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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
PROFIT WARNING**

This announcement is made by the Company pursuant to the Inside Information Provisions under Part XIVA of the SFO and Rule 13.09(2)(a) of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that based on its preliminary assessment on the information currently available to the Board, the Group is expected to record a net loss of approximately HK\$31,000,000 for the six months ended 30 June 2024 as compared to its net loss of approximately HK\$9,406,000 recorded for the corresponding period in 2023. The net loss is mainly attributable to the overall decrease in revenue by approximately 2.91% and the increase in cost of sales and operating expenses by approximately 10.85%, as comparing to the six months ended 30 June 2023.

The information contained in this announcement is only based on a preliminary review and assessment by the Board according to the unaudited consolidated management accounts of the Group for the six months ended 30 June 2024 and the information currently available to the Company, which has not been reviewed by the Company's auditors, or reviewed by the audit committee of the Company and may be subject to adjustments.

Shareholders and potential investors are advised to exercise caution when dealings in the shares of the Company.

This announcement is made by Natural Beauty Bio-Technology Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “**SFO**”) and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors of the Company (the “**Board**”) would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary assessment of the latest unaudited consolidated management accounts of the Group for the six months ended 30 June 2024 and the latest information available to the management of the Group, the Group is expected to record a net loss of approximately HK\$31,000,000 for the six months ended 30 June 2024, as compared with the net loss of approximately HK\$9,406,000 recorded for the corresponding period in 2023.

Such change is mainly attributable to:

- (i) Increase in the costs of sale and operating expenses of the Group by approximately 10.85% from HK\$156,656,000 for the six months ended 30 June 2023 to approximately HK\$173,628,000 for the six months ended 30 June 2024. In 2024, the Group is focusing on rapid business expansion by two ways: (A) implement the strategy of multi-channel & multi-brand; and (B) increase the number of franchising stores (which is our core business) through franchising agents. Consequently, business-related costs and personnel costs have seen a significant increase compared to the corresponding period in 2023.
- (ii) Decrease in the overall revenue of the Group by approximately 2.91% from HK\$161,511,000 for the six months ended 30 June 2023 to approximately HK\$156,749,000 for the six months ended 30 June 2024. In the first half of 2024, the global economic recovery faced increased uncertainty, and mainland China encountered the dual challenges of a complex and volatile international environment and weak domestic demand. Affected by the global economic situation and conservative consumption, although the growth rate of number of franchising stores increased, the revenue per store is showing a conservative trend, and thus the overall revenue of the Group declined compared to the corresponding period in 2023.

The Company is still in the process of finalising the interim results of the Group for the six months ended 30 June 2024. The information contained in this announcement is only based on a preliminary assessment by the Board of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2024 and the information currently available to the Company, which have not been reviewed by the Company's auditors or reviewed by the audit committee of the Company, and may be subject to adjustments. Shareholders and potential investors are advised to read carefully the results announcement of the interim results of the Group for the six months ended 30 June 2024, which is expected to be published in no later than August 2024 pursuant to the requirements of the Listing Rules.

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

Hong Kong, 17 July 2024

As at the date of this announcement, the Board comprises Dr. Lei Chien, Mr. Lin Chia-Wei and Ms. Lin Yen-Ling as executive directors; Ms. Lin Shu-Hua and Mr. Chen Shou-Huang as non-executive directors; and Mr. Chen Ruey-Long, Mr. Lin Tsalm-Hsiang and Mr. Yang Shih-Chien as independent non-executive directors.