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NEOLOGY
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Beauty Farm Medical and Health Industry Inc.

美麗田園醫療健康產業有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2373)

DISCLOSEABLE TRANSACTION SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS

SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS

The Board announced that, on February 29, 2024, in order to make efficient use of idle funds, Shenzhen Beauty Farm and Yanyi Shanghai subscribed from China Merchants Bank in the amount of RMB28 million and RMB22 million, respectively, for certain wealth management products pursuant to the February 29 Subscription.

In addition, on January 8, 2024, December 19, 2023, September 16, 2021 and April 1, 2021, the Company, through Beijing Palaispa, Wuhan Yijiangpan and Tianjin Beauty Farm subscribed from China Merchants Bank in the amount of RMB12.0 million, RMB20.0 million, RMB30.0 million and RMB40.0 million, respectively, for certain wealth management products pursuant to the January 8 Subscription, the December 19 Subscription, the September 16 Subscription and the April 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 February 29 Subscription, the January 8 Subscription, the December 19 Subscription, the September 16 Subscription and the April 1 Subscription are less than 5%, the subscriptions of wealth management products as mentioned above, on a standalone basis, do 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 February 29 Subscription, the January 8 Subscription, the December 19 Subscription, the September 16 Subscription and the April 1 Subscription are currently subsisting wealth management products made with the same counterparty 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 February 29 Subscription, the January 8 Subscription, the December 19 Subscription, the September 16 Subscription and the April 1 Subscription constitutes 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 February 29, 2024, in order to make efficient use of idle funds, Shenzhen Beauty Farm and Yanyi Shanghai subscribed from China Merchants Bank in the amount of RMB28 million and RMB22 million, respectively, for certain wealth management products pursuant to the February 29 Subscription.

In addition, on January 8, 2024, December 19, 2023, September 16, 2021 and April 1, 2021, the Company, through Beijing Palaispa, Wuhan Yijiangpan and Tianjin Beauty Farm subscribed from China Merchants Bank in the amount of RMB12.0 million, RMB20.0 million, RMB30.0 million and RMB40.0 million, respectively, for certain wealth management products pursuant to the January 8 Subscription, the December 19 Subscription, the September 16 Subscription and the April 1 Subscription.

WEALTH MANAGEMENT PRODUCTS SUBSCRIPTION

The principal terms of the February 29 Subscription are set out as follows:

- (1) Date of subscription : February 29, 2024
- (2) Parties : (i) Shenzhen Beauty Farm (as subscriber)
(ii) Yanyi Shanghai (as subscriber)
(iii) China Merchants Bank (as issuer)
- (3) Name of the product : Dianjin Series Bullish Three Tier Range 94-day Structured Deposit (點金系列看漲三層區間94天結構性存款)
- (4) Product code : NSH05547
- (5) Type of product : Structured deposit/Floating return

- (6) Subscription amount : RMB50.0 million (equivalent to approximately HK\$55.1 million). The Board believes that the consideration of such subscriptions were determined on the basis of arm's length commercial terms.
- (7) Term of product : 94 days (from March 1, 2024 to June 3, 2024)
- (8) Product link and expected annualized rate of return : The rate of return for this product is linked to the gold market (by referring to the price published on the Bloomberg GOLDLNPM Index) as of March 1, 2024 as compared to the GOLDLNPM Price as of May 30, 2024 and is expected to range from 1.85% to 2.65%.
- (9) Risk profile rating : Low risk
- (10) Early termination right : The subscribers may not terminate the product prior to the maturity date or seek early redemption of the product. China Merchants Bank may unilaterally terminate the product ahead of its maturity date.

The principal terms of the January 8 Subscription are set out as follows:

- (1) Date of subscription : January 8, 2024
- (2) Parties : (i) Beijing Palaispa (as subscriber)
(ii) China Merchants Bank (as issuer)
- (3) Name of the product : Dianjin Series Bullish Two Tier Range 93-day Structured Deposit (點金系列看漲兩層區間93天結構性存款)
- (4) Product code : NBJ05933
- (5) Type of product : Structured deposit/Floating return
- (6) Subscription amount : RMB12.0 million (equivalent to approximately HK\$13.2 million). The Board believes that the consideration of such subscription was determined on the basis of arm's length commercial terms.
- (7) Term of product : 93 days (from January 10, 2024 to April 12, 2024)

- (8) Product link and expected annualized rate of return : The rate of return for this product is linked to the gold market (by referring to the price published on the Bloomberg GOLDLNPM Index) as of January 10, 2024 as compared to the GOLDLNPM Price as of April 10, 2024 and is expected to range from 1.65% to 2.50%.
- (9) Risk profile rating : Low risk
- (10) Early termination right : The subscriber may not terminate the product prior to the maturity date or seek early redemption of the product. China Merchants Bank may unilaterally terminate the product ahead of its maturity date.

The principal terms of the December 19 Subscription are set out as follows:

- (1) Date of subscription : December 19, 2023
- (2) Parties : (i) Beijing Palaispa (as subscriber)
(ii) China Merchants Bank (as issuer)
- (3) Name of the product : Dianjin Series Bearish Two Tier Range 93-day Structured Deposit (金系列看跌兩層區間93天結構性存款)
- (4) Product code : NBJ05746
- (5) Type of product : Structured deposit/Floating return
- (6) Subscription amount : RMB20.0 million (equivalent to approximately HK\$22.0 million). The Board believes that the consideration of such subscription was determined on the basis of arm's length commercial terms.
- (7) Term of product : 93 days (from December 20, 2023 to March 22, 2024)
- (8) Product link and expected annualized rate of return : The rate of return for this product is linked to the gold market (by referring to the price published on the Bloomberg GOLDLNPM Index) as of December 20, 2023 as compared to the GOLDLNPM Price as of March 20, 2024 and is expected to range from 1.65% to 2.50%.
- (9) Risk profile rating : Low risk

- (10) Early termination right : The subscriber may not terminate the product prior to the maturity date or seek early redemption of the product. China Merchants Bank may unilaterally terminate the product ahead of its maturity date.

The principal terms of the September 16 Subscription are set out as follows:

- (1) Date of subscription : September 16, 2021
- (2) Parties : (i) Wuhan Yijiangpan (as subscriber)
(ii) China Merchants Bank (as issuer)
- (3) Name of the product : CMB Wealth Management Zhaoying Ririxin Cash Management Wealth Management Plan (80008) (招銀理財招贏日日鑫現金管理類理財計劃) (80008)
- (4) Product code : Z7001622000300
- (5) Type of product : Fixed income
- (6) Subscription amount : RMB30.0 million (equivalent to approximately HK\$33.0 million). The Board believes that the consideration of such subscription was determined on the basis of arm's length commercial terms.
- (7) Term of product : The term for this product is 30 years. The product may be redeemed by the subscriber on any working day prior to the expiration of the term.
- (8) Investment portfolio : The funds raised through the issuance of this wealth management product may be invested in cash, bank deposits, bond repurchases, central bank bills, interbank certificates of deposit with a term of one year or less, bonds with a remaining maturity of 397 days or less (including non-financial corporate debt financing instruments), asset backed securities issued in the interbank market and stock exchange market, other money market instruments with good liquidity recognized by the China Banking and Insurance Regulatory Commission and the People's Bank of China and other financial assets that comply with regulatory requirements.
- (9) Expected rate of return : Approximately 2.48%

- (10) Risk profile rating : Low risk
- (11) Early termination right : The subscriber may apply for redemption in writing after subscription. China Merchants Bank may unilaterally terminate the product ahead of its maturity date.

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

- (1) Date of subscription : April 1, 2021
- (2) Parties : (i) Tianjin Beauty Farm (as subscriber)
(ii) China Merchants Bank (as issuer)
- (3) Name of the product : CMB Wealth Management Zhaoying Ririxin Cash Management Wealth Management Plan (80008) (招銀理財招贏日日鑫現金管理類理財計劃) (80008)
- (4) Product code : Z7001622000300
- (5) Type of product : Fixed income
- (6) Subscription amount : RMB40.0 million (equivalent to approximately HK\$44.0 million). The Board believes that the consideration of such subscription was determined on the basis of arm's length commercial terms.
- (7) Term of product : The term for this product is 30 years. The product may be redeemed by the subscriber on any working day prior to the expiration of the term.
- (8) Investment portfolio : The funds raised through the issuance of this wealth management product may be invested in cash, bank deposits, bond repurchases, central bank bills, interbank certificates of deposit with a term of one year or less, bonds with a remaining maturity of 397 days or less (including non-financial corporate debt financing instruments), asset backed securities issued in the interbank market and stock exchange market, other money market instruments with good liquidity recognized by the China Banking and Insurance Regulatory Commission and the People's Bank of China and other financial assets that comply with regulatory requirements.

- (9) Expected rate of return : Approximately 2.48%
- (10) Risk profile rating : Low risk
- (11) Early termination right : The subscriber may apply for redemption in writing after subscription. China Merchants Bank may unilaterally terminate the product ahead of its maturity date.

INFORMATION ON THE PARTIES

The Company is a leading comprehensive beauty and health management platform in China. Its diversified service offerings cover traditional beauty services, aesthetic medical services as well as subhealth assessment and intervention services.

Shenzhen Beauty Farm, Yanyi Shanghai, Beijing Palaispa, Wuhan Yijiangpan and Tianjin Beauty Farm are subsidiaries of the Company. Shenzhen Beauty Farm, Wuhan Yijiangpan and Tianjin Beauty Farm are primarily engaged in the provision of traditional beauty services, while Yanyi Shanghai is primarily engaged in products sales. The principal business of Beijing Palaispa is operation of stores mainly focused on providing high-end facial care and European imported products to customers.

China Merchants Bank is a licensed bank incorporated under the laws of the PRC listed on the Shanghai Stock Exchange (stock code: 600036) and on the Stock Exchange (stock code: 3968). The principal businesses of China Merchants Bank include the provision of corporate and retail services, investment banking, assets management, brokerage as well as other financial services. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, China Merchants Bank and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE PURPOSE OF WEALTH MANAGEMENT PRODUCTS

The Company has considered the risk profile, expected return and duration of the wealth management products while making our decision on the February 29 Subscription, the January 8 Subscription, the December 19 Subscription, the September 16 Subscription and the April 1 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 February 29 Subscription, the January 8 Subscription, the December 19 Subscription, the September 16 Subscription and the April 1 Subscription will not have an adverse impact on the Group's daily funding needs. The funds required for the February 29

Subscription, the January 8 Subscription, the December 19 Subscription, the September 16 Subscription and the April 1 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 February 29 Subscription, the January 8 Subscription, the December 19 Subscription, the September 16 Subscription and the April 1 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 February 29 Subscription, the January 8 Subscription, the December 19 Subscription, the September 16 Subscription and the April 1 Subscription are less than 5%, the subscriptions of wealth management products as mentioned above, on a standalone basis, 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 February 29 Subscription, the January 8 Subscription, the December 19 Subscription, the September 16 Subscription and the April 1 Subscription are currently subsisting wealth management products made with the same counterparty 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 February 29 Subscription, the January 8 Subscription, the December 19 Subscription, the September 16 Subscription and the April 1 Subscription constitutes 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:

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| “April 1 Subscription” | the subscription of the CMB Wealth Management Zhaoying Ririxin Cash Management Wealth Management Plan (80008) (招銀理財招贏日日鑫現金管理類理財計劃) (80008) for the principal amount of RMB40.0 million on April 1, 2021; |
| “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; |

“China Merchants Bank”	China Merchants Bank Co., Ltd. (招商銀行股份有限公司), a company listed on the Shanghai Stock Exchange with the stock code 600036 and on the Stock Exchange with the stock code 3968;
“Company” or “our Company”	Beauty Farm Medical and Health Industry Inc., an exempted company with limited liability incorporated under the laws of the Cayman Islands on February 10, 2022;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“December 19 Subscription”	the subscription of the Dianjin Series Bearish Two Tier Range 93-day Structured Deposit (金系列看跌兩層區間93天結構性存款) for the principal amount of RMB20.0 million on December 19, 2023;
“Director(s)”	the director(s) of the Company;
“February 29 Subscription”	the subscriptions of the Dianjin Series Bullish Three Tier Range 94-day Structured Deposit (點金系列看漲三層區間94天結構性存款) for the principal amount of RMB50.0 million on February 29, 2024;
“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 People’s Republic of China;
“January 8 Subscription”	the subscription of the Dianjin Series Bullish Two Tier Range 93-day Structured Deposit (點金系列看漲兩層區間93天結構性存款) for the principal amount of RMB12.0 million on January 8, 2024;
“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 16 Subscription”	the subscription of the CMB Wealth Management Zhaoying Ririxin Cash Management Wealth Management Plan (80008) (招銀理財招贏日日鑫現金管理類理財計劃) (80008) for the principal amount of RMB30.0 million on September 16, 2021;

“Share(s)”	the share(s) of the Company;
“Shareholder(s)”	holder(s) of the shares of the Company;
“Shenzhen Beauty Farm”	Shenzhen Beauty Farm Beauty Co., Ltd. (深圳市美麗田園美容有限公司), a non-wholly owned subsidiary of the Group;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary(ies)”	has the meaning ascribed thereto in the Listing Rules;
“Tianjin Beauty Farm”	Tianjin Beauty Farm Enterprise Management Co., Ltd. (天津美麗田園企業管理服務有限公司), a non-wholly owned subsidiary of the Group;
“Wuhan Yijiangpan”	Wuhan Yijiangpan Beauty Co., Ltd. (武漢依江畔美容有限公司), a non-wholly owned subsidiary of the Group;
“Yanyi Shanghai”	Yanyi (Shanghai) Industrial Co., Ltd. (焱逸(上海)實業有限公司), a wholly owned subsidiary of the Group;
“%”	per cent.

For the purpose of this announcement, the exchange rate of HK\$1.00 to RMB0.90823 has been used for currency translation, where applicable. Such conversion is for illustrative purposes and does not constitute representations that any amount in HK\$ or RMB has been, could have been or may be converted at this or any other rate.

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

Hong Kong, February 29, 2024

As at the date of this announcement, the Board comprises Mr. Li Yang as Chairman and executive Director, Mr. Lian Songyong as Vice Chairman and 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.