CONSULTING & APPRAISAL
亚太評估

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300 Lockhart Road,
Wan Chai, Hong Kong

27 November 2023

The Board of Directors
Alibaba Health Technology (China) Co., Ltd.

Dear Sirs,

In accordance with the instructions received from Alibaba Health Technology (China) Co., Ltd. ("**Alibaba Health**" or the "**Company**"), we have undertaken a valuation exercise which requires Asia-Pacific Consulting and Appraisal Limited ("**APA**") to express an independent opinion on the market value of 100% equity interests of marketing related business (the "**Target Business**") which mainly provides marketing materials review services (the "**Marketing Materials Review Services**") and the value-added services (the "**Value-added Services**") as at 30 September 2023 (the "**Valuation Date**").

The purpose of this valuation is for internal reference of the Company.

Our valuation was carried out on a market value basis which is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently, and without compulsion".

INTRODUCTION

On September 2023, the Company is planning to purchase the 100% equity interests of the Target Business from a direct wholly-owned subsidiary of Alibaba Group Holding Limited (the "**Alibaba Holding**"). The Company will hold the Target Business at the completion of the transaction.

The Target Business comprises the provision of the following services under the healthcare categories (the "**Healthcare Categories**"): (i) the Marketing Materials Review Services pursuant to the exclusive marketing materials review right (the "**Exclusive Marketing Materials Review Right**"), and (ii) the Value-added Services.

The "Exclusive Marketing Materials Review Right" is defined as the exclusive right to operate and manage the Marketing Materials Review Services under the Healthcare Categories on the Tmall Platform, to the absolute exclusion of the Alimama Group and the Taobao and Tmall Group.

The “Marketing Materials Review Services” are defined as the marketing materials review services provided by the WFOE under the Exclusive Services Framework Agreement, as may be amended from time to time, comprising (i) the review services in respect of marketing materials for the performance-based marketing (“**the Performance-based Marketing**”) and/or the brand-based marketing (“**the Brand-based Marketing**”) placed by the target merchants (the “**Target Merchants**”) through the Alimama Group, and (ii) the review services in respect of corresponding qualifications of such marketing materials for products and services under the Healthcare Categories.

The “Value-added Services” are defined as the value-added services, within the scope of written authorisation from the Alimama Group and in accordance with the standards and requirements imposed by the Alimama Group, provided by the WFOE to the Target Merchants whose primary categories are the Healthcare Categories under the Exclusive Services Framework Agreement, as may be amended from time to time, which shall include providing consultation and suggestions to and responding to questions from such Target Merchants relating to marketing promotions under the Healthcare Categories.

The “Brand-based Marketing (品牌營銷)” is defined as the marketing products and services provided by the Alimama Group through including without limitation Pin Xiao Bao (品銷寶) for the purposes of enhancing brand exposures and awareness.

The “Performance-based Marketing (效果營銷)” is defined as the marketing products and services provided by the Alimama Group through including without limitation Zhi Tong Che (直通車) and Wan Xiang Tai (萬相台) for the purposes of enhancing operation results of the merchants.

The “Healthcare Categories (醫療健康類目)” has the meaning ascribed to it under the Exclusive Services Framework Agreement, as may be amended from time to time, which shall comprise the following categories at Completion:

(i) OTC Drugs/International Drugs (OTC藥品／國際醫藥類目);

(ii) Prescription Drugs (處方藥類目);

(iii) Health Food/Dietary Supplements (保健食品／膳食營養補充食品類目);

(iv) Medical Devices (醫療器械類目);

(v) Family Planning Products (計生用品類目);

(vi) Contact Lenses/Contact Lens Solution (隱形眼鏡／護理液類目);

(vii) Adult Products/Sexual Health Products (成人用品／情趣用品類目)；

(viii) Healthcare Products (保健用品類目);

(ix) Medical and Health Services (醫療及健康服務類目);

(x) Examination/Medical Insurance Card (體檢／醫療保障卡類目);

(xi) Vaccine Services (疫苗服務類目);

(xii) Chinese Medicines (精緻中藥材類目); and

(xiii) Traditional Nutritional Products (傳統滋補營養品類目).

We have conducted our valuation in accordance with the International Valuation Standards issued by the International Valuation Standards Council. The valuation procedures employed include the review of economic condition of the subject asset and an assessment of key assumptions, estimates, and representations made by the proprietor or the operator of the subject asset. We believe that the valuation procedures we employed provide a reasonable basis for our opinion.

VALUATION METHODOLOGY

In arriving at our assessed value, we have considered three generally accepted approaches, namely market approach, cost approach and income approach.

Market Approach considers prices recently paid for similar assets, with adjustments made to market prices to reflect condition and utility of the appraised assets relative to the market comparative. Assets for which there is an established secondary market may be valued by this approach. Benefits of using this approach include its simplicity, clarity, speed and the need for few or no assumptions. It also introduces objectivity in application as publicly available inputs are used. However, one has to be wary of the hidden assumptions in those inputs as there are inherent assumptions on the value of those comparable assets. It is also difficult to find comparable assets. Furthermore, this approach relies exclusively on the efficient market hypothesis.

Cost Approach considers the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation or obsolescence present, whether arising from physical, functional or economic causes. The cost approach generally furnishes the most reliable indication of value for assets without a known secondary market. Despite the simplicity and transparency of this approach, it does not directly incorporate information about the economic benefits contributed by the subject assets.

Income Approach is the conversion of expected periodic benefits of ownership into an indication of value. It is based on the principle that an informed buyer would pay no more for the project than an amount equal to the present worth of anticipated future benefits (income) from the same or a substantially similar project with a similar risk profile. This approach allows for the prospective valuation of future profits and there are numerous empirical and theoretical justifications for the present value of expected future cash flows. However, this approach relies on numerous assumptions over a long-time horizon and the result may be very sensitive to certain inputs. It also presents a single scenario only.

Given the characteristics of Target Business, there are substantial limitations for the income approach and the cost approach for valuing the underlying asset. Firstly, the income approach requires subjective assumptions to which the valuation is highly sensitive.

Detailed operational information and long-term financial projections are also needed to arrive at an indication of value but such information is not available as at the Valuation Date. Secondly, the cost approach does not directly incorporate information about the economic benefits contributed by the subject business.

In view of the above, we have adopted the market approach for the valuation. The market approach considers prices recently paid for similar assets, with adjustments made to market prices to reflect condition and utility of the appraised assets relative to the market comparable. Assets for which there is an established secondary market may be valued by this approach. Benefits of using this approach include its simplicity, clarity, speed and the need for few assumptions. It also introduces objectivity in application as publicly available inputs are used.

In this valuation exercise, the market value of 100% equity interests in Target Business was developed through the application of the market approach technique known as the guideline public company method. This method requires the research of comparable companies' benchmark multiples and proper selection of a suitable multiple to derive the market value of Target Business. We have considered price-to-book ("**P/B**"), price-to-sales ("**P/S**") and price-to-earnings ("**P/E**") multiples, selecting the P/E ratio as the most appropriate metric for assessing the value of the Target Business.

The P/B multiple is considered not appropriate for this valuation because book value captures only the tangible assets of a company and also does not take into account the intangible company-specific competencies and advantages. In general, the equity's book value has little bearing with fair value for asset-light company. Thus, the P/B multiple is not a good measurement of the fair value of the Target Business.

The P/S multiple is commonly used in the valuation of start-up enterprises. However, it ignores the cost structure of a company and hence the profitability of a company, which is critical in reflecting the fair value. Hence, we are of the view that it is not appropriate to adopt the P/S multiple to assess the fair value of the Target Business.

P/E multiple is one of the most commonly used valuation multiples and is suitable for the company with stable profit. It is also widely used in advertising revenue-based companies by many research analysts from various international investment banks. It relates the market value of the equity interest in the Target Business to its earnings, an important driver of shareholders' value. We consider that it is fair and reasonable to use the P/E multiple for assessing the value of the Target Business because net income is a more direct economic measurement of earning attributable to the equity value of the Target Business. Meanwhile, we note that the historical profits for the Target Business were stable in the last two years which are RMB899.22 million and RMB899.72 million for the year ended March 31, 2022 and 2023 respectively according to the disclosed unaudited adjusted financial information of the Target Business. Hence, it is considered that the suitable multiple in this valuation is the Price-to-Earnings ratio (the "**P/E Ratio**"), which is calculated by using comparable companies' market value as at the Valuation Date and the earnings to determine the 100% equity value of Target Business, and then take into account of market liquidity discount and control premium as the appropriate adjustment.

BASIS OF OPINION

We have conducted our valuation with reference to the International Valuation Standards issued by the International Valuation Standards Council. The valuation procedures employed include a review of legal status and economic condition of Target Business and an assessment of key assumptions, estimates, and representations made by the proprietor. All matters essential to the proper understanding of the valuation are disclosed in this report.

The following factors form an integral part of our basis of opinion:

- The economic outlook in general;
- The nature of business and historical financial performance of Target Business;
- Financial and business risks of the business including continuity of income and the projected future results;
- Consideration and analysis on the micro and macro economy affecting the subject business; and
- Other operational and market information in relation to Target Business's business.

We planned and performed our valuation so as to obtain all the information and explanations that we considered necessary in order to provide us with sufficient evidence to express our opinion on Target Business.

VALUATION ASSUMPTIONS

In determining the market value of the equity interest in Target Business, we make the following key assumptions:

- All relevant legal approvals and business certificates or licenses to operate the business in which Target Business operates or intends to operate have been or would be officially obtained and renewable upon expiry;
- There will be no major change in the political, legal, economic and social environment in which Target Business operates or intends to operate;
- Interest rates and exchange rates in the localities for the operation of Target Business will not differ materially from those presently prevailing;
- It is assumed that the operational and contractual terms stipulated in the relevant contracts and agreements will be honored;
- The financial and operational information provided by the Company is accurate and it is relied to a considerable extent on such information in arriving at the opinion of value; and

- There are no hidden or unexpected conditions associated with the asset valued that might adversely affect the reported value.

FINANCIAL INFORMATION OF THE TARGET BUSINESS

Set out below is an extract from the unaudited consolidated financial statements of Target Business for the year ended 31 March 2022, 31 March 2023 and for the three months ended 30 June 2022 and 2023 which were prepared by the management of the Company:

	For the year ended March 31		**For the three months ended June 30**	
	2022	**2023**	**2022**	**2023**
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Earnings	899,222	899,719	216,970	256,549

PricewaterhouseCoopers, the professional accountant, has performed certain agreed-upon procedures in respect of the above key unaudited adjusted financial information of the Target Business in accordance with the Hong Kong Standard on Related Services 4400 (Revised), Agreed-Upon Procedures Engagements issued by the Hong Kong Institute of Certified Public Accountants.

Based on the above financial information of the Target Business, the earnings for the twelve months ended 30 June 2023 is calculated as below:

	For the year ended 31 March 2023		**For the three months ended 30 June 2023**		**For the three months ended 30 June 2022**		**For the last twelve months ended 30 June 2023**
	RMB'000		*RMB'000*		*RMB'000*		*RMB'000*
	(Unaudited)		*(Unaudited)*		*(Unaudited)*		*(Unaudited)*
Earnings	899,719	+	256,549	–	216,970	=	939,298

It is respectfully submitted that it's common practice to use the latest available financial information to conduct the valuation. As of the Valuation Date of 30 September 2023, the latest publicly available financial information for the comparable companies are for the twelve months ended 30 June 2023, and to maintain consistency for the corresponding period, the unaudited financial information of the Target Business for the twelve months ended 30 June 2023 was selected to perform the valuation.

The market value of Target Business was then derived using the P/E Ratio as at the Valuation Date and the earnings for last twelve months ended 30 June 2023 of the Target Business.

For the avoidance of doubt, PricewaterhouseCoopers, the professional accountant, has not reviewed the financial information of the Target Business for the twelve months ended June 30, 2023. The financial information of the Target Business for the twelve months ended June 30, 2023 is calculated based on the unaudited adjusted financial information of the Target Business for the years ended March 31, 2022 and 2023 and for the three months ended June 30, 2022 and 2023. PricewaterhouseCoopers has performed certain agreed-upon procedures in respect of the above key unaudited adjusted financial information of the Target Business for the years ended March 31, 2022 and 2023 and for the three months ended June 30, 2022 and 2023 in accordance with the Hong Kong Standard on Related Services 4400 (Revised), Agreed-Upon Procedures Engagements issued by the Hong Kong Institute of Certified Public Accountants.

MARKET MULTIPLE FOR TARGET BUSINESS

In determining the enterprise value multiple, the initial selection criteria include the followings:

- The comparable companies are publicly listed and are searchable in Capital IQ;
- The comparable companies are mainly listed in mature markets of Hong Kong and United States;
- The comparable companies' market capitalization exceeds one billion dollars;
- P/E ratios of the comparable companies are available as at the Valuation Date.

Below is the selection procedure of the comparable companies:

- Companies derive their revenues from the same or similar industry with the Target Business, i.e., advertising and precision marketing. First, the search was performed in Capital IQ using the industry classification "Advertising" and "Marketing Services", which yielded around 3,751 companies. Then the companies which are not mainly listed in mature markets of Hong Kong and United States under the Capital IQ Exchange Listing Standard and the market value which are less than USD one billion are excluded. These companies are operating on similar advertising and precision marketing model as the Target Business and are considered as relevant even though they may not serve in the same geographical location, which yielded about 335 companies. Next, we added "advertising and marketing" as an additional key word criterion and identified about 107 companies. Last, we reviewed these 107 companies and found that 9 companies (namely The Trade Desk, Inc., Omnicom Group Inc., AppLovin Corporation, Integral Ad Science Holding Corp., Criteo S.A., Perion Network Ltd., Weimob Inc., Magnite, Inc. and PDD Holdings Inc.) generated more than 50% of their revenue from advertising and marketing.
- Alibaba Group Holding Limited (the "**Alibaba Holding**") has been added as a comparable company considering that the Target Business itself has been a part of Alibaba Holding's digital marketing business (Alimama), from an operational

perspective. Alibaba Holding operates its marketing and advertising related business primarily in its Taobao and Tmall Group. In the twelve months ended March 31, 2023, Taobao and Tmall Group contributes to approximately 48% of the consolidated revenue of Alibaba Holding and serves as the only substantially profitable segment which accounts for approximately 128% of the adjusted consolidated EBITA. In addition to Taobao and Tmall Group, advertising and marketing related business is also a major component of Alibaba Holding's other segments such as Alibaba International Digital Commerce Group and Digital Media and Entertainment Group. Thus, Alibaba Holding is selected as one of the main comparable companies in this valuation.

As sourced from Capital IQ, a reliable third-party database service provider designed by Standard & Poor's (S&P), an exhaustive list of comparable companies satisfying the above criteria was obtained on a best effort basis and the details of these comparable companies are shown below:

Stock Code	**Company Name**	**Business Description**	**Revenue from Advertising and Precision Marketing among Total Revenue**
NYSE: BABA	Alibaba Group Holding Limited	Alibaba Holding is a holding company of six major business groups: Taobao and Tmall Group, Alibaba International Digital Commerce Group, Cloud Intelligence Group, Local Services Group, Cainiao Smart Logistics Network Limited, and Digital Media and Entertainment Group, along with various other businesses. It offers pay-for-performance, in-feed, and display marketing services; and operates Taobao Ad Network and Exchange, a real-time online bidding marketing exchange. It derives a majority profits from marketing and advertising, and commissions on transactions where merchants pay a commission based on a percentage of transactions value generated on its platform and certain other marketplaces.	Not directly disclosed *(Note 1)*

Stock Code	Company Name	Business Description	Revenue from Advertising and Precision Marketing among Total Revenue
NasdaqGS: PDD	PDD Holdings Inc.	PDD Holdings Inc., owns and operates a portfolio of businesses. It operates Pinduoduo, an e-commerce platform that offers products in various categories and Temu, an online marketplace. Its revenue mainly derives from performance-based marketing services that match product listings appearing in search or browser results on its online marketplaces, and transaction-related services where merchants pay a commission based on a percentage of transactions value generated on its platform and marketplaces. PDD Holdings Inc. was incorporated in 2015 and is based in Dublin, Ireland.	79%
NasdaqGM: TTD	The Trade Desk, Inc.	The Trade Desk, Inc. mainly engages in the provision of data-driven digital advertising services to advertising agencies, brands and other service providers for advertisers in the United States and internationally. Its clients can execute integrated advertising campaigns across ad formats and various channels on a multitude of devices through its platform. It generates revenue mainly by charging fee based on a percentage of a client's total spend on advertising. It also generates revenue from providing data and other value-added services related to advertising business through its platform. The Trade Desk, Inc. was incorporated in 2009 and is headquartered in Ventura, California.	100%

Stock Code	Company Name	Business Description	Revenue from Advertising and Precision Marketing among Total Revenue
NasdaqGS: IAS	Integral Ad Science Holding Corp.	Integral Ad Science Holding Corp. is a global digital advertising verification company. It mainly provides independent measurement and verification services of digital advertising to help advertisers, publishers, and media platforms improve the effectiveness and quality of advertising across various devices, channels and formats through its platform. It generates revenue based on the volume of purchased digital ads that measured by the solution. Most customers pay a fee based on the total volume of ads measured. The company was founded in 2009 and is headquartered in New York.	100%
NasdaqGS: CRTO	Criteo S.A.	Criteo S.A., mainly provides marketing and monetization services on the open Internet in many countries. It provides marketing solutions that helps brands, retailers, and agencies to address various marketing goals by engaging their consumers with personalized ads; and retail media solutions, which helps retailers to generate advertising revenues from consumer brands and to drive sales by monetizing their data and audiences. It leverages pricing models consistent with industry standards that include cost-per click, cost-per-impression and cost-perinstall, as well as volume-based fees for brands and large retailers using its retail media solutions. Criteo S.A. was incorporated in 2005 and is headquartered in Paris, France.	87%

Stock Code	Company Name	Business Description	Revenue from Advertising and Precision Marketing among Total Revenue
NasdaqGS: PERI	Perion Network Ltd.	Perion Network Ltd. provides digital advertising solutions to brands, agencies, and publishers in North America, Europe, and internationally. Its main businesses are display advertising and search advertising. Display advertising generates revenue from delivering high impact ad formats through different channels, content optimization solutions and services and from the use of its platform in online media channels. Search advertising generates revenue primarily from transaction volume-based fees generated on its platform. The company was formerly known as IncrediMail Ltd. and changed its name to Perion Network Ltd. in November 2011. Perion Network Ltd. was incorporated in 1999 and is headquartered in Holon, Israel.	100%
SEHK: 2013	Weimob Inc.	Weimob Inc., an investment holding company, provides digital commerce and media services in the People's Republic of China. It operates through subscription solutions and merchant solutions segments. The subscription solutions segment provides cloud-hosted commerce and marketing SaaS products, the merchant solutions segment offers value-added services for merchants to meet merchants' online digital commerce, marketing and financing needs, including assisting merchants to purchase online advertising traffic in various media platforms. It also provides online marketing support services and in-depth operation and marketing services. The company was incorporated in 2013 and is headquartered in Shanghai, the People's Republic of China.	100%

Stock Code	Company Name	Business Description	Revenue from Advertising and Precision Marketing among Total Revenue
NasdaqGS: MGNI	Magnite, Inc.	Magnite, Inc. provides a solution to automate the purchase and sale of digital advertising inventory for buyers and sellers globally, across all channels, formats and auction types through its platform. It generates revenue from the purchase and sale of digital advertising inventory through its platform. Generally, its revenue is mainly based on a percentage of the ad spend, for certain clients or transaction types it may receive a fixed fee for each impression sold, and for advertising campaigns transacted through insertion orders, it earns revenue based on the full amount of ad spend that runs through its platform. The company was formerly known as The Rubicon Project, Inc. and changed name to Magnite, Inc. in July 2020. Magnite, Inc. was incorporated in 2007 and is headquartered in New York.	100%
NYSE: OMC	Omnicom Group Inc.	Omnicom Group Inc., is a global advertising, marketing and corporate communications company which provides a range of services in the areas of advertising and media, precision marketing, commerce and brand consulting, and public relations through various client-centric networks to meet specific client objectives. Its core ability is to create and develop a client's marketing or corporate communications message into content that can be delivered to a target audience across different communications medium, and derives revenue by delivering the above services to clients. The company was incorporated in 1944 and is based in the New York.	69%

Stock Code	Company Name	Business Description	Revenue from Advertising and Precision Marketing among Total Revenue
NasdaqGS: APP	AppLovin Corporation	AppLovin Corporation provides marketing software solutions for mobile app developers to enhance the marketing and monetization of their apps in the United States and internationally through its software-based platform. Its marketing software solution help match advertiser demand with publisher supply through auctions and help marketers grow their mobile apps with solutions for measuring, optimizing campaigns and protecting user data. It primarily generates revenue from fees paid by mobile app advertisers who use its platform to grow and monetize their apps. It also generates revenue from advertisers that purchase ad inventory from its Apps. The company was incorporated in 2011 and is headquartered in Palo Alto, California.	58%

Source: Capital IQ, annual reports and official websites of the comparable companies.

Note 1: Alibaba Group Holding Limited (the "**Alibaba Holding**") has been added as a comparable company considering that the Target Business itself has been a part of Alibaba Holding's digital marketing business (Alimama), from an operational perspective. However, since Alibaba Holding itself is a listed company, it has not publicly directly disclosed the relevant specific data regarding the percentage of revenue or the profit from the advertising and marketing-related business as of the total revenue or the total profit in the past, so it is inconvenient to publicly disclose them in this valuation.

Below are the details of the comparable companies:

Ticker	Location of the Principal Business	Listing Market	For the twelve months ended June 30 2023 Revenue	Profits	June 30 2023 Net Asset Value	30 September 2023 Market Capitalization
				(USD'MM)		
NYSE: BABA	China and internationally	United States	123,725	21,568	139,749	220,617
NasdaqGS: PDD	China and internationally	United States	22,785	6,845	20,041	130,295
NasdaqGM: TTD	United States and internationally	United States	1,733	573	2,071	38,309
NasdaqGS: IAS	United Kingdom, France, Germany, Italy, Singapore, Australia, Japan, and India	United States	439	28	878	1,863
NasdaqGS: CRTO	North and South America, Europe, the Middle East, Africa, and the Asia-Pacific	United States	1,925	143	1,012	1,630
NasdaqGS: PERI	North America, Europe, and internationally	United States	692	147	636	1,441
SEHK: 2013	China	Hong Kong	296	–113	411	1,210
NasdaqGS: MGNI	United States and internationally	United States	604	80	653	1,033
NYSE: OMC	North and Latin America, Europe, the Middle East and Africa (EMEA), and Asia Pacific	United States	14,365	1,478	3,154	14,715
NasdaqGS: APP	United States and internationally	United States	2,881	665	1,517	13,898

Source: *Capital IQ*.

Based on the above-mentioned selection criteria, the list of ten comparable companies shown above was identified and we are of the opinion that each of them is considered as a fair and representative sample. Further details of these ten comparable companies with available P/E ratios are shown as follows:

Stock Code	Company Name	P/E Ratio as at the Valuation Date	Note
NYSE:BABA	Alibaba Group Holding Limited	10.23	
NasdaqGS:PDD	PDD Holdings Inc.	19.03	
NasdaqGM:TTD	The Trade Desk, Inc.	66.89	Outlier excluded *(Note 2)*
NasdaqGS:IAS	Integral Ad Science Holding Corp.	65.89	Outlier excluded *(Note 2)*
NasdaqGS:CRTO	Criteo S.A.	11.41	
NasdaqGS:PERI	Perion Network Ltd.	9.83	
SEHK: 2013	Weimob Inc.	N/A	Negative excluded *(Note 3)*
NasdaqGS:MGNI	Magnite, Inc.	12.98	
NYSE:OMC	Omnicom Group Inc.	9.96	
NasdaqGS:APP	AppLovin Corporation	20.89	
Average:		13.48	

Source: Capital IQ

Note 2: The Trade Desk, Inc. and Integral Ad Science Holding Corp. were excluded in the average P/E ratios calculation due to their respective P/E ratios as at the Valuation Dates being outliers (extremely high and negative ratios).

The significantly higher P/E ratio of Integral Ad Science Holding Corp was due to its operations being at a relatively early stage of development and the earnings being at an unstable level. It is noted that its earnings have been negative for the fiscal years from 2019 to 2021, and has just turned from a loss-making to a breakeven status (with minimal profits) by the end of the fiscal year of 2022, which indicates that the profit is not yet at a stable stage, resulting in a relatively high P/E and thus is not suitable as a reference.

	For year ended				Six months ended
	2019/12/31	**2020/12/31**	**2021/12/31**	**2022/12/31**	**2023/6/30**
	USD' 000	*USD' 000*	*USD' 000*	*USD' 000*	*USD' 000*
	audited	*audited*	*audited*	*audited*	*unaudited*
Revenue	213,486	240,633	323,513	408,348	219,743
YOY Growth Rate		*13%*	*34%*	*26%*	
Net Income	–51,348	–32,374	–52,437	15,373	10,823
YOY Growth Rate		*37%*	*–62%*	*129%*	

The significantly higher P/E ratio of The Trade Desk, Inc. was due to its operations being at a rapid development stage and the earnings being an unstable level. It is noted that its earnings fluctuated dramatically for the fiscal years from 2019 to 2022, and were on a downward trend since the fiscal years of 2021, which indicates that the profit is not yet at a stable stage, resulting in a relatively high P/E and thus is not suitable as a reference.

	For year ended				Six months ended
	2019/12/31	**2020/12/31**	**2021/12/31**	**2022/12/31**	**2023/6/30**
	USD' 000	*USD' 000*	*USD' 000*	*USD' 000*	*USD' 000*
	audited	*audited*	*audited*	*audited*	*unaudited*
Revenue	661,058	836,033	1,196,467	1,577,795	847,057
YOY Growth Rate		*26%*	*43%*	*32%*	
Net Income	108,318	242,317	137,762	53,385	42,265
YOY Growth Rate		*124%*	*–43%*	*–61%*	

Considering the operations and profits of the Target Business were relatively stable, the significantly higher P/E ratios of The Trade Desk, Inc. and Integral Ad Science Holding Corp are due to their early development stages and highly fluctuating earnings and the two extreme P/E ratios could be misleading in this exercise. Therefore, the two significantly higher P/E are not included in the valuation which is in line with industry practice.

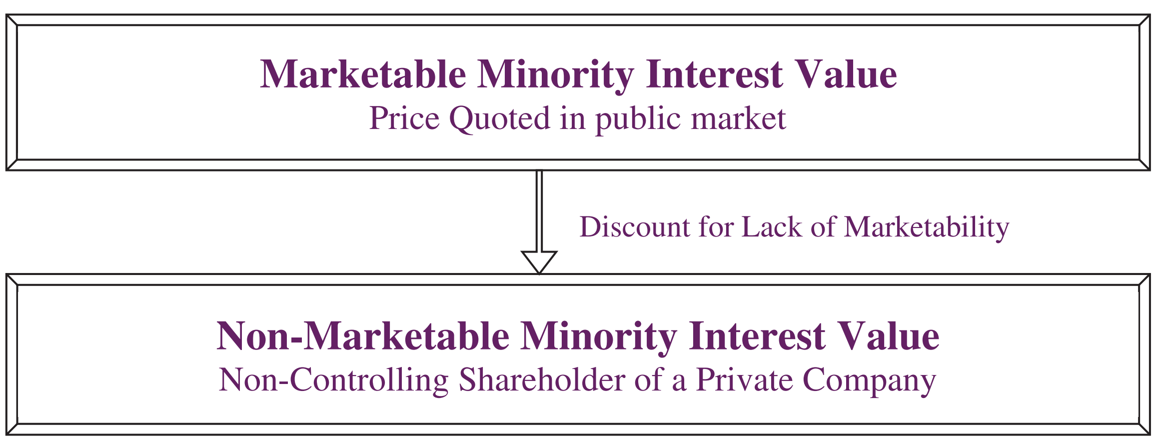
Note 3: Weimob Inc. was excluded in the average P/E ratios calculation due to negative profits in the last twelve months end June 30, 2023. It is noted from below table that Weimob Inc. was loss-making for the last 2.5 years and the calculated P/E was negative as at the Valuation Date and is therefore not suitable to be adopted.

		For year ended		Six months ended
	2020/12/31	**2021/12/31**	**2022/12/31**	**2023/6/30**
	USD' 000	*USD' 000*	*USD' 000*	*USD' 000*
	audited	*audited*	*audited*	*unaudited*
Revenue	301,568	309,623	266,628	166,784
YOY Growth Rate		*3%*	*–14%*	
Net Income	–177,162	–123,260	–265,117	–62,358
YOY Growth Rate		*30%*	*–115%*	

Considering the operation of the Target Business is relatively stable, the significantly higher P/E ratios of The Trade Desk, Inc. and the Integral Ad Science Holding Corp are not included due the different development stage which is in line with industry practice. For the comparable companies with negative ratio, it is generally not adopted in the valuation.

DISCOUNT FOR LACK OF MARKETABILITY ("DLOM")

The level of a company value can be described as below:



A factor to be considered in valuing closely held companies is the marketability of an interest in such businesses. Marketability is defined as the ability to convert the business interest into cash quickly, with minimum transaction and administrative costs, and with a high degree of certainty as to the amount of net proceeds. There is usually a cost and a time lag associated with locating interested and capable buyers of interests in privately-held companies, because there is no established market of readily-available buyers and sellers. All other factors being equal, an interest in a publicly traded company is worth more because it is readily marketable. Conversely, an interest in a private-held company is worth less because no established market exists.

Most of the businesses or financial interests that we are valuing do not enjoy immediate liquidity. We thus face the task of making an adjustment from the value we have estimated from the transactions observed in the market approach to account for the lack of marketability of the business or business interest that we are valuing. That adjustment is what we refer to as the discount for lack of marketability.

In this valuation exercise, we have assessed the DLOM using the put option method, which is one of the most commonly used theoretical models. The concept is that when comparing a public share and a private share, holder of a public share has the ability to sell the shares (i.e., a put option) to the stock market right away.

The estimated DLOM is calculated based on the option pricing model. The formular is: DLOM = P/S*100%, the details are as follows:

$$P = Se^{-qT}\left[N\left(\frac{v\sqrt{T}}{2}\right) - N\left(-\frac{v\sqrt{T}}{2}\right)\right]$$

$$v\sqrt{T} = \left\{\sigma^2 T + \ln\left[2\left(e^{\sigma^2 T} - \sigma^2 T - 1\right)\right] - 2\ln\left(e^{\sigma^2 T} - 1\right)\right\}^{\frac{1}{2}}$$

Where:
S: spot price of underlying asset
T: time to maturity
σ : volatility*
q: Expected Annualized dividend yield
N: a normal distribution

* Volatility is a statistical measure of the dispersion of returns for a given security or market index. The Valuer calculated the historical volatility of the comparable companies with a term commensurate with the remaining term of the maturity.

DLOM for Target Business

Parameter	**Value**	**Remarks**
Spot Price	1.00	The spot price is set to be 1.00 in the valuation to calculate DLOM.
Exercise Price	1.00	An at-the-money put option is used to estimate DLOM.
Volatility	67.19%	With reference to the comparable companies, as sourced from Capital IQ.

Parameter	Value	Remarks
Target event expected date	30 September 2026 (3 years)	As there is no specific indication of the time to maturity, it is assumed that a liquidity event will occur at 30 September 2026. A liquidity event is an event, such as IPO, merger or sales, from which the subject asset will have marketability. The assumption of occurrence of a liquidity event is the normal approach to determine the maturity. The type of the liquidity event is not relevant for the purpose of determining the parameter used.

By using the put option method and based on the above assumptions, the estimated DLOM is around 20%.

Based on the above analysis, we apply 20% DLOM in the valuation of Target Business.

CONTROL PREMIUM

Control premium is an amount by which the pro rata value of a controlling interest exceeds the pro rata value of a non-controlling interest a business enterprise that reflects the power of a control. Both factors recognize that control owners have rights that minority owners do not and that the difference in those rights and, perhaps more importantly, how those rights are exercisable and to what economic benefits, cause a differential in the per-share value of a control ownership block versus a minority ownership block.

The control premium formula consists of the two inputs.

Offer Price per Share: The acquirer's offer to purchase the target on a per-share basis.

Current Price per Share: The share price of the target before news of the acquisition leaked, which causes upward or downward share price movement based on how the market perceives the deal.

The control premium equals the offer price per share divided by the current price per share, minus one.

The control premium adopted in this valuation is 25% for Target Business, with reference to the control premium of closed transactions in advertising and precision marketing.

The details of the closed transactions in advertising and precision marketing transactions are stated as below:

Target Company	Buyers	Acquisition Ratio	Control Premium
Focus Media Holding Ltd.	The Carlyle Group Inc. (NasdaqGS: CG); China Everbright Limited (SEHK: 165); Trustar Capital; CDH Investment Management Company Limited; Fosun International Limited (SEHK: 656); FountainVest Partners	100%	17.6%
Digitas, Inc.	Publicis Groupe S.A. (ENXTPA: PUB)	100%	23.5%
Dentsu International Limited	Dentsu Group Inc. (TSE: 4324)	100%	48.0%
UBM plc	Informa plc (LSE:INF)	100%	23.6%
Nielsen Audio, Inc.	Nielsen Holdings plc (NYSE:NLSN)	100%	26.2%
True North Communications, Inc.	The Interpublic Group of Companies, Inc. (NYSE:IPG)	100%	2.4%
ACNielsen Corporation	Nielsen Holdings plc (NYSE:NLSN)	100%	49.2%
Saatchi & Saatchi Group Limited	Publicis Groupe S.A. (ENXTPA: PUB)	100%	29.3%
VMLY&R, Inc.	WPP plc (LSE:WPP)	100%	9.6%
Conversant LLC	Alliance Data Systems Corporation (NYSE:ADS)	100%	31.2%
Median(rounded):			25.0%

Source: Capital IQ

CALCULATION OF VALUATION RESULT

Under the guideline public company method, the market value depends on the market multiples of the comparable companies, sourced from Capital IQ, as at the Valuation Date and we have taken into account of DLOM and control premium. The calculation of the market value of the 100% equity interests in Target Business as at 30 September 2023 is as follows:

	As at the Valuation Date
Applied P/E Ratio	13.48
Earnings for last twelve months ended 30 June 2023 of Target Business *(RMB'000)*	939,298
Equity Value of Target Business before DLOM and Control Premium *(RMB'000)*	12,658,228
Adjusted for DLOM at 20%	(1–20%)
Adjusted for Control Premium at 25%	(1 + 25%)
100% Equity Value of Target Business after DLOM and Control Premium *(RMB'000) (rounded)*	12,658,000
Exchange Rate: HKD:RMB	0.9176
100% Equity Value of Target Business after DLOM and Control Premium (HKD'000) *(rounded)*	13,794,000

VALUATION COMMENT

The conclusion of value is based on accepted valuation procedures and practices that rely substantially on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. Further, while the assumptions and other relevant factors are considered by us to be reasonable, they are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Company and Asia-Pacific Consulting and Appraisal Limited.

We do not intend to express any opinion on matters which require legal or other specialized expertise or knowledge, beyond what is customarily employed by valuers. Our conclusions assume continuation of prudent management of Target Business over whatever period of time that is reasonable and necessary to maintain the character and integrity of the assets valued.

This report is issued subject to our Limiting Conditions as attached.

OPINION OF VALUE

Based on the results of our investigations and analyses, we are of the opinion that the market value of 100% equity interests of Target Business as at the Valuation Date is reasonably stated approximately at the amount of **HKD13,794,000,000 (HONG KONG DOLLARS THIRTEEN BILLION SEVEN HUNDRED AND NINETY-FOUR MILLION ONLY).**

Yours faithfully,
for and on behalf of
Asia-Pacific Consulting and Appraisal Limited

Jack Li

Jack W. J. Li
CFA, MRICS, MBA
Partner

Note: Jack W. J. Li is a Chartered Surveyor who has more than 15 years experience in the valuation in the PRC, Hong Kong and the Asia-Pacific region.

LIMITING CONDITIONS

1. To the best of our knowledge, all data, including historical financial data, if any, relied upon in reaching opinions and conclusions or set forth in this report are true and accurate. Although gathered from sources that we believe are reliable, no guarantee is made nor liability assumed for the truth or accuracy of any data, opinions, or estimates furnished by others that have been used in this analysis.

2. The calculation of value arrived at herein is valid only for the stated purpose as of the effective date of the calculations and it is neither intended nor valid for any other use.

3. Possession of this report or any copy thereof does not carry with it the right of publication. Neither all nor any part of the contents of this report (especially the calculation of value, the identity of any valuation specialist(s), or the firms with which they are connected, or any reference to the professional associations or organizations with which they are affiliated or the designations awarded by those organizations) shall be disseminated to third parties through prospectus, advertising, public relations, news, or any other means of communication without the written consent and approval of Asia-Pacific Consulting and Appraisal Limited.

4. Asia-Pacific Consulting and Appraisal Limited shall not be required to give testimony or attendance in court or to any government agency by reason of this exercise, with reference to the project described herein.

5. You agree to indemnify and hold us and our personnel harmless against and from any and all losses, claims, actions, damages, expenses or liabilities, including reasonable attorney's fees, to which we may become subjects in connection with this engagement. Our maximum liability relating to services rendered under this engagement (regardless of form of action, whether in contract, negligence or otherwise) shall be limited to the charges paid to us for the portion of its services or work products giving rise to liability. In no event shall we be liable for consequential, special, incidental or punitive loss, damage or expense (including without limitation, lost profits, opportunity costs, etc.), even if it has been advised of their possible existence.

6. Financial statements and other related information provided by the Company or its representatives, in the course of this engagement, have been accepted without any verification as fully and correctly reflecting the enterprise's business conditions and operating results for the respective periods, except as specifically noted herein. Asia-Pacific Consulting and Appraisal Limited has not audited, reviewed, or compiled the financial information provided to us and, accordingly, we express no audit opinion or any other form of assurance on this information.

7. We do not provide assurance on the achievability of the results forecasted for the subject company because events and circumstances frequently do not occur as expected; differences between actual and expected results may be material; and achievement of the forecasted result is dependent on actions, plans and assumptions of management.

8. This report and the calculation of value arrived at herein are for the exclusive use of our client for the sole and specific purposes as noted herein. They may not be used for any other purpose or by any other party for any purpose. Furthermore, the report and calculation of value are not intended by the author and should not be construed by the reader to be investment advice in any manner whatsoever. The calculation of value represents the considered opinion of Asia-Pacific Consulting and Appraisal Limited based on limited information furnished to them by the subject company and other sources.

9. No responsibility is assumed for matters legal in nature. No investigation has been made of the title to or any liabilities against the property appraised. We have assumed that the owner's claim is valid, the property rights are good and marketable, and there are no encumbrances that cannot be cleared through normal processes, unless otherwise stated in the report.

10. Areas, dimensions, and descriptions of property, if any, used in this analysis have not been verified, unless stated to the contrary in the report. Any areas, dimensions, and descriptions of property included in the report are provided for identification purposes only, and no one should use this information in a conveyance or other legal document. Plats, if any, presented in the report are intended only as aids in visualizing the property and its environment. Although the material was prepared using the best available data, it should not be considered as a survey or scaled for size.

11. Public information and industry and statistical information have been obtained from sources we deem to be reputable; however, we make no representation as to the accuracy or completeness of such information, and have accepted the information without any verification.

12. The management and the Board of the Company has reviewed and agreed on the report and confirmed that the basis, assumptions, calculations and results are appropriate and reasonable.

13. The calculation of value arrived at here in is based on the assumption that the current level of management expertise and effectiveness would continue to be maintained, and that the character and integrity of the enterprise through any sale, reorganization, exchange, or diminution of the owners' participation would not be materially or significantly changed.