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**Fosun Tourism Group**  
**复星旅游文化集团**

*(a company incorporated under the laws of the Cayman Islands with limited liability)*

**(Stock Code: 1992)**

**CONTINUING CONNECTED TRANSACTIONS**  
**PURCHASE OF STEELWORK MATERIALS**

**STEELWORK MATERIAL PURCHASE FRAMEWORK AGREEMENT**

On 21 April 2020, the Company (for itself and on behalf of the Group) entered into the Steelwork Material Purchase Framework Agreement with Nangang Trading, pursuant to which the Group shall purchase, and Nangang Trading shall sell, steelwork materials for the construction of the Taicang project.

**LISTING RULES IMPLICATIONS**

As of the date of this announcement, Fosun International is the controlling shareholder of the Company, holding approximately 80.97% equity interest of the Company. As Nangang Trading is an associate of Fosun International, Nangang Trading is a connected person of the Company and thus the transactions contemplated under the Steelwork Material Purchase Framework Agreement constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

As more than one applicable percentage ratios in respect of the proposed annual caps for the Steelwork Material Purchase Framework Agreement exceed 0.1% but all are less than 5%, the transactions contemplated thereunder are therefore subject to reporting, announcement and annual review requirements but are exempt from the requirement of independent Shareholders' approval under Chapter 14A of the Listing Rules.

## **INTRODUCTION**

The Board is pleased to announce that, on 21 April 2020, the Company (for itself and on behalf of the Group) entered into the Steelwork Material Purchase Framework Agreement with Nangang Trading, pursuant to which the Group shall purchase, and Nangang Trading shall sell, steelwork materials for the construction of the Taicang project.

## **PRINCIPAL TERMS OF THE STEELWORK MATERIAL PURCHASE FRAMEWORK AGREEMENT**

- Date** : 21 April 2020
- Parties** : The Company (for itself and on behalf of the Group) as the purchaser; and Nangang Trading as the supplier
- Subject matter** : Purchase of Q345B steelwork materials (i.e. cold-bent rectangular steel pipes and high frequency welding H-type steel materials) in the total amount of approximately 10,112 tonnes
- Term of supply** : From the date of the Steel work Material Purchase Framework Agreement to 31 December 2022
- Delivery** : The purchaser shall start to collect the steelwork materials at the warehouse of the supplier after 30 days from the placement of purchase order by the purchaser, and the purchaser shall complete the collection within 30 days from the first collection of the ordered steelwork materials (the “30-day Collection Period”). The purchaser shall pay warehouse transfer and storage fee at the daily rate of RMB1.0 per tonne if it fails to collect the steelwork materials after the 30-day Collection Period.
- Prepayment terms** : The purchaser shall pay 30% of the consideration payable in advance in respect of each order based on the unit price of Q235B steelwork materials quoted by Xiben on the date of order. The price of the ordered goods shall be based on the online price on the date of payment (subject to the bank transfer voucher). In case of an order placed during the weekend, the online price quoted on Friday of such week shall prevail.

**Settlement terms** : The purchaser shall settle on the 15th day of every month for outstanding payments from previous month. Any delay of settlement will result in a default payment at the rate 0.01% of the daily interest of the payables per day. If such delay is beyond 30 days, the supplier is entitled to terminate the manufacturing and supplying and to charge a default payment at the rate 1.5% of the monthly interest of the payables per day.

**Pricing policies** : Consideration of each order = amount of steelwork materials requested × consolidated unit price\*

\* Consolidated unit price means the unit price of Q235B steelwork material in Shanghai on the date of order quoted by Xiben + material unit price difference between Q345B steelwork materials in Shanghai based on the latest available unit price quoted by Xiben and Q235B steelwork materials in Shanghai based on the date of order quoted by Xiben + processing and manufacturing fee (including handling charge and delivery fee)

## **PROPOSED ANNUAL CAPS AND BASIS OF DETERMINATION**

The annual cap for the considerations payable by the Group to Nangang Trading for the year ended 31 December 2019 was RMB103,330,000. The historical payment was approximately RMB41,000,000, which has not exceeded the annual cap for the year concerned.

Taking into account the factors such as the overall construction progress which may be delayed due to the “COVID-19” outbreak starting from late January 2020 in China and the approaching of the completion stage of the project, the demand for steelwork materials usage is expected to gradually diminish. The Board also considered the historical transaction amount and the potential fluctuation of the unit price and sufficient headroom in reaching the proposed annual caps. Based on the foregoing, the proposed annual caps for the estimated consideration payable by the Group to Nangang Trading for the years ending 31 December 2020, 2021 and 2022 are RMB30,000,000, RMB10,000,000 and RMB10,000,000, respectively.

## **REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

The Board believes that the price from Nangang Trading is fair and proper and the payment terms offered by Nangang Trading are also in line with the market practice. In addition, since Nangang Trading has larger production capacity over other suppliers and the raw materials from Nangang Trading are refined from iron ore with quality assured, the Board believes that the transactions are expected to provide stable supply of quality steelwork materials for Taicang project and enhance operational efficiency of the Group’s business.

Based on the foregoing, the Directors (including the independent non-executive Directors) are of the view that terms of Steelwork Material Purchase Framework Agreement (including the proposed annual caps) were determined after arm's length negotiation, and the transactions contemplated thereunder are conducted in the ordinary and usual business of the Company and are on normal commercial terms, or on terms no less favourable to the Group than those available from independent third parties under prevailing local market conditions, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries as of the date of this announcement, none of the Directors has any material interests in the Steelwork Material Purchase Framework Agreement and the transactions contemplated thereunder or shall abstain from voting in respect of the relevant resolutions.

### **LISTING RULES IMPLICATIONS**

As of the date of this announcement, Fosun International is the controlling shareholder of the Company, holding approximately 80.97% equity interest of the Company. As Nangang Trading is an associate of Fosun International, Nangang Trading is a connected person of the Company and thus the transactions contemplated under the Steelwork Material Purchase Framework Agreement constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

As more than one applicable percentage ratios in respect of the proposed annual caps for the Steelwork Material Purchase Framework Agreement exceed 0.1% but all are less than 5%, the transactions contemplated thereunder are therefore subject to reporting, announcement and annual review requirements but are exempt from the requirement of independent Shareholders' approval under Chapter 14A of the Listing Rules.

### **INFORMATION ON THE PARTIES**

The Group is one of the world's leading leisure-focused integrated tourism groups, and the largest leisure tourism resorts group worldwide, in terms of revenue in 2019 according to Frost & Sullivan's report. The Group offers a wide spectrum of tourism- and leisure-related services, which constitutes its three major business segments: (i) resorts and hotels, which the Group operates through Club Med, Club Med Joyview, and Casa Cook and Cook's Club brands, which were acquired in 2019; (ii) tourism destinations that the Group develops, operates and manages, including Atlantis Sanya, Lijiang FOLIDAY Town and Taicang FOLIDAY Town developed and operated under our self-owned brand "FOLIDAY Town"; and (iii) services and solutions in various tourism and leisure settings.

Nangang Trading's principal businesses are self-operation and acting as agency for import and export business of various commodities and technologies (except for commodities or technologies that are restricted or prohibited from import and export by the Chinese government); machinery and components, instruments and meters, steelwork materials, metal materials, coke (excluding dangerous goods), coal, refractories, wholesale and retail of construction materials; recycling, processing and sales of used recyclable materials (excluding hazardous chemicals); metallurgical consulting services; cargo storage (except for dangerous goods); cargo handling (excluding transportation or dangerous goods); processing and delivery of metal materials (operated exclusively by licensed branches); development and design services for corporate websites. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, Nangang Trading was indirectly controlled by Nanjing Nangang, which is in turn indirectly held by Fosun International as to 60% of equity interest, and Fosun International was indirectly held by Mr. Guo Guangchang as to 60.56% of equity interest as of the date of this announcement.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“Company”	Fosun Tourism Group, a company incorporated under the laws of the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 1992)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of our Company
“Fosun International”	Fosun International Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 656)
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange
“Nangang Trading”	Jiangsu NISCO’S “Ready Rolled Steel” Trading Co., Ltd. *(江蘇南鋼鋼材現貨貿易有限公司), a company established in the PRC
“Nanjing Nangang”	Nanjing Nangang Iron & Steel United Co., Ltd* (南京南鋼鋼鐵聯合有限公司), a company established in the PRC
“PRC” or “China”	the People’s Republic of China, and for the purposes of this announcement only, excluding Hong Kong, Macau and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the share capital of the Company with a par value of EUR0.0001 each
“Shareholders”	holder(s) of our Share(s)
“Steelwork Material Purchase Framework Agreement”	a steelwork material purchase agreement entered into on 21 April 2020 between the Company and Nangang Trading, pursuant to which the Group shall purchase, and Nangang Trading shall sell, steelwork materials
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules

“Xiben” Xiben New Line Stock Co., Ltd. (西本新幹線股份有限公司), an independent third party providing market price of steelwork materials

“%” per cent

By order of the Board  
**Fosun Tourism Group**  
**Qian Jiannong**  
*Chairman*

21 April 2020

*As at the date of this announcement, the executive Directors are Mr. Qian Jiannong, Mr. Henri Giscard d'Estaing and Mr. Wang Wenping; and the independent non-executive Directors are Dr. Allan Zeman, Mr. Guo Yongqing and Ms. Katherine Rong Xin.*

*\* For identification purpose only*