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Fosun Tourism Group

复星旅游文化集团

(a company incorporated under the laws of the Cayman Islands with limited liability)

(Stock Code: 01992)

PROFIT WARNING

This announcement is made by Fosun Tourism Group (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The board of directors of the Company (the “**Board**”) wishes to inform shareholders (the “**Shareholders**”) and potential investors of the Company that, since January 2020, the COVID-19 pandemic (the “**Pandemic**”) has caused various countries to take extensive public health measures such as city lockdowns and travel restrictions. These restrictions have significantly and negatively impacted the Group’s resort operations business. For the year ended 31 December 2020 (the “**Year 2020**”), mainly due to the decrease in the capacity of the Club Med resorts by approximately 55%, the business volume¹ of the Club Med resorts is expected to decrease by around 57% compared to that of the year ended 31 December 2019 (the “**Year 2019**”). For the Year 2020, the revenue of the Group’s tourism-related property sales and construction is expected to fall by approximately 87% mainly due to the planning of construction and delivery cycles. The loss attributable to equity holders of the Group in the Year 2020 is expected to be RMB2,500 million to RMB2,650 million which was mainly due to the operating loss of the Group’s resort operations.

At the early stage of the Pandemic, the business volume of the Group’s resort operations increased by approximately 8% and the EBITDA increased by more than 20% for the two months ended 29 February 2020 as compared to that of the same period of 2019. As the Pandemic spread across areas other than the mainland China (the “**Overseas Areas**”) subsequently, the Group had to temporarily close the resorts in the Overseas Areas from late March to mid-June 2020. The Group has gradually re-opened the resorts in mainland China since April 2020 and started to re-open some of the resorts in Europe, Asia and the Americas since mid-June 2020. Although the Group strived to push business recovery, in July and August 2020, namely the peak season in summer, the capacity of the Club Med

¹ Business volume represents total sales of resort services, tourism destination operations and other tourism-related services and solutions, whether or not owned, leased or managed.

resorts only accounted for approximately 41% of that in same period of 2019. The Group's plan to re-open more than 20 resorts by the end of the Year 2020 had to be postponed, and some resorts had to be temporarily shut down again due to the impact of the second wave of the Pandemic globally from September 2020. In December 2020, the capacity of Club Med resorts accounted for only about 38% of that of the same period of the Year 2019.

The Group continues to take measures to control costs and expenses and is committed to the recovery of its business operations. The fixed costs savings in the Club Med resort operations of the Group in the Year 2020 amounted to approximately RMB2,123 million, a substantial part of which is structural cost and will not occur when the business operations resume in the future. In the second half of 2020, thanks to the Group's excellent brand and product strength, the business volume of Atlantis Sanya has achieved approximately 36% period-on-period growth outperforming the industry average and it is expected to record an EBITDA margin of approximately 55%. However, as the Pandemic continues and the anti-Pandemic measures for public health implemented by individual countries are still in place, the recovery timetable and sustainability of the Group's business around the world remain uncertain.

Despite the above, the financial position of the Group remains healthy. As of 31 December 2020, the Group has cash and bank balances of not less than RMB4,500 million, undrawn bank facilities of not less than RMB4,200 million, and bank loans due within one year of not more than RMB2,200 million. The Group has sufficient cash reserves and is also actively focusing on business development opportunities to achieve continuous and accelerated development of the Group's business.

The information contained in this announcement is only based on a preliminary assessment by the Board on the unaudited management accounts of the Group for the Year 2020. The information currently available to the Board is subject to finalization and may be amended as necessary, and has not been confirmed or reviewed by the Group's auditors. The actual results of the Group for the Year 2020 may significantly differ from the information contained in this announcement. The Group's annual results announcement for the Year 2020 is expected to be published in March 2021.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Fosun Tourism Group
Qian Jiannong
Chairman

1 February 2021

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