

## **ANNOUNCEMENT OF ALLOTMENT RESULTS**

### **SUMMARY**

#### **Offer Price**

The Offer Price is HK\$19.32 per Offer Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%).

#### **Net Proceeds from the Global Offering**

- Based on the Offer Price of HK\$19.32 per Offer Share, the net proceeds from the Global Offering to be received by the Company, after deduction of underwriting commissions and other estimated expenses payable by the Company in connection with the Global Offering, are estimated to be approximately HK\$387.2 million (assuming the Over-allotment Option is not exercised). The Company intends to apply such net proceeds from the Global Offering in the manner as set out in the paragraph headed “Net Proceeds from the Global Offering” in this announcement.
- If the Over-allotment Option is exercised in full, the Company will receive additional net proceeds of approximately HK\$112.1 million for 6,080,000 additional Offer Shares to be issued and allotted upon the exercise of the Over-allotment Option, which will be allocated on a pro rata basis according to the use of proceeds as set out in the paragraph headed “Net Proceeds from the Global Offering” in this announcement.

#### **Applications and Indications of Interest Received under the Hong Kong Public Offering**

- The Hong Kong Offer Shares initially offered under the Hong Kong Public Offering have been very significantly over-subscribed. A total of 6,671 valid applications have been received under the Hong Kong Public Offering through the **White Form eIPO** service and the **CCASS EIPO** service for a total of 89,670,000 Hong Kong Offer Shares, representing approximately 22.12 times of the total number of 4,054,000 Offer Shares initially available for subscription under the Hong Kong Public Offering.
- As the over-subscription in the Hong Kong Public Offering represents 15 times or more but less than 50 times of the total number of the Offer Shares initially available for subscription under the Hong Kong Public Offering, the reallocation procedure as disclosed in the section headed “Structure of the Global Offering — The Hong Kong Public Offering — Reallocation and Clawback” in the Prospectus has been applied and 8,107,000 Offer Shares have been reallocated from the International Offering to the Hong Kong Public Offering. The final number of Offer Shares under the Hong Kong Public Offering has been increased to 12,161,000 Offer Shares, representing approximately 30% of the total number of Offer Shares initially available under the Global Offering (assuming the Over-allotment Option is not exercised). The total number of successful applicants under the Hong Kong Public Offering is 4,901, among which 2,732 Shareholders were allocated with one board lot of the Shares.

## **International Offering**

- The Offer Shares initially offered under the International Offering have been moderately oversubscribed by approximately 4.7 times of the total number of 36,482,500 International Offer Shares initially available for subscription under the International Offering. After reallocation of the Offer Shares to the Hong Kong Public Offering from the International Offering, the final number of Offer Shares under the International Offering is 28,375,500 Shares, representing approximately 70% of the total number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option).
- A total of 47 placees have been allotted five board lots of Offer Shares or less, representing approximately 45.2% of 104 placees under the International Offering. These placees have been allotted 0.08% and 0.10% of the Offer Shares initially available under the International Offering and available under the final International Offer Shares, respectively (assuming the Over-allotment Option is not exercised).
- A total of 43 placees have been allotted one board lot of Offer Shares or less, representing approximately 41.3% of 104 placees under the International Offering. These placees have been allotted 0.06% and 0.08% of the Offer Shares initially available under the International Offering and available under the final International Offer Shares, respectively (assuming the Over-allotment Option is not exercised).

## **Cornerstone Investors**

- Based on the Offer Price of HK\$19.32 per Offer Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%), pursuant to the Cornerstone Investment Agreements, the Company’s Cornerstone Investors have subscribed for a total of 21,697,000 Shares, representing in aggregate (a) approximately 9.41% of the issued share capital of the Company immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised) and (b) approximately 53.52% of the number of Offer Shares under the Global Offering (assuming the Over-allotment Option is not exercised). Please refer to the section headed “Cornerstone Investors — Our Cornerstone Investors” in the Prospectus for further details of the Cornerstone Investors.

## Placees with the Consent under Paragraph 5(1) of Placing Guidelines

- The Company has applied to the Stock Exchange for, and the Stock Exchange has granted to the Company, its consent under paragraph 5(1) of the Placing Guidelines to permit the Company to allocate Offer Shares in the International Offering to the placees set out in the section headed “International Offering — Placees with the Consent under Paragraph 5(1) of Placing Guidelines” in this announcement.
- The International Offering is in compliance with the Placing Guidelines for Equity Securities in Appendix 6 to the Listing Rules (the “**Placing Guidelines**”). Save as disclosed in the sections headed “International Offering — Placees with the Consent under Paragraph 5(1) of Placing Guidelines”, none of the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries and their respective affiliated companies and connected clients of the lead broker or of any distributors (as defined in the Placing Guidelines) has taken up any Offer Shares for its own benefit under the Global Offering.
- The Directors confirm that, to the best of their knowledge and information, save as disclosed in the sections headed “International Offering — Placees with the Consent under Paragraph 5(1) of Placing Guidelines”, no Offer Shares under the International Offering placed by or through the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters or the Capital Market Intermediaries under the Global Offering have been placed with any core connected person (as defined in the Listing Rules) of the Company, or to any connected clients (as set out in paragraph 5(1) of the Placing Guidelines), or persons set out in paragraph 5(2) of the Placing Guidelines, whether in their own names or through nominees.

## Over-allotment Option

- In connection with the Global Offering, the Company has granted the Over-allotment Option to the International Underwriters, exercisable by the Overall Coordinators (for themselves and on behalf of the International Underwriters), at any time from the Listing Date until Sunday, February 5, 2023, being the 30th day from the last day for lodging applications under the Hong Kong Public Offering, to require the Company to allot and issue up to a 6,080,000 additional Offer Shares, representing not more than 15% of the total number of Offer Shares initially available under the Global Offering, at the Offer Price to cover over-allocation in the International Offering.
- There has been an over-allocation of 6,080,000 Shares in the International Offering and such over-allocation will be settled using Shares to be borrowed under the Stock Borrowing Agreement between LIY Management and Morgan Stanley & Co. International plc. Such borrowed Shares will be settled by exercising the Over-allotment Option in full or in part, or by making purchases in the secondary market at prices that do not exceed the Offer Price, or by a combination of these means. In the event the Over-allotment Option is exercised, an announcement will be made on the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company’s website at [www.beautyfarm.com.cn](http://www.beautyfarm.com.cn). As at the date of this announcement, the Over-allotment Option has not been exercised.

## **Lock-up Obligations**

- The Company, the Controlling Shareholders, the CITIC PE Group, all the other existing Shareholders and the Cornerstone Investors are subject to certain lock-up obligations as set out in the paragraph headed “Lock-up Obligations” in this announcement.

## **Results of Allocations**

- The level of indication of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares are published on the Company’s website at [www.beautyfarm.com.cn](http://www.beautyfarm.com.cn) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) on Friday, January 13, 2023.
- The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration/certificate of incorporation numbers of successful applicants under the Hong Kong Public Offering will be available at the times and dates and in the manner specified below:
  - (i) in the announcement to be posted on the Company’s website at [www.beautyfarm.com.cn](http://www.beautyfarm.com.cn) and the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) by no later than 9:00 a.m. on Friday, January 13, 2023;
  - (ii) from the designated results of allocations website at [www.iporesults.com.hk](http://www.iporesults.com.hk) (alternatively: English <https://www.eipo.com.hk/en/Allotment>; Chinese <https://www.eipo.com.hk/zh-hk/Allotment>) (or) with a “search by ID” function from 8:00 a.m. on Friday, January 13, 2023 to 12:00 midnight on Thursday, January 19, 2023; and
  - (iii) from the allocation results telephone enquiry line by calling + 852 2862 8555 between 9:00 a.m. and 6:00 p.m. on Friday, January 13, 2023, Monday, January 16, 2023, Tuesday, January 17, 2023 and Wednesday, January 18, 2023.
- This announcement contains a list of identification document numbers. Identification document numbers shown in the section headed “Results of Applications Made by **White Form eIPO**” in this announcement refer to Hong Kong identity card numbers/passport numbers/Hong Kong business registration numbers/certificate of incorporation numbers/beneficial owner identification codes (if such applications are made by nominees as agent for the benefit of another person) whereas those displayed in the section headed “Results of Applications Made by Giving **Electronic Application Instructions** to HKSCC via CCASS” in this announcement are provided by CCASS Participants via CCASS. Therefore, the identification document numbers shown in the two sections are different in nature.

- Please note that the list of identification document numbers set out in this announcement may not be a complete list of successful applicants since only successful applicants whose identification document numbers are provided to HKSCC by CCASS Participants are disclosed. Applicants with beneficial names only but not identification document numbers are not disclosed due to personal privacy issue as elaborated below. Applicants who applied for the Hong Kong Offer Shares through their brokers can consult their brokers to enquire about their application results.
- Since applications are subject to personal information collection statements, beneficial owner identification codes displayed in the sections headed “Results of Applications Made by **White Form eIPO**” and “Results of Applications Made by Giving **Electronic Application Instructions** to HKSCC via CCASS” are redacted and not all details of applications are disclosed in this announcement.

### **Despatch/Collection of Share Certificates/e-Refund Payment Instructions/Refund Cheques**

- Applicants who have applied for 1,000,000 Hong Kong Offer Shares or more through the **White Form eIPO** service and whose application is wholly or partially successful may collect Share certificate(s) (where applicable) in person from the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Friday, January 13, 2023, or any other place or date notified by the Company.
- Applicants being an individual who is eligible for personal collection must not authorize any other person to collect on their behalf. If you are a corporate applicant which is eligible for personal collection, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation’s chop. Both individuals and authorized representatives must produce evidence of identity acceptable to our Hong Kong Share Registrar at the time of collection.
- Applicants who apply for less than 1,000,000 Hong Kong Offer Shares through the **White Form eIPO** service, will have their Share certificate(s) (where applicable) sent to the address specified in their application instructions on or before Friday, January 13, 2023 by ordinary post and at their own risk.
- Share certificates for Hong Kong Offer Shares allotted to applicants who applied through the **White Form eIPO** service, which are either not available for personal collection, or which are available but are not collected in person within the time specified for collection, are expected to be despatched by ordinary post to those entitled to the addresses specified in the relevant applications at their own risk on or before Friday, January 13, 2023.

- Wholly or partially successful applicants who applied by giving **electronic application instructions** to HKSCC will have their Share certificate(s) issued in the name of HKSCC Nominees Limited and deposited directly into CCASS to be credited to their CCASS Investor Participant stock accounts or the stock accounts of their designated CCASS Participant who gave **electronic application instructions** on their behalf on Friday, January 13, 2023.
- Applicants who applied through a designated CCASS Participant (other than a CCASS Investor Participant) should check the number of Hong Kong Offer Shares allocated to them with that CCASS Participant.
- Applicants who applied as a CCASS Investor Participant by giving **electronic application instructions** to HKSCC via CCASS may also check the number of Hong Kong Offer Shares allocated to them and the amount of refund monies (if any) payable to them via the CCASS Phone System and the CCASS Internet System (under the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time). Immediately after the crediting of the Hong Kong Offer Shares to the CCASS Investor Participant stock accounts and the credit of refund monies to the CCASS Investor Participants bank accounts, HKSCC will also make available to the CCASS Investor Participants an activity statement showing the amount of Hong Kong Offer Shares credited to their CCASS Investor Participant stock accounts and the refund amount credited to their respective designated bank accounts (if any).
- For applicants who have applied for the Hong Kong Offer Shares through the **White Form eIPO** service and paid the application monies through a single bank account, refund monies (if any) will be despatched to that bank account in the form of e-Refund payment instructions. For applicants who have applied for the Hong Kong Offer Shares through the **White Form eIPO** service and paid the application monies through multiple bank accounts, refund monies (if any) will be despatched to the addresses specified in your application instructions in the form of refund cheque(s) in favour of the applicant (or, in the case of joint applications, the first-named applicant) by ordinary post and at their own risk on or before Friday, January 13, 2023.
- Refund monies (if any) for applicants who applied by giving **electronic application instructions** to HKSCC via CCASS are expected to be credited to the relevant applicants' designated bank accounts or the designated bank accounts of their broker or custodian on Friday, January 13, 2023.
- Share certificates will only become valid at 8:00 a.m. on Monday, January 16, 2023, provided that the Global Offering has become unconditional in all respects and neither the Hong Kong Underwriting Agreement nor the International Underwriting Agreement has been terminated in accordance with their respective terms at or before that time. Investors who trade Shares on the basis of publicly available allocation details or prior to the receipt of the Share certificates or prior to the Share certificates becoming valid do so entirely at their own risk.
- No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application.

## **PUBLIC FLOAT**

- The Directors confirm that (i) no placee will, individually, be placed more than 10% of the enlarged issued share capital of the Company immediately after the Global Offering; (ii) there will not be any new substantial Shareholder (as defined in the Listing Rules) of the Company immediately after the completion of the Global Offering; (iii) the three largest public Shareholders do not hold more than 50% of the Shares held in public hands at the time of the Listing in compliance with Rules 8.08(3) and 8.24 of the Listing Rules; and (iv) there will be at least 300 Shareholders at the time of the Listing in compliance with Rule 8.08(2) of the Listing Rules. The Directors further confirm that, to the best of their knowledge and information, all placees under the International Offering and their ultimate beneficial owners are not and are independent of any of (a) the core connected persons (as defined in the Listing Rules) of the Company, (b) the directors or existing shareholders of the Company or any of the Company's subsidiaries, or (c) the close associates (as defined in the Listing Rules) of (a) and/or (b) above whether in their own names or through nominees.
- The Directors, to the best of their knowledge and information, confirm that, (i) none of the Offer Shares subscribed by public Shareholders in the Hong Kong Public Offering and placees in the International Offering has been financed directly or indirectly by the Company, any of the Directors, chief executive, the Controlling Shareholders, substantial Shareholders or existing Shareholders of the Company or any of its subsidiaries or their respective close associates; (ii) none of the public Shareholders in the Hong Kong Public Offering and placees in the International Offering who has subscribed for the Offer Shares is accustomed to taking instructions from the Company, any of the Directors, chief executive, the Controlling Shareholders, substantial Shareholders or existing Shareholders of the Company or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Offer Shares registered in his/her/its name or otherwise held by him/her/it; and (iii) there is no side agreement or arrangement between the Company, any of the Directors, chief executive, the Controlling Shareholders, substantial shareholders, existing Shareholders of the Company or any of its subsidiaries or their respective close associates, on one hand, and the public subscribers or the placee who has subscribed for the Offer Shares, on the other hand.

## **COMMENCEMENT OF DEALINGS**

Assuming that the Global Offering becomes unconditional in all respects at or before 8:00 a.m. on Monday, January 16, 2023 (Hong Kong time), dealings in the Shares on the Main Board of the Stock Exchange are expected to commence at 9:00 a.m. on Monday, January 16, 2023 (Hong Kong time). The Shares will be traded in board lots of 500 Shares each. The stock code of the Shares is 2373.

**In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could move substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.**

## **OFFER PRICE**

The Offer Price is HK\$19.32 per Offer Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%).

## **NET PROCEEDS FROM THE GLOBAL OFFERING**

Based on the Offer Price of HK\$19.32 per Offer Share, the net proceeds from the Global Offering to be received by the Company, after deduction of underwriting commissions and other estimated expenses payable by the Company in connection with the Global Offering, are estimated to be approximately HK\$387.2 million (assuming the Over-allotment Option is not exercised).

The Company intends to apply the net proceeds as follows:

- (i) 67.6%, or approximately HK\$261.7 million, will be allocated to expand and upgrade our service network, including expanding the Group's direct store network for traditional beauty services through organic growth and acquisitions, expanding and upgrading our store network for aesthetic medical services and subhealth assessment and intervention services in new tier-one cities, and building one flagship beauty and health management service center in each of Shanghai and Beijing;
- (ii) 10.2%, or approximately HK\$39.5 million, will be used for strategic merger and acquisitions of franchised stores;
- (iii) 12.3%, or approximately HK\$47.6 million, will be allocated to further invest in the Group's IT systems; and
- (iv) 9.9%, or approximately HK\$38.4 million, will be allocated to the working capital and other general corporate purposes.

If the Over-allotment Option is exercised in full, the Company will receive additional net proceeds of approximately HK\$112.1 million for 6,080,000 additional Offer Shares to be issued and allotted upon the exercise of the Over-allotment Option. In the event that the Over-allotment Option is exercised in full, the Company intends to adjust its allocation of the net proceeds for the above purposes on a pro rata basis. To the extent that the net proceeds are not immediately applied to the above purposes, the Company intends to deposit the net proceeds into short-term demand deposits with licensed banks or financial institutions as defined under the Securities and Futures Ordinance or the applicable laws in the relevant jurisdiction for non-Hong Kong based deposits. For further information, please refer to the section headed "Future Plans and Use of Proceeds" in the Prospectus for details.

## APPLICATIONS AND INDICATIONS OF INTEREST RECEIVED UNDER THE HONG KONG PUBLIC OFFERING

The Hong Kong Offer Shares initially offered under the Hong Kong Public Offering have been very significantly over-subscribed. A total of 6,671 valid applications have been received under the Hong Kong Public Offering through the **White Form eIPO** service and the **CCASS eIPO** service for a total of 89,670,000 Hong Kong Offer Shares, representing approximately 22.12 times of the total number of 4,054,000 Offer Shares initially available for subscription under the Hong Kong Public Offering, among which:

- 6,541 valid applications for a total of 36,635,000 Hong Kong Offer Shares were for the Hong Kong Public Offering with an aggregate subscription amount, based on the Offer Price of HK\$19.32 per Offer Share (excluding brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%), of HK\$5,000,000 or less (equivalent to approximately 18.07 times of the 2,027,000 Shares initially available for allocation in pool A of the Hong Kong Public Offering); and
- 130 valid applications for a total of 53,035,000 Hong Kong Offer Shares were for the Hong Kong Public Offering with an aggregate subscription amount, based on the Offer Price of HK\$19.32 per Offer Share (excluding brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%), of more than HK\$5,000,000 (equivalent to approximately 26.16 times of the 2,027,000 Shares initially available for allocation in pool B of the Hong Kong Public Offering).

No application has been rejected due to dishonored payments. No application has been rejected due to invalid application. 2 multiple or suspected multiple applications have been identified and rejected. No application for more than 2,027,000 Hong Kong Offer Shares (being 50% of the 4,054,000 Hong Kong Offer Shares initially available under the Hong Kong Public Offering) has been identified.

As the over-subscription in the Hong Kong Public Offering represents 15 times or more but less than 50 times of the total number of the Offer Shares initially available for subscription under the Hong Kong Public Offering, the reallocation procedure as disclosed in the section headed “Structure of the Global Offering — The Hong Kong Public Offering — Reallocation and Clawback” in the Prospectus has been applied and 8,107,000 Offer Shares have been reallocated from the International Offering to the Hong Kong Public Offering. The final number of Offer Shares under the Hong Kong Public Offering has been increased to 12,161,000 Offer Shares, representing approximately 30% of the total number of Offer Shares initially available under the Global Offering (assuming the Over-allotment Option is not exercised). The total number of successful applicants under the Hong Kong Public Offering is 4,901, among which 2,732 Shareholders were allocated with one board lot of the Shares.

The Hong Kong Offer Shares offered in the Hong Kong Public Offering were conditionally allocated on the basis set out in the paragraph headed “Basis of Allocation under the Hong Kong Public Offering” below.

## INTERNATIONAL OFFERING

The Offer Shares initially offered under the International Offering have been moderately oversubscribed by approximately 4.7 times of the total number of 36,482,500 International Offer Shares initially available for subscription under the International Offering. After reallocation of the Offer Shares to the Hong Kong Public Offering from the International Offering, the final number of Offer Shares under the International Offering is 28,375,500 Shares, representing approximately 70% of the total number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option).

A total of 47 placees have been allotted five board lots of Offer Shares or less, representing approximately 45.2% of 104 placees under the International Offering. These placees have been allotted 0.08% and 0.10% of the Offer Shares initially available under the International Offering and available under the final International Offer Shares, respectively (assuming the Over-allotment Option is not exercised).

A total of 43 placees have been allotted one board lot of Offer Shares or less, representing approximately 41.3% of 104 placees under the International Offering. These placees have been allotted 0.06% and 0.08% of the Offer Shares initially available under the International Offering and available under the final International Offer Shares, respectively (assuming the Over-allotment Option is not exercised).

### Cornerstone Investors

Based on the Offer Price of HK\$19.32 per Offer Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) and pursuant to the Cornerstone Investment Agreements as disclosed in the section headed “Cornerstone Investors — Our Cornerstone Investors” in the Prospectus, the number of Offer Shares subscribed for by the Cornerstone Investors is determined as set out below:

Investment Amount (US\$'000)	Number of Offer Shares (rounded down to nearest whole board lot of 500 Shares)	Approximately % of total number of Offer Shares		Approximate % of Shares in issue immediately following the completion of Global Offering	
		Assuming the Over-allotment Option is not exercised (approximate)	Assuming the Over-allotment Option is fully exercised (approximate)	Assuming the Over-allotment Option is not exercised (approximate)	Assuming the Over-allotment Option is fully exercised (approximate)
TruMed	16,880	6,797,500	16.77%	14.58%	2.95%
Botanee	7,000	2,818,500	6.95%	6.05%	1.22%
Juzi Holding	10,000	4,027,000	9.93%	8.64%	1.75%
Harvest	20,000	8,054,000	19.87%	17.28%	3.49%
<b>Total</b>	<b>53,880</b>	<b>21,697,000</b>	<b>53.52%</b>	<b>46.54%</b>	<b>9.41%</b>
					<b>9.17%</b>

The Cornerstone Placing forms part of the International Offering, and the Cornerstone Investors will not acquire any Offer Shares under the Global Offering (other than pursuant to the Cornerstone Investment Agreements). The Offer Shares to be subscribed by the Cornerstone Investors will rank *pari passu* in all respects with the fully paid Shares in issue following the completion of the Global Offering and will be counted towards the public float of our Company under Rule 8.08 of the Listing Rules.

To the best knowledge of the Company, each Cornerstone Investor (and for Cornerstone Investors who will subscribe for our Offer Shares through a QDII, such QDII) (i) is an Independent Third Party, is not a connected person (as defined in the Listing Rules) of the Company; (ii) is not accustomed to taking instructions from the Company or of any of its subsidiaries, the Directors, the chief executive, the Controlling Shareholders, the substantial shareholders, existing shareholders of the Company or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Offer Shares; (iii) is not directly or indirectly financed by the Company or of any of its subsidiaries, the Directors, the chief executive, the Controlling Shareholders or the substantial shareholders of the Company, the existing Shareholders or any of their respective subsidiaries or close associates and (iv) is independent of other Cornerstone Investors. There are no side agreements or arrangements between the Company and the Cornerstone Investors or any benefit, direct or indirect, conferred on the Cornerstone Investors by virtue of or in relation to the Cornerstone Investments. Other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, the Cornerstone Investors do not have any preferential rights in the Cornerstone Investment Agreements compared with other public Shareholders. The investment amount for the Offer Shares subscribed for by the Cornerstone Investors under the Cornerstone Placing will be paid by 8:00 a.m. (Hong Kong time) on the Listing Date.

To the best knowledge of the Company and as confirmed by the Cornerstone Investors, their subscription pursuant to the relevant Cornerstone Investment Agreements would be financed by their own internal resources. To the extent that any Cornerstone Investor has engaged a QDII to subscribe for the relevant Offer Shares on its behalf, such Cornerstone Investor will procure the QDII to comply with the terms of its Cornerstone Investment Agreement in order to ensure the compliance of such Cornerstone Investor with its obligations under the Cornerstone Investment Agreement. For Cornerstone Investor whose shareholder are listed on any stock exchange, they have confirmed that no approval is required from the relevant stock exchange and their shareholders for entering into the investment contemplated under the applicable Cornerstone Investment Agreement.

Each of the Cornerstone Investors has agreed that it will not, whether directly or indirectly, at any time during the period of six months from and including the Listing Date (the “**Lock-up Period**”), dispose of any of the Offer Shares they have purchased pursuant to the relevant Cornerstone Investment Agreements, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of such Cornerstone Investor, including the Lock-up Period restriction.

Please refer to the section headed “Cornerstone Investors — Our Cornerstone Investors” in the Prospectus for further details relating to the Cornerstone Investors.

### **Placee with the Consent under Paragraph 5(1) of Placing Guidelines**

Certain Offer Shares were placed to the following placee who is a connected client of certain lead brokers or distributor within the meaning of the Placing Guidelines. The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, its consent under paragraph 5(1) of the Placing Guidelines to permit the Company to allocate such Offer Shares as set out below.

Placee	Connected Distributor	Relationship with the respective Connected Distributor	Number of Offer Shares placed	Approximate % of the Offer Shares initially available under the Global Offering	Approximate % of the total issued share capital immediately following the completion of the Global Offering <sup>(1)</sup>
<i>Connected client holding Shares on a non-discretionary basis on behalf of independent third parties</i>					
Huatai Capital Investment Limited (“HTCI”) <sup>(2)</sup>	Huatai Financial Holdings (Hong Kong) Limited	HTCI is a member of the same group of HTFH (“HTFH”)	763,000	1.88%	0.33%

*Notes:*

- (1) Assuming that the Over-allotment Option is not exercised.
- (2) HTFH and HTCI are fellow subsidiaries of Huatai Securities Co., Ltd. (“**Huatai Securities**”). Huatai Securities, the shares of which are listed on both the Shanghai Stock Exchange (stock code: 601688) and the Stock Exchange (stock code: 6886), is one of the domestic securities firms licensed to undertake cross-border derivatives trading activities. Huatai Securities entered into an ISDA agreement (the “**ISDA Agreement**”) with HTCI, its indirectly wholly-owned subsidiary, to set out the principal terms of any future total return swap between Huatai Securities and HTCI. HTFH is an Overall Coordinator in connection with the Global Offering. Pursuant to the ISDA Agreement, HTCI, which intends to participate in the Global Offering as a placee, will hold the beneficial interest of the Offer Shares on a non-discretionary basis as the single underlying holder under a back-to-back total return swap (the “**Huatai Back-to-back TRS**”) to be entered by HTCI in connection with a Huatai Client TRS (as defined below) placed by and fully funded (i.e. with no financing provided by HTCI) by certain independent third-party onshore investors (the “**Huatai Ultimate Clients**”), by which, HTCI will pass the full economic exposure of the Offer Shares to the Huatai Ultimate Clients, which in effect, HTCI will hold the beneficial interest of the Offer Shares on behalf of the Huatai Ultimate Clients. Instead of directly subscribing for the Offer Shares, the Huatai Ultimate Clients will place a total return swap order (the “**Huatai Client TRS**”) with Huatai Securities in connection with the Company’s IPO and Huatai Securities will place a Huatai Back-to-back TRS order to HTCI on the terms of the ISDA Agreement. In order to hedge its exposure under the Huatai Back-to-back TRS, HTCI participates in the Company’s IPO and subscribes the Offer Shares through placing order with HTFH during the International Offering. To the best of our knowledge and after making all reasonable enquiries, each of the Huatai Ultimate Clients is an independent third party of the Company and their respective associates. The purpose of HTCI to subscribe for the Offer Shares is for hedging the Huatai Back-to-back TRS in connection with the Huatai Client TRS order placed by the Huatai Ultimate Clients. Pursuant to the terms of the contracts of the Huatai Back-to-back TRS and the Huatai Client TRS, during the tenor of the Huatai Back-to-back TRS and the Huatai Client TRS, all economic returns of the Offer Shares will be passed to the Huatai Ultimate Clients through the Huatai Back-to-back TRS and the Huatai Client TRS and all economic loss shall be borne by the Huatai Ultimate Clients. HTCI will not take any economic return or bear any economic loss in relation to the Offer Shares. The profit and loss of the Huatai Back-to-back TRS and the Huatai Client TRS factor into account the fluctuation in RMB exchange rate upon termination of the Huatai Client TRS by converting the profit and loss using the current exchange rate at the time of termination. As such, the Huatai Ultimate Clients would bear the exchange rate exposure of the profit and loss on settlement date. The Huatai Ultimate Clients may exercise an early termination right to terminate the Huatai Client TRS at any time from the issue date of the Huatai Client TRS which should be on or after the date on which the Offer Shares are listed on the Stock Exchange. Upon the termination upon maturity or early termination of the Huatai Client TRS by the Huatai Ultimate Clients, HTCI will dispose the Offer Shares on the secondary market and the Huatai Ultimate Clients will receive a final termination amount of the Huatai Back-to-back TRS which should have taken into account all the economic returns or economic loss in relation to the Offer Shares. If upon the maturity of the Huatai Client TRS, the Huatai Ultimate Clients intend to extend the investment period, subject to further agreement between Huatai Securities and the relevant Huatai Ultimate Clients, the term of the Huatai Client TRS could be extended by way of a new issuance or a tenor extension. Accordingly, Huatai Securities will extend the term of the Huatai Back-to-back TRS by way of a new issuance or a tenor extension. It is proposed that HTCI will hold the legal title and the voting right of the Offer Shares by itself, and pass through the economic exposure to the Huatai Ultimate Clients, each being an onshore client who places a Huatai Client TRS order with Huatai Securities in connection with the IPO of the Company. Due to its internal policy, HTCI will not exercise the voting right of the Offer Shares during the tenor of the Huatai Back-to-back TRS.

The International Offering is in compliance with the Placing Guidelines. Save as disclosed in the sections headed “International Offering — Placees with the Consent under Paragraph 5(1) of Placing Guidelines”, none of the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries and their respective affiliated companies and connected clients of the lead broker or of any distributors (as defined in the Placing Guidelines) has taken up any Offer Shares for its own benefit under the Global Offering.

The Directors confirm that, to the best of their knowledge and information, save as disclosed in the sections headed “International Offering — Placees with the Consent under Paragraph 5(1) of Placing Guidelines”, no Offer Shares under the International Offering placed by or through the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters or the Capital Market Intermediaries under the Global Offering have been placed with any core connected person (as defined in the Listing Rules) of the Company, or to any connected clients (as set out in paragraph 5(1) of the Placing Guidelines), or persons set out in paragraph 5(2) of the Placing Guidelines, whether in their own names or through nominees.

### **Over-allotment Option**

In connection with the Global Offering, the Company has granted the Over-allotment Option to the International Underwriters, exercisable by the Overall Coordinators (for themselves and on behalf of the International Underwriters), at any time from the Listing Date until Sunday, February 5, 2023, being the 30th day from the last day for lodging applications under the Hong Kong Public Offering, to require the Company to allot and issue up to a 6,080,000 additional Offer Shares, representing not more than 15% of the total number of Offer Shares initially available under the Global Offering, at the Offer Price to cover over-allocation in the International Offering.

There has been an over-allocation of 6,080,000 Shares in the International Offering and such over-allocation will be settled using Shares to be borrowed under the Stock Borrowing Agreement between LIY Management and Morgan Stanley & Co. International plc. Such borrowed Shares will be settled by exercising the Over-allotment Option in full or in part, or by making purchases in the secondary market at prices that do not exceed the Offer Price, or by a combination of these means. In the event the Over-allotment Option is exercised, an announcement will be made on the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company’s website at [www.beautyfarm.com.cn](http://www.beautyfarm.com.cn). As at the date of this announcement, the Over-allotment Option has not been exercised.

## LOCK-UP OBLIGATIONS

The Company, the Controlling Shareholders, the CITIC PE Group, all the other existing Shareholders and the Cornerstone Investors are subject to certain lock-up undertakings (the “Lock-up Undertakings”) in respect of the Shares. The major terms of the Lock-up Undertakings are set out as follows:

Name	Number of Shares subject to the Lock-up Undertakings	Approximate percentage of the total issued share capital of the Company following the completion of the Global Offering which are subject to the Lock-up Undertakings upon Listing <sup>(5)</sup>	Last day of the Lock-up Period
<b>The Company<sup>(1)</sup></b> <i>(subject to lock-up obligations pursuant to the Listing Rules and the Hong Kong Underwriting Agreement)</i>	N/A	N/A	July 16, 2023
<b>The Controlling Shareholders<sup>(2)</sup></b> <i>(subject to lock-up obligations pursuant to the Listing Rules and the Hong Kong Underwriting Agreement)</i>	114,980,000	49.87%	July 16, 2023 (First Six Month Period) January 16, 2024 (Second Six Month Period)
<b>CITIC PE Group<sup>(3)</sup></b> Shanghai Xinzhi Yuyuan, Shanghai Panxin, Beijing Youde, Shanghai Pannuo and CITIC PE <i>(subject to lock-up obligations pursuant to the Listing Rules)</i>	57,939,000	25.13%	July 16, 2023
Beijing Xinyu <i>(subject to lock-up obligations pursuant to the Listing Rules and its lock-up undertakings in favor of the Company, the Joint Sponsors and the Overall Coordinators)</i>			

Name	Number of Shares subject to the Lock-up Undertakings	Approximate percentage of the total issued share capital of the Company following the completion of the Global Offering which are subject to the Lock-up Undertakings upon Listing <sup>(5)</sup>	Last day of the Lock-up Period
<b>Other existing Shareholders<sup>(3)</sup></b> <i>(subject to lock-up obligations pursuant to their respective lock-up undertakings in favor of the Company, the Joint Sponsors and the Overall Coordinators)</i>	17,125,568	7.43%	July 16, 2023
<b>Cornerstone Investors<sup>(4)</sup></b> <i>(subject to lock-up obligations pursuant to their respective Cornerstone Investment Agreements)</i>	21,697,000	9.41%	July 16, 2023
<b>Total</b>	<b>211,741,568</b>	<b>91.83%</b>	

*Notes:*

- (1) The Company may not issue or agree to issue or announce its intention to issue Shares or securities of the Company on or before the indicated date unless in compliance with the requirements of the Listing Rules.
- (2) Without the prior written consent of the Overall Coordinators, the Controlling Shareholders shall not (i) dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares in the First Six Month Period dispose of, nor enter into any agreement to dispose of or otherwise create an options, rights, interests or encumbrances in respect of, any of the Shares in the Second Six Month Period if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, such Controlling Shareholder would cease to be a controlling shareholder as defined in the Listing Rules. Notwithstanding the above, the Controlling Shareholders are permitted to pledge or charge its Shares beneficially owned by him/it in favour of an authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan pursuant to Note (2) to Rule 10.07(2) of the Listing Rules. For further details, please refer to the section headed “Underwriting — Underwriting Arrangements and Expenses” in the Prospectus.
- (3) Save for certain circumstances as agreed among the parties, each of such Shareholders may not dispose of any of its existing Shares prior to the indicated date.
- (4) The Cornerstone Investors may not dispose of any of the Offer Shares subscribed in the Global Offering prior to the indicated date.
- (5) Assuming the Over-allotment Option is not exercised.
- (6) Any discrepancies in the tables above between the amounts identified as total amounts and the sum of the amounts listed therein are due to rounding.

## BASIS OF ALLOCATION UNDER THE HONG KONG PUBLIC OFFERING

Subject to the satisfaction of the conditions set out in the section headed “Structure of the Global Offering – Conditions of the Global Offering” in the Prospectus, 6,671 valid applications made by the public through the **White Form eIPO** service and the **CCASS E IPO** service will be conditionally allocated on the basis set out below:

Pool A	Approximate percentage allotted of the total number of Shares applied for	
Number of Shares applied for	Number of valid applications	Basis of allocation/ballot
500	3,933	2,163 out of 3,933 to receive 500 Shares
1,000	242	500 Shares
1,500	146	500 Shares plus 37 out of 146 to receive additional 500 Shares
2,000	96	500 Shares plus 49 out of 96 to receive additional 500 Shares
2,500	855	500 Shares plus 684 out of 855 to receive additional 500 Shares
3,000	58	1,000 Shares
3,500	22	1,000 Shares plus 6 out of 22 to receive additional 500 Shares
4,000	42	1,000 Shares plus 23 out of 42 to receive additional 500 Shares
4,500	18	1,000 Shares plus 15 out of 18 to receive additional 500 Shares
5,000	231	1,500 Shares
6,000	54	1,500 Shares plus 18 out of 54 to receive additional 500 Shares
7,000	39	1,500 Shares plus 26 out of 39 to receive additional 500 Shares
8,000	37	2,000 Shares
9,000	15	2,000 Shares plus 5 out of 15 to receive additional 500 Shares
10,000	271	2,000 Shares plus 181 out of 271 to receive additional 500 Shares
15,000	60	2,500 Shares
20,000	59	2,500 Shares plus 31 out of 59 to receive additional 500 Shares
25,000	34	3,000 Shares
30,000	37	3,500 Shares
35,000	32	4,000 Shares
40,000	24	4,500 Shares
45,000	19	5,000 Shares
50,000	60	5,500 Shares
60,000	40	6,000 Shares
70,000	16	6,500 Shares

Number of Shares applied for	Number of valid applications	Basis of allocation/ballot	Approximate percentage allotted of the total number of Shares applied for
80,000	20	7,000 Shares	8.75%
90,000	6	7,500 Shares	8.33%
100,000	40	8,000 Shares	8.00%
150,000	14	11,000 Shares	7.33%
200,000	10	14,000 Shares	7.00%
250,000	11	17,000 Shares	6.80%
Total	<u>6,541</u>	<b>Total number of Pool A successful applicants: 4,771</b>	

Number of Shares applied for	Number of valid applications	Basis of allocation/ballot	Approximate percentage allotted of the total number of Shares applied for
300,000	102	36,000 Shares	12.00%
350,000	10	41,500 Shares	11.86%
400,000	1	46,500 Shares	11.63%
450,000	2	51,000 Shares	11.33%
500,000	4	56,500 Shares	11.30%
600,000	3	66,000 Shares	11.00%
700,000	1	74,000 Shares	10.57%
1,500,000	2	156,000 Shares	10.40%
2,027,000	5	207,000 Shares	10.21%
Total	<u>130</u>	<b>Total number of Pool B successful applicants: 130</b>	

The final number of Offer Shares available under the Hong Kong Public Offering is 12,161,000 Offer Shares, representing approximately 30% of the total number of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option).

The final number of Offer Shares available under the International Offering is 28,375,500 Offer Shares, which were allocated in full (subject to the Over-allotment Option), representing approximately 70% of the total number of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option).

## **RESULTS OF ALLOCATIONS**

The level of indication of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares are published on the Company's website at [www.beautyfarm.com.cn](http://www.beautyfarm.com.cn) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) on Friday, January 13, 2023.

The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration/certificate of incorporation numbers of successful applicants under the Hong Kong Public Offering will be available at the times and dates and in the manner specified below:

- (i) in the announcement to be posted on the Company's website at [www.beautyfarm.com.cn](http://www.beautyfarm.com.cn) and the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) by no later than 9:00 a.m. on Friday, January 13, 2023;
- (ii) from the designated results of allocations website at [www.iporesults.com.hk](http://www.iporesults.com.hk) (alternatively: English <https://www.eipo.com.hk/en/Allotment>; Chinese <https://www.eipo.com.hk/zh-hk/Allotment>) (or) with a "search by ID" function from 8:00 a.m. on Friday, January 13, 2023 to 12:00 midnight on Thursday, January 19, 2023; and
- (iii) from the allocation results telephone enquiry line by calling + 852 2862 8555 between 9:00 a.m. and 6:00 p.m. on Friday, January 13, 2023, Monday, January 16, 2023, Tuesday, January 17, 2023 and Wednesday, January 18, 2023.

This announcement contains a list of identification document numbers. Identification document numbers shown in the section headed "Results of Applications Made by **White Form eIPO**" in this announcement refer to Hong Kong identity card numbers/passport numbers/Hong Kong business registration numbers/certificate of incorporation numbers/beneficial owner identification codes (if such applications are made by nominees as agent for the benefit of another person) whereas those displayed in the section headed "Results of Applications Made by Giving Electronic Application Instructions to HKSCC via CCASS" in this announcement are provided by CCASS Participants via CCASS. Therefore, the identification document numbers shown in the two sections are different in nature.

Please note that the list of identification document numbers set out in this announcement may not be a complete list of successful applicants since only successful applicants whose identification document numbers are provided to HKSCC by CCASS Participants are disclosed. Applicants with beneficial names only but not identification document numbers are not disclosed due to personal privacy issue as elaborated below. Applicants who applied for the Hong Kong Offer Shares through their brokers can consult their brokers to enquire about their application results.

Since applications are subject to personal information collection statements, beneficial owner identification codes displayed in the sections headed "Results of Applications Made by **White Form eIPO**" and "Results of Applications Made by Giving **Electronic Application Instructions** to HKSCC via CCASS" are redacted and not all details of applications are disclosed in this announcement.

## SHAREHOLDING CONCENTRATION ANALYSIS

The tables below set out the analysis of shareholding concentration in the International Offering:

Top 1, 5, 10, 20 and 25 placees under the International Offering:

Placee	Number of Shares subscribed for	Number of Shares held upon Listing	Subscription as % of International Offering (assuming no exercise of the Over-allotment Option)	Subscription as % of International Offering (assuming the Over-allotment Option is exercised in full)	Subscription as % of total Offer Shares (assuming the Over-allotment Option is not exercised)	Subscription as % of total Offer Shares (assuming the Over-allotment Option is exercised in full)	Number of Shares as % of total share capital in issue (assuming no exercise of the Over-allotment Option)	Number of Shares as % of total share capital in issue (assuming the Over-allotment Option is exercised in full)
Top 1	8,054,000	8,054,000	28.4%	23.4%	19.9%	17.3%	3.5%	3.4%
Top 5	23,897,000	23,897,000	84.2%	69.4%	59.0%	51.3%	10.4%	10.1%
Top 10	27,897,000	27,897,000	98.3%	81.0%	68.8%	59.8%	12.1%	11.8%
Top 20	33,300,000	33,300,000	117.4%	96.6%	82.1%	71.4%	14.4%	14.1%
Top 25	33,931,000	33,931,000	119.6%	98.5%	83.7%	72.8%	14.7%	14.3%

Top 1, 5, 10, 20 and 25 Shareholders of the Company upon Listing:

Shareholder	Number of Shares subscribed for	Number of Shares held upon Listing	Subscription as % of International Offering (assuming no exercise of the Over-allotment Option)	Subscription as % of International Offering (assuming the Over-allotment Option is exercised in full)	Subscription as % of total Offer Shares (assuming the Over-allotment Option is not exercised)	Subscription as % of total Offer Shares (assuming the Over-allotment Option is exercised in full)	Number of Shares as % of total share capital in issue (assuming no exercise of the Over-allotment Option)	Number of Shares as % of total share capital in issue (assuming the Over-allotment Option is exercised in full)
Top 1	-	114,980,000	-	-	-	-	49.9%	48.6%
Top 5	14,851,500	195,070,500	52.3%	43.1%	36.6%	31.9%	84.6%	82.4%
Top 10	23,897,000	213,541,568	84.2%	69.4%	59.0%	51.3%	92.6%	90.2%
Top 20	31,060,000	221,104,568	109.5%	90.1%	76.6%	66.6%	95.9%	93.4%
Top 25	33,060,000	223,104,568	116.5%	95.9%	81.6%	70.9%	96.8%	94.3%

**In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could move substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.**