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Beauty Farm Medical and Health Industry Inc.
美麗田園醫療健康產業有限公司*
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2373)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO CONNECTED TRANSACTION ACQUISITION OF EQUITY INTEREST IN BUSINESSES OPERATING THE NATURADE BRAND

Reference is made to the Company's announcement dated November 18, 2025 regarding the acquisition of equities interest in certain target companies constituting a connected transaction of the Company (the "**November 18 Announcement**"). Unless otherwise defined, capitalized terms used in this announcement shall have the same meaning as prescribed in the November 18 Announcement.

The Company would like to provide the following additional information relating to the basis considered by the Company when determining the Consideration:

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

   a. the Consideration being proportionate and consistent with the Group's historic comparable acquisitions, with price-to-sales (P/S) and price-to-earnings (P/E) ratios that are in line with the historic P/S and P/E ratios of stores acquired by the Group since 2023, which range between 0.3–0.9 and 4.4–6.0, respectively;

   b. the performance of the Target Business, with the Target Business having out-performed other direct stores operating under the Naturade brand in terms of net profit margin, having recorded a net profit margin of approximately 12% for the six months ended December 31, 2024; and

c. the initial consideration paid by the Vendor as well as the value creation effort by the Vendor since acquiring the Target Business, including their capital expenditures for renovation and upgrades of the stores as well as business optimization measures implemented; and

(ii) the synergistic effect of the Target Companies with the Group after the Acquisition, including:

a. enhanced operational control over the Target Businesses and strengthened brand positioning and market presence through unified brand management, enabling improved standardization of operations and customer experience across the stores owned by the Target Companies under the Naturade brand;

b. increased operational efficiency through consolidated management, procurement, and marketing functions;

c. improved financial performance through economies of scale and optimized resource allocation.

Having taken into account the forgoing factors, the Company is of the view that the Consideration is fair and reasonable, and provided a good opportunity for the Company to acquire quality assets, and aligns with the Company's long-term strategic goal of expanding on its geographical footprint in the Greater Bay Area. Following the Acquisition, the regional advantages will be significantly enhanced, and the Group's dual beauty + dual wellness model will further leverage economies of scale in the Greater Bay Area, increasing revenue and efficiency, and driving the overall profitability of the Group to a new level.

This announcement is supplemental to and should be read in conjunction with the November 18 Announcement. All other information and content set out in such announcement remain unchanged and shall continue to be valid for all purposes.

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

Hong Kong, December 1, 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.