
APPENDIX IV UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

(A) BASIS OF PREPARATION OF THE PRO FORMA FINANCIAL INFORMATION

The following is an illustrative and unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group (the “**unaudited pro forma financial information**”), which has been prepared on the basis of the notes set out below and in accordance with Rule 4.29 of the Listing Rules for the purpose of illustrating the effects of the Acquisition on the Group for inclusion in this circular.

The unaudited pro forma financial information has been prepared to illustrate the effect of the Acquisition on the Group’s financial position at 30 June 2025 as if the Acquisition had taken place and had been completed on 30 June 2025.

The unaudited pro forma financial information has been prepared using accounting policies consistent with those of the Group as set out in the Company’s published annual report for the year ended 31 December 2024.

The unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group is prepared based on the unaudited consolidated statement of financial position of the Group at 30 June 2025 as extracted from the Company’s published interim report for the period ended 30 June 2025 and the audited statement of financial position of the Target Group at 30 June 2025 as extracted from the accountant’s report on the financial information of the Target Group as set out in Appendix II to this circular, as if the Acquisition had been completed on 30 June 2025.

The unaudited pro forma financial information should be read in conjunction with other financial information contained in this circular, including the accountant’s report on the financial information of the Target Group as set out in Appendix II to this circular.

The unaudited pro forma financial information has been prepared by the Directors for illustrative purpose only and is based on a number of assumptions, estimates and uncertainties. Because of its hypothetical nature, it may not give a true picture of the financial position of the Enlarged Group notwithstanding the assumption that the Acquisition had been completed on 30 June 2025 or if the Acquisition had been completed on any future date.

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**(B) UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF ASSETS AND
LIABILITIES OF THE ENLARGED GROUP**

	Unaudited consolidated statement of assets and liabilities of the Group at 30 June 2025	Audited consolidated statement of assets and liabilities of the Target Group at 30 June 2025			Pro forma adjustments				Unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group
	RMB'000 Note 1	RMB'000 Note 2	RMB'000 Note 3	RMB'000 Note 4	RMB'000 Note 5	RMB'000 Note 6	RMB'000 Note 7	RMB'000 Note 8	RMB'000
Non-current assets									
Property, plant and equipment	332,120	165,830	—	—	(10,113)	—	—	—	487,837
Investment properties	62,670	7,285	—	—	(7,285)	—	—	—	62,670
Right-of-use assets	493,315	202,770	—	—	—	—	27,423	—	723,508
Intangible assets	336,719	59,992	—	—	—	—	400,667	—	797,378
Goodwill	653,954	228,910	—	—	—	—	703,644	—	1,586,508
Prepayments, deposits and other receivables	66,044	19,051	—	—	—	—	—	—	85,095
Other non-current assets	2,098	—	—	—	—	—	—	—	2,098
Financial assets at fair value through other comprehensive income	37	—	—	—	—	—	—	—	37
Financial assets at fair value through profit or loss	7,517	—	—	—	—	—	—	—	7,517
Deferred income tax assets	29,787	35,122	—	—	—	—	—	—	64,909
Total non-current assets	1,984,261	718,960	—	—	(17,398)	—	1,131,734	—	3,817,557
Current assets									
Inventories	149,989	70,052	—	—	—	—	—	—	220,041
Trade receivables	33,073	21,912	—	(7,646)	—	—	—	—	47,339
Prepayments, deposits and other receivables	118,128	64,081	—	(17,102)	17,745	—	—	—	182,852
Financial assets at fair value through profit or loss	924,665	80,557	—	—	—	—	—	—	1,005,222
Restricted cash	28,722	191,090	—	—	—	—	—	—	219,812
Cash and cash equivalents	459,741	85,902	(330,833)	(20,990)	—	(24,921)	—	(7,051)	161,848

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	Unaudited consolidated statement of assets and liabilities of the Group at 30 June 2025	Audited consolidated statement of assets and liabilities of the Target Group at 30 June 2025	Pro forma adjustments						Unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group
	RMB'000 Note 1	RMB'000 Note 2	RMB'000 Note 3	RMB'000 Note 4	RMB'000 Note 5	RMB'000 Note 6	RMB'000 Note 7	RMB'000 Note 8	RMB'000
Current assets									
Term deposits with initial terms of over three months	613,045	—	—	—	—	—	—	—	613,045
Total current assets	2,327,363	513,594	(330,833)	(45,738)	17,745	(24,921)	—	(7,051)	2,450,159
Total assets	4,311,624	1,232,554	(330,833)	(45,738)	347	(24,921)	1,131,734	(7,051)	6,267,716
Current liabilities									
Trade payables	35,076	4,792	—	(1,573)	—	—	—	—	38,295
Other payables and accruals	319,950	92,928	—	(19,165)	—	(24,921)	—	—	368,792
Contract liabilities	2,018,096	574,760	—	—	—	—	(3,813)	—	2,589,043
Current tax liabilities	28,480	16,233	—	—	—	—	—	—	44,713
Borrowings	37,671	22,540	50,154	—	—	—	—	—	110,365
Lease liabilities	201,227	85,110	—	—	—	—	1,586	—	287,923
Other current liabilities	123,961	32,576	—	—	—	—	—	—	156,537
Total current liabilities	2,764,461	828,939	50,154	(20,738)	—	(24,921)	(2,227)	—	3,595,668
Net current liabilities/(assets)	437,098	315,345	380,987	25,000	(17,745)	—	(2,227)	7,051	1,145,509
Total assets less current liabilities	1,547,163	403,615	(380,987)	(25,000)	347	—	1,133,961	(7,051)	2,672,048
Non-current liabilities									
Borrowings	211,500	—	451,386	—	—	—	—	—	662,886
Lease liabilities	328,678	130,937	—	—	—	—	12,560	—	472,175
Deferred tax liabilities	77,969	7,819	—	—	—	—	103,486	—	189,274
Total non-current liabilities	618,147	138,756	451,386	—	—	—	116,046	—	1,324,335
Total liabilities	3,382,608	967,695	501,540	(20,738)	—	(24,921)	113,819	—	4,920,003
NET ASSETS	929,016	264,859	(832,373)	(25,000)	347	—	1,017,915	(7,051)	1,347,713

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**(C) NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF
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1. The financial information in the unaudited consolidated statement of assets and liabilities of the Group is extracted from the published interim report of the Company for the period ended 30 June 2025.
2. The financial information in the audited consolidated statement of assets and liabilities of the Target Group is extracted from the accountant's report on the financial information of the Target Group as set out in Appendix II to this circular.
3. Pursuant to the Share Purchase Agreement, the consideration payable by the Purchasers to the Vendors for the Acquisition consists of Cash Consideration and Consideration Shares. The Cash Consideration is approximately RMB835,913,000 which is subject to adjustments by reference to (i) the expenses and taxes incurred in settlement of related party balances of RMB2,285,000; and (ii) the difference between RMB19,000,000 and the consideration of the properties which is estimated to be RMB17,745,000, as disclosed in Note 5 below. The net Cash Consideration to be paid by the Purchasers is therefore estimated to be RMB832,373,000, which is assumed to be partially funded through bank borrowings of approximately RMB501,540,000, with the remaining balance to be settled by the Company's available cash on hand.

The Consideration Shares consists of 15,798,147 ordinary shares with a par value of US\$0.000005 per share of the Company to be allotted and issued at a price of HK\$28.71 per share. The Directors assume the shares were issued on 30 June 2025 and the share consideration is measured at approximately RMB428,324,000, based on the market price of approximately RMB27.11 (equivalent to HK\$29.73) per share as at 30 June 2025. The share price as at the date of the Acquisition may have a material difference from market share price used in computation in pro forma financial information.

4. Pursuant to the pre-condition set out in the Share Purchase Agreement, the adjustment reflects the dividends payable of RMB25,000,000 to the Target Group's shareholders, SYL Holding and Shanghai Anyan, for the settlement of net related party balances due to the Target Group amounting to approximately RMB22,715,000. The Target Group will pay the expenses and taxes, amounted to approximately RMB2,285,000, incurred in dividends distribution and settlement.

The remaining net related party balances due from the Target Group of approximately RMB18,705,000 are to be fully settled by cash prior to the completion of the Acquisition.

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5. Pursuant to the clause set out in the Share Purchase Agreement, Shanghai Anyan or its designated third party have the right to purchase certain property, plant and equipment and investment property of the Target Group at a consideration not less than the carrying amount as at 31 December 2024. The adjustment reflects the sale of the Target Group's property, plant and equipment of and investment properties with carrying amount of RMB10,113,000 and RMB7,285,000 as at 30 June 2025 respectively, with an estimated total consideration of approximately RMB17,745,000.
6. Pursuant to the pre-condition set out in the Share Purchase Agreement, the adjustment reflects the settlement of put options over non-controlling equity interests of Zhejiang Siyanli Health Culture Management Co., Ltd. and Shanghai Yancu Corporate Management Co., Ltd. by the Target Group, amounting to RMB20,810,000 and RMB4,111,000 respectively, prior to the completion of the Acquisition.
7. Upon Completion, the identifiable assets and liabilities of the Target Group will be accounted for in the consolidated financial statements of the Enlarged Group at their fair values as required by the acquisition method in accordance with HKFRS 3 "Business Combinations".

For the purpose of the unaudited pro forma financial information of the Enlarged Group and for illustrative purpose only, the Group has carried out a provisional purchase price allocation exercise in accordance with HKFRS 3.

Details of the identifiable assets and liabilities of the Target Group used in the preparation of the unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group and the calculation of goodwill are as follows:

	Carrying amount <i>RMB'000</i>	Fair value adjustment <i>RMB'000</i>	Fair value <i>RMB'000</i>
Property, plant and equipment <i>(note (i))</i>	155,717	—	155,717
Investment properties <i>(note (i))</i>	—	—	—
Right-of-use assets <i>(note (ii))</i>	202,770	27,423	230,193
Intangible assets <i>(note (iii))</i>	59,992	400,667	460,659
Prepayments, deposits and other receivables — Non-current portion	19,051	—	19,051
Deferred income tax assets	35,122	—	35,122
Inventories	70,052	—	70,052
Trade receivables <i>(note (i))</i>	14,266	—	14,266
Prepayments, deposits and other receivables — Current portion <i>(note (i))</i>	64,724	—	64,724

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	Carrying amount <i>RMB'000</i>	Fair value adjustment <i>RMB'000</i>	Fair value <i>RMB'000</i>
Financial assets at fair value through profit or loss	80,557	—	80,557
Restricted cash	191,090	—	191,090
Cash and cash equivalents (<i>note (i)</i>)	39,991	—	39,991
Trade payables (<i>note (i)</i>)	(3,219)	—	(3,219)
Other payables and accruals (<i>note (i)</i>)	(48,842)	—	(48,842)
Contract liabilities	(574,760)	3,813	(570,947)
Current tax liabilities	(16,233)	—	(16,233)
Borrowings	(22,540)	—	(22,540)
Lease liabilities — Current portion (<i>note (ii)</i>)	(85,110)	(1,586)	(86,696)
Other current liabilities	(32,576)	—	(32,576)
Lease liabilities — Non-current portion (<i>note (ii)</i>)	(130,937)	(12,560)	(143,497)
Deferred tax liabilities (<i>notes (ii) and (iii)</i>)	<u>(7,819)</u>	<u>(103,486)</u>	<u>(111,305)</u>
Identifiable net assets of the Target Group	<u>11,296</u>	<u>314,271</u>	<u>325,567</u>
			<i>RMB'000</i>
Total consideration (<i>Note 3</i>)			1,260,697
Less: Fair value of identifiable net assets			(325,567)
Less: non-controlling interest in the Target Group			<u>(2,576)</u>
Goodwill			<u>932,554</u>

Note (i): The balance of these financial statement items are net of financial impacts of the pro forma adjustments as explained in notes 4, 5 and 6 above.

Note (ii): The Group recognises the acquired lease liabilities and right-of-use assets as if the lease contract was a new lease at 30 June 2025 in accordance with HKFRS 3 “Business Combinations”. Deferred tax liabilities related to lease liabilities and right-of-use assets is calculated using the statutory tax rate 25% for the Target Group as RMB3,319,000.

Note (iii): The identifiable intangible assets comprise mainly the trademark of the Target Group and the customer relationship in relation to the Target Group’s business, valued as RMB275,000,000 and RMB179,000,000 respectively. Deferred tax liabilities related to the identifiable intangible asset is calculated using the statutory tax rate 25% for the Target Group as RMB100,167,000.

Since the fair values and the carrying amounts of the identifiable assets and liabilities of the Target Group and the total consideration as at the Completion Date may be materially different from the values used in the preparation of the unaudited pro forma financial information of the Enlarged Group, the actual amounts of the assets, liabilities and goodwill to be recognised in the consolidated financial statements of the Enlarged Group upon the Completion may be materially different from the estimated amounts as shown above, accordingly, this Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and because of its nature, it may not give a true picture of the financial position of the Enlarged Group following the completion of the Acquisition.

For the purpose of the unaudited pro forma financial information of the Enlarged Group, the Group's management made preliminary assessment, with reference to Hong Kong Accounting Standard 36, Impairment of Assets, issued by the HKICPA, as to whether or not, based on the above information, there is any indicator of impairment on goodwill arising from the Acquisition. Based on such assessment, the Directors did not identify any impairment indicator in respect of the goodwill arising from the Acquisition.

The management will follow the Group's accounting policy in respect of assets impairment assessment, including the assessment of the impairment of goodwill arising from the Acquisition when preparing the Group's consolidated financial statements covering the period in which the Acquisition is completed. The Group's consolidated financial statements will be subject to the annual audit by the Group's auditors in accordance with Hong Kong Standards of Auditing.

8. This adjustment represents legal and professional fees and other expenses of approximately RMB7,051,000 incurred directly attributable to the Acquisition. The Directors assume that these fees are settled by cash as if the Acquisition had been completed on 30 June 2025.
9. Other than the above adjustments, no other adjustment had been made to the Unaudited Pro Forma Financial Information to reflect any trading results or other transactions that the Enlarged Group entered into subsequent to 30 June 2025.

(D) REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE
ENLARGED GROUP



羅兵咸永道

**Independent Reporting Accountant's Assurance Report on the Compilation of Unaudited
Pro Forma Financial Information**

To the Directors of Beauty Farm Medical and Health Industry Inc.

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Beauty Farm Medical and Health Industry Inc. (the "**Company**") and its subsidiaries (collectively the "**Group**"), and Shanghai Siyanli Industrial Co., Ltd. and its subsidiaries (the "**Target Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of assets and liabilities as at 30 June 2025, and related notes (the "**Unaudited Pro Forma Financial Information**") as set out on pages IV-1 to IV-7 of the Company's circular dated 17 November 2025, in connection with the proposed acquisition of the Target Group (the "**Transaction**") by the Company. The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages IV-1 to IV-7 of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Transaction on the Group's financial position as at 30 June 2025 as if the Transaction had taken place at 30 June 2025. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the period ended 30 June 2025, on which no audit or review report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Transaction at 30 June 2025 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 17 November 2025

