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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)**

## **ADOPTION OF SHARE AWARD SCHEMES**

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The Board is pleased to announce that on 25 May 2022, it resolved to adopt two share award schemes, namely Scheme I and Scheme II. Scheme I is for Eligible Participants who are connected persons of the Company, while Scheme II is for Eligible Participants who are non-connected persons of the Company.

The Scheme shall be subject to administration of the Board and the Trustee(s) in accordance with the respective Share Award Schemes Rules and the Trust Deeds. Given that the Scheme does not involve the grant of options over any new Shares of the Company, it does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules. No Shareholders' approval is required to adopt the Share Award Schemes.

## **SHARE AWARD SCHEMES**

The Board is pleased to announce that on 25 May 2022, the Board has approved the adoption of two share award schemes namely Scheme I and Scheme II. The following is a summary of the principal terms and conditions of the Share Award Schemes:

### **Purposes and objectives**

The purpose and objective of Scheme I are:

- (i) to recognise the contributions by certain Eligible Participants and to closely align executive interests with the growth and financial achievements of the Group; and
- (ii) to provide a performance-driven long-term incentive award to motivate and retain key senior management.

The purpose and objective of Scheme II are:

- (i) to recognise the contributions by certain Eligible Participants and to provide them with incentives in order to retain them for the continual operation and development of the Group; and
- (ii) to attract suitable personnel for further development of the Group.

### **Duration**

Subject to any early termination as may be determined by the Board pursuant to the Share Award Schemes Rules, each of the Share Award Schemes shall be valid and effective for a term of ten (10) years commencing on the Adoption Date.

### **Operation of the Share Award Schemes**

#### ***Contribution to the Trusts***

The Board may from time to time cause to be paid a sum to the respective Trusts by way of settlement or otherwise contributed by the Company or any party designated by the Company as directed by the Board which shall constitute part of the Trust Funds, for the purchase and/or subscription (as the case may be) of Shares and other purposes set out in the respective Share Award Schemes Rules and the Trust Deeds.

Subject to prior written direction and/or consent of the Board, the Trustee(s) may accept Shares transferred, gifted, assigned, or conveyed to the respective Trusts from any party designated by the Company from time to time in such number as such party designated by the Company may at their sole discretion determine, which shall constitute part of the Trust Funds.

The Trustee(s) shall administer the Shares in the same manner in accordance with the Trust Deeds and the Share Award Schemes Rules regardless whether they are subscribed for or otherwise acquired by the Trusts or transferred, gifted, assigned, or conveyed to the Trusts.

### ***Grant of Awarded Shares to Selected Participants***

In respect of Scheme I, which is for Eligible Participants who are connected persons of the Company, (i) Selected Participants may only be granted with old Shares subject to and in compliance with Chapter 14A of the Listing Rules and other applicable laws, rules and regulations; (ii) Selected Participants may not be granted with new Shares to be allotted and issued by the Company, unless the Company has, where required, obtained the approval by Shareholders for the issue of new Shares to such Selected Participants in accordance with all applicable laws, rules and regulations (including but not limited to the Listing Rules).

In respect of Scheme II, which is for Eligible Participants who are not connected persons of the Company, Selected Participants may be granted with the new Shares to be allotted and issued by the Company to the extent that a general mandate is available for the Company to allow new Shares, or a specific approval by Shareholders has been obtained for the issue of new Shares to such Selected Participants in accordance with all applicable laws, rules and regulations (including but not limited to the Listing Rules).

In determining the number of Awarded Shares to be granted to any Selected Participant (excluding any Excluded Participant), the Board shall take into consideration matters including, but without limitation to (i) the present contribution and expected contribution of the relevant Selected Participant to the profits of the Group; (ii) the general financial condition of the Group; (iii) the Group's overall business objectives and future development plan; (iv) the view of members of the Remuneration Committee; and (v) any other matter which the Board considers relevant.

### ***Vesting of Awarded Shares***

Subject to the terms and condition of the respective Share Award Schemes and the fulfillment of all vesting conditions to the vesting of the Awarded Shares on such Selected Participant as specified in the respective Share Award Schemes and the relevant grant instrument, the respective Awarded Shares held by the Trustee(s) on behalf of the Selected Participant shall vest in such Selected Participant in accordance with the Vesting Schedule, and the Trustee(s) shall cause the Awarded Shares to be transferred to such Selected Participant in accordance with the terms of the respective Share Award Schemes.

Where a Selected Participant who is not a connected person of the Company on the date on which the Award was granted to him/her under Scheme II subsequently becomes a connected person of the Company prior to vesting of the Award, vesting of the Award will be subject to compliance by the Company of requirements under Chapter 14A of the Listing Rules, where applicable, and the Remuneration Committee shall have absolute discretion to alter the vesting of or terminate such Award where such requirements would, in the opinion of the Remuneration Committee, be burdensome on the Company. Such alteration or termination would not affect the entitlement of such Selected Participant(s) who had become a connected person of the Company from becoming an Eligible Participant under Scheme I.

### **Scheme Limit and Individual Limit**

The Board shall not make any further award of Awarded Shares by allotment and issuance of new Shares which will result in (i) the aggregate number of the Shares awarded by the Board under the Share Award Schemes and the Share Option Scheme exceeding ten per cent (10%) of the relevant class of shares of the Company from time to time; and (ii) the aggregate number of new Shares awarded by the Board under the Scheme exceeding three per cent (3%) of the issued share capital of the Company as at the Adoption Date. If required by the Listing Rules, the Board shall also set such scheme mandate sublimit for such category of Eligible Participants which shall be approved by the Remuneration Committee

Unless otherwise permitted by the applicable Listing Rules and approved in accordance with its applicable requirements under the Listing Rules, the maximum number of new Shares which may be awarded to a Selected Participant under the respective Share Award Schemes shall not, in aggregate with any Awarded Shares issued and to be issued to such relevant Selected Participant(s) and any other new Shares issued or to be issued to such relevant Selected Participant(s), exceed one per cent (1%) of the relevant class of shares of the Company in issue in any 12-month period (or such other percentage as may be permitted under the Listing Rules).

### **Black-out Period**

No Award shall be made by the Board pursuant to either of the Share Award Schemes where dealings in the Shares are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time.

Without limiting the generality of the foregoing, no such instruction is to be given and no such grant is to be made by the Board:

- (i) after an event involving inside information in relation to affairs or securities of the Company has occurred or a matter involving inside information in relation to the securities of the Company has been the subject of a decision, until such inside information has been publicly announced in accordance with the application laws and the Listing Rules;

- (ii) during the period of 60 days immediately preceding the publication date of the annual results for any financial period of the Company or, if shorter, the period from the end of the relevant financial period up to the publication date of the results;
- (iii) during the period of 30 days immediately preceding the publication date of the interim results for any financial period of the Company or, if shorter, the period from the end of the relevant half-year period of the financial period up to the publication date of the results;  
or
- (iv) in any circumstance which is prohibited under the Listing Rules, the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) or any other law or regulation or where any requisite approval from any governmental or regulatory authority has not been granted.

### **Lapse of Awards**

In the event that prior to or on the Vesting Date, a Selected Participant is found to be an Excluded Participant or is deemed to cease to be an Eligible Participant pursuant to the respective Share Award Schemes, the relevant Award made to such Selected Participant shall automatically lapse forthwith and the relevant Awarded Shares shall not vest on the relevant Vesting Date but shall remain part of the Trust Funds. Such Eligible Participant shall have no right or claim against the Company, any other member of the Group, the Board, the Trusts or the Trustee or with respect to those or any other Shares or any right thereto or interest therein in any way.

Furthermore, unless otherwise waived by the Board, in the event that the vesting conditions specified in the relevant grant instrument are not fully satisfied prior to or on the relevant Vesting Date, the award of the Awarded Shares in respect of the relevant Vesting Date shall lapse, such Awarded Shares shall not vest on the relevant Vesting Date and the Selected Participant shall have no claims against the Company, the Board, the Trusts or the Trustee(s).

### **Rights attaching to the Awards and the Awarded Shares**

A Selected Participant shall not have any interest or rights (including the right to receive dividends) in the Awarded Shares prior to the Vesting Date. A Selected Participant shall also have no rights in the residual cash of the Trusts or Shares or such other Trust Fund or property held by the Trusts.

## **Voting rights**

No instructions shall be given by a Selected Participant (including, without limitation, voting rights) to the Trustee(s) in respect of the Awarded Shares that have not been vested, and such other properties of the Trust Funds managed by the Trustee(s). The Trustee(s) shall also not exercise the voting rights in respect of any Shares held directly or indirectly by it under the Trusts (if any) (including but not limited to the Awarded Shares, any bonus Shares and scrip Shares derived therefrom).

## **Alteration of the Share Award Schemes**

Each of the Share Award Scheme may be altered in any respect by resolution of the Board provided that no such amendment shall operate to affect materially and adversely any subsisting rights of any Selected Participant hereunder. Notwithstanding the above, the Scheme may be amended in any respect by a resolution of the Board if such amendment is made pursuant to the requirements of the Listing Rules.

## **Termination**

The Share Award Schemes shall terminate on the earlier of: (i) the 10<sup>th</sup> anniversary date of the Adoption Date; and (ii) such date of early termination as determined by the Board by a resolution of the Board.

## **LISTING RULES IMPLICATION**

Each of the Share Award Schemes do not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules and is not required to comply with the requirements thereunder. No Shareholders' approval is required for the adoption of the Schemes, and this announcement is made on a voluntary basis.

## **DEFINITIONS**

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

“Adoption Date”	25 May 2022, being the date on which each of the Share Award Schemes is approved by the Remuneration Committee and adopted by the Board;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;

“Award”	a conditional award of Awarded Shares to a Selected Participant made in accordance with the respective Share Award Schemes Rules;
“Awarded Share(s)”	the Share(s) that may be conditionally awarded to a Selected Participant pursuant to an Award;
“Board”	the board of Directors;
“Company”	Natural Beauty Bio-Technology Limited, a company incorporated in the Cayman Islands with limited liability whose Shares are listed on the Main Board of the Stock Exchange (stock code: 0157);
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	director(s) of the Company;
“Eligible Participant(s)”	In the case of Scheme I, <ul style="list-style-type: none"> <li>(i) any directors and employees of the Group (including without limitation any Directors, chief executives and the directors of the Subsidiaries);</li> <li>(ii) any directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company;</li> <li>(iii) any person who provide services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are material to the long-term growth of the Group as determined by the Remuneration Committee; and/or</li> <li>(iv) such other persons permitted by the Listing Rules to be participants of the Scheme,</li> </ul>

who is also a connected person of the Company.

In the case of Scheme II,

- (i) any employees of the Group;
- (ii) any directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company;
- (iii) any person who provide services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are material to the long-term growth of the Group as determined by the Remuneration Committee; and/or
- (iv) such other persons permitted by the Listing Rules to be participants of the Scheme,

excluding chief executive officers, directors or employees of any member of the Group who are connected persons of the Company.

“Excluded Participant(s)”

In the case of Scheme I, any Eligible Participant who is resident in a place where the grant of an Award and/or the vesting and transfer of the Awarded Shares (and/or Shares and/or cash representing any income, proceeds or distributions derived from or in respect of the Awarded Shares, where applicable) pursuant to the terms of Scheme I is not permitted under the laws or regulations of such place or where in the view of the Board or the Trustee(s) (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such Eligible Participant.

In the case of Scheme II,

- (i) at the time of the proposed grant of an Award is a connected person of the Company; and/or
- (ii) is resident in a place where the grant of an Award and/or the vesting and transfer of the Awarded Shares (and/or Shares and/or cash representing any income, proceeds or distributions derived from or in respect of the Awarded Shares, where applicable) pursuant to the terms of Scheme II is not permitted under the laws or regulations of such place or where in the view of the Board or the Trustee(s) (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such Eligible Participant;

“Group”	the Company and its Subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of The People’s Republic of China;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“Remuneration Committee”	the remuneration committee of the Company;
“Scheme I”	the share award scheme constituted by Scheme I Rules and adopted by the Company on the Adoption Date;
“Scheme I Rules”	the rules relating to Scheme I, as may be altered from time to time;
“Scheme II”	the share award scheme constituted by Scheme II Rules and adopted by the Company on the Adoption Date;
“Scheme II Rules”	the rules relating to the Scheme II, as may be altered from time to time;

“Selected Participant(s)”	Eligible Participant(s) selected by the Board for participation in the Share Award Scheme(s) in accordance with the terms of the respective Share Award Schemes Rules;
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company;
“Share Award Schemes”	each of Scheme I and Scheme II;
“Share Award Schemes Rules”	each of Scheme I Rules and Scheme II Rules;
“Share Option Scheme”	the share option scheme of the Company as adopted by the shareholders of the Company at general meeting or by way of written resolutions, as may be amended from time to time;
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Trusts”	the trusts constituted by the Trust Deeds;
“Trust Deeds”	the two (2) separate trust deeds to be entered into between the Company as the settlor and the Trustee(s) and the trustee in respect of the Shares and other trust funds (if any) held or to be held by the Trustee(s) subject to the terms thereof, as amended from time to time;
“Trust Funds”	the funds and properties held directly or indirectly under the Trust and managed by the Trustee(s) for the benefit of the Selected Participants (other than the Excluded Participants);
“Trustee(s)”	Professional trustee(s) to be appointed by the Company to assist with the administration of the Share Award Schemes and the vesting of Awards granted, who are independent third party to the Company;
“Vesting Date”	in relation to any Selected Participant, the date on which the legal and beneficial ownership of the Awarded Shares are vested in such Selected Participant pursuant to an Award; and

“Vesting Schedule”

the schedule in respect of the vesting of the Awarded Share(s) in the Selected Participant, which shall comprise a minimum period of twelve (12) months or such shorter vesting period as may be determined by the Remuneration Committee or as may be permitted under the Listing Rules.

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

Hong Kong, 25 May 2022

*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 nonexecutive directors; and Mr. Chen Ruey-Long, Mr. Lu Chi-Chant and Mr. Yang Shih-Chien as independent non-executive directors.*