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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 September 22, 2023, in order to make efficient use of idle funds, Beijing Palaispa subscribed from SPD Bank in the amount of RMB70.0 million for certain principal-guaranteed wealth management product pursuant to the September 22 Subscription.

In addition, on September 1, 2023, the Company, through Beijing Palaispa subscribed from SPD Bank in the amount of RMB50.0 million for certain principal-guaranteed wealth management product pursuant to the September 1 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 September 1 Subscription and September 22 Subscription are less than 5%, the subscriptions of wealth management product as mentioned above, on a standalone basis, does not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

* For identification purposes only

However, in accordance with Rule 14.22 of the Listing Rules, as the September 1 Subscription and the September 22 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 September 1 Subscription and September 22 Subscription constitute a discloseable transaction of the Company and are subject to the notification and announcement requirements under the Listing Rules.

BACKGROUND

The Board announced that, on September 22, 2023, in order to make efficient use of idle funds, Beijing Palaispa subscribed from SPD Bank in the amount of RMB70.0 million for certain principal-guaranteed wealth management product pursuant to the September 22 Subscription.

In addition, on September 1, 2023, the Company, through Beijing Palaispa subscribed from SPD Bank in the amount of RMB50.0 million for certain principal-guaranteed wealth management product pursuant to the September 1 Subscription.

The Company satisfied the September 1 Subscription and September 22 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. As the wealth management products under the September 1 Subscription and September 22 Subscription are principal-guaranteed in nature upon maturity and their underlying investments are considered to have relatively low risk, the subscription of the wealth management products as mentioned above are in line with the internal risk management, treasury management and investment policies of the Group.

WEALTH MANAGEMENT PRODUCTS SUBSCRIPTION

The principal terms of the September 22 Subscription are set out as follows:

- (1) Date of subscription: September 22, 2023
- (2) Parties:
 - (i) Beijing Palaispa (as subscriber)
 - (ii) SPD Bank (as issuer)
- (3) Name of the product: Liduoduo corporate stable profit 23JG3451 (6-month early bird) RMB corporate structured deposit (利多多公司穩利23JG3451期(6個月早鳥款)人民幣對公結構性存款)

- (4) Product code: 1201233451
- (5) Type of product: Principal guaranteed with variable return
- (6) Linked exchanged rate: The return of the deposit will be linked to the EURUSD spot rate exchange rate (by referring to the Bloomberg BFIX EURUSD currency value) (the “**EUR/USD Reference Exchange Rate**”)
- (7) Subscription amount: RMB70.0 million (equivalent to approximately HK\$76.48 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: 180 days (between September 25, 2023 and March 25, 2024)
- (9) Expected return: The expected return will be determined with reference to the change of the EUR/USD Reference Exchange Rate as of September 26, 2023 as compared to the EUR/USD exchange rate as of March 20, 2024:
- a. If the EUR/USD Reference Exchange Rate is less than 87.20% of the initial EUR/USD Reference Exchange Rate, the annual return shall be the base return of 1.55%;
 - b. If the EUR/USD Reference Exchange Rate is more than 87.20% but less than 108.43% of the initial EUR/USD Reference Exchange Rate, the annual return shall be the base return of 1.55% and a variable return of 1.10%; and
 - c. If the EUR/USD Reference Exchange Rate is more than 108.43% of the initial EUR/USD Reference Exchange Rate, the annual return shall be the base return of 1.55% and a variable return of 1.30%
- (10) Risk profile rating: Low risk
- (11) Early termination right: The subscriber may not terminate the product prior to the maturity date or seek early redemption of the product. SPD Bank may unilaterally terminate the product ahead of its maturity date.

The principal terms of the September 1 Subscription are set out as follows:

- (1) Date of subscription: September 1, 2023
- (2) Parties:
 - (i) Beijing Palaispa (as subscriber)
 - (ii) SPD Bank (as issuer)
- (3) Name of the product: Liduoduo corporate stable profit 23JG3412 (3-month early bird) RMB corporate structured deposit (利多多公司穩利23JG3412期(3個月早鳥款)人民幣對公結構性存款)
- (4) Product code: 1201233412
- (5) Type of product: Principal guaranteed with variable return
- (6) Linked exchanged rate: EUR/USD Reference Exchange Rate
- (7) Subscription amount: RMB50.0 million (equivalent to approximately HK\$54.66 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: 90 days (between September 4, 2023 and December 4, 2023)
- (9) Expected return: The expected return will be determined with reference to the change of the EUR/USD Reference Exchange Rate as of September 5, 2023 as compared to the EUR/USD exchange rate as of November 29, 2023:
 - a. If the EUR/USD Reference Exchange Rate is less than 92.60% of the initial EUR/USD Reference Exchange Rate, the annual return shall be the base return of 1.30%;
 - b. If the EUR/USD Reference Exchange Rate is more than 92.60% but less than 104.00% of the initial EUR/USD Reference Exchange Rate, the annual return shall be the base return of 1.30% and a variable return of 1.25%; and

- c. If the EUR/USD Reference Exchange Rate is more than 104.00% of the initial EUR/USD Reference Exchange Rate, the annual return shall be the base return of 1.30% and a variable return of 1.45%

- (10) Risk profile rating: Low risk
- (11) Early termination right: The subscriber may not terminate the product prior to the maturity date or seek early redemption of the product. SPD Bank may unilaterally terminate the product ahead of its maturity date.

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.

Beijing Palaispa is a subsidiary of the Group and its principal business is operation of stores mainly focused on providing high-end facial care and European imported products to customers. Beijing Palaispa is a non-wholly owned subsidiary of the Company.

SPD Bank is a licensed bank incorporated under the laws of the PRC listed on the Shanghai Stock Exchange (Stock code: 600000). The principal businesses of SPD Bank include finance and trust investment business, with its outstanding performance record and reputed integrity, SPD Bank has become a highly regarded listed company in the securities market of China. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, SPD 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 September 1 Subscription and September 22 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 September 1 Subscription and the September 22 Subscription will not have an adverse impact on the Group's daily funding needs. The funds required for the September 1 Subscription and September 22 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 September 1 Subscription and September 22 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 September 1 Subscription and September 22 Subscription are less than 5%, the subscriptions of wealth management product as mentioned above, on a standalone basis, does 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 September 1 Subscription and the September 22 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 September 1 Subscription and September 22 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:

“Beijing Palaispa”	Beijing Palaispa Commercial Management Co., Ltd. (北京貝黎詩商業管理有限公司), a non-wholly owned subsidiary of the Group;
“Board”	the board of Directors of the Company;
“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;
“EUR/USD Reference Exchange Rate”	has the meaning ascribed to it in the paragraph headed “Linked exchanged rate” in relation to the September 22 Subscription;

“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;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“September 1 Subscription”	the subscription for Liduoduo corporate stable profit 23JG3412 (3-month early bird) RMB corporate structured deposit (利多多公司穩利23JG3412期(3個月早鳥款)人民幣對公結構性存款) for the principal amount of RMB50.0 million on September 1, 2023;
“September 22 Subscription”	the subscription for Liduoduo corporate stable profit 23JG3451 (6-month early bird) RMB corporate structured deposit (利多多公司穩利23JG3451期(6個月早鳥款)人民幣對公結構性存款) for the principal amount of RMB70.0 million on September 22, 2023;
“Share(s)”	the share(s) of the Company;
“Shareholder(s)”	the holder(s) of Share(s);
“SPD Bank”	Shanghai Pudong Development Bank Co., Ltd. (上海浦東發展銀行股份有限公司), a company listed on the Shanghai Stock Exchange with the stock code 600000;
“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, September 22, 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.