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FOSUN 复星
復星國際有限公司
FOSUN INTERNATIONAL LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 00656)

PROGRESS UPDATE
CONNECTED TRANSACTIONS
IN RELATION TO
THE DISPOSAL OF EQUITY INTEREST IN GUANGZHOU TAOTALL
AND
POTENTIAL SUBSCRIPTION OF EQUITY INTEREST IN HANGZHOU TIANYUAN

Reference is made to the announcements (the “**Previous Announcements**”) of Fosun International Limited (the “**Company**”) dated 14 March 2025 and 28 May 2025 in relation to the Sale and Purchase Agreement and the supplemental agreement to the Sale and Purchase Agreement (the “**Supplemental Agreement I**”) entered into between Fosun Joygo (Hainan) Technology Co., Ltd.* (復星開心購(海南)科技有限公司), Mr. Huang Zhen, Mr. Tang Bin, Mr. Yao Yu and other certain existing shareholders of Guangzhou Taotall Technology Co., Ltd.* (廣州淘通科技股份有限公司, “**Guangzhou Taotall**”) (as the “**Seller(s)**”), and Hangzhou Tianyuan Pet Products Co., Ltd.* (杭州天元寵物用品股份有限公司) (“**Hangzhou Tianyuan**”, as the purchaser, together with the Sellers, the “**Parties**”) for the disposal of the equity interest in Guangzhou Taotall. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Previous Announcements. This announcement is made to provide further details in relation to the Transactions.

Due to a change in the cooperation arrangements between Guangzhou Taotall and one of its cooperative brands, Canwin Appraisal Co., Ltd.* (坤元資產評估有限公司) (the “**Independent Valuer**”) newly issued the Canwin Pingbao No.799 [2025] Asset Appraisal Report (the “**New Valuation Report**”) regarding the appraisal value of 100% equity interest in Guangzhou Taotall, adjusting its asset appraisal value. Accordingly, On 5 September 2025, the Parties entered into the second supplemental agreement to the Sale and Purchase Agreement (the “**Supplemental Agreement II**”) to amend and/or supplement the relevant terms of the Sale and Purchase Agreement and the Supplemental Agreement I.

To the best of the Directors’ knowledge, information and belief, and after having made all reasonable

enquiries, as at the date of this announcement:

- a) each of the Sellers (other than Fosun Joygo, Mr. Huang, Mr. Tang and Mr. Yao) and their ultimate beneficial owners, save as disclosed in the Previous Announcements, are third parties independent of the Company and its connected persons; and
- b) Hangzhou Tianyuan and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

The principal terms of the Supplemental Agreement II are as follows:

Consideration and Payment Method Adjustment

Pursuant to the New Valuation Report, the appraised value of 100% equity interest in Guangzhou Taotall was RMB723 million (the “**New Valuation Results**”) . Based on the arm’s length negotiations between the Parties with reference to the following factors: (i) the New Valuation Results of Guangzhou Taotall; (ii) the financial position and performance of Guangzhou Taotall; (iii) future development prospect of Guangzhou Taotall; (iv) the number of shares of Guangzhou Taotall sold by each Seller and the proportion of such shares to the total share capital of Guangzhou Taotall; and (v) after deducting the dividends received by each Party at the 2025 first extraordinary general meeting of Guangzhou Taotall, the consideration and payment method for the sale of Guangzhou Taotall by each Seller under the Supplemental Agreement I were adjusted, among them :

- a) the consideration received by Fosun Joygo has been adjusted to RMB316,575,600 (the “**New Consideration**”), of which RMB291,764,400 will be paid in cash, and RMB24,811,200 will be used to subscribe for 1,109,128 A Shares to be issued by Hangzhou Tianyuan, at a price of RMB22.37 per A Share (the “**Subscription**”), accounting for 0.80% of the total number of issued shares of Hangzhou Tianyuan upon the completion of the Subscription (assuming no other changes to the total issued shares of Hangzhou Tianyuan except for the issuance of A Shares to the Sellers pursuant to the Supplementary Agreement II). The A Shares subscribed by Fosun Joygo through the Subscription shall be subject to a lock up period for 12 months commencing from the registration date of such A Shares;
- b) the considerations received by Mr. Huang, Mr. Tang and Mr. Yao have been adjusted to RMB856,400, RMB856,400 and RMB3,682,600, respectively, which will be settled by cash only and will not include any subscription for the A Shares to be issued by Hangzhou Tianyuan.

A summary of the New Valuation Report, including key assumptions, the valuation model, and input parameters used for the valuation of Guangzhou Taotall, is provided in Appendix I to this announcement.

In the event of any inconsistency between the Supplemental Agreement II and the Sale and Purchase Agreement and Supplemental Agreement I, the provisions of the Supplemental Agreement II shall prevail. For matters not covered by the Supplemental Agreement II, the provisions of the Sale and Purchase Agreement and Supplemental Agreement I shall continue to apply. The Directors (including the independent non-executive Directors) consider that the terms of the Supplemental Agreement II are fair and reasonable, on normal commercial terms, in the usual course of business of the Group and in the interests of the Company and the independent Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSALS

Upon completion of the Disposal, the Group will no longer hold any equity interest in Guangzhou Taotall. Based on the total consideration of the Disposals of RMB393,575,600 and the carrying value of Guangzhou Taotall in the Group prior to the Disposals of approximately RMB322.50 million, the Group recorded a gain of approximately RMB71.08 million from the Disposals. The Group intends to use the proceeds from the Disposals as general working capital of the Group. The Subscription will be reported in the Company's financial statements as equity investment at fair value through profit or loss.

GENERAL INFORMATION OF THE PARTIES

The purchaser

Hangzhou Tianyuan is a joint-stock company incorporated under laws of the PRC and listed on the ChiNext Board of the Shenzhen Stock Exchange (stock code: 301335). It is principally engaged in the design, development, production and sales of pet products, and is expanding its pet food sales business.

The consolidated net profits (both before and after taxation) of Hangzhou Tianyuan for the two fiscal years immediately preceding the Transactions in accordance with the PRC Generally Accepted Accounting Principles are as follows:

	For the year ended	
	31 December	
	2024	2023
	(audited)	(audited)
	approximately	approximately
	RMB million	RMB million
Net profit before tax	46.4	97.4
Net profit after tax	36.6	76.6

The unaudited consolidated net assets value of Hangzhou Tianyuan as at 30 June 2025 was approximately RMB1,920.7 million.

Save as disclosed above, there has been no change in the information disclosed in the sections “GENERAL INFORMATION OF THE PARTIES”, “INFORMATION OF GUANGZHOU TAOTALL”, “BASIS FOR DETERMINATION OF THE SUBSCRIPTION PRICE”, “REASONS FOR AND BENEFITS OF THE TRANSACTIONS”, and “THE PREVIOUS DISPOSAL” in the Previous Announcements.

PROFIT FORECAST

As the income approach is used as the basis of the valuation of Guangzhou Taotall in determining the New Consideration for the Disposal, the valuation constitutes a profit forecast under Rule 14.61 of the Listing Rules. The Board confirms that the profit forecast was made by the Board after due and careful enquiry. OOP CPA & Co., the reporting accountants, has reported on the arithmetical calculations of the discounted future estimated cash flows upon which the valuation prepared by the Independent Valuer were based.

The letter from the reporting accountants and letter from the Board both dated 5 September 2025 regarding the profit forecast contained in the New Valuation Report are set out in Appendix II and Appendix III to this announcement, respectively, for the purpose of Rule 14.60A of the Listing Rules.

EXPERTS AND CONSENTS

The following are the qualifications of the experts who have given their opinions or advices in this announcement:

Name	Qualification	Date of Opinion
OOP CPA & Co.	Certified Public Accountants under Professional Accountant Ordinance (Cap.50 of Laws of Hong Kong) and Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance (Cap.588 of Laws of Hong Kong)	5 September 2025
Canwin Appraisal Co., Ltd	an independent valuer qualified in the PRC	29 August 2025

As at the date of this announcement, none of the above experts has any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate other persons to subscribe for securities in any member of the Group.

As at the date of this announcement, each of the above experts has given and has not withdrawn its written consent to the issue of this announcement with the inclusion of its letter and references to its

name and letter, where applicable, in the form and context in which they respectively appear.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Huang is an executive director of the Company and Mr. Tang and Mr. Yao are directors of significant subsidiaries of the Company. As such, they are connected persons of the Company, the entering into of the Supplemental Agreement II constitutes a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, a series of connected transactions will be aggregated and treated as if they were one transaction if they were all entered into within a 12-month period or are otherwise related. Therefore, the Previous Disposal and the Disposal shall be aggregated as one transaction.

As one or more of the applicable percentage ratios in respect of the Disposals exceed 0.1% but all of which (other than the profits ratio) are less than 5%, the Disposals are subject to the reporting and announcement requirements but are exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As all the applicable percentage ratios (other than the profits ratio) in respect of the Subscription are less than 0.1%, the Subscription constitutes a de minimis transaction pursuant to Rule 14A.76(1) of the Listing Rules and is fully exempt from the independent Shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules.

GENERAL

Mr. Huang, an executive director of the Company, is interested in the Supplemental Agreement II and as a result, he has abstained from voting on the Board resolutions for approving the Supplemental Agreement II contemplated thereunder.

WARNING

Completion of the Disposal and the Subscription is conditional on, among others, the conditions precedent to completion and conditions to effectiveness stipulated in the Sale and Purchase Agreement and the Supplemental Agreement I being satisfied. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company.

By Order of the Board
Fosun International Limited
Guo Guangchang
Chairman

5 September 2025

As at the date of this announcement, the executive directors of the Company are Mr. Guo Guangchang, Mr. Wang Qunbin, Mr. Chen Qiyu, Mr. Xu Xiaoliang, Mr. Gong Ping, Mr. Huang Zhen and Mr. Pan Donghui; the non-executive directors are Mr. Li Shupe, Mr. Li Fuhua and Mr. Luo Yuanli; and the independent non-executive directors are Mr. Zhang Shengman, Mr. Zhang Huaqiao, Mr. David T. Zhang, Dr. Lee Kai-Fu and Ms. Tsang King Suen Katherine.

**for identification purpose only.*

APPENDIX I: SUMMARY OF THE NEW VALUATION REPORT

1. VALUATION METHODOLOGY

In arriving at the appraised value of Guangzhou Taotall, the valuer has considered three generally accepted approaches, namely asset-based approach, market approach, and income approach.

Based on the subject of the asset valuation, the purpose of the valuation, and the data collected by the assessment team, it has been determined that the income approach and the market approach will be used respectively to evaluate the total equity value of Guangzhou Taotall. The reasons are as follows:

Guangzhou Taotall has a strong future profitability. The asset-based approach was unsuitable as it cannot capture the value of Guangzhou Taotall's intangible assets or resources such as research and development capabilities, industry competitiveness, human resources, customer networks, goodwill and other intangible assets or resources accumulated over the years of operations, as well as the future profits that Guangzhou Taotall can generate. It cannot comprehensively and reasonably reflect Guangzhou Taotall's overall value. Therefore, it is not appropriate to adopt the asset-based approach for the valuation.

The income approach is a valuation method that determines the value of the subject asset by capitalizing or discounting its expected future earnings. The business model of Guangzhou Taotall is mature, with profitability steadily increasing. Under the continuation of the current business operations, future earnings can be reasonably predicted, and the discount rate corresponding to the risk level of Guangzhou Taotall's future earnings can also be reasonably estimated. Therefore, the income approach can be adopted for the valuation.

The market approach includes the listed company comparison method and the transaction case comparison method. Given the significant fluctuations in the stock prices of comparable listed companies around the valuation benchmark date i.e. 31 December 2024, the listed company comparison method is not suitable for this valuation. However, since a sufficient number of comparable transactions in similar industries can be collected through public sources, the transaction case comparison method can be applied in the valuation.

Based on the application of these valuation methods, the various assessment results were thoroughly and comprehensively analyzed in accordance with actual conditions. After evaluating the reasonableness of the different approaches and their respective outcomes, the income approach was selected as the final basis for the valuation.

2. KEY ASSUMPTIONS

The valuation is based on the following assumptions:

(1) Basic Assumptions

- i. This valuation is based on the premise that there is a change in the owner of title interests in the appraised assets, which includes both a whole change and a partial change in the owner of title interests;
- ii. This valuation is based on the assumption of an open market transaction;
- iii. This valuation is based on the premise that the appraised entity continues as a going concern according to the planned operating target, that is, all assets of the appraised entity continue to be used in accordance with the current purpose and manner, without considering the change in the current purpose or change in the planning and use manner with unchanged purpose;
- iv. This valuation is based on the premise that the relevant legal documents, various accounting documents, books of accounts and other information provided by the appraised entity are true, complete, legal and reliable;
- v. This valuation is based on the premise that the macro environment is relatively stable, that is, there are no significant changes in the existing national macroeconomy, politics and policies as well as the industrial policies of the industry in which the appraised entity is engaged, with continuous, healthy and stable development of the social economy; the national monetary and financial policies remain in the current state and do not cause significant fluctuations to the social economy; the existing regulations on the national taxation are maintained without significant changes in tax types and tax rates; and there are no significant changes in the prevailing interest rates and exchange rates, etc.; and
- vi. This valuation is based on the assumption that the business environment of the appraised entity is relatively stable, that is, there are no significant changes in the social, political, legal and economic business environment of the appraised entity's principal place of business and the region in which its business is conducted; the appraised entity is able to carry out its business activities within the established scope of business without any policy, legal or man-made obstacles.

(2) Specific assumptions

- i. Any income forecast involved in this valuation is based on the corporate development plans and profit forecast provided by the appraised entity while maintaining its current scope of operations and going concern status;
- ii. It is assumed that the management of the appraised entity is diligent and responsible, with adequate management skills and good professional ethics, the management conducts all business activities in a lawful and compliant manner, and the management team as well as the core business operations of the appraised entity remain relatively stable;

- iii. It is assumed that the operating income, costs and expenses, expenditures on renewals and improvements, etc. of the appraised entity for each year are incurred evenly during the year;
- iv. It is assumed that the accounting policies adopted by the appraised entity during the income forecast period are consistent with those adopted as at the valuation benchmark date in all material respects;
- v. There are no material adverse effects on the appraised entity caused by other force majeure factors beyond the control of human and unforeseeable factors; and
- vi. This valuation assumes that the disclosed information regarding comparable transaction cases obtained from the iFinD financial database (by Tonghuashun) is lawful and valid, and that the relevant comparable companies have provided timely and complete public disclosures. The transaction prices of the comparable cases are assumed to fairly reflect their market values.

(3) Special assumption

Based on the High-Tech Enterprise Certificate issued by the Guangdong Provincial Science and Technology Committee, Guangdong Provincial Finance Bureau, and the State Taxation Administration Guangdong Provincial Tax Bureau, Guangzhou Zhiku Software Company Limited* (廣州智庫軟件有限公司) (“**Zhiku Software Company**”), a subsidiary of Guangzhou Taotall, has been recognized as a high-tech enterprise, with the qualification valid for three years. From 2023 to 2025, it is subject to a corporate income tax rate of 15%. Under the current high-tech enterprise recognition criteria, Zhiku Software Company meets the relevant requirements and is expected to pass the re-evaluation. Therefore, it is assumed that it will successfully pass each subsequent re-evaluation upon the expiration of its high-tech enterprise qualification and continue to maintain its status. According to relevant tax laws and regulations, the corporate income tax rate for high-tech enterprises is 15%.

3. VALUATION MODEL AND PARAMETERS

Income approach:

(1) Financial Forecast

When entrusting Canwin Appraisal Co., Ltd to conduct an income approach valuation, Guangzhou Taotall and Canwin Appraisal Co., Ltd jointly conducted an investigation, analysis, predictive discussion, and adjustment of Guangzhou Taotall’s future operations and income conditions.

This valuation assumes Guangzhou Taotall will operate in perpetuity, meaning the income period is indefinite. The segmented method was used to forecast the income of Guangzhou Taotall, dividing its future earnings into: the earnings during the explicit forecast period and the earnings after the explicit forecast period. The determination of the explicit forecast period took into comprehensive consideration the industry trends and Guangzhou Taotall’s own development circumstances. Based on

the valuer's market research and projections, a five-year period (i.e. up to the end of 2029) was deemed appropriate as the segmentation point.

(2) Valuation Model

Considering the purpose of this valuation and the subject of the valuation, the free cash flow to firm (FCFF) model is employed to determine the value of Guangzhou Taotall's free cash flow. Guangzhou Taotall's total enterprise value is derived from an analysis of the value of surplus assets and non-operating assets (liabilities). The equity value attributable to all shareholders of Guangzhou Taotall is calculated by deducting the value of interest-bearing debt and minority equity interests. The formulas are as follows:

Equity Value Attributable to All Shareholders = Total Enterprise Value – Interest-Bearing Debt Value – Minority Equity Interests Value

Total Enterprise Value = Free Cash Flow to Firm Valuation + Surplus Assets Value + Non-Operating Assets Value – Non-Operating Liabilities Value

A phased approach is applied to forecast Guangzhou Taotall's cash flows, dividing future cash flows into those during the explicit forecast period and those in the terminal period beyond the explicit forecast period. The formula is as follows:

$$\text{Free Cash Flow to Firm Valuation} = \sum_{t=1}^n \frac{\text{CFF}_t}{(1 + r_t)^t} + P_n \times (1 + r_n)^{-n}$$

Where in the formula:

- n — explicit forecast period (years)
- CFF_t — the cash flow generated by the company in the t^{th} year
- r — discount rate
- t — future year t
- P_n — value beyond year n

Cash Flow to Firm (CFF) = Profit After Tax Before Interest + Depreciation and Amortization – Capital Expenditures – Increase in Working Capital

(3) Revenue Forecast

Guangzhou Taotall's operating revenue primarily comprises e-commerce sales service income and omnichannel digital marketing income.

(i) Forecast of Omnichannel Digital Marketing Business Income

As this business segment remains in its exploratory phase, and given Guangzhou Taotall's management's uncertainties regarding its future development and prospects, no projections have been

made for Guangzhou Taotall's omnichannel digital marketing business in this valuation, consistent with prudent and objective principles.

(ii) Forecast of E-Commerce Sales Service Income

Revenue projections for Guangzhou Taotall's e-commerce sales services have been developed through analysis of Guangzhou Taotall's historical operational data, current operational conditions, future business development plans, industry market trends and brand/channel-specific development patterns. In adherence to prudent and objective principles, this valuation only incorporates projections for Guangzhou Taotall's contracted brand e-commerce sales service revenues. Following the valuation benchmark date, Guangzhou Taotall and a fast-moving consumer snack brand decided to discontinue their cooperation. This valuation excludes all the relevant revenue from this brand after the agreement expired. The e-commerce sales service revenue generated prior to the expiration of the agreement is recognized based on actual operating conditions after the valuation benchmark date.

(4) Cost Forecast

For the projection of operating costs across all business segments, this valuation considers industry conditions, market saturation levels, competitive dynamics, and the company's operational scale etc., alongside full-year actual data for 2023 and 2024. A reasonable forecast is then derived for the gross profit margin of each business segment. Operating costs are ultimately calculated based on the projected annual revenue and forecast gross profit margin for each relevant business segment.

(5) Determination of Discount Rate

(i) Discount Rate Calculation Model

The free cash flow to firm (FCFF) valuation reflects the combined interests of equity holders and debt holders, hence, the corresponding discount rate is the weighted average cost of capital (WACC).

$$WACC = K_e \times \frac{E}{E + D} + K_d \times (1 - T) \times \frac{D}{E + D}$$

Where in the formula: WACC — Weighted Average Cost of Capital
K_e — Cost of Equity
K_d — Cost of Debt
T — Income Tax Rate
D/E — Debt-to-Equity Capital Structure

The cost of debt (K_d) is determined using the 1-year Loan Prime Rate (LPR) as of the benchmark date. The weight for debt is derived from the average capital structure (debt-to-equity ratio) of comparable listed companies in the same industry.

The cost of equity (K_e) is calculated using the Capital Asset Pricing Model (CAPM), a globally recognized framework. The formula is as follows:

$$K_e = R_f + \text{Beta} \times \text{ERP} + R_c$$

Where in the formula:

K_e	——	Cost of Equity
R_f	——	Risk-Free Rate
Beta	——	Equity Beta Coefficient (Systematic Risk)
ERP	——	Equity Risk Premium
R_c	——	Company-Specific Risk Adjustment Factor

(ii) Calculation of the Parameters in the Model

A. Determination of the Risk-Free Rate

Government bond yields are generally regarded as risk-free. The evaluators obtained the China Government Bond Yield Curve published by the China Central Depository & Clearing Co., Ltd. (CCDC) on the website of the China Appraisal Society as of the valuation benchmark date. The average of the annualized yield-to-maturity for 10-year and 30-year government bonds traded in the market was adopted as the risk-free rate. The China Government Bond Yield Curve is constructed based on RMB-denominated bond market rates for sovereign bonds issued in Chinese mainland.

B. Capital Structure

The capital structure of relevant listed companies in China's securities market as of the valuation benchmark date was sourced from the iFinD financial database (by Tonghuashun).

Given that the appraised entity and comparable companies exhibit no material differences in financing capability or cost, the average capital structure of listed companies was adopted as the target capital structure for the appraised entity.

C. Equity Beta Coefficient

The unlevered Beta coefficients of listed companies in the relevant industry within China's securities market were sourced from the iFinD financial database (by Tonghuashun). The levered Beta coefficient for the appraised entity was then calculated using the following formula: $\beta_l' = \beta_u \times [1 + (1-t)D/E]$.

D. Calculation of Market Return and Equity Risk Premium (ERP)

To estimate the equity market return, a benchmark index reflecting market fluctuations must first be selected. Among the various indices in China's securities market, the CSI 300 Index was chosen as the representative indicator for A share market returns. The analysis period spans from 2015 to 2024.

The arithmetic and geometric average annual returns were calculated and compared to the corresponding annual risk-free rates to derive the ERP for each year.

As geometric mean returns better reflect the long-term trend effect of the equity market returns, the arithmetic average of ERPs derived from geometric mean returns was adopted as the equity risk premium for the domestic market.

E. R_c - Determination of Company-Specific Risk Adjustment Factor

The company-specific risk adjustment factor represents unsystematic risk, which is the additional return required due to factors specific to the enterprise. It reflects the competitive environment in which the company operates, encompassing both external industry factors and internal corporate factors. This serves to reveal the company's position within its industry, as well as its competitive advantages and disadvantages.

The company-specific risk adjustment factor was calculated after comprehensive consideration of operational risks, market risks, management risks, and financial risks.

(iii) Calculation of Weighted Average Cost of Capital (WACC)

A. Calculation of Cost of Equity (K_e)

$$K_e = R_f + \text{Beta} \times \text{ERP} + R_c$$

Where in the formula:	K_e	——	Cost of Equity 11.02%
	R_f	——	Risk-Free Rate 1.80%
	Beta	——	Equity Beta Coefficient (Systematic Risk) 0.9322
	ERP	——	Equity Risk Premium 6.67%
	R_c	——	Company-Specific Risk Adjustment Factor 3.00%

B. Calculation of Cost of Debt (K_d)

The cost of debt (K_d) is determined using the 1-year Loan Prime Rate (LPR) as of the benchmark date.

C. The calculated WACC is 10.56%.

(6) Sensitivity Analysis

Since changes in certain parameters have a significant impact on the shareholders' total equity value, the valuer needs to conduct a sensitivity analysis of these parameters in relation to the total equity value. The results are as follows:

Change in income	Percentage change in equity value	Change in gross profit margin	Percentage change in equity value	Change in discount rate	Percentage change in equity value
-10%	-11.08%	-10%	-31.69%	-10%	11.91%
-5%	-5.53%	-5%	-15.84%	-5%	5.64%
0%	0.00%	0%	0.00%	0%	0.00%
5%	5.55%	5%	15.85%	5%	-5.08%
10%	11.09%	10%	31.70%	10%	-9.68%

Market Approach

1. Market approach methodological options

(i) Introduction to Market Approach Methods

The two commonly used specific methods under the market approach are the listed company comparison method and the transaction case comparison method.

Listed company comparison method involves obtaining and analyzing the operational and financial data of comparable publicly traded companies, calculating valuation multiples, and determining the value of the subject entity based on comparative analysis.

Transaction case comparison method involves obtaining and analyzing data from comparable business sales, acquisitions, and merger cases, calculating valuation multiples, and determining the value of the subject entity based on comparative analysis.

(ii) Selection of valuation methodology

Given the significant fluctuations in the stock prices of comparable listed companies around the valuation benchmark date, the listed company comparison method is deemed unsuitable. However, since a sufficient number of comparable transaction cases in similar industries can be collected through public channels, the transaction case comparison method is adopted for this valuation.

Considering the subject of this asset valuation, the purpose of the assessment, the client's requirements, and the data collected by the valuer, it has been determined that the transaction case comparison method will be used to evaluate the total equity value of Guangzhou Taotall.

The calculation formula is as follows:

Equity Value = Enterprise Value Multiple × Corresponding Parameter of the Subject Company - Minority Interests - Interest-Bearing Debt; or

Equity Value = Equity Investment Multiple × Corresponding Parameter of the Subject Company

Subject Company's Relevant Multiple = Comparable Company's Multiple × Adjustment Factor

(iii) Selection of transaction cases

First, select recent market transaction cases from the same industry based on factors such as the subject company's sector, business operations and products.

Next, determine the final comparable transaction cases by analyzing the level of detail in the case information, comparability, transaction progress, and other factors. Collect data from publicly available sources on the transaction parties, transaction dates, equity transaction ratios, transaction backgrounds, and terms. Conduct a detailed analysis of the target companies involved in these transactions and compare them with the subject company to select appropriate cases.

Given the abundance of recent transaction cases involving listed companies in the internet e-commerce sector, we applied the above selection criteria to filter for cases that are recent, involve identical or similar businesses, and have sufficiently disclosed information. Based on this analysis, the selected transaction cases for this valuation are summarized in the table below:

No.	Announcement party	Target company	Date of first announcement	Project status	Benchmark date/Statement date	Shareholding percentage in the transaction	Transaction price (RMB 0'000)
1	Lionhead Technology Development Co., Ltd.* (獅頭科技發展股份有限公司)	Hangzhou Quentin Technology Co., Ltd.* (杭州昆汀科技股份有限公司)	2022-10-29	Completed	2022-7-31	18.00%	5,580.00
2	Huakai Yibai Technology Co., Ltd.* (華凱易佰科技股份有限公司)	Shenzhen Yibai Network Technology Co., Ltd.* (深圳市易佰網絡科技有限公司)	2023-4-24	Completed	2022-12-31	10.00%	36,000.00
3	Hangzhou Yiwangyi Technology Co., Ltd.* (杭州壹網壹創科技股份有限公司)	Zhejiang Shangbai E-commerce Co., Ltd.* (浙江上佰電子商務有限公司)	2023-1-6	Completed	2022-12-31	12.75%	9,145.03

(iv) Selection and calculation of value ratios

Based on the business characteristics of the subject company and the comparable transaction target companies, select an appropriate valuation multiple and apply suitable methods to adjust for differences in factors such as transaction date, shareholding percentage in the transaction, and operational conditions.

Commonly used valuation multiples include price-to-earnings ratio (PE), price-to-book ratio (PB), price-to-sales ratio (PS), enterprise value to EBITA (EV/EBITA), enterprise value to net operating income after tax (EV/NOIAT). Among these metrics, enterprise value-based multiples focus on assessing the total enterprise value, while PE, PB and PS emphasize the shareholders' equity value.

Based on the operational conditions of the subject company and the characteristics of its industry, this valuation employs the price-to-earnings (PE) valuation model to assess the total equity value of Guangzhou Taotall.

The appraisers selected three recent transaction cases from similar industries using the iFinD financial database (by Tonghuashun) and adjusted the valuation multiples of these cases for differences in transaction timing, operational conditions of the targets, and other factors. The average adjusted multiple from all comparable cases was used to determine Guangzhou Taotall's PE ratio, which was then multiplied by Guangzhou Taotall's corresponding financial parameter to calculate the total equity value. The formula is as follows:

Total Equity Value of the Subject Company = Relevant Parameter of the Subject Company × Valuation Multiple of the Subject Company

Valuation Multiple of the Subject Company = Average [Valuation Multiple of Comparable Transaction Cases × Timing Adjustment Factor × Other Adjustment Factors]

A. Calculation of Valuation Multiples for Comparable Transaction Cases

Based on the information disclosed in the announcements from comparable transaction cases, the P/E ratio for each case is calculated as follows:

Unit: RMB 0'000

Target company	Shareholding percentage in the transaction	Transaction price	Value of 100% equity	Net profit in the full fiscal year prior to the valuation benchmark date	PE
Quentin Technology	18.00%	5,580.00	31,000.00	3,558.78	8.71
Yibai Network	10.00%	36,000.00	360,000.00	28,776.58	12.51
Shangbai E-commerce	12.75%	9,145.03	71,725.69	6,245.34	11.48

B. Adjustment of Valuation Multiples

The valuation multiples derived from the transaction case comparison method are primarily influenced by the following factors:

(1) Adjustment for Transaction Terms and Deal Structure

Differences in transaction terms and deal structures can impact transaction prices. However, in practice, it is often difficult to obtain detailed information on ancillary clauses from merger and acquisition cases. Therefore, such adjustments can only be addressed by ensuring a sufficient number of comparable cases are selected to dilute the potential impact of variations in transaction terms and deal structures.

Given these considerations, this valuation has selected three comparable transaction cases, thereby mitigating the influence of individual discrepancies in transaction terms and deal structures.

(2) Adjustment for Transaction Timing

In the transaction case comparison method, the transaction dates of comparable cases typically differ from the valuation benchmark date. Although efforts are made to select cases with dates as close as possible to the valuation benchmark date, it is often impractical to ensure full alignment between the transaction dates of comparable cases and the valuation benchmark date, resulting in a time gap.

To account for this timing discrepancy, adjustments are generally made by referencing relevant indices from the property rights trading market. However, due to the lack of comprehensive domestic indices for such transactions, this valuation employs the CSI 300 Index as the benchmark for timing adjustments.

(3) Adjustments for Other Factors

Taking into account the industry conditions of the subject company and the available data on comparable transaction cases, adjustments are made to the metrics of the comparable cases, including profitability indicators (including return on equity, net profit margin on revenue); asset efficiency indicators (total asset turnover); risk management indicators (debt-to-asset ratio); and growth capability indicators (revenue growth rate, post-period adjustment factor).

The comparative analysis and adjustment of each indicator involves benchmarking Guangzhou Taotall's metrics and those of comparable transaction cases against the corresponding industry parameters in the Corporate Performance Evaluation Benchmark 2024 (the "**Evaluation Benchmark**"), resulting in a scored outcome for each indicator. In the Evaluation Benchmark, the scoring thresholds are defined as 106 points for Excellent; 103 points for Good; 100 points for Average; 97 points for Below Average; and 94 points for Poor. The scores for each metric of Guangzhou Taotall

and comparable listed companies are calculated using the interpolation method, with a maximum score of 110 points for performance exceeding the “Excellent” threshold and a minimum score of 90 points for performance below the “Poor” threshold. Additionally, regarding the post-period adjustment factor, as Guangzhou Taotall and a fast-moving consumer snack brand decided to discontinue their cooperation after the valuation benchmark date, this is a significant post-period event that affects the valuation of Guangzhou Taotall, and there are no relevant disclosures in comparable transaction cases. In this valuation, the post-period adjustment factor score of Guangzhou Taotall is taken as 90, and the comparable transaction cases score is taken as 100, comprehensively considering the changes in Guangzhou Taotall’s post-period operations.

C. Adjusted Valuation Multiples

Based on the calculated PE ratios and adjustment factors of the comparable transaction cases derived above, the adjusted PE ratio for each comparable case is computed. The average of these adjusted PE ratios is then applied as Guangzhou Taotall’s PE ratio. The detailed calculation process is outlined below:

Project	PE ratio from original transaction	Adjustment factor	PE ratio after adjustment	Average PE ratio
Quentin Technology	8.71	0.9348	8.14	10.70
Yibai Network	12.51	0.9983	12.49	
Shangbai E-commerce	11.48	0.9982	11.46	

Based on the above calculations, Guangzhou Taotall’s PE ratio is 10.70.

D. Determination of Total Equity Value

Guangzhou Taotall’s net profit attributable to owners of the parent in 2024 was RMB69.0613 million. Thus, the total equity value of Guangzhou Taotall is calculated as follows:

Unit: RMB 0’000		
Number	Item	Value
1	Valuation Multiple of Subject Company	10.70
2	Corresponding Parameter of Subject Company	6,906.13
3	Total Equity Value of Subject Company (rounded)	73,900.00

4. CALCULATION OF VALUATION RESULTS

The total equity value attributable to Guangzhou Taotall's shareholders, as assessed using the income approach, is RMB723 million, while the result derived from the market approach is RMB739 million, resulting in a difference of RMB16 million and a discrepancy rate of 2.21%.

The market approach evaluates Guangzhou Taotall's value based on overall market performance and forward-looking expectations, objectively reflecting its market value under current supply and demand conditions. The income approach, however, determines value by forecasting the company's intrinsic profitability. In the income approach, the predictions for key parameters are consistent with the scenarios inferred from valuation assumptions. The valuation procedures were thoroughly implemented, and the forecasts for future earnings are well-substantiated and reasonable. The analysis of the industry's sub-sectors and markets covering historical, current, and future conditions is rigorous, and the projections align with market principles. Therefore, the income approach result effectively reflects the company's expected profitability and embodies the value of its shareholders' equity. The market approach, on the other hand, requires selecting comparable transaction cases, analyzing and comparing financial data between the subject entity and these peers, and making necessary adjustments. However, compared to the income approach, which relies on the subject entity-specific internal information—the market approach's use of transaction comparables is constrained by publicly available market data. Adjustments and modifications to valuation multiples may fail to fully account for all factors influencing transaction pricing. Given the purpose of this valuation and considering that rational investors estimate equity value based on expected future cash flow returns, investors place greater emphasis on the subject entity's future operational performance and profitability potential. Thus, the income approach result is deemed more appropriate.

As such, the final valuation adopts the income approach result of RMB723 million as the total equity value attributable to Guangzhou Taotall's shareholders.

APPENDIX II: LETTER FROM THE REPORTING ACCOUNTANT

The following is the text of a report from the Company's reporting accountants, OOP CPA & Co., Certified Public Accountants, Hong Kong, for inclusion in this announcement.



OOP CPA & Co.
Certified Public Accountant
Unit A, 21/F, LL Tower,
2-4 Shelley Street,
Central, Hong Kong
Tel: +852 2383 6191
Email: info@oopww.com
www.oopww.com

5 September 2025

The Board of Directors
Fosun International Limited
Room 808, ICBC Tower,
3 Garden Road,
Central, Hong Kong

Dear Sirs,

In connection with the announcement of Fosun International Limited (the “**Company**”) dated 5 September 2025 (the “**Announcement**”) regarding the reassessment of valuation (the “**New Valuation**”) of the fair value of 100% equity interests in Guangzhou Taotall Technology Co., Ltd. (the “**Target Company**”) as at the reference date of 31 December 2024 performed by Canwin Appraisal Co., Ltd*(坤元資產評估有限公司) (the “**Valuer**”), we have examined the principal accounting policies adopted in and the calculations of the discounted cash flow forecast (the “**Forecast**”) underlying the New Valuation. The New Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Directors’ Responsibilities

The directors of the Company are solely responsible for the preparation of the Forecast and the reasonableness and validity of the assumptions based on which the Forecast is prepared (the “**Assumptions**”).

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 Hong Kong Institute of Certified Public Accountants (the

“HKICPA”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements”, 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 Accountants’ Responsibilities

It is our responsibility, pursuant to paragraph 14.60A(2) of the Listing Rules, to express an opinion on the accounting policies and calculations of the Forecast, and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person in respect of, arising out of or in connection with our work.

We conducted our work in accordance with the terms of our engagement and Hong Kong Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Company’s directors have properly compiled the Forecast in accordance with the Assumptions adopted by the directors and as to whether the Forecast is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

Opinion

In our opinion, so far as the accounting policies and calculations are concerned, the Forecast has been properly compiled in accordance with the Assumptions adopted by the directors as set out in the Announcement and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group.

Yours faithfully,

OOP CPA & Co.

Certified Public Accountants

Hong Kong

APPENDIX III: LETTER FROM THE BOARD

The following is the text of the letter dated 5 September 2025 from the Board prepared for inclusion in this announcement.

5 September 2025

To: The Listing Division

The Stock Exchange of Hong Kong Limited
12th Floor, Two Exchange Square
8 Connaught Place
Central, Hong Kong

Dear Sirs,

Re: Connected transactions in relation to the disposal of equity interest in Guangzhou Taotall Technology Co., Ltd.* (廣州淘通科技股份有限公司) and potential subscription of equity interest in Hangzhou Tianyuan Pet Products Co., Ltd.* (杭州天元寵物用品股份有限公司)

Reference is made to the announcements of Fosun International Limited (the “**Company**”) dated 14 March 2025, 28 May 2025 and 5 September 2025 (collectively, the “**Announcements**”) in relation to the disposal of equity interest in Guangzhou Taotall Technology Co., Ltd.* (廣州淘通科技股份有限公司) and potential subscription of equity interest in Hangzhou Tianyuan Pet Products Co., Ltd.* (杭州天元寵物用品股份有限公司). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

As disclosed in the Announcements, in determining the New Consideration of the Disposal, the Company made references to, among other things, the New Valuation Results of Guangzhou Taotall by Canwin Appraisal Co., Ltd.* (坤元資產評估有限公司), an independent professional valuer, which adopted the income approach with 31 December 2024 as the valuation benchmark date. The income approach valuation constitutes a profit forecast under Rule 14.61 of the Listing Rules.

The Board has (i) reviewed the basis and the assumptions in the New Valuation Report; (ii) reviewed the New Valuation Report from the Independent Valuer regarding the calculations of the income approach valuation; (iii) reviewed the relevant work conducted by the Independent Valuer in relation to the income approach valuation and the historical performance of Guangzhou Taotall; and (iv) considered the letter from the Company’s reporting accountants, OOP CPA & Co., regarding whether

the profit forecast, so far as the accounting policies and calculations are concerned, has been properly complied with the basis and assumptions set out in the New Valuation Report.

Based on the above, the Board confirms that the profit forecast in the aforesaid income approach valuation has been made after due and careful enquiry.

The Board of Directors
Fosun International Limited