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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)

**INSIDE INFORMATION
DISCLOSURE BY CONTROLLING SHAREHOLDER OF
THE GROUP'S FINANCIAL INFORMATION**

This announcement is made by Natural Beauty Bio-Technology Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 24 March 2020 in relation to the Group’s unaudited annual results for the year ended 31 December 2019 (the “**Announcement**”). Unless the context otherwise requires, capitalised terms herein shall have the same meanings as defined in the Announcement.

As at the date of this announcement, Eastern Media International Corporation (“**EMIC**”), whose shares are listed on the Taiwan Stock Exchange, is indirectly holding 30% of the issued shares of the Company (the “**Shares**”) and is a controlling shareholder of the Company.

Around the date of the Announcement, the board (“**Board**”) of directors (“**Directors**”) of the Company was given to understand that, in order to comply with the Operating Rules of the Taiwan Stock Exchange Corporation (“**Taiwan Listing Rules**”), EMIC needed the Group’s audited financial statements for the year ended 31 December 2019 to complete its consolidated audited financial statements for the year ended 31 December 2019. However, given the Issues raised by the Auditors and expected time needed for the Investigative Agent to conduct the Investigation, it was apparent to the Board and EMIC that the Group’s financial statements for the year ended 31 December 2019 as audited by the Auditors would not be available soon enough for the purpose of the preparation of EMIC’s consolidated audited financial statements for the year ended 31 December 2019. Therefore, EMIC engaged Messrs. KPMG (“**KPMG**”) to conduct an independent audit on the Group’s financial statements for the year ended 31 December 2019 for the purpose of determining EMIC’s gain/loss on its investment in the Group. Given the purpose of such independent audit was for EMIC to comply with its obligations under the Taiwan Listing Rules, the Group has offered full cooperation to KPMG’s audit work. However, given that KPMG were engaged by EMIC, the Group was not provided with its financial statements for the year ended 31 December 2019 as audited by KPMG.

It has recently come to the attention of the Board that EMIC has disclosed in its annual report dated 29 April 2020 and its first quarter financial report dated 13 May 2020, both of which being available on the website of Taiwan Stock Exchange, certain financial information of the Group for the year ended 31 December 2019 as audited by KPMG. Such financial information, as compared with those as disclosed in the Announcement, are summarised as follows:

	As disclosed in the Announcement (HK\$) (unaudited)	As disclosed by EMIC (NT\$) (audited by KPMG)	Difference in percentage
Revenue	464,425,000	1,729,186,000 (equivalent to approximately HK\$438,348,000)	-5.6%
Profits for the year	29,813,000	58,619,000 (equivalent to approximately HK\$14,860,000)	-50.2%
Net assets	599,541,000	2,249,856,000 (equivalent to approximately HK\$570,338,000)	-4.9%

The Board noted a material difference between the profits for the year ended 31 December 2019 as disclosed in the Announcement as compared to that disclosed by EMIC. The Board was given to understand that, given KPMG was engaged by EMIC to conduct independent audit but not an official audit of the Company's financial statements, KPMG has taken a prudent approach during their auditing process of the Group's financial statements. However, given that KPMG were not engaged by the Company, the Board was not able to ascertain the methodologies adopted by, or the adjustments (if any) made by, KPMG during their audited process, and hence does not know how exactly did KPMG arrive at the Group's financial information as disclosed by EMIC.

Given that the disclosure by EMIC of the Group's financial information is neither made nor confirmed by the Company, holders of and potential investors in the Shares should exercise caution when assessing such information and should refer to the financial information of the Group audited by the Auditors announced and to be announced by the Company as the definitive financial information of the Group. We will announce information regarding the publication of the Group's annual results and annual report for the year ended 31 December 2019 as audited by the Auditors in due course.

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, 19 June 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.

In this announcement, for the purpose of illustration only, amounts quoted in New Taiwan Dollar(s), the lawful currency of Taiwan, (“NT\$”) have been converted into HKD at the rate of HKD1.00 to NT\$3.94478. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.