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: 01992)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

FINANCIAL SUMMARY

	For the years ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Revenue	**7,060,257**	17,337,169
Resort and destination operations	**5,656,003**	11,260,192
Tourism-related property sales and construction services	**468,872**	3,493,780
Tourism and leisure services and solutions	**935,382**	2,583,197
Gross profit	**2,164,602**	5,538,725
Operating (loss)/profit	**(1,675,918)**	2,071,225
(Loss)/profit before income tax	**(2,581,000)**	1,274,740
(Loss)/profit for the year	**(2,802,350)**	576,293
(Loss)/profit attributable to equity holders of the Company	**(2,568,073)**	608,722
Adjusted EBITDA	**193,809**	3,729,362
Adjusted net (loss)/profit	**(2,762,108)**	644,440
(Loss)/earnings per share — basic (in RMB)	**(2.08)**	0.49
(Loss)/earnings per share — diluted (in RMB)	**(2.08)**	0.49

LETTER TO SHAREHOLDERS

In 2020, the global tourism industry suffered unprecedented public health crisis. The outbreak of Novel Coronavirus Pneumonia Pandemic (COVID-19) has spread across various countries and regions. The extensive public health measures and travel restrictions have deeply hit the global tourism industry. According to the latest UN World Tourism Organization, the international tourist arrivals decreased by 1 billion or 74%, with revenues from international tourism dropped by 76.5% year-on-year. In 2020, the business volume of the Group's tourism operation decreased by 53.2% year-on-year to RMB6,947.7 million. Adjusted EBITDA of the Group's tourism operation decreased by 94.8% from RMB3,729.4 million in 2019 to RMB193.8 million in 2020. Loss attributable to equity holders was RMB2,568.1 million in 2020, compared with profit attributable to equity holders of RMB608.7 million in 2019.

In 2020, some of our Club Med resorts around the world had to be closed for certain period of time due to the COVID-19, which resulted in the reduction in the capacity of Club Med resorts in 2020. The business volume of our Club Med resorts decreased by 58.4% year-on-year to RMB5.61 billion as compared with that in 2019, and the adjusted EBITDA amounted to negative RMB327.2 million. From February to March 2020, Atlantis Sanya had to temporarily close certain operating facilities in light of China's pandemic prevention policies. The number of visitors at Atlantis Sanya decreased from approximately 5.2 million in 2019 to approximately 4.6 million in 2020. The business volume of Atlantis Sanya in 2020 was RMB1,226.7 million, decreased by 6.5% as compared with that in 2019.

However, we believe that the pandemic not only brings challenges but also implies a concentrated test for the execution and agility of teams and organizations. The Group strives to maintain a healthy financial position and control its operating and headquarters costs. In 2020, Atlantis CMBS of RMB6.8 billion was successfully issued and Club Med obtained EUR180 million government-guaranteed loans, and another EUR70 million government-guaranteed loans were obtained in January 2021. At the end of 2020, the Group's cash and bank balance increased by RMB2.39 billion compared with that at the end of 2019, and the proportion of short-term debts dropped from 29.7%[1] at the end of 2019 to 16.4%[1]. In 2020, fixed cost savings of Club Med was EUR270 million, and the fixed cost of Club Med decreased by 41% in the ten months after the outbreak of the pandemic compared with that of the same period in 2019. Human resource expenses and capital expenditures of Club Med dropped by 34% and 35% in 2020 compared with that of 2019, respectively. Total operating cost of Atlantis Sanya decreased by RMB92.3 million in 2020, and human resource costs and energy costs in 2020 decreased by 17.0% and 17.8% compared with that of 2019, respectively.

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1 Excluding the interest-bearing borrowings under the impact of IFRS 16.

2020 is a year of both challenges and opportunities. When the COVID-19 became under control in China, the reduction in the number of domestic tourists has been narrowing quarter by quarter. An explosive rebound in demand of travel appeared when the pandemic eased in the summer, we promoted the resumption and the recovery of business at a speed significantly faster than that of the industry. In the second half of 2020, thanks to its outstanding product strength and brand power, the business volume of Atlantis Sanya achieved growth much higher than the industry average and recorded an increase of 36.5% compared with that of the same period in last year. The adjusted EBITDA in 2020 rose to record high of RMB607.8 million compared with that in 2019. The quarterly performance of Club Med resorts in China also reached record high, the business volume increased by 35% in the fourth quarter of 2020 compared with that of the same period in 2019.

Following the success of Atlantis Sanya, the construction and presale of our two major comprehensive tourism destinations named "FOLIDAY Town" (復遊城) proceeded well in 2020. The international tourism center in Lijiang Foliday Town (麗江復遊城) opened in 2020, and Club Med Lijiang will open and operate in the second half of 2021. The indoor ski resort "Alpes Snow World (阿爾卑斯雪世界)", a major IP in Taicang Foliday Town (太倉復遊城), has commenced construction in January 2021 and is expected to start operation in 2023.

We made visible progress in propelling digital construction in 2020. In July 2020, eight months after acquiring Thomas Cook brand which had a history of nearly 180 years, we relaunched the brand new "Thomas Cook Lifestyle Platform" in China with a digital, platform-based approach. As of 31 December 2020, the platform had 549,000 APP downloads, 250,000 monthly active users, and annual business volume of approximately RMB183.7 million. At the same time, Thomas Cook UK also started its trial operation as an Online Travel Agency ("**OTA**") in September 2020, which will further strengthen our channel building and tourism products diversification in Europe. From 1 January to 18 March 2021, Thomas Cook China and Thomas Cook UK achieved a cumulative Gross Merchandise Value ("**GMV**") of over RMB77.1 million.

The pandemic did not pause the development of our new resorts. We are actively planning new offline expansion paths of various existing brands to guarantee our leading market position post pandemic. By the end of 2023, we plan to open 16 new Club Med resorts, half of which will be located in China. We also plan to further expand Casa Cook, Cook's Club and other derivative brands around the world. As of 18 March 2021, we have signed 13 and 3 hotels that are operated in light-assets model along the Mediterranean Coast and China, respectively, and we plan to manage or franchise not less than 30 hotels worldwide by the end of 2023.

The economic recovery after the pandemic is a long-term topic with abundant new opportunities, the post-pandemic travel pattern is experiencing profound changes. First, the pandemic has stimulated the demand for leisure tourism, people need more sense of security and company, and tourists will increasingly trust travel providers that offer sound operational quality and hygiene measures. Club Med has implemented COVID-19 prevention policies issued by relevant government authorities and launched the “Safe Together” program, which becomes the essential criterion to secure customer trust and loyalty. Secondly, the tourism industry needs to adapt to last minute travel decision. For instance, numerous reservations in China were shortened from one month to three days before departure, making digital and flexible earnings management a key for operation. Besides, we found that the demand for short-term trips is booming, and people have become more interested in road trips. In the meantime, Club Med Joyview and FOLIDAY Town will suitably fill in the shortage of short-term travel products. Thirdly, with the help of digitalization, we can carry out precise marketing and customer buildup. Compared with traditional OTA, Thomas Cook focuses more on developing family and young customers, unique popular tourism products and travel retail products to improve customer experience in comprehensive vacation service.

During the pandemic, we have identified consumer behavior changes in a profound manner by studying and analyzing the long-term trend and adopting quick adjustments in our operation. Thanks to our scarce and premium product competitiveness and brand awareness, precise user positioning, global operations, and the unique FOLIDAY ecosystem, we achieved further consolidation in terms of product competitiveness, brand portfolio, digitalization as well as the progress of new projects even under the impact of COVID-19. As for the balance sheet management, we strive to acquire sufficient liquidity to maintain a healthy financial position. The good news is that there are more than 380 million doses[1] of COVID-19 vaccine injections globally as of 17 March 2021. In the next two to three months, the progress of COVID-19 vaccination will be accelerated globally. Our business model is verified and will help us overcome the crisis and seize more opportunities after the crisis. I will work with my colleague and strive to turn crisis into a strong asset for future progress. We will continue and seek chance and motivation for the growth of the Company.

Finally, I would like to extend my sincere appreciation to our management team and employees for their contributions, commitment, also to thank our Board for their consistent support. We will continue to stick to our vision of “bring more happiness to global families”, strive to promote the brand new FOLIDAY lifestyle, make “Everyday is FOLIDAY” come true as early as we can, and share returns from the innovative model of FOLIDAY with our shareholders.

Sincerely
Qian Jiannong
Chairman

23 March 2021

Note: [1]According to figures from Johns Hopkins University

BUSINESS OVERVIEW

Our Group is one of the leading leisure-focused integrated tourism groups and the largest leisure tourism resorts group worldwide in terms of revenue in 2019, according to Frost & Sullivan Report. Our vision is to bring greater happiness to global families. Through our lifestyle proposition, "Everyday is FOLIDAY", we seek to infuse concepts of tourism and leisure into everyday living, and provide tailor-made, one-stop solutions through our FOLIDAY global ecosystem.

The outbreak of Novel Coronavirus Pneumonia Pandemic ("**COVID-19**") since January 2020 and the extensive public health measures and travel restrictions taken by various countries and regions have significantly impacted our business. Our Business Volume[1] of resorts and destination operations and tourism and leisure services and solutions (collectively as "**tourism operation**"), at constant exchange rate, decreased to RMB6,947.7 million for the year ended 31 December 2020 from RMB14,855.6 million for the year ended 31 December 2019, representing a year-on-year decrease of 53.2%. Our revenues decreased to RMB7,060.3 million for the year ended 31 December 2020 from RMB17,337.2 million for the year ended 31 December 2019. Gross profit decreased to RMB2,164.6 million for the year ended 31 December 2020 from RMB5,538.7 million for the year ended 31 December 2019. Adjusted EBITDA decreased to RMB193.8 million for the year ended 31 December 2020 from RMB3,729.4 million for the year ended 31 December 2019. Loss attributable to equity holders was RMB2,568.1 million for the year ended 31 December 2020, compared with profit attributable to equity holders of RMB608.7 million for the year ended 31 December 2019.

RESORTS

Club Med

Club Med, headquartered in France and founded in 1950, is a world-renowned family centric all-inclusive leisure and vacation service provider. For the year ended 31 December 2020, we have sales and marketing operations in more than 40 countries and regions across six continents, and operate 65 resorts, of which 37 resorts (including a cruise ship) are in EMEA, 12 resorts are in the Americas and 16 resorts are in the Asia Pacific region (including 7 resorts in China). In terms of business models, 14 resorts are under ownership model, 41 resorts are under lease model, and 10 resorts are under management contract model.

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1 Business Volume represents the aggregate sales of our resort service, tourism destination operation and other tourism-related services and solutions, regardless of whether the resort is owned, leased or managed.

However, due to the outbreak of COVID-19 and the public health measures and travel restrictions, all resorts were temporarily closed for certain period of time during the Reporting Period. Due to the decrease in the resort capacity by 54.7%, at constant exchange rate, the business volume of Club Med reached RMB5,605.6 million for the year ended 31 December 2020, decreased by 58.4% on year-over-year basis. The business volume of EMEA, the Americas and Asia Pacific decreased by 58.4%, 51.8% and 65.0% for the year ended 31 December 2020, respectively, compared with that of last year. The adjusted EBITDA of resort operation decreased to negative RMB327.2 million for the year ended 31 December 2020, compared to RMB2,273.4 million for the year ended 31 December 2019.

	For the year ended 31 December	
	2020	2019[1]
Business Volume by customer booking locations *(RMB Millions)*		
EMEA	**3,564.9**	8,566.9
Americas	**1,185.4**	2,458.6
Asia Pacific	**855.3**	2,442.5
Total	**5,605.6**	13,468.0

The following table sets out the capacity of resorts by type of resorts and by locations for the year ended 31 December 2020, respectively:

	For the year ended 31 December	
Type of resorts	**2020**	2019
	'000	*'000*
Capacity		
Mountain	**1,372**	2,264
Sun	**3,548**	9,338
Club Med Joyview	**660**	722
Total	**5,580**	12,324
4&5 Trident %	**91.0%**	85.0%
Capacities of resorts by locations		
EMEA	**2,284**	5,628
Americas	**1,391**	3,363
Asia Pacific	**1,905**	3,333
Total	**5,580**	12,324

1 At constant exchange rate.

Certain key information with respect to our resort business in the period of January to June and July to December 2020 is set out below:

	January-June		**July-December**		**For the year ended 31 December**	
	2020[1]	2019[1]	**2020**[2]	2019[2]	**2020**[3]	2019[3]
Business Volume *(RMB Millions)*	**3,908.2**	7,017.3	**1,634.0**	6,336.9	**5,605.6**	13,468.0
Capacity of Resorts *(in thousands)*	**3,054**	6,219	**2,526**	6,106	**5,580**	12,324
Occupancy Rate by Bed	**62.0%**	65.1%	**56.3%**	63.6%	**59.4%**	64.4%
Average Daily Bed Rate *(RMB)*	**1,644**	1,405	**1,085**	1,282	**1,423**	1,356
Revenue per Bed *(RMB)*	**1,045**	915	**587**	829	**847**	880

For the two months ended 29 February 2020, the business volume of our resort operation increased by approximately 8% and the EBITDA increased by over 20% compared with the same period in 2019, respectively, as a result of popularity in both ski and sun resorts. The significant and pervasive impact of COVID-19 began in late March 2020. We had to temporarily close most resorts from late March till June 2020. As the pandemic became gradually under control since June, we started reopening certain resorts. In July and August, capacity of Club Med reached 40.6% of that of the same period in 2019, with the occupancy rate achieved 69.4%[4]. Starting from September, tightening travel restrictions due to the second wave COVID-19 disrupted the positive momentum we noted in July and August, sales and operations in certain countries was significantly impacted. The mountain resorts in French Alps were not able to be opened in December due to pandemic prevention measures in France and Italy. In December 2020, the capacity of Club Med resorts has recovered to 37.9% of that of the same period in 2019. As of 31 December 2020, 23 resorts are open globally. Meanwhile, in China where COVID-19 was well under control, we experienced record-high performances. Business Volume of Club Med resorts in China grew by 35.3%[5] in the fourth quarter of 2020 compared with that of the same period in 2019.

1 At average constant exchange rate for the six months ended 30 June 2020.

2 At average constant exchange rate for the six months ended 31 December 2020.

3 At average constant exchange rate for the twelve months ended 31 December 2020.

4 The 69.4% occupancy rate is based on limited capacity in certain regions due to requirements of social distance and sanitary measure.

5 Including onsite sales.

We have implemented various measures to mitigate the impacts of COVID-19 on our resort operations, to ensure the health and safety of our customers and employees and to accelerate the rebound of our operation, including but not limited to:

— Implement COVID-19 prevention and control policies released by relevant government authorities. Our worldwide resorts safety measures were also audited by POSI Check. Resorts in EMEA achieved average grade of 92.8% which is far above the requested 80% agreement criterion. In China, the audit was carried out by ECOLAB. We provided equipment and supplies for prevention of COVID-19 in the resorts and working spaces with flexible working environment and hours for employees. We launched "Safe Together" program in opened resorts which includes more than 100 operational standards and a 360° communication ecosystem dedicated to guest reassurance on the enhanced health and safety protocols and dedicated staff was assigned to supervise all aspects of the hygiene and security matters. We added two experts (US and China) to our Scientific Committee, who make recommendations to the sanitary measures for the whole group;

— Develop customer care programs to reschedule and cancel travel services for customers in accordance with relevant regulations. Through adequate communication with our customers, many of them decided to postpone their travel plans, as of 31 December 2020, we hold future travel credit equivalent to approximately RMB968.1 million, which will contribute to the bounce back of our business volume in post-pandemic period. In summer 2020, the overall satisfaction rate in our Global Review Index increased by 1% and reached 91%;

— Implement strict cost control policies, including reduction of human resources costs, rental cost adjustments and cancellation of marketing campaigns and various variable costs and expenses. Human resources costs decreased by 34.1% in 2020 vs 2019. Club Med also negotiated with resorts owners to reduce rents and obtained RMB319.5 million rental reductions. During the Reporting Period, our global fixed cost saving was RMB2,123.4 million, the fixed cost in 2020 decreased by 31.9% compared to that in 2019, and the fixed cost in the 10 months ended 31 December 2020, which were directly impacted by COVID-19, decreased by 41.1% compared to the same period of 2019;

— Cancel and postpone certain capital expenditure. Our capital expenditure of resort business for the year ended 31 December 2020 was approximately RMB446.2 million, decreased by approximately 35.0% compared with that of last year. The capital expenditure decreased by approximately 69.5% in the second quarter of 2020 compared with the same period of 2019;

— Actively evaluate resort opening schedule considering the travel restriction policies and implement various online marketing and precise marketing projects to optimize the customer traffic conversion and bookings for opened resorts.

The COVID-19 and the public health and epidemic prevention measures adopted by various countries are still ongoing and the recovery timeline of our resort operation worldwide in the first half of 2021 remains uncertain. However, as anti-COVID-19 vaccine being gradually injected around the world and thus prevent the COVID-19 from spreading, we prepare ourselves for business rebound in the second half of 2021. As of 18 March 2021, we have 18 resorts re-opened globally, which represents approximately 36.7% of the resort capacity for the same period of 2019. During the Spring Festival of 2021 (from 7 February to 22 February), Club Med Joyview Beijing Yanqing Resort was fully occupied for ten nights and Club Med Joyview Anji Resort achieved an average occupancy rate of approximately 80% for the seven days from 12 February to 18 February. We are seeing positive booking momentum in sourcing markets with good vaccination progress such as UK.

With the preserved financial position and strong momentum of recovery, we are well prepared to continue the upscale strategy, globalization strategy, Happy Digital & C2M strategy and Ski ecosystem. We continue to develop projects which are expected to be popular among customers. The French beach resort La Palmyre Atlantique had accomplished the renovation and extension project and reopened in July 2020, and most renovation and extension work of Brazilian resort Trancoso was also accomplished in 2020. The new resort La Rosière completed the construction works and opening preparation on schedule in December 2020 and will start operation in June 2021. Besides, four new resorts including the Exclusive Collection Seychelles resort, Quebec Charlevoix resort, Club Med Lijiang and Tangshan resorts in China are under construction and will open in 2021. We plan to open 16 new resorts worldwide by the end of 2023, of which eight resorts are in China. We also plan to renovate and extend capacity in more than 10 resorts worldwide in order to maintain our upscale strategy by the end of 2023.

CASA COOK AND COOK’S CLUB

We have acquired the hotel brands of Casa Cook and Cook’s Club from Thomas Cook Group plc and its subsidiaries (collectively referred as “**Thomas Cook**”) upon its liquidation to further expand our resort and hotel portfolio globally. Casa Cook is an award-winning boutique hotel brand that focuses on design aesthetics and high-quality dining to create comfortable and happy experience for guests. Cook’s Club is a leisure hotel concept designed for a new generation of travelers who pursue fun, lively holiday atmosphere in hotels that have modern and stylish design. Upon acquiring relevant brands, we are actively developing projects in different regions. As of 18 March 2021, we have entered into franchise agreements with 13 hotels along the Mediterranean Coast, and we also entered three new hotel agreements in China. We plan to further expand Casa Cook, Cook’s Club and other derivative brands (if any) worldwide, with a view to achieve a global presence of not less than 30 hotels by the end of 2023.

TOURISM DESTINATIONS

ATLANTIS SANYA[1]

The business volume of Atlantis Sanya for the twelve months ended 31 December 2020 was RMB1,226.7 million, decreased by 6.5% compared with that of 2019, with room revenue and other operating revenue decreased by 1.7% and 12.2% respectively, which was mainly due to the outbreak of COVID-19 in the first half of 2020 and thus resulted in a significant decrease in the number of visitors. The number of visitors visiting Atlantis Sanya decreased from approximately 5.2 million in 2019 to approximately 4.6 million in 2020. However, the adjusted EBITDA of Atlantis Sanya in 2020 was RMB607.8 million, representing an increase of 7.6% compared with that of last year. The following table illustrates certain key operating data of Atlantis Sanya:

	Six months ended 30 June		**Six months ended 31 December**		**Twelve months ended 31 December**	
	2020	2019	**2020**	2019	**2020**	2019
Business Volume *(RMB'000)*	**331,339.8**	656,034.4	**895,398.7**	656,025.5	**1,226,738.5**	1,312,059.9
Room Revenue *(RMB'000)*	**186,928.4**	349,302.7	**512,746.1**	362,782.8	**699,674.5**	712,085.5
Other Operating Revenue *(RMB'000)*[2]	**144,411.4**	306,731.7	**382,652.6**	293,242.7	**527,064.0**	599,974.4
Occupancy Rate by Room	**45.1%**	62.0%	**89.7%**	75.0%	**67.5%**	68.5%
Average Daily Rate by Room *(RMB)*	**1,732.3**	2,371.0	**2,364.3**	2,001.8	**2,154.3**	2,167.3
RevPar by Room *(RMB)*	**781.6**	1,469.0	**2,120.7**	1,500.5	**1,454.9**	1,485.0

The operation of Atlantis Sanya was significantly impacted by the outbreak of the pandemic in 2020. When the COVID-19 outbreak in China in the first half of 2020, we had to close certain facilities temporarily according to the relevant government policies between February and March. However, benefiting from the outstanding product power and the recovery of demands, the business volume of Atlantis Sanya for the six months ended 31 December 2020 (the "**second half of 2020**") showed growth against the circumstances, with the business volume increased by 36.5% in the second half of 2020 compared with the same period of last year, of which the room revenue increased by 41.3% and other operating revenue increased by 30.5%. The average daily rate per room increased by 18.1%, and the occupancy rate increased by 14.7 percentage points to 89.7% in the second half of 2020 compared to the same period of that in 2019. To diversify its recreational offerings, Atlantis Sanya added the night session in the Waterpark from July to September 2020, which has driven the overall admission tickets income of the Waterpark in 2020 to increase by 35%

1 Atlantis Sanya is owned by the Group and managed by Kerzner, except for Tang Residence.

2 This mainly includes (i) the revenue from the Aquarium and the Waterpark and (ii) the revenue from the food and beverage and other services provided.

compared with that of the same period in 2019. From 26 December 2020 to 31 March 2021, Atlantis Sanya cooperated with Shanghai Yu Garden Lantern Festival to organize the Atlantis Sanya Yu Garden Lantern Carnival, which diversifies its product offerings and boosts the evening economy in Sanya as well.

With the gradual control of COVID-19 in China since mid-March 2020, Atlantis Sanya has performed various marketing and promotion activities to rebound its business, including but not limited to flash sales promotion, charter flight campaign, public health topic marketing promotion, online live streaming in cooperation with Ctrip, Fosun Family Day on 15 May 2020, live broadcasting by top KOLs, posts by travel and parenting self-media, and the live broadcasting in cooperation with Alipay countdown party. Besides, benefiting from the popularity of top celebrities, popular variety shows and TV series, the publicity of Atlantis Sanya was expanded and increased. Seven variety shows and TV series were shot in Atlantis Sanya in 2020.

We have implemented strict cost control measures and policies to optimize the operation cost of Atlantis Sanya, including reduction of human resources costs, optimization of energies and other fixed costs and reduction of marketing campaigns and various variable costs and expenses. Total operating costs for the twelve months ended 31 December 2020 decreased by RMB92.3 million compared with that in 2019, and human resource costs and energy costs decreased by approximately 17.0% and 17.8%, respectively.

During the Spring Festival of 2021, the government encouraged people to stay put. Even in such context, Atlantis Sanya received nearly 301,000 visitors during the 16-day period from 11 to 26 February 2021 (from New Year's Eve to Lantern Festival), with an average occupancy rate of 86%. In particular, Atlantis Sanya recorded an average occupancy rate of over 90% from 18 to 25 February 2021.

For the twelve months ended 31 December 2020, we delivered 27 units of Tang Residence and recognized an amount of RMB434.2 million as revenue. As of 31 December 2020, we still have one apartment and eight villas available to be sold or delivered. For the apartments and villas sold, approximately 189 apartments and 11 villas were managed by us as accommodation facilities under Albion brand as of 31 December 2020.

FOLIDAY TOWN[1]

We launched the "FOLIDAY Town" (复游城) brand in November 2019. FOLIDAY Town is the key self-developed brand for our tourism destination business. As a new tourism and leisure product in response to consumption upgrade, the vision of FOLIDAY Town is to connect various leading global tourism and leisure brands together to lead a new global vacation lifestyle by leveraging our global FOLIDAY ecosystem and the successful operation experience in Club Med and Atlantis Sanya.

Lijiang Foliday Town

Lijiang FOLIDAY Town covers land parcels of approximately 695,000 square meters in Baisha town in Lijiang city, Yunnan province in Southwestern China, which is defined as an international tourism destination targeting mid-to-high-end customers and plan to combine comprehensive tourism and leisure features, such as a Club Med resort, customized vacation inns and other accommodations, sightseeing attractions, recreational facilities, shows, local events and tours which will be operated and managed by us or our strategic partners. The GFA of Lijiang FOLIDAY Town is approximately 310,000 square meters and the project development costs (mainly including the cost to acquire the land use right and construction cost) is expected to be approximately RMB4.0 billion. The project was planned to include saleable vacations inns and residence with total GFA of over 237,000 square meters, certain portions of which had obtained approval from the regulatory authority. The saleable vacation inns and residence will be designed as low-rise detached houses with low density targeting high-end customers and low-rise courtyard houses targeting mid-to-high-end customers, and the product is defined as "the vacation house at the foot of the snow mountains". We have started construction of Club Med Resort and international tourism center in 2019. The international tourism center has commenced operation in 2020, while Club Med Lijiang resort will be opened in the second half of 2021. We have started construction of saleable vacations inns and residence in the first half of 2020. The project has been completed in stages since late 2020, and is expected to achieve full completion from 2022 to the end of 2023. As of 31 December 2020, the total cost incurred for the Lijiang FOLIDAY Town was approximately RMB1,095.8 million. As of 31 December 2020, a project development loan amounted to RMB1,300 million was granted to Lijiang FOLIDAY Town, of which RMB444 million has already been used in the project. In July 2020, we have obtained the presale permit of saleable vacation inns and residence with approximately 28,000 square meters and started the presale activities at the end of November 2020.

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1 FOLIDAY Town is designated to offer Foliday life style experience with integrated settings of international brands, intelligent operations and various innovation solutions in FOLIDAY ecosystem for global family.

Taicang Foliday Town

Taicang FOLIDAY Town covers land parcels of approximately 483,000 square meters in Taicang city, Jiangsu province in East China. The project is adjacent to Shanghai, located near Taicang South Station. Taicang South Station of the Shanghai-Suzhou-Nantong Railway was put into operation on 1 July 2020, it takes less than 30 minutes to reach Taicang FOLIDAY Town from Shanghai Hongqiao Transportation Hub. Taicang FOLIDAY Town is designed to offer various themed experiences and tourism features, including but not limited to one of the largest indoor snow slopes in East China, a sports park, a Club Med resort, a European style commercial street, and saleable vacation units. The GFA of Taicang FOLIDAY Town is approximately 1,286,000 square meters and the project development costs (mainly including the cost to acquire the land use right and construction cost) is expected to be approximately RMB13.2 billion. The project was planned to include saleable vacations units with total GFA of over 554,000 square meters. The saleable vacation units are designed as high-rise apartment buildings targeting mid-to-high-end customers. Our indoor snow slop was designed by Compagnie des Alpes ("**CDA**"), one of the world's leading ski domain operators based in France, to offer facilities and services with international standards. We have started construction of the project since January 2019, and the display center for commercial sites and marketing showrooms of saleable units have been opened to customers since the end of 2019. The construction of the indoor ski resort "Alpes Snow World" has started in January 2021, which includes five ski slopes and seven "Magic Carpets" serving as conveyor belts, aiming to create an customer experience close to real snow. As for the ski practicing and training courses, we will establish two ski schools for all ages with professional ski lessons of the European system offered by CDA and Club Med. The construction of Taicang FOLIDAY Town is expected to be completed in stages starting from 2021 and achieve full completion in the following three to four years. As of 31 December 2020, the total cost incurred in the Taicang Project was approximately RMB3,244.3 million, which was mainly used for land acquisitions and construction costs. In July 2020, Taicang FOLIDAY Town has obtained sales permit for GFA of approximately 100,000 square meters, of which pre-sale activities of approximately 51,000 square meters that represent 434 sets of saleable units have started. 250 sets of saleable units were presold as of 31 December 2020, and 389 sets of saleable units were presold as of 18 March 2021.

Other than Lijiang FOLIDAY Town and Taicang FOLIDAY Town, we are also in discussion with other developers to explore the opportunities to provide tailor-made tourism destination design, technical support and management services. In addition, we are exploring various cooperation and strategic partnerships opportunities with other companies on the development and operation models of tourism destination.

ALBION

Our Albion brand manages and operates tourism destinations and vacation residences in many parts of China such as Zhejiang, Hainan, Guangdong, Chongqing, etc. In 2020, the revenue of Albion grew by 34%, and the revenue of vacation residences sector grew by 57.4% year-on-year. In 2020, Albion had one new resort under management and operation, one new scenic spot operation service output project, and the number of rooms under management reached nearly 800. The Albion brand has been highly recognized in Chinese tourism industry, winning more than 20 awards from industry media and platforms such as Jinlv and Meisu.

SERVICES AND SOLUTIONS IN VARIOUS TOURISM AND LEISURE SETTINGS

Entertainment, other tourism and culture related services

Our entertainment, other tourism and culture related services have also been significantly impacted by COVID-19 outbreak. The resident Show C in Atlantis Sanya has resumed performance since April 2020 and has restored growth since May 2020 by over 60% from May to December compared with the same period of last year, mainly benefited from the growth of income generated from merchandise products and VIP tickets. Our international learning and playing club, Miniversity, has extended its business to include the "Discovery Series" activities that focus on outdoor camp learning and playing, and more summer & winter camping activities. In 2020, Miniversity held 241 "Discovery Series" activities in total. We have three indoor ski simulation centers under the brand Foryou Ski, two in Shanghai and one in Atlantis Sanya as of 31 December 2020. We plan to further provide extensive services and solutions to meet the customers' evolving needs and bring value-added synergies within our FOLIDAY ecosystem.

Thomas Cook Lifestyle Platform

In November 2019, we acquired Thomas Cook's right, title and interest in trademark, domain names, software applications, social media accounts and licenses relating to the Thomas Cook brand across most international markets upon its liquidation. Originated in 1841, Thomas Cook is the frontrunner of establishing tourism industry and one of the most well-known tourism brands around the world. We aim to further expand our FOLIDAY platform business leveraging the extensive brand awareness and profound influence of Thomas Cook brand. In July 2020, we launched "Thomas Cook Lifestyle Platform", which integrates our internal superior resources, takes content as the core drive, and forms an open internet platform based on vacation and life products. The platform was launched for trial operation on 6 July 2020 and officially launched on 18 July 2020. The platform achieved business volume of greater than RMB183.7 million with around 549,000 APP downloads and 250,000 monthly active users as of 31 December 2020. The platform achieved 752,000 APP downloads and 372,000 monthly active users as of 18 March 2021. And the total GMV reached RMB41.2 million from 1 January 2021 to 18 March 2021.

On 16 September 2020, the brand-new Thomas Cook online travel agent was soft launched in UK, which aims to further strengthen our channel connection in European market and diversify the tourism products offered by us, and thus further construct our Thomas Cook lifestyle platform. On 22 February 2021, the UK government announced to relieve the lockdown and Thomas Cook UK achieved 600% week-on-week increase in transaction volume in that week and 91% month-on-month increase in revenue in February. From 1 January to 18 March 2021, Thomas Cook China and Thomas Cook UK achieved a cumulative GMV of nearly RMB77.1 million.

Member Loyalty Programmes

Our loyalty programs include global Club Med Great Member loyalty program and Foryou Club, which has integrated members from our various brands in the FOLIDAY ecosystem, including members of Atlantis Sanya, Club Med members from Mainland China, Thomas Cook mobile application and other members from various activities and services we provide. Foryou Club interacted with other strategic partners for membership benefits, including Alipay, Fliggy, Tencent Wealth Management members. As of 31 December 2020, Foryou Club has accumulated approximately 6.1 million members.

Our Business in Hainan

On 1 June 2020, Chinese government issued "Overall Plan for the Construction of Hainan Free Trade Port" (《海南自由貿易港建設總體方案》), which provides structural policies and guidelines around building up Hainan Free Trade Port, including taxation, infrastructure, talent introduction, international trade and other relevant aspects. As of 31 December 2020, our business in Hainan includes not only Atlantis Sanya, Club Med resort in Sanya, but also our services and solutions, including resident Show C, Foryou Ski and travel agency business. We are actively searching opportunities to further develop our business in Hainan Free Trade Port, including but not limited to tourism destination, resort management, various services and solutions, travel retail and lifestyle products, etc. In April 2021, the Tourism Destination Management Company of Thomas Cook in Sanya will launch the relevant local services including one-day tour of Atlantis Sanya and its comprehensive entertainment facilities, transportation, MICE[1] and inbound tour to provide our customers with a full range of holiday options and more convenient travel services. According to Frost & Sullivan, our operation of Atlantis Sanya and Club Med Sanya Resort together makes us the largest high-end resort provider in Sanya, based on number of guest rooms with an average daily rate per room in 2019 of above RMB1,000.

1 Meetings, Incentives, Conferencing & Exhibitions.

Selected Items of Consolidated Statement of Profit or Loss

	For the year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
REVENUE	**7,060,257**	17,337,169
Cost of revenue	**(4,895,655)**	(11,798,444)
Gross profit	**2,164,602**	5,538,725
Other (expenses)/income and gains, net	**(1,365,168)**	(37,221)
Selling and marketing expenses	**(1,368,119)**	(2,230,897)
General and administrative expenses	**(1,107,233)**	(1,199,382)
Operating (loss)/profit	**(1,675,918)**	2,071,255
Finance costs	**(895,444)**	(800,886)
Share of (losses)/profits of:		
Associates	**(9,638)**	4,401
(LOSS)/PROFIT BEFORE TAX	**(2,581,000)**	1,274,740
Income tax expenses	**(221,350)**	(698,447)
(LOSS)/PROFIT FOR THE YEAR	**(2,802,350)**	576,293
Attributable to:		
Equity holders of the Company[1]	**(2,568,073)**	608,722
Non-controlling interests	**(234,277)**	(32,429)
	(2,802,350)	576,293

[1] Loss attributable to equity holders of the Company for the year ended 31 December 2020 included RMB2,259.5 million loss arising from tourism operation and RMB308.6 million loss arising from property development and sales. Profit attributable to equity holders of the Company for the year ended 31 December 2019 included RMB173.4 million profit arising from tourism operation and RMB435.3 million profit arising from property development and sales.

Revenue: Our revenue decreased by 59.3%, from RMB17,337.2 million for the year ended 31 December 2019 to RMB7,060.3 million for the year ended 31 December 2020. The outbreak of COVID-19 since January 2020 has caused various countries to take extensive public health measures such as city lockdowns and travel restrictions, which have significantly and negatively impacted our tourism operation. Meanwhile, revenue arising from tourism-related property sales revenue decreased by 86.6% mainly due to the planning adjustment of construction and delivery cycles.

Revenue by business function and business segment

	For the year ended 31 December			
	2020		2019	
	RMB'000	*%*	*RMB'000*	*%*
Resorts and destination operations	**5,742,617**	**81.3%**	11,413,388	65.8%
— Resorts	**4,435,792**	**62.8%**	10,045,083	57.9%
— Tourism destinations	**1,306,825**	**18.5%**	1,368,305	7.9%
Tourism-related property sales and construction services	**468,872**	**6.7%**	3,493,780	20.2%
— Resorts	**34,645**	**0.5%**	79,079	0.5%
— Tourism destinations	**434,227**	**6.2%**	3,414,701	19.7%
Tourism and leisure services and solutions	**946,805**	**13.4%**	2,592,089	15.0%
— Resorts	**795,132**	**11.3%**	2,388,538	13.8%
— Services and solutions in various tourism and leisure settings	**151,673**	**2.1%**	203,551	1.2%
Eliminations	**(98,037)**	**(1.4%)**	(162,088)	(1.0%)
Total revenue from contracts with customers	**7,060,257**	**100.0%**	17,337,169	100.0%

Resorts and Destination Operations: Resort and destination operation revenue decreased by 49.7% from RMB11,413.4 million in the year ended 31 December 2019 to RMB5,742.6 million in the year ended 31 December 2020.

Resort revenue decreased by 55.8% year-over-year, reflecting the sharp decrease of the resort capacity by 54.7% and occupancy rate[1] decreased by 5.0 percentage points due to the COVID-19 public health prevention measures and travel restrictions, partially offset by the Average Daily Bed Rate increase of 4.9%.

1 Occupancy rate is based on limited capacity in certain regions due to requirements of social distance and sanitary measures.

Tourism destination operation revenue mainly includes operation revenue of Atlantis Sanya and Albion. Operation revenue of Atlantis Sanya slightly decreased by 6.5% from RMB1,312.1 million in the year ended 31 December 2019 to RMB1,226.7 million in the year ended 31 December 2020. The operation revenue for the six months ended 30 June 2020 decreased by RMB324.7 million compared with same period of last year with the Occupancy Rate decreased by 16.9 percentage points and Average Daily Rate decreased by 27.0%, respectively. With the gradual control of COVID-19 outbreak in China, outstanding product strength and brand power, we experienced significant improvement in demand driven by domestic leisure travel, therefore the operation revenue from July to December 2020 increased by 36.5% compared with the same period of last year, benefited from Occupancy Rate increased by 14.7 percentage points and Average Daily Rate increased by 18.1%. Meanwhile, even under the impact of the COVID-19, operation revenue of Albion increased by 34.0% year-over-year mainly due to the successful business ramp-up and strong brand awareness. We commenced the operation of 147 units of Tang Residence apartments in January 2019 under the brand of Albion, as of 31 December 2020, we operated approximately 189 apartments and 11 villas.

Tourism-related property sales and construction services: Revenue decreased by 86.6% to RMB468.9 million, as we delivered 204 Tang Residence units in 2019 and only delivered 27 units in 2020. As of 31 December 2020, we still had one apartment and eight villas available to be sold or delivered. During the Reporting Period, construction of saleable vacation inns and residences in Lijiang and Taicang FOLIDAY town were under construction. We started the pre-sale of saleable vacation units for Taicang in July 2020 and Lijiang in November 2020. The planning adjustment of construction and delivery cycles led to the temporary decrease of our tourism-related property sales and construction revenue.

Tourism and leisure services and solutions: Revenue of tourism and leisure services and solutions deceased by 63.5% year-over-year, mainly due to the decrease in resort transportation service which was impacted by COVID-19 and related public health prevention measures and travel restrictions.

Cost of revenue by business function

	For the year ended 31 December			
	2020		2019	
	RMB'000	***%***	*RMB'000*	*%*
Resorts and destination operations	**4,131,184**	**84.4%**	7,794,992	66.1%
Tourism-related property sales and construction services	**4,816**	**0.1%**	1,920,788	16.3%
Tourism and leisure services and solutions	**852,083**	**17.4%**	2,240,008	19.0%
Eliminations	**(92,428)**	**(1.9%)**	(157,344)	(1.4%)
Total	**4,895,655**	**100.0%**	11,798,444	100.0%

Gross Profit and Gross Profit Margin (GP Margin) by business function

	For the year ended 31 December			
	2020		2019	
	Gross Profit	**GP Margin**	Gross Profit	GP Margin
	RMB'000	***%***	*RMB'000*	*%*
Resorts and destination operations	**1,611,433**	**28.1%**	3,618,396	31.7%
Tourism-related property sales and construction services	**464,056**	**99.0%**	1,572,992	45.0%
Tourism and leisure services and solutions	**94,722**	**10.0%**	352,081	13.6%
Eliminations	**(5,609)**	**N/A**	(4,744)	N/A
Total	**2,164,602**	**30.7%**	5,538,725	31.9%

Cost of revenue, gross profit and GP Margin by business function: Cost of revenue decreased by 58.5% from RMB11,798.4 million in 2019 to RMB4,895.7 million in 2020 year-over-year, which was in line with revenue decrease, even relative fixed operation costs and depreciation costs accounted for approximately 50% of total cost in 2019. We have implemented various strict cost control measures and policies, including but not limited to reduction of human resources costs, rental cost adjustments, optimization of energies and other fixed costs, cancellation and reduction of various variable costs and expenses, etc. to mitigate the COVID-19 impact on our operation.

Gross profit in 2020 decreased by 60.9% and gross profit margin slightly decreased from 31.9% to 30.7% year-over-year. Excluding the exceptional costs related to COVID-19, gross profit for resort and destination operations contributed gross profit of RMB1,611.4 million, decreased by 55.5% compared with same period of last year. Gross profit margin of resort and destination operation decreased by 3.6 percentage points to 28.1% in 2020, as certain relative fixed operation costs have not been reduced in the same percentage with the decrease in business volume.

Other (expenses)/income and gains, net

We incurred a net loss of RMB1,365.2 million in 2020 comparing with a net loss of RMB37.2 million in the same period of last year. Net loss in 2020 was mainly due to recorded exceptional costs amounted to RMB1,235.8 million (2019: nil) due to COVID-19, including the costs of the business during their closure when they are supposed to be open in normal time, and additional operation costs such as transportation to bring our customer back home due to the epidemic outbreak.

Selling and marketing expenses

Selling and marketing expenses decreased by 38.7% year-over-year to RMB1,368.1 million for the year ended 31 December 2020, mainly due to (i) commission on sales for resorts and destination operation and property sales decreased by 57.0% year-over-year to RMB260.8 million in 2020 (2019: RMB606.4 million), which was in line with the decreased revenue of tourism operation and tourism-related property sales, (ii) Employee costs decreased by RMB183.0 million as a result of cost saving policies, (iii) Other major cost reduction measures including reduction of marketing campaigns and related marketing and promotion expenses, cancellation of travel & trips and other expenses.

General and administrative expense

General and administrative expenses decreased by RMB92.1 million to RMB1,107.2 million in 2020. The change was primarily due to (i) employee costs decreased by RMB46.7 million, as a result of cost saving policies, (ii) land use taxes and other taxes expenses decreased by RMB25.7 million mainly due to government support policies for COVID-19, (iii) decrease in share-based payment expenses, IT expenses, outsourcing services expenses, travel expenses and other expenses compared with same period of last year.

Operating profit/(loss) by segment

Our operating loss was RMB1,675.9 million in 2020, comparing with the operating profit of RMB2,071.2 million year-over-year.

	For the year ended 31 December			
	2020		2019	
	RMB'000	**%**	*RMB'000*	%
Resorts	**(2,042,023)**	**121.8%**	643,049	31.0%
Tourism destinations	**644,231**	**(38.4%)**	1,656,201	80.0%
Services and solutions in various tourism and leisure settings	**(140,189)**	**8.4%**	(63,676)	(3.1%)
Eliminations and unallocated expenses	**(137,937)**	**8.2%**	(164,349)	(7.9%)
Total	**(1,675,918)**	**100.0%**	2,071,225	100.0%

Resorts business incurred an operating loss of RMB2,042.0 million in 2020 compared with an operating profit of RMB643.0 million in 2019, reflecting the unprecedented impact to our business volume from COVID-19 outbreak and our cost saving actions. Excluding the non-recurring operating items, resort business incurred an operating loss of RMB761.1 million. Non-recurring operating items of resorts operation included the costs of the business during their closure when they are supposed to be open in normal time, and additional operation costs such as transportation to bring our customer back home due to the epidemic outbreak, impairment and provisions, restructuring, gain/(loss) on the fair value change of investments measured at fair value through profit or loss, and disposal damage insurance.

Tourism destinations: Operating profit decreased by RMB1,012.0 million to RMB644.2 million in 2020, mainly due to (i) operating profit contributed by delivery of Tang Residence decreased by RMB1,034.7 million mainly due to changes in delivery cycle, partially offset by operation of Atlantis Sanya contributed incremental operating profit of RMB50.2 million in 2020, which was benefited from our effective cost saving actions.

Services and solutions in various tourism and leisure settings: Operating loss in 2020 was RMB140.2 million compared with RMB63.7 million in 2019, mainly due to the impact of COVID-19 on our operation.

Finance costs

Finance costs net of capitalized interest increased from RMB800.9 million in 2019 to RMB895.4 million in 2020. The increase of RMB94.6 million is primarily attributable to the increase in indebtedness. Our indebtedness balance as of 31 December 2020 increased by approximately RMB7,201.1 million compared with the balance as of 31 December 2019. The interest rates of borrowings in 2020 were approximately between 0.5% to 5.94%, as compared with approximately between 2.75% and 7.37% for the same period of last year.

Income tax expense

Income tax expenses decreased by RMB477.1 million from RMB698.4 million in 2019 to RMB221.4 million in 2020. The income tax expense for the year ended 31 December 2020 primarily comprises of PRC land appreciation tax ("**LAT**") amounted to RMB198.4 million recorded with sales of tourism-related property sales.

LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sale of properties less deductible expenditures including land costs, borrowing costs and other property development expenditures. The Group has estimated, made and included in taxation a provision for LAT according to the requirements set forth in the relevant Mainland China tax laws and regulations. Details of income tax expenses are set out in page 47.

Non-IFRS Measures

To supplement the presentation of our historical financial information with certain non-IFRS accounting measures including EBITDA, Adjusted EBITDA, and Adjusted Net Profit/(loss). We adjust EBITDA and net profit/(loss) to eliminate the effect of certain non-cash items and one-time events including the interest owed to related companies for reorganization, equity-settled share-based payments and listing expenses. These non-IFRS financial measures are used by our management to evaluate our financial performance by eliminating the impact of certain non-cash items and one-time events and help investors understand and evaluate the consolidated performance results of our underlying business across accounting periods. The specific definition and calculation of EBITDA and the other non-IFRS accounting measures can differ from other companies, so such measures presented herein may not be comparable to similarly named measures presented by other companies. From time to time in the future, there may be other items that the Company may exclude in reviewing its financial results.

ADJUSTED EBITDA

	For the year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
(Loss)/income before income tax	**(2,581,000)**	1,274,740
Adjustment:		
Depreciation	**1,897,893**	1,825,941
Amortization	**139,582**	117,438
Finance costs	**895,444**	800,886
Land appreciation tax	**(198,352)**	(357,790)
EBITDA (unaudited)	**153,567**	3,661,215
Add:		
Equity-settled share-based payments	**40,242**	68,147
Listing expenses	**—**	—
Adjusted EBITDA (unaudited)	**193,809**	3,729,362
Arising from tourism operation[1]	**114,319**	2,743,959
Arising from property development and sales[1]	**79,490**	985,403

(1) Unallocated expenses are allocated to adjusted EBITDA arising from tourism operation and tourism-related property budget sales by ratio.

Adjusted EBITDA

Adjusted EBITDA decreased from RMB3,729.4 million in 2019 to RMB193.8 million in 2020.

Adjusted EBITDA arising from tourism operation decreased to RMB114.3 million in 2020 from RMB2,744.0 million in 2019. The adjusted EBITDA of resorts operation was negative RMB327.2 million in 2020, comparing with adjusted EBITDA of RMB2,273.4 million in 2019, which was mainly caused by COVID-19 impact on our operation. Excluding the change of non-recurring operating items[1], the recurring adjusted EBITDA was RMB357.8 million, represented the decline of 84.9% year-over-year. Adjusted EBITDA of Atlantis Sanya in 2020 increased to RMB607.8 million from RMB564.8 million in 2019.

The adjusted EBITDA of tourism-related property sales in 2020 was RMB145.0 million before net off unallocated expenses, mainly arising from the delivery of Tang Residence units.

Adjusted negative EBITDA of services and solutions in various tourism and leisure settings increased from RMB56.6 million in 2019 to RMB126.5 million in 2020.

Adjusted Net Profit

	For the year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Net Profit	**(2,802,350)**	576,293
Add:		
Equity-settled share-based payments	**40,242**	68,147
Adjusted Net Profit	**(2,762,108)**	644,440

1 Non-recurring operating items included the costs of the business during their closure when they are supposed to be open in normal time, and additional operation costs such as transportation to bring our customer back home due to the epidemic outbreak, impairment and provisions, restructuring, gain/(loss) on the fair value change of investments measured at fair value through profit or loss, and disposal damage insurance.

Capital expenditures

Our major capital expenditures primarily consist of expenditures to land use rights and property, plant and equipment. We funded our capital expenditures from our internal resources, proceeds from share offerings, bank borrowings, leases, and related company loans. The amount of capital expenditures of the Group for the year ended 31 December 2019 and 2020 was RMB1,294.3 million and RMB1,102.7 million, respectively. The capital expenditure incurred in 2019 mainly related to capital expenditures in tourism destination projects, upgrade or renovation of existing resorts, and investments in digital technology. For the year ended 31 December 2020, our capital expenditure for resorts decreased by approximately RMB240.5 million compared with same period of last year as we postponed and cancelled certain capital expenditures as part of the cost control measures. Meanwhile, the capital expenditure for tourism destination increased by RMB35.8 million mainly due to the construction progress of Taicang and Lijiang FOLIDAY Town projects. We will keep balance for short term saving and long term efficiency and flexibility, to enable our business operate effectively going forward.

Indebtedness, liquidity and financial resources of the Group

Our Group funds our investments and operations principally with cash generated from our operations, bank and other borrowings, funds raised from the capital market, related party borrowings and capital investments by our Controlling Shareholders. As of 31 December 2020, we had cash and bank balances of approximately RMB4.6 billion. The following table set outs our cash flows for the periods indicated:

	For the year ended 31 December	
	2020	2019
	RMB Billion	*RMB Billion*
Net cash flows (used in)/generated from operating activities[1]	**(1.9)**	2.6
Net cash flows used in investing activities[2]	**(1.0)**	(1.5)
Net cash flows from/(used to) financing activities	**5.3**	(0.8)
Cash and bank balances at end of the year	**4.6**	2.1
Analysis of balances of cash and cash equivalents		
Cash and bank balances at end of the year	**4.6**	2.1
Less：Pledged bank balances	**0.0**	—
Time deposits with original maturity of more than three months	**1.6**	—
Restricted pre-sale proceeds	**0.1**	—
Cash and cash equivalents	**2.8**	2.1

1. Exclude outflow of pledged bank balances and restricted pre-sale proceeds

2 Exclude outflow of time deposits with original maturity of more than three months

Our liquidity as of 31 December 2020 was improved by the following measures taken:

— In March 2020, we issued Asset-backed Securities (commercial mortgage backed securities in specific, "**CMBS**") amounted to RMB6.8 billion, with mortgage of underlying assets of Atlantis Sanya hotels and Waterpark and equity interest of Hainan Atlantis Business and Tourism Development Co., Ltd. and pledge of operating revenue of Atlantis Sanya ("**Atlantis CMBS**"). Atlantis CMBS was recorded as other borrowings with a coupon rate of 5% and 48 repayment installments in 24 years.

— In June 2020, Club Med obtained long term loan amounted to Euro 180 million (equivalent of RMB1,444.5 million) from banks which was guaranteed by French Republic ("**French State Guaranteed Loan**"). The loan has an interest rate calculated based on EURIBOR plus adjustment and a maturity up to six years.

— In 2020, we have obtained RMB2,870.0 million long-term loan facilities in aggregate related to Taicang project, which will help the project balance its capital expenditure by pre-sale proceeds and the long-term loan.

— In January 2021, Club Med obtained second trench long term loan amounted to Euro 70.0 million (equivalent of RMB561.8 million) from banks which was guaranteed by French Republic ("**French State Guaranteed Loan**"), with the same term as the first trench.

Our indebtedness included interest-bearing bank borrowings, convertible bonds, convertible redeemable preferred shares and finance lease payable. As of 31 December 2020, the total amount of interest-bearing bank and other borrowings was RMB13,341.1 million, within which RMB2,187.9 million was repayable within one year. Our undrawn banking facilities at the end of 2020 amounted to RMB4,248.6 million in total.

Our loan agreements may also include material financial covenants. Furthermore, we may be required to provide additional guarantees upon the lending banks' request if any changes in our guarantor adversely affect the guarantee granted by the guarantor to the lending banks. We also entered into some amendments to existing loan or facility agreements to get the covenant holiday in 2020. Our Directors confirmed that we complied with all material covenants under our loan agreements and covenant relaxation amendments during the Reporting Period and up to the date of this report.

Capital Structure

The Company continued to maintain a healthy and sound financial position. Our total assets increased from RMB36,802.9 million as of 31 December 2019 to RMB38,686.6 million as of 31 December 2020, and our total liabilities increased from RMB28,373.0 million as of 31 December 2019 to RMB33,342.7 million as of 31 December 2020. We changed the net current liabilities position of RMB3,725.7 million as of 31 December 2019 to net current assets of RMB225.6 million as of 31 December 2020.

Our current ratio improved from 0.7 as of 31 December 2019 to 1.0 as of 31 December 2020 as we have obtained long term financings including other borrowings related to Atlantis CMBS, French State Guaranteed Loan and Taicang Lijiang long term loans to improve our liquidity in 2020.

Our gearing ratio[1] slightly increased from 37.5% as of 31 December 2019 to 47.9% as of 31 December 2020 primarily due to increased interest-bearing bank and other borrowings.

The Group monitors capital using a gearing ratio, which is net debt divided by the total assets. Net debt includes interest-bearing bank and other borrowings, lease liabilities, convertible bonds and convertible redeemable preferred shares, less cash and bank balances.

Exchange Rate Fluctuation

Currency fluctuation effects on transactions

The Group has resorts and commercial operations in over 40 countries and regions which are exposed to foreign exchange risk arising from various currency exposures. Major currencies for our commercial transaction included the Euro, U.S. dollar, British Pound, Hong Kong dollar and Canadian dollar. We were engaged in hedging transactions to limit the impact of changes in interest rates, indebtedness and the effects of changes in foreign exchange rates on commercial operation and to reduce our exposure to market volatility. In 2020, unprecedented factors including the ongoing COVID-19 situation severely increased the volatility of the currencies. Euro significantly appreciated against a lot of currencies such as Mauritian Rupee, British Pound, Turkish Lira, U.S. Dollar and assimilated, leading to foreign currency exchange losses. For the year ended 31 December 2019 and 2020, we recorded foreign exchange gain of RMB38.9 million and loss of RMB102.3 million, respectively in other income and gains, net.

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1 Excluding the impact of IFRS 16, gearing ratio would be 29.7% and 16.9% as of 30 June 2020 and 31 December 2019, respectively.

Currency fluctuation effects on translations

Our consolidated financial statements are prepared in RMB, our Group's reporting currency. In preparing the consolidated financial statements, the results of operations of our subsidiaries outside the PRC are translated from their functional currencies into the RMB. The assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of each reporting period and their statements of profit or loss are translated into RMB at the average exchange rates for the period. Fluctuations in the value of the exchange rates of our subsidiaries from one year to the next affect our consolidated results of operations. Exchange differences on translation of foreign operations are recognized in our exchange fluctuation reserve, the movement of which is recorded in other comprehensive income. We recorded a gain of RMB28.1 million and a loss of RMB531.9 million for the year ended 31 December 2019 and 2020, respectively, which mainly comes from the translation of foreign operations in Brazil, Mexico and the Dominican Republic.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2020

	Notes	**2020** **RMB'000**	2019 RMB'000
REVENUE	*3*	**7,060,257**	17,337,169
Cost of revenue		**(4,895,655)**	(11,798,444)
Gross profit		**2,164,602**	5,538,725
Other (expenses)/income and gains, net	*4*	**(1,365,168)**	(37,221)
Selling and marketing expenses		**(1,368,119)**	(2,230,897)
General and administrative expenses		**(1,107,233)**	(1,199,382)
Operating (loss)/profit		**(1,675,918)**	2,071,225
Finance costs	*5*	**(895,444)**	(800,886)
Share of (loss)/profits of:			
Associates		**(9,638)**	4,401
(LOSS)/PROFIT BEFORE INCOME TAX	*6*	**(2,581,000)**	1,274,740
Income tax expense	*7*	**(221,350)**	(698,447)
(LOSS)/PROFIT FOR THE YEAR		**(2,802,350)**	576,293
Attributable to:			
Equity holders of the Company		**(2,568,073)**	608,722
Non-controlling interests		**(234,277)**	(32,429)
		(2,802,350)	576,293
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY:	*9*		
Basic			
— For (loss)/profit for the year (RMB)		**(2.08)**	0.49
Diluted			
— For (loss)/profit for the year (RMB)		**(2.08)**	0.49

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2020

	2020	2019
	RMB'000	*RMB'000*
(LOSS)/PROFIT FOR THE YEAR	**(2,802,350)**	576,293
OTHER COMPREHENSIVE (LOSS)/INCOME		
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:		
Effective portion of changes in fair value of hedging instruments arising during the year	**(123,100)**	(51,419)
Reclassification adjustments for losses/(gains) included in the consolidated statement of profit or loss	**134,608**	(11,658)
Exchange differences on translation of foreign operations	**(531,898)**	28,149
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	**(520,390)**	(34,928)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Actuarial reserve relating to employee benefits	**(13,731)**	(23,584)
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	**—**	(509,121)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	**(13,731)**	(532,705)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	**(534,121)**	(567,633)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR	**(3,336,471)**	8,660
Attributable to:		
Equity holders of the Company	**(3,013,061)**	7,269
Non-controlling interests	**(323,410)**	1,391
	(3,336,471)	8,660

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2020

	Notes	**2020** *RMB'000*	2019 *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**9,913,468**	10,623,796
Right-of-use assets		**11,115,553**	11,053,155
Intangible assets		**2,836,417**	2,756,705
Goodwill		**1,847,305**	1,730,305
Investments in associates		**224,734**	194,707
Financial assets at fair value through profit or loss		**77,872**	28,478
Properties under development		**1,516,108**	1,157,886
Due from related companies		**2,037**	6,874
Prepayments, other receivables and other assets		**449,392**	296,667
Deferred tax assets		**106,423**	294,351
Total non-current assets		**28,089,309**	28,142,924
CURRENT ASSETS			
Inventories		**204,926**	196,193
Completed properties for sale		**312,964**	462,497
Properties under development		**1,029,608**	779,956
Trade receivables	*10*	**483,276**	653,035
Contract assets and other assets		**5,325**	4,284
Prepayments, other receivables and other assets		**1,790,383**	2,059,455
Due from related companies		**1,836,748**	1,911,718
Derivative financial instruments		**32,302**	31,042
Financial assets at fair value through profit or loss		**330,504**	423,432
Cash and bank balances		**4,571,249**	2,138,367
Total current assets		**10,597,285**	8,659,979

	Notes	**2020**	2019
		RMB'000	*RMB'000*
CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**2,187,901**	2,038,170
Contract liabilities		**618,456**	1,175,498
Trade payables	*11*	**1,522,315**	1,708,988
Accrued liabilities and other payables		**4,887,727**	5,518,933
Lease liabilities		**922,762**	864,353
Tax payable		**30,091**	913,437
Due to related companies		**16,407**	66,546
Derivative financial instruments		**185,992**	99,706
Total current liabilities		**10,371,651**	12,385,631
NET CURRENT ASSETS/(LIABILITIES)		**225,634**	(3,725,652)
TOTAL ASSETS LESS CURRENT LIABILITIES		**28,314,943**	24,417,272
NON-CURRENT LIABILITIES			
Convertible redeemable preferred shares		**—**	85,323
Convertible bonds		**12,044**	172,735
Lease liabilities		**8,844,827**	8,240,290
Interest-bearing bank and other borrowings		**11,153,182**	4,518,769
Contract liabilities		**7,781**	—
Deferred income		**131,231**	113,521
Due to related companies		**1,828,914**	1,821,347
Other long term payables		**485,381**	432,514
Financial liabilities at fair value through profit or loss		**2,000**	—
Deferred tax liabilities		**505,697**	602,897
Total non-current liabilities		**22,971,057**	15,987,396
Net assets		**5,343,886**	8,429,876

	Notes	**2020**	2019
		RMB'000	*RMB'000*
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**183**	183
Shares held for the share-based payment schemes		**(3,004)**	(3,004)
Reserves		**5,129,015**	8,132,384
		5,126,194	8,129,563
Non-controlling interests		**217,692**	300,313
Total equity		**5,343,886**	8,429,876

1.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") (which include all International Financial Reporting standards, International Accounting Standards and interpretations ("**IASs**")) approved by the International Accounting Standards Board (the "**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for derivative financial instruments, financial assets at fair value through profit or loss, equity investments designated at fair value through other comprehensive income and a defined benefit plan. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the *Conceptual Framework for Financial Reporting 2018* and following revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 3	*Definition of a Business*
Amendments to IFRS 9, IAS 39 and IFRS 7	*Interest Rate Benchmark Reform*
Amendment to IFRS 16	*COVID-19-Related Rent Concessions* (early adopted)
Amendments to IAS 1 and IAS 8	*Definition of Material*

The nature and impact of the *Conceptual Framework for Financial Reporting 2018* and the revised IFRSs are described below:

(a) *Conceptual Framework for Financial Reporting 2018* (the "**Conceptual Framework**") sets out a comprehensive set of concepts for financial reporting and standard setting, and provides guidance for preparers of financial statements in developing consistent accounting policies and assistance to all parties to understand and interpret the standards. The Conceptual Framework includes new chapters on measurement and reporting financial performance, new guidance on the derecognition of assets and liabilities, and updated definitions and recognition criteria for assets and liabilities. It also clarifies the roles of stewardship, prudence and measurement uncertainty in financial reporting. The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The Conceptual Framework did not have any significant impact on the financial position and performance of the Group.

(b) Amendments to IFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group has applied the amendments prospectively to transactions or other events that occurred on or after 1 January 2020. The amendments did not have any impact on the financial position and performance of the Group.

(c) Amendments to IFRS 9, IAS 39 and IFRS 7 address issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative risk-free rate ("**RFR**"). The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark introduction of the alternative RFR. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments did not have any significant impact on the financial position and performance of the Group.

(d) Amendment to IFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective for annual periods beginning on or after 1 June 2020 with earlier application permitted and shall be applied retrospectively.

During the year ended 31 December 2020, certain monthly lease payments for the leases of the property, plant and equipment of certain resorts of the Group have been reduced, waived or deferred by the lessors as a result of the pandemic and there are no other changes to the terms of the leases. The Group has early adopted the amendment on 1 January 2020 and elected not to apply lease modification accounting for all rent concessions granted by the lessors as a result of the pandemic during the year ended 31 December 2020. Accordingly, a reduction in the lease payments arising from the rent concessions of RMB319,542,000 has been accounted for as a variable lease payment by derecognising part of the lease liabilities and crediting to profit or loss for the year ended 31 December 2020.

(e) Amendments to IAS 1 and IAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information, or both. The amendments did not have any significant impact on the financial position and performance of the Group.

1.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to IFRS 3	*Reference to the Conceptual Framework*[2]
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	*Interest Rate Benchmark Reform — Phase 2*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
IFRS 17	*Insurance Contracts*[3]
Amendments to IFRS 17	*Insurance Contracts*[3, 5]
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*[3]
Amendments to IAS 1	*Disclosure of Accounting Policies*[3]
Amendments to IAS 8	*Definition of Accounting Estimates*[3]
Amendments to IAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*[2]
Amendments to IAS 37	*Onerous Contracts — Cost of Fulfilling a Contract*[2]
Annual Improvements to IFRS Standards 2018–2020	Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41[2]

1 Effective for annual periods beginning on or after 1 January 2021
2 Effective for annual periods beginning on or after 1 January 2022
3 Effective for annual periods beginning on or after 1 January 2023
4 No mandatory effective date yet determined but available for adoption
5 As a consequence of the amendments to IFRS 17 issued in June 2020, IFRS 4 was amended to extend the temporary exemption that permits insurers to apply IAS 39 rather than IFRS 9 for annual periods beginning before 1 January 2023

Further information about those IFRSs that are expected to be applicable to the Group is described below.

Amendments to IFRS 3 are intended to replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* issued in March 2018 without significantly changing its requirements. The amendments also add to IFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 if they were incurred separately rather than assumed in a business combination, an entity applying IFRS 3 should refer to IAS 37 or IFRIC 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group expects to adopt the amendments prospectively from 1 January 2022. Since the amendments apply prospectively to business combinations for which the acquisition date is on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative RFR. The Phase 2 amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of IFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. The amendments are effective for annual periods beginning on or after 1 January 2021 and shall be applied retrospectively, but entities are not required to restate the comparative information. The amendments are not expected to have any significant impact on the Group's financial statements.

The Group had certain interest-bearing bank and other borrowings denominated in Renminbi and foreign currencies based on various Interbank Offered Rates as at 31 December 2020. If the interest rates of these borrowings are replaced by RFRs in a future period, the Group will apply this practical expedient upon the modification of these borrowings when the "economically equivalent" criterion is met and expects that no significant modification gain or loss will arise as a result of applying the amendments to these changes.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB in December 2015 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

Amendments to IAS 1 *Classification of Liabilities as Current or Non-current* clarify the requirements for classifying liabilities as current or non-current. The amendments specify that if an entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective for annual periods beginning on or after 1 January 2023 and shall be applied retrospectively. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 1 *Disclosure of Accounting Policies* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments replace the requirement to disclose significant accounting policies with a requirement to disclose material accounting policies. In assessing the materiality of accounting policy information, both quantitative and qualitative aspects need to be considered. Entity-specific accounting policy information is more useful for users of financial statements than the standardised information. The amendments also add guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments are effective for annual periods beginning on or after 1 January 2023 and shall be applied retrospectively. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 8 are designed to clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. The amendments explain how entities use measurement techniques and inputs to develop accounting estimates and state that these can include estimation and valuation techniques. The amendments clarify that not all estimates will meet the definition of an accounting estimate, but rather may refer to inputs used in developing accounting estimates. The amendments are effective for annual periods beginning on or after 1 January 2023 and shall be applied retrospectively. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied retrospectively only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 37 clarify that for the purpose of assessing whether a contract is onerous under IAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied to contracts for which an entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. Earlier application is permitted. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening equity at the date of initial application without restating the comparative information. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to IFRS Standards 2018–2020 sets out amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022. Earlier application is permitted. The amendment is not expected to have a significant impact on the Group's financial statements.

- IFRS 16 *Leases*: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.

2. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

(a) The resorts segment which comprises principally the operation and management of the resorts which offer vacation resort services at a package rate;

(b) The tourism destinations segment which comprises principally the development, management and operation of tourism resources and tourism vacation facilities and facilities directly and indirectly supporting tourism; and

(c) The services and solutions in various tourism and leisure settings segment which comprises principally the development and promotion of the cultural events, performing arts, live entertainment and culture-related services and the operation of online and offline tourism and leisure products and solution platforms.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment operating profits which are calculated based on gross profit less other income and gains, other expenses, selling and marketing expenses and general and administrative expenses. No analysis of the Group's assets and liabilities by operating segment is disclosed as it is not regularly provided to the chief operating decision-maker for review.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Year ended 31 December 2020

	Resorts *RMB'000*	Tourism destinations *RMB'000*	Services and solutions in various tourism and leisure settings *RMB'000*	Eliminations *RMB'000*	Total *RMB'000*
Segment revenue (note 3)					
External customers	5,240,417	1,679,590	140,250	—	7,060,257
Inter-segment sales	25,152	61,462	11,423	(98,037)	—
Total revenue	5,265,569	1,741,052	151,673	(98,037)	7,060,257
Segment operating (loss)/profit	(2,042,023)	644,231	(140,189)	(4,066)	(1,542,047)
Unallocated expenses*					(133,871)
Total operating loss					(1,675,918)
Finance costs					(895,444)
Share of losses of associates					(9,638)
Loss before income tax					(2,581,000)

Year ended 31 December 2019

	Resorts *RMB'000*	Tourism destinations *RMB'000*	Services and solutions in various tourism and leisure settings *RMB'000*	Eliminations *RMB'000*	Total *RMB'000*
Segment revenue (note 3)					
External customers	12,450,781	4,691,729	194,659	—	17,337,169
Inter-segment sales	61,919	91,277	8,892	(162,088)	—
Total revenue	12,512,700	4,783,006	203,551	(162,088)	17,337,169
Segment operating profit/(loss)	643,049	1,656,201	(63,676)	—	2,235,574
Unallocated expenses*					(164,349)
Total operating profit					2,071,225
Finance costs					(800,886)
Share of profits of associates					4,401
Profit before income tax					1,274,740

* The unallocated expenses mainly represented the equity-settled share-based payment expenses and other employee benefit expenses.

Geographical information

	2020 *RMB'000*	2019 *RMB'000*
Revenue from external customers		
Europe, Middle East and Africa	**3,573,049**	8,278,653
America	**1,170,234**	2,408,236
Asia Pacific	**2,316,974**	6,650,280
	7,060,257	17,337,169

The revenue information above is based on the locations of customers.

	2020	2019
	RMB'000	*RMB'000*
Non-current assets		
Europe, Middle East and Africa	**12,606,958**	12,437,408
America	**3,852,353**	4,609,088
Asia Pacific	**11,034,387**	10,475,770
	27,493,698	27,522,266

The non-current asset information above is based on the locations of the assets and excludes financial instruments, deferred tax assets and amounts due from related companies.

Information about a major customer

No revenue amounting to 10% or more of the Group's revenue was derived from sales to a single customer for the year ended 31 December 2020 (2019: Nil).

3. REVENUE

An analysis of revenue is as follows:

	2020	2019
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Resorts and destination operation	**5,656,003**	11,260,192
Tourism-related property sales and construction services	**468,872**	3,493,780
Tourism and leisure services and solutions	**935,382**	2,583,197
	7,060,257	17,337,169

Disaggregated revenue information

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed in the segment information:

For the year ended 31 December 2020

Segments	Resorts	Tourism destinations	Services and solutions in various tourism and leisure settings	Eliminations	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Types of goods or services					
Resorts and destination operation	**4,435,792**	**1,306,825**	**—**	**(86,614)**	**5,656,003**
Tourism-related property sales and construction services	**34,645**	**434,227**	**—**	**—**	**468,872**
Tourism and leisure services and solutions	**795,132**	**—**	**151,673**	**(11,423)**	**979,652**
	5,265,569	**1,741,052**	**151,673**	**(98,037)**	**7,060,257**
Inter-segment sales	**(25,152)**	**(61,462)**	**(11,423)**	**98,037**	**—**
Total revenue from contracts with customers	**5,240,417**	**1,679,590**	**140,250**	**—**	**7,060,257**
Timing of revenue recognition					
Goods transferred at a point in time	**—**	**434,227**	**11,813**	**(1,174)**	**444,866**
Services rendered over time	**5,265,569**	**1,306,825**	**139,860**	**(96,863)**	**6,615,391**
	5,265,569	**1,741,052**	**151,673**	**(98,037)**	**7,060,257**
Inter-segment sales	**(25,152)**	**(61,462)**	**(11,423)**	**98,037**	**—**
Total revenue from contracts with customers	**5,240,417**	**1,679,590**	**140,250**	**—**	**7,060,257**

For the year ended 31 December 2019

Segments	Resorts	Tourism destinations	Services and solutions in various tourism and leisure settings	Eliminations	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Types of goods or services					
Resorts and destination operation	10,045,083	1,368,305	—	(153,196)	11,260,192
Tourism-related property sales and construction services	79,079	3,414,701	—	—	3,493,780
Tourism and leisure services and solutions	2,388,538	—	203,551	(8,892)	2,583,197
	12,512,700	4,783,006	203,551	(162,088)	17,337,169
Inter-segment sales	(61,919)	(91,277)	(8,892)	162,088	—
Total revenue from contracts with customers	12,450,781	4,691,729	194,659	—	17,337,169
Timing of revenue recognition					
Goods transferred at a point in time	—	3,414,701	—	—	3,414,701
Services rendered over time	12,512,700	1,368,305	203,551	(162,088)	13,922,468
	12,512,700	4,783,006	203,551	(162,088)	17,337,169
Inter-segment sales	(61,919)	(91,277)	(8,892)	162,088	—
Total revenue from contracts with customers	12,450,781	4,691,729	194,659	—	17,337,169

4. OTHER (EXPENSES)/INCOME AND GAINS, NET

An analysis of other income and gains, net of other expenses, is as follows:

	2020 *RMB'000*	2019 *RMB'000*
Other income		
Interest income	**36,308**	24,602
Government grants	**37,129**	36,005
Compensation and indemnity	**—**	13,136
Others	**23,774**	30,352
	97,211	104,095
Gains		
Gain on disposal of a subsidiary	**31,214**	—
Gain on disposal of items of property, plant and equipment	**2,137**	3,489
Gain on rent concessions as a result of the COVID-19 pandemic	**168,767**	—
Gain on settlement of liabilities	**12,510**	—
Gain on reversal of provisions relating to		
— *Resort closure costs*	**—**	*1,829*
— *Litigation claims*	***14,450***	*29,205*
Exchange gain, net	**—**	38,902
	229,078	73,425
Other income and gains	**326,289**	177,520
Other expenses		
Exceptional costs due to the COVID-19 pandemic*	**(1,235,781)**	—
Compensation costs relating to employees	**(137,972)**	(50,073)
Provision for litigation, including tax related	**(34,032)**	(33,626)
Provision for resort closure costs	**(94,781)**	(48,013)
Loss on the fair value change of financial assets at fair value through profit or loss	**(16,428)**	(17,890)
Loss on disposal of right-of-use assets	**(5,745)**	—
Impairment losses on:		
— *Prepayments*	**—**	*(12,600)*
— *Property, plant and equipment*	***(52,401)***	*(6,244)*
Exchange loss, net	**(102,260)**	—
Others	**(12,057)**	(46,295)
Other expenses	**(1,691,457)**	(214,741)
Other expenses, net	**(1,365,168)**	(37,221)

* Exceptional costs due to the COVID-19 pandemic primarily comprised operating costs of resorts and other facilities during their closure when they should be open in normal time, such as depreciation of property, plant and equipment, amortisation of intangible assets, depreciation of right-of-use assets and employee benefit expenses, and additional operating costs incurred during the epidemic outbreak, including customers' repatriation expense.

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2020	2019
	RMB'000	*RMB'000*
Interest on bank and other borrowings	**424,607**	290,718
Interest on loans from related companies	**—**	360
Interest expense arising from revenue contracts	**1,237**	67,942
Interest on convertible bonds	**7,344**	22,780
Interest on convertible redeemable preferred shares	**3,604**	11,127
Interest on lease liabilities	**470,186**	432,998
Bank charges and other financial costs	**10,125**	11,514
	917,103	837,439
Less: Interest capitalised	**21,659**	36,553
Total finance costs	**895,444**	800,886

6. (LOSS)/PROFIT BEFORE INCOME TAX

The Group's (loss)/profit before income tax is arrived at after charging/(crediting):

	2020	2019
	RMB'000	*RMB'000*
Cost of revenue	**4,895,655**	11,798,444
Employee benefit expense (including directors' and chief executive's remuneration)		
Wages and salaries	**1,995,679**	2,819,670
Accommodation benefits and others		
— Defined contribution fund	***339,101***	*462,469*
Pension scheme costs:		
— Defined benefit fund	***(2,399)***	*35,110*
— Defined contribution fund	***59,688***	*131,522*
Equity-settled share-based payment expenses	**40,242**	68,147
	2,432,311	3,516,918

The Group's (loss)/profit before income tax is arrived at after charging/(crediting):

	Notes	2020 RMB'000	2019 RMB'000
Auditor's remuneration		**3,900**	3,900
Depreciation of property, plant and equipment		**753,260**	752,298
Depreciation of right-of-use assets		**1,144,633**	1,074,614
Amortisation of intangible assets		**139,582**	118,157
Impairment of financial and contract assets and other assets:			
Provision for impairment of trade receivables		***10,859***	*13,886*
Provision for impairment of financial assets included in prepayments, other receivables and other assets		***471***	*13,190*
Write-down of inventories to net realisable value		**6,154**	2,561
Provision for impairment of items of property, plant and equipment	*4*	**52,401**	6,244
Loss on disposal of right-of-use assets	*4*	**5,745**	—
Fair value loss on financial assets at fair value through profit or loss	*4*	**16,428**	17,890
Lease payments not included in the measurement of lease liabilities		**140,617**	165,766
Exchange loss/(gain), net	*4*	**102,260**	(38,902)
Rent concessions as a result of the COVID-19 pandemic in other gains	*4*	**(168,767)**	—
Gain on disposal of items of property, plant and equipment	*4*	**(2,137)**	(3,489)
Gain on disposal of a subsidiary	*4*	**(31,214)**	—
Gain on settlement of liabilities	*4*	**(12,510)**	—

7. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Income tax in the consolidated statement of profit or loss represents:

	2020 RMB'000	2019 RMB'000
Current — France and others	**15,447**	152,739
Current — Chinese Mainland		
Income tax in Chinese Mainland for the year	**17,469**	342,262
LAT in Chinese Mainland for the year	**198,352**	357,790
Deferred	**(9,918)**	(154,344)
Income tax expense for the year	**221,350**	698,447

The provision for income tax of Club Med Holding and its subsidiaries incorporated in France in the year of 2020 was based on a rate of 32.02% (2019: 34.43%).

The provision for Chinese Mainland current income tax is based on the statutory rate of 25% (2019: 25%) of the assessable profits of the Group for the reporting period as determined in accordance with the PRC Corporate Income Tax Law, which was approved and became effective on 1 January 2008. For Hainan Atlantis, the provision for current income tax in the year of 2020 was based on a reduced tax rate of 15% as a qualified encouraged industrial enterprise in accordance with the Notice on the Preferential Policies for Corporate Income Tax at Hainan Free Trade Port that became effective on 1 January 2020.

LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including land costs, borrowing costs and other property development expenditures. The Group has estimated, made and included in taxation a provision for LAT according to the requirements set forth in the relevant Chinese Mainland tax laws and regulations. The LAT provision is subject to the final review and approval by the local tax bureau.

8. DIVIDENDS

	2020	2019
	RMB'000	*RMB'000*
Final paid — HKD0.02 (2019: nil) per ordinary share	**22,562**	—
Interim paid — Nil (Six months ended 30 June 2019: HKD0.07 per ordinary share)	**—**	77,435
	22,562	77,435

Note:

The proposed final dividend of HKD0.02 per ordinary share for the year ended 31 December 2019 was declared and approved by the Shareholders at the annual general meeting of the Company on 20 May 2020, and has been fully paid during the year ended 31 December 2020.

No dividend has been declared by the Company for the year ended 31 December 2020.

9. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic (loss)/earnings per share amount is based on the (loss)/profit for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares of 1,235,045,383 (2019: 1,234,033,842) in issue during the year.

The calculation of the diluted (loss)/earnings per share amount is based on the (loss)/profit for the year attributable to ordinary equity holders of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic (loss)/earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued on the deemed vesting of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted (loss)/earnings per share are based on:

	2020	2019
	RMB'000	*RMB'000*
(Loss)/earnings		
(Loss)/profit attributable to ordinary equity holders of the Company, used in the basic and diluted (loss)/earnings per share calculations	**(2,568,073)**	608,722

	Number of shares	
	2020	2019
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic (loss)/earnings per share calculation	**1,235,045,383**	1,234,033,842
Effect of dilution — weighted average number of ordinary shares:		
— Share ownership plan*	**—**	1,651,068
— Share option scheme*	**—**	3,822,120
Weighted average number of ordinary shares used in the calculation of diluted (loss)/earnings per share	**1,235,045,383**	1,239,507,030
Basic (loss)/earnings per share (RMB)	**(2.08)**	0.49
Diluted (loss)/earnings per share (RMB)	**(2.08)**	0.49

* Because the diluted loss per share amount is decreased when taking share ownership plan and share option scheme into account, the share ownership plan and share option scheme had an anti-dilutive effect on the basic loss per share amount for the year ended 31 December 2020 and were ignored in the calculation of diluted loss per share.

10. TRADE RECEIVABLES

	2020	2019
	RMB'000	*RMB'000*
Trade receivables	**527,079**	696,610
Impairment	**(43,803)**	(43,575)
	483,276	653,035

The Group seeks to maintain strict control over its outstanding receivables to minimise the credit risk. Overdue balances are reviewed regularly by the management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of each reporting period, based on the invoice date and net of loss allowance, is as follows:

	2020	2019
	RMB'000	*RMB'000*
Outstanding balances with ages:		
Within 90 days	**453,126**	468,072
91 to 180 days	**26,066**	43,011
181 to 365 days	**1,313**	141,952
1 to 2 years	**2,771**	—
	483,276	653,035

11. TRADE PAYABLES

	2020	2019
	RMB'000	*RMB'000*
Trade payables	**1,522,315**	1,708,988

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2020	2019
	RMB'000	*RMB'000*
Within 90 days	**1,026,903**	1,270,744
91 to 180 days	**125,325**	19,894
181 to 365 days	**159,266**	16,933
1 to 2 years	**77,606**	401,136
2 to 3 years	**133,151**	86
Over 3 years	**64**	195
	1,522,315	1,708,988

Trade payables are non-interest-bearing.

12. EVENTS AFTER THE REPORTING PERIOD

There have been no significant events since the end of the reporting period.

CORPORATE GOVERNANCE

The Company is committed to achieving high standards of corporate governance to safeguard the interests of Shareholders and to enhance its corporate value and accountability.

During the Reporting Period, the Company applied the principles of and fully complied with the code provisions as set out in the CG Code except for the following deviation from provision A.2.1 of the CG Code. The Company regularly reviews its corporate governance practices to ensure compliance with the CG Code.

Mr. Qian Jiannong being the Chairman of the Board and the Chief Executive Officer of the Company

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. However, the Company considers that having Mr. Qian Jiannong acting as both the chairman and chief executive officer of the Company will provide a strong and consistent leadership to the Company and allow for more effective planning and management which is in the best interests of the Company. Taking into account all the corporate governance measures that the Company has been implemented after Listing, the Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively, which is beneficial to the business prospects of the Group. Therefore, the Company currently does not propose to separate the functions of chairman and chief executive officer. The Board will continue to review and consider splitting the roles of the chairman of the Board and the chief executive officer of the Company at an appropriate time, taking into account the circumstances of the Group as a whole.

MODEL CODE

The Company has adopted the Model Code. Specific enquiry has been made to all Directors and the Directors have confirmed that they have complied with the Model Code throughout the Reporting Period, save for the grant of options and share units (as subsequently cancelled) referred to in the Company's announcements dated 25 and 28 August 2020. The Company has also established written guidelines on no less exacting terms than the Model Code for securities transactions by the relevant employees who are likely to be in possession of unpublished inside information of the Company.

No incident of non-compliance of the above-mentioned written guidelines by the relevant employees of the Company was noted by the Company.

AUDIT COMMITTEE

As of the date of this announcement, the Audit Committee comprised three members, including three independent non-executive Directors, namely Dr. Allan Zeman (with effect from 20 April 2020), Mr. Guo Yongqing (chairman) and Ms. Katherine Rong Xin. Mr. Wang Can resigned as a non-executive Director and a member of the Audit Committee with effect from 21 January 2020. The main duties of the Audit Committee are to review the financial statements and reports, to review the relationship with the external auditors and to review the adequacy and effectiveness of the Company's financial reporting system, risk management and internal control system. The Company's annual results for the year ended 31 December 2020 have been reviewed by the Audit Committee.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**AGM**") will be held on Thursday, 20 May 2021. The notice of AGM will be published on the websites of the Company (www.fosunholiday.com) and the Stock Exchange (www.hkexnews.hk) and dispatched to the Shareholders.

DIVIDEND

The Board has resolved not to declare any final dividend for the year ended 31 December 2020.

CLOSURE OF REGISTER

The register of members of the Company will be closed from Friday, 14 May 2021 to Thursday, 20 May 2021, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates and transfer forms, if any, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 13 May 2021.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

FORWARD-LOOKING STATEMENTS

This results announcement includes certain forward-looking statements which involve the financial conditions, results and businesses of the Group. These forward-looking statements are the Group's expectation or beliefs on future events and they involve known and unknown risks and uncertainties, which may cause actual results, performance or development of the situation to differ materially from the situation expressed or implied by these statements.

ANNUAL REPORT

This results announcement is published on the websites of the Company (www.fosunholiday.com) and the Stock Exchange (www.hkexnews.hk). The annual report will be dispatched to the Shareholders and published on both websites on or before 30 April 2021.

APPRECIATION

The Group would like to express its appreciation to all the staff for their outstanding contribution towards the Group's development. The Board wishes to sincerely thank the management for their dedication and diligence, which are key factors for the Group to continue its success in future. Also, the Group wishes to extend its gratitude for the continued support from its Shareholders, customers, and business partners. The Group will continue to deliver sustainable business development, so as to create more values for all Shareholders.

GLOSSARY

ABBREVIATIONS

Aquarium	the Lost Chambers Aquarium in Atlantis Sanya
Atlantis Sanya	our tourism destination on the Haitang Bay National Coast of Sanya, Hainan province, PRC
Atlantis CMBS or Atlantis Sanya CMBS	the commercial mortgage backed securities issued in March 2020 amounting to RMB6.8 billion, with mortgage of underlying assets of Atlantis Sanya hotels and Waterpark and equity interest of Hainan Atlantis Business and Tourism Development Co., Ltd. and pledge of operating revenue of Atlantis Sanya. For details, please see the Company's announcement dated 22 March 2020
Audit Committee	the audit committee of the Board
Average Daily Bed Rate	the business volume divided by the total number of beds sold
Board	our board of Directors
Capacity of Resorts	the total number of beds available for sale over a period or year, i.e. the number of beds, multiplied by the number of days on which resorts are open
Casa Cook	an award-winning boutique lifestyle hotel brand under Thomas Cook, with a focus on design, high-quality food and wellbeing
CG Code	the Corporate Governance Code set out in Appendix 14 of the Listing Rules
China or PRC	the People's Republic of China, but for the purpose of this announcement and for geographical reference only and except where the context requires, references in this announcement to "China" and the "PRC" do not apply to Hong Kong, Macau and Taiwan
Club Med	Club Med SAS (formerly known as Club Méditerranée SA), a simplified joint-stock company (société par actions simplifiée) incorporated in France on 12 November 1957 and a non-wholly owned subsidiary of our Company

Club Med Joyview	one of the Club Med resort brands catering to the Chinese market for vacations during weekends and MICE services, to fulfill the increasing leisure and holiday needs of Chinese tourists
Club Med Holding	Club Med Holding (formerly known as Holding Gaillon II), a simplified joint-stock company (société par actions simplifiée) incorporated in France on 9 September 2014 and a non-wholly owned subsidiary of our Company
Company	Fosun Tourism Group (formerly known as Fosun Tourism and Culture Group (Cayman) Company Limited), an exempted company with limited liability incorporated in the Cayman Islands on 30 September 2016
Controlling Shareholder(s)	has the meaning ascribed thereto under the Listing Rules and, unless the context otherwise requires, refers to Fosun International Limited, Fosun Holdings Limited, Fosun International Holdings Ltd., and Mr. Guo Guangchang
Cook's Club	a beach hotel brand under Thomas Cook, designed for a new generation of travellers who want fun, lively holidays in hotels that have modern and stylish design
Director(s)	the director(s) of the Company
EBITDA	earnings before interest, taxes, depreciation and amortization
EMEA	Europe, Middle East, and Africa, which, for our purposes, also includes Turkey
Euro	the lawful currency of the European Union
EURIBOR	the Euro Interbank Offered Rate
FOLIDAY	our global ecosystem consisting of our commercially-interconnected businesses that offers a wide spectrum of tourism- and leisure-related services
Foryou Club	our membership system in China that manages and operates services and activities for members and customers under the FOLIDAY ecosystem

Frost & Sullivan Report	an independent market research report prepared by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a global market research and consulting company, which is an independent third party
GFA	gross floor area
Great Member(s)	members of Club Med's Great Member loyalty program
Group, our Group, we, or us	our Company and our subsidiaries at the relevant time or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries, the business operated by such subsidiaries or their predecessors (as the case may be)
Happy Digital	Club Med's digitalization initiatives, through which we use digital solutions to improve our guests' and employees' experience while making the technology user-friendly and seamless
HK$ or HKD	the lawful currency of Hong Kong
Hong Kong	the Hong Kong Special Administrative Region of the PRC
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
independent third party(ies)	an individual or a company which, to the best of our Directors' knowledge, information, and belief, having made all reasonable enquiries, is not a connected person of the Company within the meaning of the Listing Rules
Kerzner	Kerzner International Limited, a company incorporated in The Commonwealth of the Bahamas, and its subsidiaries
Listing	the listing of the Shares on the Main Board
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
Macau	the Macau Special Administrative Region of the PRC

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
Miniversity	the brand for learning and playing club for children
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rules
Occupancy Rate by Bed	the ratio expressed as a percentage between the total number of beds sold and the total number of beds available for sale over a period or year
Occupancy Rate by Room	the total number of rooms sold divided by the total number of rooms available for sale
Revenue per Bed	the Resort Revenue divided by the Capacity of Resorts
Resort Revenue	the aggregate income of all resorts, including sales of all-inclusive packages and revenue generated onsite out of the all-inclusive packages
Reporting Period	1 January 2020 to 31 December 2020
RMB	the lawful currency of the PRC
Share(s)	ordinary share(s) in the share capital of our Company
Shareholder(s)	holder(s) of the Shares
Stock Exchange	The Stock Exchange of Hong Kong Limited
subsidiary(ies)	has the meaning ascribed thereto under section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
Tang Residence	the saleable residential vacation units in Atlantis Sanya
Thomas Cook	Thomas Cook Group plc, a company incorporated in England and Wales, the shares of which are listed on the London Stock Exchange (stock code: TCG), the company applied for liquidation on 23 September 2019

Trident	the measurement unit used by Club Med to indicate the level of each Club Med resort, which is similar to "star" used for traditional hotel ratings
USD or U.S. dollar	the lawful currency of the United States of America
Waterpark	the Aquaventure Waterpark in Atlantis Sanya

By Order of the Board
Fosun Tourism Group
Qian Jiannong
Chairman

23 March 2021

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