Currie Investment Management	7	4.19%	4.66%	83,865,000
Martin Currie Ltd	7 & 8	8.70%	9.67%	174,096,000
Martin Currie (Holdings) Ltd	8	8.70%	9.67%	174,096,000
Keywise Capital Management (HK) Limited		9.06%	10.06%	181,210,000
UBS AG		5.99%	6.65%	119,762,000

*Notes:*

- Efficient Market Investments Limited is beneficially wholly-owned by Knightcote Enterprises Limited.
- The controlled corporation, Knightcote Enterprises Limited, is beneficially wholly-owned by Dr. Tsai Yen Yu. These shares are attributable to Dr. Tsai Yen Yu in respect of her 100% interest in Knightcote Enterprises Limited.
- Adventa Group Limited is beneficially wholly-owned by Beautivalue Holdings Limited.
- The controlled corporation, Beautivalue Holdings Limited, is beneficially wholly-owned by Dr. Su Chien Cheng. These shares are attributable to Dr. Su Chien Cheng in respect of his 100% interest in Beautivalue Holdings Limited.
- Fortune Bright Group Limited is beneficially wholly-owned by Colour Shine Holdings Limited.

6. The controlled corporation, Colour Shine Holdings Limited, is beneficially wholly-owned by Dr. Su Sh Hsyu. These shares are attributable to Dr. Su Sh Hsyu in respect of her 100% interest in Colour Shine Holdings Limited.
7. Martin Currie Inc. and Martin Currie Investment Management are beneficially wholly-owned by Martin Currie Ltd.
8. Martin Currie Ltd is beneficially wholly-owned by Martin Currie (Holdings) Ltd.

On the basis of the current shareholding of the Company, an exercise of the repurchase mandate in full will result in Efficient Market Investments Limited, Knightcote Enterprises Limited and Dr. Tsai Yen Yu becoming obliged to make a mandatory offer under Rule 26 of the Takeover Code. The Directors also have no intention to exercise the repurchase mandate to such extent that would give rise an obligation to them to make a mandatory offer under Rule 26 of the Code or result in the amount of shares held by the public being reduced to less than 25%.

## 7. SHARE PRICES

The highest and lowest traded prices for the Shares on the Stock Exchange during each of the previous 12 months preceding the Latest Practicable Date were as follows:

	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>Shares</b>		
2008		
April	2.05	1.76
May	2.07	1.85
June	2.01	1.50
July	1.72	1.41
August	1.72	1.45
September	1.78	1.45
October	1.78	0.95
November	1.95	1.10
December	1.21	1.15
2009		
January	1.25	1.10
February	1.20	1.06
March	1.20	0.84
April (up to Latest Practicable Date)	1.35	0.99

## 8. SHARE REPURCHASES MADE BY THE COMPANY

During the six months preceding this document, the Company had not repurchased any Shares whether on the Stock Exchange or otherwise.

Set out below are details of the Directors who will retire at the conclusion of the AGM and will be proposed to be re-elected at the AGM.

#### **DR. SU SH HSYU**

Dr. Su Sh Hsyu, aged 35, was a Non-executive Director between 2001 and 2004 until she was re-designated as an Executive Director of the Company in 2004. Dr. Su advises the Group in various aspects including (i) strategic planning and development, (ii) project management involving in the full process from development to roll-out of products and services, (iii) exploring new distribution channels and advising on the enhancement of the existing ones and (iv) identifying potential strategic partner and involving in the negotiation of partnership. Dr. Su graduated from the London School of Economics with a master of science degree in industrial relations, personal management and human resource management and obtained her Ph.D. in International & Comparative Education from Columbia University in the United States. Dr. Su had been actively engaged in the marketing and business development of the Group in Taiwan and the PRC during the period from 2004 to 2007.

Dr. Su did not hold directorships in other listed public companies in the last three years.

Dr. Su is interested in 236,580,000 shares of the Company within the meaning of the Part XV of the Securities and Futures Ordinance. Dr. Su is a substantial shareholder through her corporate interest in 236,580,000 shares held by Fortune Bright Group Limited which she has 100% beneficial interest through Colour Shine Holdings Limited. Dr. Su is the daughter of Dr. Tsai Yen Yu (Chairperson of the Company) and Mr. Lee Ming Ta, both being Executive Directors of the Company; and the younger sister of Dr. Su Chien Cheng, an Executive Director of the Company. Save as disclosed above, Dr. Su does not have any relationship with any other director, senior management, substantial shareholder or controlling shareholder of the Company.

As at the Latest Practicable Date (as defined hereinafter), save for disclosed above, Dr. Su was not interested in and did not have any interest or short positions in any Shares or underlying Shares in or any debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

Dr. Su renewed her service contract with the Company on the same terms for another three years on 21 September 2007. Dr. Su is subject to retirement by rotation and re-election at the AGM of the Company in accordance with the Articles. The director fee of Dr. Su as an Executive Director of the Company was HK\$600,000 for the year ended 31 December 2008. Except for the director fee, other emoluments of approximately HK\$3,666,699 was received by Dr. Su from the Group for the year ended 31 December 2008.

The director's fee payable to Dr. Su will be fixed by the Board pursuant to the authority granted by the Shareholders at the AGM. The emoluments of the Directors are recommended by the Remuneration Committee and approved by the Board with reference to the Company's performance and profitability, as well as any remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed, there are no other matters related to the appointment that need to be brought to the attention of the Shareholders in connection with Dr. Su Sh Hsyu's re-election and there is no other information that should be disclosed pursuant to paragraph 13.51(2)(h) to (v) of the Listing Rules.

#### **MR. YEH LIANG FEI**

Mr. Yeh Liang Fei, aged 77, worked in the police force of Taiwan for more than 40 years. Mr. Yeh held senior positions in several police bureaus in Taiwan. After his retirement from the police force, Mr. Yeh was appointed the honorary President of Ta Feng Securities Co., Ltd. in Taiwan. He is very experienced in administration and human resources management in large organisations. Mr. Yeh graduated from Central Police Officer College of Taiwan. He was appointed as the Company's Independent Non-executive Director in March 2002.

Mr. Yeh is not connected with any director, senior management or substantial or controlling shareholder of the Company.

After Mr. Yeh's re-election at the forthcoming AGM, he will continue to serve on the board of Directors for a period of approximately 3 years until he is subject to retirement by rotation and re-election at the AGM of the Company in accordance with the Articles. Mr. Yeh has renewed his service contract on the same terms in respect of his appointment as an Independent Non-executive Director of the Company for a term of 3 years commencing 11 March 2008. Pursuant to the Mr. Yeh's service contract with the Company, Mr. Yeh is entitled to a Director's remuneration at the rate of HK\$20,000 per annum.

As at the Latest Practicable Date (as defined hereinafter), Mr. Yeh was not interested in and did not have any short positions in any Shares or underlying Shares in or any debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

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



**MR. CHEN CHING**

Mr. Chen Ching, aged 45, is an Independent Non-executive Director of the Company. He is also the Managing Partner of Dinkum & Co, CPAs in Taiwan and has over 15 years of experience in accounting. He was a part-time lecturer of the Accounting Information Department in Takming College from 2000 to 2001 and the Accounting Department in Chung Kuo Institute of Technology from 2001 to 2002, respectively, both of which are tertiary academic institutions in Taiwan. Mr. Chen is an independent director of Yufo Electronics Corporation, a company listed on the GreTai Securities Market (Over-The-Counter Market) in Taiwan. Mr. Chen graduated from the National Cheng-Chi University with a Master of Science degree in Accounting and is a member of the Certified Public Accountants Association of Taiwan.

Mr. Chen is not connected with any director, senior management or substantial or controlling shareholder of the Company.

After Mr. Chen's re-election at the forthcoming AGM, he will continue to serve on the board of Directors for a period of approximately 2 years until he is subject to retirement by rotation and re-election at the AGM of the Company in accordance with the Articles. Mr. Chen has renewed his service contract on the same terms in respect of his appointment as an Independent Non-executive Director of the Company for a term of 3 years commencing 21 September 2007. Pursuant to the Mr. Chen's service contract with the Company, Mr. Chen is entitled to a Director's remuneration at the rate of HK\$48,000 per annum.

As at the Latest Practicable Date (as defined hereinafter), Mr. Chen was not interested in and did not have any short positions in any Shares or underlying Shares in or any debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

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

## NOTICE OF AGM



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)

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting (“AGM”) of Natural Beauty Bio-Technology Limited (the “Company”) will be held at 3:00 p.m. on 5 June 2009 (Friday) at Alexandra Room, Mandarin Oriental Hong Kong, 5 Connaught Road Central, Hong Kong, for the purpose of transacting the following business:

#### ORDINARY BUSINESS

1. To receive and consider the Audited Financial Statements and the Directors’ Report and the Independent Auditor’s Report for the year ended 31 December 2008.
2. To re-elect Dr. Su Sh Hsyu as executive director of the Company.
3. To re-elect Mr. Yeh Liang Fei as independent non-executive director of the Company.
4. To re-elect Mr. Chen Ching as independent non-executive director of the Company.
5. To re-appoint Messrs. Deloitte Touche Tohmatsu as the Auditor and authorise the Board of Directors (the “Board”) to fix its remuneration.
6. To authorise the Board to fix the directors’ remuneration.
7. To declare a final dividend of HK\$0.0335 per share for the year ended 31 December 2008.

## NOTICE OF AGM

### SPECIAL BUSINESS

As special business, to consider and, if thought fit, pass the following resolutions (with or without modification) as ordinary resolutions:

8. **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to issue, allot and deal with additional shares, to issue warrants to subscribe for shares and to make offers or agreements or grant options which would or might require shares to be issued and allotted, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company to make offers or agreements or grant options or warrants during the Relevant Period (as defined below) which would or might require shares to be issued and allotted either during or after the end of the Relevant Period (as defined below);
- (c) the aggregate nominal amount of shares allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to the approval in paragraphs (a) and (b) above, otherwise than pursuant to (i) a rights issue; (ii) the exercise of the subscription rights under warrants issued otherwise than pursuant to this Resolution; (iii) the exercise of the subscription rights under the share option scheme of the Company; and (iv) any scrip dividend or similar arrangement providing for allotment of shares in lieu of the whole or part of a dividend on the shares of the Company; shall not exceed 20% of the aggregate nominal amount of the existing issued share capital of the Company as at the date of passing of this Resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company following the passing of this Resolution; or
- (ii) the passing of an ordinary resolution by shareholders in a general meeting revoking or varying the authority given to the directors of the Company by this Resolution.”

## NOTICE OF AGM

9. **“THAT:**

- (a) the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to repurchase its own shares subject to paragraph (b) below and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company which may be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period (as defined below) shall not exceed 10% of the aggregate nominal amount of the existing issued share capital of the Company as at the date of this Resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company following the passing of this Resolution; or
- (ii) the passing of an ordinary resolution by shareholders in a general meeting revoking or varying the authority given to the directors of the Company by this Resolution.”

10. **“THAT** conditional upon Resolutions 8 and 9 above being passed (with or without amendments), the general mandate referred to in Resolution 8 above be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed to be allotted by the directors of the Company pursuant to such general mandate of an amount representing the aggregate nominal amount of shares repurchased by the Company pursuant to the general mandate referred to in Resolution 9 above provided that such amount shall not exceed 10% of the aggregate nominal amount of the existing issued share capital of the Company as at the date of the passing of this Resolution.”

## NOTICE OF AGM

11. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as a special resolution:

11(A) **“THAT** the memorandum of association of the Company be and is hereby amended in the following manner:

- (a) Clause 6

By deleting the following words:

“The share capital of the Company is HK\$390,000.00 divided into 3,900,000 shares of a nominal or par value of HK\$0.10 each with power for the Company insofar as is permitted by law,”

from the first three lines of the clause and replacing with the following words:

“The share capital of the Company is HK\$400,000,000.00 divided into 4,000,000,000 shares of a nominal or par value of HK\$0.1 each with power for the Company insofar as is permitted by law,”.

11(B) **“THAT** the existing articles of association of the Company be and are hereby amended in the following manner:

- (a) Article 2

By adding the new entries in the following form to Article 2:

“business day                      “business day” shall mean any day on which the Exchange is open for business of dealing in securities;

“Company’s Website              “Company’s Website” shall mean the website of the Company, the address or domain name of which has been notified to members;”

## NOTICE OF AGM

“Corporate Communication	“Corporate Communication” shall mean any document issued or to be issued by the Company for the information or action of holders of any of its securities, including but not limited to: (a) the directors’ report, its annual accounts together with a copy of the auditor’s report, where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a proxy form, within the meaning ascribed thereto under the Listing Rules;”
“electronic	“electronic” shall have the meaning given to it in the Electronic Transactions Law;”
“electronic means	“electronic means” includes sending or otherwise making available to the intended recipients of the communication in electronic format;”
“Electronic Signature	“Electronic Signature” shall mean an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a person with the intent to sign the electronic communication;”
“Electronic Transactions Law	“Electronic Transactions Law” means the Electronic Transactions Law (2003 Revision) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;”
“Non-application of section 8 of the Electronic Transactions Law	section 8 of the Electronic Transactions Law shall not apply;”.

## NOTICE OF AGM

(b) Article 3

By deleting the following sentence from Article 3:

“The capital of the Company at the date of the adoption of these Articles is HK\$390,000.00 divided into 3,900,000 shares of HK\$0.10 each.”

and replacing with the following sentence:

“The capital of the Company at the date of the adoption of these Articles is HK\$400,000,000.00 divided into 4,000,000,000 shares of HK\$0.10 each.”.

(c) Article 6(a)

By deleting the following words

“, and that any holder of shares of the class present in person or by proxy or, in the case of a member being corporation, by its duly authorized representative may demand a poll”

in Article 6(a).

(d) Article 74(a)

By deleting the following words from Article 74(a):

“An annual general meeting and any extraordinary general meeting called for the passing of a special resolution shall be called by not less than 21 days’ notice in writing and any other extraordinary general meeting shall be called by not less than 14 days’ notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given...”

and replacing with the following words:

“An annual general meeting (whether for the passing of a special resolution and/or an ordinary resolution) shall be called by not less than 20 business days’ notice or 21 days’ notice (whichever is longer) in writing at the least, and any extraordinary general meeting called for the passing of a special resolution shall be called by 21 days’ notice in writing at the least and any other extraordinary general meeting shall be called by not less than 10 business days’ notice or 14 days’ notice (whichever is longer) in writing at the least. Subject to the requirements of the Listing Rules, the notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given...”

## NOTICE OF AGM

(e) Article 74(c)

By deleting the words “, on a poll,” in the fourth line of Article 74(c).

(f) Article 81

By deleting Article 81 in its entirety and replacing with the following new paragraph:

“Poll 81. At any general meeting a resolution put to the vote at the meeting shall be decided on a poll.”.

(g) Article 82(a) and (b)

By deleting Article 82(a) and (b) in their entirety and replacing with the following new sentence:

“Manner of Poll 82. A poll shall be taken in such manner (including the use of ballot or voting papers or tickets) as the Chairman directs.”.

(h) Article 83

By deleting the Article 83 in its entirety and replacing with the following paragraph:

“Question of adjournment 83. Any question of adjournment shall be decided at the meeting and without adjournment.”.

(i) Article 84

By deleting Article 84 in its entirety and replacing with the following new paragraph:

“Chairman to have casting vote 84. In the case of an equality of votes, the Chairman of the meeting shall be entitled to a second or casting vote.”.

(j) Article 85

By deleting the word “A” at the beginning of Article 85 and replacing it with “Subject to the Listing Rules, a”.



## NOTICE OF AGM

(k) Article 86

By deleting Article 86 in its entirety and replacing with the following new paragraph:

“Votes of Members      86. Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting, every member present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have one vote for each share registered in his name in the register. A member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way. For the avoidance of doubt, where more than one proxy is appointed by a recognised clearing house or its nominee(s), each proxy is under no obligation to cast all his votes in the same way.”.

(l) Article 89

By deleting Article 89 in its entirety and replacing with the following new paragraph:

“Votes of members      89. A member in respect of whom an  
of unsound mind      order has been made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote by any person authorized in such circumstances to do so by proxy.”.

## NOTICE OF AGM

(m) Article 91

By deleting Article 91 in its entirety and replacing with the following new paragraph:

“Proxies 91. Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (who must be an individual) as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the meeting. Votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member (whether or not a recognized clearing house) may appoint any number of proxies to attend in his stead at any one general meeting (or at any one class meeting).”.

## NOTICE OF AGM

(n) Article 93

By deleting Article 93 in its entirety and replacing with the following new paragraph:

“Delivery of authority for appointment of proxy

93. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority, (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the registered office of the Company (or at such other place as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any document sent therewith) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid provided always that the Chairman of the meeting may at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited upon receipt of telex or cable or facsimile confirmation from the appointor that the instrument of proxy duly signed is in the course of transmission to the Company. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. Delivery of any instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.”.

## NOTICE OF AGM

(o) Article 95

By deleting Article 95 in its entirety and replacing with the following new paragraph:

“Authority under Instrument Appointing Proxy      95. The instrument appointing a proxy to vote at a general meeting shall: (a) be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit; and (b) unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates, provided that the meeting was originally held within 12 months from such date.”.

(p) Article 97(b)

By deleting Article 97(b) in its entirety and replacing with the following new paragraph:

“If a recognised clearing house (or its nominees) is a member of the Company it may, by resolution of its directors or other governing body or by power of attorney, authorise such person or persons as it thinks fit to act as its representative(s) or proxy(ies) at any general meeting of the Company or any general meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation or proxy form shall specify the number and class of shares in respect of which each such person is so authorised. A person so authorised pursuant to this provision will be deemed to have been duly authorised without the need for producing any documents of title, notarised authorisation and/or further evidence for substantiating the facts that it is duly authorised and will be entitled to exercise the same rights and powers on behalf of the recognised clearing house (or its nominees) which he represents as that recognized clearing house (or its nominees) could exercise as if it were an individual member of the Company holding the number and class of shares specified in such authorisation.”

## NOTICE OF AGM

(q) Article 168(a)

By deleting Article 168(a) in its entirety and replacing with the following new paragraph:

“Services of notices or documents      168. (a) Except as otherwise provided in these Articles, any Corporate Communication may be served by the Company and any notices may be served by the Board on any member either personally or by sending it through the post in a prepaid letter addressed to such member at his registered address as appearing in the register or, to the extent permitted by the Listing Rules and all applicable laws and regulations, by electronic means by transmitting it to any electronic number or address or website supplied by the member to the Company or by placing it on the Company’s Website provided that the Company has obtained either (a) the member’s prior express positive confirmation in writing or (b) the member’s deemed consent, in the manner specified in the Listing Rules to receive or otherwise have made available to him notices and documents to be given or issued to him by the Company by such electronic means, or (in the case of notice) by advertisement published in the manner prescribed under the Listing Rules. In the case of joint holders of a share, all notices shall be given to that holder for the time being whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders.”.

## NOTICE OF AGM

(r) Article 169

By deleting Article 169 in its entirety and replacing with the following new paragraph:

“Members out of Hong Kong                      169.    A member shall be entitled to have notice served on him at any address within Hong Kong. Any member who has not given an express positive confirmation or a deemed confirmation to the Company in the manner specified in the Listing Rules to receive or otherwise have made available to him notices and documents to be given or issued to him by the Company by electronic means and whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which for the purpose of service of notice shall be deemed to be his registered address. A member who has no registered address in Hong Kong shall be deemed to have received any notice which shall have been displayed at the registered office of the Company and shall have remained there for the space of 24 hours and such notice shall be deemed to have been received by such member on the day following that on which it shall have been first so displayed, provided that, without prejudice to the other provisions of these Articles, nothing in this Article 169 shall be construed as prohibiting the Company from sending, or entitling the Company not to send, notices or other documents of the Company to any member whose registered address is outside Hong Kong.”.

## NOTICE OF AGM

(s) Article 170

By deleting Article 170 in its entirety and replacing with the following new paragraph:

- “When Corporate Communication deemed to be served
170. (a) Any notice or document sent by post shall be deemed to have been served on the day following that on which it is put into a post office situated within Hong Kong and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly prepaid, addressed and put into such post office and a certificate in writing signed by the Secretary or other person appointed by the Board that the envelope or wrapper containing the notice or document was so addressed and put into such post office shall be conclusive evidence thereof.
- (b) Any notice or other document delivered or left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so delivered or left.
- (c) Any notice served by advertisement shall be deemed to have been served on the day of issue of official publication and/or newspaper(s) in which the advertisement is published (or on the first day of issue if the publication and/or newspaper(s) are published on different dates).

## NOTICE OF AGM

(d) Any notice given by electronic means as provided herein shall be deemed to have been served and delivered on the day following that on which it is successfully transmitted or at such later time as may be prescribed by the Listing Rules or any applicable laws or regulations.”.

(t) Article 174

By deleting Article 174 in its entirety and replacing with the following new paragraph:

“How notice to be signed                      174. The signature to any notice to be given by the Company may be written or printed by means of facsimile or, where relevant, by Electronic Signature.”.

11(C) “**THAT** the new restated and consolidated memorandum and articles of association of the Company, consolidating all of the proposed amendments referred to in paragraphs 11(A) and 11(B) above and all previous amendments made in compliance with the Listing Rules and applicable laws, a copy of which has been produced to this meeting and marked “A” and initialled by the chairman of this meeting for the purpose of identification, be and are hereby adopted with immediate effect in replacement of the existing memorandum and articles of association of the Company.”.

By order of the Board  
**Dr. Tsai Yen Yu**  
*Chairman*

Hong Kong, 23 April 2009



## NOTICE OF AGM

*Notes:*

1. A member of the Company who is a holder of two or more Shares, and who is entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company. Completion and return of the form of proxy will not preclude a member of the Company from attending the AGM and vote in person. In such event, his form of proxy will be deemed to have been revoked.
2. A form of proxy for the AGM is enclosed. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the Company's branch share registrar in Hong Kong, Hong Kong Registrars Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 48 hours before the time for holding the AGM or any adjournment thereof.
3. With regard to Resolutions 8 and 10 above, the Directors wish to state that they have no immediate plans to issue any new shares of the Company pursuant to the general mandate granted under Resolution 8 above.

*As at the date of this notice, the Executive Directors of the Company are Dr. Tsai Yen Yu, Mr. Lee Ming Ta, Dr. Su Chien Cheng and Dr. Su Sh Hsyu. The Independent Non-executive Directors of the Company are Mr. Yeh Liang Fei, Mrs. Chen Shieh Shu Chen and Mr. Chen Ching.*