

自然美 natural beauty

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 00157



Beauty from Natural

美麗源於自然

2017 中期報告
INTERIM REPORT

Mission Statement

我們的使命

Natural Beauty is dedicated to cultivate our staff, customers, students and franchisees to appreciate our education, products and services, which are made by the love and kindness of our founder, Dr. Tsai Yen-Pin, who made modern ladies beautiful, confident and wealthy.

我們致力於使員工、顧客、學員及加盟老師們存着一份感恩的心來到自然美，學習自然美容術及使用自然美產品及服務，這都是自然美創辦人蔡燕萍博士以愛心砌成累積的成果，幫助無數女性建立美麗、自信及財富。



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Corporate Information 公司資料

(As at 6 September 2017 ("the latest practicable date"))

(於二零一七年九月六日(「最後實際可行日期」))

BOARD OF DIRECTORS

Executive Directors

Dr. TSAI Yen-Yu

(alias Dr. TSAI Yen-Pin) (*Chairperson*)

Mr. LEE Ming-Ta

(alias Mr. LEE Ming-Tah) (*Vice Chairman*)

Dr. SU Chien-Cheng

Non-Executive Director

Dr. SU Sh-Hsyu

(alias Dr. Spring Sh-Hsyu SU)

Independent Non-Executive Directors

Mr. CHEN Ruey-Long

Mr. LU Chi-Chant

Mr. HSIEH Pang-Chang

(alias Mr. SHIA Ben-Chang)

AUTHORISED REPRESENTATIVES

Dr. SU Chien-Cheng

Ms. HO Siu Pik

COMPANY SECRETARY

Ms. HO Siu Pik (FCS, FCIS)

MEMBERS OF THE AUDIT COMMITTEE

Mr. CHEN Ruey-Long (*Chairman*)

Dr. SU Sh-Hsyu

(alias Dr. Spring Sh-Hsyu SU)

Mr. LU Chi-Chant

Mr. HSIEH Pang-Chang

(alias Mr. SHIA Ben-Chang)

MEMBERS OF THE REMUNERATION COMMITTEE

Mr. LU Chi-Chant (*Chairman*)

Dr. SU Chien-Cheng

Dr. SU Sh-Hsyu

(alias Dr. Spring Sh-Hsyu SU)

Mr. CHEN Ruey-Long

Mr. HSIEH Pang-Chang

(alias Mr. SHIA Ben-Chang)

董事會

執行董事

蔡燕玉博士

(又名蔡燕萍博士)(*主席*)

李明達先生(*副主席*)

蘇建誠博士

非執行董事

蘇詩琇博士

獨立非執行董事

陳瑞隆先生

盧啓昌先生

謝邦昌先生

法定代表

蘇建誠博士

何小碧女士

公司秘書

何小碧女士(FCS, FCIS)

審核委員會成員

陳瑞隆先生(*主席*)

蘇詩琇博士

盧啓昌先生

謝邦昌先生

薪酬委員會成員

盧啓昌先生(*主席*)

蘇建誠博士

蘇詩琇博士

陳瑞隆先生

謝邦昌先生

(As at 6 September 2017 ("the latest practicable date"))
(於二零一七年九月六日(「最後實際可行日期」))

MEMBERS OF THE EXECUTIVE COMMITTEE

Mr. LEE Ming-Ta
(alias Mr. LEE Ming-Tah) (*Chairman*)
Dr. TSAI Yen-Yu
(alias Dr. TSAI Yen-Pin)
Dr. SU Chien-Cheng
Dr. SU Sh-Hsyu
(alias Dr. Spring Sh-Hsyu SU)

MEMBERS OF THE NOMINATION COMMITTEE

Mr. HSIEH Pang-Chang
(alias Mr. SHIA Ben-Chang) (*Chairman*)
Dr. TSAI Yen-Yu
(alias Dr. TSAI Yen-Pin)
Mr. LEE Ming-Ta
(alias Mr. LEE Ming-Tah)
Mr. CHEN Ruey-Long
Mr. LU Chi-Chant

REGISTERED OFFICE

P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Level 54
Hopewell Centre
183 Queen's Road East
Hong Kong

執行委員會成員

李明達先生 (*主席*)
蔡燕玉博士
(又名蔡燕萍博士)
蘇建誠博士
蘇詩琇博士

提名委員會成員

謝邦昌先生 (*主席*)
蔡燕玉博士
(又名蔡燕萍博士)
李明達先生
陳瑞隆先生
盧啓昌先生

註冊辦事處

P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

香港主要營業地點

香港
皇后大道東183號
合和中心
54樓

Corporate Information 公司資料

(As at 6 September 2017 ("the latest practicable date"))

(於二零一七年九月六日(「最後實際可行日期」))

AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountants
35/F One Pacific Place
88 Queensway
Hong Kong

LEGAL ADVISERS

Bird & Bird
4/F, Three Pacific Place
1 Queen's Road East
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall
Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Hong Kong Registrars Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

LISTING INFORMATION

The Stock Exchange of Hong Kong Limited
Stock Code: 00157

核數師

德勤·關黃陳方會計師行
執業會計師
香港
金鐘道88號
太古廣場一期35樓

法律顧問

鴻鵠律師事務所
香港
皇后大道東1號
太古廣場3座4樓

主要股份過戶登記處

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall
Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

香港股份過戶登記分處

香港證券登記有限公司
香港
灣仔
皇后大道東183號
合和中心
17樓1712-1716室

上市資料

香港聯合交易所有限公司
股份代號：00157

(As at 6 September 2017 ("the latest practicable date"))
(於二零一七年九月六日(「最後實際可行日期」))

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited

1 Queen's Road Central
Hong Kong

Taiwan Cooperative Bank

No. 277, Section 3, Cheng Teh Road
Taipei
Taiwan

CTBC BANK Co., Ltd.

8F, No. 168, Jingmao 2nd Road
Taipei
Taiwan

China Merchants Bank Co., Ltd.

Shanghai Branch, Jingsi Sub-branch
1700 Beijing Road (W)
Shanghai
The PRC

China Minsheng Banking Corporation Limited

Shanghai Branch, Hongkou Sub-branch
1/F Gulf Building
53 Huangpu Road
Shanghai
The PRC

WEBSITE

www.ir-cloud.com/hongkong/00157/irwebsite

主要往來銀行

香港上海滙豐銀行有限公司

香港
皇后大道中1號

合作金庫銀行

台灣
台北
承德路三段277號

中國信託商業銀行股份有限公司

台灣
台北
經貿二路168號8樓

招商銀行股份有限公司

上海市分行靜安寺支行
中國
上海
北京西路1700號

中國民生銀行股份有限公司

上海市分行虹口支行
中國
上海
黃浦路53號
海灣大廈一樓

網址

www.ir-cloud.com/hongkong/00157/irwebsite

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

財務回顧

Turnover by geographical region	按地域劃分之營業額	1H 2017		1H 2016		Changes	
		二零一七年上半年		二零一六年上半年		變動	
		HK\$'000	%	HK\$'000	%	HK\$'000	%
		千港元	%	千港元	%	千港元	%
The People's Republic of China ("PRC")	中華人民共和國 (「中國大陸」)	145,179	79.1%	194,431	80.9%	(49,252)	-25.3%
Taiwan	台灣	37,141	20.2%	44,378	18.5%	(7,237)	-16.3%
Others	其他	1,293	0.7%	1,446	0.6%	(153)	-10.6%
Total	總計	183,613	100.0%	240,255	100.0%	(56,642)	-23.6%

During the six months ended 30 June 2017, turnover of Natural Beauty Bio-Technology Limited ("Natural Beauty" or the "Company") and its subsidiaries (the "Group") decreased by 23.6% to HK\$183.6 million compared with HK\$240.3 million for the six months ended 30 June 2016. The decline was mainly due to a decrease of HK\$56.7 million in product sales, such segment contributed to 98.5% of the Group's total turnover.

For the six months ended 30 June 2017, turnover in the PRC market decreased by 25.3% from HK\$194.4 million for the six months ended 30 June 2016 to HK\$145.2 million for the six months ended 30 June 2017, and also turnover in the Taiwan market decreased by 16.3% to HK\$37.1 million compared with HK\$44.4 million for the six months ended 30 June 2016.

Sales from other regions, including Hong Kong, Macau and Malaysia, decreased by 10.6% to HK\$1.3 million for the six months ended 30 June 2017. Contribution from these regions remained at an insignificant level of just 0.7% of the Group's turnover.

自然美生物科技有限公司(「自然美」或「本公司」)及其附屬公司(「本集團」)之營業額由截至二零一六年六月三十日止六個月的240,300,000港元減少23.6%至截至二零一七年六月三十日止六個月的183,600,000港元。有關減少主要由於產品銷售額減少56,700,000港元，該分部佔本集團總營業額的98.5%。

於截至二零一七年六月三十日止六個月，中國大陸市場之營業額由截至二零一六年六月三十日止六個月的194,400,000港元減少25.3%至截至二零一七年六月三十日止六個月之145,200,000港元；而台灣市場之營業額則較截至二零一六年六月三十日止六個月之44,400,000港元減少16.3%至37,100,000港元。

於截至二零一七年六月三十日止六個月，其他地區(包括香港、澳門及馬來西亞)之銷售額下跌10.6%至1,300,000港元。該等地區對本集團營業額之貢獻維持輕微，僅佔本集團總營業額0.7%。

FINANCIAL REVIEW (Continued)

The Group's overall gross profit margin declined from 76.1% for the six months ended 30 June 2016 to 73.5% for the six months ended 30 June 2017 mainly due to decline in the sales of high-value and high-profit-margin products during the period under review.

財務回顧 (續)

本集團之整體邊際毛利率由截至二零一六年六月三十日止六個月的76.1%下降至截至二零一七年六月三十日止六個月的73.5%，原因為於回顧期間高價且高毛利之產品銷售比重下降。

Turnover by activities	按業務劃分之營業額	1H 2017		1H 2016		Changes	
		二零一七年 上半年 HK\$'000 千港元		二零一六年 上半年 HK\$'000 千港元		變動 HK\$'000 千港元	%
Products	產品						
PRC	中國大陸	143,788		193,204		(49,416)	-25.6%
Taiwan	台灣	35,852		43,009		(7,157)	-16.6%
Others	其他	1,293		1,446		(153)	-10.6%
Total	總計	180,933		237,659		(56,726)	-23.9%
Services	服務						
PRC	中國大陸	1,391		1,227		164	13.4%
Taiwan	台灣	1,289		1,369		(80)	-5.8%
Total	總計	2,680		2,596		84	3.2%

Turnover by activities	按業務劃分之營業額	1H 2017		1H 2016		Changes	
		二零一七年上半年 HK\$'000 千港元	%	二零一六年上半年 HK\$'000 千港元	%	變動 HK\$'000 千港元	%
Products	產品	180,933	98.5%	237,659	98.9%	(56,726)	-23.9%
Services	服務	2,680	1.5%	2,596	1.1%	84	3.2%
Total	總計	183,613	100.0%	240,255	100.0%	(56,642)	-23.6%

FINANCIAL REVIEW (Continued)

Products

The Group is principally engaged in manufacturing and sales of a range of products, including skin care, beauty, aroma-therapeutic products, health supplements and make-up products under the "Natural Beauty" brand. Product sales are the Group's key revenue source and primarily come from franchised spas, self-owned spas and concessionary counters at department stores. Product sales for the six months ended 30 June 2017 amounted to HK\$180.9 million, or 98.5% of the Group's total revenue, representing a decrease of HK\$56.7 million or by 23.9% when compared with sales of HK\$237.7 million for the six months ended 30 June 2016. The decrease in product sales was mainly driven by the decrease in turnover in such segment in the PRC market by 25.6% to HK\$143.8 million for the six months ended 30 June 2017 compared with HK\$193.2 million for the corresponding period last year.

財務回顧 (續)

產品

本集團主要以「自然美」品牌製造及銷售護膚產品、美容產品、香薰產品、健康食品及化妝品等各式各樣產品。產品銷售為本集團主要收入來源，且主要源自加盟水療中心、自資經營水療中心及百貨公司專櫃。截至二零一七年六月三十日止六個月之產品銷售額達180,900,000港元（或佔本集團總收入98.5%），較截至二零一六年六月三十日止六個月之銷售額237,700,000港元減少56,700,000港元或23.9%。產品銷售額減少主要由於截至二零一七年六月三十日止六個月該分部於中國大陸市場較去年同期之193,200,000港元下跌25.6%至143,800,000港元所致。

Service income	服務收益	1H 2017		1H 2016		Changes	
		二零一七年上半年		二零一六年上半年		變動	
		HK\$'000	%	HK\$'000	%	HK\$'000	%
		千港元		千港元		千港元	
Training income	培訓收益	203	7.6%	194	7.5%	9	4.6%
SPA service income	水療服務收益	2,251	84.0%	2,364	91.1%	(113)	-4.8%
Others	其他	226	8.4%	38	1.5%	188	494.7%
Total	總計	2,680	100.0%	2,596	100.0%	84	3.2%

FINANCIAL REVIEW (Continued)

Services

Service income is derived from the self-owned spas' services, training and other services.

The Group provides skin treatment, beauty and spa services through its self-owned spas. The Group's strategy is to establish self-owned spas as model outlets in strategic locations to stimulate overall sales of products to franchisees.

Service income is solely derived from the Group's self-owned spas. The Group does not share any service income generated from spas run by franchisees under its current franchise arrangements. During the six months ended 30 June 2017, service income increased by 3.2% to HK\$2.7 million compared with approximately HK\$2.6 million for the corresponding period last year.

Other income and other gains

Other income and other gains decreased by HK\$18.5 million or 71.0% from HK\$26.0 million for the six months ended 30 June 2016 to HK\$7.5 million for the six months ended 30 June 2017, mainly due to an one-off compensation fee of HK\$19.1 million was received by a PRC subsidiary during the six months ended 30 June 2016. Other income and other gains mainly comprised rental income from other properties, interest income and financial refunds of HK\$1.0 million, HK\$2.9 million and HK\$1.2 million, respectively, during the six months ended 30 June 2017.

財務回顧 (續)

服務

服務收益源自自資經營水療中心服務、培訓及其他服務。

本集團透過其自資經營水療中心提供肌膚護理、美容及水療服務。本集團之策略乃於戰略位置將自資經營水療中心打造成模範門店，以刺激加盟者之整體產品銷售額。

服務收益僅源自本集團之自資經營水療中心。按現行加盟經營安排，本集團不能分佔加盟者經營水療中心所得之任何服務收益。於截至二零一七年六月三十日止六個月，服務收益較去年同期之2,600,000港元增加3.2%至2,700,000港元。

其他收益和利得

其他收益和利得由截至二零一六年六月三十日止六個月之26,000,000港元減少18,500,000港元或71.0%至截至二零一七年六月三十日止六個月之7,500,000港元，主要因為截至二零一六年六月三十日止六個月，中國大陸一家附屬公司收到一次性拆遷補償款19,100,000港元。於截至二零一七年六月三十日止六個月，其他收益和利得主要包括其他物業之租金收益、利息收益、財務退款，分別為1,000,000港元、2,900,000港元及1,200,000港元。

FINANCIAL REVIEW (Continued)

Distribution and administrative expenses

Distribution and selling expenses as a percentage of the Group's turnover increased to 25.7% for the six months ended 30 June 2017 compared with 23.3% for the six months ended 30 June 2016. However, the distribution and selling expenses decreased by HK\$8.8 million from HK\$55.9 million for the six months ended 30 June 2016 to HK\$47.1 million for the six months ended 30 June 2017. Incentive trip/dealer meeting expenses decreased by HK\$3.4 million from HK\$7.7 million for the six months ended 30 June 2016 to HK\$4.3 million for the six months ended 30 June 2017. Other key expenses included salaries of HK\$21.5 million, travel and entertainment expenses of HK\$2.8 million, depreciation charges of HK\$2.0 million as well as rentals of offices and sales counters of HK\$7.1 million for the six months ended 30 June 2017.

Total administrative expenses decreased by HK\$2.0 million, or 6.0%, to HK\$31.6 million for the six months ended 30 June 2017 compared with HK\$33.6 million for the six months ended 30 June 2016. Administrative expenses mainly comprised of staff costs and retirement benefits of HK\$11.3 million, legal and professional fee of HK\$4.1 million, depreciation charges of HK\$3.9 million and office and utility expenses of HK\$2.6 million.

Other expenses and other losses

Other expenses and other losses increased by HK\$1.8 million, from HK\$7.4 million for the six months ended 30 June 2016 to HK\$9.2 million for the six months ended 30 June 2017. Other expenses and other losses for the six months ended 30 June 2017 mainly included the provision for doubtful debts expense of HK\$5.9 million, loss of HK\$0.2 million on disposal of property, exchange loss of HK\$2.3 million and related expenses of rental property of HK\$0.7 million.

財務回顧 (續)

分銷及行政開支

分銷及銷售開支佔本集團營業額之百分比由截至二零一六年六月三十日止六個月之23.3%增加至截至二零一七年六月三十日止六個月之25.7%。然而分銷及銷售開支由截至二零一六年六月三十日止六個月之55,900,000港元減少8,800,000港元至截至二零一七年六月三十日止六個月之47,100,000港元。旅遊獎勵及客戶會議費用由二零一六年六月三十日止六個月之7,700,000港元減少3,400,000港元至二零一七年六月三十日止六個月之4,300,000港元。於截至二零一七年六月三十日止六個月，其他重要開支項目包括薪金21,500,000港元、差旅費及應酬開支2,800,000港元、折舊開支2,000,000港元以及辦公室及專櫃租金開支7,100,000港元。

於截至二零一七年六月三十日止六個月，總行政開支由截至二零一六年六月三十日止六個月的33,600,000港元減少2,000,000港元或6.0%至31,600,000港元。行政開支主要包括員工成本及退休福利11,300,000港元、法律及專業費用4,100,000港元、折舊開支3,900,000港元以及辦公室和水電開支2,600,000港元。

其他支出和損失

其他支出和損失增加1,800,000港元，由截至二零一六年六月三十日止六個月之7,400,000港元增加至截至二零一七年六月三十日止六個月之9,200,000港元。截至二零一七年六月三十日止六個月，其他支出和損失主要包括呆賬撥備5,900,000港元、出售物業之虧損200,000港元、匯兌虧損2,300,000港元及出租物業成本700,000港元。

FINANCIAL REVIEW (Continued)

Profit before tax

Taking into account the decrease in gross profit and other income, profit before tax decreased by 51.1% from HK\$111.7 million for the six months ended 30 June 2016 to HK\$54.6 million for the six months ended 30 June 2017.

Taxation

Taxation expenses decreased by HK\$12.5 million to HK\$16.3 million for the six months ended 30 June 2017 compared with HK\$28.8 million for the six months ended 30 June 2016. The effective tax rate of the Group for the six months ended 30 June 2016 and 2017 was 25.8% and 29.8% respectively. The lower effective tax rate for the six months ended 30 June 2016 was mainly due to the fact that the one-off compensation fee received by a PRC subsidiary of HK\$19.1 million for the six months ended 30 June 2016 was exempted for tax.

Profit for the year

Profit for the year decreased by 53.7% from HK\$83.0 million for the six months ended 30 June 2016 to HK\$38.4 million for the six months ended 30 June 2017.

財務回顧 (續)

除稅前溢利

鑑於毛利、其他收入均告減少，除稅前溢利由截至二零一六年六月三十日止六個月之111,700,000港元減少51.1%至截至二零一七年六月三十日止六個月之54,600,000港元。

稅項

稅項支出減少12,500,000港元，由截至二零一六年六月三十日止六個月之28,800,000港元減少至截至二零一七年六月三十日止六個月之16,300,000港元。本集團於截至二零一六年及二零一七年六月三十日止六個月之實際稅率分別為25.8%及29.8%。截至二零一六年六月三十日止六個月之實際稅率較低之主要原因為截至二零一六年六月三十日止六個月，中國一家附屬公司收到補償款19,100,000港元，該補償款為免稅收入。

期內溢利

期內溢利由截至二零一六年六月三十日止六個月之83,000,000港元減少53.7%至截至二零一七年六月三十日止六個月之38,400,000港元。

FINANCIAL REVIEW (Continued)

Liquidity and financial resources

Cash (used in) generated from operating activities for the six months ended 30 June 2017 was approximately HK\$-65.0 million (HK\$61.0 million for the six months ended 30 June 2016). As at 30 June 2017, the Group had bank balances and cash of approximately HK\$373.0 million (HK\$428.6 million as at 31 December 2016) with no external bank borrowing.

In terms of gearing, as at 31 December 2016 and 30 June 2017, the Group's gearing ratios were zero (defined as net debt divided by shareholders' equity) as the Group was in a net cash position on both year/period-end dates. Current ratios of the Group (defined as current assets divided by current liabilities) as at 31 December 2016 and 30 June 2017 were 3.5 times and 2.5 times respectively. As at 30 June 2017, the Group had no material contingent liabilities, other than those disclosed in its financial statements and notes thereto. With the cash and bank balances in hand, the Group's liquidity position remains strong and it has sufficient financial resources to finance its commitments and to meet its working capital requirements.

Treasury policies and exposure to fluctuations in exchange rates

Most of the Group's revenues are denominated in Renminbi and New Taiwan Dollars as its operations are mainly located in the PRC and Taiwan. As at 30 June 2017, approximately 77.4% (78.4% as at 31 December 2016) of the Group's bank balances and cash was denominated in Renminbi, while approximately 12.2% (17.0% as 31 December 2016) in New Taiwan Dollars. The remaining 10.4% (4.6% as 31 December 2016) was denominated in US Dollars, Hong Kong Dollars and Ringgit Malaysia. The Group continues to adopt a conservative approach in its foreign exchange exposure management. It reviews its foreign exchange risks periodically and uses derivatives to hedge against such risks when necessary.

財務回顧 (續)

流動資金及財務資源

於截至二零一七年六月三十日止六個月之經營業務(所用)所得現金約為-65,000,000港元(截至二零一六年六月三十日止六個月為61,000,000港元)。於二零一七年六月三十日，本集團之銀行結存及現金約為373,000,000港元(於二零一六年十二月三十一日為428,600,000港元)，且並無外界銀行借款。

資產負債方面，於二零一六年十二月三十一日及二零一七年六月三十日，由於本集團在兩個年度／期間結算日均處於淨現金狀況，故資產負債比率(界定為淨負債除以股東權益)均為零。於二零一六年十二月三十一日及二零一七年六月三十日，本集團之流動比率(界定為流動資產除以流動負債)分別為3.5倍及2.5倍。於二零一七年六月三十日，除於財務報表及有關附註披露者外，本集團並無重大或然負債。憑藉所持有之現金及銀行結存，本集團之流動資金狀況維持穩健，且財務資源充裕，足以應付其承擔及營運資金所需。

理財政策及所承受匯率波動風險

基於本集團業務主要位於中國大陸及台灣，故其大部份收入乃以人民幣及新台幣計值。於二零一七年六月三十日，在本集團之銀行結存及現金中，約77.4%(於二零一六年十二月三十一日為78.4%)以人民幣計值，另約12.2%(於二零一六年十二月三十一日為17.0%)以新台幣計值。餘下10.4%(於二零一六年十二月三十一日為4.6%)則以美元、港元及馬來西亞幣計值。本集團繼續就外匯風險管理採取審慎政策，定期檢討其所承受之外匯風險，並於有需要時使用衍生金融工具對沖有關風險。

BUSINESS REVIEW

業務回顧

Turnover by geographic region	按地域劃分之營業額	1H 2017	1H 2016	Changes	
		二零一七年 上半年 HK\$'000 千港元	二零一六年 上半年 HK\$'000 千港元	變動 HK\$'000 千港元	
					%
PRC	中國大陸				
Products	產品	143,788	193,204	(49,416)	-25.6%
Services	服務	1,391	1,227	164	13.4%
PRC Total	中國大陸總計	145,179	194,431	(49,252)	-25.3%
Taiwan	台灣				
Products	產品	35,852	43,009	(7,157)	-16.6%
Services	服務	1,289	1,369	(80)	-5.8%
Taiwan Total	台灣總計	37,141	44,378	(7,237)	-16.3%
Others	其他				
Products	產品	1,293	1,446	(153)	-10.6%
Services	服務	-	-	-	-
Others Total	其他總計	1,293	1,446	(153)	-10.6%

The PRC Market

The Group's turnover in the PRC market decreased by 25.3% for the six months ended 30 June 2017 to HK\$145.2 million compared with HK\$194.4 million for the six months ended 30 June 2016. The decrease was mainly due to decline in the sales of products. Gross profit margin on product sales decreased from 78.6% for the six months ended 30 June 2016 to 76.8% for the period under review, as a result of the decline in sales of high-value and high-profit margin product during the period under review.

中國大陸市場

於截至二零一七年六月三十日止六個月，本集團於中國大陸市場之營業額較截至二零一六年六月三十日止六個月之194,400,000港元減少25.3%至145,200,000港元。有關減少主要由產品銷售額減少所致。產品銷售之邊際毛利率由截至二零一六年六月三十日止六個月之78.6%跌至回顧期間之76.8%，原因為於回顧期間高價且高毛利之產品銷售比重下降。

BUSINESS REVIEW (Continued)

The Taiwan Market

The Group's turnover in the Taiwan market decreased by 16.3% from HK\$44.4 million for the six months ended 30 June 2016 to HK\$37.1 million for the six months ended 30 June 2017 due to decline in the sales of products. Gross profit margin decreased from 80.5% for the six months ended 30 June 2016 to 76.9% for the six months ended 30 June 2017, as a result of the decline in sales of high-value and high-profit margin products during the period under review.

業務回顧 (續)

台灣市場

由於產品銷售額減少，本集團於台灣市場之營業額由截至二零一六年六月三十日止六個月之44,400,000港元減少16.3%至截至二零一七年六月三十日止六個月之37,100,000港元。邊際毛利率由截至二零一六年六月三十日止六個月之80.5%跌至截至二零一七年六月三十日止六個月之76.9%，原因為於回顧期間高價且高毛利之產品銷售比重下降。

Distribution channels

分銷管道

Store Number by Ownership	按擁有權劃分之店舖數目	Franchisee	Self	Total	Entrusted	Self	Total	Total
		owned Spa 加盟者 擁有 水療中心	owned Spa 自資經營 水療中心			owned Counter 自資 經營專櫃		
As at 30 June 2017	於二零一七年六月三十日							
PRC	中國大陸	787	1	788	0	12	12	800
Taiwan	台灣	253	3	256	0	0	0	256
Others	其他	30	0	30	0	0	0	30
Total	總計	1,070	4	1,074	0	12	12	1,086

Store Number by Ownership	按擁有權劃分之店舖數目	Franchisee	Self	Total	Entrusted	Self	Total	Total
		owned Spa 加盟者 擁有 水療中心	owned Spa 自資經營 水療中心			owned Counter 自資 經營專櫃		
As at 30 June 2016	於二零一六年六月三十日							
PRC	中國大陸	783	1	784	0	14	14	798
Taiwan	台灣	247	3	250	0	0	0	250
Others	其他	30	0	30	0	0	0	30
Total	總計	1,060	4	1,064	0	14	14	1,078

BUSINESS REVIEW (Continued)
Distribution channels (Continued)

業務回顧 (續)
分銷管道 (續)

Average sales per store	每間店舖平均銷售額	1H 2017	1H 2016	1H 2017	1H 2016	Changes	
		Average store* 二零一七年 上半年 店舖 平均數目*	Average store* 二零一六年 上半年 店舖 平均數目*	Average sales per store 二零一七年 上半年 每間店舖 平均銷售額 HK\$ 港元	Average sales per store 二零一六年 上半年 每間店舖 平均銷售額 HK\$ 港元	變動 HK\$ 港元	%
PRC	中國大陸	800.0	795.5	181,000	244,000	(63,000)	-25.8%
Taiwan	台灣	254.0	249.5	146,000	178,000	(32,000)	-18.0%
Group total**	集團總計**	1,054.0	1,045.0	173,000	229,000	(56,000)	-24.5%

* Average store number is calculated by (opening period total + closing period total)/2

** Group total does not include Hong Kong, Macau and Malaysia turnover and store count.

* 平均店舖數目以(期初總計+期末總計)/2計算

** 集團總計不包括於香港、澳門及馬來西亞之營業額及店舖數目。

BUSINESS REVIEW (Continued)

Distribution channels (Continued)

The Group derives its income principally from its network of distribution channels, including spas and concessionary counters in department stores. Franchised spas are owned by the franchisees who are responsible for the capital investment in these spas. They are obliged to use only Natural Beauty or "NB" products in their spas. A wide array of services including hydrotherapy, facial treatment, body care and skin care analysis are provided in all spas, while skin care analysis is widely available at the concessionary counters in department stores.

As at 30 June 2017, there were 1,074 spas and 12 concessionary counters. Of these, 1,070 were franchised spas, and 4 spas and 12 concessionary counters were directly operated by the Group. No concessionary counters were entrusted to third-party operators.

Group-wide, a total of 47 new stores were opened and 43 stores were closed during the six months ended 30 June 2017. Average sales per store decreased from HK\$229,000 for the six months ended 30 June 2016 to HK\$173,000 for the six months ended 30 June 2017.

業務回顧 (續)

分銷管道 (續)

本集團收益主要來自其水療中心及百貨公司專櫃等分銷管道網絡。加盟水療中心由加盟者擁有，彼等須承擔本身水療中心的資本投資。彼等之水療中心僅可使用自然美或「NB」品牌產品。各水療中心均提供多種服務，包括水療、面部及身體護理以及皮膚護理分析服務，而百貨公司專櫃廣泛提供皮膚護理分析。

於二零一七年六月三十日，本集團共有1,074間水療中心及12個專櫃，當中包括1,070間加盟水療中心，以及由本集團直接經營的4間水療中心及12個專櫃。我們並無委託第三方經營者經營專櫃。

以集團而言，於截至二零一七年六月三十日止六個月，本集團合共開設47間新店舖，另關閉43間店舖。每間店舖之平均銷售額由截至二零一六年六月三十日止六個月之229,000港元減少至截至二零一七年六月三十日止六個月之173,000港元。

BUSINESS REVIEW (Continued)

Research and Development

The Group puts significant emphasis on research and development which allows it to maintain its competitive edge, to continuously improve the quality of its existing products and develop new products. The Group has been collaborating with overseas skin-care companies on technological development. The bio-technology materials the Group uses for its NB products are imported from Europe, Japan and Australia. The Group's research and development team comprises a number of overseas consultants with experience and expertise in cosmetics, medicine, pharmacy and bio-chemistry. NB's products are constantly enhanced and modified by the application of new ingredients developed by the team. The Group draws on its collaboration of experts with different expertise and experiences, together with Dr. TSAI Yen-Yu's 40-year-plus industry experience and knowledge to continue to create high-quality beauty and skin care products. NB principally uses natural ingredients to manufacture products and adopts special formulae to cater to the specific needs of women with delicate skin. NB products accommodate the natural metabolism of skin with long-lasting effects.

NB has collaborated with a leading researcher in the field of human genome and stem cell technology for the development of an anti-aging NB-1 product family and other products for spot removal, whitening, allergy-resistance and slimming. The stem cell technology is patented in the United States to protect the uniqueness of the NB-1 products.

Products

During the six months ended 30 June 2017, the Group's flagship NB-1 products accounted for 46.2% of total product sales. Sales of NB-1 branded products reached HK\$83.6 million for the six months ended 30 June 2017.

業務回顧 (續)

研究及開發

本集團非常著重於研究及開發，讓其保持競爭優勢，以持續改善現有產品的質素及開發新產品。本集團一直與海外護膚品公司合作研發新技術。本集團用於旗下自然美產品之生物科技物料乃從歐洲、日本及澳洲引進。本集團之研究及開發隊伍由多名具備化妝品、醫學、藥劑及生物化學經驗與專業知識之海外顧問組成。本集團透過使用團隊研發之新成分不斷提升及改良自然美產品。本集團透過與團隊內具備不同專業知識及經驗之專家通力合作，加上蔡燕玉博士於業內積逾40年之經驗及知識，將繼續開發優質美容及護膚產品。自然美產品主要使用天然成分製作，並採用特別配方，迎合女性嬌嫩肌膚的特別需要。自然美產品針對肌膚自然新陳代謝，功效持久。

自然美與人類基因及幹細胞科技範圍之頂尖研究員進行合作，開發抗衰老NB-1產品系列及其他去斑、美白、抗敏及纖體產品。為保護NB-1產品的獨特性，我們於美國取得幹細胞科技的專利權。

產品

於截至二零一七年六月三十日止六個月，本集團旗艦產品NB-1系列產品佔總產品銷售額之46.2%。於截至二零一七年六月三十日止六個月，NB-1品牌產品銷售額達到83,600,000港元。

BUSINESS REVIEW (Continued)

Human Resources

As at 30 June 2017, the Group had a total of 540 employees, of whom 437 were based in the PRC, 101 in Taiwan and 2 in other countries and regions. Total remuneration (excluding directors' emoluments) for the six months ended 30 June 2017 was approximately HK\$50.5 million (HK\$52.4 million for the six months ended 30 June 2016), including retirement benefit related costs of HK\$7.2 million (HK\$7.9 million for the six months ended 30 June 2016), with no stock option expenses (nil for the six months ended 30 June 2016). Competitive remuneration packages are maintained to attract, retain and motivate capable staff members and are reviewed on a regular basis.

The Group maintains good relations with its employees and is committed to their training and development. Professional training courses are offered to beauticians employed by the Group and to franchisees on a regular basis.

Capital Expenditures

The Group's capital expenditure of HK\$6.1 million for the six months ended 30 June 2017 was mainly related to the new plant construction in the PRC amounting to HK\$2.0 million, opening of new stores, renovation and equipment amounting to HK\$1.5 million, production equipment amounting to HK\$0.7 million, IT infrastructure amounting to HK\$0.7 million, research and development amounting to HK\$0.6 million and office renovation amounting to HK\$0.2 million.

業務回顧 (續)

人力資源

於二零一七年六月三十日，本集團合共僱用540名僱員，其中437名派駐中國大陸，台灣有101名，其他國家及地區則有2名。於截至二零一七年六月三十日止六個月之總酬金（不包括董事酬金）約為50,500,000港元（截至二零一六年六月三十日止六個月為52,400,000港元），其中包括退休福利相關成本7,200,000港元（截至二零一六年六月三十日止六個月為7,900,000港元）及無認股權開支（截至二零一六年六月三十日止六個月為零）。為招聘、留聘及鼓勵表現卓越的僱員，本集團保持具競爭力之酬金組合，並定期檢討。

本集團與其僱員維持良好合作關係，並承擔彼等的培訓及發展，更定期為本集團聘用之美容師及加盟者提供專業培訓課程。

資本開支

本集團於截至二零一七年六月三十日止六個月之資本開支為6,100,000港元，其主要包括中國大陸新工廠建設2,000,000港元、新開店裝修及設備1,500,000港元、生產設備700,000港元、資訊科技系統700,000港元、研發設備600,000港元及翻新辦公室200,000港元。

OUTLOOK

We will continue to implement some positive marketing strategies as follows:

- We will continuously speed up new store open in tier 3 and tier 4 cities in the PRC
- We will optimize the franchisee's service and skills to create the distinguishability as a professional skin care brand
- We will make various favourable supporting programmes for customers with the aim to drive in-store traffic
- We will launch high-end food supplements continuously and take advantage of the policy of health care industry in the PRC to increase the revenue

展望

我們將繼續實行以下積極的營銷策略：

- 持續加速拓展中國大陸三、四級城市新店鋪的加盟
- 優化連鎖店服務及技術水平，創造專業護膚品牌之差異性
- 推出各項針對消費者的優惠配套策略，積極增加客流
- 持續推出高端健康食品，結合中國大健康產業政策，增加營收

Corporate Governance Highlights

企業管治概要

CORPORATE GOVERNANCE

The Company is committed to achieving high standards of corporate governance that properly protect and promote the interests of its shareholders.

Accordingly, the board (the "Board") of directors (the "Directors") has established the Audit Committee, the Executive Committee, the Remuneration Committee and the Nomination Committee with defined terms of reference which are of no less exacting terms than those set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). These committees (save for Executive Committee) are chaired by Non-Executive Directors.

Audit Committee and Review of Interim Financial Statements

The Audit Committee has adopted terms of reference (Audit Committee Charter) which are in line with the code provisions of the CG Code. The unaudited condensed consolidated financial statements of the Company for the six months ended 30 June 2017 have been reviewed by the Audit Committee which is of the opinion that such statements comply with the applicable accounting standards, legal requirements and the Listing Rules, and that adequate disclosures have been made.

In addition, the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2017 have also been reviewed by Messrs. Deloitte Touche Tohmatsu, the auditors of the Company, in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", whose review report is disclosed on pages 30 to 31 of this Interim Report.

Remuneration Committee

The Remuneration Committee has adopted terms of reference (Remuneration Committee Charter) which are in line with the code provisions of the CG Code. The main duties of the Remuneration Committee include determining the policy and structure for the remuneration of Executive Directors, assessing performance of Executive Directors and approving the terms of Executive Directors' service contracts, and determining or making recommendations to the Board on the Company's remuneration packages of individual Executive and Non-Executive Directors and senior management.

企業管治

本公司致力達致高水平之企業管治，以妥為保障及提升股東利益。

因此，董事（「董事」）會（「董事會」）已成立具明確職權範圍之審核委員會、執行委員會、薪酬委員會及提名委員會，有關職權範圍書之條款並不比香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄14所載企業管治守則及企業管治報告（「企業管治守則」）所載條款寬鬆。該等委員會（除執行委員會外）均由非執行董事擔任主席。

審核委員會及中期財務報表之審閱

審核委員會已採納條款符合企業管治守則守則條文之職權範圍書（審核委員會憲章）。本公司截至二零一七年六月三十日止六個月之未經審核簡明綜合財務報表已由審核委員會審閱。審核委員會認為該等報表符合適用會計原則、法律規定及上市規則，並已作出充份披露。

此外，本集團截至二零一七年六月三十日止六個月之未經審核簡明綜合中期財務報表亦已由本公司核數師德勤•關黃陳方會計師行根據香港審閱工作準則第2410號「實體之獨立核數師對中期財務資料之審閱」進行審閱。德勤•關黃陳方會計師行之審閱報告載於本中期報告第30頁至第31頁。

薪酬委員會

薪酬委員會已採納條款符合企業管治守則守則條文之職權範圍書（薪酬委員會憲章）。薪酬委員會職責主要包括釐定執行董事之薪酬政策和架構、評核執行董事之表現及批准執行董事之服務合約條款，以及釐定或向董事會建議個別執行董事、非執行董事及高級管理人員之薪待遇。

CORPORATE GOVERNANCE (Continued)

Nomination Committee

The Nomination Committee has adopted terms of reference (Nomination Committee Charter) which are in line with code provisions of the CG Code. The Nomination Committee is responsible for, including but not limited to, determining the policy for the nomination of Directors, reviewing the structure, size, composition and diversity of the Board annually and making recommendations to the Board on selection of candidates for directorships pursuant to the Board Diversity Policy. It also assesses the independence of Independent Non-Executive Directors.

Executive Committee

The Executive Committee is primarily responsible for formulating business policies, making decisions on key business issues and policies, facilitating the approval of certain corporate actions and exercising the powers and authority delegated by the Board in respect of matters arising between regularly scheduled Board meetings, and to review financial, marketing, retail, operation and other business performance, as well as to review and approve annual budget and key performance indicators (KPIs) and track performance.

Compliance with the CG Code

The Company recognises the importance of good corporate governance in enhancing the management of the Company as well as preserving the interests of the shareholders as a whole. The Board is of the view that the Company has fully complied with all the code provisions set out in the CG code throughout the six months ended 30 June 2017, except for code provision E.1.2.

企業管治 (續)

提名委員會

提名委員會已採納條款符合企業管治守則守則條文之職權範圍書(提名委員會憲章)。提名委員會負責(包括但不限於)釐定提名董事的政策,每年檢討董事會之架構、規模、組成和多元化及按照董事會多元化政策就甄選董事候選人向董事會提出建議。此外,其亦負責評估獨立非執行董事的獨立性。

執行委員會

執行委員會之主要職責為,制訂業務政策、就重要業務事宜及政策作出決定、協助批准若干企業行動、就董事會定期會議間隔期間發生之事宜行使董事會轉授之權力及授權,以及檢討財務、市場推廣、零售、營運及其他業務表現,並審批年度預算案及重要業務指標(KPI)及過往表現。

遵守企業管治守則

本公司明白良好企業管治對提升本公司管理水平以及保障股東整體利益之重要性。董事會認為,本公司於截至二零一七年六月三十日止六個月整段期間已全面遵守企業管治守則之守則條文,惟守則條文第E.1.2條除外。

CORPORATE GOVERNANCE (Continued)

Code provision E.1.2 stipulates that the chairman of the board of a listed issuer should attend the annual general meeting. The chairman of the board should also invite the chairmen of the audit, remuneration, nomination and any other committees to attend. In their absence, the chairman of the board should invite another member of the committee or failing this his duly appointed delegate, to attend. These persons should be available to answer questions at the annual general meeting.

Dr. TSAI Yen-Yu, the Chairperson of the Board, Mr. CHEN Ruey-Long, the Chairman of the Audit Committee, Mr. LU Chi-Chant, the Chairman of the Remuneration Committee, Mr. LEE Ming-Ta, the Chairman of the Executive Committee and Mr. HSIEH Pang-Chang, the Chairman of the Nomination Committee were unable to attend the Company's annual general meeting held on 25 May 2017 ("2017 AGM") due to other overseas commitments. The Board had arranged for Dr. SU Chien-Cheng, an Executive Director and a member of the Remuneration Committee and Executive Committee of the Company, who is well versed in all business activities and operations of the Group, to attend and chair the 2017 AGM on behalf of Dr. TSAI Yen-Yu and to respond to shareholders' questions.

The Company strives to optimise the planning and procedures of annual general meetings, by giving adequate time to all Directors to accommodate their work arrangements and providing all necessary supports for their presence and participation at annual general meetings such that the Chairperson of the Board and all Directors will be able to attend future annual general meetings of the Company.

企業管治 (續)

守則條文第E.1.2條規定，上市發行人之董事會主席應出席股東週年大會。董事會主席並應邀請審核委員會、薪酬委員會、提名委員會及任何其他委員會的主席出席。若有關委員會主席未克出席，董事會主席應邀請另一名委員（或如該名委員未能出席，則其適當委任的代表）出席。該等人士須在股東週年大會上回答提問。

董事會主席蔡燕玉博士、審核委員會主席陳瑞隆先生、薪酬委員會主席盧啟昌先生、薪酬委員會主席李明達先生及提名委員會主席謝邦昌先生因其他海外業務安排未能親自出席本公司於二零一七年五月二十五日舉行之股東週年大會（「二零一七年度股東週年大會」）。董事會已安排對本集團一切業務活動及營運瞭如指掌的蘇建誠博士（本公司執行董事、薪酬委員會及執行委員會成員）代表蔡燕玉博士出席及主持二零一七年度股東週年大會及解答股東提問。

本公司致力完善股東週年大會的規劃程序，給予全體董事充足時間以提前安排工作，並為彼等出席及參與股東週年大會提供一切所需支持，以便董事會主席及全體董事能夠出席本公司日後的股東週年大會。

CORPORATE GOVERNANCE (Continued)

Compliance with the Model Code

Securities Transactions made by Directors and Relevant Employees

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Having made specific enquiry with all Directors, all Directors have confirmed that the required standard of the Model Code has been complied with throughout the six months ended 30 June 2017 and up to the date of this Interim Report.

The Company has adopted written guidelines (the "Company's Guidelines"), which are equally stringent as the Model Code, in respect of securities transactions by relevant employees of the Company who are likely to be in possession of unpublished inside information of the Company pursuant to code provision A.6.4. No incident of non-compliance with the Model Code or the Company's Guidelines by the Company's relevant employees has been noted after making reasonable enquiry.

Disclosure of Directors' Information pursuant to Rule 13.51B(1) of the Listing Rules

Other Major Appointments

- (i) Mr. LU Chi-Chant, an Independent Non-Executive Director of the Company:
 - (a) ceased to act as a director of K Laser Technology Inc. (stock code: 2461), a company listed on the Taiwan Stock Exchange Corporation, on 26 May 2017;
 - (b) was appointed as an Independent Non-Executive Director of Hannstar Board Corp. (stock code: 5469), a company listed on the Taiwan Stock Exchange Corporation, on 21 June 2017; and
- (ii) Mr. CHEN Ruey-Long, an Independent Non-Executive Director of the Company, was appointed as an Independent Non-Executive Director of Walsin Lihwa Corporation (stock code: 1605), a company listed on the Taiwan Stock Exchange Corporation on 26 May 2017.

企業管治 (續)

遵守標準守則

董事和相關僱員進行之證券交易

本公司已採納有關董事進行證券交易之操守準則，有關操守準則條款不比上市規則附錄10所載上市發行人董事進行證券交易之標準守則（「標準守則」）所載規定標準寬鬆。經向全體董事作出具體查詢後，全體董事已確認於截至二零一七年六月三十日止六個月內及截至本中期報告日期期間一直遵守標準守則載列之規定標準。

就可能得知本公司未公開內幕消息之本公司相關僱員所進行之證券交易，本公司已根據守則條文第A.6.4條採納不比標準守則寬鬆的書面指引（「公司指引」）。本公司於進行合理查詢後知悉並無相關僱員不遵守標準守則或公司指引之事宜。

根據上市規則13.51B(1)條披露董事資料

其他主要委任

- (i) 本公司獨立非執行董事盧啟昌先生：
 - (a) 已於二零一七年五月二十六日不再擔任在台灣證券交易所上市的光群雷射科技股份有限公司（股份代號：2461）之董事；
 - (b) 於二零一七年六月二十一日獲委任為在台灣證券交易所上市的公司瀚宇博德股份有限公司（股份代號：5469）之獨立非執行董事；及
- (ii) 本公司獨立非執行董事陳瑞隆先生於二零一七年五月二十六日獲委任為在台灣證券交易所上市的華新麗華股份有限公司（股份代號：1605）之獨立非執行董事。

Other Information 其他資料

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2017, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

INTERIM DIVIDEND AND SPECIAL INTERIM DIVIDEND

The Board of the Company has resolved to declare an interim dividend for the six months ended 30 June 2017 of HK\$0.0171 per share (2016: interim dividend of HK\$0.041 per share) and a special interim dividend of HK\$0.0054 per share (2016: interim dividend of HK\$0.025 per share). The interim dividend and special interim dividend will be distributed on Thursday, 19 October 2017 to shareholders whose names appear on the register of members of the Company as at the close of business on Thursday, 28 September 2017.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the identity of shareholders who qualify for the interim dividend and special interim dividend, the Register of Members of the Company will be closed from Wednesday, 27 September 2017 to Thursday, 28 September 2017, both days inclusive. In order to qualify for the interim dividend and special interim dividend, all transfer documents should be lodged for registration with the Company's Hong Kong branch share registrar, Hong Kong Registrars Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 26 September 2017.

購買、出售或贖回本公司上市證券

截至二零一七年六月三十日止六個月內，本公司或其任何附屬公司並無購買、出售或贖回本公司任何上市證券。

中期股息及特別中期股息

本公司董事會議決宣派截至二零一七年六月三十日止六個月的中期股息每股0.0171港元（二零一六年：中期股息每股0.041港元）及特別中期股息每股0.0054港元（二零一六年：特別中期股息每股0.025港元）。本公司將於二零一七年十月十九日（星期四）向於二零一七年九月二十八日（星期四）營業時間結束時名列本公司股東名冊之股東派發中期股息及特別中期股息。

暫停辦理股東登記手續

為確定符合資格獲取中期股息及特別中期股息之股東身份，本公司將於二零一七年九月二十七日（星期三）至二零一七年九月二十八日（星期四）（包括首尾兩天）止期間暫停辦理股東登記手續。為符合資格獲發中期股息及特別中期股息，所有過戶文件最遲須於二零一七年九月二十六日（星期二）下午四時三十分前，交回本公司之香港股份過戶登記分處香港證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES

As at 30 June 2017, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO") which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to section 347 of the SFO and the Model Code, were as follows:

Long positions in shares and underlying shares of the Company and its associated corporation**董事及主要行政人員持有之股份權益**

於二零一七年六月三十日，本公司董事及主要行政人員於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）股份、相關股份及債券的權益及淡倉中，擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉（包括彼等根據證券及期貨條例的條文被當作或視為擁有的權益或淡倉），或根據證券及期貨條例第352條須登記於該條所述登記冊的權益或淡倉，或須根據證券及期貨條例第347條及標準守則須知會本公司及聯交所的權益及淡倉如下：

於本公司及其相聯法團之股份及相關股份之好倉

Director	Company	Nature of interest	Number of ordinary shares	Approximate percentage of the issued share capital of the Company 佔本公司已發行股本概約百分比
董事	公司	權益性質	普通股數目	
Dr. TSAI Yen-Yu ⁽¹⁾ 蔡燕玉博士 ⁽¹⁾	The Company 本公司	Interest of controlled companies 受控制公司權益	1,466,386,559	73.24%
Mr. LEE Ming-Ta ⁽²⁾ 李明達先生 ⁽²⁾	The Company 本公司	Interest of spouse 配偶權益	1,466,386,559	73.24%

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES (Continued)

Long positions in shares and underlying shares of the Company and its associated corporation (Continued)

董事及主要行政人員持有之股份權益 (續)

於本公司及其相聯法團之股份及相關股份之好倉 (續)

Director 董事	Associated corporation 相聯法團	Nature of interest 權益性質	Number of shares 股份數目	Approximate percentage of shareholding interest 佔股權概約百分比
Dr. TSAI Yen-Yu 蔡燕玉博士	Next Focus Holdings Limited	Beneficial owner 實益擁有人	20,000	40%
Mr. LEE Ming-Ta 李明達先生	Next Focus Holdings Limited	Interest of spouse 配偶權益	20,000	40%
Dr. SU Chien-Cheng 蘇建誠博士	Next Focus Holdings Limited	Beneficial owner 實益擁有人	15,000	30%
Dr. SU Sh-Hsyu 蘇詩琇博士	Next Focus Holdings Limited	Beneficial owner 實益擁有人	15,000	30%

Notes:

- (1) Dr. TSAI Yen-Yu directly owns 40% of Next Focus Holdings Limited, which, in turn, indirectly owns 100% of Standard Cosmos Limited. Next Focus Holdings Limited is therefore a controlled corporation of Dr. TSAI Yen-Yu pursuant to Section 316 of the SFO. As such, the 1,466,386,559 shares of the Company owned by Next Focus Holdings Limited were attributable to Dr. TSAI Yen-Yu.
- (2) Mr. LEE Ming-Ta is the spouse of Dr. TSAI Yen-Yu and accordingly, was deemed to be interested in the 1,466,386,559 shares of the Company attributable to Dr. TSAI Yen-Yu pursuant to Section 316 of the SFO.

附註：

- (1) 蔡燕玉博士直接擁有Next Focus Holdings Limited 40%權益，而該公司則間接擁有Standard Cosmos Limited 100%權益。根據證券及期貨條例第316條，Next Focus Holdings Limited因而屬蔡燕玉博士之受控制法團。因此，Next Focus Holdings Limited所擁有之1,466,386,559股本公司股份可歸於蔡燕玉博士。
- (2) 李明達先生為蔡燕玉博士之配偶，根據證券及期貨條例第316條，李明達先生被視作於蔡燕玉博士應佔之1,466,386,559股本公司股份中擁有權益。

Save as disclosed above, so far as known to any Directors, as at 30 June 2017, none of the Directors or chief executives of the Company or any of their close associates had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register to be kept by the Company pursuant to section 352 of the SFO, or which were required, pursuant to section 347 of the SFO and the Model Code, to be notified to the Company and the Stock Exchange.

除上文所披露者外，於二零一七年六月三十日，就任何董事所知，概無董事或本公司主要行政人員或彼等任何緊密聯繫人士於本公司或其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債券中，擁有或被視為擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例的有關條文彼等被當作或視為擁有的權益及淡倉），或須登記於根據證券及期貨條例第352條本公司須予存置的登記冊的權益或淡倉，或根據證券及期貨條例第347條及標準守則須知會本公司及聯交所的權益或淡倉。

SHARE OPTIONS

The Company

Particulars of the Company's share option scheme are set out in note 25 to the consolidated financial statements contained in the Annual Report of the Company for the year ended 31 December 2016.

On 13 May 2011, the Company adopted a share option scheme whereby the Board of Directors can grant options for the subscription of the Company's shares to any full-time employee of the Group, the chief executive, executive or non-executive director of the Group at the time when a share option is granted to such person as determined by the Board at its absolute discretion as described in the share option scheme as a performance incentive and/or reward for their continued and improved service with the Group and by enhancing eligible participants' contribution to the Group, in order to advance the interests of the Company and its shareholders and such other persons.

During the six months ended 30 June 2017, no share option was granted under the share option scheme.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this Interim Report, at no time during the period was the Company or any of its subsidiaries, a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

認股權

本公司

本公司認股權計劃之詳情載於本公司截至二零一六年十二月三十一日止年度之年度報告內之綜合財務報表附註25。

本公司於二零一一年五月十三日採納認股權計劃，據此，根據認股權計劃所述，董事會可按其絕對酌情權向本集團任何全職僱員以及本集團行政總裁、任何執行或非執行董事授出可認購本公司股份的認股權，作為提供工作表現之推動力及／或對他們向本集團所作出的持續和良好的服務給予酬勞，並以增加此等人士對本集團作出的貢獻，從而促進本公司和其股東及同類的其他人士之利益。

於二零一七年六月三十日止六個月期間，本公司概無根據認股權計劃授出任何認股權。

董事收購股份或債券的權利

除本中期報告所披露者外，本公司或其任何附屬公司期內任何時間概無參與任何安排，致使董事可藉收購本公司或任何其他法人團體的股份或債券而獲益，及概無董事或其任何配偶或十八歲以下的子女獲授任何權利可認購本公司或任何其他法人團體的股本證券或債務證券或行使任何該等權利。

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2017, within the knowledge of the Directors, the following persons or corporations had or deemed or taken to have an interest or a short position in the shares or underlying shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in shares and underlying shares of the Company

Ordinary shares of HK\$0.10 each of the Company

主要股東

於二零一七年六月三十日，就董事所知，下列人士或法團於本公司股份或相關股份中擁有或被視為擁有根據證券及期貨條例第XV部第2及3分部須向本公司披露的權益或淡倉，或登記於根據證券及期貨條例第336條本公司須予存置的登記冊的權益或淡倉：

於本公司股份及相關股份之好倉

本公司每股面值0.10港元之普通股

Name of substantial shareholder	Notes	Nature of interest	Number of ordinary shares beneficially held 實益持有普通股數目	Approximate percentage of the issued share capital of the Company 佔本公司已發行股本概約百分比
主要股東姓名／名稱	附註	權益性質		
Efficient Market Investments Limited		Beneficial owner 實益擁有人	838,530,000 (L)	41.88%
Adventa Group Limited		Beneficial owner 實益擁有人	236,580,000 (L)	11.82%
Fortune Bright Group Limited		Beneficial owner 實益擁有人	236,580,000 (L)	11.82%
Starsign International Limited	1	Interest of controlled companies 受控制公司權益	1,314,030,000 (L)	65.63%
Next Focus Holdings Limited	2	Beneficial owner/Interest of controlled companies 實益擁有人／受控制公司權益	1,466,386,559 (L)	73.24%

(L): Long position

(L) : 好倉

SUBSTANTIAL SHAREHOLDERS (Continued)

Long positions in shares and underlying shares of the Company

(Continued)

Ordinary shares of HK\$0.10 each of the Company (Continued)

Notes:

- (1) Starsign International Limited is the sole shareholder of Standard Cosmos Limited, which, in turn, is the sole shareholder of Efficient Market Investments Limited, Adventa Group Limited and Fortune Bright Group Limited. As such, the 1,311,690,000 shares of the Company collectively held by Efficient Market Investments Limited, Adventa Group Limited and Fortune Bright Group Limited and 2,340,000 shares of the Company held directly by Standard Cosmos Limited (totalling 1,314,030,000 shares of the Company) are attributable to Standard Cosmos Limited and Starsign International Limited.
- (2) Next Focus Holdings Limited directly held 152,356,559 shares of the Company and directly owned 100% of Starsign International Limited. As such, the 1,314,030,000 shares of the Company in which Starsign International Limited was interested were attributable to Next Focus Holdings Limited.

Save as disclosed above, as at 30 June 2017, the Directors are not aware of any other person (other than the Directors or chief executives of the Company) who had an interest or short position in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

主要股東 (續)

於本公司股份及相關股份之好倉 (續)

本公司每股面值0.10港元之普通股 (續)

附註：

- (1) Starsign International Limited為Standard Cosmos Limited之唯一股東，而Standard Cosmos Limited為Efficient Market Investments Limited、Adventa Group Limited及Fortune Bright Group Limited之唯一股東。因此，由Efficient Market Investments Limited、Adventa Group Limited及Fortune Bright Group Limited共同持有之1,311,690,000股本公司股份以及由Standard Cosmos Limited直接持有之2,340,000股本公司股份（合共1,314,030,000股本公司股份）可歸於Standard Cosmos Limited及Starsign International Limited。
- (2) Next Focus Holdings Limited直接持有152,356,559股本公司股份，同時直接擁有Starsign International Limited 100%權益，因此，Starsign International Limited擁有權益之1,314,030,000股本公司股份可歸於Next Focus Holdings Limited。

除上文所披露者外，於二零一七年六月三十日，董事並不知悉任何人士（董事及本公司主要行政人員除外）於本公司股份或相關股份中擁有已登記於根據證券及期貨條例第336條本公司須予存置的登記冊的權益或淡倉。

Report on Review of Condensed Consolidated Financial Statements 簡明綜合財務報表審閱報告

Deloitte.
德勤

TO THE BOARD OF DIRECTORS OF NATURAL BEAUTY BIO-TECHNOLOGY LIMITED

(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of Natural Beauty Bio-Technology Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 32 to 48, which comprise the condensed consolidated statement of financial position as of 30 June 2017 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

致自然美生物科技有限公司 董事會

(於開曼群島註冊成立之有限公司)

緒言

吾等已審閱第32頁至第48頁所載自然美生物科技有限公司（「貴公司」）及其附屬公司（統稱「貴集團」）之簡明綜合財務報表，當中包括於二零一七年六月三十日之簡明綜合財務狀況報表以及截至該日止六個月期間之相關簡明綜合損益及其他全面收益表、權益變動表及現金流量表及若干解釋附註。香港聯合交易所有限公司證券上市規則規定，就中期財務資料編製之報告必須符合當中訂明之相關條文及香港會計師公會頒佈之香港會計準則第34號「中期財務報告」（「香港會計準則第34號」）。貴公司之董事須負責根據香港會計準則第34號編製及呈列此等簡明綜合財務報表。吾等之責任是基於吾等之審閱工作，對此等簡明綜合財務報表作出結論，並按協定之委聘條款僅向董事會整體報告吾等之結論，除此之外，本報告不可作其他用途。吾等概不會就本報告內容向任何其他人士承擔或負上任何責任。

審閱範圍

吾等已根據香港會計師公會頒佈之香港審閱工作準則第2410號「實體之獨立核數師對中期財務資料之審閱」進行審閱工作。此等簡明綜合財務報表之審閱工作主要包括向負責財務及會計事務之人員作出查詢，以及進行分析性及其他審閱程序。由於審閱之範圍遠較根據香港審計準則進行審核之範圍為小，所以不能保證吾等會知悉所有在審核中可能發現之重大事項。因此，吾等不會發表任何審核意見。

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants
Hong Kong

24 August 2017

結論

根據吾等之審閱結果，吾等並無發現任何事項而令吾等相信簡明綜合財務報表在任何重大方面未有根據香港會計準則第34號編製。

德勤•關黃陳方會計師行

執業會計師
香港

二零一七年八月二十四日

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

簡明綜合損益及其他全面收益表

For the six months ended 30 June 2017
截至二零一七年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核)	2016 二零一六年 HK\$'000 千港元 (unaudited) (未經審核)
		NOTES 附註	
Revenue	收入	4	240,255
Cost of sales	銷售成本		(57,517)
Gross profit	毛利		135,000
Other income and other gains	其他收益和利得		7,544
Distribution and selling expenses	分銷及銷售費用		(47,080)
Administrative expenses	行政開支		(31,594)
Other expenses and other losses	其他支出和損失		(9,227)
Profit before tax	除稅前溢利		54,643
Income tax expense	所得稅開支	5	(16,279)
Profit for the period	期內溢利	6	38,364
Other comprehensive expense:	其他全面開支：		
Item that may be subsequently reclassified to profit or loss:	其後可能被重新分類至損益表之項目：		
Exchange differences arising on translation of financial statements of foreign operations	換算海外業務財務報表產生之匯兌差額		26,612
Total comprehensive income for the period	期內全面收益總額		64,976
Profit for the period attributable to: Owners of the Company	以下人士應佔期內溢利： 本公司擁有人		38,364
Total comprehensive income attributable to: Owners of the Company	以下人士應佔全面收益總額： 本公司擁有人		64,976
Earnings per share Basic and diluted	每股盈利 基本及攤薄	8	HK1.92 cents港仙
			HK4.14 cents港仙

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況報表

At 30 June 2017
於二零一七年六月三十日

		At 30 June 2017 於二零一七年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 December 2016 於二零一六年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
	NOTES 附註		
Non-current assets	非流動資產		
Investment properties	投資物業	7,694	7,196
Property, plant and equipment	物業、廠房及設備	176,419	173,542
Prepaid lease payments	自用土地租賃款	49,222	48,296
Goodwill	商譽	26,166	25,510
Pledged bank deposits	抵押銀行存款	-	1,706
Deferred tax assets	遞延稅項資產	5,043	-
		264,544	256,250
Current assets	流動資產		
Inventories	存貨	75,092	49,842
Trade and other receivables	貿易及其他應收賬款	116,770	84,628
Prepaid lease payments	自用土地租賃款	1,162	1,127
Pledged bank deposits	抵押銀行存款	5,277	1,706
Bank balances and cash	銀行結存及現金	373,045	428,633
		571,346	565,936
Current liabilities	流動負債		
Trade and other payables	貿易及其他應付賬款	90,218	132,198
Deferred income	遞延收益	6,163	6,223
Taxation payable	應付稅項	15,475	24,305
Dividend payable	應付股息	115,521	-
		227,377	162,726
Net current assets	流動資產淨值	343,969	403,210
Total assets less current liabilities	總資產減流動負債	608,513	659,460
Non-current liabilities	非流動負債		
Deferred tax liabilities	遞延稅項負債	-	686
Retirement benefit obligations	退休福利負債	4,385	4,101
		604,128	654,673
Capital and reserves	股本及儲備		
Share capital	股本	200,210	200,210
Reserves	儲備	403,918	454,463
Total equity	總權益	604,128	654,673

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 June 2017
截至二零一七年六月三十日止六個月

		Attributable to owners of the Company 本公司擁有人應佔							
		Share capital 股本 HK\$'000 千港元	Capital surplus 資本盈餘 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Statutory reserve 法定儲備 HK\$'000 千港元	Translation reserve 匯兌儲備 HK\$'000 千港元	Share option reserve 認股權儲備 HK\$'000 千港元	Retained profits 保留溢利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2016 (audited)	於二零一六年一月一日 (經審核)	200,210	42,554	41,016	163,490	82,242	11,109	192,007	732,628
Other comprehensive expense for the period	期內其他全面開支	-	-	-	-	(9,749)	-	-	(9,749)
Profit for the period	期內溢利	-	-	-	-	-	-	82,943	82,943
Total comprehensive (expense) income for the period	期內全面(開支)收益總額	-	-	-	-	(9,749)	-	82,943	73,194
Dividends recognised as distribution (note 7)	確認為分派之股息(附註7)	-	-	-	-	-	-	(58,461)	(58,461)
At 30 June 2016 (unaudited)	於二零一六年六月三十日 (未經審核)	200,210	42,554	41,016	163,490	72,493	11,109	216,489	747,361
Other comprehensive (expense) income for the period	期內其他全面(開支)收益	-	-	-	-	(26,724)	-	715	(26,009)
Profit for the period	期內溢利	-	-	-	-	-	-	65,460	65,460
Total comprehensive (expense) income for the period	期內全面(開支)收益總額	-	-	-	-	(26,724)	-	66,175	39,451
Dividends recognised as distribution	確認為分派之股息	-	-	-	-	-	-	(132,139)	(132,139)
At 31 December 2016 (audited)	於二零一六年十二月三十一日 (經審核)	200,210	42,554	41,016	163,490	45,769	11,109	150,525	654,673
Other comprehensive income for the period	期內其他全面收益	-	-	-	-	26,612	-	-	26,612
Profit for the period	期內溢利	-	-	-	-	-	-	38,364	38,364
Total comprehensive income for the period	期內全面收益總額	-	-	-	-	26,612	-	38,364	64,976
Dividends recognised as distribution (note 7)	確認為分派之股息(附註7)	-	-	-	-	-	-	(115,521)	(115,521)
Transfer to statutory reserve	轉撥至法定儲備	-	-	-	5,672	-	-	(5,672)	-
At 30 June 2017 (unaudited)	於二零一七年六月三十日 (未經審核)	200,210	42,554	41,016	169,162	72,381	11,109	67,696	604,128

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June 2017
截至二零一七年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核)	2016 二零一六年 HK\$'000 千港元 (unaudited) (未經審核)
	NOTE 附註		
OPERATING ACTIVITIES			
Cash (used in) generated from operations	13	(36,878)	85,020
Income taxes paid		(28,147)	(18,553)
NET CASH (USED IN) FROM OPERATING ACTIVITIES		(65,025)	66,467
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(6,383)	(9,333)
Interest received		2,945	3,656
Proceeds from disposal of property, plant and equipment		4	30
(Increase) Release of pledged bank deposits		(1,865)	5,586
NET CASH USED IN INVESTING ACTIVITIES		(5,299)	(61)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(70,324)	66,406
CASH AND CASH EQUIVALENTS AT 1 JANUARY		428,633	502,721
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		14,736	(5,348)
CASH AND CASH EQUIVALENTS AT 30 JUNE represented by bank balances and cash		373,045	563,779

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2017
截至二零一七年六月三十日止六個月

1. Basis of Preparation

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (HKAS 34) *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

2. Principal Accounting Policies

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties, which are measured at fair values.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2017 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2016.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 7	<i>Disclosure Initiative</i>
Amendments to HKAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i>
Amendments to HKFRSs	<i>Annual Improvements to HKFRSs 2014-2016 Cycle</i>

The application of the above amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

1. 編制基準

簡明綜合財務報表乃根據香港會計師公會頒佈之香港會計準則第34號「中期財務報告」及香港聯合交易所有限公司證券上市規則（「上市規則」）附錄16之適用披露規定編製。

2. 主要會計政策

除投資物業按公平值計量外，簡明綜合財務報表乃按照歷史成本基準編製。

除以下所述，截至二零一七年六月三十日止六個月之簡明綜合財務報表所使用之會計政策及計算方法與本集團編製截至二零一六年十二月三十一日止年度之年度財務報表所依循者一致。

於本中期期間，本集團首次應用由香港會計師公會（「香港會計師公會」）頒佈之香港財務報告準則（「香港財務報告準則」）之下述修訂本，而該等修訂本與本集團編制的簡明綜合財務報表相關：

香港會計準則第7號	<i>披露計劃</i>
(修訂本)	
香港會計準則第12號	<i>就未變現虧損確認遞延稅項資產</i>
(修訂本)	
香港財務報告準則	<i>2014-2016香港財務報告準則之年度改進</i>
(修訂本)	

於本中期期間應用香港財務報告準則之上述修訂本，對本簡明綜合財務報表內呈報之金額及／或本簡明綜合財務報表所載之披露資料並無重大影響。

Notes to the Condensed Consolidated Financial Statements 簡明綜合財務報表附註

For the six months ended 30 June 2017
截至二零一七年六月三十日止六個月

3. Segment Information Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segments for the period under review:

Six months ended 30 June 2017

		The People's Republic of China ("PRC") 中華人民 共和國 (「中國大陸」) HK\$'000 千港元 (unaudited) (未經審核)	Taiwan 台灣 HK\$'000 千港元 (unaudited) (未經審核)	Others 其他 HK\$'000 千港元 (unaudited) (未經審核)	Total 總計 HK\$'000 千港元 (unaudited) (未經審核)
Revenue from external customers	來自外部客戶之收入	145,179	37,141	1,293	183,613
Segment profit	分部溢利	49,216	7,402	928	57,546
Unallocated corporate expenses	未分配公司支出				(5,848)
Unallocated income	未分配收益				2,945
Profit before tax	除稅前溢利				54,643

截至二零一七年六月三十日止六個月

3. 分部資料 分部收入及業績

本集團於回顧期間之收入及業績按可報告及經營分部作出之分析如下：

截至二零一七年六月三十日止六個月

Six months ended 30 June 2016

截至二零一六年六月三十日止六個月

Revenue from external customers	來自外部客戶之收入	194,431	44,378	1,446	240,255
Segment profit (loss)	分部溢利(虧損)	98,338	16,459	(4,064)	110,733
Unallocated corporate expenses	未分配公司支出				(2,645)
Unallocated income	未分配收益				3,656
Profit before tax	除稅前溢利				111,744

Notes to the Condensed Consolidated Financial Statements 簡明綜合財務報表附註

For the six months ended 30 June 2017
截至二零一七年六月三十日止六個月

3. Segment Information (Continued)

Segment revenues and results (Continued)

Segment profit represents the profit earned by each segment without allocation of equity-settled share based payments, central administration costs and directors' salaries. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment. Unallocated income mainly includes interest income.

4. Revenue

Revenue represents the net amount received and receivable for (i) goods sold by the Group to outside customers which is stated net of sales returns and allowances and (ii) service income from provision of skin treatments, beauty and spa services for the period, and is analysed as follows:

3. 分部資料 (續)

分部收入及業績 (續)

分部溢利為各分部賺取所得之溢利，當中並未分配股本權益結算股份付款、中央行政費用及董事薪酬。此乃為了作出資源分配及表現評估而向主要營運決策人作出報告之標準。未分配收益主要包括利息收入。

4. 收入

收入指本期間有關下列各項之已收及應收淨額：(i)本集團售予外部客戶之貨品（已扣除銷售退貨及折扣後列賬）及(ii)提供肌膚護理、美容及水療服務之服務收入，現分析如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核)	2016 二零一六年 HK\$'000 千港元 (unaudited) (未經審核)
Sales of goods	產品銷售	180,933	237,659
Service income	服務收入	2,680	2,596
		183,613	240,255

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For the six months ended 30 June 2017
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5. Income Tax Expense

5. 所得稅開支

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核)	2016 二零一六年 HK\$'000 千港元 (unaudited) (未經審核)
The charge comprises:	支出包括：		
Taxation in PRC	中國大陸稅項		
Current period	本期間	9,969	19,734
Withholding tax on dividends	股息預扣稅	5,039	–
		<u>15,008</u>	<u>19,734</u>
Taxation in Taiwan and other jurisdictions	台灣及其他司法管轄區稅項		
Current period	本期間	2,319	5,320
Overprovision in prior years	過往年度超額撥備	(332)	(1,926)
Withholding tax on dividends	股息預扣稅	5,305	3,621
		<u>7,292</u>	<u>7,015</u>
Deferred taxation	遞延稅項		
Current period	本期間	(6,021)	2,052
		<u>16,279</u>	<u>28,801</u>

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards. The statutory withholding tax rate for non-PRC resident is 10%. As the Company has obtained tax benefit approval from the in-charge tax bureau in 2014, which stipulate that the withholding tax rate for Natural Beauty China Holding Limited could be reduced to 5% for the dividend income from July 2011 to June 2017 and 7% for royalty fee from January 2012 to June 2017.

根據中華人民共和國企業所得稅法（「企業所得稅法」）及企業所得稅法實施條例，自二零零八年一月一日起，中國大陸附屬公司之稅率為25%。非中國居民企業之法定預扣稅稅率為10%。由於本公司在二零一四年取得稅務當局的稅收優惠批准，自然美中國控股有限公司的股息收入預扣稅稅率由二零一一年七月起至二零一七年六月降為5%，及商標使用權的預扣稅稅率由二零一二年一月起至二零一七年六月降為7%。

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5. Income Tax Expense (Continued)

Pursuant to the relevant laws and regulations in the PRC and Taiwan, dividend withholding tax is imposed at a rate of 5% and 20% on dividends declared in respect of profits earned by PRC and Taiwan subsidiaries respectively that are received by non-local resident entities. Withholding tax on dividends of approximately HK\$5,039,000 (2016: Nil) and HK\$5,305,000 (2016: HK\$3,621,000) for PRC and Taiwan were recognised respectively.

Corporate Income Tax in Taiwan is charged at 17% in both periods.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

5. 所得稅開支 (續)

根據中國大陸和台灣相關法例及規例，就中國大陸和台灣附屬公司賺取所得溢利而宣派並由非本地居民企業收取之股息，股息預扣稅稅率分別為5%和20%。中國及台灣的股息預扣稅分別確認為約5,039,000港元（二零一六年：無）及5,305,000港元（二零一六年：3,621,000港元）。

於上述兩個期間，台灣企業所得稅按17%計收。

香港利得稅按上述兩個期間之估計應課稅溢利之16.5%計算。

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For the six months ended 30 June 2017
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6. Profit for the Period

6. 期內溢利

		Six months ended 30 June 六月三十日止六個月	
		2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核)	2016 二零一六年 HK\$'000 千港元 (unaudited) (未經審核)
Profit for the period has been arrived at after charging (crediting):	期內溢利已扣除（計入） 下列各項：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	10,126	11,462
Release of prepaid lease payments	撥回自用土地租賃款	571	600
Total staff cost including share based payment expenses	總員工成本（包括股份付款開支）	54,087	55,569
Loss on disposal of property, plant and equipment	處置物業、廠房及設備之虧損	159	1,646
Allowance for trade receivables	貿易應收賬款撥備	5,913	1,016
Allowance for obsolete inventories, included in cost of sales	陳舊存貨撥備（計入銷售成本）	2,022	1,582
Exchange loss	匯兌虧損	2,336	4,511
Compensation income arising from termination of a tenancy agreement	因終止租賃協議而產生的 補償收益	-	(19,097)
Interest income on bank deposits	銀行存款利息收入	(2,945)	(3,656)

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7. Dividends

At the annual general meeting of the Company held on 25 May 2017, a final dividend of HK\$0.0327 per share and a special final dividend of HK\$0.025 per share in respect of the year ended 31 December 2016 (2016: a final dividend of HK\$0.0292 per share in respect of the year ended 31 December 2015) were declared to be payable to the owners of the Company. The aggregate amount of the final dividend and special final dividend declared in the interim period amounted approximately to HK\$115,521,223 and is recognised as dividend payable as of 30 June 2017 (2016: HK\$58,461,000 was recognised as dividend payable in the interim period).

8. Earnings per Share

The calculation of the basic earnings per share attributable to the owners of the Company is based on the profit attributable to the owners of the Company of approximately HK\$38,364,000 for the six months ended 30 June 2017 (2016: HK\$82,943,000) and on the number of 2,002,100,932 (2016: 2,002,100,932) ordinary shares of the Company in issue during the period.

9. Movements in Property, Plant and Equipment

During the current interim period, the Group acquired property, plant and equipment of approximately HK\$6,383,000 (2016: HK\$9,333,000) for business expansion.

7. 股息

於二零一七年五月二十五日舉行的本公司之股東週年大會上，本公司已向本公司擁有人宣派及應派付截至二零一六年十二月三十一日止年度之末期股息每股0.0327港元及特別末期股息每股0.025港元（二零一六年：截至二零一五年十二月三十一日止年度每股0.0292港元）。本中期期間已宣派之末期股息及特別末期股息總額約為115,521,223港元並已確認為截至二零一七年六月三十日止之應付股息（二零一六年：中期期間已宣派之應付股息為58,461,000港元）。

8. 每股盈利

本公司擁有人應佔每股基本盈利乃根據截至二零一七年六月三十日止六個月之本公司擁有人應佔溢利約38,364,000港元（二零一六年：82,943,000港元）及本公司期內已發行普通股數2,002,100,932股（二零一六年：2,002,100,932股）計算。

9. 物業、廠房及設備之變動

於本中期期間，本集團購入約6,383,000港元（二零一六年：9,333,000港元）之物業、廠房及設備作拓展業務之用。

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For the six months ended 30 June 2017
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10. Trade and Other Receivables

The Group allows a credit period for 90 days (2016: 30 days) to its trade customers. The aging analysis of trade receivables presented based on the invoice date at the end of reporting period is as follows:

10. 貿易及其他應收賬款

本集團給予其貿易客戶90日之信貸期(二零一六年: 30日)。於報告期間結算日, 按發票日期計算呈列之貿易應收賬款賬齡分析如下:

		At 30 June 2017 於二零一七年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 December 2016 於二零一六年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Trade receivables:	貿易應收賬款:		
Within credit period	信貸期內	63,982	57,218
Credit period -180 days	信貸期 - 180日	13,408	15,754
Over 180 Days	超過180日	30,935	1,477
Less: Allowance for doubtful debts	減: 呆賬撥備	(7,390)	(1,477)
		100,935	72,972
Prepayments	預付款項	9,250	6,063
Other receivables	其他應收賬款	6,585	5,593
		116,770	84,628

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For the six months ended 30 June 2017
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11. Trade and Other Payables

The following is an analysis of trade payables by age, presented based on the invoice date at the end of the reporting period.

11. 貿易及其他應付賬款

於報告期間結算日，按發票日期計算呈列之貿易應付賬款賬齡分析如下：

		At 30 June 2017 於二零一七年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 December 2016 於二零一六年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Trade payables:	貿易應付賬款：		
Within 90 days	90日內	22,420	20,221
91 days to 365 days	91日至365日	385	215
Over 365 days	超過365日	106	444
		22,911	20,880
Deposits from customers	客戶押金	26,164	26,901
Other tax payables	其他應付稅項	7,018	25,654
Accruals	應付費用	24,972	48,914
Other payables	其他應付賬款	9,153	9,849
		90,218	132,198

The average credit period on purchases of goods is 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

購買貨品之平均信貸期為90日。本集團已制定財務風險管理政策，以確保所有應付賬款均於設定信貸時限內償付。

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簡明綜合財務報表附註

For the six months ended 30 June 2017
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12. Share Capital

12. 股本

		Number of shares 股份數目	Share capital 股本 HK\$'000 千港元
Ordinary shares of HK\$0.1 each	每股面值0.1港元之普通股		
Authorised:	法定：		
At 1 January 2016, 31 December 2016 and 30 June 2017	於二零一六年一月一日、 二零一六年十二月三十一日及 二零一七年六月三十日	4,000,000,000	400,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2016, 31 December 2016 and 30 June 2017	於二零一六年一月一日、 二零一六年十二月三十一日及 二零一七年六月三十日	2,002,100,932	200,210

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For the six months ended 30 June 2017
截至二零一七年六月三十日止六個月

13. Notes to the Condensed Consolidated Statement of Cash Flows

Reconciliation of operating profit before working capital changes to cash (used in) generated from operations.

13. 簡明綜合現金流量表附註

營運資金變動前之經營溢利與經營業務（所用）所得之現金對賬。

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核)	2016 二零一六年 HK\$'000 千港元 (unaudited) (未經審核)
Operating profit before working capital changes	營運資金變動前之經營溢利	70,424	124,393
Increase in inventories	存貨增加	(27,272)	(3,160)
Increase in trade and other receivables	貿易及其他應收賬款增加	(37,990)	(15,537)
Decrease in trade and other payables and deferred income	貿易及其他應付賬款及 遞延收益減少	(42,040)	(14,156)
Decrease in retirement benefit	退休福利減少	-	(6,520)
Cash (used in) generated from operations	經營業務（所用）所得之現金	(36,878)	85,020

Notes to the Condensed Consolidated Financial Statements
 簡明綜合財務報表附註

For the six months ended 30 June 2017
 截至二零一七年六月三十日止六個月

14. Capital Commitments

14. 資本承擔

	At 30 June 2017 於二零一七年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 December 2016 於二零一六年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	664	2,538
已訂約但未於綜合財務報表撥備有關收購物業、廠房及設備之資本開支		

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For the six months ended 30 June 2017
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15. Connected and Related Party Transactions

During the period, the Group had significant transactions with related parties, which are also deemed to be connected parties pursuant to the Listing Rules. The significant transactions with these parties during the period are as follows:

15. 關連及關聯人士交易

期內，本集團曾與關聯人士進行重大交易。根據上市規則之規定，有關關聯人士亦被視為關連人士。期內，本集團曾與此等人士進行之重大交易如下：

Name of company 公司名稱	Nature of transactions 交易性質	Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核)	2016 二零一六年 HK\$'000 千港元 (unaudited) (未經審核)
<i>Companies controlled by individuals who collectively have joint control over the Company's ultimate holding company and are also executive Directors of the Company:</i> 集體共同控制本公司的最終控股公司 兼同為本公司執行董事之個人人士所控制公司：			
青春再現度假育樂股份有限公司	Rental income 租金收益	7	7
幸福農企業股份有限公司	Rental income 租金收益	7	7
<i>Directors of the Company:</i> 本公司董事：			
<i>Individuals who collectively have joint control over the Company's ultimate holding company and are also executive Directors of the Company</i> 集體共同控制本公司的最終控股公司 兼同為本公司執行董事之個人人士			
	Rental expenses 租金支出	4,101	3,349



(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 00157