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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Beauty Farm Medical and Health Industry Inc.**, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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NEOLOGY  
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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)

**PROPOSED RE-ELECTION OF DIRECTORS;  
PROPOSED DECLARATION AND  
PAYMENT OF FINAL DIVIDEND;  
PROPOSED RE-APPOINTMENT OF AUDITOR;  
PROPOSED GRANTING OF GENERAL MANDATES TO  
REPURCHASE SHARES AND TO ISSUE SHARES;  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of Beauty Farm Medical and Health Industry Inc. to be held at Shanghai Meeting Room, 12th Floor, Raffles East Office Tower, No. 1089 Dongdaming Road, Hongkou District, Shanghai, PRC on Thursday, June 27, 2024 at 9:30 a.m. is set out in this circular.

Whether or not you are able to attend the Annual General Meeting, please complete and sign the enclosed form of proxy for use at the Annual General Meeting in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof (as the case maybe) (for Annual General Meeting, i.e. not later than 9:30 a.m. on Tuesday, June 25, 2024. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the Annual General Meeting if they so wish. For the avoidance of doubt, holders of treasury Shares of the Company, if any, shall abstain from voting at the Company's general meeting in connection to such treasury Shares.

This circular together with the form of proxy are also published on the website of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the investors' relations section of the website of the Company (<https://ir.beautyfarm.com.cn>).

References to time and dates in this circular are to Hong Kong time and dates.

In the event of any inconsistency, the English version of this circular shall prevail over the Chinese version.

\* For identification purposes only

April 25, 2024

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

|   |  |
|---|--|
| “Annual General Meeting”<br>or “AGM”                | the annual general meeting of the Company to be held at Shanghai Meeting Room, 12th Floor, Raffles East Office Tower, No. 1089 Dongdaming Road, Hongkou District, Shanghai, PRC on Thursday, June 27, 2024 at 9:30 a.m. to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 17 to 22 of this circular, or any adjournment thereof |
| “Articles of Association”                           | the articles of association of the Company currently in force  |
| “Audit Committee”                                   | the audit committee of the Board   |
| “Board of Directors” or<br>“Board”                  | the board of directors of the Company  |
| “China” or “PRC”                                    | the People’s Republic of China, which, for the purpose of this circular and for geographical reference only, excludes Hong Kong, Macau and Taiwan  |
| “Company”, “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  |
| “Group”, “our Group”,<br>“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  |
| “Hong Kong”   | the Hong Kong Special Administrative Region of the PRC   |
| “Hong Kong dollars”<br>or “HK dollars” or<br>“HK\$” | Hong Kong dollars and cents respectively, the lawful currency of Hong Kong   |

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## DEFINITIONS

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|---------------------------|--|
| “Issuance Mandate”        | the general mandate proposed to be granted to the Directors to allot, issue or deal with additional Shares (including any sale and transfer of treasury Shares) of not exceeding 20% of the total number of issued shares of the Company (excluding any treasury Shares) as at the date of passing of the proposed ordinary resolution contained in item 9 of the notice of the Annual General Meeting |
| “Latest Practicable Date” | April 22, 2024, being the latest practicable date prior to the publication of this circular for ascertaining certain information in this Circular  |
| “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)  |
| “Nomination Committee”    | the nomination committee of the Board  |
| “Repurchase Mandate”      | the general mandate proposed to be granted to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued shares of the Company (excluding any treasury Shares) as at the date of passing of the proposed ordinary resolution contained in item 8 of the notice of the Annual General Meeting  |
| “Remuneration Committee”  | the remuneration committee of the Board  |
| “SFO”                     | the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (as amended, supplemented or otherwise modified from time to time)  |
| “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)  |
| “Shanghai Beauty Farm”    | Shanghai Beauty Farm Healthcare Industry Co., Ltd.   |
| “Stock Exchange”          | The Stock Exchange of Hong Kong Limited  |
| “Takeovers Codes”         | the Codes on Takeovers and Mergers and Share Buybacks issued by the Securities and Futures Commission of Hong Kong (as amended, supplemented or otherwise modified from time to time)  |

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## DEFINITIONS

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“treasury Shares” has the meaning ascribed to it under the Listing Rules which will come into effect on June 11, 2024 and as amended from time to time

% per cent

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LETTER FROM THE BOARD

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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)

*Executive Directors:*

Mr. LI Yang (*Chairman*)  
Mr. LIAN Songyong  
(*Chief Executive Officer, Vice Chairman*)

*Non-executive Directors:*

Mr. ZHAI Feng  
Mr. GENG Jiaqi  
Ms. LI Fangyu

*Independent Non-executive Directors:*

Mr. FAN Mingchao  
Mr. LIU Teng  
Mr. JIANG Hua

*Registered Office:*

Floor 4, Willow House  
Cricket Square  
Grand Cayman  
KY1-9010  
Cayman Islands

*Headquarters and Principal Place  
of Business in the PRC:*

Unit 1206, 12th Floor  
No. 1089 Dongdaming Road  
Hongkou District  
Shanghai  
PRC

*Principal Place of Business  
in Hong Kong:*

Room 1901, 19/F, Lee Garden One  
33 Hysan Avenue  
Causeway Bay  
Hong Kong

April 25, 2024

*To the Shareholders*

Dear Sir/Madam,

**PROPOSED RE-ELECTION OF DIRECTORS;  
PROPOSED DECLARATION AND  
PAYMENT OF FINAL DIVIDEND;  
PROPOSED RE-APPOINTMENT OF AUDITOR;  
PROPOSED GRANTING OF GENERAL MANDATES TO  
REPURCHASE SHARES AND TO ISSUE SHARES;  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

\* For identification purposes only

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## LETTER FROM THE BOARD

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### 1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the Annual General Meeting.

### 2. PROPOSED RE-ELECTION OF DIRECTORS

In accordance with Article 16.18 of the Articles of Association, at every annual general meeting of the Company one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.

Therefore, in accordance with Article 16.18 of the Articles of Association, Mr. Lian Songyong, Mr. Zhai Feng and Mr. Liu Teng will retire by rotation at the Annual General Meeting. All of them, being eligible, will offer themselves for re-election at the Annual General Meeting.

The Nomination Committee had assessed and reviewed the independent non-executive Director's written confirmation of independence based on the independence criteria as set out in Rule 3.13 of the Listing Rules and confirmed that the independent non-executive Director remains independent. The Nomination Committee is of the view that Mr. Liu Teng can bring compliance risk control and financial management knowledge to the Board and contribute to the Board's diversity. The Nomination Committee is also not aware of any circumstance that might influence Mr. Liu Teng in exercising independent judgment, and is satisfied that he has the required character, integrity, independence and experience to fulfil the role of independent non-executive director. In addition, the Nomination Committee had evaluated the performance of each of the retiring Directors, as applicable, during the year ended December 31, 2023 based on the nomination policy of the Company and found their performance satisfactory. The Nomination Committee also considered that each of the retiring Directors' experience, skills and other perspectives as set out in Appendix I to this circular can bring further contributions to the Board and its diversity. Therefore, with the recommendation of the Nomination Committee, the Board has proposed that all of the retiring Directors stand for re-election as Directors at the Annual General Meeting. The Board believes that the continuous appointment of the retiring Directors contributes to the stability and diversity of the Board. Ordinary resolutions in respect of the re-election of Mr. Lian Songyong as an executive Director and Vice Chairman of the Board and Mr. Zhai Feng as a non-executive Director and Mr. Liu Teng as an independent non-executive Director of the Company will be proposed at the Annual General Meeting for consideration and approval by the Shareholders.

Details of the above retiring Directors proposed to be re-elected at the Annual General Meeting are set out in Appendix I to this circular.

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## LETTER FROM THE BOARD

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### **3. PROPOSED DECLARATION AND PAYMENT OF FINAL DIVIDEND**

As announced by the Company in its announcement dated March 26, 2024 regarding the annual results of the Group for the year ended December 31, 2023, the Board recommended the declaration and payment of a final dividend of HK\$0.47 per Share to the Shareholders subject to approval by the Shareholders at the Annual General Meeting by way of an ordinary resolution.

### **4. PROPOSED RE-APPOINTMENT OF AUDITOR**

PricewaterhouseCoopers will retire as the auditor of the Company at the Annual General Meeting and, being eligible, offer themselves for re-appointment. Following the recommendation of the Audit Committee, the Board proposed to re-appoint PricewaterhouseCoopers as the auditor of the Company with a term expiring upon the next annual general meeting of the Company, and the Board proposed to be authorized to fix its remuneration. An ordinary resolution in respect of the re-appointment of PricewaterhouseCoopers, as the auditor of the Company, will be proposed at the Annual General Meeting for consideration and approval by the Shareholders.

### **5. PROPOSED GRANTING OF GENERAL MANDATE TO REPURCHASE SHARES**

In order to give the Company the flexibility to repurchase Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Repurchase Mandate to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued shares of the Company (excluding any treasury Shares) as at the date of passing of the proposed ordinary resolution contained in item 8 of the notice of the Annual General Meeting (i.e. a total of 23,579,556 Shares on the basis that the issued shares of the Company remains unchanged on the date of the Annual General Meeting).

An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the Repurchase Mandate is set out in Appendix II to this circular.

### **6. PROPOSED GRANTING OF GENERAL MANDATE TO ISSUE SHARES**

In order to give the Company the flexibility to issue Shares (including any sale or transfer of treasury Shares) if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Issuance Mandate to the Directors to allot, issue or deal with additional Shares (including any sale or transfer of treasury Shares) of not exceeding 20% of the total number of issued shares of the Company (excluding any treasury Shares) as at the date of passing of the proposed ordinary resolution contained in item 9 of the notice of the Annual General Meeting (i.e. a total of 47,159,113 Shares on the basis that the issued shares of the Company remains unchanged on the date of the Annual General Meeting). An ordinary resolution to extend the Issuance Mandate by adding the number of Shares repurchased by the Company pursuant to the Repurchase Mandate will also be proposed at the Annual General Meeting.

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## LETTER FROM THE BOARD

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Subject to the approval of Shareholders, the Company may only use the general mandate for the sale or transfer of treasury Shares after the amendments to the Listing Rules relating to treasury shares come into effect.

### 7. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 17 to 22 of this circular.

There is no Shareholder who has any material interest in any of the resolutions to be proposed at the Annual General Meeting, and therefore none of the Shareholder is required to abstain from voting on such resolution. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll results will be published by the Company after the Annual General Meeting in the manner prescribed under Rule 13.39(5) and Rule 13.39(5A) of the Listing Rules.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the investors' relations section of the website of the Company (<https://ir.beautyfarm.com.cn>). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority at the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof (as the case maybe) (for Annual General Meeting, i.e. not later than 9:30 a.m. on Tuesday, June 25, 2024). Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting in person if you so wish. For the avoidance of doubt, holders of treasury Shares of the Company, if any, shall abstain from voting at the Company's general meeting in connection to such treasury Shares.

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## LETTER FROM THE BOARD

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### 8. RECOMMENDATION

The Directors consider that the proposed re-election of Directors, authorizing the Board of Directors to fix the respective Director's remuneration, proposed final dividend of HK\$0.47 per Share, reappointment of PricewaterhouseCoopers as auditor of the Company, granting of the Repurchase Mandate and the Issuance Mandate are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

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

*The following are details of the Directors who will retire and being eligible, offer themselves for re-election at the Annual General Meeting.*

**EXECUTIVE DIRECTOR**

**Mr. LIAN Songyong (連松泳)**, aged 53, joined our Group as our director and general manager of Shanghai Beauty Farm in November 2015. Mr. Lian was appointed as our Director in February 2022 and was redesignated as our executive Director in March 2022, and as vice chairman of our Board in March 2022. He is primarily responsible for the overall management of our Group, and decision-making in respect of major matters such as overall strategies.

Mr. Lian has over twenty years of experience in the aesthetic medical industry. Prior to joining our Group, from October 2004 to December 2008, Mr. Lian was the deputy general manager at Henan Plastic Surgery Hospital Co., Ltd. (河南整形美容醫院有限公司). From January 2009 to August 2015, he was the general manager at Beijing Mansimei Medical Technology Co., Ltd. (北京曼思美醫療技術有限公司).

Mr. Lian obtained his master's degree in business management from Tsinghua University (清華大學) in Beijing, PRC in January 2003.

As at the Latest Practicable Date, Mr. Lian was interested in 35,020,000 Shares within the meaning of Part XV of the SFO, representing approximately 14.85% of the issued share capital of the Company.

**NON-EXECUTIVE DIRECTOR**

**Mr. ZHAI Feng (翟鋒)**, aged 57, was appointed as our Director in February 2022 and was redesignated as our non-executive Director since March 2022. Mr. Zhai joined our Group in December 2013 as a director of Shanghai Beauty Farm. In this capacity, he is primarily responsible for formulating the Company's strategies and supervising the Company's operations and development.

Mr. Zhai has over 30 years of experience in investment and management industry. From July 1991 to November 2012, Mr. Zhai worked at Procter & Gamble (China) Sales Co. Ltd. (寶潔(中國)有限公司) with his last position as a president of sales in Greater China. Mr. Zhai was a managing director at Shanghai Panxin Mezzanine Investment Management Company Limited (上海磐信夾層投資管理有限公司) from January 2013 to December 2018. From October 2014 to July 2019, he served as director of Weihai Guangwei Composites Co., Ltd. (威海光威複合材料股份有限公司), which is listed on the Shenzhen Stock Exchange (stock code: 300699). From December 2015 to March 2020, Mr. Zhai was a director of Shaanxi Tourism Culture Industry Holding Co. Ltd. (陝西旅遊文化產業股份有限公司) (“Shaanxi Tourism”), a company listed on the National Equities Exchange and Quotations Co., Ltd. (stock code: 870432). From June 2018 to January 2020, he served as director of Beijing Hualian Department Store Co., Ltd (北京華聯商廈股份有限公司), which is listed on the Shenzhen Stock Exchange (stock code: 000882). Mr. Zhai has served as a director of CIIC Guanaitong (Shanghai) Technology Co., Ltd. (中智關愛通(上海)科技股份有限公司) (stock code: 871282), listed on the National Equities Exchange and Quotations Co., Ltd., since November 2016. Since August 2015, Mr. Zhai has been a director of Manpowergroup Greater China Limited, which is listed on the Stock Exchange (stock code: 2180), and was subsequently re-designated as a non-executive director in January 2019. Mr. Zhai was a director of Yonghe Medical Group Co., Ltd. (雍禾醫療集團有限公司), a hair transplant and treatment healthcare service provider which is listed on the Stock Exchange (stock code: 2279) between September 2020 and June 2022, during this time, he was re-designated as a non-executive director in June 2021. Mr. Zhai has been employed by companies affiliated with CITIC PE and does not participate in the day-to-day operations and management of the Group.

Mr. Zhai obtained his bachelor’s degree in environmental engineering from Tongji University (同濟大學), the PRC, in July 1991.

**INDEPENDENT NON-EXECUTIVE DIRECTOR**

**Mr. LIU Teng (劉騰)**, aged 55, was duly appointed as the independent non-executive Director of the Company since the Listing in January 2023 and is primarily responsible for supervising and providing independent advice to our Board.

Mr. Liu has extensive experience in financial management and investment banking. He worked at China Ping An Insurance (Hong Kong) Co., Ltd. from June 1999 to September 2007. He worked at Taikang Asset Management (Hong Kong) Company Limited from August 2008 to October 2010. He then worked as an executive director in China Orient International Asset Management Limited from February 2012 to March 2015. From October 2015 to September 2018, he worked at China Universal Asset Management (Hong Kong) Company Limited with his last position held as a deputy chief executive officer. Since September 2018, he has been the chairman and SFC licensed responsible officer at China Eagle Asset Management Limited, primarily responsible for overall investment research, compliance risk control, and financial operations.

Since December 2020, Mr. Liu has also been an independent non-executive director at Raily Aesthetic Medicine International Holdings, a medical beauty company listed on the Stock Exchange (stock code: 2135), where he is the chairman of the audit committee and a member of the remuneration committee.

Mr. Liu obtained a Master of Arts in Professional Accounting and Information Systems from the City University of Hong Kong in November 2004. He was admitted as a member of the Association of Chartered Certified Accountants in October 2006, and became a certified public accountant of Hong Kong Institute of Certified Public Accountants in February 2007.

Each of Mr. Lian Songyong, Mr. Zhai Feng and Mr. Liu Teng, being executive Director, non-executive Director and independent non-executive Director has entered into a service agreement or letter of appointment with the Company for a term of three years and subject always to re-election as and when required under the Articles of Association, until terminated in accordance with the terms and conditions of the service agreement or letter of appointment or by either party giving to the other not less than one month notice in writing. The non-executive Director is not entitled to an annual director's fee, while Mr. Lian Songyong is not entitled to remuneration in his capacity as the vice chairman of the Board and an executive Director and the independent non-executive Director is entitled to an annual fee of HK\$0.2 million, which have been determined by the remuneration committee of the Company and the Board with reference to their performance, duties and responsibilities with the Company and the prevailing market condition. Mr. Liu Teng, being an independent non-executive director of the Company eligible for re-election at the AGM, has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules.

Save as disclosed above, none of the Directors has or is proposed to have entered into any service agreement or letter of appointment with any member of the Group (excluding agreements expiring or determinable by any member of the Group within one year without payment of compensation other than statutory compensation).

Save as disclosed herein and as at the Latest Practicable Date, each of the above Directors does not have, and is not deemed to have any interests or short positions in any Shares, underlying Shares or interests in debentures of the Company and its associated corporations within the meaning of Part XV of the SFO.

Saved as disclosed herein and as at the Latest Practicable Date, each of the above Directors has not held any directorships in other listed public companies during the past three years, does not had any other major appointments and professional qualifications, does not hold any other position with the Company or other members of the Group and does not have any other relationships with any of the other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

Save as disclosed above, there are no other matters concerning each of the Directors that need to be brought to the attention of the Shareholders in connection with his re-election and there is no other information that should be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

*The following is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Repurchase Mandate.*

## **1. SHARES IN ISSUE**

As at the Latest Practicable Date, the issued share capital of the Company comprised 235,795,568 Shares. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of the Annual General Meeting, the Company will be allowed to repurchase a maximum of 23,579,556 Shares (calculated based on 10% of the total issued shares of the Company (excluding any treasury Shares)) during the period ending on the earliest of (i) the conclusion of the next annual general meeting of the Company, unless renewed by an ordinary resolution of the shareholders in a general meeting, either unconditionally or subject to conditions; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable law of the Cayman Islands to be held; or (iii) the date upon which such authority is revoked, varied or renewed by a resolution of the Shareholders in general meeting prior to the next annual general meeting of the Company.

## **2. REASONS FOR REPURCHASE**

The Directors believe that the granting of the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole. Repurchase may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

## **3. FUNDING OF REPURCHASES**

The Company may only apply funds legally available for repurchase in accordance with the Articles of Association, the laws of Cayman Islands and/or any other applicable laws, as the case may be.

## **4. IMPACT OF REPURCHASE**

There might be an adverse impact on the working capital or gearing position of the Company in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

**5. STATEMENT FROM THE DIRECTORS**

The Directors will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands. Neither this Explanatory Statement nor the Repurchase Mandate has any unusual features.

**6. MARKET PRICES OF SHARES**

The highest and lowest prices per Share at which Shares have been traded on the Stock Exchange during the 12 calendar months preceding the Latest Practicable Date were as follows:

| <b>Month</b>                              | <b>Highest</b><br><i>HK\$</i> | <b>Lowest</b><br><i>HK\$</i> |
|---|-------------------------------|------------------------------|
| <b>2023</b>                               |                               |                              |
| April                                     | 29.85                         | 19.70                        |
| May                                       | 24.90                         | 19.90                        |
| June                                      | 23.90                         | 16.50                        |
| July                                      | 20.10                         | 12.04                        |
| August                                    | 14.00                         | 9.58                         |
| September                                 | 14.04                         | 9.65                         |
| October                                   | 14.78                         | 12.20                        |
| November                                  | 14.02                         | 10.60                        |
| December                                  | 11.20                         | 9.38                         |
| <b>2024</b>                               |                               |                              |
| January                                   | 12.30                         | 9.94                         |
| February                                  | 14.96                         | 12.32                        |
| March                                     | 16.80                         | 12.32                        |
| April (up to the Latest Practicable Date) | 15.60                         | 13.80                        |

**7. GENERAL**

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to repurchase Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Cayman Islands.

The Company may cancel such repurchased Shares or hold them as treasury Shares, subject to market conditions and the Group's capital management needs at the relevant time of the repurchases.

For any treasury Shares deposited with CCASS pending resale on the Stock Exchange, the Company shall (i) procure its broker not to give any instructions to HKSCC to vote at general meetings of the Company for the treasury Shares deposited with CCASS; and (ii) in the case of dividends or distributions, withdraw the treasury Shares from CCASS, and either re-register them in its own name as treasury Shares or cancel them, in each case before the record date for the dividends or distributions, or take any other measures to ensure that it will not exercise any shareholders' rights or receive any entitlements which would otherwise be suspended under the applicable laws if those Shares were registered in its own name as treasury Shares.

## **8. TAKEOVERS CODES**

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Codes. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Codes), depending on the level of increase in the Shareholders' interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Codes.

To the best knowledge of the Company, as at the Latest Practicable Date, Mr. Li Yang, Ms. Li Fangyu, Mr. Lian Songyong, Ms. Niu Guifen, Mr. Cui Yuanjun and Ms. Yuan Huimin have entered into a concert party agreement to confirm that they have acted in concert in the management, decision-making and all major decisions of our Group, as such, each of them are deemed to be interested in the Shares each other is interested in. They are therefore collectively interested in the voting rights of 114,980,000 Shares, representing 48.76% of the Company issued shares. In the event that the Directors exercise the proposed Repurchase Mandate in full, the aggregate shareholding interest of the above persons would be increased to approximately 54.18% of the total issued shares of the Company. The Directors consider that such increase in shareholding may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code if the above repurchases are implemented in full. The Directors do not have any present intention to exercise the proposed Repurchase Mandate to such an extent as would give rise to such an obligation. The Directors also do not propose to repurchase Shares which would result in the number of issued Shares of the Company held by the public to be less than 25% (being the prescribed minimum percentage of Shares in public hands required by the Stock Exchange).

**9. REPURCHASE MADE BY THE COMPANY**

During the six months immediately preceding the Latest Practicable Date, the Company repurchased Shares on the Stock Exchange for an aggregate consideration of approximately HK\$0.79 million including expenses. The repurchased Shares were subsequently cancelled. The repurchase was effected because the Board considered that the then trading price of the Shares did not reflect their intrinsic value and the actual business prospects of the Company and that it presented a good opportunity for the Company to repurchase Shares.

Details of the Shares repurchased during the six months immediately preceding the Latest Practicable Date are as follows:

| Month of repurchase                       | No. of shares repurchased | Highest price paid per share<br>(HK\$) | Lowest price paid per share<br>(HK\$) | Aggregate Consideration <sup>(1)</sup><br>(HK\$) |
|---|---------------------------|--|---------------------------------------|--|
| <b>2023</b>                               |                           |  |                                       |  |
| October                                   | 31,000                    | 9.96                                   | 9.75                                  | 305,346.30                                       |
| November                                  | 36,500                    | 13.40                                  | 12.66                                 | 483,430.25                                       |
| December                                  | —                         | —                                      | —                                     | —  |
| <b>2024</b>                               |                           |  |                                       |  |
| January                                   | —                         | —                                      | —                                     | —  |
| February                                  | —                         | —                                      | —                                     | —  |
| March                                     | —                         | —                                      | —                                     | —  |
| April (up to the Latest Practicable Date) | —                         | —                                      | —                                     | —  |

*Note:*

(1) Aggregate consideration inclusive of expenses.

Save as disclosed above, no repurchases of Shares have been made by the Company during the six months immediately preceding the Latest Practicable Date (whether on the Stock Exchange or otherwise).

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## NOTICE OF ANNUAL GENERAL MEETING

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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)**

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting (the “**Meeting**”) of Beauty Farm Medical and Health Industry Inc. (the “**Company**”) will be held at Shanghai Meeting Room, 12th Floor, Raffles East Office Tower, No. 1089 Dongdaming Road, Hongkou District, Shanghai, PRC on Thursday, June 27, 2024 at 9:30 a.m. for considering and, if thought fit, passing, with or without amendments, the following resolutions as ordinary resolutions of the Company:

#### **ORDINARY RESOLUTIONS**

1. To receive and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and auditor for the year ended December 31, 2023;
2. To re-elect Mr. Lian Songyong as an executive director and Vice Chairman of the Board of the Company;
3. To re-elect Mr. Zhai Feng as a non-executive director of the Company;
4. To re-elect Mr. Liu Teng as an independent non-executive director of the Company;
5. To authorize the board of directors of the Company to fix the respective directors’ remuneration;
6. To declare a final dividend of HK\$0.47 per Share for the year ended 31 December 2023;
7. To re-appoint PricewaterhouseCoopers as the auditor of the Company and to authorize the board of directors of the Company to fix its remuneration;
8. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT:**

- (a) subject to compliance with the prevailing requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and paragraph (b) below, a general mandate be and is hereby

\* For identification purposes only

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## NOTICE OF ANNUAL GENERAL MEETING

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generally and unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to repurchase its shares in accordance with all applicable laws, rules and regulations;

- (b) the total number of shares of the Company to be repurchased pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company (excluding any treasury Shares) as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution); and
- (c) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the mandate set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

- 9. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to compliance with the prevailing requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to allot, issue and deal with additional shares in the share capital of the Company and to make or grant offers, agreements, options and convertible securities including any sale or transfer of treasury shares (where so permitted under the Rules Governing the Listing of Securities on The Stock Exchange of the Hong Kong Limited out of treasury) which would or might require the exercise of such powers during or after the end of the Relevant Period (as defined below) in accordance with all applicable laws, rules and regulations;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted by the directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:
- (i) a Rights Issue (as defined below);
  - (ii) issue of shares upon the exercise of options under a share option scheme of the Company; and
  - (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company,

shall not exceed 20% of the total number of issued shares of the Company (excluding any treasury shares) as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution); and

- (c) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the mandate set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“**Rights Issue**” means an offer of shares open for a period fixed by the directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”

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## NOTICE OF ANNUAL GENERAL MEETING

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10. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of the resolutions set out in items 8 and 9 of the notice convening this meeting (the “**Notice**”), the general mandate referred to in the resolution set out in item 9 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors pursuant to such general mandate of the number of shares repurchased by the Company pursuant to the mandate referred to in resolution set out in item 8 of the Notice, provided that such amount of shares shall not exceed 10% of the total number of issued shares of the Company (excluding any treasury shares) as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution).”

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

Shanghai, April 25, 2024

*Registered Office:*  
Floor 4, Willow House  
Cricket Square  
Grand Cayman  
KY1-9010  
Cayman Islands

*Headquarters and Principal Place  
of Business in the PRC:*  
Unit 1206, 12th Floor  
No. 1089 Dongdaming Road  
Hongkou District  
Shanghai  
PRC

*Principal Place of Business  
in Hong Kong:*  
Room 1901, 19/F  
Lee Garden One  
33 Hysan Avenue  
Causeway Bay  
Hong Kong

*Notes:*

1. All resolutions at the Meeting (except those relate to the procedural or administrative matters, which should be taken by a show of hands as the chairman of the Meeting may decide, in good faith) will be taken by a poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy (or more than one proxy if he/she is the holder of two or more shares) to attend and, on a poll, vote on his/her behalf. A proxy need not be a shareholder of the Company. If more than one proxy is so appointed, the form of proxy shall specify the number of shares in respect of which each such proxy is so appointed. In case of a poll every shareholder present in person or by proxy shall be entitled to one vote for each share held by him/her. Holders of treasury Shares of the Company, if any, shall abstain from voting at the Company’s general meeting in connection to such treasury Shares.

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## NOTICE OF ANNUAL GENERAL MEETING

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3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof (as the case maybe) (for the Meeting, i.e. not later than 9:30 a.m. on Tuesday, June 25, 2024). Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the Meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. The register of members of the Company will be closed from Monday, June 24, 2024 to Thursday, June 27, 2024 (both dates inclusive), during which period no transfer of shares will be registered. In order to qualify for attending and voting at the Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration before 4:30 p.m. on Friday, June 21, 2024. For determining the entitlement of the shareholders to the proposed final dividend, the register of members of the Company will be closed from Thursday, July 4, 2024 to Monday, July 8, 2024 (both days inclusive), during which period no transfers of Shares will be registered. In order to qualify for the proposed final dividend (subject to the approval by shareholders at the Meeting), all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at the abovementioned address for registration before 4:30 p.m. on Wednesday, July 3, 2024.
5. Ordinary resolution numbered 10 will be proposed to the Shareholders for approval provided that ordinary resolutions numbered 8 and 9 are passed by the Shareholders.
6. In respect of ordinary resolutions numbered 2, 3 and 4 above, Mr. Lian Songyong, Mr. Zhai Feng and Mr. Liu Teng, shall retire at the Meeting and being eligible, have offered themselves for re-election at the above meeting. Details of the above retiring Directors are set out in Appendix I to the accompanying circular dated April 25, 2024.
7. In respect of ordinary resolution numbered 8 above, the Directors wish to state that they will exercise the powers conferred by the general mandate to repurchase shares of the Company in circumstances which they deem appropriate for the benefits of Shareholders. The explanatory statement containing the information necessary to enable Shareholders to make an informed decision on whether to vote for or against the resolution to approve the repurchase by the Company of its own shares, as required by the Listing Rules, is set out in Appendix II to the accompanying circular dated April 25, 2024.
8. In respect of the ordinary resolution numbered 9 above, the Directors wish to state that they have no immediate plans to issue any new shares of the Company. Approval is being sought from the Shareholders of the Company as a general mandate for the purposes of the Listing Rules.

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## NOTICE OF ANNUAL GENERAL MEETING

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9. If any shareholder chooses not to attend the Meeting in person but has any question about any resolution or about the Company, or has any matter for communication with the board of directors of the Company, he/she is welcome to send such question or matter in writing to the Company's headquarters and principal place of business in the PRC at Unit 1206, 12th Floor, No. 1089 Dongdaming Road, Hongkou District, Shanghai, PRC or by email to [ir@beautyfarm.com.cn](mailto:ir@beautyfarm.com.cn). If any shareholder has any question relating to the Meeting, please contact Computershare Hong Kong Investor Services Limited, the Company's Hong Kong branch share registrar as follows:

Computershare Hong Kong Investor Services Limited  
17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong  
Website: [www.computershare.com/hk/contact](http://www.computershare.com/hk/contact)  
Tel: (852) 2862 8555  
Fax: (852) 2865 0990

10. References to time and dates in this notice are to Hong Kong time and dates.