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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)

CONNECTED TRANSACTION
DISPOSAL OF 100% EQUITY INTERESTS IN A SUBSIDIARY
CONTINUING CONNECTED TRANSACTION
FRAMEWORK AGREEMENT

INTRODUCTION

The Board hereby announces that on 15 May 2023, the Purchaser and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase 100% equity interests of the Target Company. On the same date, the Purchaser and the Company entered into the Framework Agreement, pursuant to which the Purchaser and its associates will provide property management services to the Group.

I. SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are set out below:

Date	:	15 May 2023
Parties	:	(i) the Vendor; and (ii) the Purchaser
Consideration	:	RMB1.00

The consideration of RMB1.00 was determined after arm's length negotiations between the parties with reference to (i) the shareholders' equity of the Target Company as at 31 December 2022 of RMB-314,105.11; (ii) the total assets of the Target Company as at 31 December 2022 of RMB6,345,704.05; (iii) the total liabilities of the Target Company as at 31 December 2022 of RMB6,659,809.16; and (iv) the net assets of the Target Company as at 31 December 2022 of RMB-325,260.61 pursuant to the appraisal conducted by Yinxin Assets Appraisal Co., Ltd., an independent third party valuer, with asset-based approach.

According to the characteristics of the assets under appraisal and the fact that it is difficult to collect sufficient comparable cases of property rights transactions of similar enterprises or listed companies due to the fact that the current level of marketization and informatization in the state is relatively low, the conditions for adopting the market approach to appraisal are not available, the asset-based approach therefore was adopted, i.e., the value of each asset and liability of the enterprise on and off-balance sheet is reasonably appraised on the basis of the balance sheet.

- Payment : The Purchaser shall pay the Consideration to the Vendor immediately after the agreement becomes effective.
- Completion : The relevant registration and transfer procedures shall be conducted within five working days after the agreement becomes effective and completed as soon as possible according to the processing progress of industrial and commercial authorities.

FINANCIAL INFORMATION OF THE TARGET COMPANY

Set out below is the unaudited financial information of the Target Company for the year ended 31 December 2022 and 31 December 2021:

	For the year ended 31 December 2022	For the year ended 31 December 2021
Profit/(Loss) before taxation	273,881.8	(601,686.7)
Profit/(Loss) after taxation	273,881.8	(604,821.3)

The unaudited book value of the Target Company as at 31 December 2022 was approximately RMB314,105.1.

FINANCIAL EFFECTS ON THE GROUP

Upon the completion of transaction contemplated under the Sale and Purchase Agreement, the Vendor will not have any interest in the Target Company and the Target Company will cease to be a subsidiary of the Group. It is expected that the Group will record a gain of approximately RMB310,000 from the disposal of the Target Company based on the net assets in the unaudited financial statements as at 31 December 2022 and the net profit in the unaudited financial statements from 1 January 2023 to 15 May 2023 (the equity transfer date) of the Target Company.

REASONS FOR AND BENEFIT OF ENTERING INTO THE SALE AND PURCHASE AGREEMENT

The Target Company has not made any significant profits contribution in the last two years and was not the main focus of the Group's business. The Group intends to discontinue its involvement in the property management services business and instead concentrate on its core business.

Based on the foregoing, the Directors (including the independent non-executive Directors) are of the view that the terms of the Sale and Purchase Agreement 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, Mr. Huang Zhen and Mr. Pan Donghui, being Directors also holding directorships in Fosun International, have abstained from voting on the board resolution approving the Sale and Purchase Agreement and the transactions contemplated thereunder. Save as disclosed above, to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, as of the date of

this announcement, none of the Directors has any material interests in the Sale and Purchase Agreement and the transactions contemplated thereunder or shall abstain from voting in respect of the relevant resolutions.

II. THE FRAMEWORK AGREEMENT

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

Date	:	15 May 2023
Parties	:	(i) the Company; and (ii) the Purchaser
Conditions precedent	:	(i) the Framework Agreement and the transactions contemplated thereunder having been duly approved by the Board and the Shareholders' 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 shareholders' general meeting (if applicable) of the Purchaser; and (iii) (if applicable) clearance of relevant announcement(s) and circular(s) by the Stock Exchange in relation to Framework Agreement and the transactions contemplated hereunder having been obtained.
Term	:	From 15 May 2023 to 31 December 2025
Nature of transactions	:	During the term of the Framework Agreement, the Purchaser and its associates shall provide property management services to the Group.
Principal terms and pricing policy	:	The Group and the Purchaser and its associates shall enter into separate implementation agreements in accordance with terms of the Framework Agreement.

The fees under the implementation agreements pursuant to the Framework Agreement shall be determined on arm's length basis with reference to the open market prices or quotes from other independent suppliers of similar services and taking into account the service content, nature, scope, quality and others.

HISTORICAL AMOUNT

The historical amounts for similar transactions between the Group and the Purchaser and its associates (assuming including the Target Company and its subsidiaries) for the three financial years ended 31 December 2020, 2021 and 2022 and three months ended 31 March 2023 are as follows:

	For the year ended 31 December			For the three months ended
	2020	2021	2022	31 March
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Historical amount in relation to the property management services	4,609,347	10,488,640	16,182,904	4,310,503

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 ending 31 December 2023, 2024 and 2025 are as follows:

	For the year ending 31 December		
	2023	2024	2025
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Annual caps in relation to the property management services	25,000,000	30,000,000	35,000,000

In assessing the annual caps for the Framework Agreement, the Board has considered a number of factors including the historical amounts of similar transactions the Group and the Purchaser and its associates and between the Group and the Target Company and its subsidiaries, the expected transaction amount of similar property management services in the next three years and possible fluctuation in the market price of similar services.

REASONS FOR AND BENEFIT OF ENTERING INTO THE FRAMEWORK AGREEMENT

After the completion of the Sale and Purchase Agreement, the Target Company will become a connected person to the Company. As such, to effectively monitor the amount of connected transactions between the Group and the Target Company and its subsidiaries and to ensure those connected transactions are carried out in accordance with the pricing policies as well as to enhance the internal control and corporate governance of the Company, the Board has resolved to enter into the Framework Agreement.

The Purchaser passed the standard certification of ISO9001, ISO14001, ISO45001 and ISO50001 management systems with an enterprise credit rating of AAA. The Purchaser and the Company are members of Fosun International Group, and they are more familiar with the philosophy and management practices of the projects in Taicang and Lijiang than other third party companies. The Group expects that the Purchaser will be able to meet the Group's overall requirements for quality of property management and cost control, thereby creating synergies.

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, Mr. Huang Zhen and Mr. Pan Donghui, being Directors 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 SALE AND PURCHASE AGREEMENT AND THE FRAMEWORK AGREEMENT

The Target Company

Before the completion of the transaction contemplated under the Sale and Purchase Agreement, the Target Company is a wholly owned subsidiary of the Vendor and is principally engaged in property management, hotel management, parking lot (garage) operating and management, cleaning services, greening and maintenance services, building decoration construction, professional engineering construction, engineering management services and other businesses.

The Group

The Vendor is a wholly owned subsidiary of the Company and is principally engaged in tourism consulting (shall not engage in travel agency business), tour scenic spot management, hotel management, enterprise management, cultural and artistic exchange and planning (except performance brokerage), enterprise management consulting, business consulting (the above consulting other than brokerage), real estate brokerage, enterprise marketing and planning, marketing and planning, financial consulting (shall not engage in agency book-keeping), conference services, exhibition services and other businesses.

In terms of revenue in 2019 and according to the Frost & Sullivan's report, the Group is one of the world's leading leisure-focused integrated tourism groups, and the largest leisure tourism resorts group worldwide. As a core component of the "Happiness" segment, one of Fosun's four business segments of "Health, Happiness, Wealth and Intelligent Manufacturing", Fosun Tourism is committed to leading the resort lifestyle and creating the world's leading family resort ecosystem with the mission of "Better Holiday Better Life". The Group's brands and products include Club Med, the global leader which has exquisite "all-inclusive" holidays and operates over 60 resorts worldwide; Atlantis Sanya, a one-stop marine-themed high-end travel and resort complex; Taicang Alps International Resort and Lijiang Mediterranean International Resort, one-stop international leisure and tourism destinations.

Fosun International Group

The Purchaser is a wholly owned subsidiary of Yuyuan and is principally engaged in property management and property consulting; parking lot and parking garage services; exhibition services; real estate brokerage; enterprise management consulting (except brokerage); asset management; hotel management (except catering); building cleaning services; greening and maintenance and other businesses.

Yuyuan is a non-wholly owned subsidiary of Fosun International. Yuyuan is indirectly owned by Fosun International as to approximately 61.79% equity interests. 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 (stock code: 00656). Fosun International is a global innovation-driven family consumption group with a mission to provide high-quality products and services for families around the world in four major business segments, including Health, Happiness, Wealth and Intelligent Manufacturing.

To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, as of the date of this announcement, Fosun International is directly and indirectly held by Mr. Guo Guangchang as to 73.57% of the equity interests.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Fosun International is the controlling shareholder of the Company holding 78.26% equity interests. Therefore, the transaction contemplated under the Sale and Purchase Agreement constitutes a connected transaction 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 Sale and Purchase Agreement exceed 0.1% but all of them are less than 5%, the Sale and Purchase Agreement is therefore subject to the reporting, annual review and announcement requirements but is exempt from the independent Shareholders' approval requirements under 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”	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 property management services framework agreement entered by the Purchaser and the Company on 15 May 2023;

“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	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 GEM 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;
“Purchaser”	Shanghai Golte Property Management Co., Ltd. (上海高地物業管理有限公司), a company incorporated in the PRC with limited liability and is a wholly subsidiary of Yuyuan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale and Purchase Agreement”	the sale and purchase agreement entered between the Purchaser and the Vendor on 15 May 2023 in relation to 100% shares of the Target Company;
“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;
“Target Company”	Shanghai Fuxing Albion Property Management Co., Ltd. (上海复星愛必儂物業管理有限公司), a company incorporated in the PRC with limited liability;

“Vendor”	Shanghai Fuxing Albion Tourism Development Co., Ltd. (上海复星愛必儂旅遊發展有限公司), a company incorporated in the PRC with limited liability and is a wholly subsidiary of the Company;
“Yuyuan”	Shanghai Yuyuan Tourist Mart (Group) Co., Ltd. (上海豫園旅遊商城(集團)股份有限公司), a company whose shares are listed on the Shanghai Stock Exchange with stock code 600655;
“%”	per cent.

By order of the Board
Fosun Tourism Group
Xu Xiaoliang
Chairman

16 May 2023

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