

**NATURAL BEAUTY BIO-TECHNOLOGY LTD:
WHO'S THAT KNOCKING ON MY DOOR ?
AVON CALLING !**

A solicitors' firm of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) is confirmed to have drafted a contract between Natural Beauty Bio-Technology Ltd (自然美生物科技有限公司) (Code: 157, Main Board, The Stock Exchange of Hongkong Ltd) and Avon Products Incorporated of the US.

The solicitors' firm is Clifford Chance, which has offices in Jardine House, Central, Hongkong, as well as offices in Beijing and Shanghai, the PRC, proper.

Avon is the world's largest direct seller of cosmetics and is listed on the Big Board of The New York Stock Exchange.

According to an unimpeachable source, **TARGET** has learned that Natural Beauty Bio-Technology had, in essence, agreed to be acquired, either in part or wholly, subject to contract, by Avon, but, since the initial agreement was drafted, there has been a major movement at the highest levels of the hierarchical structure at Avon.

That change may well mean that it will be back to the drawing board for both Avon and Natural Beauty Bio-Technology.

A Mr Barry Cheung, who is employed by an international merchant banking group with offices in the HKSAR, is known to be representing Natural Beauty Bio-Technology in working out the final terms and conditions for the agreement between the 2 companies.

But it will be the New York office of Avon, which will have the last say in the matter, according to **TARGET**'s understanding of the situation.

About Avon Products Incorporated

On Wednesday, October 12, 2005, it was announced that Mr Robert Corti, the **Chief Financial Officer (CFO)** of Avon Products Incorporated, would retire and would be replaced by Mr Charles Cramb, formerly the Chief Financial Officer at The Gillette Company.

The new Avon CFO, who will, also, be the Executive Vice President of Finance and Technology, will try out his new chair at the headquarters of Avon on November 1, 2005, according to **TARGET**'s information.

The change-over, clearly, was executed in a bit of a hurry – one might suggest that there was some urgency to it – because, normally, there is an extended period of time when one CFO replaces another in a company as large and important as Avon.

The change at near the top of the corporate pile at Avon will mean, without question, a type of restructuring since, among other things, Mr Charles Cramb will be reporting directly to the Chief Executive of Avon, Ms Andrea Jung.

While Avon is known for its very successful direct selling formula of its products in the West, in the PRC, proper, it has not fared as well as it formerly expected and, as a result, it has been found necessary for the company to acquire equity in PRC ventures.

Which is a slight departure from the usual modus operandi of Avon.

In March 2004, Avon paid out \$US50 million (about \$HK156 million) in order to obtain a 20-percent stake in Guangzhou Masson Group.

Using Avon (China) Company Ltd ... [CLICK TO ORDER FULL ARTICLE](#)

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