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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 September 24, 2024, in order to make efficient use of idle funds, Wuhan Yijiangpan subscribed from China Merchants Bank in the amount of RMB50 million for certain wealth management product pursuant to the September 24 Subscription.

In addition, the Company through Hangzhou Liyan on September 12, 2024 and September 5, 2024, Shanghai Beauty Farm Development on August 26, 2024, Beijing Palaispa on August 22, 2024 and August 19, 2024, subscribed from China Merchants Bank in the amount of RMB30 million, RMB20 million, RMB50 million, RMB23 million and RMB40 million, respectively, for certain wealth management products pursuant to the September 12 Subscription, September 5 Subscription, August 26 Subscription, August 22 Subscription and August 19 Subscription. Please refer to the announcement of the Company dated August 26, 2024 for further details on the August 26 Subscription, the August 22 Subscription and the August 19 Subscription, respectively.

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 24 Subscription, September 12 Subscription, September 5 Subscription, August 26 Subscription, August 22 Subscription and August 19 Subscription are less than 5%, the subscriptions of wealth management products 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 24 Subscription, the September 12 Subscription, the September 5 Subscription, the August 26 Subscription, the August 22 Subscription and the August 19 Subscription are currently subsisting wealth management products made with the same counterparty and are of a similar 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 September 24 Subscription, the September 12 Subscription, the September 5 Subscription, the August 26 Subscription, the August 22 Subscription and the August 19 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 24, 2024, in order to make efficient use of idle funds, Wuhan Yijiangpan subscribed from China Merchants Bank in the amount of RMB50 million for certain wealth management product pursuant to the September 24 Subscription.

In addition, the Company through Hangzhou Liyan on September 12, 2024 and September 5, 2024, Shanghai Beauty Farm Development on August 26, 2024, Beijing Palaispa on August 22, 2024 and August 19, 2024, subscribed from China Merchants Bank in the amount of RMB30 million, RMB20 million, RMB50 million, RMB23 million and RMB40 million, respectively, for certain wealth management products pursuant to the September 12 Subscription, the September 5 Subscription, the August 26 Subscription, the August 22 Subscription and the August 19 Subscription. Please refer to the announcement of the Company dated August 26, 2024 for further details on the August 26 Subscription, the August 22 Subscription and the August 19 Subscription, respectively.

WEALTH MANAGEMENT PRODUCTS SUBSCRIPTION

The principal terms of the September 24 Subscription are set out as follows:

- (1) Date of subscription : September 24, 2024
- (2) Parties : (i) Wuhan Yijiangpan (as subscriber)
(ii) China Merchants Bank (as issuer)
- (3) Name of the product : China Merchants Bank Dianjin Series Bullish Two Tier Range 91-day Structured Deposit (招商銀行點金系列看漲兩層區間91天結構性存款)

- (4) Product code : NSH06714
- (5) Type of product : Structured deposit/Floating return
- (6) Subscription amount : RMB50.0 million (equivalent to approximately HK\$54.9 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 : 91 days (between September 25, 2024 and December 25, 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 XAU Curncy BFIX) as of September 25, 2024 as compared to the GOLDLNPM Index Price as of December 23, 2024 and is expected to range from 1.85% to 2.20%.
- (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. Under special circumstances, China Merchants Bank may redeem the product ahead of its maturity date with the consent of the subscriber.

The principal terms of the September 12 Subscription are set out as follows:

- (1) Date of subscription : September 12, 2024
- (2) Parties : (i) Hangzhou Liyan (as subscriber)
(ii) China Merchants Bank (as issuer)
- (3) Name of the product : China Merchants Bank Dianjin Series Bullish Two Tier Range 91-day Structured Deposit (招商銀行點金系列看漲兩層區間91天結構性存款)
- (4) Product code : NHZ03317
- (5) Type of product : Structured deposit/Floating return
- (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 : 91 days (between September 13, 2024 and December 13, 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 XAU Currency BFIX) as of September 13, 2024 as compared to the GOLDLNPM Index Price as of December 11, 2024 and is expected to range from 1.65% to 2.20%.
- (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. Under special circumstances, China Merchants Bank may redeem the product ahead of its maturity date with the consent of the subscriber.

The principal terms of the September 5 Subscription are set out as follows:

- (1) Date of subscription : September 5, 2024
- (2) Parties : (i) Hangzhou Liyan (as subscriber)
(ii) China Merchants Bank (as issuer)
- (3) Name of the product : China Merchants Bank Dianjin Series Bullish Two Tier Range 91-day Structured Deposit (招商銀行點金系列看漲兩層區間91天結構性存款)
- (4) Product code : NHZ03272
- (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 : 91 days (between September 6, 2024 and December 6, 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 XAU Curney BFIX) as of September 6, 2024 as compared to the GOLDLNPM Index Price as of December 4, 2024 and is expected to range from 1.65% to 2.20%.
- (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. Under special circumstances, China Merchants Bank may redeem the product ahead of its maturity date with the consent of the subscriber.

Please refer to the announcement of the Company dated August 26, 2024 for further details on the August 26 Subscription, the August 22 Subscription and the August 19 Subscription, respectively.

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.

Wuhan Yijiangpan, Hangzhou Liyan, Shanghai Beauty Farm Development and Beijing Palaispa are subsidiaries of the Company. The principal business of Wuhan Yijiangpan is the provision of traditional beauty services. Hangzhou Liyan is primarily engaged in the provision of aesthetic medical services. Shanghai Beauty Farm Development is primarily engaged in the provision of lifestyle cosmetic services, personal image design services, sale of cosmetics and daily necessities and personal fitness services. Beijing Palaispa is primarily engaged in the 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 SUBSCRIPTION OF THE 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 September 24 Subscription, the September 12 Subscription, the September 5 Subscription, the August 26 Subscription, the August 22 Subscription and the August 19 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 24 Subscription, the September 12 Subscription, the September 5 Subscription, the August 26 Subscription, the August 22 Subscription and the August 19 Subscription will not have an adverse impact on the Group's daily funding needs. The funds required for the September 24 Subscription, the September 12 Subscription, the September 5 Subscription, the August 26 Subscription, the August 22 Subscription and the August 19 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 24 Subscription, the September 12 Subscription, the September 5 Subscription, the August 26 Subscription, the August 22 Subscription and the August 19 Subscription, together with the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better, 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 24 Subscription, the September 12 Subscription, the September 5 Subscription, the August 26 Subscription, the August 22 Subscription and the August 19 Subscription are less than 5%, the subscriptions of wealth management products 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 24 Subscription, the September 12 Subscription, the September 5 Subscription, the August 26 Subscription, the August 22 Subscription and the August 19 Subscription are currently subsisting wealth management products made with the same counterparty and are of a similar 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 September 24 Subscription, the September 12 Subscription, the September 5 Subscription, the August 26 Subscription, the August 22 Subscription and the August 19 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:

“August 19 Subscription”	the subscription for China Merchants Bank Dianjin Series Bullish Two Tier Range 269-day Structured Deposit (招商銀行點金系列看漲兩層區間269天結構性存款) for the principal amount of RMB40 million on August 19, 2024;
“August 22 Subscription”	the subscription for China Merchants Bank Dianjin Series Bullish Two Tier Range 91-day Structured Deposit (招商銀行點金系列看漲兩層區間91天結構性存款) for the principal amount of RMB23 million on August 22, 2024;
“August 26 Subscription”	the subscription for China Merchants Bank Dianjin Series Bullish Two Tier Range 92-day Structured Deposit (招商銀行點金系列看漲兩層區間92天結構性存款) for the principal amount of RMB50 million on August 26, 2024;
“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 Company;
“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;
“Director(s)”	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;

“Hangzhou Liyan”	Hangzhou Liyan Medical Beauty Clinic Co., Ltd. (杭州麗研醫療美容診所有限公司), a wholly-owned subsidiary of the Company;
“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;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“September 5 Subscription”	China Merchants Bank Dianjin Series Bullish Two Tier Range 91-day Structured Deposit (招商銀行點金系列看漲兩層區間91天結構性存款) for the principal amount of RMB20 million on September 5, 2024;
“September 12 Subscription”	China Merchants Bank Dianjin Series Bullish Two Tier Range 91-day Structured Deposit (招商銀行點金系列看漲兩層區間91天結構性存款) for the principal amount of RMB30 million on September 12, 2024;
“September 24 Subscription”	China Merchants Bank Dianjin Series Bullish Two Tier Range 91-day Structured Deposit (招商銀行點金系列看漲兩層區間91天結構性存款) for the principal amount of RMB50 million on September 24, 2024;
“Share(s)”	the share(s) of the Company;
“Shareholder(s)”	holder(s) of the shares of the Company;
“Shanghai Beauty Farm Development”	Shanghai Beauty Farm Development Co., Ltd. (上海美麗田園美容發展有限公司), a non-wholly owned subsidiary of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary(ies)”	has the meaning ascribed thereto in the Listing Rules;
“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 Company;

“%” per cent.

For the purpose of this announcement, the exchange rate of HK\$1.00 to RMB0.91 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, September 24, 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. Geng Jiaqi, Ms. Li Fangyu and Mr. Hu Tenghe as non-executive Directors and Mr. Fan Mingchao, Mr. Liu Teng and Mr. Jiang Hua as independent non-executive Directors.