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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)

**CONTINUING CONNECTED TRANSACTIONS AND
CONNECTED TRANSACTION**

**(I) SUPPLEMENTAL AGREEMENTS TO
CERTAIN EXISTING CCT AGREEMENTS**

(II) 2020 CCT AGREEMENTS

AND

(III) TRANSFER OF SPA BUSINESS AGREEMENT

References are made to the announcements of the Company dated 22 March 2019 and 16 April 2019 in relation to Expired CCT Agreements and Existing CCT Agreements, and the circular of the Company dated 17 May 2020 in relation to the Existing CCT Agreements.

As disclosed in the announcement of the Company dated 16 April 2019, the Company (through its subsidiaries) entered into the Existing CCT Agreements on 16 April 2019. As the Directors consider that the cooperation between the Group and the EMI Group under the Existing 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 and the EMI Group by entering into (i) the Supplemental Agreements to certain Existing CCT Agreements and (ii) the 2020 CCT Agreements.

The Directors consider that the proposed disposal of the Spa Business will improve the Group's asset turnover rate and generate additional cash inflow, and also would enhance the Group's ability to focus on the franchising business, as such Taiwan NB, an indirect wholly-owned subsidiary of the Company, entered into the Transfer of Spa Business Agreement with Eastern Home.

SUPPLEMENTAL AGREEMENTS TO CERTAIN EXISTING CCT AGREEMENTS

On 22 July 2020, Taiwan NB, an indirect wholly-owned subsidiary of the Company, entered into the ET New Media Supplemental Agreement with ET New Media, pursuant to which Taiwan NB agreed to amend certain terms of the Existing ET New Media Cooperation Agreement. Under the ET New Media Supplemental Agreement, amongst others, in addition to the advertising service that ET New Media currently provides, Taiwan NB shall also supply and sell Taiwan NB's products on ET New Media's sale channels or engage ET New Media to sell on other third party sale channels, and certain annual caps will be adjusted.

On 22 July 2020, Taiwan NB, an indirect wholly-owned subsidiary of the Company, entered into the Eastern Home Supplemental Agreement with Eastern Home, pursuant to which Taiwan NB agreed to amend certain terms of the Existing Eastern Home Consignment Agreement. Under the Eastern Home Supplemental Agreement, amongst others, Taiwan NB shall grant Eastern Home a non-exclusive licence to use the Trademarks in respect of products mutually agreed between the parties, and certain annual caps will be adjusted.

On 22 July 2020, Taiwan NB, an indirect wholly-owned subsidiary of the Company, entered into the Eastern Global Supplemental Agreement with Eastern Global, pursuant to which Taiwan NB agreed to amend certain terms of the Existing Eastern Global Procurement Agreement. Under the Eastern Global Supplemental Agreement, amongst others, certain annual caps will be adjusted.

2020 CCT AGREEMENTS

On 22 July 2020, Taiwan NB, an indirect wholly-owned subsidiary of the Company, entered into the Eastern New Retail Procurement Agreement, with Eastern New Retail, pursuant to which Taiwan NB shall authorise the sale of the Target Products to end customers and the use of related promotional materials by Eastern New Retail, and shall be responsible for the provision of the Target Products; while Eastern New Retail shall be responsible for the sale of the Target Products via channels owned by Eastern New Retail and other third party channels.

On 22 July 2020, Taiwan NB, an indirect wholly-owned subsidiary of the Company, entered into the Focus Media Cooperation and Procurement Agreement with Focus Media, pursuant to which Taiwan NB agrees to engage Focus Media to produce, publish and broadcast advertisements and to organise media events, with a view to enhancing the brand image of "Natural Beauty" and to raise public awareness on the brand; and authorise the sale of the Target Products to end customers and the use of related promotional materials by Focus Media; while Focus Media agrees to produce, publish and broadcast advertisements and to organise media events, and sell the Target Products via channels owned by Focus Media and third party channels.

On 22 July 2020, NB China, a direct wholly-owned subsidiary of the Company, entered into the Eastern Global HK Procurement Agreement with Eastern Global HK, pursuant to which Eastern Global HK may from time to time make wholesale purchase of products of NB China such as food, cosmetic products, and NB China shall sell such products to Eastern Global HK at a certain discount to the relevant retail price.

On 22 July 2020, NB Shanghai, a indirect wholly-owned subsidiary of the Company, entered into the Eastern Zhenyu Procurement Agreement with Eastern Zhenyu, pursuant to which Eastern Zhenyu may from time to time make wholesale purchase of products of NB Shanghai such as food, cosmetic products, and NB Shanghai shall sell such products to Eastern Global at a certain discount to the relevant retail price.

On 22 July 2020, NB China, a direct wholly-owned subsidiary of the Company, entered into the Strawberry Procurement Agreement with Strawberry, pursuant to which Strawberry may from time to time make wholesale purchase of products of NB China such as food, cosmetic products, and NB China shall sell such products to Strawberry at a certain discount to the relevant retail price.

On 22 July 2020, Taiwan NB, an indirect wholly-owned subsidiary of the Company, entered into the Eastern Home Franchise Agreement with Eastern Home, pursuant to which Taiwan NB agreed to grant Eastern Home a non-exclusive licence to use certain Trademarks in respect of certain skin care products and provide Eastern Home with consultancy services in connection with Eastern Home's operation and management of spa business under the brand name "Natural Beauty".

TRANSFER OF SPA BUSINESS AGREEMENT

On 22 July 2020, Taiwan NB, an indirect wholly-owned subsidiary of the Company, entered into the Transfer of Spa Business Agreement with Eastern Home, pursuant to which Taiwan NB agreed to sell, and Eastern Home agreed to purchase the Spa Business at the consideration of NT\$37,436,889 (equivalent to approximately HK\$9,755,795).

LISTING RULES IMPLICATIONS

The transactions contemplated under each of the Supplemental Agreements and the 2020 CCT Agreements constitute connected continuing transactions of the Company under Chapter 14A of the Listing Rules; and the transactions contemplated under the Transfer of Spa Business Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

According to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the existing annual caps or effect a material change to the terms of its continuing connected transactions, the Company will be required to re-comply with the relevant requirements under Chapter 14A of the Listing Rules.

Since (a) ET New Media, Eastern Home, Eastern Global, Eastern New Retail, Focus Media, Eastern Zhenyu 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) the Supplemental Agreements, the 2020 CCT Agreements and Transfer of Spa Business Agreement were all entered into or completed within a 12-month period or are otherwise related, the Directors consider it is appropriate to aggregate the Supplemental Agreements, the 2020 CCT Agreements and Transfer of Spa Business Agreement pursuant to Rule 14A.81 of the Listing Rules.

As the highest applicable percentage ratio in respect of the aggregate of (i) the highest combined annual caps of each of the Supplemental Agreements (ii) the highest combined annual caps of each of the 2020 CCT Agreements and (iii) the Transfer of Spa Business Agreement exceeds 5% and the aggregate consideration is more than HK\$10,000,000, the entering into of the Supplemental Agreements, the 2020 CCT agreements and Transfer of Spa Business Agreement is subject to the reporting, announcement, independent Shareholders' approval and (other than the Transfer of Spa Business Agreement) annual review requirements under Chapter 14A of the Listing Rules.

Since the Directors consider that the transactions contemplated under the Supplemental Agreements and the 2020 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.

As all applicable ratios (as defined in the Listing Rules) in respect of the Transfer of Spa Business Agreement are less than 5%, the Transfer of Spa Business Agreement does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules and are not subject to the requirements under Chapter 14 the Listing Rules.

A circular containing, among other things, further details of the Supplemental Agreements, the 2020 CCT Agreements and Transfer of Spa Business Agreement, the respective advice of the Independent Financial Adviser and the Independent Board Committee and the notice of the EGM is expected to be despatched to the Shareholders on or before 12 August 2020.

The EGM will be convened and held for, among other things, the independent Shareholders to approve the Supplemental Agreements, the 2020 CCT Agreements and Transfer of Spa Business Agreement, and the transactions contemplated thereunder (including the annual caps, where applicable).

INTRODUCTION

Reference is made to (i) the announcement of the Company dated 22 March 2019 in relation to the Expired CCT Agreements, (ii) the announcement of the Company dated 16 April 2019 in relation to the Existing CCT Agreements (the “**Announcement**”), and (iii) the circular of the Company dated 17 May 2020 in relation to the Existing CCT Agreements.

As disclosed in the Announcement, the Company (through its subsidiaries) entered into the Existing CCT Agreements on 16 April 2019. As the Directors consider that the cooperation between the Group and the EMI Group under the Existing 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 and the EMI Group by entering into (i) the Supplemental Agreements to certain Existing CCT Agreements and (ii) the 2020 CCT Agreements.

The Directors consider that the proposed disposal of the Spa Business will improve the Group’s asset turnover rate and generate additional cash inflow, and also would enhance the Group’s ability to focus on the franchising business, as such Taiwan NB, an indirect wholly-owned subsidiary of the Company, entered into the Transfer of Spa Business Agreement with Eastern Home.

A. ET NEW MEDIA SUPPLEMENTAL AGREEMENT

On 22 July 2020 (after trading hours), Taiwan NB, an indirect wholly-owned subsidiary of the Company, entered into the ET New Media Supplemental Agreement with ET New Media to amend the Existing ET New Media Cooperation Agreement.

As disclosed in the Announcement, ET New Media is a connected person of the Company for the purposes of the Listing Rules. As such, the transactions contemplated under the Existing ET New Media Cooperation Agreement as amended by the ET New Media Supplemental Agreement constitute continuing connected transactions of the Company.

Major terms of the Existing ET New Media Cooperation Agreement, and changes made thereto pursuant to the ET New Media Supplemental Agreement, are summarised below.

	Existing ET New Media Cooperation Agreement	ET New Media Supplemental Agreement
Date	16 April 2019	22 July 2020
Parties	(i) Taiwan NB; and (ii) ET New Media	(i) Taiwan NB; and (ii) ET New Media

	Existing ET New Media Cooperation Agreement	ET New Media Supplemental Agreement
Advertising Service	<p>Taiwan NB agrees to engage ET New Media to produce, publish and broadcast advertisements and to organise media events, with a view to enhancing the image of the “Natural Beauty” brand and to raise public awareness on the brand (“Advertising Service”).</p> <p>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.</p>	No change.
Pricing of Advertising Service	For each advertising project, ET New Media shall offer at least 50% discount to the list price of such project (being prices ET New Media offer to its clients which are Independent Third Parties).	No change.
Products Procurement	N/A.	ET New Media may procure from Taiwan NB, and Taiwan NB shall supply and sell to ET New Media, Taiwan NB’s products (“ Products Procurement ”).

**Existing ET New Media
Cooperation Agreement**

**ET New Media
Supplemental Agreement**

**Pricing of Products
Procurement** N/A.

Taiwan NB's products procured by ET New Media will be marketed and sold by ET New Media through its own sales channels or third party sales channels.

Taiwan NB shall sell its products to ET New Media at 50%–70% discount to their retail price.

Condition

The Existing ET New Media Cooperation Agreement would only become effective upon the Company having obtained independent Shareholders' approval pursuant to the Listing Rules.

The ET New Media Supplemental Agreement shall only become effective upon the Company having obtained independent Shareholders' approval pursuant to the Listing Rules.

Note: The condition was satisfied on 3 June 2019.

Term

From 1 June 2019 to 31 May 2022.

From effective date to 31 August 2023.

Basis of determination of pricing term

As disclosed above, the pricing term of the Advertising Service remains unchanged. As disclosed in the circular of the Company dated 17 May 2019, the parties to the Existing ET New Media Agreement 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 its independent Shareholders as a whole.

In terms of the pricing of the Products Procurement, the parties to the ET New Media Supplemental Agreement determined the pricing term thereunder (as disclosed above) based on the wholesale market prices for similar products and in similar quantities offered by Independent Third Parties. Since the pricing under the ET New Media Supplemental 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 in relation to Product Procurement under the ET New Media Supplemental Agreement to be fair and reasonable and in the interests of the Company and its independent Shareholders as a whole.

Historical transaction amount

Taiwan NB signed the Expired ET New Media Cooperation Agreement with ET New Media on 22 March 2019, which expired on 31 May 2019, with terms similar to the Existing ET New Media Cooperation Agreement.

Taiwan NB signed the Existing ET New Media Cooperation Agreement with ET New Media on 16 April 2019, which will expire on 31 May 2022. As at the date of this announcement, the aggregate fees paid or payable by Taiwan NB under the Expired ET New Media Cooperation Agreement and the Existing ET New Media Cooperation Agreement, which relate solely to the Advertising Service up to the date of this announcement, amounted to approximately NT\$2,553,851 (equivalent to approximately HK\$665,516) and NT\$4,667,768 (equivalent to approximately HK\$1,216,388) respectively.

Annual caps

Pursuant to the terms of the ET New Media Supplemental Agreement, the existing annual caps in respect of the fees payable by Taiwan NB to ET New Media under the Advertising Service will be adjusted, and the aggregate amount of goods to be purchased by ET New Media shall be subject to the annual caps, as follows:

	1 June 2019 to 31 December 2019	1 January 2020 to 31 December 2020	1 January 2021 to 31 December 2021	1 January 2022 to 31 December 2022	1 January 2023 to 31 August 2023
Existing annual caps for Advertising Service under the Existing ET New Media Cooperation Agreement	NT\$15,000,000 (equivalent to approximately HK\$3,908,897)	NT\$30,000,000 (equivalent to approximately HK\$7,817,793)	NT\$30,000,000 (equivalent to approximately HK\$7,817,793)	NT\$10,000,000 (equivalent to approximately HK\$2,605,931) <i>(Note 1)</i>	N/A.
Adjusted annual caps for Advertising Service under the ET New Media Supplemental Agreement	N/A.	No change.	NT\$50,000,000 (equivalent to approximately HK\$13,029,655)	NT\$80,000,000 (equivalent to approximately HK\$20,847,449)	NT\$100,000,000 (equivalent to approximately HK\$26,059,311)
Annual caps for Products Procurement under the ET New Media Supplemental Agreement	N/A.	NT\$30,000,000 (equivalent to approximately HK\$7,817,793) <i>(Note 2)</i>	NT\$50,000,000 (equivalent to approximately HK\$13,029,655)	NT\$100,000,000 (equivalent to approximately HK\$26,059,311)	NT\$120,000,000 (equivalent to approximately HK\$26,059,311)

Note 1: For the period from 1 January 2022 to 31 May 2022.

Note 2: For the period from the effective date of the ET New Media Supplemental Agreement to 31 December 2020.

The actual transaction values of the transactions contemplated under the Expired ET New Media Cooperation Agreement and the Existing ET New Media Cooperation Agreement for 2019 and for the six months ended 30 June 2020 are set out below:

	1 June 2019 to 31 December 2019	1 January 2020 to 30 June 2020
Existing annual caps	NT\$15,000,000 (equivalent to approximately HK\$3,908,897)	NT\$30,000,000 (equivalent to approximately HK\$7,817,793) <i>(Note 1)</i>
Value of actual transactions	NT\$6,093,916 (equivalent to approximately HK\$1,588,033)	NT\$1,127,703 (equivalent to approximately HK\$293,872)
Utilisation rate of existing annual caps	40.6%	3.8%

Note 1: For the period from 1 January 2020 to 31 December 2020.

The above annual caps for Advertising Service as adjusted by ET New Media Supplemental Agreement and the annual caps for Products Procurement have 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 Expired ET New Media Cooperation Agreement and the Existing ET New Media Cooperation Agreement;
- (ii) the marketing plan and campaigns of Taiwan NB for the same periods;
- (iii) the advertising volume that Taiwan NB is expected to purchase from ET New Media for the same periods; and
- (iv) the projected sale of Taiwan NB products to ET New Media for the same periods.

Information on the parties

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.

Taiwan NB is a company incorporated in Taiwan with limited liability. It is principally engaged in (i) production and sale of skin care and beauty products, and (ii) provision of beauty treatments and spa services and the relevant training services.

B. EASTERN HOME SUPPLEMENTAL AGREEMENT

On 22 July 2020 (after trading hours), Taiwan NB, an indirect wholly-owned subsidiary of the Company, entered into the Eastern Home Supplemental Agreement with Eastern Home to amend the Existing Eastern Home Consignment Agreement.

As disclosed in the Announcement, 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 Existing Eastern Home Consignment Agreement as amended by the Eastern Home Supplemental Agreement constitute continuing connected transactions of the Company.

Major terms of the Existing Eastern Home Consignment Agreement, and changes made thereto pursuant to the Eastern Home Supplemental Agreement, are summarised below:

	Existing Eastern Home Consignment Agreement	Eastern Home Supplemental Agreement
Date	16 April 2019	22 July 2020
Parties	(i) Taiwan NB; and (ii) Eastern Home	(i) Taiwan NB; and (ii) Eastern Home
Products Procurement	Taiwan NB will engage Eastern Home to sell certain products manufactured, distributed or sold by Taiwan NB (the “ Target Products ”) which are selected by Eastern Home as target products (the “ Products Procurement ”).	No change.

**Existing Eastern Home
Consignment Agreement**

**Eastern Home
Supplemental Agreement**

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

Eastern Home shall be responsible for marketing and selling the Target Products to end customers through its own distribution channels or third party distribution channels.

**Pricing of Products
Procurement**

The retail price of the Target Products being sold by Eastern Home shall be proposed by Eastern Home and fixed upon the consent of Taiwan NB.

The price of the Target Products sold by Taiwan NB to Eastern Home shall be at 50% to 70% discount to their retail price, or 80% to 90% discount to their retail price if it is test products, salon-only products or near expiry products.

	Existing Eastern Home Consignment Agreement	Eastern Home Supplemental Agreement
Sale Commission	N/A.	<p>Taiwan NB shall pay an annual sale commission to Eastern Home as follows:</p> <ul style="list-style-type: none"> (a) if the product sales from Taiwan NB to Eastern Home for Products Procurement in a year amounts to NT\$300,000,000 to NT\$500,000,000, 10% of the product sales amount; (b) if the product sales from Taiwan NB to Eastern Home for Products Procurement in a year amounts to NT\$500,000,000 to NT\$800,000,000, 15% of the product sales amount exceeding NT\$500,000,000; and (c) if the product sales from Taiwan NB to Eastern Home for Products Procurement in a year amounts to more than NT\$800,000,000, 20% of the product sales amount exceeding NT\$800,000,000.

	Existing Eastern Home Consignment Agreement	Eastern Home Supplemental Agreement
Costs	Taiwan NB shall be responsible for the costs in relation to the sale of Product Procurements to end customers.	Taiwan NB shall be responsible for the costs in relation to the sale of Product Procurements to end customers, including the costs associated with the marketing, transportation and programme production (“Costs”).
Trademark licence	N/A.	Eastern Home shall pay Taiwan NB a royalty for licence to use the Trademarks (the “Royalty”).
Pricing of Trademark licence	N/A.	The Royalty is calculated at 3–10% of the selling price (before tax; and after deduction of any discount) from the sale of mutually agreed products.
Condition	The Existing Eastern Home Consignment Agreement would only become effective upon the Company having obtained independent Shareholders’ approval pursuant to the Listing Rules.	The Eastern Home Supplemental Agreement shall only become effective upon the Company having obtained independent Shareholders’ approval pursuant to the Listing Rules.
	<i>Note:</i> The condition was satisfied on 3 June 2019.	
Term	From 1 June 2019 to 31 May 2022.	From effective date to 31 August 2023.

Basis of determination of pricing term

In terms of the pricing term of the Products Procurement, the parties to the Eastern Home Supplemental Agreement determined the pricing term thereunder based on the wholesale market prices for similar products and in similar quantities offered by Independent Third Parties. Since the pricing under the Eastern Home Supplemental 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 of the Products Procurement under the Eastern Home Supplemental Agreement to be fair and reasonable and in the interests of the Company and its independent Shareholders as a whole.

In terms of the pricing of the Royalty, the parties to the Eastern Home Supplemental Agreement determined the rate of Royalty based on the market level of royalty rates under similar trademark licence agreements. Since the rate of Royalty is in line with the said market level, the Directors consider (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) that it is no less favourable than that offered by Independent Third Parties. As such, the Directors consider the pricing term of the Royalty under the Eastern Home Supplemental Agreement to be fair and reasonable and in the interests of the Company and its independent Shareholders as a whole.

Historical transaction amount

Taiwan NB signed the Previous Eastern Home Consignment Agreement with Eastern Home on 10 December 2018, which expired on 21 March 2019, with terms similar to the Expired Eastern Home Consignment Agreement.

Taiwan NB signed the Expired Eastern Home Consignment Agreement with Eastern Home on 22 March 2019, which expired on 31 May 2019, with terms generally similar to the Existing Eastern Home Consignment Agreement.

Taiwan NB signed the Existing Eastern Home Consignment Agreement with Eastern Home on 16 April 2019, which will expire on 31 May 2022. As at the date of this announcement, the aggregate Net Proceeds (as defined below) of Taiwan NB under the Previous Eastern Home Consignment Agreement, the Expired Eastern Home Consignment Agreement and Existing Eastern Home Consignment Agreement are NT\$4,194,312 (equivalent to approximately HK\$1,093,009), NT\$22,415,945 (equivalent to approximately HK\$5,841,441) and NT\$230,620,427 (equivalent to approximately HK\$60,098,094) respectively.

Annual cap

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

Pursuant to the terms of the Eastern Home Supplemental Agreement, the annual cap in respect of Products Procurement will be determined based on the sales amount that Eastern Home would pay to Taiwan NB when Eastern Home made the purchase. Such annual caps in relation to Product Procurement, and annual caps relating to the aggregate Costs payable by Taiwan NB and the aggregate Royalty payable by Eastern Home are set out as follows:

	1 June 2019 to 31 December 2019	1 January 2020 to 31 December 2020	1 January 2021 to 31 December 2021	1 January 2022 to 31 December 2022	1 January 2023 to 31 August 2023
Existing annual caps for Net Proceeds under the Existing Eastern Home Consignment Agreement	NT\$200,000,000 (equivalent to approximately HK\$52,118,622)	NT\$500,000,000 (equivalent to approximately HK\$130,296,555)	NT\$800,000,000 (equivalent to approximately HK\$208,474,488)	NT\$500,000,000 (equivalent to approximately HK\$130,296,555) <i>(Note 1)</i>	N/A.
Annual caps for Products Procurement under the Eastern Home Supplemental Agreement	N/A.	NT\$400,000,000 (equivalent to approximately HK\$104,237,244) <i>(Note 2)</i>	NT\$800,000,000 (equivalent to approximately HK\$208,474,488)	NT\$1,200,000,000 (equivalent to approximately HK\$312,711,732)	NT\$1,500,000,000 (equivalent to approximately HK\$2,390,889,665)
Annual caps for Costs under the Eastern Home Supplemental Agreement	N/A.	NT\$60,000,000 (equivalent to approximately HK\$15,635,589) <i>(Note 2)</i>	NT\$96,000,000 (equivalent to approximately HK\$25,016,939)	NT\$150,000,000 (equivalent to approximately HK\$39,088,966)	NT\$200,000,000 (equivalent to approximately HK\$52,118,622)
Annual caps for Royalty under the Eastern Home Supplemental Agreement	N/A.	NT\$100,000,000 (equivalent to approximately HK\$26,059,311) <i>(Note 2)</i>	NT\$200,000,000 (equivalent to approximately HK\$52,118,622)	NT\$400,000,000 (equivalent to approximately HK\$104,237,244)	NT\$400,000,000 (equivalent to approximately HK\$104,237,244)

Note 1: For the period from 1 January 2022 to 31 May 2022.

Note 2: For the period from the effective date to 31 December 2020.

The actual Net Proceeds of the transactions contemplated under the Previous Eastern Home Consignment Agreement, the Expired Eastern Home Consignment Agreement and the Existing Eastern Home Consignment Agreement for 2019 and for the six months ended 30 June 2020 are set out below:

	1 June 2019 to 31 December 2019	1 January 2020 to 30 June 2020
Existing annual caps	NT\$200,000,000 (equivalent to approximately HK\$52,118,622)	NT\$500,000,000 (equivalent to approximately HK\$130,296,555) <i>(Note 1)</i>
Value of actual Net Proceeds	NT\$133,964,584 (equivalent to approximately HK\$34,910,248)	NT\$118,930,363 (equivalent to approximately HK\$30,992,433)
Utilisation rate of existing annual caps	67.0%	6.2%

Note 1: For the period from 1 January 2020 to 31 December 2020.

The above annual caps for Products Procurement, Costs and Royalty have been arrived at based on the following factors:

- (i) the historical transaction amount in respect of the Net Proceeds under the Previous Eastern Home Consignment Agreement, the Expired Eastern Home Consignment Agreement and the Existing Eastern Home Consignment Agreement respectively;
- (ii) the projected sale of Target Products and the sale of products that are subject to the Royalty under the Eastern Home Supplemental Agreement; and
- (iii) the projected amount of costs based on the projected sale of Target Products.

Information on the parties

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.

Taiwan NB is a company incorporated in Taiwan with limited liability. It is principally engaged in (i) production and sale of skin care and beauty products, and (ii) provision of beauty treatments and spa services and the relevant training services.

C. EASTERN GLOBAL SUPPLEMENTAL AGREEMENT

On 22 July 2020 (after trading hours), Taiwan NB, an indirect wholly-owned subsidiary of the Company, entered into the Eastern Global Supplemental Agreement with Eastern Global.

As disclosed in the Announcement, 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 Existing Eastern Global Supplemental Agreement (as amended by the Eastern Global Supplemental Agreement) constitute continuing connected transactions of the Company.

Major terms of the Existing Eastern Global Procurement Agreement, and changes made thereto pursuant to the Eastern Global Supplemental Agreement are summarised below:

	Existing Eastern Global Procurement Agreement	Eastern Global Supplemental Agreement
Date	16 April 2019	22 July 2020
Parties	(i) Taiwan NB; and (ii) Eastern Global	(i) Taiwan NB; and (ii) Eastern Global
Nature of transactions	Eastern Global may from time to time make wholesale purchase of Taiwan NB products such as health supplements, skin-care products and cosmetic products, and Taiwan NB shall sell such products to Eastern Global at 60%–70% discount to relevant retail price for on-sale by Eastern Global.	No Change.

	Existing Eastern Global Procurement Agreement	Eastern Global Supplemental Agreement
Condition	The Existing Eastern Global Procurement Agreement would only become effective upon the Company having obtained independent Shareholders' approval pursuant to the Listing Rules.	The Eastern Global Supplemental Agreement shall only become effective upon the Company having obtained independent Shareholders' approval pursuant to the Listing Rules.
	<i>Note:</i> The condition was satisfied on 3 June 2019.	
Term	From 1 June 2019 to 31 May 2022.	From effective date to 31 August 2023.

Historical transaction amount

Taiwan NB signed the Previous Eastern Global Procurement Agreement with Eastern Global on 1 November 2018, which expired on 21 March 2019, with terms similar to the Expired Eastern Global Procurement Agreement.

Taiwan NB signed the Expired Eastern Global Procurement Agreement with Eastern Global on 22 March 2019, which expired on 31 May 2019, with terms generally similar to the Existing Eastern Global Procurement Agreement.

Taiwan NB signed the Existing Eastern Global Procurement Agreement with Eastern Global on 16 April 2019, which will expire on 31 May 2022. As at the date of this announcement, the aggregate amount of purchase made by Eastern Global under the Previous Eastern Global Procurement Agreement, the Expired Eastern Global Procurement Agreement and Existing Eastern Global Procurement Agreement are approximately nil, NT\$4,760,001 (equivalent to approximately HK\$1,240,423) and NT\$59,052,055 (equivalent to approximately HK\$15,388,559) respectively.

Annual cap

Pursuant to the terms of the Eastern Global Supplemental Agreement, the existing annual cap in respect of the aggregate amount of purchase to be made by Eastern Global thereunder shall be adjusted as follows:

	1 June 2019 to 1 December 2019	1 January 2020 to 31 December 2020	1 January 2021 to 31 December 2021	1 January 2022 to 31 December 2022	1 January 2023 to 31 August 2023
Existing annual caps under Existing Eastern Global Procurement Agreement	NT\$70,000,000 (equivalent to approximately HK\$18,241,518)	NT\$150,000,000 (equivalent to approximately HK\$39,088,966)	NT\$250,000,000 (equivalent to approximately HK\$65,148,277)	NT\$150,000,000 (equivalent to approximately HK\$39,088,966) <i>(Note 1)</i>	N/A.
Adjusted annual caps under Eastern Global Supplemental Agreement	N/A.	NT\$200,000,000 (equivalent to approximately HK\$52,118,622) <i>(Note 2)</i>	NT\$500,000,000 (equivalent to approximately HK\$130,296,555)	NT\$1,000,000,000 (equivalent to approximately HK\$260,593,110)	NT\$1,200,000,000 (equivalent to approximately HK\$312,711,732)

Note 1: For the period from 1 January 2022 to 31 May 2022.

Note 2: For the period from the effective date to 31 December 2020.

The actual transaction values of the transactions contemplated under the Previous Eastern Global Procurement Agreement, the Expired Eastern Global Procurement Agreement and the Existing Eastern Global Procurement Agreement for 2019 and for the six months ended 30 June 2020 are set out below:

	1 June 2019 to 31 December 2019	1 January 2020 to 30 June 2020
Existing annual caps	NT\$70,000,000 (equivalent to approximately HK\$18,241,518)	NT\$150,000,000 (equivalent to approximately HK\$39,088,966) <i>(Note 1)</i>
Value of actual transactions	NT\$35,423,463 (equivalent to approximately HK\$9,231,110)	NT\$118,930,363 (equivalent to approximately HK\$30,992,433)
Utilisation rate of existing annual caps	50.6%	18.9%

Note 1: For the period from 1 January 2020 to 31 December 2020.

The above annual caps as adjusted under the Eastern Global Supplemental Agreement have been arrived at based on the following factors:

- (i) the historical amount of purchase made by Eastern Global under the Previous Eastern Global Procurement Agreement, the Expired Eastern Global Procurement Agreement and the Existing Eastern Global Procurement Agreement respectively;
- (ii) the projected amount of purchase to be made by Eastern Global under the Existing Eastern Global Procurement Agreement (as amended or supplemented by the Eastern Global Supplemental Agreement); and
- (iii) the changes in the price of the products to be purchased.

Information on the parties

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

Taiwan NB is a company incorporated in Taiwan with limited liability. It is principally engaged in (i) production and sale of skin care and beauty products, and (ii) provision of beauty treatments and spa services and the relevant training services.

D. ET NEW RETAIL PROCUREMENT AGREEMENT

On 22 July 2020 (after trading hours), Taiwan NB, an indirect wholly-owned subsidiary of the Company, entered into the ET New Retail Procurement Agreement with ET New Retail.

ET New Retail is a wholly-owned subsidiary of Eastern Home. As disclosed in the Announcement, 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 Procurement Agreement constitute continuing connected transactions of the Company.

Major terms of the ET New Retail Procurement Agreement are summarised below:

Date	22 July 2020
Parties	(i) Taiwan NB; and (ii) ET New Retail
Products Procurement	Taiwan NB will engage ET New Retail to sell certain products (the “ Target Products ”) supplied by Taiwan NB (the “ Products Procurement ”). Taiwan NB shall authorise ET New Retail to sell the Target Products to end customers and to use related promotional materials for such purpose. ET New Retail shall be responsible for marketing and selling the Target Products to end customers through its own distribution channels or third party distribution channels.

Pricing of Products Procurement	At 50%–70% discount to the relevant market retail price
Costs of Products Procurement	Taiwan NB shall be responsible for the costs associated with the marketing, transportation and programme production (“ Costs ”) incurred by ET New Retail relating to the procurement and sale of Target Products.
Annual Reward – Products Procurement	<p>5% of the total purchase by ET New Retail will be rebated to ET New Retail when the aggregated annual purchase amount reaches NT\$100,000,000 (equivalent to approximately HK\$26,059,311);</p> <p>10% of the aggregated annual purchase amount that exceeds NT\$100,000,000 to NT\$300,000,000 by ET New Retail will be rebated to ET New Retail when the aggregated annual purchase amount reaches NT\$100,000,000 to NT\$300,000,000 (equivalent to approximately HK\$26,059,311 to HK\$78,177,933); and</p> <p>15% of the aggregated annual purchase amount that exceeds NT\$300,000,000 by ET New Retail will be rebated to ET New Retail when the aggregated annual purchase amount reaches NT\$300,000,000 (equivalent to approximately HK\$78,177,933) or above.</p>
Trademark Licence	Taiwan NB agrees to grant ET New Retail a non-exclusive licence to use the Trademarks (“ Trademark Licence ”).
Pricing of Trademark Licence	ET New Retail shall pay Taiwan NB a royalty fee (“ Royalty ”) at 3–10% of the selling price (before tax; and after deduction of any discount) from the sale of mutually agreed products.
Condition	The ET New Retail Procurement Agreement shall only become effective upon the Company having obtained independent Shareholders’ approval pursuant to the Listing Rules.
Term	From effective date to 31 August 2023.

Basis of determination of pricing term

In terms of the pricing term of the Products Procurement, the parties to the ET New Retail Procurement Agreement determined the pricing term thereunder (as disclosed above) based on the wholesale market prices for similar products and in similar quantities offered by Independent Third Parties. Since the pricing under the ET New Retail Procurement 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 of the Products Procurement under the ET New Retail Procurement Agreement to be fair and reasonable and in the interests of the Company and its independent Shareholders as a whole.

In terms of the pricing term of the Trademark Licence, the parties to the ET New Retail Procurement Agreement determined the rate of Royalty based on the market level of royalty rates under similar trademark licence agreements. Since the rate of Royalty is in line with the said market level, the Directors consider (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) that it is no less favourable than that offered by Independent Third Parties. As such, the Directors consider the pricing term under the ET New Retail Procurement Agreement to be fair and reasonable and in the interests of the Company and its independent Shareholders as a whole.

Annual caps on amount of purchase

Pursuant to the terms of the ET New Retail Procurement Agreement, the annual caps in respect of the aggregate amount of purchase payable by ET New Retail under the ET New Retail Procurement Agreement shall be NT\$100,000,000 (equivalent to approximately HK\$26,059,311) from 1 September 2020 to 31 December 2020; NT\$200,000,000 (equivalent to approximately HK\$52,118,622) from 1 January 2021 to 31 December 2021; NT\$300,000,000 (equivalent to approximately HK\$78,177,933) from 1 January 2022 to 31 December 2022; and NT\$500,000,000 (equivalent to approximately HK\$130,296,555) from 1 January 2023 to 31 August 2023. The annual caps have been arrived at based on the projected sale of Target Products under the ET New Retail Procurement Agreement.

Annual caps on Royalty

The annual caps in respect of the aggregate Royalty under the ET New Retail Procurement Agreement shall be NT\$30,000,000 (equivalent to approximately HK\$7,817,793) from 1 September 2020 to 31 December 2020; NT\$50,000,000 (equivalent to approximately HK\$13,029,655) from 1 January 2021 to 31 December 2021; NT\$80,000,000 (equivalent to approximately HK\$20,847,449) from 1 January 2022 to 31 December 2022; and NT\$100,000,000 (equivalent to approximately HK\$26,059,311) from 1 January 2023 to 31 August 2023. The annual caps have been arrived at based on the projected sale of mutually agreed products under the ET New Retail Procurement Agreement.

Annual caps on Costs

The annual caps in respect of the aggregate Costs under the ET New Retail Procurement Agreement shall be NT\$30,000,000 (equivalent to approximately HK\$7,817,793) from 1 September 2020 to 31 December 2020; NT\$50,000,000 (equivalent to approximately HK\$13,029,655) from 1 January 2021 to 31 December 2021; NT\$80,000,000 (equivalent to approximately HK\$20,847,449) from 1 January 2022 to 31 December 2022; and NT\$100,000,000 (equivalent to approximately HK\$26,059,311) from 1 January 2023 to 31 August 2023. The above annual caps have been arrived at based on the following factors:

- (i) the projected sale of Target Products under the ET New Retail Procurement Agreement; and
- (ii) the projected Costs in relation to the sale of Target Products under the ET New Retail Procurement Agreement.

Information on the parties

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.

Taiwan NB is a company incorporated in Taiwan with limited liability. It is principally engaged in: (i) production and sale of skin care and beauty products, and (ii) provision of beauty treatments and spa services and the relevant training services.

E. FOCUS MEDIA COOPERATION AND PROCUREMENT AGREEMENT

On 22 July 2020 (after trading hours), Taiwan NB, an indirect wholly-owned subsidiary of the Company, entered into the Focus Media Cooperation and Procurement Agreement with Focus Media.

As at the date of this announcement, FESS is a controlling shareholder of the Company, and EMI is the 100% shareholder of FESS. As Focus Media is identified as a related party of EMI under the laws of Taiwan, the Directors consider that it is appropriate to voluntarily treat Focus Media as a connected person of the Company and to comply with Chapter 14A of the Listing Rules accordingly.

The major terms of the Focus Media Cooperation and Procurement Agreement are as follows:

Date	22 July 2020
Parties	(i) Taiwan NB; and (ii) Focus Media
Advertising Service	Taiwan NB agrees to engage Focus 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 (“ Advertising Service ”). Taiwan NB may from time to time instruct Focus 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 of Advertising Service	For each advertising project, Focus Media shall offer at least 50% discount to the list price of such project (being prices Focus Media offer to its clients which are Independent Third Parties).
Products Procurement	Taiwan NB shall supply and sell Taiwan NB’s products (“ Target Products ”) to Focus Media (“ Products Procurement ”).

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

Focus Media shall be responsible for marketing and selling the Target Products to end customers through its own distribution channels or third party distribution channels.

**Pricing of Products
Procurement**

50%–70% discount to the Target Products’ retail price

Condition

The Focus Media Cooperation and Procurement Agreement shall only become effective upon the Company having obtained independent Shareholders’ approval pursuant to the Listing Rules.

Term

From effective date to 31 August 2023.

Basis of determination of pricing term

In terms of the pricing term of the Advertising Service, the parties to the Focus Media Cooperation and Procurement Agreement determined the pricing term thereunder (as disclosed above) based on their intention to minimise the advertising costs for Taiwan NB while remain sufficient to cover the costs to be incurred by Focus 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 its independent Shareholders as a whole.

In terms of the pricing of the Products Procurement, the parties to the Focus Media Cooperation and Procurement Agreement determined the pricing term thereunder (as disclosed above) based on the wholesale market prices for similar products and in similar quantities offered by Independent Third Parties. Since the pricing under the Focus Media Cooperation and Procurement Agreement is in line with the said 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 in relation to the Products Procurement under the Focus Media Cooperation and Procurement Agreement to be fair and reasonable and in the interests of the Company and its independent Shareholders as a whole.

Annual cap

Pursuant to the terms of the Focus Media Cooperation and Procurement Agreement, the annual caps in respect of the fees payable by Taiwan NB to Focus Media under Advertising Service and the annual caps in respect of the amount of product sales by Taiwan NB to Focus Media under Products Procurement are as follows:

	Advertising Service	Products Procurement
From the effective date of the Supplemental Agreements to 31 December 2020	NT\$30,000,000 (equivalent to approximately HK\$7,817,793)	NT\$30,000,000 (equivalent to approximately HK\$7,817,793)
1 January 2021 to 31 December 2021	NT\$50,000,000 (equivalent to approximately HK\$13,029,655)	NT\$50,000,000 (equivalent to approximately HK\$13,029,655)
1 January 2022 to 31 December 2022	NT\$80,000,000 (equivalent to approximately HK\$20,847,449)	NT\$80,000,000 (equivalent to approximately HK\$20,847,449)
1 January 2023 to 31 August 2023	NT\$100,000,000 (equivalent to approximately HK\$26,059,311)	NT\$100,000,000 (equivalent to approximately HK\$26,059,311)

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

- (i) the marketing plan and campaigns of Taiwan NB for the same periods;
- (ii) the advertising volume that Taiwan NB is expected to purchase from Focus Media during the term of the Focus Media Cooperation and Procurement Agreement; and
- (iii) the projected sale of Taiwan NB products.

Information on the parties

Focus 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.

Taiwan NB is a company incorporated in Taiwan with limited liability. It is principally engaged in: (i) production and sale of skin care and beauty products, and (ii) provision of beauty treatments and spa services and the relevant training services.

F. EASTERN GLOBAL HK PROCUREMENT AGREEMENT

On 22 July 2020 (after trading hours), NB China, a direct wholly-owned subsidiary of the Company, entered into the Eastern Global HK Procurement Agreement with Eastern Global HK.

Eastern Global HK is a wholly-owned subsidiary of Eastern Global. As disclosed in the Announcement, the Directors consider that it is appropriate to voluntarily treat Eastern Global as a connected person of the Company. As such, the Directors consider that it is also appropriate to voluntarily treat Eastern Global HK as a connected person of the Company and to comply with Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Eastern Global HK Procurement Agreement constitute continuing connected transactions of the Company.

The major terms of the Eastern Global HK Procurement Agreement are as follows:

Date	22 July 2020
Parties	(i) NB China; and (ii) Eastern Global HK
Nature of transactions	During the term of the Eastern Global HK Procurement Agreement, Eastern Global HK 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	At 50% to 70% discount to the relevant market retailing price.
Condition	The Eastern Global HK Procurement Agreement shall only become effective upon the Company having obtained independent Shareholders' approval pursuant to the Listing Rules.
Term	From effective date to 31 August 2023.

Basis of determination of pricing term

The parties to the Eastern Global HK Procurement Agreement determined the pricing term thereunder (as disclosed above) based on the wholesale market prices for similar products and in similar quantities offered by Independent Third Parties. Since the pricing under the Eastern Global HK Procurement 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 HK Procurement Agreement to be fair and reasonable and in the interests of the Company and its independent Shareholders as a whole.

Annual cap

Pursuant to the terms of the Eastern Global HK Procurement Agreement, the annual cap in respect of the aggregate amount of goods to be purchased under the Eastern Global HK Procurement Agreement shall be HK\$7,500,000 from 1 September 2020 to 31 December 2020; HK\$15,000,000 from 1 January 2021 to 31 December 2021; HK\$25,000,000 from 1 January 2022 to 31 December 2022; and HK\$37,500,000 from 1 January 2023 to 31 August 2023. The annual cap has been arrived at based on the projected purchase amount of goods under the Eastern Global HK Procurement Agreement.

Information on the parties

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

NB China is a company incorporated in Hong Kong with limited liability. It is an investment holding company.

G. EASTERN ZHENYU PROCUREMENT AGREEMENT

On 22 July 2020 (after trading hours), NB Shanghai, a wholly-owned subsidiary of the Company, entered into the Eastern Zhenyu Procurement Agreement with Eastern Zhenyu.

Eastern Zhenyu is indirect wholly-owned by Mr. Chao Shih Heng, who is the sole ultimate beneficial owner of Insbro which is holding 22.76% of the issued Shares. As such, Eastern Zhenyu is a connected person of the Company for the purposes of the Listing Rules and the transactions contemplated under the Eastern Zhenyu Procurement Agreement constitute continuing connected transactions of the Company.

The major terms of the Eastern Zhenyu Procurement Agreement are as follows:

Date	22 July 2020
Parties	(i) NB Shanghai; and (ii) Eastern Zhenyu
Nature of transactions	During the term of the Eastern Zhenyu Procurement Agreement, Eastern Zhenyu may from time to time make wholesale purchase of products from NB Shanghai such as food and cosmetic products for on-sale to end customers.
Pricing	At 50% to 70% discount to the relevant market retail price.
Condition	The Eastern Zhenyu Procurement Agreement shall only become effective upon the Company having obtained independent Shareholders' approval pursuant to the Listing Rules.
Term	From effective date to 31 August 2023.

Basis of determination of pricing term

The parties to the Eastern Zhenyu Procurement Agreement determined the pricing term thereunder (as disclosed above) based on the wholesale market prices for similar products and in similar quantities offered by Independent Third Parties. Since the pricing under the Eastern Zhenyu Procurement 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 Zhenyu Procurement Agreement to be fair and reasonable and in the interests of the Company and its independent Shareholders as a whole.

Annual cap

Pursuant to the terms of the Eastern Zhenyu Procurement Agreement, the annual caps in respect of the aggregate amount of goods to be purchased under the Eastern Zhenyu Procurement Agreement shall be RMB22,000,000 (equivalent to approximately HK\$24,077,925) from the effective date to 31 December 2020; RMB114,000,000 (equivalent to approximately HK\$124,767,429) from 1 January 2021 to 31 December 2021; RMB182,000,000 (equivalent to approximately HK\$199,190,106) from 1 January 2022 to 31 December 2022; and RMB130,000,000 (equivalent to approximately HK\$142,278,647) from 1 January 2023 to 31 August 2023. The annual caps have been arrived at based on the projected purchase amount of goods under the Eastern Zhenyu Procurement Agreement.

Information on the parties

Eastern Zhenyu is a company incorporated in PRC with limited liability. It is principally engaged in distribution of goods through e-commerce in PRC.

NB Shanghai is a company incorporated in PRC with limited liability. It is principally engaged in sale of skin care and beauty products.

H. STRAWBERRY PROCUREMENT AGREEMENT

On 22 July 2020 (after trading hours), NB China, a direct wholly-owned subsidiary of the Company, entered into the Strawberry Procurement Agreement with Strawberry.

As disclosed in the Announcement, the Directors consider that it is appropriate to voluntarily treat Eastern Home as a connected person of the Company. As such, the transactions contemplated under the Strawberry Procurement Agreement constitute continuing connected transactions of the Company.

The major terms of the Strawberry Procurement Agreement are as follows:

Date	22 July 2020
Parties	(i) NB China; and (ii) Strawberry
Nature of transactions	During the term of the Strawberry Procurement Agreement, 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	At 50% to 70% discount to the relevant market retailing price.
Condition	The Strawberry Procurement Agreement shall only become effective upon the Company having obtained independent Shareholders' approval pursuant to the Listing Rules.
Term	From effective date to 31 August 2023.

Basis of determination of pricing term

The parties to the Strawberry Procurement Agreement determined the pricing term thereunder (as disclosed above) based on the wholesale market prices for similar products and in similar quantities offered by Independent Third Parties. Since the pricing under the Strawberry Procurement 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 Procurement Agreement to be fair and reasonable and in the interests of the Company and its independent Shareholders as a whole.

Annual caps

Pursuant to the terms of the Strawberry Procurement Agreement, the annual caps in respect of the aggregate amount of goods to be purchased under the Strawberry Procurement Agreement shall be HK\$7,500,000 from 1 September 2020 to 31 December 2020; HK\$15,000,000 from 1 January 2021 to 31 December 2021; HK\$25,000,000 from 1 January 2022 to 31 December 2022; and HK\$37,500,000 from 1 January 2023 to 31 August 2023. The annual caps have been arrived at based on the following factors:

- i. the historical transaction amount relating to service fees under the Existing Strawberry Service Agreement; and
- ii. projected purchase amount of goods under the Strawberry Procurement Agreement.

Information on the parties

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.

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

I. EASTERN HOME FRANCHISE AGREEMENT

On 22 July 2020, Taiwan NB, an indirect wholly-owned subsidiary of the Company, entered into the Eastern Home Franchise Agreement with Eastern Home.

As disclosed in the Announcement, 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 Franchise Agreement constitute continuing connected transactions of the Company.

The major terms of the Eastern Home Franchise Agreement are as follows:

Date	22 July 2020
Parties	(i) Taiwan NB; and (ii) Eastern Home

Nature of transactions Taiwan NB agreed to grant Eastern Home a non-exclusive licence to use certain Trademarks in respect of certain skin care products and provide Eastern Home with consultancy services in connection with Eastern Home’s operation and management of spa business under the brand name “Natural Beauty”.

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 on-sale by Eastern Home.

Pricing Same pricing with other franchisees, which varies from time to time.

Condition The Eastern Home Franchise Agreement shall only become effective upon the Company having obtained independent Shareholders’ approval pursuant to the Listing Rules.

Term From effective date to 31 August 2023.

Annual Caps

Pursuant to the terms of the Eastern Home Franchise Agreement, the annual cap in respect of the aggregate amount of goods to be purchased under the Eastern Home Franchise Agreement shall be NT\$60,000,000 (equivalent to approximately HK\$15,635,587) from the effective date to 31 December 2020; NT\$200,000,000 (equivalent to approximately HK\$52,118,622) from 1 January 2021 to 31 December 2021; NT\$350,000,000 (equivalent to approximately HK\$91,207,588) from 1 January 2022 to 31 December 2022; and NT\$500,000,000 (equivalent to approximately HK\$130,296,555) from 1 January 2023 to 31 August 2023.

The annual caps have been arrived at based on the projected purchase amount of goods under the Eastern Home Franchise Agreement.

Basis of determination of pricing term

The parties to the Eastern Home Franchise Agreement determined the pricing term thereunder (as disclosed above) 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 Franchise 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 Franchise Agreement to be fair and reasonable and in the interests of the Company and its independent Shareholders as a whole.

Information on the parties

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.

Taiwan NB is a company incorporated in Taiwan with limited liability. It is principally engaged in (i) production and sale of skin care and beauty products, and (ii) provision of beauty treatments and spa services and the relevant training services.

J. TRANSFER OF SPA BUSINESS AGREEMENT

On 22 July 2020, Taiwan NB, an indirect wholly-owned subsidiary of the Company, entered into the Transfer of Spa Business Agreement with Eastern Home.

As disclosed in the Announcement, the Directors consider that it is appropriate to voluntarily treat Eastern Home as a connected person of the Company. As such, the transactions contemplated under the Transfer of Spa Business Agreement constitute a connected transaction of the Company.

The major terms of the Transfer of Spa Business Agreement are as follows:

Date	22 July 2020
Parties	(i) Taiwan NB; and (ii) Eastern Home

Nature of transactions	Taiwan NB agreed to sell, and Eastern Home agreed to purchase the Spa Business
Consideration	NT\$37,436,889 (excluding tax) (equivalent to approximately HK\$9,755,795)
Payment Term	<p>The consideration shall be payable by Eastern Home to Taiwan NB in the following manner:</p> <ul style="list-style-type: none"> (i) NT\$10,000,000 (equivalent to approximately HK\$2,605,931) to be paid on the signing date of the Transfer of Spa Business Agreement; (ii) NT\$10,000,000 (equivalent to approximately HK\$2,605,931) to be paid within 30 days from the date of transfer; (iii) the remainder of consideration to be paid within 3 months from the date of transfer.
Date of Transfer	1 September 2020 or date of Independent Shareholders' approval, whichever is later
Condition	The Transfer of Spa Business Agreement shall only become effective upon the Company having obtained independent Shareholders' approval pursuant to the Listing Rules.

Basis of determination of consideration

The consideration was determined by the parties to the Transfer of Spa Business Agreement after arm's length negotiations with reference to the value of the Spa Business as evaluated by an Independent Third Party valuer as of 30 June 2020. As such, 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 consideration under the Transfer of Spa Business Agreement to be fair and reasonable and in the interests of the Company and its independent Shareholders as a whole.

Information on the parties

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.

Taiwan NB is a company incorporated in Taiwan with limited liability. It is principally engaged in (i) production and sale of skin care and beauty products, and (ii) provision of beauty treatments and spa services and the relevant training services.

Financial Effects of the Transfer of Spa Business and Intended Use of Proceeds

The carrying value of the Spa Business as shown in the consolidated management accounts of the Group as at 31 December 2019 was approximately HK\$9,861,589. Subject to review and confirmation by the auditors of the Group, the Group is expected to record no gain from the transfer of Spa Business.

The Company intends to apply the net proceeds (if any) from the Transfer of Spa Business Agreement for the Group's general working capital.

INTERNAL CONTROL MEASURES

As disclosed in the announcement of the Company dated 16 April 2019, the Group has adopted certain internal control procedures and corporate governance measures in relation to the transactions contemplated under the Existing CCT Agreements. 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 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 the Supplemental Agreements and the 2020 CCT Agreements will be on normal commercial terms and no less favourable to the Group than available from Independent Third Parties.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS AND THE CONNECTED TRANSACTION

FESS becomes a controlling shareholder of the Company in 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 and Eastern Global under the Existing 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 Supplemental Agreements for the purpose of either (a) extending the contractual term; (b) increasing the annual caps; (c) fine-tuning certain contract terms and/or (d) expanding the scope of business cooperation.

As regards the 2020 CCT Agreements, the Directors consider that:

The ET New Retail Procurement Agreement provides a framework to (a) allow the Group to sell "Natural Beauty" products via the well-established sales channels of ET New Retail; (b) increase the exposure of the "Natural Beauty" brand and products by leveraging on the extensive sales channels operated by ET New Retail.

The Focus Media Cooperation and Procurement Agreement provides a framework to (a) allow the Group to sell "Natural Beauty" products via the well-established sales channels of Focus Media; (b) increase the exposure of the "Natural Beauty" brand and products by leveraging on the extensive sales channels operated by Focus Media; and (c) provides the Group with an additional distribution channel of the Group's products and hence an opportunity to increase sales.

Each of the Eastern Global HK Procurement Agreement, the Eastern Zhenyu Procurement Agreement and the Strawberry Procurement Agreement provides the Group with an additional distribution channel of the Group's products and hence an opportunity to increase sales.

There is a growing demand for spas in Taiwan. The Eastern Home Franchise Agreement will enable Eastern Home to set up spas in Taiwan under the brand name "Natural Beauty" and provide the Group with an additional distribution channel of the Group's products and hence an opportunity to increase sales.

The Transfer of Spa Business Agreement will improve the Group's asset turnover rate and generate additional cash inflow, which would enhance the Group's ability to focus on the franchising business.

The Directors (excluding the independent non-executive Directors, whose views will be set out in the letter from the Independent Board Committee to be included in the circular to be despatched to the Shareholders) consider the terms of each of the Supplemental Agreements, the 2020 CCT Agreements and Transfer of Spa Business Agreement 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 each of the Supplemental Agreements, the 2020 CCT Agreements (including their respective pricing arrangement and proposed annual cap) and the Transfer of Spa Business Agreement are fair and reasonable and in the interests of the Shareholders as a whole.

INFORMATION ON THE GROUP

The Company is listed on the Main Board of the Stock Exchange. The Group is principally engaged in (a) manufacturing and sales of a range of products including skin care, beauty, aromatherapeutic products, health supplements and 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.

LISTING RULES IMPLICATIONS

The transactions contemplated under each of the Supplemental Agreements and the 2020 CCT Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules; and the transactions contemplated under the Transfer of Spa Business Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

According to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the existing annual caps or effect a material change to the terms of its continuing connected transactions, the Company will be required to re-comply with the relevant requirements under Chapter 14A of the Listing Rules.

Since (a) ET New Media, Eastern Home, Eastern Global, Eastern New Retail, Focus Media, Eastern Global HK and Eastern Zhenyu 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) the Supplemental Agreements, the 2020 CCT Agreements and Transfer of Spa Business Agreement were all entered into or completed within a 12-month period or are otherwise related, the Directors consider it is appropriate to aggregate the Supplemental Agreements, the 2020 CCT Agreements and Transfer of Spa Business Agreement pursuant to Rule 14A.81 of the Listing Rules.

As the highest applicable percentage ratio in respect of the aggregate of (i) the highest combined annual caps of each of the Supplemental Agreements (ii) the highest combined annual caps of each of the 2020 CCT Agreements and (iii) the Transfer of Spa Business Agreement exceeds 5% and the aggregate consideration is more than HK\$10,000,000, the entering into of the Supplemental Agreements, the 2020 CCT agreements and Transfer of Spa Business Agreement is subject to the reporting, announcement, independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

Dr. Lei Chien, Mr. Pan Yi-Fan, Ms. Lu Yu-Min and Ms. Lin Shu-Hua are Directors nominated by EMI and therefore are considered to have a material interest in the Supplemental Agreements, 2020 CCT Agreements, and Transfer of Spa Business Agreement, and the transactions contemplated respectively thereunder. As such, each of Dr. Lei Chien, Mr. Pan Yi-Fan, Ms. Lu Yu-Min and Ms. Lin Shu-Hua abstained from voting on the relevant board resolutions approving the Supplemental Agreements, the 2020 CCT Agreements and Transfer of Spa Business Agreement and the transactions contemplated respectively thereunder. Save as disclosed above, no other directors have or are considered to have a material interest in the Supplemental Agreements, the 2020 CCT Agreements and Transfer of Spa Business Agreement and the transactions contemplated respectively thereunder, nor are they required to abstain from voting on the relevant board resolutions approving the Supplemental Agreements, the 2020 CCT Agreements and Transfer of Spa Business Agreement and the transactions contemplated respectively thereunder.

Since the Directors consider that the transactions contemplated under the Supplemental Agreements and the 2020 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.

As all applicable ratios (as defined in the Listing Rules) in respect of the Transfer of Spa Business Agreement are less than 5%, the Transfer of Spa Business Agreement does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules and are not subject to the requirements under Chapter 14 the Listing Rules.

GENERAL

The Company will convene an EGM during which an ordinary resolution will be proposed to the independent Shareholders to approve the Supplemental Agreements, the 2020 CCT Agreements and Transfer of Spa Business Agreement and the transactions contemplated thereunder (including the annual caps, where applicable). 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 Supplemental Agreements, the 2020 CCT Agreements and Transfer of Spa Business Agreement at the EGM.

The Independent Board Committee comprising all the independent non-executive Directors has been established to consider the Supplemental Agreements, the 2020 CCT Agreements and Transfer of Spa Business Agreement, 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 Supplemental Agreements, the 2020 CCT Agreements and Transfer of Spa Business Agreement. No member of the Independent Board Committee has any material interest in the Supplemental Agreements, the 2020 CCT Agreements and Transfer of Spa Business Agreement and the transactions contemplated thereunder.

Pelican 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 Supplemental Agreements, the 2020 CCT Agreements and Transfer of Spa Business Agreement are fair and reasonable, and whether the Supplemental Agreements, the 2020 CCT Agreements and the Transfer of Spa Business Agreement 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 Supplemental Agreements, the 2020 CCT Agreements and the Transfer of Spa Business Agreement and the transactions contemplated thereunder.

A circular containing, among others, details of the Supplemental Agreements, the 2020 CCT Agreements and Transfer of Spa Business Agreement, the advice from the Independent Board Committee and the advice from the Independent Financial Adviser to the Independent Board Committee and independent Shareholders, together with the notice convening the EGM, is expected to be despatched to the Shareholders on or before 12 August 2020, with a view that the EGM is expected to be held on or before 31 August 2020.

CONTINUED SUSPENSION OF TRADING

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

DEFINITIONS

In this announcement the following expressions shall, unless the context requires otherwise, have the following meanings:

“2020 CCT Agreements”	Eastern Global HK Procurement Agreement, Eastern New Retail Procurement Agreement, Focus Media Cooperation and Procurement Agreement, Eastern Zhenyu Procurement Agreement, Strawberry Procurement Agreement, and Eastern Home Franchise Agreement
“Announcement”	the announcement of the Company dated 16 April 2019 in relation to, among other things, (i) the Expired CCT Agreements and (ii) the Existing CCT Agreements
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“Circular”	a circular to be despatched to the Shareholders on or before 12 August 2020 containing, among other things, (i) further details of the Supplemental Agreements, the 2020 CCT Agreements and Transfer of Spa Business Agreement and (ii) the respective advice of the Independent Financial Adviser and the Independent Board Committee
“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 HK”	Eastern Global Business Hong Kong Co., Ltd. (東森全球事業香港股份有限公司), a company incorporated in Hong Kong with limited liability
“Eastern Global HK Procurement Agreement”	the product procurement agreement dated 22 July 2020 entered into between NB China and Eastern Global HK, with a term from the effective date to 31 August 2023
“Eastern Global Supplemental Agreement”	the supplemental agreement to the Existing Eastern Global Procurement Agreement dated 22 July 2020
“Eastern Health”	Eastern Health Biomedical Co., Ltd. (東森健康生醫有限公司), a company incorporated in Taiwan with limited liability
“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 Franchise Agreement”	the franchise agreement dated 22 July 2020 entered into between Taiwan NB and Eastern Home, with a term from the effective date to 31 August 2023
“Eastern Home Supplemental Agreement”	the supplemental agreement to the Existing Eastern Home Consignment Agreement dated 22 July 2020
“Eastern 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
“Eastern New Retail Procurement Agreement”	the goods procurement agreement dated 22 July 2020 entered into between Taiwan NB and Eastern New Retail, with a term from the effective date to 31 August 2022
“Eastern Zhenyu”	Eastern Zhenyu e-Commerce Company Limited (東森震宇電子商務有限公司), a company incorporated in China with limited liability
“Eastern Zhenyu Procurement Agreement”	the goods procurement agreement dated 22 July 2020 entered into between NB Shanghai and Eastern Zhenyu, with a term from the effective date 2020 to 31 August 2022

“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Supplemental Agreements, 2020 CCT Agreements and the Transfer of Spa Business Agreement and the transactions contemplated thereunder (including the annual caps, where applicable)
“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
“EMI Group”	EMI and its associates, but excluding the Group for the purpose of this announcement
“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 Supplemental Agreement”	the supplemental agreement to the Existing ET New Media Cooperation Agreement dated 22 July 2020
“Existing CCT Agreements”	the Existing Eastern Health Procurement Agreement, the Existing Eastern Home Consignment Agreement, the Existing Eastern Global Procurement Agreement, the Existing ET New Media Cooperation Agreement, the Existing Strawberry Service Agreement and the Existing Eastern Home Trademark Licence Agreement
“Existing Eastern Global Procurement Agreement”	the product procurement agreement dated 16 April 2019 entered into between Taiwan NB and Eastern Global with a term from 1 June 2019 to 31 May 2022
“Existing Eastern Health Procurement Agreement”	the goods procurement agreement dated 16 April 2019 entered into between Taiwan NB and Eastern Health with a term from 1 June 2019 to 31 May 2022
“Existing Eastern Home Consignment Agreement”	the product consignment agreement dated 16 April 2019 entered into between Taiwan NB and Eastern Home with a term from 1 June 2019 to 31 May 2022

“Existing Eastern Home Trademark Licence Agreement”	the license agreement dated 16 April 2019 entered into between the Company as licensor and Eastern Home as licensee, with a term from 1 June 2019 to 31 May 2022
“Existing ET New Media Cooperation Agreement”	the project cooperation agreement dated 16 April 2019 entered into between Taiwan NB and ET New Media with a term from 1 June 2019 to 31 May 2022
“Existing Strawberry Service Agreement”	the service agreement dated 16 April 2019 entered into between Strawberry and NB China in relation to the provision of marketing and sales of Strawberry products with a term from 1 June 2019 to 31 May 2022
“Expired CCT Agreements”	The Expired Eastern Health Procurement Agreement, the Expired ET New Media Cooperation Agreement, Expired Eastern Home Consignment Agreement, Expired Strawberry Service Agreement and Expired Eastern Global Procurement Agreement
“Expired Eastern Global Procurement Agreement”	the product procurement agreement dated 22 March 2019 entered into between Taiwan NB and Eastern Global (formerly known as Eastern Tenmax), with a term from 22 March 2019 to 31 May 2019
“Expired Eastern Health Procurement Agreement”	the goods procurement agreement dated 22 March 2019 entered into between Taiwan NB and Eastern Health, with a term from 22 March 2019 to 31 May 2019
“Expired Eastern Home Consignment Agreement”	the product consignment agreement dated 22 March 2019 entered into between Taiwan NB and Eastern Home, with a term from 22 March 2019 to 31 May 2019
“Expired ET New Media Cooperation Agreement”	the project cooperation agreement dated 22 March 2019 entered into between Taiwan NB and ET New Media, with a term from 22 March 2019 to 31 May 2019
“Expired Strawberry Service Agreement”	the service agreement dated 22 March 2019 entered into between Strawberry and NB China in relation to the provision of marketing and sales of Strawberry products, with a term from 22 March 2019 to 31 May 2019

“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
“Focus Media”	FOCUS MEDIA DAYEAR TAIWAN CO., LTD. (分眾傳媒股份有限公司), a company incorporated in Taiwan with limited liability
“Focus Media Cooperation and Procurement Agreement”	the project cooperation and procurement agreement dated 22 July 2020 entered into between Taiwan NB and Focus Media, with a term from the effective date to 31 August 2022
“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 People’s Republic of China
“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 Existing CCT Agreements and the transactions contemplated thereunder
“Independent Financial Adviser” or “Pelican”	Pelican Financial 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 Existing CCT Agreements and the transactions contemplated thereunder
“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
“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
“NB Shanghai”	Shanghai Natural Beauty Haili Cosmetics Co., Ltd. (上海自然美海麗化妝品有限公司), a company incorporated in PRC with limited liability
“NT\$”	New Taiwan Dollar(s), the lawful currency of Taiwan
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Previous Eastern Global Procurement Agreement”	the product procurement agreement dated 1 November 2018 entered into between Taiwan NB and Eastern Global which expired on 21 March 2019
“Previous Eastern Home Consignment Agreement”	the product consignment agreement dated 10 December 2018 entered into between Taiwan NB and Eastern Home which expired on 21 March 2019
“RMB”	Renminbi, the lawful currency in the PRC
“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)
“Spa Business”	Spas currently being operated by the Group in Taiwan and their operating assets and equipment
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Strawberry”	Strawberry Cosmetics (Services) Limited, a company incorporated in Hong Kong with limited liability
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules

“Supplemental Agreements”	the Eastern Home Supplemental Agreement, the Eastern Global Supplemental Agreement and ET New Media Supplemental Agreement
“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
“Trademarks”	certain trademarks owned by the Company
“Transfer of Spa Business Agreement”	the transfer of business agreement dated 22 July 2020 entered into between Taiwan NB and Eastern Home in relation to the transfer of Spa Business from Taiwan NB to Eastern Home

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

Hong Kong, 22 July 2020

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

Unless otherwise indicated, the exchange rates of HK\$1.00 to NT\$3.8374 and HK\$1.00 to RMB\$0.9137 used in this announcement are for illustration purposes only and do not constitute a representation that any amount has been, could have been or may be converted at such or any other rates at all.