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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**

The Board is pleased to announce that, on 6 June 2019, the Company (on behalf of the Group) entered into the Steelwork Material Purchase Framework Agreement with Nangang Trading, pursuant to which the Group purchases, and Nangang Trading sells, steelwork materials for the construction of our Taicang project.

LISTING RULES IMPLICATIONS

As of the date of this announcement, Fosun International is the controlling shareholder of the Company, holding approximately 81.07% 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 all the applicable percentage ratios in respect of the annual cap for the Steelwork Material Purchase Framework Agreement are more than 0.1% but 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 6 June 2019, the Company (on behalf of the Group) entered into the Steelwork Material Purchase Framework Agreement with Nangang Trading, pursuant to which the Group purchases, and Nangang Trading sells, steelwork materials for the construction of our Taicang project.

PRINCIPAL TERMS OF THE STEELWORK MATERIAL PURCHASE FRAMEWORK AGREEMENT

- Date** : 6 June 2019
- Parties** : The Company (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 19 thousand tonnes
- Term of supply** : From the date of the Steelwork Material Purchase Framework Agreement to 31 December 2019
- 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 (“30-day collection period”). The purchaser shall pay warehouse transfer and storage fee at the daily rate of RMB1 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
- Settlement terms** : The purchaser shall settle on the 15th day of every month for consideration outstanding from previous month. Any delay of settlement will result in a fine at the rate 0.01% of the payable per day and the supplier has the right to terminate the manufacturing and supplying if such delay is beyond 30 days
- 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 + necessary adjustment of 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 CAP AND BASIS OF DETERMINATION

The proposed annual cap for the estimated considerations payable by the Group to Nangang Trading for the year ending 31 December 2019 is RMB103,330,000 (approximately HK\$117,515,268).

As there is no historical transaction with Nangang Trading in respect of purchase of steelwork materials, the proposed annual cap is determined primarily with reference to the historical unit price of Q345B and Q235B steelwork materials in Shanghai quoted by Xiben and the expected quantity of steelwork materials in need for Taicang project for the year ending 31 December 2019. The Board also considered potential fluctuation of the unit price and sufficient headroom in the proposed annual cap.

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.

OPINION FROM THE BOARD

The Directors (including the independent non-executive Directors) are of the view that terms of Steelwork Material Purchase Framework Agreement 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.

Mr. Wang Can, being a Director, holds directorship in Fosun International and its associates, and has therefore abstained from voting on the relevant Board resolution approving the Steelwork Material Purchase Framework Agreement and the transactions contemplated thereunder. Save as disclosed above, none of the Directors has material interests in the transactions contemplated under the Steelwork Material Purchase Framework Agreement.

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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 2017 according to Frost & Sullivan's report. The Group's principal activities are (i) resorts, which we operate through Club Med SAS and Club Med Joyview; (ii) tourism destinations, which we develop, operate and manage, including Atlantis Sanya, our tourism destination on the Haitang Bay National Coast of Sanya, Hainan province, the PRC, Taicang project and Lijiang project as well as destinations we manage for other parties; and (iii) services and solutions in various tourism and leisure settings. Throughout its lifestyle proposition, "Everyday is Foliday", the Group seeks to infuse concepts of tourism and leisure into everyday living, and provide tailor-made, one-stop solutions through its FOLIDAY global ecosystem.

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.

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: 01992)
“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: 00656)
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“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

“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 6 June 2019 between the Company and Nangang Trading, pursuant to which the Group purchases, and Nangang Trading sells, 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

* *Note:*

1. For the purpose of this announcement and for illustrative purposes only, RMB is converted into HK\$ at the approximate rate of HK\$1.00 = RMB0.87929. No representation is made that any amounts in RMB or HK\$ has been or could be converted at the above rates or at any other rates.
2. For ease of reference, the name of the PRC established company has been included in this announcement in both the Chinese and English languages, and in the event of any inconsistency, the Chinese version shall prevail.

By order of the Board
Fosun Tourism Group
Qian Jiannong
Chairman

6 June 2019

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; the non-executive Director is Mr. Wang Can; and the independent non-executive Directors are Dr. Allan Zeman, Mr. Guo Yongqing and Ms. Katherine Rong Xin.