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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2025

The Board of Directors is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended June 30, 2025, together with the comparative figures for the corresponding period in 2024 as follows. These interim results have been reviewed by the Audit Committee and the Company's management.

In this announcement, "we", "us" and "our" refer to the Company and where the context otherwise requires, the Group.

SUMMARY OF RESULTS

	Six months ended June 30,		
	2025	2024	Change
	***RMB'000*[i]**	*RMB'000*[i]	
	(unaudited)	(unaudited)	
Number of client visits of direct stores	**918,069**	621,136	47.8%
Number of active members of direct stores	**118,932**	81,188	46.5%
Revenue	**1,459,013**	1,137,694	28.2%
Gross profit	**719,788**	534,200	34.7%
Gross profit margin	**49.3%**	47.0%	2.3%
Net profit	**170,772**	126,067	35.5%
Adjusted net profit (non-HKFRS measure)	**190,593**	138,332	37.8%
	RMB	*RMB*	
Earnings per share			
Basic	**0.68**	0.50	36.0%
Diluted	**0.68**	0.50	36.0%

Note:

(i) Unless otherwise specified

* *For identification purpose only*

NON-HKFRS MEASURES

To supplement the consolidated financial statements of the Group presented in accordance with HKFRS, the Company has presented adjusted net profit and adjusted net profit margin as non-HKFRS measures, which are not required by or presented in accordance with HKFRS. The Company believes that adjusted financial measures provide useful information to the Shareholders and potential investors to understand and evaluate the consolidated statement of profit or loss of the Group and assist the management of the Company in its decision making. The Company believes that by eliminating the effects of items that it believes are not indicative of the Group's operating performance, such adjusted financial measures assist the management of the Company and investors in evaluating the financial and operating performance of the Group for different periods on a comparable basis. However, these non-HKFRS measures should not be considered independently or as a substitute for financial information prepared and presented in accordance with HKFRS. Shareholders and potential investors should not independently evaluate such adjusted results or regard it as a substitute for, or comparable to, performance reported or forecasted by other companies, as they may use similar terms with different meanings. In addition, these non-HKFRS measures have their limitations as analytical tools and may differ from similar measures used by other companies.

The Company provides the following additional information for reconciliation with the adjusted net profit under non-HKFRS.

	Six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
Profit for the period	**170,772**	126,067
Adjusted for:		
Share-based compensation expenses	**8,381**	5,770
Amortisation of intangible assets generating from acquisition	**11,440**	6,495
Adjusted profit for the period (non-HKFRS measure)	**190,593**	138,332

MANAGEMENT DISCUSSION AND ANALYSIS

BRAND STORY THAT TRANSCEND CYCLES

Amid surging industry tides, time stands as the truest and fairest testament to excellence.

Beauty Farm's journey began in Hainan province in 1993, inspired by German's dedication to expert and precise research. By leveraging German-origin skincare products, a German professional training system, and a care philosophy that endures to this day, we set a new benchmark for China's premium beauty service industry. In 1997, we established the Wuhan Beauty Farm School of Tongji Medical College, embedding rigorous medical-grade training into our brand DNA. With the launch of our aesthetic medical brand, CellCare, at Shanghai Hang Lung Plaza in 2011, we ushered in a new era of tech-powered beauty services with our "dual beauty" model. In 2018, the Neology brand's elegant debut at the Shanghai Bund elevated our service offerings to new heights, enhancing not only appearance but quality of life. In 2023, Beauty Farm proudly rang the bell at the Stock Exchange as China's first public listed company in the beauty service industry...

For 32 years, Beauty Farm's dedication to long-termism has never wavered. While our ability to adapt and evolve with the times continues to grow, our deep and enduring commitment to serving our customers' long-term needs remains constant.

BUSINESS MODEL EXCELLENCE

In 2011, we launched China's first "dual beauty" business model, synergizing beauty and medical services. We have since then iteratively upgraded it into a comprehensive "dual beauty + dual wellness" model, fostering a unique competitive edge. With a nationwide network of more than 500 beauty and wellness service stores, we have cultivated strong brand trust among our customers and gained insight into their underlying beauty and health needs, enabling us to deliver full-lifecycle aesthetic medical services and subhealth medical services.

To enhance our consumer experience, we consistently expand our service dimensions, from everyday care to tech-powered aesthetic medical services, from external beauty enhancement to internal health. Through full-lifecycle, omni-scenario, one-stop solutions, we cater to our valued customers' diverse needs at every stage of life.

From a business operations perspective, the key advantage of this model lies in its efficient synergies across our business segments. The rotation of businesses at different growth stages continuously injects momentum into our development, effectively diversifying against fluctuations in any single vertical. Moreover, the powerful synergy among our three business pillars maximizes the long-term value of individual members, driving sustained revenue growth while addressing the industry-wide pain point of high customer acquisition costs. As a result, the Group's profitability substantially surpasses the industry average.

After 32 years of navigating industry cycles, this business model's robust resilience is more apparent than ever. Our average annual revenue per direct store[1] exceeded RMB10 million in 2024, with aesthetic medical services and subhealth medical services contributing 45% of total revenue. Meanwhile, costs related to customer acquisition represent less than 2% of revenue, significantly below the industry average. These tangible results underscore the effectiveness of our business model and unleash broader opportunities for the Group's future growth.

REMARKABLE OUTCOMES FROM ACQUISITIONS AND CONSOLIDATIONS

As consolidation accelerates across China's beauty service industry, we remain committed to propelling growth through a dual-engine strategy fueled by both internal growth and external expansion. By positioning acquisition as a core Group-level development strategy, we have already achieved remarkable results. Since our acquisition of Naturade, China's second-largest beauty brand, in July 2024, its outstanding performance has validated the Group's strong consolidation capabilities. In the first half of 2025, Naturade achieved revenue of RMB277 million, and its adjusted net profit margin rose from 6.5% pre-acquisition to 10.4%, rapidly aligning with the profitability levels of the Group. Building on the remarkable results of this integration and operational refinement, the Company announced in May this year an additional 20% equity acquisition in Naturade, increasing our ownership to 90%. This deal not only strengthened our control of Naturade but also created greater value for our shareholders. Moving forward, we will actively pursue further industry consolidation opportunities and systematically replicating the successful integration model of Naturade across new ventures, unlocking industry consolidation potential to drive the Group's sustainable growth.

We have been steadily reinforcing Naturade's core competitive edge. As a leading AI-powered wellness brand rooted in traditional Chinese medicine theories, Naturade was once again ranked by globally recognized market intelligence firm Frost & Sullivan as the "Top AI-Powered Wellness Brand in China"[2] during its eighteenth anniversary this year. Meanwhile, the Group has begun rolling out its "AI-Powered Wellness System 2.0", its first AI-driven digital and intelligent transformation flagship program, at Naturade. This transformation initiative, powered by seven leading experts and authoritative institutions

1: Total revenue of direct business in 2024 divided by number of direct stores as of the end of 2024.

2: As measured by the cumulative number of consumer visits, cumulative revenue, and member repurchase rate of direct stores from 2023 to 2024.

As measured by the cumulative revenue and the member repurchase rate in respect of AI-powered wellness services of direct stores under various brands in China's lifestyle beauty industry in Mainland China (excluding Hong Kong, Macau, and Taiwan) from 2023 to 2024, in accordance with Frost & Sullivan's research. AI-powered wellness refers to the provision of a series of AI-powered beauty and wellness services to customers by using equipment or instruments, which includes providing personalised analysis and results based on customers' skin and physical conditions, as well as delivering beauty and wellness services through equipment or instruments. This survey was completed in May 2025.

in traditional Chinese medicine, innovatively integrates modern diagnostic and testing technologies with traditional Chinese medicine approaches. The system generates AI-powered reports based on testing and assessments across five dimensions: body constitution, tongue appearance, meridians, organs, and skin, building a full-cycle, data-driven, and results-visualized health management closed loop, pioneering a new AI-powered wellness trend across the industry.

BUSINESS REVIEW

Social transformation continues to shape consumer behavior, with today's consumer needs shifting from material satisfaction to deeper emotional connections and spiritual resonance. Studies by the China Consumers Association indicate that emotional value profoundly influences the younger generation's consumption choices, with offline emotional experiences emerging as a key consumption driver. According to iiMedia Research, China's emotional economy is poised for explosive growth, with the market expected to reach RMB2.3 trillion by 2025 and exceed RMB4.5 trillion by 2029, creating substantial potential upside for the industry.

As women take on increasingly important roles across society, careers, and family life, their focus on emotional well-being has deepened significantly, fueling a rising interest in self-indulgent consumption. Women are increasingly willing to pay for scenarios that elevate their sense of happiness and well-being. At Beauty Farm, we are reshaping premium consumption scenarios through a dual-value proposition of tech-driven functional skincare and immersive urban wellness sanctuaries. Each treatment journey serves as both tech-powered skin renewal and a poetic retreat for the body and soul.

Beauty Farm stands as one of the leading franchise brands in beauty and health services, both in China and globally. Consistently guided by our customer-first philosophy, we are committed to building long-term customer relationships, specializing in providing full-spectrum, one-stop beauty and wellness services to women across top-tier cities in China.

Guided by our "customer-centric" philosophy, we fulfill our clients' beauty and wellness demands while enhancing their lifecycle management capabilities. In the first half of 2025, client visits at our direct stores reached 920,000, up 47.8% year-over-year. The total number of active members at our direct stores amounted to 120,000, surging by 46.5% year-over-year. Under our "dual beauty + dual wellness" model, in the first half of 2025, 20% of our beauty and wellness members purchased aesthetic medical services or subhealth medical value-added services.

Driven by membership growth, the Company once again achieved record highs in both revenue and profit in the first half of 2025, with total revenue amounting to RMB1,459 million, an increase of 28.2% year-over-year. As our revenue steadily increased, the benefits of scale became increasingly evident, driving our gross margin to 49.3%, an increase of 2.3 percentage points year-over-year. Net profit increased by an impressive

35.5% year-over-year to RMB171 million. Notably, adjusted net profit increased to RMB191 million, and adjusted net profit margin reached 13.1%, hitting a record high, underscoring the Group's strong profitability despite macroeconomic headwinds.

The Group's cash-generating momentum further accelerated in the first half of 2025, with net cash flow generated from operating activities reaching RMB410 million, expanding 84.4% year-over-year. As of June 30, 2025, the total amount of cash and cash-like items grew to RMB2 billion, representing a net increase of 27.5% year-over-year. Our ample cash reserves have not only supported the Group's long-term development, but also laid a solid foundation for delivering shareholder returns. Since Listing, we have cumulatively declared dividends of RMB300 million. This year, we unveiled a new shareholder return plan for the next three years, explicitly committing to distribute no less than 50% of the annual net profit attributable to the parent company's shareholders as dividends except under special circumstances. This initiative will reinforce the virtuous cycle we have established between shareholder value creation and the Company's sustainable advancement.

In terms of store network, as of June 30, 2025, we operated 552 stores in total, including 273 direct stores, and 279 franchised and brand-operated stores. As a brand focused on China's top-tier markets, we have strategically prioritized 20 key cities with the highest concentration of high-net-worth customers. Our deep penetration in the four tier-one cities, i.e., Beijing, Shanghai, Guangzhou, and Shenzhen, forms the Group's core competitive moat, with 157 direct stores across tier-one cities representing 58% of all direct stores, contributing more than 60% of the Group's total revenue. The wealth effect in top-tier cities continued to drive growth. In the first half of 2025, revenue generated in the four tier-one cities increased by over 52% year-over-year. Looking ahead, we will continue to deepen our penetration in key cities to further strengthen our competitive moat.

Number of Stores

	For the six months ended June 30,	
	2025	2024
Beauty and Wellness Services		
— Direct stores	**238**	169
— Franchised stores	**276**	207
Aesthetic Medical Services	**27**	24
Subhealth Medical Services	**11**	9
Total	**552**	409

Direct stores distribution by Cities

	For the six months ended June 30,	
	2025	2024
Tier-one Cities	**157**	91
New Tier-one Cities	**91**	85
Others	**25**	26
Total	**273**	202

Beauty and Wellness Services

As the primary traffic driver of the Group's "dual beauty + dual wellness" model, our beauty and wellness services function as the main channel to capture and satisfy consumers' multi-service needs. To capitalize on long-term growth opportunities, we are implementing a multi-brand strategy within our cornerstone beauty and wellness services business, precisely addressing the needs of segmented customer groups through a differentiated brand matrix. Currently, we have established a three-brand portfolio encompassing "Beauty Farm — premium flagship beauty services", "PALAISPA — premium professional beauty franchise services" and "Naturade — AI-powered wellness services rooted in traditional Chinese medicine". Each brand leads the market with its unique value proposition. Moving forward, we will continue to expand the boundaries of our brand matrix, offering a richer brand lineup to meet our customers' diverse needs.

In the first half of 2025, our beauty and wellness services achieved revenue of RMB807 million, an increase of 29.6% year-over-year. Our business expansion has continued to drive growing economies of scale. Gross profit margin rose to 42.1%, a substantial increase of 1.8 percentage points year-over-year, elevating profitability to new heights. Customer base expansion was the primary revenue growth driver in the first half of 2025, with the number of client visits to our beauty and wellness services' direct stores soaring to 850,000, up 48.6% year-over-year. The number of active members of our direct beauty and wellness stores increased to 112,000, up 45.7% year-over-year. Furthermore, the number of members of our franchised beauty and wellness stores exceeded 53,000, up 70.1% year-over-year, highlighting a robust joint growth trend with our partners.

	For the six months ended June 30,	
	2025	2024
Number of client visits of direct stores	**849,595**	571,623
Number of active members of direct stores	**112,029**	76,908

Beauty Farm has always embraced a global vision, methodically curating top-tier professional products from around the world. 32 years ago, Bob Hartmann, founder of DEYNIQUE, had partnered with Beauty Farm. This 32-year collaboration reached a new milestone this May with the comprehensive upgrade of the classic DEYNIQUE Aloe Vera Essentials series. With more refined ingredient formulations, we further emphasized the core value of slow, mindful skincare, evoking deep emotional resonance and strong affinity among our loyal members who value the brand's three-decade heritage. In addition, catering to younger, results-driven customers, our Pengying collagen line has been upgraded and expanded beyond facial care to include neck and scalp anti-aging. Leveraging three-type direct collagen replenishment technology, it now delivers more comprehensive firming effects, precisely addressing diverse anti-aging needs.

Leveraging the Group's robust brand influence, digital marketing strengths, and omnichannel operations, we have steadily improved customer acquisition efficiency. Our refined private-domain operations made significant breakthroughs, contributing over 46% of new members in the first half of the year through tiered marketing and referral-driven growth, effectively reducing customer acquisition costs. In the public domain, we actively implemented our "Employee Brand Ambassador" initiative during the first half of the year, introducing 51 expert skincare KOLs and creating a seamless closed loop from content-driven recommendations to sales conversion. In the second half of the year, we launched the "User Brand Ambassador" program, inviting 88 members to become "Beauty Investigators" who will amplify our brand voice and strengthen consumer trust through authentic experience sharing. We remain committed to listening to our members and addressing their genuine needs and feedback, fostering deep engagement and collaboration to jointly enhance our brand value.

Aesthetic Medical Services

China's aesthetic medical services industry is undergoing a profound transformation, driven by value chain restructuring. Market education has enabled the sector's leap from zero to one. This, coupled with rising disposable incomes, is propelling continuous expansion of the consumer base for aesthetic medical services. Faster upstream product approvals and fierce competition for traffic among market players are driving the industry to operate more efficiently, while giving consumers renewed control over their choices. Against this backdrop, customer trust has emerged as a key competitive moat, prompting aesthetic medical institutions to enhance their medical service expertise to earn long-term customer trust.

As the Group's second growth engine, our aesthetic medical services have demonstrated strong growth resilience. In the first half of 2025, revenue from aesthetic medical services reached RMB499 million, up 13.0% year-over-year. Aesthetic medical services' gross profit margin reached 56.9%, up 1.8 percentage points year-over-year. We continued to attract and convert customers from our cornerstone business to aesthetic medical services. In the first half of the year, the number of client visits at the direct stores of our aesthetic medical services reached 50,000, up 28.0% year-over-year. The number of active members served at our direct stores grew to 24,000, an increase of 27.6% year-over-year.

	For the six months ended June 30,	
	2025	2024
Number of client visits of direct stores	**49,605**	38,759
Number of active members of direct stores	**24,352**	19,086

Furthermore, we continued to upgrade our aesthetic medical services store network. As of June 30, 2025, we operated 27 aesthetic medical clinics. In March 2025, we successfully upgraded our CellCare aesthetic medical clinic in Changsha, and in this August, we officially opened our comprehensive Beauty Farm flagship clinic in Guangzhou. As the Group's largest and best-equipped flagship clinic for aesthetic medical services and subhealth medical services, its launch filled a gap in the Group's flagship presence in Guangzhou and established a strategic hub in a core city, further strengthening the Group's competitive advantage across Beijing, Shanghai, Guangzhou, and Shenzhen.

CellCare's mission is to lead the quality upgrade of China's premium aesthetic medical services. By bringing together elite physicians, cutting-edge medical technologies, leading aesthetic standards, and attentive, caring services, we strive to deliver a professional and trustworthy premium aesthetic medical service experience. To strengthen our talent advantages, we continue to enhance our team's medical expertise. For example, on the 9th anniversary of our TimeSo "Differentiated Aesthetics" system, we launched the "TimeSo Master Team of Artistic Pioneers," systematically harnessing master-level aesthetic artistry and medical techniques to achieve standardized replication and delivery of high-quality medical services. In terms of industry authority, our physician team has accumulatively secured more than 700 professional certifications and training credentials, reinforcing our medical expertise with tangible, authoritative credentials.

In 2025, we once again iterated our TimeSo "Differentiated Aesthetics" system. Centered on the core concept of "Innate Beauty, Effortless Grace," TimeSo advocates a confident aesthetic that embraces both the judgment of others and the passage of time. This upgrade promotes a more comprehensive, dynamic, and fluid aesthetic, elevating beauty standards from the static, "plog-style photogenic beauty" of the past to a more dynamic, narrative-driven, "vlog-ready beauty," redefining and breathing new life into premium aesthetic standards.

Subhealth Medical Services

Neology, as the Group's subhealth medical service brand, focuses on functional medicine and gynecological anti-aging solutions. At this early stage of market development, we are focused on seizing emerging market opportunities to accelerate its business expansion.

In the first half of 2025, client visits at the direct stores of our subhealth medical services reached 19,000, up 75.5% year-over-year. The total number of active members amounted to 7,014, surging by 93.4% year-over-year. Driven by this momentum, our subhealth medical services achieved a substantial leap in growth. In the first half of 2025, revenues from our subhealth medical services reached RMB154 million, a remarkable increase of 107.8% year-over-year, with revenue share exceeding 10% for the first time. Gross profit margin grew to 63.1%, a significant increase of 8.7 percentage points year-over-year. As of June 30, 2025, the number of our subhealth medical service clinics increased to 11. On August 1, 2025, Neology opened its clinic in Guangzhou, marking the first anti-aging medical service clinic in the Greater Bay Area blending traditional Chinese medicine with Western medical practices. The clinic features dedicated traditional Chinese medicine consultation and treatment rooms, precisely meeting diverse customer needs for traditional Chinese medicine services across the Greater Bay Area.

	For the six months ended June 30,	
	2025	2024
Number of client visits of direct stores	**18,869**	10,754
Number of active members of direct stores	**7,014**	3,627

Neology's functional medicine segment focuses on providing professional medical services such as subhealth intervention and early-stage disease prevention and treatment. In the first half of 2025, revenue from our functional medicine segment surged by 122.0% year-over-year, demonstrating strong growth momentum. The expansion of our personalized IV nutrient therapy product line, "Energy Drip", further catered to our customers' diverse needs, while services such as liver detoxification therapy and NAD+ elite energy infusion achieved steady customer repurchase rates, thanks to their close alignment with today's prevailing subhealth conditions. In addition, we unveiled our biological age management solution, a customized prebiotic regimen, in the first half of the year, featuring tailored microbiome modulation, designed to regulate metabolism and immune functions, further enriching the Company's health management portfolio.

Our Women's Special Care Center, grounded in clinical gynecological theory, delivers personalized gynecological anti-aging and wellness solutions through multi-faceted assessments by professional gynecologists and advanced medical technologies. In the first half of 2025, revenue from our Women's Special Care Center surged by 172.8% year-over-year, emerging as the most significant segment within our subhealth medical services business. We continued to strengthen collaborations with leading medical partners across research, clinical practice, and education, establishing a Designated Gynecology Clinical Training and Exchange Center and a Benchmark Gynecology Research and Training Base. Together with our partners, we capitalized on shared scientific findings and innovative technologies to advance the professional development of gynecological anti-aging solutions.

MARKET CAPITALIZATION ENHANCEMENT EFFORTS

In March this year, Beauty Farm officially launched its "Market Capitalization Enhancement Plan" to systematically drive value creation through three strategic initiatives. First, the Company has established a long-term shareholder return mechanism, pledging to distribute no less than 50% of the annual net profit attributable to the parent company's shareholders as dividends over the next three complete fiscal years (except under special circumstances). Second, in terms of optimizing shareholder structure, the Company is bringing in long-term strategic investors to build a healthier and more diverse shareholder ecosystem. Third, the Company continues to strengthen the alignment of management and shareholder interests, leveraging its equity incentive plan to advance joint value creation and sustainable growth.

The plan has already begun to achieve a phased outcome. On August 18, 2025, the Company announced that CITIC Private Equity Funds Management Co., Ltd. completed the disposal of 51,328,990 shares of the Company, officially stepping down from the roster of substantial shareholders. For details, please refer to the Company's announcements dated June 25, 2025 and August 18, 2025 respectively. In addition, the Group has introduced high-quality long-term investors, further optimizing its shareholder structure. The market has responded notably to the Company's implementation of this plan. Since the beginning of 2025, the Company's market capitalization has increased by 90%, fully demonstrating the capital market's strong recognition of the Company's value enhancement initiatives.

OUTLOOK

Maslow's hierarchy of needs suggests that in a consumer society, the highest form of demand points to the pursuit of self-actualization. For today's women, the quest for beauty and health has transcended outer beauty aspirations, evolving toward deeper exploration of personal growth and self-fulfillment. For 32 years, Beauty Farm has placed self-actualization at the heart of its mission and growth strategy, consistently aligning with women's needs and offering steadfast support through each stage of their personal growth journey.

Strategically, we remain firmly committed to driving growth through a internal growth and external expansion strategy. Internally, we will continue to deepen our "dual beauty + dual wellness" model: horizontally, by expanding the coverage of our beauty and wellness services brand matrix, and vertically, by strengthening the penetration of our medical businesses, driving steady revenue growth. Meanwhile, we will consistently fortify our advantages across key cities, capturing a greater market share of beauty and health consumption in top-tier cities. Externally, we will replicate Naturade's successful acquisition and integration as we actively explore industry consolidation opportunities, further catalyzing industry consolidation. Finally, we will lead the industry's digital and intelligent transformation, harnessing our deep expertise in digital technologies and focusing on innovative, scenario-based AI applications in beauty and health services to accelerate the research, development, and launch of AI-powered, intelligent beauty service solutions.

Our comprehensive and coordinated execution of these strategic initiatives and our market capitalization enhancement plan will significantly bolster the Group's corporate competitiveness and capital market appeal, creating sustainable value for our customers, shareholders, employees and partners.

FINANCIAL REVIEW

Revenue

The Group generates revenue primarily from three service offerings including beauty and wellness services, aesthetic medical services and subhealth medical services. In the first half of 2025, the Group firmly executed its internal growth and external expansion strategy, and the Group's revenue increased by 28.2% from RMB1,138 million in the first half of 2024 to RMB1,459 million in the first half of 2025.

The following table sets forth a breakdown of the Group's revenue by service offerings for the periods indicated:

	For the six months ended June 30,				
	2025		2024		
	Revenue *RMB'000*	**Revenue proportion** *%*	Revenue *RMB'000*	Revenue proportion *%*	Change *%*
Beauty and wellness services	**806,753**	**55.2**	622,418	54.7	29.6
—Direct stores	**739,290**	**50.6**	564,378	49.6	31.0
—Franchisee and others	**67,463**	**4.6**	58,040	5.1	16.2
Aesthetic medical services	**498,613**	**34.2**	441,327	38.8	13.0
Subhealth medical services	**153,647**	**10.6**	73,949	6.5	107.8
Total	**1,459,013**	**100.0**	1,137,694	100.0	28.2

Beauty and Wellness Services — Direct Stores

The Group's revenue from beauty and wellness services of direct stores increased by 31.0% from RMB564 million in the first half of 2024 to RMB739 million in the first half of 2025. Such increase in revenue was mainly due to revenue growth of premium beauty services as a result of higher same-store revenue as well as the acquisition and integration of Naturade, the AI-powered wellness brand.

Beauty and Wellness Services — Franchisee and Others

The Group mainly sells skincare products, instruments and equipment and consumables to, and also charges service fees from, its franchised stores. The revenue of the Group's beauty and wellness services generated from franchised stores and others increased from RMB58 million in the first half of 2024 to RMB67 million in the first half of 2025, up 16.2% year-over-year, primarily due to the acquisition of Naturade, the AI-powered wellness brand, which led to the increase in the number of franchised stores.

Aesthetic Medical Services

The Group's revenue from aesthetic medical services increased by 13.0% from RMB441 million in the first half of 2024 to RMB499 million in the first half of 2025, primarily due to the execution of its internal growth and external expansion strategy, which continuously drove the rapid growth in membership and customer visits for aesthetic medical services.

Subhealth Medical Services

The Group's revenue from subhealth medical services increased by 107.8% from RMB74 million in the first half of 2024 to RMB154 million in the first half of 2025, primarily due to the increase in membership brought by internal growth and external expansion strategy, and the Group realized an increase in penetration from beauty and wellness services to subhealth medical services through refinement of its operations, supported by the continual improvement of its product portfolio, thereby enabling rapid growth in customer visits and average selling price from subhealth medical services.

Gross Profit and Gross Profit Margin

	For the six months June 30,					
	2025		2024		Change	
	Gross profit	**Gross profit margin**	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*%*	*%*
Beauty and Wellness Services	**339,274**	**42.1**	250,956	40.3	35.2	1.8
— Direct stores	**301,218**	**40.7**	218,826	38.8	37.7	1.9
— Franchisee and others	**38,056**	**56.4**	32,130	55.4	18.4	1.0
Aesthetic Medical Services	**283,634**	**56.9**	243,020	55.1	16.7	1.8
Subhealth Medical Services	**96,880**	**63.1**	40,224	54.4	140.9	8.7
Total	**719,788**	**49.3**	534,200	47.0	34.7	2.3

The gross profit increased by 34.7% from RMB534 million in the first half of 2024 to RMB720 million in the first half of 2025. The overall gross profit margin increased by 2.3 percentage points from 47.0% in the first half of 2024 to 49.3% in the first half of 2025. The increase was primarily attributable to (i) the decrease in procurement cost of premium beauty services as a result of scale up. Concurrently, as more premium AI-powered wellness services with higher gross profit margin joined our network in the second half of 2024, the gross profit margin of beauty and wellness services from direct stores increase by 1.9 percentage points from 38.8% in the first half of 2024 to 40.7% for the corresponding period in 2025; (ii) the gross profit margin of aesthetic medical service increased from 55.1% in the first half of 2024 to 56.9% in the corresponding period in 2025 due to its continuously improved bargain capability arising from the ongoing business expansion of the Group; (iii) the significant increase in revenue of subhealth medical services by 107.8% diluted its fixed charges due to economies of scale, as such gross profit margin increased by 8.7 percentage points from 54.4% in the first half of 2024 to 63.1% for the corresponding period in 2025.

Selling Expenses

The selling expenses of the Group increased from RMB190 million in the first half of 2024 to RMB251 million in the first half of 2025, primarily due to (i) staff costs, mainly comprising wages, benefits and bonuses for sales and marketing team, which increased as a result of increase in marketing personnel brought about by external acquisition to support business expansion; (ii) promotion and marketing related expenses, mainly comprising service fees paid to brand ambassador and the third-party marketing service providers to promote brands of the Group and acquire new customers, which increased to reflect business growth; and (iii) depreciation and amortisation due to higher amortization of customer relationships brought about by external acquisition. The following table sets forth a breakdown of the Group's selling expenses for the periods indicated:

	Six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
Staff costs	**162,598**	116,890
Promotion and marketing related expenses	**26,996**	19,823
Travelling and office expenses	**19,254**	17,787
Miscellaneous expenses related to customer services	**14,205**	14,936
Depreciation and amortization charges	**14,014**	8,652
Others	**13,734**	11,612
Total	**250,801**	189,700

R&D Expenses

The R&D expenses primarily consist of (i) staff costs, representing wages, benefits and bonuses for our R&D staff; and (ii) depreciation and amortization charges. The R&D expenses increased from RMB16 million in the first half of 2024 to RMB21 million in the first half of 2025, primarily due to the Group's continuous increase in investment in R&D on digitization.

General and Administrative Expenses

The general and administrative expenses increased from RMB181 million in the first half of 2024 to RMB237 million in the first half of 2025, primarily due to (i) staff costs, representing wages, benefits and bonuses for our general and administrative staff as well as share based compensation expenses, which increased due to external acquisition; (ii) depreciation and amortization, representing depreciation and amortization charges in relation to our properties and equipment, which increased due to external acquisition; and (iii) consulting expenses, comprising consulting expenses incurred in relation to audit services, legal services, and consulting technology, which increased to reflect business growth. The following table sets forth a breakdown of the Group's general and administrative expenses for the periods indicated:

	Six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
Staff costs	**198,498**	156,911
Depreciation and amortization	**10,152**	8,105
Consulting expenses	**12,701**	8,314
Others	**15,356**	7,779
Total	**236,707**	181,109

Other Income

The other income primarily consists of (i) government grants, representing business development-related support funds from local governments; and (ii) rental income primarily derived from the owned properties. Other income decreased from RMB13 million in the first half of 2024 to RMB7 million in the first half of 2025, primarily due to the fact that the local government support funds related to business development are still in the application process and have not yet been disbursed.

Profit for the Period

As a result of the above, net profit of the Group increased from RMB126 million in the first half of 2024 to RMB171 million in the first half of 2025, representing an increase of 35.5%. Adjusted net profit increased from RMB138 million in the first half of 2024 to RMB191 million in the first half of 2025, representing an increase of 37.8%. Adjusted net profit margin increased from 12.2% in the first half of 2024 to 13.1% in the first half of 2025.

LIQUIDITY AND CAPITAL RESOURCES

The Group's principal uses of cash were for working capital, store expansion and acquisition, and dividends payment. The main source of the Group's liquidity was generated from cash flows from operations. Going forward, the Group believes that its liquidity requirements will be satisfied with a combination of cash flows generated from operating activities, bank facilities and net proceeds from the Global Offering. As of June 30, 2025, cash and cash-like items reached RMB2.00 billion in total (in particular, the Group's cash and cash equivalents, term deposits with initial terms of over three months and financial assets at fair value through profit or loss amounted to RMB460 million, RMB613 million and RMB925 million, respectively), representing an increase of RMB430 million or 27.5% as compared to RMB1.57 billion in the first half of 2024. Most of the Group's cash and cash-like items are denominated in RMB, HKD and USD.

CASH FLOWS

The table below sets out specific figures from the Group's consolidated cash flow statements for the periods indicated:

	For the six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
Net cash generated from operating activities	**410,098**	222,442
Net cash used in investing activities	**(249,427)**	(195,893)
Net cash used in financing activities	**(156,595)**	(54,519)
Cash and cash equivalents at the beginning of the year	**456,158**	224,277
Cash and cash equivalents at the end of the year	**459,741**	196,022

Benefiting from the strength of the business model, the Group's cash generated from operating activities increased from RMB222 million in the first half of 2024 to RMB410 million in the first half of 2025, representing a year-over-year increase of 84.4%, demonstrating the Group's sufficient operating cash flow and efficient operation and management capabilities.

INDEBTEDNESS

The indebtedness of the Group mainly included lease liabilities and bank borrowings. As of June 30, 2025, the Group had lease liabilities and outstanding interest-bearing bank borrowings of approximately RMB530 million and RMB249 million, respectively. The net increase in bank borrowings of RMB99 million compared to December 31, 2024 was mainly due to the acquisition of Naturade. The Group's bank borrowings are at variable interest rates and are denominated in RMB.

GEARING RATIO

The gearing ratio is calculated by dividing the total bank loans and other borrowings by the total equity as at the end of the year. As of June 30, 2025, the Group's total cash and cash equivalents and time deposits with initial terms of over three months are greater than other interest-bearing liabilities and gearing ratio is therefore not applicable (as of June 30, 2024: 2.3%).

CAPITAL COMMITMENTS

As of June 30, 2025, the Group had capital commitments of RMB8 million, primarily in connection with leasehold improvements (as of June 30, 2024: RMB9 million).

ASSETS PLEDGED

As of June 30, 2025, the equity interest to certain subsidiaries were pledged to secure bank borrowings of the Group in the value of RMB249 million. Saved as disclosed, the Group have not pledged other major assets during the Reporting Period.

CONTINGENT LIABILITIES

As of June 30, 2025, the Company's subsidiaries had provided guarantees and equity pledge with respect to the Group's borrowings for acquisition of Naturade. The Directors believe that the subsidiaries have sufficient financial resources to settle their debts. Save as disclosed in this announcement, the Group has no other material contingent liabilities.

SIGNIFICANT ACQUISITIONS, DISPOSALS AND INVESTMENTS

As of June 30, 2025, save as otherwise disclosed by the Company, the Group did not make any significant investments, acquisitions or disposals of any subsidiaries, associated companies or joint ventures.

EXCHANGE RATES AND ANY RELATED HEDGING

The Group mainly operates in mainland China and is exposed to foreign exchange risks arising from currency exposure with respect to U.S. dollars and HK dollars. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities. The Group does not hedge against any fluctuation in foreign currency.

FUTURE PLAN OF MATERIAL INVESTMENT OR ACQUISITION OF ASSETS

Save as disclosed in prospectus of the Company and this announcement, as of June 30, 2025 and up to the date of this announcement, the Group had no future plans for any material investment or acquisition of capital assets.

EMPLOYEES AND REMUNERATION POLICIES

As of June 30, 2025, the Group had a total of 5,383 employees. In the first half of 2025, the total employee welfare expenses amounted to RMB600 million (including Directors' emolument and equity settled share based payments), higher than RMB449 million in the first half of 2024, primarily attributable to the Group's business development.

We have established a multi-dimensional promotion and training system for our employees, offering them dual career development options along both professional and managerial paths. For frontline staff, we conduct comprehensive evaluations based on their performance and customer satisfaction, among other criteria, with outstanding performers eligible for more bonus incentives. For middle-level and frontline management staff, we have designed a clear career development system and a comprehensive training mechanism for them. Meanwhile, we have additionally set up regional employee share ownership platforms to retain and reward exceptional employees. As for the senior management team, we have launched an equity incentive plan closely tied to the interests of our management team and the performance of the Company, aiming to boost the team's motivation and sense of purpose while propelling the Company to new heights.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

		Six months ended June 30,	
		2025	2024
		(Unaudited)	(Unaudited)
	Note	***RMB'000***	*RMB'000*
Revenue	*5*	**1,459,013**	1,137,694
Cost of sales and services		**(739,225)**	(603,494)
Gross profit		**719,788**	534,200
Selling expenses		**(250,801)**	(189,700)
Research and development expenses		**(20,996)**	(16,261)
General and administrative expenses		**(236,707)**	(181,109)
Other income	*6*	**6,615**	12,849
Other expenses	*6*	**(2,562)**	(1,695)
Other gains	*7*	**9,419**	4,915
Provision for impairment losses on financial assets		**(633)**	(127)
Operating profit		**224,123**	163,072
Finance income	*8*	**12,436**	11,771
Finance costs	*8*	**(15,847)**	(14,352)
Finance costs — net	*8*	**(3,411)**	(2,581)
Profit before income tax		**220,712**	160,491
Income tax expenses	*9*	**(49,940)**	(34,424)
Profit for the period		**170,772**	126,067
Profit attributable to:			
Owners of the Company		**155,682**	115,421
Non-controlling interests		**15,090**	10,646
		170,772	126,067
Earnings per share for profit attributable to owners of the Company			
Basic earnings per share *(RMB)*	*10*	**0.68**	0.50
Diluted earnings per share *(RMB)*	*10*	**0.68**	0.50

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Six months ended June 30,	
		2025	2024
		(Unaudited)	(Unaudited)
	Note	***RMB'000***	*RMB'000*
Profit for the period		**170,772**	126,067
Other comprehensive (loss)/income			
Items that will not be reclassified to profit or loss			
Changes in the fair value of equity investments at fair value through other comprehensive income		**(6)**	(7)
Exchange differences on translation of financial statements		**(6,681)**	3,669
Other comprehensive income for the period, net of tax		**(6,687)**	3,662
Total comprehensive income for the period		**164,085**	129,729
Total comprehensive income attributable to:			
Owners of the Company		**148,995**	119,083
Non-controlling interests		**15,090**	10,646
		164,085	129,729

INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS

	Note	**As at June 30, 2025 (Unaudited)** ***RMB'000***	As at December 31, 2024 (Audited) *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**332,120**	364,669
Investment properties		**62,670**	64,365
Right-of-use assets		**493,315**	535,187
Intangible assets		**336,719**	350,118
Goodwill		**653,954**	653,954
Prepayments, deposits and other receivables	*12*	**66,044**	67,546
Other non-current assets		**2,098**	5,361
Financial assets at fair value through other comprehensive income		**37**	43
Financial assets at fair value through profit or loss		**7,517**	7,548
Deferred income tax assets		**29,787**	41,671
Total non-current assets		**1,984,261**	2,090,462
Current assets			
Inventories		**149,989**	151,825
Trade receivables	*12*	**33,073**	48,888
Prepayments, deposits and other receivables	*12*	**118,128**	126,078
Financial assets at fair value through profit or loss		**924,665**	911,063
Restricted cash	*13*	**28,722**	28,449
Cash and cash equivalents	*13*	**459,741**	456,158
Term deposits with initial terms of over three months	*13*	**613,045**	463,557
Total current assets		**2,327,363**	2,186,018
Total assets		**4,311,624**	4,276,480
EQUITY			
Share capital		**8**	8
Share premium		**247,917**	359,802
Other reserves		**(68,986)**	38,425
Retained earnings		**702,083**	546,401
Equity attributable to owners of the Company		**881,022**	944,636
Non-controlling interests		**47,994**	30,604
Total equity		**929,016**	975,240

	Note	As at June 30, 2025 (Unaudited) *RMB'000*	As at December 31, 2024 (Audited) *RMB'000*
LIABILITIES			
Non-current liabilities			
Borrowings	*14*	**211,500**	129,938
Lease liabilities		**328,678**	360,479
Deferred tax liabilities		**77,969**	71,963
Total non-current liabilities		**618,147**	562,380
Current liabilities			
Trade payables	*15*	**35,076**	29,886
Other payables and accruals	*16*	**319,950**	325,526
Contract liabilities		**2,018,096**	1,979,245
Current tax liabilities		**28,480**	42,283
Borrowings	*14*	**37,671**	19,836
Lease liabilities		**201,227**	220,339
Other current liabilities		**123,961**	121,745
Total current liabilities		**2,764,461**	2,738,860
Total liabilities		**3,382,608**	3,301,240
Total equity and liabilities		**4,311,624**	4,276,480
Net current liabilities		**437,098**	552,842
Total assets less current liabilities		**1,547,163**	1,537,620

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Equity attributable to owners of the Company							
	Note	Share capital *RMB'000*	Treasury stock *RMB'000*	Other reserves *RMB'000*	Share premium *RMB'000*	Retained earnings *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
Balance at January 1, 2024		8	(6,816)	22,994	467,769	317,941	801,896	32,337	834,233
Profit for the period		—	—	—	—	115,421	115,421	10,646	126,067
Other comprehensive income		—	—	3,662	—	—	3,662	—	3,662
Total comprehensive income		—	—	3,662	—	115,421	119,083	10,646	129,729
Transactions with owners									
Capital injection from non-controlling interests		—	—	—	—	—	—	350	350
Share-based payment expenses		—	—	5,738	—	—	5,738	32	5,770
Transactions with non-controlling interests		—	—	3,932	—	—	3,932	2,184	6,116
Dividends declared	*11*	—	—	—	(101,151)	—	(101,151)	(4,010)	(105,161)
Treasury shares purchased		—*	6,816	—	(6,816)	—	—	—	—
		—*	6,816	9,670	(107,967)	—	(91,481)	(1,444)	(92,925)
Balance at June 30, 2024 (Unaudited)		8	—	36,326	359,802	433,362	829,498	41,539	871,037

* *Less than RMB1,000*

	Note	Equity attributable to owners of the Company Share capital RMB'000	Treasury stock RMB'000	Other reserves RMB'000	Share premium RMB'000	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at January 1, 2025		8	–	38,425	359,802	546,401	944,636	30,604	975,240
Profit for the period		–	–	–	–	155,682	155,682	15,090	170,772
Other comprehensive loss		–	–	(6,687)	–	–	(6,687)	–	(6,687)
Total comprehensive income		–	–	(6,687)	–	155,682	148,995	15,090	164,085
Transactions with owners									
Capital injection from non-controlling interests		–	–	–	–	–	–	613	613
Share-based payment expenses		–	–	8,302	–	–	8,302	79	8,381
Transactions with non-controlling interests		–	–	(109,026)	–	–	(109,026)	6,278	(102,748)
Dividends declared	*11*	–	–	–	(111,885)	–	(111,885)	(4,670)	(116,555)
		–	–	(100,724)	(111,885)	–	(212,609)	2,300	(210,309)
Balance at June 30, 2025 (Unaudited)		8	–	(68,986)	247,917	702,083	881,022	47,994	929,016

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Six months ended June 30, 2025 (Unaudited) *RMB'000*	2024 (Unaudited) *RMB'000*
Cash flows from operating activities			
Cash generated from operations		**455,951**	257,397
Income tax paid		**(45,853)**	(34,955)
Net cash inflow generated from operating activities		**410,098**	222,442
Cash flows from investing activities			
Payment for acquisition of subsidiaries, net of cash acquired		**(87,500)**	(112,242)
Purchases of property, plant and equipment and other non-current assets		**(35,580)**	(87,819)
Proceeds from sale of property, plant and equipment and other non-current assets		**32**	1,122
Proceeds from disposal of a subsidiary, net of cash disposed		**1,000**	—
Proceeds from redemption of financial assets at FVPL		**1,716,927**	1,209,536
Purchase of financial assets at FVPL		**(1,722,700)**	(1,117,256)
Purchase of term deposits with initial terms of over three months		**(411,800)**	(359,518)
Maturity of term deposits with initial terms of over three months		**290,194**	270,284
Net cash used in investing activities		**(249,427)**	(195,893)
Cash flows from financing activities			
Proceeds from borrowings	*14*	**112,500**	63,000
Repayment of borrowings	*14*	**(13,125)**	—
Interest paid		**(3,200)**	(339)
Dividends paid		**(2,629)**	(4,010)
Payment of lease liabilities		**(148,006)**	(121,333)
Transactions with non-controlling interests		**(102,748)**	7,813
Capital injection from non-controlling interests		**613**	350
Net cash used in financing activities		**(156,595)**	(54,519)
Net increase/(decrease) in cash and cash equivalents		**4,076**	(27,970)
Cash and cash equivalents at beginning of the period		**456,158**	224,277
Exchange losses on cash and cash equivalents		**(493)**	(285)
Cash and cash equivalents at end of the period	*13*	**459,741**	196,022

NOTES TO INTERIM CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION OF THE GROUP AND BASIS OF PRESENTATION

1.1 General information

Beauty Farm Medical and Health Industry Inc. (the "Company") was incorporated in the Cayman Islands on February 10, 2022. The address of its registered office is Floor 4, Willow House, Cricket Square, Grand Cayman, KY1-9010, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (the "Group") are principally engaged in providing beauty and health management service, including beauty and wellness services, aesthetic medical services as well as subhealth medical services in the People's Republic of China (the "PRC"). The ultimate controlling parties of the Group are Mr. Li Yang ("Mr Li"), Ms. Li Fangyu ("Ms Li"), Mr. Lian Songyong, Ms. Niu Guifen, Mr. Cui Yuanjun and Ms. Yuan Huimin (together as the "Controlling Shareholders"), who are parties acting in concert and have been collectively controlling the Group.

The Company's shares began to list on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on January 16, 2023 (the "Listing").

These condensed consolidated financial statements are presented in thousands of Renminbi ("RMB"), unless otherwise stated, and have been approved for issue by the Board of Directors of the Company on August 26, 2025.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

This note provides a list of material accounting policies adopted in the preparation of the consolidated financial statements. These policies have been consistently applied throughout the six months ended June 30, 2025, unless otherwise stated.

2.1 Basis of preparation

The unaudited interim condensed consolidated financial information for the six months ended June 30, 2025 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting". The unaudited interim condensed consolidated financial information should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2024, which have been prepared in accordance with Hong Kong Financial Reporting Standards (HKFRS) and the disclosure requirements of the Hong Kong Companies Ordinance Cap.

2.2 New standards and interpretations adopted by the Group

The Group has applied the following new accounting standards, amendments to accounting standards and interpretations for the first time for their interim reporting period commencing January 1, 2025:

- Lack of Exchangeability — Amendments to HKAS 21

The adoption of the new standards and amendments listed above did not have material impact on the Group's accounting policies and consolidated financial statements.

2.3 New and amended standards and interpretations not yet adopted

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for the six months ended 30 June 2025 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and amendments is set out below.

		Effective for annual periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027

According to the preliminary assessment made by the directors, these standards and amendments are not expected to have a significant impact on the Group's financial performance and position, except HKFRS 18, which may mainly impact the presentation of the consolidated statements of the comprehensive income and the Group is still in the process of assessing the impact.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2024.

4 SEGMENT INFORMATION

The chief operating decision-maker has been identified as the executive committee, which comprises all executive directors and chief financial officer. The executive committee reviews the Group's internal reporting in order to assess performance and allocate resources.

The executive committee has determined that no business segment information is presented as all business segments are with similar economic characteristics.

The executive committee has also determined that no geographical segment information is presented as all business performance are generated from the PRC.

5 REVENUE & CONTRACT LIABILITIES

(a) Disaggregation of revenue from contracts with customers

The Group derives revenue from the service at a point in time and over time and the transfer of goods at a point in time in the following major revenue streams:

	Six months ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Beauty and wellness services		
— Direct stores (at a point in time)		
— Services	**710,203**	533,986
— Product Sales	**29,087**	30,392
— Franchised and others		
— Product sales (at a point in time)	**61,303**	53,795
— Franchise fee (over time)	**6,160**	4,245
Subtotal	**806,753**	622,418
Subhealth medical services		
— Services recognised at a point in time	**137,467**	55,059
— Services recognised over time	**16,180**	18,890
Subtotal	**153,647**	73,949
Aesthetic medical services		
— recognised at a point in time	**498,613**	441,327
Total	**1,459,013**	1,137,694

Revenues from external customers come from the rendering of service and sales of the products including beauty and wellness services, aesthetic medical services and subhealth medical services.

Subhealth medical services recognised over time are cooperation fee received from Hainan Qiyan Stem Cell Anti-aging Hospital Co., Ltd. Such services include customer referral and consulting services, logistics arrangement services, customer post-treatment caring services rendered to Hainan Qiyan Stem Cell Anti-aging Hospital Co., Ltd.

No significant revenue comes from a single external customer. There is no customer contributing more than 10% of revenue. Most of the Group's customers are individuals, which are widely distributed.

The Group is domiciled in the PRC. The majority of its sales from external customers are generated in the PRC.

(b) Liabilities related to contracts with customers

The Group has recognised the following liabilities related to contracts with customers:

	As at June 30, 2025 (Unaudited)	As at December 31, 2024 (Audited)
	RMB'000	*RMB'000*
Contract liabilities — services and product sales	**2,018,096**	1,979,245

The Group classified these contract liabilities as current because the Group does not have an unconditional right to defer for at least 12 months after the reporting period.

The products are sold on a prepaid basis. When the franchised stores prepay for a product, the relevant payment is recorded as contract liabilities in the consolidated balance sheets until the Group recognizes revenue upon delivery of products to the franchised stores.

6 OTHER INCOME AND OTHER EXPENSE

	Six months ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Other income		
Rental income	**4,293**	4,383
Government grants	**1,375**	8,238
Others	**947**	228
	6,615	12,849
Other expenses		
Direct cost in relation to the rental income	**2,562**	1,695

Government grants mainly represent subsidies from governments as industry support, contributions of the Group to employment stabilization. There are no unfulfilled conditions or other contingencies attaching to these grants.

7 OTHER GAINS — NET

	Six months ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Net fair value gains on financial assets at FVPL	**7,621**	10,843
Net foreign exchange gains/(losses)	**3,097**	(700)
Gains on disposal of a subsidiary	**611**	—
Others	**(1,910)**	(5,228)
Other gains — net	**9,419**	4,915

8 FINANCE COSTS — NET

	Six months ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Finance income		
Interest income on bank deposits	**12,436**	11,771
Finance costs		
Interest expense		
— Interest charges on borrowings	**(3,222)**	(396)
— Interest charges on lease liabilities	**(12,625)**	(13,956)
Finance costs — net	**(3,411)**	(2,581)

9 INCOME TAX EXPENSES

	Six months ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Current income tax	**32,050**	25,485
Deferred income tax	**17,890**	8,939
Income tax expense	**49,940**	34,424

10 BASIC AND DILUTED EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue during each period.

As of June 30, 2024, the Company cumulatively repurchased 865,500 outstanding ordinary shares with a total consideration of RMB12,012,000, among which 610,000 shares were cancelled on February 21, 2024.

	Six months ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
Profit attributable to Owners of the Company *(RMB'000)*	**155,682**	115,421
Weighted average number of ordinary shares in issue *('000)*	**229,610**	229,610
Basic earnings per share for profit attributable to the Owners of the Company during the period *(expressed in RMB per share)*	**0.68**	0.50

(b) Diluted

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account of share options granted to the employees that would have been outstanding assuming the vesting of all dilutive potential ordinary shares.

	Six months ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
Profit attributable to Owners of the Company *(RMB'000)*	**155,682**	115,421
Weighted average number of ordinary shares in issue	**229,610**	229,610
Adjustments for calculation of diluted earnings per share:	**891**	66
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**230,501**	229,676
Diluted earnings per share for profit attributable to the Owners of the Company during the period *(expressed in RMB per share)*	**0.68**	0.50

11 DIVIDENDS

	Six months ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Dividends declared to the shareholders (a)	**111,885**	101,151

(a) On June 27 2025, the shareholders of the Company approved a final cash dividend of HK$0.52 per share (2024: HK$0.47 per share), with an aggregate value of HK$122.61 million (equivalent to RMB111.89 million).

12 TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at June 30, 2025	As at December 31, 2024
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Trade receivables		
Trade receivables (a)	**39,782**	55,208
Less: provision for impairment	**(6,709)**	(6,320)
Total trade receivables	**33,073**	48,888
Included in current assets		
Prepayments, deposits and other receivables		
Prepayments for procurement of inventories and operating expenses	**37,925**	55,352
Amount due from related parties	**17,455**	7,963
Deposits — current portion	**39,643**	36,194
Other current assets	**7,055**	8,642
Other receivables	**16,764**	18,397
Less: provision for impairment	**(714)**	(470)
Total prepayments, deposits and other receivables — current portion	**118,128**	126,078
Included in non-current assets		
Deposits and other receivables		
Deposits paid to a related party	**—**	792
Deposits — non-current portion	**66,123**	66,833
Less: provision for impairment	**(79)**	(79)
Total	**66,044**	67,546

(a) Aging analysis of trade receivables

The majority of the Group's sales are settled through credit cards or e-pay applications against payment. At June 30, 2025 and December 31, 2024, the aging analysis of the trade receivables from contracts with customers receivables as at the balance sheet dates based on invoice date was as follows:

	As at June 30, 2025 (Unaudited) *RMB'000*	As at December 31, 2024 (Audited) *RMB'000*
Up to 1 year	**34,529**	47,394
Between 1 and 2 years	**2,273**	4,781
Between 2 and 3 years	**2,966**	2,456
Over 3 years	**14**	577
	39,782	55,208

13 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

	As at June 30, 2025 (Unaudited) *RMB'000*	As at December 31, 2024 (Audited) *RMB'000*
Cash and bank balances		
— Cash on hand	**415**	169
— Cash at bank	**1,101,093**	947,995
	1,101,508	948,164
Less: restricted cash (a)	**(28,722)**	(28,449)
term deposits with initial terms of over three months	**(613,045)**	(463,557)
Cash and cash equivalents	**459,741**	456,158

(a) Restricted cash are bank deposits placed by the Group with banks as a security for prepaid cards issued to customers and are not available for other use by the Group.

(b) The cash and cash equivalents are denominated in the following currencies:

	As at June 30, 2025 (Unaudited) *RMB'000*	As at December 31, 2024 (Audited) *RMB'000*
RMB	**666,175**	583,693
USD	**279,704**	268,450
HKD	**155,582**	95,536
EUR	**47**	485
	1,101,508	948,164

14 BORROWINGS

	As at June 30, 2025 (Unaudited) *RMB'000*	As at December 31, 2024 (Audited) *RMB'000*
Current		
Bank loan — secured	**37,671**	19,836
Non-current		
Bank loan — secured	**211,500**	129,938
Total	**249,171**	149,774

In April 2024, the Group signed a merger and acquisition loan contract with China Merchants Bank. The total amount of the loan is RMB210,000,000 with variable interest rate, of which RMB157,500,000 were drawn down and RMB7,875,000 were repaid as of December 31, 2024. On January 2, 2025, the Group drew down the loan of RMB52,500,000 and the loan was fully drawn down. On April 28, 2025, the amount of RMB13,125,000 were repaid.

In June 2025, the Group signed a merger and acquisition loan contract with China Merchants Bank. The total amount of the loan is RMB60,000,000 with variable interest rate. The loan was fully drawn down on June 23, 2025.

These two loans are guaranteed by Guangzhou Beauty Farm Healthy Research Co., Ltd., a subsidiary of the Company and pledged aggregately by 100% and 90% of Group's equity interests in Guangzhou Beauty Farm Healthy Research Co., Ltd. and Guangzhou Naturade Health Management Co., Ltd., respectively.

At June 30, 2025 and December 31, 2024, the Group's borrowings were repayable as follows:

	As at June 30, 2025 (Unaudited) ***RMB'000***	As at December 31, 2024 (Audited) *RMB'000*
Within 1 year	**37,671**	19,836
Between 1 and 2 years	**40,500**	23,625
Between 2 and 5 years	**121,500**	70,875
Over 5 years	**49,500**	35,438
	249,171	149,774

15 TRADE PAYABLES

	As at June 30, 2025 (Unaudited) ***RMB'000***	As at December 31, 2024 (Audited) *RMB'000*
Trade payables		
— Third parties (a)	**35,076**	29,886

Trade payables are usually paid within 30 days of recognition. The Group's trade payables mainly include payments for finished goods. The credit term for finished goods is usually within 30 days.

(a) The aging analysis of trade payables as at June 30, 2025 and December 31, 2024 based on invoice date was follows:

	As at June 30, 2025 ***RMB'000***	As at December 31, 2024 *RMB'000*
Within 1 year	**31,985**	25,898
Between 1 and 2 years	**1,054**	1,810
Over 2 years	**2,037**	2,178
	35,076	29,886

16 OTHER PAYABLES AND ACCRUALS

	As at June 30, 2025 (Unaudited) *RMB'000*	As at December 31, 2024 (Audited) *RMB'000*
Other payables and accruals		
Employee benefits payables (a)	**125,417**	149,573
Payables for purchasing of property, plant and equipment	**5,990**	7,400
Acquisition payable		
— Amount due to a related party	**—**	87,500
— Others	**990**	990
Amount due to a related party — Others	**—**	37
Franchisee deposits	**23,755**	24,591
Accrual expenses	**16,788**	17,855
Taxes payables	**9,942**	12,901
Dividend payable	**114,284**	358
Others	**22,784**	24,321
Total other payables and accruals	**319,950**	325,526

(a) Employee benefits payables

The employee benefits payables represented payables for employee salaries for December 2024 and for June 2025, and accrual for bonuses and social welfare benefits.

The carrying amounts of trade and other payables and accruals are considered to approximate their fair values due to their short-term nature.

OTHER INFORMATION

Interim Dividend

The Board did not declare the payment of interim dividend to the Shareholders for the six months ended June 30, 2025 (six months ended June 30, 2024: Nil).

Corporate Governance Practices

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. Guided by the above corporate culture, the Company has adopted the code provisions of the CG Code as its own corporate governance practices.

The Company had complied with all code provisions set out in Part 2 of the CG Code during the Reporting Period.

The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

Model Code for Securities Transactions

The Company has adopted the Model Code as its own code of conduct regarding dealings in the securities of the Company by the Directors and the Group's senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Company or its securities.

Having made specific enquiries of all the Directors, they have confirmed that they have complied with the Model Code during the Reporting Period. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group during the Reporting Period.

Purchase, Sale or Redemption of Listed Securities of the Company

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares, if any). As at June 30, 2025, the Company did not hold any treasury shares (as defined under the Listing Rules).

Subsequent Events after the Reporting Period

Between July 10, 2025 and July 14, 2025, the Company repurchased a total of 90,500 Shares on the Stock Exchange at a total consideration of approximately HK$2.65 million (including expenses). The repurchased shares are currently held as treasury shares (as defined under the Listing Rules).

Save as disclosed above, the Company or the Group has not undertaken any material events after the Reporting Period and up to the date of this announcement.

Review of Interim Results and Interim Report

The Audit Committee consists of one non-executive Director and two independent non-executive Directors being Mr. LIU Teng, Mr. FAN Mingchao and Ms. LI Fangyu, with Mr. LIU Teng being the chairperson of the Audit Committee, who has the professional qualification and experience in financial matters in compliance with the requirements of the Listing Rules.

The Audit Committee, together with the management of the Company, has jointly reviewed the accounting principles and policies adopted by the Group and discussed internal control and financial reporting matters, including a review of the unaudited interim condensed consolidated financial statements and the interim report of the Group for the Reporting Period, and is of the view that the unaudited interim results of the Group is prepared in accordance with applicable accounting standards, rules and regulations and appropriate disclosures have been duly made.

Publication of the Condensed Consolidated Interim Results and 2025 Interim Report

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Investor Relations of the Company at https://ir.beautyfarm.com.cn/cn/. The interim report of the Company for the six months ended June 30, 2025 containing all the information required by the Listing Rules will be published on the respective websites of the Stock Exchange and the Company in due course.

Appreciation

The Board would like to express its sincere gratitude to the Shareholders, management, employees, partners, and customers of the Group for their support and contribution to the Group.

DEFINITIONS

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

"Audit Committee"	the audit committee of the Board
"Beauty Farm", "Group", "our", "we", or "us"	the Company and its subsidiaries, or any one of them as the context may require or, where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries, or any one of them as the context may require, were or was engaged in and which were subsequently assumed by it
"Board" or "Board of Directors"	the board of directors of the Company
"CG Code"	the "Corporate Governance Code" as set out in Appendix C1 to the Listing Rules
"China" or "PRC"	the People's Republic of China, which, for the purpose of this announcement and for geographical reference only, excludes Hong Kong, Macau and Taiwan
"Company" or "our Company"	Beauty Farm Medical and Health Industry Inc., an exempted company with limited liability incorporated under the laws of the Cayman Islands on February 10, 2022
"Director(s)"	the director(s) of the Company or any one of them
"dual beauty model"	a unique business model developed by Beauty Farm over the past 30 years, attracts quality customers through its nationwide beauty & wellness network, builds customer brand loyalty and discovers in-depth customer needs. The Company provides aesthetic medical services and subhealth medical services to meet its customers' upgraded needs throughout their customer life cycle

"dual beauty + dual wellness model"	the Group's latest upgraded and iterative business model, whereby the Group attracts quality customers through premium beauty services stores and premium AI-Powered wellness services stores, thereby fostering customer loyalty to the brand and identifying their in-depth needs. The Company provides aesthetic medical services and subhealth medical services to meet the escalating needs of customers throughout their lifecycle
"premium beauty services"	the services offered to customers by the Group's beauty service stores under the Beauty Farm brand and Palaispa brand
"premium AI-powered wellness services"	the services offered to customers by the beauty service stores under the Naturade brand
"internal growth and external expansion strategy"	a dual-engine model fueled by the strategy of "internal growth and external expansion through acquisitions"
"EUR"	Euro, the lawful currency of the member states of the European Union
"Global Offering"	the Hong Kong Public Offering and the International Offering, details of which are set forth in the Prospectus
"HKFRS"	Hong Kong Financial Reporting Standards
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HK dollars", "HKD" or "HK$"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"Listing"	listing of the Shares on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
"Model Code"	the "Model Code for Securities Transactions by Directors of Listed Issuers" as set out in Appendix C3 to the Listing Rules

"Naturade"	Guangzhou Naturade Health Management Co., Ltd. (廣州奈瑞兒健康管理有限公司), a company incorporated in the PRC with limited liability on March 18, 2024 and a non-wholly owned subsidiary of the Group, which together with its subsidiaries operate the Group's premium AI-powered wellness services under the Naturade brand
"Prospectus"	the prospectus of the Company dated December 30, 2022
"R&D"	research and development
"Reporting Period"	the six months ended June 30, 2025
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) in the capital of our Company with a nominal value of US$0.000005 each
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subsidiary"	has the meaning ascribed thereto under the Listing Rules
"U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"U.S. dollars", "USD" or "US$"	United States dollars, the lawful currency of the United States
"%"	per cent

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

Hong Kong, August 26, 2025

As at the date of this announcement, the Board comprises Mr. Li Yang as Chairman and executive Director, Mr. Lian Songyong as Vice Chairman and executive Director, Ms. Li Fangyu, Mr. Gao Jianming and Ms. Yi Lin as non-executive Directors and Mr. Fan Mingchao, Mr. Liu Teng and Mr. Jiang Hua as independent non-executive Directors.