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CHICMAX

Shanghai Chicmax Cosmetic Co., Ltd.

上海上美化妝品股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 2145)

**I. CONTINUING CONNECTED TRANSACTIONS:
PRODUCT PURCHASING AND SERVICES FRAMEWORK AGREEMENT;
II. SUPPLEMENTAL AGREEMENTS IN RELATION
TO THE CONTINUING CONNECTED TRANSACTIONS:
LOGISTICS AND WAREHOUSING SERVICE AGREEMENT**

I. CONTINUING CONNECTED TRANSACTIONS: PRODUCT PURCHASING AND SERVICES FRAMEWORK AGREEMENT

On 20 March 2025 (after trading hours), the Company and Yinxi Shanghai entered into the Product Purchasing and Services Framework Agreement, pursuant to which the Group agreed to purchase tea products and teahouse services from Yinxi Shanghai Group.

Listing Rules Implications

As at the date of this announcement, Yinxi Shanghai is wholly-owned by Shanghai Yinxi Brand Development Co., Ltd.* (上海隱系品牌發展有限公司), which is ultimately controlled by Mr. Lyu Yixiong (呂義雄), who is the chairman of the Board, an executive Director, the chief executive officer and a controlling shareholder of the Company. Therefore, the transactions contemplated under the Product Purchasing and Services Framework Agreement shall constitute continuing connected transactions of the Company under the Listing Rules.

As the highest applicable percentage ratio of the proposed annual caps for the transactions contemplated under the Product Purchasing and Services Framework Agreement for the three years ending 31 December 2025, 2026 and 2027 is more than 0.1% but less than 5%, such continuing connected transactions are only subject to the reporting and announcement requirements but exempt from circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Lyu Yixiong is considered to have a material interest in the transactions contemplated under the Product Purchasing and Services Framework Agreement, and he has abstained from voting on the relevant Board resolution approving the above transactions.

II. SUPPLEMENTAL AGREEMENTS IN RELATION TO THE CONTINUING CONNECTED TRANSACTIONS: LOGISTICS AND WAREHOUSING SERVICE AGREEMENT

On 20 March 2025 (after trading hours), Hangzhou Rongheng, the Joint Venture and the Company entered into a supplemental agreement to the Logistics and Warehousing Service Agreement to modify the contract parties to the Logistics and Warehousing Service Agreement, pursuant to which Hangzhou Rongheng (for itself and on behalf of its subsidiaries) agreed to provide logistics and warehousing services to the Group, instead of the Joint Venture.

Listing Rules Implications

As at the date of this announcement, Hangzhou Rongheng is wholly owned by Mr. Lyu Zecai (呂澤財), a cousin of Mr. Lyu Yixiong, who is the chairman of the Board, an executive Director, the chief executive officer and a controlling shareholder of the Company. Pursuant to Rule 14A.21 of the Listing Rules, Hangzhou Rongheng is a deemed connected person of the Company. Therefore, the transactions contemplated under the Logistics and Warehousing Service Agreement (as supplemented by the Supplemental Logistics and Warehousing Service Agreement) shall constitute continuing connected transactions of the Company under the Listing Rules.

As the highest applicable percentage ratio of the proposed annual caps for the transactions contemplated under the Logistics and Warehousing Service Agreement (as supplemented by the Supplemental Logistics and Warehousing Service Agreement) is more than 0.1% but less than 5%, such continuing connected transactions are only subject to the reporting and announcement requirements but exempt from circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

By virtue of his relationship with Mr. Lyu Zecai, Mr. Lyu Yixiong is considered to have a material interest in the transactions contemplated under the Logistics and Warehousing Service Agreement (as supplemented by the Supplemental Logistics and Warehousing Service Agreement), and he has abstained from voting on the relevant Board resolution approving the Supplemental Logistics and Warehousing Service Agreement and the above transactions.

I. CONTINUING CONNECTED TRANSACTIONS: PRODUCT PURCHASING AND SERVICES FRAMEWORK AGREEMENT

On 20 March 2025 (after trading hours), the Company and Yinxi Shanghai entered into the Product Purchasing and Services Framework Agreement, pursuant to which the Group agreed to purchase tea products and teahouse services from Yinxi Shanghai Group.

The principal terms of the Product Purchasing and Services Framework Agreement are summarised as follows.

Date:	20 March 2025 (after trading hours)
Parties:	(1) The Company (for itself and on behalf of its subsidiaries); and (2) Yinxi Shanghai (for itself and on behalf of its subsidiaries and associates)
Term:	From the date of execution of the agreement until 31 December 2027
Nature of transaction:	The Group agreed to purchase tea products and teahouse services from Yinxi Shanghai Group
Pricing principles:	<p>The price of purchase of tea products and teahouse services from Yinxi Shanghai Group will be made on a fair and reasonable basis at market price, depending on the products and services purchased.</p> <p>In order to ensure that any purchase made is fair and reasonable and on normal commercial terms, the Group has adopted and implemented a management system in managing its suppliers and procurement, and any purchase from Yinxi Shanghai Group will be subject to such management system like other suppliers of the Group. Under the management system, the Group invites fee quotes from a list of designated suppliers maintained by it and selects the supplier taking into account factors such as the estimated time of delivery of goods and the capacity of the supplier. The terms of the Product Purchasing and Services Framework Agreement are substantially the same as those entered into between the Group and other suppliers on its list of suppliers. The Group's procurement department will review the pricing terms and/or basis offered by the current suppliers on its list of suppliers on an annual basis and will compare the same against those offered by the suppliers who are not included in such list.</p>
Payment:	Time and manner of payment will be agreed upon by specific agreements entered into between the parties for purchase of tea products and teahouse services, which shall conform in all material respects to the principles and provisions of the Product Purchasing and Services Framework Agreement.

Historical Amounts

The actual transaction amount payable by the Group to Yinxi Shanghai Group for purchase of tea products and teahouse services for the year ended 31 December 2024 is RMB2.74 million.

Annual Caps

The transaction amounts payable by the Group to Yinxi Shanghai Group for the three years ending 31 December 2025, 2026 and 2027 shall not exceed the caps as set out in the table below:

	Proposed annual caps for the year ending December 31		
	<i>(RMB' million)</i>		
	2025	2026	2027
Transaction amount	12.00	12.00	12.00

Basis of Annual Caps

The proposed annual caps for the purchase amount of tea products and teahouse services under the Product Purchasing and Services Framework Agreement are determined after taking into account (i) our historical procurement amount from Yinxi Shanghai Group for the year ended 31 December 2024, and (ii) our increasing demand for such products and services considering the growth of business of the Group in 2025.

Reasons For and Benefits of Entering into the Product Purchasing and Services Framework Agreement

Yinxi Shanghai Group is experienced in sales of tea products and provision of teahouse services.

The Directors (including the executive Directors, non-executive Directors and independent non-executive Directors) are of the view that the transactions contemplated under the Product Purchasing and Services Framework Agreement will be entered into in the ordinary and usual course of business of the Group, on normal commercial terms or better and the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and that the proposed annual caps for the three years ending 31 December 2025, 2026 and 2027 for the transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Listing Rules Implications

As at the date of this announcement, Yinxi Shanghai is wholly-owned by Shanghai Yinxi Brand Development Co., Ltd.* (上海隱系品牌發展有限公司), which is ultimately controlled by Mr. Lyu Yixiong (呂義雄), who is the chairman of the Board, an executive Director, the chief executive officer and a controlling shareholder of the Company. Therefore, the transactions contemplated under the Product Purchasing and Services Framework Agreement shall constitute continuing connected transactions of the Company under the Listing Rules.

As the highest applicable percentage ratio of the proposed annual caps for the transactions contemplated under the Product Purchasing and Services Framework Agreement for the three years ending 31 December 2025, 2026 and 2027 is more than 0.1% but less than 5%, such continuing connected transactions are only subject to the reporting and announcement requirements but exempt from circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Lyu Yixiong is considered to have a material interest in the transactions contemplated under the Product Purchasing and Services Framework Agreement, and he has abstained from voting on the relevant Board resolution approving the above transactions.

II. SUPPLEMENTAL AGREEMENTS IN RELATION TO THE CONTINUING CONNECTED TRANSACTIONS: LOGISTICS AND WAREHOUSING SERVICE AGREEMENT

References are made to the announcements of the Company dated 22 August 2024 (the “**Previous Announcement**”) and 4 September 2024 (together with the Previous Announcement, the “**Announcements**”) in relation to, among other things, the Logistics and Warehousing Service Agreement, and the transactions contemplated thereunder. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

On 20 March 2025 (after trading hours), Hangzhou Rongheng, the Joint Venture and the Company entered into a supplemental agreement to the Logistics and Warehousing Service Agreement to modify the contract parties to the Logistics and Warehousing Service Agreement, pursuant to which Hangzhou Rongheng (for itself and on behalf of its subsidiaries) agreed to provide logistics and warehousing services to the Group, instead of the Joint Venture.

Save for the amendments contained in the Supplemental Logistics and Warehousing Service Agreement as stated above and such other alternations (if any) as may be necessary to make consistent with the Supplemental Logistics and Warehousing Service Agreement, all other terms and conditions of the Logistics and Warehousing Service Agreement, as well as the annual caps of the transactions contemplated thereunder as stated in the Previous Announcement, shall remain unchanged and effective.

The principal terms of the Logistics and Warehousing Service Agreement (as supplemented by the Supplemental Logistics and Warehousing Service Agreement) are summarised as follows.

Parties:	(1) Hangzhou Rongheng (for itself and on behalf of its subsidiaries); (2) the Joint Venture (for itself and on behalf of its subsidiaries); and (3) the Company (for itself and on behalf of its subsidiaries)
Term:	From the date of affixation of seal by the parties to the agreement to 31 December 2026
Nature of transaction:	It is agreed by the parties that Hangzhou Rongheng (for itself and on behalf of its subsidiaries) will provide logistics and warehousing services to the Group.
Pricing principles:	The pricing for providing logistics and warehousing services to the Group will be calculated by the following formula, which was determined on normal commercial terms at arm's length negotiation, taking into account the estimated costs and a proper level of premium for providing the logistics and warehousing services: (Actual costs incurred by Hangzhou Rongheng + Allocated costs incurred by Hangzhou Rongheng) × (1+10%)
Payment:	The fees for providing logistics and warehousing services will be paid by the Group to Hangzhou Rongheng on a monthly basis.

Historical Amounts

The actual transaction amount payable by the Group to Hangzhou Rongheng for purchase of logistics and warehousing services for the year ended 31 December 2024 is RMB2.59 million.

Annual Caps

The transaction amounts payable by the Group to Hangzhou Rongheng for the two years ending 31 December 2025 and 2026 shall not exceed the caps as set out in the table below:

	Proposed annual caps for the year ending December 31 <i>(RMB' million)</i>	
	2025	2026
Transaction amount	63.66	95.48

Basis of Annual Caps

The proposed annual caps for the transaction amount under the Logistics and Warehousing Service Agreement (as supplemented by the Supplemental Logistics and Warehousing Service Agreement) are determined after taking into account (a) the estimated growth of sales revenue of the Joint Venture Group and its increasing needs for logistics and warehousing services from Hangzhou Rongheng, which is based on (i) the historical revenue growth of other brands of the Group, such as KANS; (ii) the extensive experience of Mr. Lyu Zeqi (呂澤奇) and his team in operating in e-commerce channels in the cosmetics industry and the operational strength in brand building; and (iii) the expected increase in market share of domestic cosmetics brands; and (b) the historical procurement amount of the Group from Hangzhou Rongheng for the year ended 31 December 2024.

Reasons for entering into the Supplemental Logistics and Warehousing Service Agreement

Hangzhou Rongheng has more than five years of experience in provision of logistics and warehousing services. Located in Hangzhou, Hangzhou Rongheng has convenient transportation access. In consideration of the actual business needs of the Group, the parties to the Supplemental Logistics and Warehousing Service Agreement agreed to modify the contract parties to the Logistics and Warehousing Service Agreement.

The Directors (including the executive Directors, non-executive Directors and independent non-executive Directors) are of the view that the transactions contemplated under the Logistics and Warehousing Service Agreement (as supplemented by the Supplemental Logistics and Warehousing Service Agreement) will be entered into in the ordinary and usual course of business of the Group, on normal commercial terms or better and the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and that the proposed annual caps for the two years ending 31 December 2025 and 2026 for the transactions are fair and reasonable and in the interests of the Company and our Shareholders as a whole.

Listing Rules Implications

As at the date of this announcement, Hangzhou Rongheng is wholly owned by Mr. Lyu Zecai, a cousin of Mr. Lyu Yixiong, who is the chairman of the Board, an executive Director, the chief executive officer and a controlling shareholder of the Company. Pursuant to Rule 14A.21 of the Listing Rules, Hangzhou Rongheng is a deemed connected person of the Company. Therefore, the transactions contemplated under the Logistics and Warehousing Service Agreement (as supplemented by the Supplemental Logistics and Warehousing Service Agreement) shall constitute continuing connected transactions of the Company under the Listing Rules.

As the highest applicable percentage ratio of the proposed annual caps for the transactions contemplated under the Logistics and Warehousing Service Agreement (as supplemented by the Supplemental Logistics and Warehousing Service Agreement) is more than 0.1% but less than 5%, such continuing connected transactions are only subject to the reporting and announcement requirements but exempt from circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

By virtue of his relationship with Mr. Lyu Zecai, Mr. Lyu Yixiong is considered to have a material interest in the transactions contemplated under the Logistics and Warehousing Service Agreement (as supplemented by the Supplemental Logistics and Warehousing Service Agreement), and he has abstained from voting on the relevant Board resolution approving the Supplemental Logistics and Warehousing Service Agreement and the above transactions.

III. INTERNAL CONTROL MEASURES FOR CONTINUING CONNECTED TRANSACTIONS

In order to ensure that the terms under relevant agreements for the continuing connected transactions are fair and reasonable, or no less favourable than terms available to or from Independent Third Parties, and are carried out under normal commercial terms, the Group will be responsible for maintaining and reviewing its list of designated suppliers and downstream customers on an annual basis. Additionally, the Group has adopted the following internal control procedures:

- the office of the Board is responsible for the control and daily management in respect of the continuing connected transactions;
- the office of the Board and the financial department are jointly responsible for evaluating the terms under the agreements for the continuing connected transactions, in particular, the fairness of the pricing policies and annual caps under each transaction;
- the office of the Board and the financial department regularly monitor the fulfillment status of the annual caps and the transaction updates under the agreements for the continuing connected transactions;
- the independent non-executive Directors and auditors of the Group will conduct annual review of the continuing connected transactions under the agreements and provide annual confirmation to ensure that, in accordance with the Listing Rules, the transactions are conducted in accordance with the terms of the agreements, on normal commercial terms and in accordance with the relevant pricing policies;
- enhancing supervision over and designating a dedicated personnel to closely monitor the actual transaction amounts incurred under the continuing connected transactions of the Company on a monthly basis. If the actual transaction amount reaches 70% or more of the relevant annual cap at any time of the year, the dedicated personnel will inform the Board as soon as possible. The Board would then consider taking appropriate measures in accordance with the requirements of the Listing Rules, including, but not limited to, publishing announcement for an increase annual cap amount and seeking approval from the shareholders of the Company, if applicable; if the actual transaction amount reaches 80% or more of the relevant annual cap at any time of the year (and any 5% increment thereafter), besides informing the Board as soon as possible, the dedicated personnel will closely monitor the actual transaction amounts incurred under the continuing connected transactions of the Company on a weekly basis (or on alternate days if the actual transaction amount reaches 90% or more of the relevant annual cap); and
- arranging trainings for the Directors, senior management and employees of the Group, to strengthen their knowledge of the Listing Rules and enhance their awareness of the importance of compliance with the Listing Rules.

By implementing the above procedures and internal control measures, the Directors consider that the Group has established sufficient internal control measures to ensure the terms under the agreements for the continuing connected transactions will be on market terms and on normal commercial terms and will be fair and reasonable to the Group and the shareholders of the Company as a whole.

IV. GENERAL INFORMATION

Information of the Company and the Group

The Company is a joint stock company incorporated in the PRC with limited liability, whose H Shares are listed on the Stock Exchange. The Group is primarily engaged in research and development, manufacturing and sales of skincare and maternity and childcare products in the PRC.

Information of Yinxi Shanghai

Yinxi Shanghai is a limited liability company established in the PRC and is wholly owned by Shanghai Yinxi Brand Development Co., Ltd.* (上海隱系品牌發展有限公司), which is ultimately controlled by Mr. Lyu Yixiong, who is the chairman of the Board, an executive Director, the chief executive officer and a controlling shareholder of the Company as at the date of this announcement. Yinxi Shanghai is principally engaged in sales of tea products and provision of teahouse services.

Information of the Joint Venture

The Joint Venture is a limited liability company established in the PRC and was owned as to 51% by Shanghai One Leaf, a wholly-owned subsidiary of the Company, and 49% by Hangzhou Mangken, a deemed connected person of the Company, as at the date of this announcement. The Joint Venture is primarily engaged in operation of facial skincare products under *One Leaf* in the online channels.

Information of Hangzhou Rongheng

Hangzhou Rongheng is a limited liability company established in the PRC and is wholly owned by Mr. Lyu Zecai, a cousin of Mr. Lyu Yixiong, the chairman of the Board, an executive Director, the chief executive officer and a controlling shareholder of the Company as at the date of this announcement. Hangzhou Rongheng is primarily engaged in logistics and warehouse management services.

V. DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of directors of the Company;
“China” or “PRC”	the People’s Republic of China for the purpose of this announcement and for geographical reference only, except where the context requires, references in this announcement to “China” and the “PRC” do not apply to Hong Kong, Macau Special Administrative Region and Taiwan;
“Company”	Shanghai Chicmax Cosmetic Co., Ltd. (上海上美化妝品股份有限公司), a joint stock company incorporated in the PRC with limited liability whose H Shares are listed on the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“connected transaction(s)”	has the meaning ascribed thereto in the Listing Rules;
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;

“H Share(s)”	overseas listed foreign invested ordinary share(s) in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, listed on the Main Board of the Stock Exchange;
“Hangzhou Mangken”	Hangzhou Mangken Brand Management Co., Ltd.* (杭州芒壘品牌管理有限公司), a limited liability company established in the PRC and is owned as to 99.5% by Mr. Lyu Zeqi and 0.5% by Mr. Lyu Zecai, both being cousins of Mr. Lyu Yixiong, the chairman of the Board, an executive Director, the chief executive officer and a controlling shareholder of the Company as at the date of this announcement;
“Hangzhou Rongheng”	Hangzhou Rongheng Trading Co., Ltd.* (杭州融恒貿易有限公司), a limited liability company established in the PRC and is wholly owned by Mr. Lyu Zecai, a cousin of Mr. Lyu Yixiong, the chairman of the Board, an executive Director, the chief executive officer and a controlling shareholder of the Company as at the date of this announcement;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	person(s) or company(ies), who/which, to the best knowledge of the Directors having made all reasonable enquiries, is/are not connected person(s) of the Company within the meaning ascribed thereto under the Listing Rules;
“Joint Venture Group”	the Joint Venture and its subsidiaries;
“Joint Venture”	Shanghai One Leaf Skincare Products Co., Ltd.* (上海一葉子護膚品有限公司), a non-wholly owned and indirect subsidiary of the Company owned as to 51% by Shanghai One Leaf, a wholly-owned subsidiary of the Company, and 49% by Hangzhou Mangken, a deemed connected person of the Company, as at the date of this announcement;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Logistics and Warehousing Service Agreement”	an agreement entered into between Hangzhou Rongheng and the Joint Venture in relation to the provision of logistics and warehousing services to the Joint Venture from Hangzhou Rongheng (for itself and on behalf of its subsidiaries) on 4 September 2024;
“Product Purchasing and Services Framework Agreement”	a framework agreement entered into between the Company and Yinxi Shanghai dated 20 March 2025 in relation to the Group’s purchase of tea products and teahouse services from Yinxi Shanghai Group;
“RMB”	Renminbi, the lawful currency of the PRC;

“Shanghai One Leaf”	Shanghai One Leaf Cosmetic Co., Ltd. (上海一葉子化妝品有限公司), a wholly-owned subsidiary of the Company;
“Share(s)”	share(s) in the capital of the Company with a nominal value of RMB1.00 each, comprising Unlisted Share(s) and H Share(s);
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules;
“Supplemental Logistics and Warehousing Service Agreement”	a supplemental agreement to the Logistics and Warehousing Service Agreement entered into between Hangzhou Rongheng, the Joint Venture and the Company on 20 March 2025;
“Unlisted Share(s)”	ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi and are unlisted shares which are currently not listed or traded on any stock exchange;
“Yinxi Shanghai Group”	collectively, Yinxi Shanghai, its subsidiaries and associates;
“Yinxi Shanghai”	Yinxi (Shanghai) Culture Communication Co., Ltd.* (隱溪(上海)文化傳播有限公司), a limited liability company established in the PRC and is wholly owned by Shanghai Yinxi Brand Development Co., Ltd.* (上海隱系品牌發展有限公司), which is ultimately controlled by Mr. Lyu Yixiong, who is the chairman of the Board, an executive Director, the chief executive officer and a controlling shareholder of the Company as at the date of this announcement;
“%”	per cent.

By order of the Board
Shanghai Chicmax Cosmetic Co., Ltd.
上海上美化妝品股份有限公司
Mr. Lyu Yixiong

Chairman of the Board, Executive Director and Chief Executive Officer

Shanghai, the PRC
20 March 2025

As at the date of this announcement, the Board comprises Mr. Lyu Yixiong, Ms. Luo Yan (羅燕), Mr. Feng Yifeng and Ms. Song Yang as executive Directors; Ms. Li Hanqiong and Mr. Sun Hao as non-executive Directors; Mr. Leung Ho Sun Wilson, Ms. Luo Yan (羅妍) and Mr. Li Yang as independent non-executive Directors.