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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 March 15, 2024, in order to make efficient use of idle funds, Beijing Palaispa subscribed from ICBC in the amount of RMB100.0 million for wealth management product pursuant to the March 15 Subscription.

In addition, on November 21, 2023, the Company, through Shenzhen Beauty Farm, subscribed from ICBC in the amount of RMB100.0 million for wealth management product pursuant to the November 21 Subscription.

LISTING RULES IMPLICATIONS

As all of the applicable percentage ratios (as calculated under Rule 14.07 of the Listing Rules) in respect of the March 15 Subscription and the November 21 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 November 21 Subscription is a currently subsisting wealth management product made with the same counterparty and is of a similar in nature within a 12 month period, the transactions are therefore aggregated. As one or more 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 15 Subscription and the November 21 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 March 15, 2024, in order to make efficient use of idle funds, Beijing Palaispa subscribed from ICBC in the amount of RMB100.0 million for wealth management product pursuant to the March 15 Subscription.

In addition, on November 21, 2023, the Company, through Shenzhen Beauty Farm, subscribed from ICBC in the amount of RMB100.0 million for certain wealth management products pursuant to the November 21 Subscription.

WEALTH MANAGEMENT PRODUCTS SUBSCRIPTION

The principal terms of the March 15 Subscription are set out as follows:

- (1) Date of subscription : March 15, 2024
- (2) Parties : (i) Beijing Palaispa (as subscriber)
(ii) ICBC (as issuer)
- (3) Name of the product : ICBC Pegged Exchange Rate Range Cumulative Entity RMB Structured Deposit Product — Separate Account Type 2024 Issue 100D (中國工商銀行掛鈎匯率區間累計型法人人民幣結構性存款產品 — 專戶型2024年第100期D款)
- (4) Product code : 24ZH100D
- (5) Type of product : Principal guaranteed floating income
- (6) Linked exchange 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) (the “**USD/JPY Reference Exchange Rate**”)
- (7) Subscription amount : RMB100.0 million (equivalent to approximately HK\$108.7 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 : 184 days (between March 19, 2024 and September 19, 2024)

- (9) Product link and expected annualized rate of return : The expected return will be determined with reference to the change of the USD/JPY Reference Exchange Rate as of March 13, 2024 as compared to the USD/JPY Reference Exchange Rate as of September 9, 2024 (“**Observation Period A**”):
- a. If the USD/JPY Reference Exchange Rate falls within the prescribed range throughout Observation Period A, the annual return shall be 2.49%;
 - b. If the USD/JPY Reference Exchange Rate were both within and outside of the stipulated range during Observation Period A, the annual return will be determined by the number of days within Observation Period A in which USD/JPY Reference Exchange Rate falls within the prescribed range and will range between 1.40% to 2.49%; and
 - c. If the USD/JPY Reference Exchange Rate falls outside of the prescribed range throughout Observation Period A, the annual return shall be the base return of 1.40%.
- (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. ICBC may not unilaterally terminate the product ahead of its maturity date.

The principal terms of the November 21 Subscription are set out as follows:

- (1) Date of subscription : November 21, 2023
- (2) Parties : (i) Shenzhen Beauty Farm (as subscriber)
(ii) ICBC (as issuer)
- (3) Name of the product : ICBC Pegged Exchange Rate Range Cumulative Entity RMB Structured Deposit Product — Separate Account Type 2023 Issue 422G (中國工商銀行掛鈎匯率區間累計型法人人民幣結構性存款產品 — 專戶型2023年第422期G款)
- (4) Product code : 23ZH422G

- (5) Type of product : Principal guaranteed floating income
- (6) Linked exchange rate : USD/JPY Reference Exchange Rate
- (7) Subscription amount : RMB100.0 million (equivalent to approximately HK\$108.7 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 : 179 days (between November 24, 2023 and May 21, 2024)
- (9) Product link and expected annualized rate of return : The expected return will be determined with reference to the change of the USD/JPY Reference Exchange Rate as of November 24, 2023 as compared to the USD/JPY Reference Exchange Rate as of May 17, 2024 (the "**Observation Period B**"):
 - a. If the USD/JPY Reference Exchange Rate falls within the prescribed range throughout Observation Period B, the annual return shall be 2.79%;
 - b. If the USD/JPY Reference Exchange Rate were both inside and outside of the prescribed range during Observation Period B, the annual return will be determined by the number of days within Observation Period B in which USD/JPY Reference Exchange Rate falls within the prescribed range and will range between 1.20% to 2.79%; and
 - c. If the USD/JPY Reference Exchange Rate falls outside of the prescribed range throughout Observation Period B, the annual return shall be the base return of 1.20%.
- (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. ICBC may not unilaterally terminate the product ahead of its maturity date.

INFORMATION ON THE PARTIES

The Company is a leading beauty and health service brand in China providing beauty and wellness services, aesthetic medical services as well as sub-health medical services that are personalized to clients' beauty and health desire.

Shenzhen Beauty Farm is a subsidiary of the Company which is primarily engaged in the provision of beauty and wellness services. Beijing Palaispa is a subsidiary of the Company and is primarily engaged in the operation of stores mainly focused on providing high-end facial care and European imported products to customers.

ICBC is a licensed bank incorporated under the laws of the PRC listed on the Shanghai Stock Exchange (stock code: 601398) and on the Stock Exchange (stock code: 1398). The principal businesses of ICBC include the provision of banking and related financial services. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, ICBC 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 March 15 Subscription and the November 21 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 15 Subscription and the November 21 Subscription will not have an adverse impact on the Group's daily funding needs. The funds required for the March 15 Subscription and the November 21 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 15 Subscription and the November 21 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 the March 15 Subscription and the November 21 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 November 21 Subscription is a currently subsisting wealth management product made with the same counterparty and is of a similar in nature within a 12 month period, the transactions are therefore aggregated. As one or more 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 15 Subscription and the November 21 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” 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;
“Director(s)”	the director(s) of the Company;
“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;
“ICBC”	Industrial and Commercial Bank of China Limited (中國工商銀行股份有限公司), a company listed on the Shanghai Stock Exchange with the stock code 601398 and on the Stock Exchange with the stock code 1398;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

“March 15 Subscription”	the subscription for ICBC Pegged Exchange Rate Range Cumulative Entity RMB Structured Deposit Product — Separate Account Type 2024 Issue 100D (中國工商銀行掛鈎匯率區間累計型法人人民幣結構性存款產品 — 專戶型2024年第100期D款) for the principal amount of RMB100 million on March 15, 2024;
“November 21 Subscription”	the subscription for ICBC Pegged Exchange Rate Range Cumulative Entity RMB Structured Deposit Product — Separate Account Type 2023 Issue 422G (中國工商銀行掛鈎匯率區間累計型法人人民幣結構性存款產品 — 專戶型2023年第422期G款) for the principal amount of RMB100 million on November 21, 2023;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“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;
“USD/JPY Reference Exchange Rate”	has the meaning ascribed to it in the paragraph headed “Linked exchange rate” in relation to the March 15 Subscription and the November 21 Subscription;
“%”	per cent.

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

Hong Kong, March 15, 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.