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Beauty Farm Medical and Health Industry Inc.

美麗田園醫療健康產業有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2373)

**VOLUNTARY ANNOUNCEMENT
BUSINESS UPDATE
ACQUISITION OF HANGZHOU YANGONGFANG**

This announcement is made by Beauty Farm Medical and Health Industry Inc. (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to provide the latest information on the latest business progress of the Group for the shareholders and potential investors of the Company.

On August 20, 2023, Hangzhou Beauty Farm Beauty Co., Ltd. (杭州美麗田園美容有限公司), a subsidiary of the Group, entered into an acquisition agreement with Hangzhou Yangongfang Beauty Co., Ltd. (杭州妍工房美容有限公司), Hangzhou Yanyibei Beauty Co., Ltd. (杭州妍億蓓美容有限公司), Hangzhou Shangcheng District Yantai Beauty Store (杭州市上城區妍泰美容店) (collectively known as “**Hangzhou Yangongfang**” or “**Target Companies in Hangzhou**”) and their de facto controller (a third party independent of the Group) to acquire the business of Hangzhou Yangongfang at a consideration of approximately RMB8 million, involving a total of 3 traditional beauty service stores. Upon completion of the above acquisition, the Group will hold 100% equity interest in the relevant project company for such business after restructuring, and the results of the Target Companies in Hangzhou will be consolidated into the consolidated financial statements of the Group.

* For identification purposes only

The Group believes that after the completion of the transaction, it can effectively leverage synergies with its existing stores through reasonable investment and integration, cooperate with the Group's aesthetic medical businesses, subhealth assessment and intervention businesses in Hangzhou, and further strengthen its direct sales business distribution and market position in Hangzhou. The Company believes that Hangzhou is of strategic significance to the Group and believes that through synergies and resource integration with the Target Companies in Hangzhou, the transaction will optimize the network layout of the Group in Hangzhou, supplement the number of members, and contribute to the improvement of the Group's overall revenue. The directors of the Company consider that the terms and consideration of the transaction are determined on normal commercial terms, fair and reasonable, and that the transaction is in the interests of the Company and its shareholders as a whole. The Group is in the process of completing the above transaction in accordance with the terms of the relevant agreement. As all of the applicable percentage ratios of the above transaction (calculated in accordance with Rule 14.07 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")) are below 5%, the above transaction does not constitute a disclosable transaction of the Company under Chapter 14 of the Listing Rules.

By Order of the Board
Beauty Farm Medical and Health Industry Inc.
Li Yang
Chairman and executive Director

Hong Kong, September 4, 2023

As at the date of this announcement, the Board comprises Mr. Li Yang as Chairman and executive Director, Mr. Lian Songyong as executive Director, Mr. Zhai Feng, Mr. Geng Jiaqi and Ms. Li Fangyu as non-executive Directors and Mr. Fan Mingchao, Mr. Liu Teng and Mr. Jiang Hua as independent non-executive Directors.