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NEOLOGY
研源医疗

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)

DISCLOSEABLE TRANSACTION SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS

SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS

The Board announced that, on April 13, 2023, in order to make efficient use of idle funds, Shanghai Beauty Farm subscribed from CITIC Bank in the amount of RMB80.0 million for certain principal-guaranteed wealth management product pursuant to the April Subscription.

In addition, on March 29, 2023, the Company, through Shanghai Beauty Farm subscribed from CITIC Bank in the amount of RMB110.0 million for certain principal-guaranteed wealth management product pursuant to the March Subscription.

LISTING RULES IMPLICATIONS

As all of the applicable percentage ratios (as calculated under Rule 14.07 of the Listing Rules) in respect of each of the March Subscription and April Subscription are less than 5%, the subscriptions of wealth management product as mentioned above do not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

However, in accordance with Rule 14.22 of the Listing Rules, as the March Subscription and the April Subscription are made with the same counterparties and are of a similar in nature within a 12 month period, the transactions are therefore aggregated. As one of the applicable percentage ratios in respect of the transactions after aggregation exceeds 5% but all of the applicable percentage ratios are less than 25%, the March Subscription and April Subscription constitute a discloseable transaction of the Company and are subject to the notification and announcement requirements under the Listing Rules.

* For identification purposes only

BACKGROUND

The Board announced that, on April 13, 2023, in order to make efficient use of idle funds, Shanghai Beauty Farm subscribed from CITIC Bank in the amount of RMB80.0 million for certain principal-guaranteed wealth management product pursuant to the April Subscription.

In addition, on March 29, 2023, the Company, through Shanghai Beauty Farm subscribed from CITIC Bank in the amount of RMB110.0 million for certain principal-guaranteed wealth management product pursuant to the March Subscription.

The Company satisfied the March Subscription and April Subscription using our internal resources (without utilizing any proceeds from the Global Offering) as part of our treasury management and for efficient use of idle funds.

WEALTH MANAGEMENT PRODUCTS SUBSCRIPTION

The principal terms of the April Subscription are set out as follows:

- (1) Date of subscription April 13, 2023 to April 14, 2023
- (2) Parties (i) Shanghai Beauty Farm (as subscriber)
 (ii) CITIC Bank (as issuer)
- (3) Name of the product: Win-win Zhixin Exchange Rate Linked RMB Structured Deposit Phase 14614 (共贏智信匯率掛鈎人民幣結構性存款14614期)
- (4) Product code: C23V90119
- (5) Type of product: Close-ended principal guaranteed with variable return
- (6) Linked exchanged rate: The return of the deposit will be linked to the USD/JPY spot rate exchange rate (by referring to the Bloomberg BFIX USDJPY Currency value as of 3:00 p.m. Tokyo time of a relevant date) (the “**JPY/USD Reference Exchange Rate**”)
- (7) Subscription amount: RMB80.0 million (equivalent to approximately HK\$91.4 million). The Board believes that the consideration of such subscription was determined on the basis of arm’s length commercial terms.
- (8) Term of product: 95 days (between April 15, 2023 and July 19, 2023)

- (9) Expected return: The expected return will be determined with reference to the change of the JPY/USD Reference Exchange Rate as of July 14, 2023 as compared to the USD/JPY exchange rate as of April 17, 2023:
- a. If there is a decrease of greater than 5.5%, the annual return for the wealth management product shall be 3.15%;
 - b. If there is a decrease of less than or equal to 5.5%, and an increase of no more than or equal to 9.5%, the annual return for the wealth management product shall be 2.75%; and
 - c. If there is an increase of over 9.5%, the annual return for the wealth management product shall be 1.30%
- (10) Risk profile rating: PR1 Rating (Conservative, green ranking) (the risk profile rating is an internal assessment of CITIC Bank for reference only)
- (11) Early termination right: Unless otherwise agreed, the subscriber may not terminate the product prior to the maturity date or seek early redemption of the product. CITIC Bank may unilaterally terminate the product ahead of its maturity date.
- (12) Payment of principal and return: All principal and returns accrued during the term of the product shall be settled on the maturity date (or any early termination date), or where such date is a public holiday, then to the next working day in the PRC.

The principal terms of the March Subscription are set out as follows:

- (1) Date of subscription: March 29, 2023 to March 30, 2023
- (2) Parties
 - (i) Shanghai Beauty Farm (as subscriber)
 - (ii) CITIC Bank (as issuer)
- (3) Name of the product: Win-win Zhixin Exchange Rate Linked RMB Structured Deposit Phase 14369 (共贏智信匯率掛鈎人民幣結構性存款14369期)
- (4) Product code: C23WS0110

- (5) Type of product: Close-ended principal guaranteed with variable return
- (6) Linked exchanged rate: The return of the deposit will be linked to the AUD/NZD spot rate exchange rate (by referring to the Bloomberg BFIX AUDNZD Currency value as of 3:00 p.m. Tokyo time of a relevant date) (the “**AUD/NZD Reference Exchange Rate**”)
- (7) Subscription amount: RMB110.0 million (equivalent to approximately HK\$125.7 million). The Board believes that the consideration of such subscription was determined on the basis of arm’s length commercial terms.
- (8) Term of product: 94 days (between March 31, 2023 and July 3, 2023)
- (9) Expected return: The expected return will be determined with reference to the change of the AUD/NZD Reference Exchange Rate on June 28, 2023 as compared to the AUD/NZD exchange rate as of March 31, 2023:
- a. If there is a decrease of greater than 6.0%, the annual return for the wealth management product shall be 1.3%;
 - b. If there is a decrease of less than or equal to 6.0%, and an increase of no more than or equal to 2.5%, the annual return for the wealth management product shall be 2.75%; and
 - c. If there is an increase of over 2.5%, the annual return for the wealth management product shall be 3.15%
- (10) Risk profile rating: PR1 Rating (Conservative, green ranking) (the risk profile rating is an internal assessment of CITIC Bank for reference only)
- (11) Early termination right: Unless otherwise agreed, the subscriber may not terminate the product prior to the maturity date or seek early redemption of the product. CITIC Bank may unilaterally terminate the product ahead of its maturity date.
- (12) Payment of principal and return: All principal and returns accrued during the term of the product shall be settled on the maturity date (or any early termination date), or where such date is a public holiday, then to the next working day in the PRC.

INFORMATION ON THE PARTIES

The Company is a beauty and health management service provider providing traditional beauty services, non-surgical aesthetic medical services as well as subhealth assessment and intervention services that are personalized to our clients' health and beauty desire.

Shanghai Beauty Farm is a principal subsidiary of the Group and its principal business is the overall management of the Group's operations within the PRC. Shanghai Beauty Farm is a wholly-owned subsidiary of the Company.

CITIC Bank is a licensed bank incorporated under the laws of the PRC, engaged in, among other things, corporate finance, retail finance, financial market and other businesses. It is listed on the Stock Exchange (stock code: 00998) and the Shanghai Stock Exchange (stock code: 601998). To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, CITIC Bank and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE PURCHASE OF WEALTH MANAGEMENT PRODUCT

The Company has considered the risk profile, expected return and duration of the wealth management products while making our decision on the March Subscription and April Subscription. The Company considers that the reasonable and efficient use of temporary idle funds will enhance the overall capital gain of the Company. The Company has also considered the daily operational funding needs and believe that the March Subscription and the April Subscription will not have an adverse impact on the Group's daily funding needs. The funds required for the March Subscription and April Subscription will be satisfied by the Group using our internal resources (without utilizing any proceeds from the Global Offering).

The Directors consider that the terms of subscription for wealth management products under the March Subscription and April Subscription, together with the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better in the ordinary course of business of the Group, and are in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As all of the applicable percentage ratios (as calculated under Rule 14.07 of the Listing Rules) in respect of each of the March Subscription and April Subscription are less than 5%, the subscriptions of wealth management product as mentioned above do not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

However, in accordance with Rule 14.22 of the Listing Rules, as the March Subscription and the April Subscription are made with the same counterparties and are of a similar in nature within a 12 month period, the transactions are therefore aggregated. As one of the applicable percentage ratios in respect of the transactions after aggregation exceeds 5% but all of the applicable percentage ratios are less than 25%, the March Subscription and April Subscription constitute a discloseable transaction of the Company and are subject to the notification and announcement requirements under the Listing Rules.

DEFINITIONS

Unless the context otherwise requires, the following terms used herein have the following meanings:

“April Subscription”	the subscription for Win-win Zhixin Exchange Rate Linked RMB Structured Deposit Phase 14614 (共贏智信匯率掛鈎人民幣結構性存款14614期) for the principal amount of RMB80.0 million on April 13, 2023;
“AUD/NZD Reference Exchange Rate”	has the meaning ascribed to it in the paragraph headed “Linked exchanged rate” in relation to the March Subscription;
“Board”	the board of Directors of the Company;
“CITIC Bank”	China CITIC Bank Corporation Limited, a licensed bank incorporation in the PRC, the shares of which are listed on the Stock Exchange (stock code: 00998) and the Shanghai Stock Exchange (stock code: 601998);
“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;
“connected person”	has the meaning ascribed to it in the Listing Rules;
“Directors”	the director(s) of the Company;
“Global Offering”	has the meaning ascribed to it in the prospectus of the Company dated December 30, 2022;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

“JPY/USD Reference Exchange Rate”	has the meaning ascribed to it in the paragraph headed “Linked exchanged rate” in relation to the April Subscription;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“March Subscription”	the subscription for Win-win Zhixin Exchange Rate Linked RMB Structured Deposit Phase 14369 (共贏智信匯率掛鈎人民幣結構性存款14369期) for the principal amount of RMB110.0 million on March 29, 2023;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shanghai Beauty Farm”	Shanghai Beauty Farm Medical Healthcare Industry Co., Ltd. (上海美麗田園醫療健康產業有限公司), a company incorporated in the PRC on April 23, 2004 and a wholly-owned subsidiary of the Group;
“Share(s)”	the share(s) of the Company;
“Shareholder(s)”	the holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary(ies)”	has the meaning ascribed thereto in the Listing Rules;
“%”	per cent.

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

Hong Kong, April 13, 2023

As at the date of this announcement, the Board comprises Mr. Li Yang as Chairman and executive Director, Mr. Lian Songyong as executive Director, Mr. Zhai Feng, Mr. Geng Jiaqi and Ms. Li Fangyu as non-executive Directors and Mr. Fan Mingchao, Mr. Liu Teng and Mr. Jiang Hua as independent non-executive Directors.