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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 TRANSACTION

SALES AGENCY AGREEMENT

THE SALES AGENCY AGREEMENT

On 31 July 2020, Taicang Tourism Subsidiaries (being subsidiaries of the Company) and Shanghai Resource entered into the Sales Agency Agreement, pursuant to which Taicang Tourism Subsidiaries agreed to entrust Shanghai Resource to conduct marketing plan and be the non-exclusive on-site sales agent for the Taicang FOLIDAY Town Project for a term of three years, from 1 January 2020 to 31 December 2022.

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 Shanghai Resource is an associate of Fosun International, Shanghai Resource is a connected person of the Company and thus the transactions contemplated under the Sales Agency Agreement constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

As one or more applicable percentage ratios in respect of the transaction contemplated under the Sales Agency Agreement exceed 0.1% but all are less than 5%, the Sales Agency Agreement is therefore subject to the reporting, annual review and announcement requirements but are exempt from the requirement of independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE SALES AGENCY AGREEMENT

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The principal terms of the Sales Agency Agreement are set out as follows:

Date

31 July 2020

Term

From 1 January 2020 to 31 December 2022

Parties

Taicang Tourism Subsidiaries; and
Shanghai Resource.

Nature of Transaction

During the term of the agreement, Taicang Tourism Subsidiaries will entrust Shanghai Resource to conduct marketing plan and be the non-exclusive on-site sales agent for the Taicang FOLIDAY Town Project to provide customer service for sale of residential property, service apartment, parking space etc. (collectively referred to as “**Property**”), provide assistance in signing contracts, register and file signed contract, manage mortgages, collect information and payment, provide assistance to delivery of Properties, maintain customer satisfaction, handle customer complaints as well as sort and file customer information, among other things.

Pricing Policy

If the annual Sales Amount achieved by Shanghai Resource is less than RMB500,000,000, the Total Sales Agency Commission shall be 0.4% of the total Sales Amount;

If the annual Sales Amount achieved by Shanghai Resource is not less than RMB500,000,000 while less than RMB1,000,000,000, the Total Sales Agency Commission shall be 0.8% of the total Sales Amount;

If the annual Sales Amount achieved by Shanghai Resource is not less than RMB1,000,000,000 while less than RMB1,500,000,000, the Total Sales Agency Commission shall be 1.0% of the total Sales Amount;

If the annual Sales Amount achieved by Shanghai Resource is not less than RMB1,500,000,000, the Total Sales Agency Commission to Shanghai Resource shall be 1.2% of the total Sales Amount.

During a relevant year, the Total Sales Agency Commission shall initially be calculated and paid at 0.4%, and then depending on whether any annual Sales Amount target was reached for that year the commission shall be recalculated and made up to Shanghai Resource within ten business days from the start of next year.

Basic Commission accounts for 80% of the Total Sales Agency Commission and the remaining 20% will be reserved as Delivery Service Commission.

The aforementioned pricing policy was determined by both parties through arm's length negotiation based on normal commercial terms or better. With reference to the pricing terms collected by Taicang Tourism Subsidiaries, during the bidding process, the commission rate and the pricing policy provided by Shanghai Resource is no less favorable than other independent bidders.

Payment Method

For the Basic Commission, Shanghai Resource shall submit the commission request report of last month to Taicang Tourism Subsidiaries before the 10th of each month. Taicang Tourism Subsidiaries shall review the report within ten business days failing which the commission request report shall be deemed as confirmed. Within three business days upon Taicang Tourism Subsidiaries' confirmation, Shanghai Resource shall provide relevant legally valid and effective VAT invoice and other materials. Taicang Tourism Subsidiaries shall make the payment within twenty business days after receiving the VAT invoice.

For the Delivery Service Commission, Shanghai Resource shall apply one month after purchasers accept the Property delivered by Taicang Tourism Subsidiaries and complete the delivery procedures according to Taicang Tourism Subsidiaries' requirements. Taicang Tourism Subsidiaries shall make the payment within twenty business days after the application is confirmed by Taicang Tourism Subsidiaries with executed written confirmation and provision of official invoice.

Undertakings

Shanghai Resource

Shanghai Resource undertakes to be qualified for online information publicity as a real estate agency or providing real estate agency services. Shanghai Resource also undertakes to dispatch sales team with real estate sales experience to provide services for Taicang Tourism Subsidiaries.

Taicang Tourism Subsidiaries have the right to propose replacement of Shanghai Resource's sales team or members of the sales team based on assessment of sales performance, customer feedback and other criteria. Shanghai Resource shall replace the sales team or members of the sales team within five business days upon notice to meet Taicang Tourism Subsidiaries' requirement.

During the term of the Sales Agency Agreement, without prior written consent of Taicang Tourism Subsidiaries, Shanghai Resource (including members of the sales team running the Taicang FOLIDAY Town Project and other sales team controlled by Shanghai Resource) and its affiliates shall not directly or indirectly act as agents for all kinds of real estate projects within the scope of 3 kilometers, including but not limited to, providing customer service for sale of Properties, Property payment verification, registration and filing of signed contract; mortgages management, payment collection, providing assistance to delivery of Properties, maintaining customer satisfaction, handling customer complaints as well as sorting and filing customer information, etc.

Any dispute arising from customer sources competition between Shanghai Resource and any other third party agency companies or Taicang Tourism Subsidiaries shall be subject to the customer ownership division mechanism of the Taicang FOLIDAY Town Project. Taicang Tourism Subsidiaries' confirmation shall prevail if relevant parties cannot reach an agreement under the aforementioned mechanism.

Shanghai Resource shall not engage in any form of real estate speculation, otherwise Taicang Tourism Subsidiaries have the right to terminate the Sales Agency Agreement.

In case of customer complaints or disputes arising from delivery of Properties caused by, for instance, improper promises or statements made by Shanghai Resource during sale of Properties, Taicang Tourism Subsidiaries shall have the right to withhold an amount equal to the amount involved in the dispute from Delivery Service Commission until the dispute is resolved. If the dispute results in Taicang Tourism Subsidiaries' losses, Taicang Tourism Subsidiaries shall have the right to deduct the amount from the Delivery Service Commission payable to Shanghai Resource. Taicang Tourism Subsidiaries shall have the right to withhold Delivery Service Commission to the amount involved if material reputation and economic losses are caused to Taicang Tourism Subsidiaries by Shanghai Resource. Taicang Tourism Subsidiaries shall have the right to request repayment of Delivery Service Commission or deduct from any subsequent commissions payable to

Shanghai Resource if part of Delivery Service Commission has already been paid. If the Delivery Service Commission is insufficient to cover losses caused to Taicang Tourism Subsidiaries, Shanghai Resource shall be liable for the rest.

Shanghai Resource shall dispatch a special team to assist Taicang Tourism Subsidiaries in handling the delivery procedures of Properties sold by Shanghai Resource's sales team. Taicang Tourism Subsidiaries are entitled to deduct the Delivery Service Commission if Shanghai Resource fails to provide aforementioned assistance, unless Taicang Tourism Subsidiaries fails to deliver a written notice.

Taicang Tourism Subsidiaries

If Taicang Tourism Subsidiaries delay the payment of sales commission for more than three months without proper reasons and Shanghai Resource has delivered its written notice, Shanghai Resource shall have the right to terminate the Sales Agency Agreement without any liability for breach of contract.

ANNUAL CAPS AND BASIS FOR DETERMINING THE ANNUAL CAPS

The proposed annual caps for the transactions under the Sales Agency Agreement for the three financial years ending 31 December 2020, 2021 and 2022 are set out as follows:

	Sales agency commission for the year ending 31 December		
	2020	2021	2022
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Annual cap	25,000,000	26,700,000	26,500,000

In assessing the annual caps for the Sales Agency Agreement, the Board has considered a number of factors including the expected Sales Amounts of the Taicang FOLIDAY Town Project, expected sales proportion Shanghai Resource is able to commit, market conditions change of China's property market, etc.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SALES AGENCY AGREEMENT

The Board is of the view that Shanghai Resource is more committed to the sales of Properties considering their investment of funds, materials and human resources beforehand. As a subsidiary of Fosun International, Shanghai Resource has more thorough understanding and better experiences on the overall positioning of the real estate business of Fosun International Group compared to other third-party bidders. Furthermore, Shanghai Resource provides higher quality services in pre-project marketing advice, mid-project marketing planning and sales risk monitoring and post-project delivery services.

The Board believes that the price from Shanghai Resource is fair and proper and the payment terms offered by Shanghai Resource are also in line with the market practice.

Based on the foregoing, the Directors (including the independent non-executive Directors) are of the view that the terms of Sales Agency 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 better, 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 Sales Agency Agreement and the transactions contemplated thereunder or shall abstain from voting in respect of the relevant resolutions.

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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 provides a wide range of tourism and leisure services which comprise its three main business sectors: (i) resorts, including brands like Club Med, Club Med Joyview, as well as Casa Cook and Cook's Club acquired in 2019; (ii) tourism destinations, which FTG develops, operates and manages, including Atlantis Sanya, and Lijiang FOLIDAY Town, Taicang FOLIDAY Town, which are developed and operated under self-owned brand "FOLIDAY Town"; and (iii) services and solutions in various tourism and leisure settings.

Shanghai Resource provides transaction services, asset management and investment services in the first and second tier major cities of China such as Shanghai, Hangzhou, Suzhou, Ningbo, Wuxi, Hefei, Nanjing, Wuhan, Changsha, Chengdu, Jinan and Zhengzhou. Shanghai Resource focuses on the construction of industrial ecology, superimposes the support of real estate services, provides enterprises and governments with full-chain industrial solutions, creates the core value of industrial comprehensive services, and opens up new tracks of industrial services.

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, Taicang Tourism Subsidiaries and Shanghai Resource are indirectly controlled by Fosun International, which is indirectly held by Mr. Guo Guangchang as to 71.08% of equity interest as of the date of this announcement.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Basic Service Commission”	accounts for 80% of the Total Sales Agency Commission;
“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;
“Delivery Commission”	accounts for 20% of the Total Sales Agency Commission;
“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);
“Fosun International Group”	Fosun International and its subsidiaries from time to time;

“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;
“normal commercial terms or better”	has the meaning ascribed to it under the Listing Rules;
“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;
“Sales Agency Agreement”	the sales agency agreement dated 31 July 2020 Taicang Tourism Subsidiaries entered into between Taicang Tourism Subsidiaries and Shanghai Resource;
“Sales Amount”	the price stipulated in the commercial housing contract signed by purchasers and Taicang Tourism Subsidiaries;
“Shanghai Resource”	上海策源房地產經紀有限公司 (Shanghai Resource Real Estate Brokerage Co., Ltd*), a limited liability company incorporated in the PRC and is indirectly controlled by Fosun International with 75% of total shares;
“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);
“Stock Exchange”	the Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules;
“Taicang FOLIDAY Town Project”	the real estate projects in Taicang city, Jiangsu province, covering a land area of approximately 483,000 square meters;

“Taicang Tourism Subsidiaries”	悦歐(太倉)旅游文化開發有限公司 (Yueou (Taicang) Tourism and Culture Development Co., Ltd.), 悦浩(太倉)旅游文化開發有限公司(Yuehao (Taicang) Tourism and Culture Development Co., Ltd.), 悦洲(太倉)旅游文化開發有限公司 (Yuezhou (Taicang) Tourism and Culture Development Co., Ltd.), 悦雪(太倉)旅游文化開發有限公司 (Yueou (Taicang) Tourism and Culture Development Co., Ltd.), each of which is an indirectly wholly owned subsidiary of the Company, collectively named as Taicang Tourism Subsidiaries;
“Total Sales Agency Commission”	a total amount of sales agency fee calculating based on the total Sales Amount;
“%”	per cent.

By order of the Board
Fosun Tourism Group
Qian Jiannong
Chairman

31 July 2020

As at the date of this announcement, the executive directors of the Company 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 purposes only*