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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 TRAVEL SERVICES AND TECHNICAL CONSULTING SERVICES FRAMEWORK AGREEMENT

INTRODUCTION

The Board hereby announces that on 2 August 2022, the Company (as the services provider) entered into the Framework Agreement with Fosun International, pursuant to which the Group shall provide Technical Consulting Services and Travel Services to Fosun International Group.

FRAMEWORK AGREEMENT

The principal terms of the Framework Agreement are set out below:

Date : 2 August 2022

Parties : (i) the Company; and
(ii) Fosun International.

Conditions precedent : (i) the Framework Agreement and the transactions contemplated thereunder having been duly approved by the Board and the general meeting (if applicable) of Company;
(ii) the Framework Agreement and the transactions contemplated thereunder having been duly approved by the board of directors and the general meeting (if applicable) of Fosun International; and
(iii) (if applicable) clearance of relevant announcement(s) and circular(s) by the Stock Exchange in relation to the Framework Agreement and the transactions contemplated hereunder having been obtained.

- Term : From 2 August 2022 to 31 December 2024
- Nature of transactions : During the term of the Framework Agreement, the Group shall provide technical consulting services to the Properties owned by the Fosun International Group (“**Technical Consulting Services**”), provide venues, accommodation, transportation, catering and other services for meetings and team building activities, provide travel and vacation products and services or business travel related services, provide consulting services for the overall operation and management of projects and products planning services and provide performance planning, content production, introduction of plays or technical services to Fosun International Group (“**Travel Services**”).
- Pricing policy : The Company and Fosun International or their respective subsidiaries shall enter into separate implementation agreements in accordance with terms of the Framework Agreement.

Each of implementation agreements shall set out, amongst other things, the specifications for the particular transactions including but not limited to the parties of the agreements, the locations and details of the relevant Properties, the respective considerations of the agreements and the terms of the agreements. Each of the implementation agreements must comply with the terms of the Framework Agreement, the Listing Rules and applicable laws.

The fees under the implementation agreements for certain Technical Consulting Services will take a fixed amount as a base, adjusted by the time period of the agreements and the difficulty of the project design. The fees under other implementation agreements for Technical Consulting Services will be based on the duration of the agreements, the difficulty and the scale of the project design.

The fees under the implementation agreements for Travel Services will be set according to the unit price on the market, content and scale of the services, market prices of comparable service providers or a certain proportion of service commission to be charged according to the amounts of business travel related services.

The terms of each implementation agreement shall be agreed following arm's length negotiations between the relevant parties, but in any event at terms and prices no more favourable than those offered by (or to) the Group to (or by) an independent third party in relation to the same or similar type of services.

- Termination : The Framework Agreement and the transactions contemplated thereunder may be terminated under any of the following events:
- (i) If either party to the Framework Agreement commits material breach to the Framework Agreement and the breaching party fails to remedy within a reasonable period specified in the written notice sent by the other party, the non-breaching party may terminate the Framework Agreement.
 - (ii) Each party to the Framework Agreement may terminate the Framework Agreement by sending a written notice to the other party three months in advance.

HISTORICAL AMOUNT

The historical amounts for similar transactions between Fosun International Group and the Group for the three financial years ended 31 December 2019, 2020 and 2021 and six months ended 2022 are as follows:

	For the year ended 31 December			Six months
	2019	2020	2021	ended
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
	<i>million</i>	<i>million</i>	<i>million</i>	<i>million</i>
Historical amount in relation to Technical Consulting Services	0.50	0.76	2.34	0.38
Historical amount in relation to Travel Services	3.93	1.71	4.89	8.35

ANNUAL CAPS AND BASIS FOR DETERMINING THE ANNUAL CAPS

The proposed annual caps for the transactions contemplated under the Framework Agreement for the three financial years ended 31 December 2022, 2023 and 2024 are as follows:

	For the year ended 31 December		
	2022	2023	2024
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
	<i>million</i>	<i>million</i>	<i>million</i>
Annual caps in relation to Technical Consulting Services	11.50	14.33	9.05
Annual caps in relation to Travel Services	30.56	35.06	38.06

In assessing the annual caps for the Framework Agreement, the Board has considered a number of factors including the historical amounts of similar transactions between the Fosun International Group and the Group, the existing transaction amount of Technical Consulting Services and Travel Services provided by the Group to Fosun International Group, and potential cooperation opportunities between the parties.

REASONS FOR AND BENEFIT OF ENTERING INTO THE FRAMEWORK AGREEMENT

The Group is primarily engaged in, among other things, resort and tourism destination technical consulting services and tourism and leisure services and solutions. The Group's provision of the services under the Framework Agreement is consistent with the Group's business practices and the Group may leverage its expertise and experience in tourism-related services to expand its geographic coverage and improve its brand awareness for resorts in the Asian tourism market.

Based on the foregoing, the Directors (including the independent non-executive Directors) are of the view that the terms of the Framework Agreement and the proposed annual caps were determined after arm's length negotiation, and the transactions contemplated thereunder are conducted in the ordinary and usual course of 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.

Mr. Xu Xiaoliang, being a Director also holding a directorship in Fosun International, has abstained from voting on the board resolution approving the Framework Agreement and the transactions contemplated thereunder. Save as disclosed above, 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 Framework Agreement and the transactions contemplated thereunder or shall abstain from voting in respect of the relevant resolutions.

INFORMATION OF THE PARTIES TO THE FRAMEWORK AGREEMENT

The Group

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; (ii) tourism destinations, which the Company 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.

Fosun International

Fosun International is incorporated under the laws of Hong Kong and its shares are listed and traded on the Main Board of the Hong Kong Stock Exchange with stock code 00656. Fosun International is a global innovation-driven consumer group with mission to provide high-quality products and services for families around the world in Health, Happiness, Wealth and Intelligent Manufacturing business segments.

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, as of the date of this announcement, Fosun International was indirectly held by Mr. Guo Guangchang as to 72.46% of equity interest.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Fosun International is the controlling shareholder of the Company with 81.62% equity interests. Therefore, the transaction contemplated under the Framework Agreement constitutes 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 Framework Agreement exceed 0.1% but all are less than 5%, the Framework Agreement is therefore subject to the reporting, annual review and announcement requirements but is exempt from the requirement of independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

“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);
“Fosun International Group”	Fosun International and its subsidiaries (other than the Group);
“Framework Agreement”	the framework agreement dated 2 August 2022 entered into between the Company and Fosun International;
“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;
“independent third party(ies)”	has the meaning ascribed to it under the Listing Rules;
“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;
“Property(ies)”	refers to hotels, apartments and/or other properties;
“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);
“Stock Exchange”	the Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules;
“%”	per cent.

By order of the Board
Fosun Tourism Group
Qian Jiannong
Chairman

2 August 2022

As at the date of this announcement, the executive directors of the Company are Mr. Qian Jiannong, Mr. Henri Giscard d’Estaing, Mr. Xu Bingbin and Mr. Choi Yin On; the non-executive directors are Mr. Xu Xiaoliang and Mr. Pan Donghui, and the independent non-executive directors are Dr. Allan Zeman, Mr. Guo Yongqing and Ms. Katherine Rong Xin.