Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

CONNECTED TRANSACTION
ACQUISITION OF EQUITY INTEREST IN SUBSIDIARIES OPERATING THE NATURADE BRAND

THE ACQUISITION

The Board is pleased to announce that on November 18, 2025 (after trading hours of the Stock Exchange), the Purchasers, each being a non-wholly owned subsidiary of the Company, entered into the Equity Transfer Agreement with the Vendor, pursuant to which, among others, the Vendor conditionally agreed to sell and the Purchasers conditionally agreed to acquire the Target Business (comprising 100% equity interests of each of the Dongguan and Zhuhai Medical Target, the Zhuhai Target and the Dongguan Target), at a total consideration of RMB40.0 million (equivalent to approximately HK$44.0 million). Upon completion of the Acquisition, the Company will own 90% of the equity interest of the Target Companies, which will become non-wholly owned subsidiaries of the Company. The Acquisition will drive the addition of 19 new direct stores to the Group, including two medical aesthetics stores and 17 lifestyle beauty stores, further expanding the overall network of the direct stores. The coverage density in core cities of the Greater Bay Area will be further enhanced, concurrently leading to a significant increase in the Group's revenue.

* *For identification purposes only*

LISTING RULES IMPLICATIONS

As of the date of this announcement, Naturade Health HK, a connected person of the Company at the subsidiary level is a 30% equity interest holder of the Vendor, the Vendor is therefore an associate of Naturade Health HK. Accordingly, the Equity Transfer Agreement and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.101 of the Listing Rules, since (i) the Vendor is a connected person of the Company at the subsidiary level; (ii) the transactions contemplated under the Equity Transfer Agreement are entered into on normal commercial terms; and (iii) the Board (including independent non-executive Directors) have approved the Equity Transfer Agreement and the transactions contemplated thereunder, and confirmed that such transactions are entered into on normal commercial terms, are fair and reasonable and are in the interest of the Company and the Shareholders as a whole, the transactions contemplated under the Equity Transfer Agreement are subject to the reporting and announcement requirements but are exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

To the best of knowledge, information and belief of the Directors, having made all reasonable enquiries, no Director has a material interest in the Acquisition and was required to abstain from voting on the relevant Board resolutions approving the Acquisition in accordance with the articles of association of the Company.

BACKGROUND

The Board is pleased to announce that on November 18, 2025 (after trading hours of the Stock Exchange), the Purchasers, each being a non-wholly owned subsidiary of the Company, entered into the Equity Transfer Agreement with the Vendor, pursuant to which, among others, the Vendor conditionally agreed to sell and the Purchasers conditionally agreed to acquire the Target Business (comprising 100% equity interests of each of the Dongguan and Zhuhai Medical Target, the Zhuhai Target and the Dongguan Target), at a total consideration of RMB40.0 million (equivalent to approximately HK$44.0 million). Upon completion of the Acquisition, the Company will own 90% of the equity interest of the Target Companies, which will become non-wholly owned subsidiaries of the Company.

THE ACQUISITION

The principal terms of the Equity Transfer Agreement are set out as follows:

Date:	November 18, 2025 (after trading hours of the Stock Exchange)
Parties:	(i) Naturade Medical Instrument and Naturade Health Management being the Purchasers; and (ii) Guangzhou Beiminsheng Enterprise Management Co., Ltd being the Vendor
Subject matter of the Acquisition:	The Target Business, representing: (i) 100% of the equity interest of Dongguan and Zhuhai Medical Target; (ii) 100% of the equity interest of Zhuhai Target; and (iii) 100% of the equity interest of Dongguan Target
Consideration:	RMB40.0 million (equivalent to approximately HK$44.0 million) The Consideration is payable by the Purchasers in cash within five business days of the satisfaction of all conditions precedent.
Completion:	Completion of the Acquisition shall take place on the closing date upon satisfaction of certain customary conditions precedent for an equity sales and purchases transactions, such as the completion of internal approval procedures, signing of other transaction documents relating to the Acquisition, completion of the approvals, registrations, or filings involved in this transaction, among others, and upon which the Target Business shall be transferred to the Purchasers.
Termination:	The parties may proceed to terminate the Equity Transfer Agreement (i) by mutual agreement; (ii) by the Purchasers when any material issues with the validity of any documents provided by the Vendor; (iii) by a non-breaching party where there is a breach of specific matters stipulated in the Equity Transfer Agreement by the other party (which is not rectified within 10 business days of the breach); or (iv) by either party upon the occurrence of any force majeure events.

INFORMATION ON THE PARTIES

The Group

The Group is a leading beauty and health service brand in China. We are committed to providing high-quality beauty and wellness services, aesthetic medical services as well as sub-health medical services that are personalized to clients' desire. The Company indirectly holds 90% of the equity interest of the Purchasers, which are investment holding companies.

The Purchasers

Naturade Medical Instrument

Naturade Medical Instrument is a limited liability company incorporated in the PRC and a non-wholly owned subsidiary of the Company. It is primarily engaged in the management and operation of the medical clinics of the Group located in Guangzhou and Shenzhen.

Naturade Health Management

Naturade Health Management is a limited liability company incorporated in the PRC and a non-wholly owned subsidiary of the Company. It is primarily engaged in the management and operation of the Naturade brand of the Group.

Target Companies

Dongguan and Zhuhai Medical Target is a limited liability company incorporated in the PRC and a wholly owned subsidiary of the Vendor. It is primarily engaged in the operation of two medical clinics located in Dongguan and Zhuhai respectively.

Zhuhai Target is a limited liability company incorporated in the PRC and a wholly owned subsidiary of the Vendor. It is primarily engaged in the operation of eight Naturade branded beauty and wellness service stores in Zhuhai.

Dongguan Target is a limited liability company incorporated in the PRC and a wholly owned subsidiary of the Vendor. It is primarily engaged in the operation of nine Naturade branded beauty and wellness service stores in Dongguan.

The total assets, net liabilities and total revenue of the Target Companies as of December 31, 2024 are RMB53.2 million, RMB9.2 million and RMB73.9 million, respectively. The summary of the key unaudited financial information of the Target Companies and their underlying assets prior to their reorganization (and based on their consolidated financial statements upon completion of the reorganization) for the two financial years ended December 31, 2023 and 2024, respectively is set out as follows:

	For the year ended December 31,	
	2024	**2023**
	(unaudited)	**(unaudited)**
	RMB million	*RMB million*
Net profit before taxation	9.9	1.5
Net profit after taxation	7.4	1.3

The Vendor acquired the Target Companies for an aggregate consideration of RMB37.0 million from Naturade Health HK as part of Naturade's sale of a majority ownership interest in its Naturade's stores which were not sold to the Group in 2024.

The Vendor

The Vendor is an operator of beauty and wellness services stores in regions such as Zhuhai, Foshan, Dongguan and Wuhan under the Naturade brand.

The Vendor is ultimately owned by Ms. Zheng Yan (鄭艷) and Naturade Health HK as to 70% and 30% respectively. As Naturade Health HK is a substantial shareholder of Naturade Health Management, a non-wholly owned subsidiary of the Company, therefore each of Naturade Health HK and the Vendor is a connected person of the Company at subsidiary level.

To the best of the knowledge, information and belief of the Directors, save as otherwise disclosed above, Ms. Zheng Yan is an independent third party, while each of Naturade Health HK and the Vendor is a connected person of the Company at subsidiary level.

The terms of the Equity Transfer Agreement were determined after arm's length negotiations between the parties thereto. The Directors (including the independent non-executive Directors) are of the view that the terms of the Equity Transfer Agreement and the transactions contemplated under the Acquisition are fair and reasonable, on normal commercial terms or better (for the Purchasers), in the ordinary course of the Group's business and in the interests of the Company and the Shareholders as a whole.

REASONS FOR AND BENEFITS OF THE ACQUISITION

Beauty Farm has been a force in China's beauty and healthcare services industry for over 30 years. The Group has persistently expanded its business scale through organic growth and strategic acquisitions and possesses rich experience in industry acquisitions and integration.

The Acquisition marks the official inclusion of Zhuhai and Dongguan into the directly-operated regions of the Group's intelligent beauty and wellness brand, Naturade, resulting in the addition of 19 new direct stores to the Group, including two medical aesthetics stores and 17 lifestyle beauty stores.

The inclusion of Zhuhai and Dongguan, two cities ranking among the top in Gross Domestic Product (GDP) development within the Greater Bay Area, aligns with the Group's overall strategy of concentrating efforts on prime locations within first-tier and new first-tier cities where high-net-worth clientele are concentrated.

Management outputs yield tangible results, with three key drivers delivering sustained empowerment

In 2024, the Group achieved a significant milestone in its merger and acquisition history by successfully completing the full acquisition of Naturade, the second-largest brand in the beauty industry. In the first half of 2025, the adjusted net profit margin of Naturade surged from 6.5% prior to the acquisition to 10.4%, with its impressive performance validating the effectiveness of the Group's in-depth empowerment strategies. For the 19 newly added stores (including medical stores) under Naturade brand in the two directly-operated cities of Dongguan and Zhuhai, the Group will continue to leverage its brand empowerment and management output capabilities. By focusing on refined customer operations, digital transformation and supply chain integration, the Group aims to optimise operational efficiency, drive profitability improvements.

Building a regional moat, achieving growth in both scale and profit

With the addition of Dongguan and Zhuhai to Naturade's direct store network, the coverage density across core cities within the Greater Bay Area will be further enhanced, the regional advantages will be significantly enhanced, leading to a significant boost in the Group's business scale and revenue levels in key markets within the region.

In terms of geographical layout, the Group's direct beauty and wellness stores are currently located in 20 core first-tier and new first-tier cities across China, strategically positioned in prime areas. The newly added Dongguan and Zhuhai stores to the directly-operated network are also positioned in core markets of the Greater Bay Area.

In terms of operational efficiency, the full inclusion of revenue from newly added direct stores will enhance the Group's revenue. Meanwhile, the directly-operated model will further leverage economies of scale in the Greater Bay Area to achieve dual growth in revenue and efficiency, whilst driving sustained improvements in per-store profitability, and taking the Group's overall profitability to a new level.

Expanding the scale of directly-operated medical aesthetics while maintaining quality service

In August of this year, with the upgrade of our Guangzhou Duo Medical Flagship Stores, the Group's medical team expanded to over 200 doctors, ensuring that every service is supported by professional physicians. The inclusion of the two newly added direct medical aesthetics stores in Dongguan and Zhuhai further deepens the Group's strategic layout in the Greater Bay Area. Meanwhile, 27 of the Group's medical aesthetics stores are directly operated, resulting in a comprehensive enhancement of service capabilities and brand influence.

FINANCIAL IMPACT OF THE ACQUISITION

Upon Completion, the Target Companies will become wholly-owned subsidiaries of Naturade Medical Instrument and Naturade Health Management, which are in turn non-wholly owned subsidiaries of the Company. The Company will be indirectly interested in 90% of the equity interest in the Target Companies. All the assets, operating performance and financial positions of the Target Companies will be consolidated into the consolidated financial statements of the Group.

BASIS FOR THE CONSIDERATION

The consideration for the Acquisition is RMB40.0 million. The consideration was determined after arm's length negotiations among the parties to the Equity Transfer Agreement having considered, among others:

(i) the business, operations and historical performance of the beauty and wellness stores operated by the Target Companies;

(ii) the synergistic effect of the Target Companies with the Group after the Acquisition; and

(iii) other factors set out in "Reasons for and Benefits of the Acquisition" above.

LISTING RULES IMPLICATIONS

As of the date of this announcement, Naturade Health HK, a connected person of the Company at the subsidiary level is a 30% equity interest holder of the Vendor, the Vendor is therefore an associate of Naturade Health HK. Accordingly, the Equity Transfer Agreement and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.101 of the Listing Rules, since (i) the Vendor is a connected person of the Company at the subsidiary level; (ii) the transactions contemplated under the Equity Transfer Agreement are entered into on normal commercial terms; and (iii) the Board (including independent non-executive Directors) have approved the Equity Transfer Agreement and the transactions contemplated thereunder, and confirmed that such transactions are entered into on normal commercial terms in the ordinary course of the Group's business, are fair and reasonable and are in the interest of the Company and the Shareholders as a whole, the transactions contemplated under the Equity Transfer Agreement are subject to the reporting and announcement requirements but are exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

To the best of knowledge, information and belief of the Directors, having made all reasonable enquiries, no Director has a material interest in the Acquisition and was required to abstain from voting on the relevant Board resolutions approving the Acquisition in accordance with the articles of association of the Company.

DEFINITIONS

Unless the context otherwise requires, the following terms used herein have the following meanings:

"Acquisition"	the Purchasers' proposed acquisition of the Target Business from the Vendor in accordance with the Equity Transfer Agreement
"Board"	the board of directors of the Company
"Company" or "Beauty Farm"	Beauty Farm Medical and Health Industry Inc., an exempted company with limited liability incorporated under the laws of the Cayman Islands
"Completion"	has the meaning as set out in the subsection headed "The Acquisition" of this announcement
"connected person"	has the meaning ascribed to it under the Listing Rules
"Consideration"	RMB40.0 million (equivalent to approximately HK$44.0 million), representing the consideration pursuant to the Equity Transfer Agreement

"Director(s)"	the director(s) of the Company
"Dongguan Target"	Naturade Beauty Chain (Dongguan) Co., Ltd (奈瑞兒美容連鎖(東莞)有限公司), a company incorporated in the PRC with limited liability
"Equity Transfer Agreement"	the equity transfer agreement dated November 18, 2025 entered into between the Purchasers and the Vendor in relation to the proposed sale and purchase of the Target Business
"Guangzhou Dual-Medical Flagship Stores"	the comprehensive flagship clinics located in Guangzhou under the CellCare, the Group's medical aesthetics service brand and NEOLOGY, the sub-health medical service brand
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Naturade Health HK"	Naturade Health Technology Company Limited (奈瑞兒健康科技有限公司), a company incorporated in Hong Kong with limited liability
"Naturade Health Management"	Guangzhou Naturade Health Management Co., Ltd (廣州奈瑞兒健康管理有限公司), a non-wholly owned subsidiary of the Company incorporated in PRC with limited liability
"Naturade Medical Instrument"	Guangzhou Naturade Medical Instrument Co., Ltd (廣州奈瑞兒醫療器械有限公司), a non-wholly owned subsidiary of the Company incorporated in PRC with limited liability
"PRC"	the People's Republic of China
"Purchasers"	Naturade Medical Instrument and Naturade Health Management
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	the share(s) of the Company
"Shareholder(s)"	holder(s) of the shares of the Company

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto in the Listing Rules
"Target Companies"	Dongguan and Zhuhai Medical Target, Zhuhai Target and Dongguan Target
"Target Business"	RMB10 million, RMB2 million and RMB2 million in the registered capital of Dongguan and Zhuhai Medical Target, Zhuhai Target and Dongguan Target, respectively, each representing 100% of the Target Companies' equity interest
"Vendor"	Guangzhou Beiminsheng Enterprise Management Co., Ltd (廣州蓓旻晟企業管理有限公司), a company incorporated in the PRC with limited liability
"Dongguan and Zhuhai Medical Target"	Guangzhou Naturade Medical Investment Co., Ltd (廣州奈瑞兒健康醫療投資有限公司), a company incorporated in the PRC with limited liability
"Zhuhai Target"	Zhuhai Naturade Naimei Beauty Technology Co., Ltd (珠海奈瑞兒奈美美容科技有限公司), a company incorporated in the PRC with limited liability
"%"	per cent

For the purpose of this announcement, the exchange rate of HK$1.00 to RMB0.91 has been used for currency translation, where applicable. Such conversion is for illustrative purposes and does not constitute representations that any amount in HK$ or RMB has been, could have been or may be converted at this or any other rate.

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

Hong Kong, November 18, 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.