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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)

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

THE 2026 ACQUISITION

Reference is made to the Company's announcements dated November 18, 2025 and December 1, 2025. Following the 2025 Acquisition, the Board is pleased to announce that on August 5, 2026 (after trading hours of the Stock Exchange), the Purchasers, each being a non-wholly owned subsidiary of the Company, entered into the 2026 Equity Transfer Agreement with the Vendor. Pursuant to the 2026 Equity Transfer Agreement, among others, the Vendor conditionally agreed to sell and the Purchasers conditionally agreed to acquire the Target Business (comprising 100% equity interest of each of Hangzhou Naturade Health Technology Company Limited (杭州奈瑞兒健康科技有限公司) and Hangzhou Xiaoshan Naturade Medical Beauty Clinic Co., Ltd (杭州蕭山奈瑞兒醫療美容門診部有限公司)), at a total consideration of RMB10.0 million (equivalent to approximately HK\$11.5 million). Upon completion of the 2026 Acquisition, the Company will own 90% of the equity interest of the Target Companies, which will become non-wholly owned subsidiaries of the Company.

Following the successful completion of the 2026 Acquisition, the Group has added 10 direct stores, comprising 1 medical aesthetics clinic and 9 beauty and wellness stores, with the total number of direct stores in Hangzhou increasing to 25 and significantly enhancing the Group's influence in the Hangzhou market.

* For identification purposes only

Leveraging the expansion of its store network in Hangzhou, the Group has upgraded its Hangzhou medical aesthetics clinic to a dual medical clinic. The Beauty Farm Medical Clinic will officially commence operations on August 18, 2026 in Hangzhou, offering services covering medical aesthetics services while also introducing new sub-health medical services. This acquisition, combined with the medical clinic upgrade, aligns with the Group's core strategy of "deepening presence in 20 high-tier cities across China" and has established a "dual beauty + dual wellness integrated business model" in the Hangzhou region. Hangzhou is set to become a key strategic foothold for Naturade as it expands into the Yangtze River Delta market.

BACKGROUND

Reference is made to the Company's announcements dated November 18, 2025 and December 1, 2025. Following the 2025 Acquisition, the Board is pleased to announce that on August 5, 2026 (after trading hours of the Stock Exchange), the Purchasers, each being a non-wholly owned subsidiary of the Company, entered into the 2026 Equity Transfer Agreement with the Vendor. Pursuant to the 2026 Equity Transfer Agreement, among others, the Vendor conditionally agreed to sell and the Purchasers conditionally agreed to acquire the Target Business (comprising 100% equity interest of each of Hangzhou Naturade Health Technology Company Limited (杭州奈瑞兒健康科技有限公司)) and Hangzhou Xiaoshan Naturade Medical Beauty Clinic Co., Ltd (杭州蕭山奈瑞兒醫療美容門診部有限公司), at a total consideration of RMB10.0 million (equivalent to approximately HK\$11.5 million). Following the successful completion of the 2026 Acquisition, the Group has added 10 direct stores, comprising 1 medical aesthetics clinic and 9 beauty and wellness stores, with the total number of direct stores in Hangzhou increasing to 25 and significantly enhancing the Group's influence in the Hangzhou market.

THE 2026 ACQUISITION

The principal terms of the 2026 Equity Transfer Agreement are set out as follows:

Date:	August 5, 2026 (after trading hours of the Stock Exchange)
Parties:	1. Naturade Medical Instrument and Naturade Health Management, being the Purchasers; and 2. Guangzhou Beiminsheng Enterprise Management Co., Ltd, being the Vendor
Subject matter of the 2026 Acquisition:	The Target Business, representing: 1. 100% of the equity interest of Hangzhou Naturade Health Technology Company Limited (杭州奈瑞兒健康科技有限公司); and

2. 100% of the equity interest of Hangzhou Xiaoshan Naturade Medical Beauty Clinic Co., Ltd (杭州蕭山奈瑞兒醫療美容門診部有限公司)

Consideration: RMB10.0 million (equivalent to approximately HK\$11.5 million)

The Consideration is payable by the Purchasers in full by cash within five business days of the satisfaction of all conditions precedent and is funded by the Group's internal resources including but not limited to the net proceeds from the Company's global offering designated for strategic mergers and acquisitions of franchised stores.

Completion: Completion of the 2026 Acquisition shall take place on the closing date upon satisfaction of certain customary conditions precedent for an equity sale and purchase transaction, such as the completion of internal approval procedures, signing of other transaction documents relating to the 2026 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 2026 Equity Transfer Agreement (i) by mutual agreement; (ii) by the Purchasers when there are 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 2026 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' desires. The Company indirectly holds 90% of the equity interest of the Purchasers.

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

Hangzhou Xiaoshan Naturade Medical Beauty Clinic Co., Ltd (杭州蕭山奈瑞兒醫療美容門診部有限公司) 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 1 medical clinic located in Hangzhou region.

Hangzhou Naturade Health Technology Company Limited (杭州奈瑞兒健康科技有限公司) 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 9 Naturade branded beauty and wellness service stores in Hangzhou region.

The total assets, net liabilities and total revenue of the Target Companies as of December 31, 2025 are RMB62.4 million, RMB5.1 million and RMB50.9 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, 2024 and 2025, respectively is set out as follows:

	For the year ended December 31,	
	2025	2024
	(unaudited) RMB million	(unaudited) RMB million
Net profit before taxation	4.5	−0.1
Net profit after taxation	3.4	−0.1

The Vendor

The Vendor is an operator of beauty and wellness services stores in regions such as 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 Vendor acquired the Target Companies for an aggregate consideration of RMB7.0 million from Naturade Health HK in 2024. The terms of the 2026 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 2026 Equity Transfer Agreement and the transactions contemplated under the 2026 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 2026 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 2026 Acquisition marks the official inclusion of Hangzhou into the directly-operated regions of the Group's intelligent beauty and wellness brand, Naturade, resulting in the addition of 10 new direct stores to the Group, including 1 medical aesthetics store and 9 beauty and wellness stores.

The inclusion of Hangzhou 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 PRC. In 2025, the adjusted net profit margin of Naturade surged from 6.5% prior to the acquisition of various businesses operating the Naturade brand to 10.5% after the acquisition, with its impressive performance validating the effectiveness of the Group's in-depth empowerment strategies. For the 10 newly added stores (including medical stores) under the Naturade brand in the Hangzhou region, the Group will continue to leverage its brand empowerment and management output capabilities. By

focusing on refined customer operations, digital transformation and consumer healthcare resource integration, the Group aims to optimise operational efficiency and drive profitability improvements.

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

With the addition of 10 stores to Naturade's direct store network, the coverage density across the Group in Hangzhou will be further enhanced. The regional advantages will be significantly strengthened, 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 10 stores to the directly-operated network are also positioned in core markets of Hangzhou.

Following the successful completion of the 2026 Acquisition, the Group has added 10 direct stores, comprising 1 medical aesthetics clinic and 9 beauty and wellness stores, with the total number of direct stores in Hangzhou increasing to 25 and significantly enhancing the Group's influence in the Hangzhou market.

Leveraging the expansion of its store network in Hangzhou, the Group has upgraded its Hangzhou medical aesthetics clinic to a dual medical clinic. The Beauty Farm Medical Clinic will officially commence operations on August 18, 2026 in Hangzhou, offering services covering medical aesthetics services while also introducing new sub-health medical services. This acquisition, combined with the medical clinic upgrade, aligns with the Group's core strategy of "deepening presence in 20 high-tier cities across China" and has established a "dual beauty + dual wellness integrated business model" in the Hangzhou region. Hangzhou is set to become a key strategic foothold for Naturade as it expands into the Yangtze River Delta market.

FINANCIAL IMPACT OF THE 2026 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 2026 Acquisition is RMB10 million. The Consideration was determined after arm's length negotiations among the parties to the 2026 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;
 - 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 3.0–6.0, respectively;
 - b. 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) other factors set out in “Reasons for and Benefits of the 2026 Acquisition” above.

Having taken into account the foregoing factors, the Company is of the view that the Consideration is fair and reasonable, and provides a good opportunity for the Company to acquire quality assets, and aligns with the Company's long-term strategic goal of expanding its geographical footprint in Hangzhou.

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 2026 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.81 of the Listing Rules, as the 2025 Acquisition and the 2026 Acquisition are transactions made with the same counterparty and are of similar nature within a 12-month period, the transactions are therefore aggregated. Additional details of the 2025 Acquisition have already been disclosed in the Company's announcements dated November 18, 2025 and December 1, 2025.

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 both the 2025 Acquisition and the 2026 Equity Transfer Agreement are entered into on normal commercial terms; and (iii) the Board (including independent non-executive Directors) has approved the 2025 Acquisition and 2026 Acquisition 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 interests of the Company and the Shareholders as a whole, the transactions contemplated under the 2025 Acquisition and the 2026 Acquisition 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 the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Director has a material interest in the 2026 Acquisition and was required to abstain from voting on the relevant Board resolutions approving the 2026 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:

“2025 Acquisition”	the acquisition of certain target businesses outlined pursuant to an equity transfer agreement dated November 18, 2025 as detailed in the Company’s announcement dated November 18, 2025
“2026 Acquisition”	the Purchasers’ proposed acquisition of the Target Business from the Vendor in accordance with the 2026 Equity Transfer Agreement
“2026 Equity Transfer Agreement”	the 2026 Equity Transfer Agreement dated August 5, 2026 entered into between the Purchasers and the Vendor in relation to the proposed sale and purchase of the Target Business
“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 2026 Acquisition” of this announcement
“connected person”	has the meaning ascribed to it under the Listing Rules

“Consideration”	RMB10.0 million (equivalent to approximately HK\$11.5 million), representing the consideration pursuant to the 2026 Equity Transfer Agreement
“Director(s)”	the director(s) of the Company
“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 Business”	RMB5 million and RMB2 million in the registered capital of Hangzhou Naturade Health Technology Company Limited (杭州奈瑞兒健康科技有限公司) and Hangzhou Xiaoshan Naturade Medical Beauty Clinic Co., Ltd (杭州蕭山奈瑞兒醫療美容門診部有限公司), respectively, each representing 100% of the Target Companies’ equity interest
“Target Companies”	Hangzhou Naturade Health Technology Company Limited (杭州奈瑞兒健康科技有限公司) and Hangzhou Xiaoshan Naturade Medical Beauty Clinic Co., Ltd (杭州蕭山奈瑞兒醫療美容門診部有限公司)
“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
“%”	per cent

For the purpose of this announcement, the exchange rate of HK\$1.00 to RMB0.87 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, August 5, 2026

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.