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**Next Focus Holdings Limited**  
(a company incorporated in the British Virgin Islands  
with limited liability)

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)

## **JOINT ANNOUNCEMENT**

### **(I) AGREEMENT IN RELATION TO THE SALE AND PURCHASE OF SHARES IN STARSIGN INTERNATIONAL LIMITED**

**(II) MANDATORY UNCONDITIONAL CASH OFFERS BY KARL THOMSON  
SECURITIES COMPANY LIMITED ON BEHALF OF  
NEXT FOCUS HOLDINGS LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES OF NATURAL BEAUTY  
BIO-TECHNOLOGY LIMITED (OTHER THAN THOSE ALREADY OWNED OR  
AGREED TO BE ACQUIRED BY NEXT FOCUS HOLDINGS LIMITED AND  
PARTIES ACTING IN CONCERT WITH NEXT FOCUS HOLDINGS LIMITED)  
AND  
FOR CANCELLATION OF ALL THE OUTSTANDING SHARE OPTIONS OF  
NATURAL BEAUTY BIO-TECHNOLOGY LIMITED**

**(III) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER TO THE  
INDEPENDENT BOARD COMMITTEE OF NATURAL BEAUTY  
BIO-TECHNOLOGY LIMITED**

**AND**

### **(IV) RESUMPTION OF TRADING**

**Financial adviser to Next Focus Holdings Limited**



**Karl Thomson Financial Advisory Limited**

**Independent Financial Adviser to the Independent Board Committee**



Reference is made to the announcements of the Company (i) dated 31 August 2015 in relation to the suspension of trading of the Shares on the Stock Exchange from 9:00 a.m. on 31 August 2015, (ii) dated 9 September 2015 providing an update to the Shareholders and potential investors of the Company that an agreement with respect to the Acquisition was entered into on 4 September 2015 and subject to closing of the Acquisition taking place, a resumption announcement would be published in accordance with the Listing Rules and the Takeovers Code by the Company as soon as practicable, and (iii) dated 20 October 2015 providing an update on the closing of the Acquisition.

## **THE AGREEMENT AND CLOSING OF ACQUISITION**

The Company was notified by the Offeror and CA NB that, on 16 September 2015, closing of the Acquisition took place, whereby the Vendor sold, and the Offeror as purchaser acquired, the other 50% in the share capital of Starsign that it did not already own for a total cash consideration of HK\$565,558,512. The total cash consideration has been fully paid to the Vendor by the Offeror as the purchaser.

As at the date of this joint announcement, Starsign holds the entire issued share capital of Standard Cosmos, which, in turn, indirectly holds 1,314,030,000 Shares, representing approximately 65.63% of the issued share capital of the Company. As the only substantial asset of Starsign is its indirect holding of Shares, the consideration paid pursuant to the Agreement represents an effective price per Share of HK\$0.8608.

## **MANDATORY UNCONDITIONAL CASH OFFER**

Immediately before Closing, the Vendor and the Offeror each held 50% of the issued share capital of Starsign, which in turn held indirectly and in aggregate 1,314,030,000 Shares, representing approximately 65.63% of the issued share capital of the Company as at the date of this joint announcement. Upon Closing, the Offeror and parties acting in concert with it came to hold the entire issued capital of Starsign, consolidating its control, through its wholly-owned subsidiaries, of the Company.

Following Closing, the Offeror is required to make a mandatory general offer for all the Offer Shares pursuant to Note 8 of Rule 26.1 of the Takeovers Code and to make an appropriate offer to the Optionholders for all Share Options (which confer rights on the Optionholders to subscribe for new Shares) in compliance with Rule 13 of the Takeovers Code by way of cancellation of the Share Options.

Save for the 79,379,622 Share Options, the Company does not have any other outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

## **Terms of the Offers**

Karl Thomson Securities will make the Offers on behalf of the Offeror in compliance with the Takeovers Code on the following basis:

### ***The Share Offer***

For each Offer Share . . . . . HK\$0.8608 in cash

The Share Offer Price of HK\$0.8608 per Offer Share under the Share Offer is the same as the “see-through” purchase price per Share paid by the Offeror under the Agreement. The Offer Shares to be acquired under the Share Offer shall be fully paid and free from all encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Share Offer is made, being the date of the despatch of the Composite Document. For the avoidance of doubt, the Declared Dividend will remain the entitlement of the Independent Shareholders and will not be acquired by the Offeror pursuant to the Share Offer.

### ***The Option Offer***

For cancellation of each Share Option with  
exercise price of HK\$0.99 . . . . . HK\$0.001 in cash

Pursuant to Rule 13 of the Takeovers Code, the Option Offer Price for cancellation of each Share Option should normally represent the difference between the exercise price of the respective Share Options and the Share Offer Price. However, as the exercise price of all the Share Options (which have all been vested) is HK\$0.99, which is above the Share Offer Price, the Option Offer Price for cancellation of each Share Option is nominal.

Following acceptance of the Option Offer, the relevant Share Options together with all rights attaching thereto will be cancelled and renounced in their entirety.

### **Confirmation of financial resources available to the Offeror**

The maximum aggregate amount payable by the Offeror upon full acceptances of the Offers is HK\$592,370,837.92 assuming (i) no vested Share Options will be exercised and (ii) there is no change in the share capital of the Company.

The Offeror intends to finance and satisfy the amount payable under the Offers by cash from its internal resources. Karl Thomson Financial, the financial adviser to the Offeror, is satisfied that sufficient financial resources are, and will be, available to the Offeror to satisfy the amount payable upon full acceptances of the Offers.

## **AMENDMENT TO, AND SUBSEQUENT TERMINATION OF, THE CONSULTANCY SERVICES AGREEMENT**

On 30 September 2015, the Company and CA NB entered into the Termination Deed. Pursuant to the Termination Deed:

- i. effective from the Closing Date, the consultancy services provided by CA NB pursuant to the Consultancy Services Agreement shall comprise solely and exclusively of the availability of four (4) persons to serve as non-executive Directors;
- ii. effective from the Closing Date, no fees shall be payable by the Company to CA NB for the provision of the consultancy services under the Consultancy Services Agreement as amended by the Termination Deed; and
- iii. all the terms and conditions of the Consultancy Services Agreement shall terminate and cease to have any effect with effect from the date when all Investor Directors resign as Directors at the earliest time permitted under the Takeovers Code.

## **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

An Independent Board Committee, comprising all four (4) independent non-executive Directors, namely Mr. Francis Goutenmacher, Ms. Su-Mei Thompson, Mr. Chen Ruey-Long and Mr. Yang Tze-Kaing, has been formed to make a recommendation to the Independent Shareholders and the Optionholders as to whether the terms of the Offers are fair and reasonable and as to the acceptance of the Offers.

Dr. Su Sh-Hsyu, a non-executive Director, is a director of the Offeror and is interested in 30% of the issued share capital of the Offeror. Accordingly, Dr. Su Sh-Hsyu is considered to be interested in the Offers and has not been appointed as a member of the Independent Board Committee in accordance with Rule 2.8 of the Takeovers Code.

The Investor Directors, namely Mr. Patrick Thomas Siewert, Mr. Gregory Michael Zeluck, Ms. Gong Zhizhi and Mr. Chang Hsiuguo were Directors nominated by the Vendor pursuant to the Existing Shareholders' Agreement. As the Vendor was a party to the Agreement and in agreeing to the underlying "see-through" purchase price of HK\$0.8608 per Share sold to the Offeror, the Investor Directors are considered to be interested in the Offers and have not been appointed as members of the Independent Board Committee in accordance with Rule 2.8 of the Takeovers Code.

Somerley Capital has been appointed as the independent financial adviser to advise the Independent Board Committee in respect of the Offers and as to their acceptance. The appointment of Somerley Capital has been approved by the Independent Board Committee.

## **DESPATCH OF COMPOSITE DOCUMENT**

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular in the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document is required to be despatched to the Shareholders and the Optionholders within 21 days of the date of this joint announcement. It is expected that the Composite Document will be despatched to the Shareholders and the Optionholders in accordance with the requirements of the Takeovers Code.

The Composite Document will contain, among other things, details of the Offers, procedures for acceptance of the Offers, recommendation from the Independent Board Committee to the Independent Shareholders and the Optionholders, the advice from the Independent Financial Adviser to the Independent Board Committee in connection with the Offers, and the relevant forms of acceptance and transfer or cancellation. Independent Shareholders and the Optionholders are advised to review carefully the Composite Document.

## **SUSPENSION AND RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 31 August 2015 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 23 October 2015.

## **INTRODUCTION**

Reference is made to the announcements of the Company (i) dated 31 August 2015 in relation to the suspension of trading in the Shares on the Stock Exchange from 9:00 a.m. on 31 August 2015, (ii) dated 9 September 2015 providing an update to the Shareholders and potential investors of the Company that an agreement with respect to the Acquisition was entered into on 4 September 2015 and subject to closing of the Acquisition taking place, a resumption announcement would be published in accordance with the Listing Rules and the Takeovers Code by the Company as soon as practicable, and (iii) dated 20 October 2015 providing an update on the closing of the Acquisition.

## **THE AGREEMENT AND CLOSING OF ACQUISITION**

The Company was notified by the Offeror and CA NB that, on 16 September 2015, closing of the Acquisition took place, whereby the Vendor sold, and the Offeror as purchaser acquired, the other 50% in the share capital of Starsign that it did not already own for a total cash consideration of HK\$565,558,512. The total cash consideration has been fully paid to the Vendor by the Offeror as purchaser.

As at the date of this joint announcement, Starsign holds the entire issued share capital of Standard Cosmos, which, in turn, indirectly holds 1,314,030,000 Shares, representing approximately 65.63% of the issued share capital of the Company. As the only substantial asset of Starsign is its indirect holding of Shares, the consideration paid pursuant to the Agreement represents an effective price per Share of HK\$0.8608.

**Date**

4 September 2015

**Parties**

- (i) CA NB, as Vendor;
- (ii) Next Focus, as purchaser and Offeror; and
- (iii) the Family Members.

**Subject matter**

Pursuant to the Agreement, the Vendor has sold, and the Offeror as purchaser has acquired, an aggregate of 25,000 Sale Shares, representing the other 50% of the issued share capital of Starsign and the remaining interest in the issued share capital of Starsign not already owned by the Offeror.

As at the date of this joint announcement, Starsign holds the entire issued share capital of Standard Cosmos, which, in turn, indirectly holds in aggregate 1,314,030,000 Shares, representing approximately 65.63% of the issued share capital of the Company.

The Sale Shares were sold free from any charge, mortgage, lien, option, equitable right, power of sale, pledge, hypothecation, retention of title, right of pre-emption, right of first refusal or other third-party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing, and together with all rights and entitlements which the Vendor had in the Sale Shares as at the Closing Date, including the right to receive the Accrued Entitlement.

**Consideration**

The Consideration for the Sale Shares was HK\$565,558,512 in cash, which was paid by the Offeror to the Vendor as follows:

- (i) as to HK\$28,277,925.60 as deposit upon the entering into of the Agreement; and
- (ii) as to the remaining balance of the Consideration on the Closing Date.

The Consideration was arrived at based on arm's length negotiations between the Offeror and the Vendor having regard to (i) the fact that (on a look through basis) the Offeror and the Vendor would each be entitled to 50% of the 1,314,030,000 Shares held indirectly by Starsign and any distribution in connection with such Shares, including the Accrued Entitlement; and (ii) the agreed underlying "see-through" purchase price of HK\$0.8608 per Share.

**Closing**

Closing took place on the Closing Date.

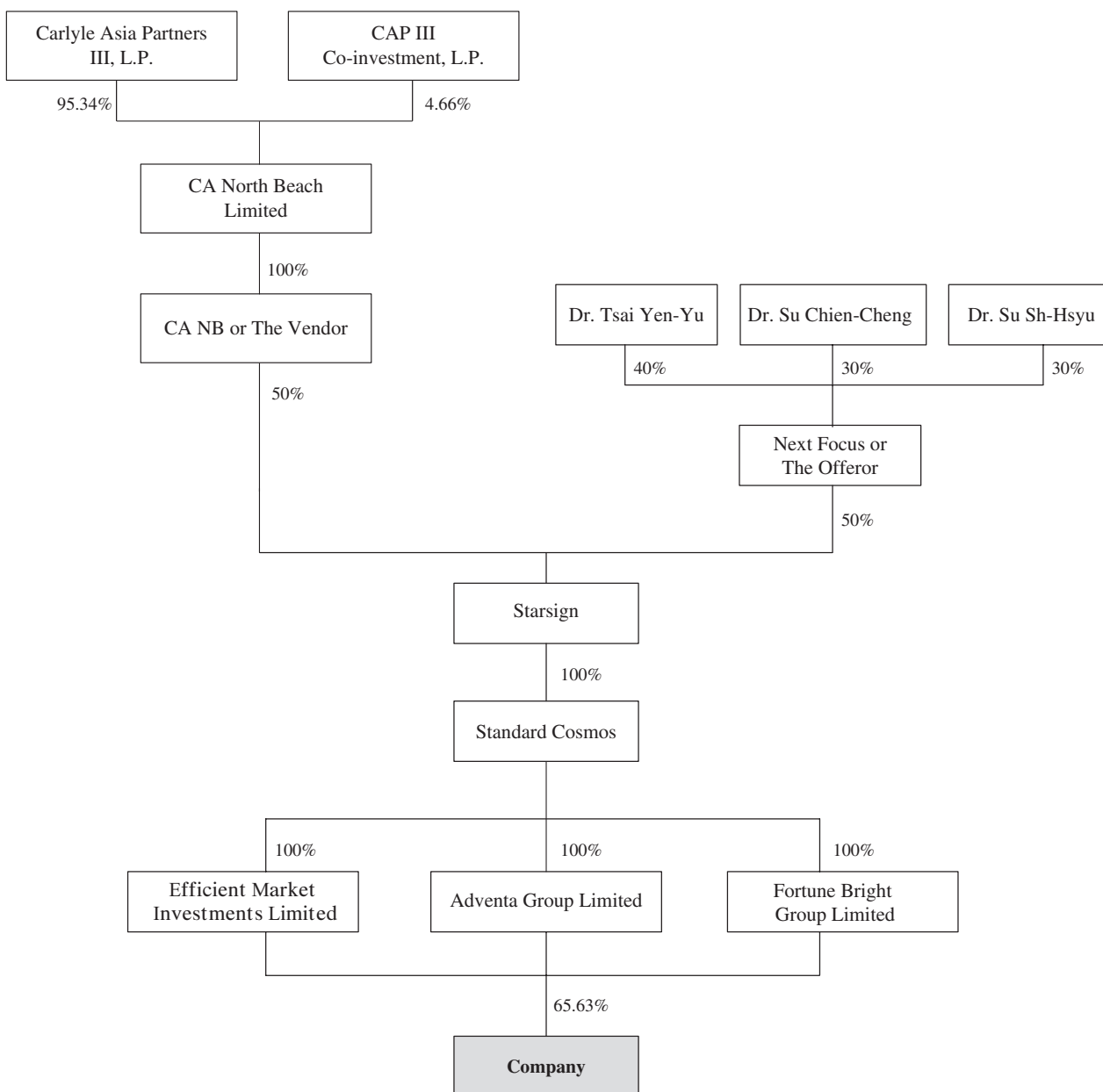
Upon Closing, the Existing Agreements were terminated and ceased to have any effect (in relation to the Existing SPA, so far as it relates to agreements, arrangements, covenants and undertakings of whatsoever nature following completion of the Existing SPA) and the parties to such agreements were released from their respective obligations and liabilities thereunder and from all sums of monies, actions, proceedings, costs, damages, claims and demands which they had, at any time or in the future, against each other or their respective affiliates.

## MANDATORY UNCONDITIONAL CASH OFFERS

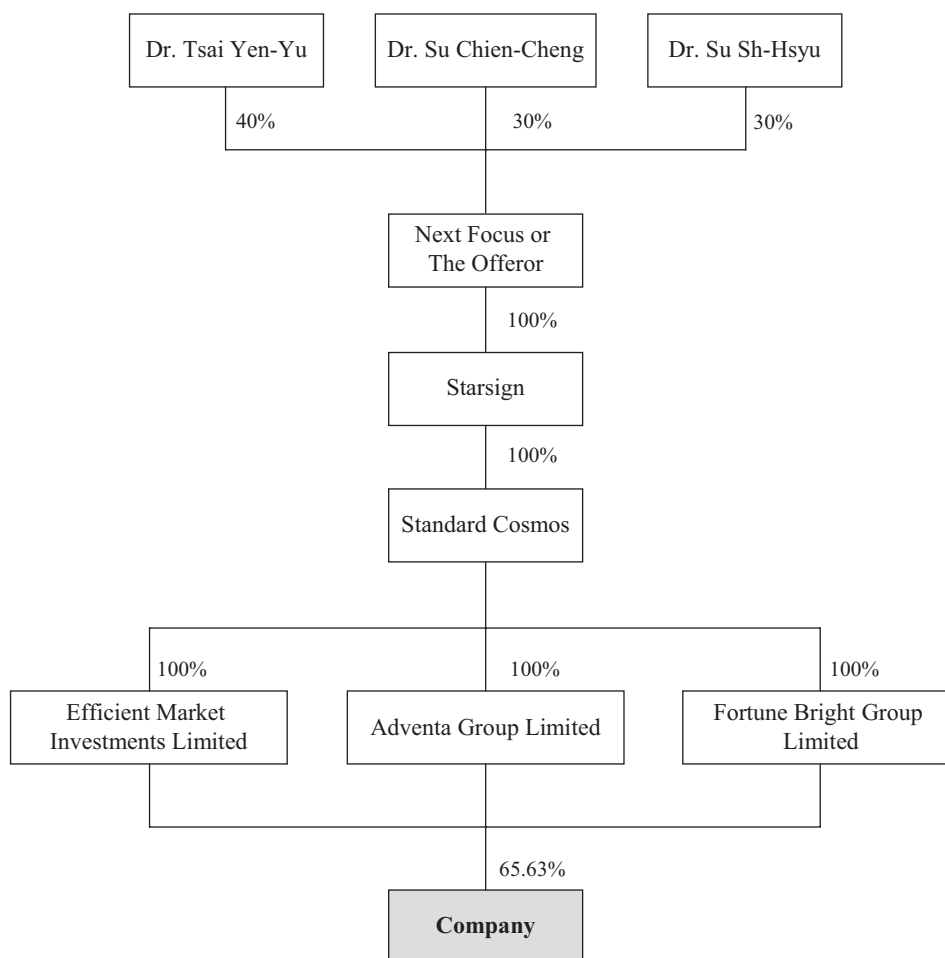
Immediately before Closing, the Vendor and the Offeror each held 50% of the issued share capital of Starsign, which in turn held indirectly and in aggregate 1,314,030,000 Shares, representing approximately 65.63% of the issued share capital of the Company as at the date of this joint announcement. Upon Closing, the Offeror and parties acting in concert with it came to hold the entire issued capital of Starsign, consolidating its control, through its wholly-owned subsidiaries, of the Company.

The shareholding structure of the Company immediately before Closing and upon Closing was/is as follows:

### Shareholding structure of the Company immediately before Closing



## Shareholding structure of the Company immediately upon Closing



Following Closing, the Offeror is required to make a mandatory general offer for all the Offer Shares pursuant to Note 8 of Rule 26.1 of the Takeovers Code and to make an appropriate offer to the Optionholders for all Share Options (which confer rights on the Optionholders to subscribe for new Shares) in compliance with Rule 13 of the Takeovers Code by way of cancellation of the Share Options.

### Terms of the Offers

Karl Thomson Securities will make the Offers on behalf of the Offeror in compliance with the Takeovers Code on the following basis:

#### *The Share Offer*

For each Offer Share . . . . . HK\$0.8608 in cash

The Share Offer Price of HK\$0.8608 per Offer Share under the Share Offer is the same as the “see-through” purchase price per Share paid by the Offeror under the Agreement. The Offer Shares to be acquired under the Share Offer shall be fully paid and free from all encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Share Offer is made, being the date of the despatch of the Composite Document. For the avoidance of doubt, the Declared Dividend will remain the entitlement of relevant Independent Shareholders and will not be acquired by the Offeror pursuant to the Share Offer.



## ***The Option Offer***

For cancellation of each Share Option with  
exercise price of HK\$0.99. . . . . HK\$0.001 in cash

Pursuant to Rule 13 of the Takeovers Code, the Option Offer Price for cancellation of each Share Option should normally represent the difference between the exercise price of the respective Share Options and the Share Offer Price. However, as the exercise price of all the Share Options (which have all been vested) is HK\$0.99, which is above the Share Offer Price, the Option Offer Price for cancellation of each Share Option is nominal.

Following acceptance of the Option Offer, the relevant Share Options together with all rights attaching thereto will be cancelled and renounced in their entirety.

## ***The Share Offer Price***

The Share Offer Price of HK\$0.8608 per Offer Share represents:

- (i) a premium of approximately 30.42% over the closing price of HK\$0.66 per Share as quoted on the Stock Exchange on 28 August 2015, being the Last Trading Day;
- (ii) a premium of approximately 47.90% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.582 per Share;
- (iii) a premium of approximately 46.89% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.586 per Share;
- (iv) a premium of approximately 45.41% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the thirty (30) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.592 per Share;
- (v) a premium of approximately 34.50% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the sixty (60) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.640 per Share;
- (vi) a premium of approximately 122.72% over the audited consolidated net asset value per Share attributable to the Shareholders of approximately HK\$0.3865 per Share as at 31 December 2014, calculated based on the Group's audited consolidated net assets attributable to the Shareholders of approximately HK\$773.9 million as at 31 December 2014 and 2,002,100,932 Shares in issue as at the date of this joint announcement; and
- (vii) a premium of approximately 116.55% over the unaudited consolidated net asset value per Share attributable to the Shareholders of approximately HK\$0.3975 per Share as at 30 June 2015, calculated based on the Group's unaudited consolidated net assets attributable to the Shareholders of approximately HK\$795.9 million as at 30 June 2015 and 2,002,100,932 Shares in issue as at the date of this joint announcement.

## **Highest and lowest Share prices**

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the six-month period immediately preceding the date of this joint announcement were HK\$0.76 per Share on 16 June 2015, 17 June 2015, 18 June 2015, 22 June 2015 and HK\$0.54 per Share on 6 August 2015 and 24 August 2015, respectively.

## **Total value of the Offers**

As at the date of this joint announcement, there are 2,002,100,932 Shares in issue and there are in aggregate outstanding Share Options in respect of 79,379,622 Shares (all of which have been vested). For details on the Share Options, please see paragraph headed “Share Options” below.

On the basis of the Share Offer Price of HK\$0.8608 per Offer Share, the entire issued share capital of the Company would be valued at HK\$1,723,408,482.

Based on the 688,070,932 Shares not already owned or agreed to be acquired by the Offeror and parties acting in concert with it and assuming (i) no vested Share Options will be exercised, (ii) there is no change in the share capital of the Company, and (iii) the Option Offer is accepted in full:

- a. the value of the Share Offer will be approximately HK\$592,291,458.30; and
- b. the total amount to satisfy the cancellation of all Share Options (which have all been vested) will be approximately HK\$79,379.62.

## **Confirmation of financial resources available to the Offeror**

The maximum aggregate amount payable by the Offeror upon full acceptances of the Offers is HK\$592,370,837.92 assuming (i) no vested Share Options will be exercised and (ii) there is no change in the share capital of the Company.

The Offeror intends to finance and satisfy the amount payable under the Offers by cash from its internal resources. Karl Thomson Financial, the financial adviser to the Offeror, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy the amount payable upon full acceptances of the Offers.

## **Effect of accepting the Offers**

By accepting the Share Offer, the Independent Shareholders will sell their Shares to the Offeror free from all encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Share Offer is made, being the date of the despatch of the Composite Document. For the avoidance of doubt, the Declared Dividend will remain the entitlement of the Independent Shareholders and such entitlement will not be acquired by the Offeror pursuant to the Share Offer.

By accepting the Option Offer, the Optionholders will agree to the cancellation of their tendered Share Options and all rights attached thereto with effect from the date on which the Option Offer is made, being the date of the despatch of the Composite Document. If Optionholders do not accept the Option Offer, the Optionholders should note that under the terms of grant of the Share Options, upon the occurrence of a change in control of the Company, the Company may, in its absolute discretion, purchase any unexercised Share Options or any Shares issued upon exercise of the Share Options at such time held by the Optionholders and the Optionholders shall sell to the Company such unexercised Share Options or Shares, at the following price:

- in the case of unexercised Share Options, the price offered by the offeror in the general offer minus the applicable exercise price; and
- in the case of Shares issued upon exercise of the Share Options, the price offered by the offeror in the general offer.

The Board has resolved at a Board meeting held on 7 October 2015 to exercise the discretion to buyback any unexercised Share Options which are not tendered for acceptance under the Option Offer after the close of the Offers and in accordance with the terms of the grant of such Share Options, in the case of unexercised Options, the buyback price will be the price offered by the Offeror in the Offers minus the applicable exercise price of the relevant Share Options. The timing, procedures and any other details relating to the buyback of such unexercised Share Options will be subject to further consideration by the Board (having regard to recommendations and views of the Remuneration Committee) prior to the despatch of the Composite Document. Further announcement(s) and/or disclosure(s) on such details will be made as required by the Listing Rules and/or the Takeovers Code. In addition, Optionholders are advised to carefully review the IFA's and IBC's recommendations as to the acceptance of the Option Offer.

**Independent Shareholders and Optionholders are reminded to read the recommendations of the Independent Board Committee and the advice of the Independent Financial Adviser appointed by the Independent Board Committee in respect of the Offers which will be included in the Composite Document.**

## **Payment**

Settlement of the consideration in respect of acceptances of the Offers will be made as soon as possible but in any event within seven business days (as defined in the Takeovers Code) of the date on which the relevant documents of title are received by the Offeror or its agent acting on its behalf to render each such acceptance complete and valid.

## **Taxation advice**

Independent Shareholders and Optionholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offers. None of the Offeror, its concert parties, the Company, Karl Thomson Financial, Karl Thomson Securities, Somerley Capital and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offers accepts any responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

## **Overseas Shareholders**

The availability of the Offers to any Overseas Shareholders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Shareholders should observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibilities of the Overseas Shareholders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders in respect of such jurisdictions).

If the receipt of the Composite Document by Overseas Shareholders is prohibited by any applicable laws and regulations or may only be effected upon compliance with conditions or requirements in such overseas jurisdictions that would be unduly burdensome, the Composite Document, subject to the Executive's consent, will not be despatched to such Overseas Shareholders. In those circumstances, the Offeror will apply for any waiver from the Executive as may be required pursuant to Note 3 to Rule 8 of the Takeovers Code.

## **Hong Kong stamp duty**

The seller's Hong Kong ad valorem stamp duty on acceptance of the Share Offer at a rate of 0.1% of the consideration payable in respect of the acceptance by the Independent Shareholders or if higher, the market value of the Offer Shares subject to such acceptance, will be deducted from the amount payable to those relevant Independent Shareholders who accept the Share Offer.

The Offeror will bear the buyer's Hong Kong ad valorem stamp duty as purchaser of the Offer Shares and will arrange for payment of both buyer and seller's ad valorem stamp duty in connection with such sales and purchases under the Share Offer in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

No stamp duty will be payable in connection with the Option Offer.

## **INFORMATION ON THE OFFEROR**

The Offeror is a company incorporated in the BVI on 12 August 2009, which is directly held as to 40%, 30% and 30% by each of Dr. Tsai Yen-Yu, Dr. Su Chien-Cheng and Dr. Su Sh-Hsyu, respectively. Each of Dr. Tsai Yen-Yu, Dr. Su Chien-Cheng and Dr. Su Sh-Hsyu is a Director as at the date of this joint announcement.

## **OFFEROR'S INTERESTS IN SECURITIES OF THE COMPANY**

As at the date of this joint announcement, the Offeror is directly owned by Dr. Tsai Yen-Yu, Dr. Su Chien-Cheng and Dr. Su Sh-Hsyu in the proportion of 40%, 30% and 30%, respectively. Upon Closing and as at the date of this joint announcement, the Offeror is interested in the entire issued share capital of Starsign, which through its wholly-owned subsidiaries as shown in the diagram under the paragraph headed "MANDATORY UNCONDITIONAL CASH OFFER", is interested in indirectly and in aggregate 1,314,030,000 Shares. Save as disclosed above, the Offeror confirms that:

- i. none of the Offeror, its ultimate beneficial owners and/or parties acting in concert with any of them owns or has control or direction over any voting rights and rights over any Shares or any options, warrants or convertible securities in respect of any voting rights or rights over the Shares or has entered into any outstanding derivatives contracts in respect of securities in the Company;
- ii. there were no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror, its ultimate beneficial owners and/or any parties acting in concert with them has borrowed or lent; and
- iii. none of the Offeror, its ultimate beneficial owners and/or parties acting in concert with any of them has dealt in any Shares or any options, warrants or convertible securities in respect of the Shares during the Relevant Period.

As at the date of this joint announcement, the Offeror confirms that:

- i. there were no agreements or arrangements to which the Offeror is a party which relate to circumstances in which it may or may not invoke or seek a pre-condition or a condition to the Offers;
- ii. none of the Offeror, its ultimate beneficial owners and/or parties acting in concert with any of them has received any irrevocable commitment to accept the Offers; and
- iii. there were no arrangements (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Company and which might be material to the Offers.

## SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company as at the date of this joint announcement.

	<i>Number of Shares</i>	<i>Approx. %</i>
The Offeror and parties acting in concert with it ( <i>Note 1</i> )	1,314,030,000	65.63
The Vendor	—	—
Subtotal	1,314,030,000	65.63
Public Shareholders	688,070,932	34.37
Total	<u>2,002,100,932</u>	<u>100.00</u>

*Note:*

1. The 1,314,030,000 Shares are held through Efficient Market Investments Limited, Adventa Group Limited and Fortune Bright Group Limited, which are all directly wholly owned by Standard Cosmos, which in turn is wholly owned by Starsign, which is wholly and directly owned by the Offeror as at the date of this joint announcement.

## ***Share Options***

As at the date of this joint announcement, the Company has 79,379,622 Share Options outstanding. The following is the list of outstanding Share Options (which have all been vested):

<b>Date of grant</b>	<b>Exercise price (HK\$ per Share)</b>	<b>Number of outstanding Share Options</b>	<b>Exercisable period</b>	<b>Number of underlying Shares</b>
19 April 2013	0.99	11,712,288	22 September 2015 <sup>(1)</sup> to 18 April 2023	11,712,288
10 May 2013	0.99	38,039,918	22 September 2015 <sup>(1)</sup> to 9 May 2023	38,039,918
6 May 2014	0.99	18,519,433	22 September 2015 to 5 May 2024	18,519,433
2 December 2014	0.99	7,607,983	22 September 2015 to 1 December 2024	7,607,983
31 March 2015	0.99	3,500,000	22 September 2015 to 30 March 2025	3,500,000

*Note:*

1. 40% of these Share Options became exercisable with effect from 16 September 2015, the Closing Date.

All Share Options were granted to employees and senior management of the Group.

Pursuant to the terms of the Share Options, Share Options are only exercisable after vesting. Under the terms of the Share Options, if there is a change of control of the Company, vested Share Options shall become exercisable and the Board shall have full discretion on the vesting and exercise of unvested Share Options. The exercise price of all the Share Options is HK\$0.99, which is above the Share Offer Price. Pursuant to the terms of the Share Options, the Board resolved at a Board meeting held on 22 September 2015 to vest all unvested Share Options, totalling 59,478,740 Shares, and all such Share Options became exercisable.

The Option Offer will be extended to all Optionholders, whether their respective Share Options are vested or not, to cancel the Share Options on the terms and conditions set out in this joint announcement and in compliance with the Takeovers Code.

Save for the 79,379,622 Share Options, the Company does not have any other outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

## **INTENTION OF THE OFFEROR IN RELATION TO THE GROUP**

It is the intention of the Offeror to continue with the Group's existing principal business following the close of the Offers. The Offeror does not intend to introduce any major changes to the existing business and operation of the Group following the close of the Offers. As at the date of this joint announcement, the Offeror has no intention to discontinue the employment of the employees (save for the proposed changes to the composition of the Board as detailed below) or to dispose of or re-deploy the assets of the Group. The Offeror will review the Group's policy and structure for all Directors' and senior management remuneration having regard to the recommendations of the Remuneration Committee, after the close of the Offers. The Offeror will continue to ensure good corporate governance, monitor and review the Group's business and operations from time to time, and may take steps that it deems necessary or appropriate to optimise the value of the Group.

## **PROPOSED CHANGE TO THE BOARD COMPOSITION**

As at the date of this joint announcement, the Board comprises Dr. Tsai Yen-Yu, Mr. Lee Ming-Ta and Dr. Su Chien-Cheng as executive Directors; Mr. Patrick Thomas Siewert, Dr. Su Sh-Hsyu, Mr. Gregory Michael Zeluck, Ms. Gong Zhizhi and Mr. Chang Hsiuguo as non-executive Directors; and Mr. Francis Goutenmacher, Ms. Su-Mei Thompson, Mr. Chen Ruey-Long and Mr. Yang Tze-Kaing as independent non-executive Directors.

It is intended that all Investor Directors will resign with effect from the earliest time permitted under the Takeovers Code. The Offeror intends to nominate new Directors to the Board with effect after the close of the Offers. As at the date of this joint announcement, the Offeror has not reached any final decision as to who will be nominated as new Directors. Any changes to the Board composition will be announced by the Company and made in compliance with the Takeovers Code and the Listing Rules. Notwithstanding the possible changes in the composition of the Board taking effect after the close of the Offers, the Offeror and the Company will take all steps necessary to ensure that in compliance with Rule 3.11 of the Listing Rules, the number of independent non-executive Directors does not fall below one-third of the total number of Directors for more than three months.

## **AMENDMENT TO, AND SUBSEQUENT TERMINATION OF, THE CONSULTANCY SERVICES AGREEMENT**

On 30 September 2015, the Company and CA NB entered into the Termination Deed. Pursuant to the Termination Deed:

- i. effective from the Closing Date, the consultancy services provided by CA NB pursuant to the Consultancy Services Agreement shall comprise solely and exclusively of the availability of four (4) persons to serve as non-executive Directors;
- ii. effective from the Closing Date, no fees shall be payable by the Company to CA NB for the provision of the consultancy services under the Consultancy Services Agreement as amended by the Termination Deed; and
- iii. all the terms and conditions of the Consultancy Services Agreement shall terminate and cease to have any effect with effect from the date when all Investor Directors resign as Directors at the earliest time permitted under the Takeovers Code.

## **INTENTION OF THE OFFEROR TO MAINTAIN THE LISTING OF THE COMPANY**

The Offeror intends to maintain the listing status of the Company on the Main Board of the Stock Exchange following the close of the Offers.

In the event that the public float of the Company falls below 25% following the close of the Offers, the Offeror and the proposed Directors who would be nominated by the Offeror and appointed as Directors will undertake to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offers to ensure that a sufficient public float exists for the Shares.

**The Stock Exchange has stated that if, upon closing of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares, are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Shares until the prescribed level of public float is restored.**

## **INFORMATION ON THE VENDOR**

CA NB is an exempted company incorporated in the Cayman Islands with limited liability on 30 September 2009. The principal activities of CA NB are investment holding and the provision of consultancy services. CA NB is ultimately owned by Carlyle Asia Partners III, L.P., a Cayman Islands limited liability partnership (that was established in 2007) and CAP III Co-investment L.P., a Cayman Islands limited liability partnership (that was established in 2007).

## **INFORMATION ON STARSIGN**

Starsign was incorporated in the BVI with limited liability and is an investment holding company. Starsign indirectly holds in aggregate 1,314,030,000 Shares, representing approximately 65.63% of the issued share capital of the Company as at the date of this joint announcement. Following the Closing, Starsign is now wholly owned by the Offeror.

## **INFORMATION ON THE COMPANY**

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and the issued shares of which are listed on the Stock Exchange. It is principally engaged in (a) manufacturing and selling of skin care, beauty and aromatherapeutic products and (b) provision of skin treatments, beauty and spa services and skin care consulting and beauty training.

## **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

An Independent Board Committee, comprising all four (4) independent non-executive Directors, namely Mr. Francis Goutenmacher, Ms. Su-Mei Thompson, Mr. Chen Ruey-Long and Mr. Yang Tze-Kaing, has been formed to make a recommendation to the Independent Shareholders and the Optionholders as to whether the terms of the Offers are fair and reasonable and as to the acceptance of the Offers.

Dr. Su Sh-Hsyu, a non-executive Director, is a director of the Offeror and is interested in 30% of the issued share capital of the Offeror. Accordingly, Dr. Su Sh-Hsyu is considered to be interested in the Offers and has not been appointed as a member of the Independent Board Committee in accordance with Rule 2.8 of the Takeovers Code.



The Investor Directors, namely Mr. Patrick Thomas Siewert, Mr. Gregory Michael Zeluck, Ms. Gong Zhizhi and Mr. Chang Hsiuguo were Directors nominated by the Vendor pursuant to the Existing Shareholders' Agreement. As the Vendor was a party to the Agreement and in agreeing to the underlying "see-through" purchase price of HK\$0.8608 per Share sold to the Offeror, the Investor Directors are considered to be interested in the Offers and have not been appointed as members of the Independent Board Committee in accordance with Rule 2.8 of the Takeovers Code.

Somerley Capital has been appointed as the independent financial adviser to advise the Independent Board Committee in respect of the Offers and as to their acceptance. The appointment of Somerley Capital has been approved by the Independent Board Committee.

## **DESPATCH OF THE COMPOSITE DOCUMENT**

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular in the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document is required to be despatched to the Shareholders and the Optionholders within 21 days of the date of this joint announcement. It is expected that the Composite Document will be despatched to the Shareholders and the Optionholders in accordance with the requirements of the Takeovers Code.

The Composite Document will contain, among other things, details of the Offers, procedures for acceptance of the Offers, recommendation from the Independent Board Committee to the Independent Shareholders and the Optionholders, the advice from the Independent Financial Adviser to the Independent Board Committee in connection with the Offers, and the relevant forms of acceptance and transfer or cancellation. Independent Shareholders and the Optionholders are advised to review carefully the Composite Document.

## **DEALINGS DISCLOSURE**

In accordance with Rule 3.8 of the Takeovers Code, the associates (which include, among others, any person who owns or controls 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code)) of the Company or the Offeror are reminded to disclose their dealings in the securities of the Company under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

### ***“Responsibilities of stockbrokers, banks and other intermediaries***

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings including identities of clients, as part of that co-operation.”*

## **SUSPENSION AND RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 31 August 2015 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 23 October 2015.

## **DEFINITIONS**

Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as set forth below:

“Accrued Entitlement”	HK\$25,754,988, which is an amount equal to 50% of the Declared Dividend payable in respect of the 1,314,030,000 Shares held by the Shareholders which were subsidiaries of Starsign on 15 September 2015
“Acquisition”	the sale and purchase of the Sale Shares contemplated in the Agreement, the subject matter of the Company’s announcement dated 9 September 2015
“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“Agreement”	the sale and purchase agreement dated 4 September 2015 entered into, among others, the Offeror and the Vendor in relation to the sale and purchase of the Sale Shares
“associates”	has the meaning ascribed to it in the Takeovers Code
“Board”	the board of Directors
“Business Day(s)”	(a) day(s) (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 5:00 p.m. and is not lowered at or before 5:00 p.m. or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 5:00 p.m. and is not discontinued at or before 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours and (a) day(s) on which the Stock Exchange is open for the transaction of business
“BVI”	the British Virgin Islands
“CA NB” or “Vendor”	CA NB Limited, a company incorporated in the Cayman Islands with limited liability

“Closing”	closing of the sale and purchase of the Sale Shares
“Closing Date”	16 September, 2015, the date on which closing of the sale and purchase of the Sale Shares took place
“Company”	Natural Beauty Bio-Technology Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Composite Document”	the composite offer and response document to be jointly issued by the Offeror and the Company to the Shareholders and the Optionholders in connection with the Offers in compliance with the Takeovers Code containing, among other things, details of the Offers, procedures for acceptance of the Offers, letters from the Independent Board Committee and the Independent Financial Adviser, and the relevant forms of acceptance and transfer or cancellation
“Consideration”	the consideration payable under the Agreement for the Sale Shares
“Consultancy Services Agreement”	the consultancy services agreement dated 2 December 2014 entered into between the Company and CA NB for the provision of consultancy services by CA NB during the period from 1 January 2015 to 31 December 2017, both dates inclusive
“Declared Dividend”	the interim dividend declared by the Company in respect of the six months ended 30 June 2015 of HK\$0.0392 per Share which will be paid to all Shareholders whose names appeared on the register of members of the Company on 15 September 2015
“Director(s)”	director(s) of the Company from time to time
“Executive”	the Executive Director of the Corporate Finance Division of the SFC from time to time or any delegate of such Executive Director
“Existing Agreements”	the Existing Shareholders’ Agreement and Existing SPA
“Existing Shareholders’ Agreement”	the shareholders’ agreement dated 15 October 2009 entered into among CA NB, the Family Members, Starsign and the Offeror setting out the rights and obligations of the parties in relation to the Starsign and its subsidiaries

“Existing SPA”	the sale and purchase agreement dated 15 October 2009 entered into among CA NB as purchaser, Invest Focus Limited, the Offeror as vendor and the Family Members in relation to the sale and purchase of 25,000 ordinary shares of Starsign
“Family Members”	Dr. Tsai Yen-Yu, Dr. Su Chien-Cheng and Dr. Su Sh-Hsyu
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all four (4) independent non-executive Directors, namely Mr. Francis Goutenmacher, Ms. Su-Mei Thompson, Mr. Chen Ruey-Long and Mr. Yang Tze-Kaing, established in accordance with the Takeovers Code to give recommendations to the Independent Shareholders and the Optionholders as to whether the terms of the Offers are fair and reasonable and as to the acceptance of the Offers
“Independent Financial Adviser” or “Somerville Capital”	Somerville Capital Limited, a corporation licensed by the SFC to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee in respect of the Offers
“Independent Shareholders”	Shareholders other than (i) the Vendor and parties acting in concert with it; and (ii) the Offeror, the Family Members and parties acting in concert with any of them
“Investor Directors”	Mr. Patrick Thomas Siewert, Mr. Gregory Michael Zeluck, Ms. Gong Zhizhi and Mr. Chang Hsiuguo, being non-executive Directors nominated by the Vendor pursuant to the Existing Shareholders’ Agreement
“Karl Thomson Financial”	Karl Thomson Financial Advisory Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, and is the financial adviser to the Offeror
“Karl Thomson Securities”	Karl Thomson Securities Company Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 9 (asset management) regulated activities under the SFO
“Last Trading Day”	28 August 2015, being the last trading day on which the Shares were traded on the Stock Exchange prior to the suspension of trading in the Shares pending the release of this joint announcement

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Next Focus” or “Offeror”	Next Focus Holdings Limited, a company incorporated in the BVI
“Offer Shares”	all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it)
“Offers”	collectively, the Share Offer and the Option Offer
“Option Offer”	the mandatory unconditional cash offer to be made by Karl Thomson Securities on behalf of the Offeror to cancel the Share Options (which have all been vested) on the terms and conditions set out in this joint announcement and in compliance with the Takeovers Code
“Option Offer Price”	HK\$0.001 for each Share Option payable by the Offeror to the Optionholder accepting the Option Offer
“Optionholder(s)”	holder(s) of the Share Option(s)
“Overseas Shareholders”	Independent Shareholders whose addresses as shown on the register of members of the Company are outside Hong Kong
“PRC”	the People’s Republic of China which, for the purpose of this joint announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Relevant Period”	the period commencing from 9 March 2015, being the date falling six months preceding the date of the holding announcement of the Company dated 9 September 2015, up to and including the date of this joint announcement
“Sale Shares”	25,000 ordinary shares of Starsign acquired by the Offeror pursuant to the terms and conditions of the Agreement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of par value HK\$0.01 each in the share capital of the Company
“Share Offer”	the mandatory unconditional cash offer to be made by Karl Thomson Securities on behalf of the Offeror to acquire the Offer Shares on the terms and conditions set out in this joint announcement and in compliance with the Takeovers Code

“Share Offer Price”	HK\$0.8608 for each Offer Share payable by the Offeror to the Independent Shareholders accepting the Share Offer
“Share Option(s)”	the outstanding share option(s), vested and unvested, granted by the Company under its share option scheme adopted on 13 May 2011
“Shareholder(s)”	holder(s) of the issued Share(s)
“Standard Cosmos”	Standard Cosmos Limited, a company incorporated in the BVI with limited liability, a direct subsidiary of Starsign
“Starsign”	Starsign International Limited, a company incorporated in the BVI with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Termination Deed”	the deed of termination dated 30 September 2015 entered into between the Company and CA NB in relation to the termination of the Consultancy Services Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the board of  
**Next Focus Holdings Limited**  
**Tsai Yen-Yu**  
*Director*

By order of the Board  
**Natural Beauty Bio-Technology Limited**  
**Tsai Yen-Yu**  
*Chairperson*

Hong Kong, 23 October 2015

*As at the date of this announcement, the board of directors of the Offeror comprises three directors, namely Dr. Tsai Yen-Yu, Dr. Su Chien-Cheng and Dr. Su Sh-Hsyu.*

*As at the date of this announcement, the Board comprises Dr. Tsai Yen-Yu, Mr. Lee Ming-Ta and Dr. Su Chien-Cheng as executive directors; Mr. Patrick Thomas Siewert, Dr. Su Sh-Hsyu, Mr. Gregory Michael Zeluck, Ms. Gong Zhizhi and Mr. Chang Hsiuguo as non-executive directors; and Mr. Francis Goutenmacher, Ms. Su-Mei Thompson, Mr. Chen Ruey-Long and Mr. Yang Tze-Kaing as independent non-executive directors.*

*The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information (other than that relating to the Group) contained in this joint announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions (other than those expressed by the Directors) expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (in relation to the information relating the Group only) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (in relation to opinions expressed by the Directors only) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*