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自然美

NATURAL BEAUTY

**Natural Beauty Bio-Technology Limited**

**自然美生物科技有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 00157)**

## **RESIGNATION OF AUDITORS**

This announcement is made by Natural Beauty Bio-Technology Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

References are made to (i) the announcement of the Company dated 24 March 2020 in relation to, amongst others, an investigation on certain audit findings raised by the Company’s auditors (“**Forensic Review**”); (ii) the announcement of the Company dated 29 April 2020 in relation to an update on the Forensic Review; (iii) the announcement of the Company dated 21 May 2020 in relation to the conditions for the resumption of trading in the shares of the Company; (iv) the announcement of the Company dated 24 June 2020 in relation to an update on the progress of the Forensic Review and fulfilment of the Resumption Conditions; (v) the announcement of the Company dated 21 July 2020 in relation to the key findings of the Forensic Review; and the announcement of the Company dated 27 July 2020 in relation to the Auditors’ comments on the Forensic Review findings and Audit Committee’s response to Auditors’ comments (the “**Announcement**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The board of directors of the Company (the “**Board**”) hereby announces that on 31 July 2020, the Company received a resignation letter (the “**Resignation Letter**”) from Deloitte Touche Tohmatsu (“**Deloitte**”), pursuant to which Deloitte resigned as auditors of the Company with effect from 31 July 2020.

As disclosed in the Announcement, on 22 July 2020, the Audit Committee received a letter from Deloitte, which sets out Deloitte’s comments on the Draft Forensic Review Report and their recommendations (“**AC Letter**”). On 27 July 2020, the Audit Committee wrote to Deloitte in response to Deloitte’s comments and recommendations contained in the AC Letter (“**AC Reply**”).

In the Resignation Letter, Deloitte stated that they disagreed with the Audit Committee’s view stated in the Announcement that it is not necessary and not justifiable to expand the scope of the Forensic Review. Deloitte remain of the view set out in the AC Letter that the Forensic Review has not been satisfactorily completed and accordingly, the Company does not have a proper basis to finalise its 2019 consolidated financial statements for the purpose of Deloitte’s audit. In light of the above, and after careful consideration, Deloitte decided to tender their resignation as auditors of the Company.

Deloitte also stated that with reference to the matter set out in the preceding paragraph and the fact that they have not completed the audit of the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2019, they are not in a position to confirm whether there are no other matters that should be brought to the attention of the shareholders of the Company (the “**Shareholders**”) and whether there are any other circumstances connected with their resignation which they consider ought to be brought to the attention of the members or creditors of the Company’s Hong Kong subsidiaries.

The Board would like to emphasise that it does not share the view of Deloitte and their request to further expand the scope of the Forensic Review. The Board concurs with the Audit Committee’s views in the AC Reply as disclosed in the Announcement. Accordingly, the Board considers that it is not in the best interest of the Company and the Shareholders as a whole to expand the scope of the Forensic Review.

The Board and the Audit Committee confirm that saved as disclosed above, there are no other matters in relation to the resignation of the auditors that need to be brought to the attention of the Shareholders. The Board would also like to draw the attention of the Shareholders and potential investors of the Company that the business of the Group remains as usual and its operations are not affected.

The Company is actively identifying new auditors for the Group to fill the vacancy occasioned by the resignation of Deloitte, and will make further announcements in due course.

## **CONTINUED SUSPENSION OF TRADING**

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

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

Hong Kong, 3 August 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.*