

FOLIDAY 复星旅文

INTERIM
REPORT
2022

everyday is
FOLIDAY

复星旅游文化集团 FOSUN TOURISM GROUP
A company incorporated under the laws of the Cayman Islands with limited liability

(Stock Code: 01992)



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	For the six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Revenue	6,416,543	2,781,466
Resorts and destination operations	5,158,385	1,881,790
Tourism-related property sales and construction services	273,106	658,935
Tourism and leisure services and solutions	985,052	240,741
Gross profit	1,893,146	595,173
Operating profit/(loss)	286,574	(1,380,107)
Loss before income tax	(197,877)	(1,865,301)
Loss for the period	(208,444)	(2,065,032)
Loss attributable to equity holders of the Company	(196,644)	(2,004,796)
Adjusted EBITDA	1,195,064	(564,971)
Adjusted net loss	(193,767)	(2,054,268)
Loss per share — basic (in RMB)	(0.16)	(1.62)
Loss per share — diluted (in RMB)	(0.16)	(1.62)
Interim dividend per share (in HKD)	Nil	Nil

EVERYDAY IS FOLIDAY

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.

In the first half of 2022, despite the global spread of the Omicron variant of Coronavirus (COVID-19) (the "Pandemic"), the Group recorded strong growth in EMEA and the Americas with the easing of pandemic-related travel restrictions in tourist source countries, and continued to achieve high growth during the Reporting Period, following the strong recovery in the second half of 2021. Our Business Volume¹ of resorts and destination operations and tourism and leisure services and solutions (collectively as "tourism operation"), at constant exchange rate, increased to RMB7,081.5 million for the six months ended 30 June 2022 from RMB2,376.3 million for the six months ended 30 June 2021, representing a year-on-year increase of 198.0%. Our revenue increased to RMB6,416.5 million for the six months ended 30 June 2022 from RMB2,781.5 million for the six months ended 30 June 2021. Gross profit increased to RMB1,893.1 million for the six months ended 30 June 2022 from RMB595.2 million for the six months ended 30 June 2021. Adjusted EBITDA increased to RMB1,195.1 million for the six months ended 30 June 2022 from negative RMB565.0 million for the six months ended 30 June 2021. Loss attributable to equity holders was RMB196.6 million for the six months ended 30 June 2022, compared with loss attributable to equity holders of RMB2,004.8 million for the six months ended 30 June 2021.

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.*







1 Club Med Marbella, Spain

RESORTS AND HOTELS

CLUB MED

Club Med, headquartered in France and founded in 1950, is a world-renowned family centric all-inclusive leisure and vacation service provider. As of 30 June 2022, we have sales and marketing operations in more than 40 countries and regions across six continents, and operate 66 resorts¹, of which 34 resorts (including a cruise ship) are in EMEA, 13 resorts are in the Americas and 19 resorts are in the Asia Pacific region (including 10 resorts in China). In terms of business models, 12 resorts are under ownership model, 40 resorts are under lease model, and 14 resorts are under management contract model. In the first half of 2022, direct sales proportion through the global sales network of Club Med reached 71.3%.

In the first half of 2022, Club Med business sustained and accelerated its recovery in EMEA and Americas regions following the strong rebound in the second half of 2021, even though the business was impacted by the Omicron Pandemic during January and February. However, due to the remaining travel restrictions in Asia Pacific region countries and COVID-19 resurgence in China, our business in Asia Pacific region was still heavily impacted.

¹ During the first half of 2022, we opened Changbaishan resort in January, Marbella resort in May, Thousand Islands Lake resort in June.

In the first half of 2022, the Business Volume of Club Med amounted to RMB5,743.1 million, representing an increase of 336.0% compared with the same period of 2021, and recovered to 90.2% of the same period of 2019. The recovery was uneven by regions. Compared with the first half of 2019, the Business Volume of Club Med in the Americas increased by 22.2%, EMEA decreased by 1.4%, whilst Asia Pacific decreased by 73.3% as most countries had their borders closed until early June. Due to the resurgence of Pandemic in China, Business Volume of Club Med resorts in China recorded RMB122.0 million in the first half of 2022, 44.0% lower than that of the same period in 2021, and recovered to 61.0% of that of the same period in 2019. Our capacity increased by 122.3% as compared to the same period of 2021, and recovered to 87.4% of that of the same period of 2019. In particular, the capacity of resorts in EMEA, the Americas and Asia Pacific increased by 411.4%, 90.6% and 22.7% as compared to the same period of 2021, respectively, and recovered to 81.2%, 107.2% and 77.1% of that of the same period of 2019, respectively. In June 2022, 53 Club Med resorts were under operation

worldwide. In the first half of 2022, the global average Occupancy Rate by Bed of Club Med reached about 59.1%, increasing by 16.5 percentage points compared with the same period of 2021 and showed a gap of 6.0 percentage points compared with the same period of 2019; while the Average Daily Bed Rate was RMB1,517.4, at constant rate, representing an increase of about 40.2% and 19.3% as compared with the same period of 2021 and 2019. The adjusted EBITDA of resort operation increased to RMB1,165.3 million for the six months ended 30 June 2022, compared to adjusted EBITDA of negative RMB991.6 million for the six months ended 30 June 2021.

In the first half of 2022, the three regions recovered unevenly, resulting in varying levels of profitability across the regions. In respect of operating profit, our business in EMEA and Americas significantly turned around as compared to the same period of 2021 and even exceeded that of the first half of 2019, whereas Asia Pacific was still far below the pre-Pandemic level.

	For the six months ended 30 June		
	2022 ¹	2021 ¹	2019 ¹
Business Volume by customer booking locations (RMB million)			
EMEA	3,872.8	558.3	3,926.9
Of which France	2,308.9	319.8	2,349.0
Americas	1,559.1	529.5	1,276.0
Asia Pacific	311.2	229.5	1,164.4
Of which Mainland China	92.2	186.0	385.7
Total	5,743.1	1,317.3	6,367.3

¹ At constant exchange rate



1 Club Med Quebec Charlevoix, Canada

The following table sets out the capacity of resorts by type of resorts and by locations for respective period:

Type of resorts	For the six months ended 30 June		
	2022	2021	2019
	'000	'000	'000
Capacity			
Mountain	1,450	227	1,509
Sun	3,635	1,790	4,422
Club Med Joyview	353	428	288
Total	5,438	2,445	6,219
4&5 Trident%²	95.2%	97.1%	85.7%
Capacities of resorts by locations			
EMEA	2,332	455	2,871
Americas	1,866	979	1,740
Asia Pacific	1,240	1,011	1,608
Total	5,438	2,445	6,219

The following table sets out the number of customer by regions and by countries for respective period:

	For the six months ended 30 June		
	2022	2021	2019
Number of customers by customer booking locations (Thousands)			
EMEA	290	49	348
Of which France	183	32	217
Americas	199	90	178
Asia Pacific	107	125	223
Of which Mainland China	48	115	125
Total	597	264	750

² 4&5 Trident percentage is based on resorts beds capacity.

Certain key information with respect to our resort operations in the period of January to June 2022, 2021 and 2019 is set out as below respectively:

	For the six months ended 30 June		
	2022	2021	2019
Business Volume (RMB Millions)	5,743.1	1,317.3	6,367.3
Capacity of Resorts (in thousands)	5,438	2,445	6,219
Average Occupancy Rate by Bed	59.1%	42.6%	65.1%
Average Daily Bed Rate (RMB)	1,517.4	1,082.3	1,272.0
Revenue per Bed (RMB)	902.1	487.2	827.8

During the first half of 2022, the Americas region had a very strong business recovery, and the Business Volume increased by 194.4% as compared to the same period of 2021 and increased by 22.2% compared to the same period of 2019. In the North America, apart from the recovery of market demand in the USA, Canada and Mexico, the newly opened resorts, Quebec Charlevoix and Miches in Dominican Republic resorts in 2021 and 2019 respectively, also contributed their upscale capacity to the growth. They respectively had an Average Occupancy Rate by Bed of 45.6% and 72.7% in the first half of 2022. In the South America, we seized the opportunities of the strong recovery of Brazilian domestic market. During the first half of 2022, Brazil became the 3rd sales market in terms of Business Volume, which progressed by three places compared to the same period of 2019.

The Business Volume of our mountain resorts in EMEA, after the lack of skiing season due to the Pandemic in winter 2021, in the first half of 2022 stood at RMB1,692.3 million, recovered to 92.4% of the level of the same period of 2019. 15 mountain resorts were open during the ski season in 2022, compared to 14 and 17 in

2021 and 2019 respectively. During the first half of 2022, we continued to maintain fixed cost savings on sales and marketing, as well as operations and real estate, including a rental saving of RMB98.1 million in relation to the renegotiation of rents related to the Pandemic.

In June 2022, we accomplished the sale and lease back of a Greek resort Gregolimano to a French REITS Primonial REIM. This transaction brought a RMB463.7 million of net cash flow and RMB86.2 million of gain on disposal. The extension and renovation work is planned from 2022 onwards, which aims to upgrade the resort facilities and increase capacity, thus increasing client satisfaction and pricing capability of the resort. During the first half of 2022, the free cash flow stood at RMB927.6 million, increased by 322.0% compared to the same period of 2021 and increased by 172.9% compared to the same period of 2019, benefitting from seasonal collection for summer stays and the cash received by Gregolimano sale and lease back transaction.



We further focused and enhanced the “four-pillar strategy” to develop our resort business:

Upscale — Even during the Pandemic, we did not slow down the pace to upscale our resorts offerings. During the first half of 2022, we opened new resorts such as Changbaishan resort in Northeast China, Marbella resort in Spain and Thousand Islands Lake resort in Eastern China. We leased back of Gregolimano resort in Greece after sale, and planned for works of renovation and extension to upgrade the facilities and increase client satisfaction. We also began the renovation works of Phuket resort in Thailand. We also closed one resort, Kemer resort in Turkey, which could no longer conform with our upscale strategy in the Reporting Period. As of 30 June 2022, the 4&5 Trident capacity represents 95.2% of our resorts’ total capacity, showing an increase of 9.5 percentage points compared to 2019. This conforms with our goal to achieve of 95.0% of total capacity being contributed by 4&5 Trident in 2022.

Glocalization — Balancing markets and destinations to achieve sustainable growth and to diversify regional operational risks, at the same time, further exploring the short-haul markets to support the resilience of our business in an uncertain global sanitary environment. In the first half of 2022, France remained the largest market worldwide, and contributed Business Volume of RMB2,308.9 million, representing 40.2% of global Business Volume and only showed a gap of 1.7 percentage points compared to 2019. This increase was explained by reopened ski resorts and strong rebound in demand to long-haul destinations. In the first half of 2022, the US remained as the second largest market, Brazil, with the strong domestic bookings, became the third largest market, whereas it occupied the 6th place in the same period of 2019. In the first half of 2022, the top three markets during the first half of 2022 represented 58.8% of global Business Volume.

We also recorded stronger-than-industry Occupancy Rate in EMEA mountain resorts and offered our unique products, such as sending French customers to the Seychelles resort, the Dominican Republic resort, and sending Belgium customers to the Dominican Republic resort.

Happy Digital & C2M Strategy — Direct sales proportion through the sales network of Club Med reached 71.3% in the first half of 2022, increasing 2.7 percentage points compared to the same period of 2021. 27.0% of our individual customers chose to book online, an increase of five percentage points compared to 2020. In the first half of 2022, we continued to improve our website in order to provide more functionalities and services to our clients, such as booking for several households, ability to save and replay later a price quotation, reservation of services including SPA and excursions etc. The goal is to provide more digital self-care services, improve client experiences in booking and increase more scenarios of offerings. We deployed a contact center empowered and served by cloud technology in the Asian Pacific markets, offering our sales agents a seamless omni-channel experience, and an easy-to-launch solution for home-based agents. We also created additional point of contacts by WhatsApp¹ to manage our prospects and clients in Brazil and Belgium. As a continuity of “Amazing Family program” dedicated to family clients, in the first half of 2022, we deployed a 2.0 version of Mini Club in more than 34 resorts worldwide, incorporating the leisure activities and Positive Education pedagogical approach, emphasising on creativity, courage, confidence, cooperation, connection and cheerfulness. More than 200 G.O.s were trained on this new product.

¹ *WhatsApp: a universal international communication application*

² *The Green Globe certification has indicators covering the entire corporate social responsibility process of sustainable tourism. This demanding certification corporates to an establishment’s commitment to an active approach to sustainable tourism and ensures that it achieves a high level of performance and instills good practices concerning environmental, social and societal issues.*

³ *It is the world’s leading sustainability assessment method for master planning projects, infrastructure and buildings. It recognises and reflects the value in higher performing assets across the built environment lifecycle, from new construction to in-use and refurbishment.*

⁴ *Liquidity refers to cash, cash equivalent, unused overdrafts and credit lines.*

Happy to Care — This new strategical pillar around our corporate social responsibility approach. We strived to make sure that 100% of our resorts are certified Green Globe² and certified BREEAM³ or other sustainable building assessment for our new or renovated resorts to respect environment. We aim to end single-use plastic by deploying the project “Bye-bye Plastic” and continue to deploy agro-ecology with our historical partner Agrisud in the framework of «Green Farmer» program. In the first half of 2022, the overall satisfaction rate in our Global Review Index reached 90.9, showing a steady momentum since the Pandemic.

While dealing with the business rebound, we also re-adjusted our investments to secure key projects including the future opening, and the maintenance and renovation of our existing resorts. Our capital expenditure of resort operation for the six months ended 30 June 2022 was approximately RMB253.4 million, increased by approximately 132.2% compared with the same period of 2021, recovered to 82.0% of the same period of 2019. As of 30 June 2022, the liquidity⁴ stood at RMB2,130.6 million.





1 Club Med Joyview
Thousand Islands, China



Even the Pandemic situation is still uncertain in certain markets such as China, the recovery occur strongly to our EMEA and Americas businesses. In July 2022, we recorded a significant increase of Business Volume by 40.9% compared to that for July 2021, and increased by 12.3% compared with that of 2019, among which Business Volume in EMEA and Americas grew by 38.1% and 55.3% respectively compared to that for July 2021, and increased of 18.1%, and 53.8% compared with that of 2019. Business Volume in Asia Pacific increased by 35.9% compared to that in July 2021, but only restored to 63.1% compared to that of 2019. In China, despite numerous regional COVID-19 cases and restrictions in some of our sourcing regions, in July 2022, Business Volume in Club Med China resorts reached RMB108.6 million, increased by 38.9% compared to the same period of 2021 and was 78.1% higher than that of 2019. In July 2022, the Average Occupancy Rate by Bed of worldwide resorts achieved 67.1%, and the global capacity has increased by 35.1% compared to the same period of 2021, with the capacity in EMEA, Americas and Asia Pacific increased by 22.9%, 29.0% and 80.0%, respectively. Compared to the same period of 2019, the capacity has restored to 98.8%, with the capacity in EMEA, Americas and Asia Pacific restored to 91.4%, 107.8% and 107.2% respectively. In July 2022, we have 55 resorts in operation globally.

We have a good booking trend. As of 6 August 2022, the cumulative bookings for the six months ended 31 December 2022, expressed in Business Volume at constant exchange rate, increased by 38.5% compared to that for the second half of 2021 as of 6 August 2021, and increased by approximately 14.0% for the second half of 2019 as of 6 August 2019 which was before the Pandemic. We're also seeing demand for the next ski season and spring of 2023 continues to gain momentum. The cumulative bookings (expressed in Business Volume) for Club Med for the six months ended 30 June 2023, at constant exchange rate, increased by approximately 22.0% compared to the cumulative bookings for the first half of 2022 as of 6 August 2021, and increased by approximately 24.0% compared to the cumulative bookings for the first half of 2019 as of 6 August 2018 which was before the Pandemic.

During the second half of 2022, we have planned to open another four new resorts to reach a total of seven new resorts in 2022. From the beginning of 2022 to the end of 2024, we have signed contracts and planned to open 17 new resorts of which seven resorts are in China.

By 2024, together with openings and renovations of new resorts, which were partially offset by closures of old resorts, we expect that the annual capacity would be increased by approximately 18.0% compared to 2019.

1 Club Med Seychelles, Republic of Seychelles





Cook's Club Ialysos, Greece ²

CASA COOK AND COOK'S CLUB LIFESTYLE HOTEL COLLECTION

We continue to grow Casa Cook and Cook's Club brand collection to new markets and further expand our lifestyle hotel segment globally with an asset-light model. As of 30 June 2022, we had opened 15 hotels in EMEA and one hotel in China respectively, with four new hotels opened in the first half of 2022 across key tourist destinations in Europe.

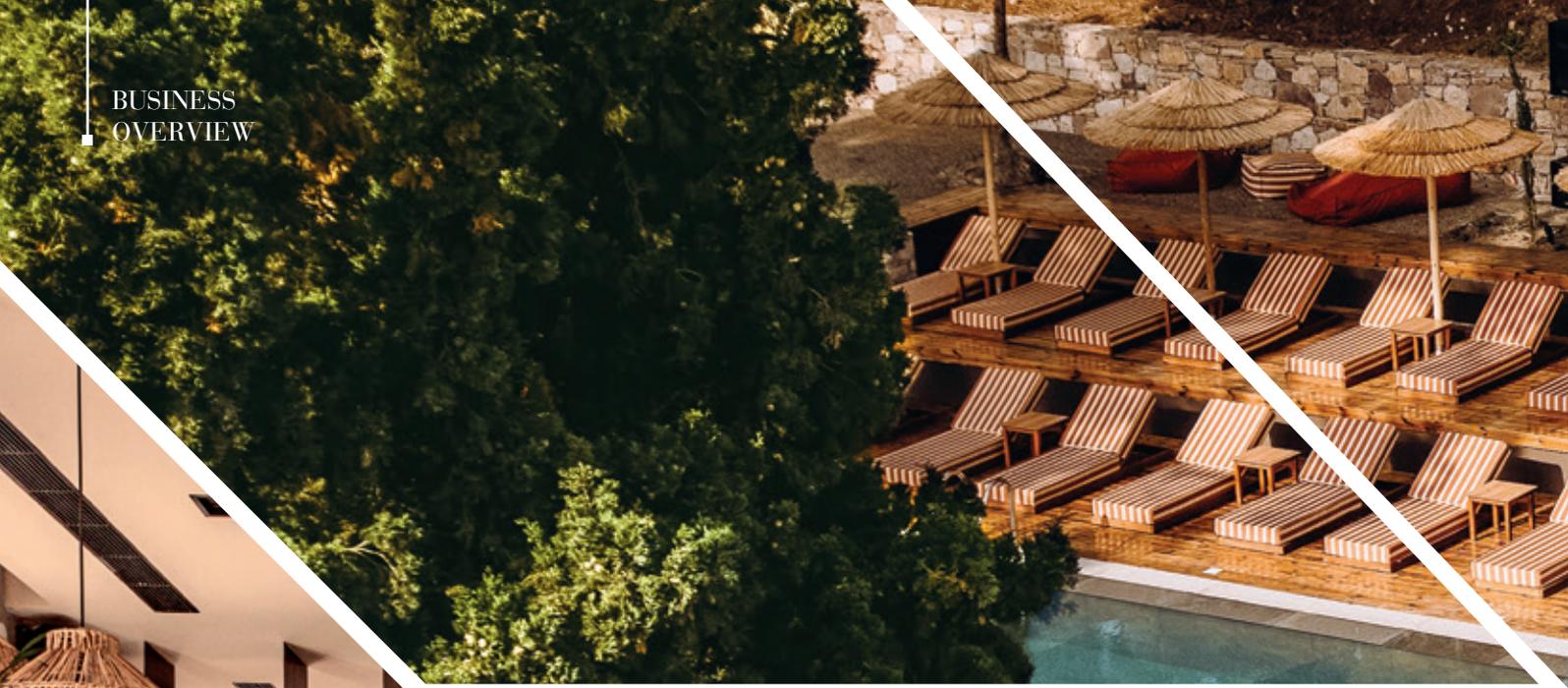
In the first half of 2022, the Casa Cook and Cook's Club hotel collection recorded a global Business Volume of RMB18.8 million, increased by 113.6% compared to the same period of 2021. Among which, benefiting from a strong rebound in demand for leisure travel in Europe, the Business Volume recorded in EMEA increased by 135.9% compared with the same period of 2021; and the Business Volume recorded in China decreased by 33.0% compared with the same period of 2021 due to the planning of business cycle of technical service agreement (TSA).

In June 2022, Casa Cook Samos, the newly opened 128-room adult only resort in Greece, received the Hotel Design Award 2022 hosted by PKF Hospitality, beating competition from 15 hotel projects from nine European countries.

NO.	Hotel Name	Number of rooms	Location	Opening Date
1	Casa Cook Rhodes ¹	111	Greece	Jul-2020
2	Casa Cook El Gouna	100	Egypt	May-2020
3	Cook's Club Sunny Beach ¹	428	Bulgaria	Jul-2020
4	Cook's Club City Beach Rhodes ¹	18	Greece	Jul-2020
5	Cook's Club Tigaki Kos ¹	63	Greece	Aug-2020
6	Cook's Club Palma Beach ¹	318	Spain	Jul-2020
7	Cook's Club El Gouna	144	Egypt	Aug-2020
8	Cook's Club Alanya ¹	119	Turkey	Jun-2020
9	Cook's Club Hersonissos Crete ¹	140	Greece	Jun-2021
10	Cook's Club Adakoy ¹	151	Turkey	May-2021
11	Casa Cook North Coast	38	Egypt	Jun-2021
12	Cook's Club Guilin	72	China	Dec-2021
13	Cook's Club Ialysos, Rhodes	83	Greece	May-2022
14	Casa Cook Samos	128	Greece	May-2022
15	Cook's Club Corfu	195	Greece	Jun-2022
16	Casa Cook Mykonos	26	Greece	Jun-2022

¹ Casa Cook Rhodes, Cook's Club Sunny Beach, Cook's Club City Beach Rhodes, Cook's Club Tigaki Kos, Cook's Club Palma Beach, Cook's Club Alanya, Cook's Club Hersonissos Crete and Cook's Club Adakoy were in operation before the liquidation of the Thomas Cook Group plc and rejoined the portfolio via franchise agreements with the Group after the acquisition of the hotel brands.

² In the first half of 2022, the average operating days of 16 opened hotels were 80 days.



1 *Cook's Club
Ialysos, Greece*

2 *Cook's Club City
Beach Rhodes,
Greece*

In the first half of 2022, the Casa Cook and Cook's Club brand collection of 16 opened hotels² in EMEA and China recorded an average Occupancy Rate of approximately 73.0% and an average daily room rate of around RMB923.4.

Our plan to further expand Casa Cook, Cook's Club and other derivative brands (if any) worldwide, with not less than 30 hotels (including the hotels already opened) by the end of 2023 remains on track.





3 Casa Cook Samos,
Greece

4 Cook's Club Palma
Beach, Spain



The resorts that we operated as of 30 June 2022 were as follows:

No.	Name of Resort	Number of Beds	Duration ⁽¹⁾	Number of Rooms	Trident ⁽²⁾	Location	Year of opening ⁽³⁾	Type	Operating Model ⁽⁴⁾
EMEA									
1	ALBION	611	Permanent	259	5	Mauritius	2007	Sun	Leased
2	ALBION VILLAS	178	Permanent	31	5	Mauritius	2010	Sun	Leased
3	ARCS EXTREME	566	Seasonal	283	3	France	1980	Mountain	Leased
4	BODRUM	484	Seasonal	224	4	Turkey	1995	Sun	Managed
5	CAP SKIRRING	413	Seasonal	204	4	Senegal	1973	Sun	Leased
6	CEFALU	645	Permanent	322	5	Italy	2018	Sun	Leased
7	CM2	377	Permanent	184	5	CM2	1992	Sun	Owned
8	DA BALAJA	794	Seasonal	389	4	Portugal	1986	Sun	Leased
9	DJERBA LA DOUCE	1,044	Seasonal	498	3	Tunisia	1975	Sun	Leased
10	GRAND MASSIF SAMOENS MORILLON	941	Bi-seasonal	420	4	France	2017	Mountain	Leased
11	GREGOLIMANO	974	Seasonal	460	4	Greece	1978	Sun	Leased
12	KAMARINA	1,438	Seasonal	600	3	Italy	1981	Sun	Leased
13	LA PALMYRE ATLANTIQUE	1,191	Seasonal	418	4	France	2003	Sun	Leased
14	LA PLAGNE 2100	587	Seasonal	339	4	France	1990	Mountain	Leased
15	LA POINTE AUX CANONNIERS	873	Permanent	393	4	Mauritius	1973	Sun	Leased
16	L'ALPE D'HUEZ LA SARENNE	993	Bi-seasonal	441	4	France	1985	Mountain	Leased
17	MARRAKECH LA PALMERAIE	861	Permanent	356	4+5	Morocco	2004	Sun	Leased
18	OPIO EN PROVENCE	913	Seasonal	429	4	France	1989	Sun	Leased
19	PALMIYE	1,791	Seasonal	722	4	Turkey	1988	Sun	Managed
20	PEISEY-VALLANDRY	820	Bi-seasonal	316	4	France	2005	Mountain	Leased
21	PRAGELATO	701	Bi-seasonal	273	4	Italy	2012	Mountain	Leased
22	SAINT-MORITZ ROI SOLEIL	584	Seasonal	304	4	Switzerland	1963	Mountain	Leased
23	SERRE-CHEVALIER	985	Bi-seasonal	349	3	France	2001	Mountain	Leased
24	VAL D'ISERE	541	Bi-seasonal	269	4+5	France	1978	Mountain	Leased
25	VAL THORENS	776	Seasonal	384	4	France	2014	Mountain	Leased
26	VALMOREL	896	Bi-seasonal	415	4+5	France	2011	Mountain	Leased

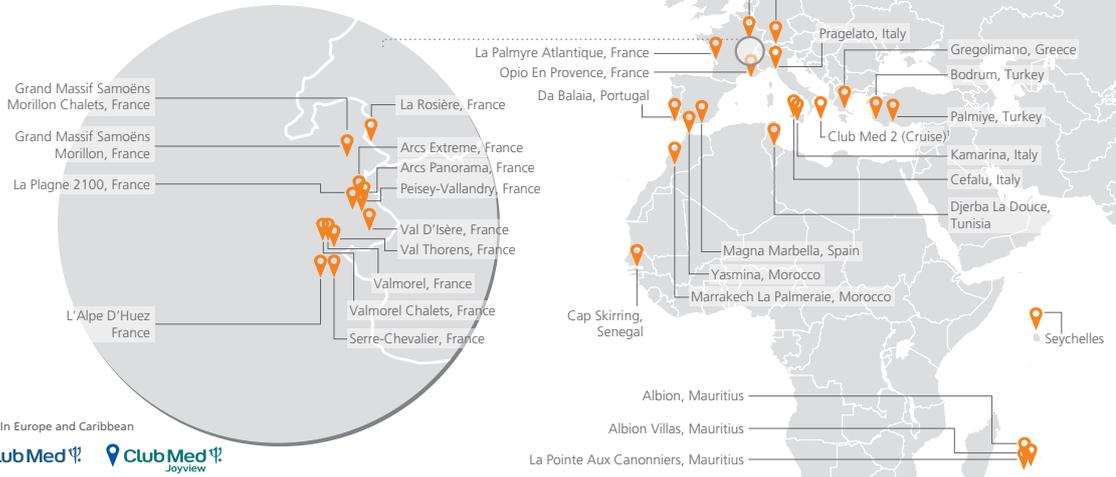
No.	Name of Resort	Number of Beds	Duration ⁽¹⁾	Number of Rooms	Trident ⁽²⁾	Location	Year of opening ⁽³⁾	Type	Operating Model ⁽⁴⁾
27	VALMOREL CHALETs	321	Bi-seasonal	61	5	France	2011	Mountain	Leased
28	VITTEL ERMITAGE	194	Seasonal	104	4	France	1973	Sun	Leased
29	YASMINA	808	Seasonal	343	4	Morocco	1969	Sun	Leased
30	GRAND MASSIF CHALETs	96	Bi-seasonal	96	5	France	2019	Mountain	Leased
31	LES ARCS PANORAMA	965	Bi-seasonal	433	4+5	France	2018	Mountain	Leased
32	SEYCHELLES	612	Permanent	285	5	France	2021	Sun	Leased
33	LA ROSIERE	878	Bi-seasonal	398	4	France	2020	Mountain	Leased
34	Marbella	843	Permanent	407	4	France	2022	Sun	Leased
Americas									
1	CANCUN YUCATAN	1,298	Permanent	495	4+5	Mexico	1976	Sun	Owned
2	COLUMBUS ISLE	—	Permanent	—	4	Bahamas	1992	Sun	Owned
3	IXTAPA PACIFIC	817	Permanent	292	4	Mexico	1981	Sun	Owned
4	LA CARAVELLE	794	Permanent	345	4	France (Guadeloupe)	1974	Sun	Leased
5	LAKE PARADISE	818	Permanent	371	4	Brazil	2016	Sun	Leased
6	LES BOUCANIERS	636	Permanent	286	4	France (Martinique)	1969	Sun	Owned
7	PUNTA CANA	1,710	Permanent	1,561	4+5	Dominican Republic	1981	Sun	Owned
8	MICHES	865	Permanent	329	5	Dominican Republic	2019	Sun	Leased
9	RIO DAS PEDRAS	806	Permanent	371	4+5	Brazil	1988	Sun	Owned
10	SANDPIPER	782	Permanent	256	4	United States of America	1987	Sun	Owned
11	TRANCOSO	675	Permanent	275	4	Brazil	2002	Sun	Owned
12	TURQUOISE, TURCS & CAICOS	574	Permanent	287	4	Turks and Caicos	1985	Sun	Leased
13	QUEBEC CHARLEVOIX	798	Permanent	284	4	Canada	2021	Mountain	Managed
Asia Pacific									
1	BALI	902	Permanent	393	4	Indonesia	1986	Sun	Owned
2	BEIDAHU	458	Seasonal	176	4	China	2016	Mountain	Managed
3	BINTAN ISLAND	656	Permanent	308	4	Indonesia	1996	Sun	Leased
4	CHERATING BEACH	681	Permanent	297	4	Malaysia	1979	Sun	Owned

No.	Name of Resort	Number of Beds	Duration ⁽¹⁾	Number of Rooms	Trident ⁽²⁾	Location	Year of opening ⁽³⁾	Type	Operating Model ⁽⁴⁾
5	CLUB MED JOYVIEW ANJI	810	Permanent	300	4	China	2018	JoyView	Managed
6	CLUB MED JOYVIEW GOLDEN COAST	780	Permanent	298	4	China	2018	JoyView	Managed
7	YANQING	772	Permanent	307	4	China	2019	JoyView	Managed
8	GUILIN	685	Permanent	283	4	China	2013	Sun	Managed
9	KABIRA	585	Permanent	181	4	Japan	1999	Sun	Leased
10	KANI	584	Permanent	272	4+5	Maldive Islands	2000	Sun	Leased
11	KANI FINOLHU VILLAS	104	Permanent	52	5	Maldive Islands	2015	Sun	Leased
12	PHUKET	719	Permanent	306	4	Thailand	1985	Sun	Owned
13	SAHORO HOKKAIDO	—	Seasonal	—	4	Japan	1988	Mountain	Leased
14	SANYA	957	Permanent	384	4	China	2016	Sun	Managed
15	TOMAMU HOKKAIDO	964	Bi-seasonal	341	4	Japan	2018	Mountain	Managed
16	YABULI	697	Seasonal	279	4	China	2010	Mountain	Managed
17	LIJIANG	571	Permanent	224	4	China	2021	Sun	Managed
18	Changbaishan	250	Permanent	100	4	China	2022	Mountain	Managed
19	CLUB MED JOYVIEW Thousand Islands	405	Permanent	159	4	China	2022	Joyview	Managed

Notes:

- (1) Permanent resorts open all year long. Seasonal resorts open in either the summer season or the winter season of each year. Bi-seasonal resorts open in the summer season and the winter season of each year.
- (2) “3”: Three Trident Resort “4”: Premium Four Trident Resort “4+5”: Four Trident Resort with Five Trident Space “5”: Five Trident Resort, Villas and Chalets, and Club Med 2 cruise ship, now called Exclusive Collection collectively.
- (3) This includes year of re-opening.
- (4) Unless otherwise stated, we wholly own the property holding companies of the resorts below under the ownership operating model.

EMEA: 34



Americas: 13



Asia and Pacific: 19



TOURISM DESTINATIONS

ATLANTIS SANYA¹

Our tourism destination, Atlantis Sanya, is located on the Haitang Bay National Coast of Sanya in Hainan province, China. Atlantis Sanya (the "Tourism Complex") includes 1,314 guest rooms offering full ocean views, one of China's largest natural seawater aquariums, a themed waterpark with a total area of approximately 200,000 square meters, high quality food and beverage services, over 5,000 square meters of space for MICE² activities, and other recreational activities such as a shopping center. The Group commenced construction of Atlantis Sanya in 2014. Atlantis Sanya was officially opened in April 2018.

In the first half of 2022, due to the negative impact of the resurgence outbreak of COVID-19 in the PRC, the Business Volume of its operating business decreased from RMB835.2 million in the first half of 2021 to RMB486.9 million in the first half of 2022, decreased by 41.7% compared with that of the first half of 2021. Of which, room revenue and other operating income decreased by 42.4% and 40.8% respectively compared with that of the same period in 2021. The average daily rate by room remained the same and the average Occupancy Rate was 46.0%, down by 33.9 percentage points.

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

² *Meetings, Incentives, Conferencing & Exhibitions.*



¹ Atlantis Sanya, China







1 Atlantis Sanya Aquaventure Waterpark Night Carnival

In the first half of 2022, with end of February as the dividing line, it showed a divergence in business performance due to the impact of domestic Pandemic. During the two-month period ended 28 February 2022, with the Pandemic in Mainland China generally under control and benefiting from its outstanding product competitiveness and the release of demand for leisure vacations, the operation of Atlantis Sanya maintained a dynamic growth momentum. Atlantis Sanya recorded the Business Volume of RMB362.1 million, increased by approximately 44.3% year-on-year. For the four-month period ended 30 June 2022 (“March to June 2022”), it recorded a Business Volume of RMB124.8 million, decreased by approximately 78.6% year-on-year, which was due to the impact of the resurgence of the Pandemic in various tourist source cities. In the first half of 2022, the number of visits decreased to 1.5 million compared with 2.6 million in the same period of 2021. The adjusted EBITDA for the first half of 2022 decreased to RMB206.8 million, representing a decrease of 49.7% compared with RMB410.9 million in the same period of 2021.

The following table illustrates certain key operating data of Atlantis Sanya:

	For the two months ended 28 February		For the four months ended 30 June		For the six months ended 30 June	
	2022	2021	2022	2021	2022	2021
Business Volume (RMB'000)	362,111	250,973	124,752	584,178	486,863	835,151
Room Revenue (RMB'000)	202,100	137,496	69,073	333,529	271,173	471,026
Other Operating Revenue (RMB'000) ¹	160,011	113,476	55,679	250,649	215,690	364,125
Occupancy Rate by Room	89.1%	67.4%	25.2%	86.0%	46.0%	79.9%
Average Daily Rate by Room (RMB)	2,925.7	2,632.1	1,712.6	2,420.1	2,478.5	2,478.4
RevPar by Room (RMB)	2,606.9	1,773.6	430.9	2,080.6	1,140.1	1,980.2

As a one-stop entertainment, leisure and integrated resort destination, Atlantis Sanya presents a range of new experience for guests. In January, Atlantis Sanya joined hands with French luxury fashion house LANVIN for the first time to create a limited-time boutique and a limited-time café — LANVIN Café. In May, it fulfilled its commitment to sea turtle conservation by holding a “Thanksgiving to the Sea, Turtle-Back to Nature” rescue and rewilding event. Since July, Atlantis Sanya fully upgraded its signature summer project, the Aquaventure Waterpark

Night Carnival, and launched the “2022 Atlantis Super Summer Vacation” campaign. The Super Summer Vacation will last throughout July and August, and cover five themed events, with the Aquaventure Waterpark Night Carnival as the core. It has also introduced an upgraded C-Show, Mermaid Diving Experience, Parent-Child Art Festival and Atlantis Summer Camp. In respect of social media, as of 30 June 2022, “Atlantis Sanya” was ranked No. 1 on Sanya’s luxury hotel seeding list by Douyin.

¹ 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.



Atlantis Sanya successfully challenged the Guinness World Records for the "Largest Underwater Mermaid Show"

2

In July 2022, while the Pandemic was still spreading in Mainland China, with the explosive rebound in demand for summer family vacations, Atlantis Sanya recorded a Business Volume of approximately RMB215.1 million, only 7.6% less than its highest single-month Business Volume, July 2021, since its opening. The Occupancy Rate by Room reached 92.2% and the Average Daily Rate by Room was RMB3,331.0, representing a decrease of approximately 2.8% compared to the same period of 2021.

As of 30 June 2022, there was only a small amount of units left in Tang Residence. We still have 2 villas available to be sold or delivered.



Aquaventure Waterpark, Atlantis Sanya

3



1 Atlantis Sanya, China



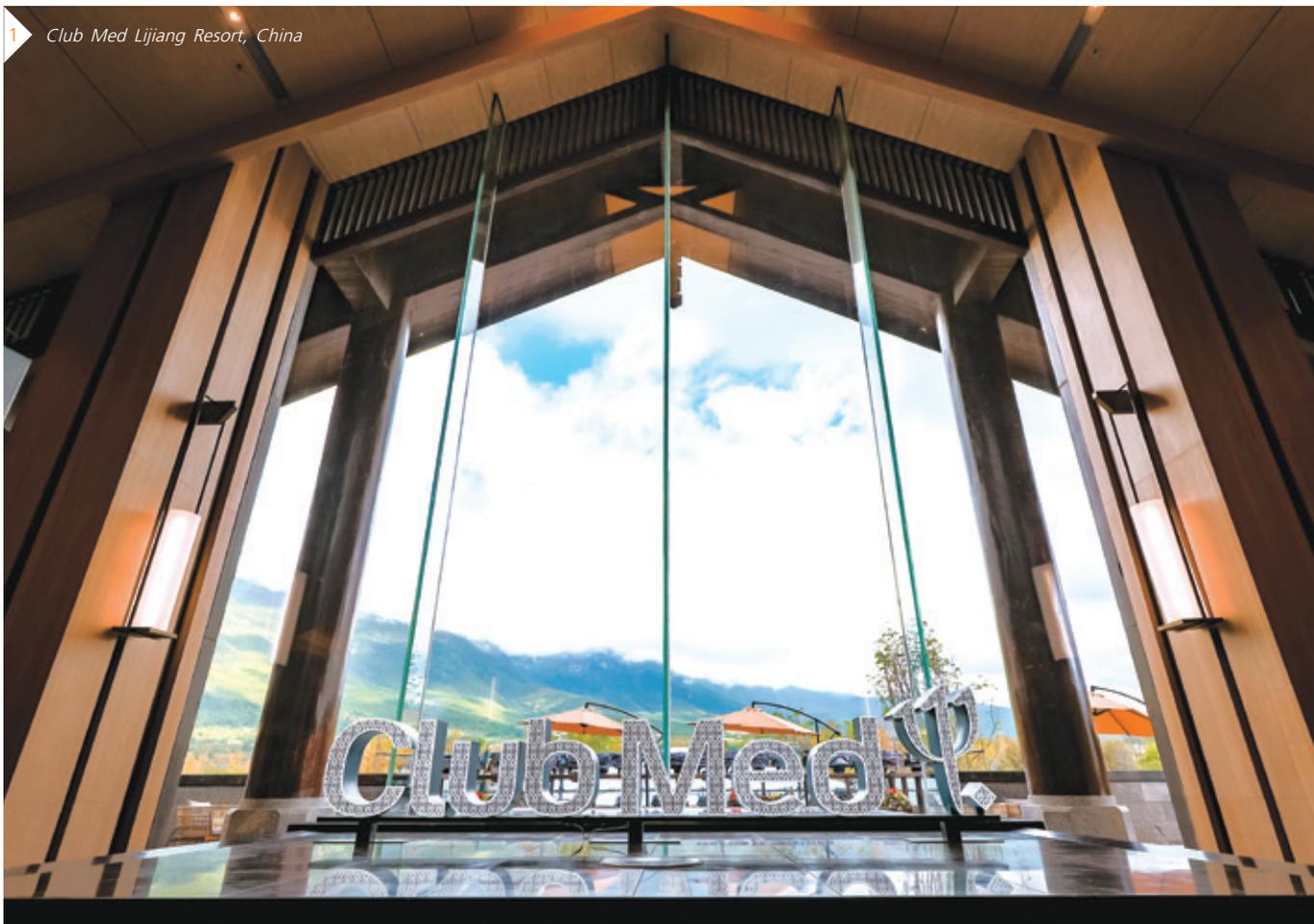
Lijiang FOLIDAY Town, China 2

FOLIDAY TOWN (復遊城)¹

We launched the “FOLIDAY Town” (復遊城) 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 to lead a new vacation lifestyle by leveraging our global FOLIDAY ecosystem and the successful operation experience in Club Med and Atlantis Sanya.

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

1 Club Med Lijiang Resort, China



LIJIANG FOLIDAY TOWN (麗江復遊城)

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 plans to combine comprehensive tourism and leisure features, including Club Med Lijiang resort, themed commercial street, theme park and lake camp ("Operational Section"), and about 3,000 vacation houses. The total GFA of Lijiang FOLIDAY Town is approximately 283,000 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. Club Med Lijiang resort has a GFA of 56,785 square meters, and includes 302 vacation guest rooms with 770 beds. The project was also planned

to include saleable vacation houses with a total GFA of over 208,000 square meters, certain portions of which have been approved by regulatory authorities for construction and pre-sale. The saleable vacation houses will be designed as detached houses with low density and low-rise courtyard houses, and the product is defined as “the vacation house at the foot of Jade Snow Mountain”.

We have started construction of saleable vacation houses in 2020. The project has been completed in stages since late 2021, and the Operational Section is expected to achieve completion in late 2023. In the second half of 2021, Club Med Lijiang resort, Albion Holiday Apartment of Lijiang FOLIDAY Town, and lake camp have been put into operation. Among them, Albion Holiday Apartment of Lijiang FOLIDAY Town was officially opened in January 2022. The product is positioned as a serviced holiday apartment.

In the first half of 2022, the Business Volume of the operating business of Lijiang FOLIDAY Town reached RMB17.8 million, of which RMB7.0 million was recorded between January and February with approximately 8,000 visits. From March to June, due to flights and travel

suspension in major tourist source cities as a result of the Pandemic in Mainland China, FOLIDAY Town held various commercial activities at its lake area camping grounds and recorded the Business Volume of RMB10.8 million with approximately 38,000 visits. In the first half of 2022, Club Med Lijiang resort recorded the Business Volume of RMB14.3 million. The Average Daily Bed Rate was RMB1,075 and average Occupancy Rate by Bed reached 14.0%.

As of 30 June 2022, the total cost incurred in the Lijiang FOLIDAY Town was approximately RMB1,657.6 million, and a project development loan amounted to RMB1,300.0 million was granted to Lijiang FOLIDAY Town, of which RMB656.0 million has already been used in the project. As of 30 June 2022, Lijiang FOLIDAY Town has obtained sales permit for GFA of approximately 28,500 square meters, with the number of saleable sets of 482. As of 30 June 2022, the sales value developed for sale was RMB583.9 million. The value sold to be carried forward was RMB18.1 million.

As of 30 June 2022, the sold and delivered details of Lijiang FOLIDAY Town are as follows:

Periods	Number of sets sold (sets)	Sales value (RMB million)	Delivered sets (sets)	Delivered GFA (m ²)	Recognised revenue (RMB million)
First half of 2022	6	10.5	1	49.2	0.9
Starting from pre-sale up to 30 June 2022	68	93.3	43	2,446.1	51.9

In July 2022, with the turnaround of the Pandemic situation in major source cities and the arrival of summer peak season, Lijiang FOLIDAY Town recorded the Business Volume of RMB22.5 million with 22,000 visits. In July 2022, the number of sets sold in Lijiang FOLIDAY Town was 3 and the sales value was RMB7.7 million. Club Med Lijiang resort recorded a Business Volume of RMB20.4 million. The Average Daily Bed Rate was RMB1,241 and average Occupancy Rate by Bed reached 89.1%.



This is a rendering for illustration purposes only, which does not completely represent the actual product

TAICANG FOLIDAY TOWN (太倉復遊城)

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. It takes less than 30 minutes to reach Taicang FOLIDAY Town from Shanghai Hongqiao Transportation Hub by high-speed train.

With the theme of “Alps”, Taicang FOLIDAY Town is designed to offer various themed experiences and tourism features, including but not limited to a large scale indoor ski domain in East China, a sports park, Club Med Joyview Taicang resort, a themed commercial street, and saleable vacation units. The total 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 vacation units with a total GFA of over 554,000 square meters. The saleable property units are mainly designed as high-rise residential buildings targeting mid-to-high-end customers.

3 Taicang FOLIDAY Town, China

4 Alps Snow Live, Taicang FOLIDAY Town



This is a rendering for illustration purposes only, which does not completely represent the actual product

Our indoor ski domain of “Alps Snow Live” (阿爾卑斯雪世界) was designed by Compagnie des Alps (“CDA”), one of the world’s leading ski domain operators based in France, to offer facilities and services with international standards. The construction of the Alps Snow Live has started in January 2021, with a GFA of approximately 90,000 square meters, which includes five ski slopes with a total length of approximately 500 meters. The indoor ski domain adopts WYSS snow-making machines from France with the latest EU technical standards, combined with seven “Magic Carpets” serving as conveyor belts and more than 20 sports items, aiming to create a customer experience close to real snow. As for the ski practices and training courses, we will establish a ski school for all ages with professional ski lessons of the European system offered by Ecole du Ski Francais (“ESF”), a long-time cooperation partner of Club Med. In January 2022, the indoor ski domain completed the capping of the main structure and the installation of snow-making and snowfall equipment was completed in June 2022.

The themed commercial street “Alps Time” and Club Med Joyview Taicang resort have entered the full construction phase in June 2021. The “Alps Time” is designed and created by GENSLER, a world-renowned architectural design company, incorporating Alps traditions and special elements into themed cultural activities to meet customers’ diversified needs. The “Alps Time” has a GFA of approximately 67,600 square meters and completed the capping of the main structure in July 2022. Club Med Joyview

Taicang resort has a GFA of approximately 50,000 square meters, and includes 308 vacation guest rooms with 770 beds, creating a special resort with ice and snow sports as the theme to meet the family leisure and MICE needs, etc. The podium of Club Med Joyview Taicang resort completed the capping of the structure in March 2022 and the main building is expected to complete the capping of the main structure by the end of September 2022.

The construction of Taicang FOLIDAY Town was completed in stages starting from 2021, among which the Alps Snow Live, Club Med Joyview Taicang resort and Alps Time will commence their business in the second half of 2023, and the remaining construction is expected to achieve full completion in the following two to three years.

As of 30 June 2022, the total cumulative cost incurred in the Taicang FOLIDAY Town was approximately RMB4,920.9 million, which was mainly used for land acquisitions and construction costs. A project development loan amounting to RMB3,300.0 million was granted, of which RMB584.9 million has already been utilised. As of 30 June 2022, Taicang FOLIDAY Town has obtained sales (pre-sale) permit for GFA of approximately 162,000 square meters and all of which were used for sales (pre-sale) with saleable property units of 1,424 sets. As of 30 June 2022, the sales value developed for sale was RMB1,346.8 million and the sales value to be carried forward was RMB875.1 million.

As of 30 June 2022, the sold (including pre-sale) and delivered details of Taicang FOLIDAY Town are as follows:

Periods	Number of sets sold (including pre-sale) (sets)	Sold (including pre-sale) value (RMB million)	Delivered sets (sets)	Delivered GFA (m ²)	Recognised revenue (RMB million)
First half of 2022	31	80.9	80	9,714.8	213.3
Starting from pre-sale up to 30 June 2022	980	2,566.2	640	71,973.4	1,546.0



This is a rendering for illustration purposes only, which does not completely represent the actual product

1
Alps Time Town,
Taicang FOLIDAY Town

2
Club Med Joyview
Taicang resort, China

In July 2022, the number of sets sold in Taicang FOLIDAY Town was 18 and the sales value was RMB48.5 million.

In addition, we are exploring various cooperation and strategic partnerships opportunities with other companies on the development and operation models of tourism destination.



This is a rendering for illustration purposes only, which does not completely represent the actual product



Tang'an Residence
by Albion, Sanya

ALBION

In 2016, we founded the Albion brand, focusing on the “transformation and upgrading of China’s scenic resorts” and “core first- and second-tier cities tour”, aiming to become a leading one-stop professional operator of upgraded scenic resort in China.

In the first half of 2022, Albion managed and operated three tourism destinations¹, three vacation and accommodation projects² and one AHAVA SPA in China, across regions such as Zhejiang, Hainan, Chongqing and Yunnan. In the first half of 2022, the Business Volume of Albion was approximately RMB37.4 million, decreased by 18.0% compared with the same period in 2021.

In the first half of 2022, Albion started the non-standardised accommodation project, and created new resort brand called “Pinetree Bay”, the playground brand “Joelux Park” which designed for family and kids, and “Nada Adventure Camp”, an internationalized camp featured with local characteristics. Located in the Yushan Shanghu Scenic Area, Changshu, Jiangsu Province, Changshu Joelux Park will be opened in September 2022, and the vision of Joelux Park is to create a fantastic leisure and staycation destination for the families of the middle-class around the key first- and second-tier cities.

¹ Tourism destinations include Nanxijiang Scenic Area (楠溪江景區), Luzhai Scenic Area(Dongyang) (東陽盧宅景區) and Yushe National Forest Park in Liupanshui (六盤水玉舍國家森林公園)

² Accommodation projects include Tang'an Residence by Albion, Sanya(三亞愛必儂棠岸度假公寓), Albion Holiday Apartment of Lijiang FOLIDAY Town (麗江復遊城愛必儂度假公寓) and Chongqing Albion Golden Buddha Mountain Resort (重慶金佛山愛必儂度假村)

SERVICES AND SOLUTIONS IN VARIOUS TOURISM AND LEISURE SETTINGS

Entertainment, other tourism and culture related services

Through the development of performances in tourism destinations, resorts and hotels by Fanxiu Performance (泛秀演艺), we meet the needs of customers for more enriched and joyous vacation experiences and diversified lifestyles. Fanxiu Performance launched the resident Show C in Atlantis Sanya in February 2019. Since the Christmas in 2021, Atlantis Sanya's resident Show C has been completely revamped with the introduction of the first immersive marine fantasy acrobatics show in China. The performance received sound feedback during the Spring Festival in 2022, with the number of viewers increased by 137.0% year-on-year. In the first half of 2022, the Business Volume of Fanxiu Performance reached RMB14.4 million, of which the Business Volume from January to February was RMB11.1 million, representing an increase of 43.1% compared with the same period of 2021. However, the performances were seriously affected by the Pandemic in the PRC from March to June. To further enrich the supply of tourism and cultural products, we enriched the parent-child experience at Atlantis Sanya with the launch of our first destination-based, kid-friendly arts festival in July 2022 for the sizeable parent-child customer base in the PRC.

- 1 Miniversity
- 2 Fanxiu Performance
- 3 Foryou Ski





1 Thomas Cook Lifestyle Platform

Our international learning and playing club, Miniversity (迷你营) created a series of study tour courses through collaboration with the FOLIDAY ecosystem. Although the business was affected by the Pandemic in the first half of 2022, the Business Volume reached RMB5.4 million, which was substantially the same as the same period of 2021. This was mainly attributable to the decrease in the number of students of the indoor Miniversity business as a result of the Pandemic, which was offset by the increase in the Business Volume contributed by the organic growth of the outdoor Miniversity. From January to February of 2022, the number of students of Miniversity exceeded 6,200, representing an increase of 79% over the same period of 2021. Our indoor ski simulator brand, Foryou Ski, enrolled more than 5,200 students in the first half of 2022, representing a multiple times growth compared with the same period of 2021.

Thomas Cook China and Thomas Cook UK

In November 2019, we acquired the right, title and interest of Thomas Cook brand, a centennial travel brand, as well as its trademarks across most international markets upon its liquidation.

Thomas Cook China

In July 2020, we launched the “Thomas Cook Lifestyle Platform” (TC China), a lifestyle platform focusing on quality vacation and leisure. In the first half of 2022, the average number of monthly active application users was 774,000, and the number of paying users reached 49,000. Currently, the platform is in a rapid growth stage. In the first half of 2022, TC China achieved Business Volume of approximately RMB159.2 million, representing a decrease of 1.4% compared with the same period of 2021. Of which, the Business Volume from January to February was RMB100.9 million, representing a year-on-year increase of 150.5%. Owing to the Pandemic in the PRC, the Business Volume from March to June 2022 was RMB58.3 million, representing a year-on-year decrease of 51.9%. The number of orders in the first half of 2022 reached 181,000, representing an increase of 12.4% compared with the same period of 2021.

In the first half of 2022, TC China, together with the Group’s self-operated tourism and leisure settings, push its business into two core destinations, Hainan and Yunnan, to launch the “hotel +” portfolio products, with a order volume of 12,000. In July 2022, the Business Volume of TC China amounted to RMB63.8 million, representing an increase of 14.9%

compared with that of July 2021. On 18 July 2022, the Thomas Cook celebrated its 181st anniversary. During the period (20 June 2022 to 6 August 2022), the gross merchandise volume (GMV) reached RMB243.0 million, the number of transaction users reached more than 30,000, and the total number of orders was over 150,000.

Thomas Cook UK

Since the first half of 2022, UK travel restrictions began to lift and holiday travel were gradually available to more places across Europe, Thomas Cook UK (TC UK) has seen significant growth with its Business Volume rising 570.3% to RMB712.0 million.

With the above development, the brand has expanded further into Europe and commenced operations in the Netherlands. It has since then added a diverse range of travel holidays originated from the Belgian and German airports.

To leverage on the lifting of most restrictions across Europe, Thomas Cook launched a trial online TV, radio and digital brand campaign reviving the iconic “Don’t Just Book it, Thomas Cook it” slogan with an eye-catching advert.

In the first half of 2022, bookings from Thomas Cook surpassed 42,000, representing an increase of 740.0% compared with the same period of 2021. The high seasons in summer and autumn renewed to be the most important period for the continuous growth of TC UK’s success.

For the month of July 2022, TC UK recorded a Business Volume of RMB131.5 million, increased by 392.1% compared to that of July 2021.

Member Loyalty Programs

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.



SELECTED ITEMS OF CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	For the six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
REVENUE	6,416,543	2,781,466
Cost of revenue	(4,523,397)	(2,186,293)
Gross profit	1,893,146	595,173
Other income and gains/(expenses), net	70,274	(616,791)
Selling and marketing expenses	(978,730)	(631,231)
General and administrative expenses	(698,116)	(727,258)
Finance costs	(483,944)	(483,475)
Share of profits and losses of:		
Associates	(507)	(1,719)
LOSS BEFORE INCOME TAX	(197,877)	(1,865,301)
Income tax expenses	(10,567)	(199,731)
LOSS FOR THE PERIOD	(208,444)	(2,065,032)
Attributable to:		
Equity holders of the Company	(196,644)	(2,004,796)
Non-controlling interests	(11,800)	(60,236)
	(208,444)	(2,065,032)

Revenue by business function and business segment

Revenue: Our revenue increased by 130.7% from RMB2,781.5 million for the six months ended 30 June 2021 to RMB6,416.5 million for the six months ended 30 June 2022. Due to the lifting of travel restrictions in major sourcing markets and destinations, our global tourism operation experienced a strong recovery during first six months of 2022. However, the Pandemic resurgence had a significant negative impact on our business in China.

	For the six months ended 30 June			
	2022		2021	
	RMB'000	%	RMB'000	%
Resorts and destination operations	5,190,728	80.9%	1,911,283	68.7%
— Resorts and Hotels	4,653,003	72.5%	1,024,796	36.8%
— Tourism destinations	537,725	8.4%	886,487	31.9%
Tourism-related property sales and construction services	273,106	4.3%	658,935	23.7%
— Resorts and Hotels	58,297	0.9%	34,803	1.3%
— Tourism destinations	214,809	3.4%	624,132	22.4%
Tourism and leisure services and Solutions	998,744	15.6%	249,259	9.0%
— Resorts and Hotels	858,082	13.4%	163,677	5.9%
— Services and solutions in various tourism and leisure settings	140,662	2.2%	85,582	3.1%
Intersegment eliminations	(46,035)	(0.8%)	(38,011)	(1.4%)
Total revenue from contracts with customers	6,416,543	100.0%	2,781,466	100.0%

Resorts and Destination Operations: Revenue of resorts and destination operations increased by 171.6% from RMB1,911.3 million for the six months ended 30 June 2021 to RMB5,190.7 million for the six months ended 30 June 2022.

Resorts and hotels revenue increased by 354.0% year-on-year, benefiting from the increase of the capacity by 122.3%, the increase of Occupancy Rate by 16.5 percentage points and the increase of Average Daily Bed Rate by 40.2% in Club Med, thanks to the lifting of travel restrictions in major sourcing markets and destinations.

Tourism destination operating revenue mainly includes operating revenue of Atlantis Sanya, Albion and Lijiang Club Med. Due to the negative impact of the Pandemic resurgence in China, the operating revenue of Atlantis Sanya decreased by 41.7% from RMB835.2 million for the six months ended 30 June 2021 to RMB486.9 million for the six months ended 30 June 2022. In particular, Atlantis Sanya recorded a growth in operating revenue by 44.3% for the first two months of 2022 compared with same period of last year, whilst recorded a decrease of 78.6% from March to June in 2022 compared with same period of last year. The Pandemic resurgence also had negative impact on business of Albion and Lijiang Club Med. The operating revenue of Albion decreased by 18.0% to RMB37.4 million year-on-year. Lijiang Club Med recorded an operating revenue of RMB11.3 million for the six months ended 30 June 2022.

Tourism-related property sales and construction services: Revenue decreased by 58.6% to RMB273.1 million, as we delivered 80 Taicang FOLIDAY Town units and 1 Lijiang FOLIDAY Town unit. In the first six months of 2021, we delivered seven Tang Residence units, most of which were villas. Delivery of Lijiang FOLIDAY Town units was significantly impacted by travel restriction of major customer sourcing markets to Lijiang.

Tourism and leisure services and solutions: Revenue of tourism and leisure services and solutions increased by 300.7% year-on-year, mainly due to increase in transportation services, as well as increase in revenue of tourism services, entertainment services, youth play and learning, and other services and solutions.

Cost of revenue by business function

	For the six months ended 30 June			
	2022		2021	
	RMB'000	%	RMB'000	%
Resorts and destination operations	3,558,503	78.7%	1,775,830	81.2%
Tourism-related property sales and construction services	182,818	4.0%	220,471	10.1%
Tourism and leisure services and solutions	826,390	18.3%	222,292	10.2%
Intersegment eliminations	(44,314)	(1.0%)	(32,300)	(1.5%)
Total	4,523,397	100.0%	2,186,293	100.0%

Gross profit and gross profit margin by business function

	For the six months ended 30 June			
	2022		2021	
	Gross Profit RMB'000	Gross Profit Margin %	Gross Profit RMB'000	Gross Profit Margin %
Resorts and destination operations	1,632,225	31.4%	135,453	7.1%
Tourism-related property sales and construction services	90,288	33.1%	438,464	66.5%
Tourism and leisure services and solutions	172,354	17.3%	26,967	10.8%
Intersegment eliminations	(1,721)	N/A	(5,711)	N/A
Total	1,893,146	29.5%	595,173	21.4%

Cost of revenue, gross profit and gross profit margin by business function: Cost of revenue increased by 106.9% from RMB2,186.3 million for the six months ended 30 June 2021 to RMB4,523.4 million for the six months ended 30 June 2022 which was in line with revenue increase.

Gross profit increased by 218.1% and gross profit margin increased from 21.4% to 29.5% year-on-year. Gross profit for resorts and destination operations sharply increased by 1,105.0% and gross profit margin increased from 7.1% to 31.4% compared with same period of last year. The increase was mainly due to business recovery of Club Med whose gross profit and margin rate was RMB1,546.3 million and 27.8% respectively, recovered to the vast majority level of the same period of 2019. Gross profit of tourism-related property sales and construction services decreased by 79.4% and gross profit margin decreased from 66.5% to 33.1% year-on-year as delivered vacation units in the first six months of 2021 were mostly villas with relatively high margin rate. Gross profit of tourism and leisure services and solutions increased by 539.1% and gross profit margin increased from 10.8% to 17.3% year-on-year. The increase of gross profit margin was mainly due to increase of tourism services business which brought higher margin rate.

Other income and gains/(expenses), net

We incurred a net income of RMB70.3 million in the first six months of 2022 comparing with a net loss of RMB616.8 million in the same period of last year. Net income in the first half of 2022 was mainly due to disposal gain of one Club Med village amounted to RMB86.2 million and rent concessions of Club Med amounted to RMB46.3 million in relation to the Pandemic.

Selling and marketing expenses

Selling and marketing expenses increased by 55.1% year-on-year to RMB978.7 million for the first six months ended 30 June 2022, primarily due to (i) commission on sales mainly generated from resorts and destination operation and property sales increased by 174.8% year-on-year to RMB273.6 million (the first half of 2021: RMB99.6 million), which was in line with the revenue increase of tourism operation sales, and (ii) advertising and promotion costs increased by RMB90.0 million as a result of business recovery.

General and administrative expenses

General and administrative expenses decreased by 4.0% to RMB698.1 million in the first six months of 2022. The change was primarily due to (i) management fee payable to brand licensor deceased by RMB50.9 million due to no incentive management fee charge for business operation of Atlantis Sanya in the first six months of 2022, partially offset by (i) employee costs increased by RMB20.0 million which was in line with business recovery, and (ii) depreciation and amortization cost increased by RMB12.0 million mainly due to depreciation and amortization of Lijiang Club Med.

Operating profit/(loss) by segment

Our operating profit was RMB286.6 million in the first six months of 2022, comparing with the operating loss of RMB1,380.1 million in the same period of last year.

	For the six months ended 30 June			
	2022		2021	
	RMB'000	%	RMB'000	%
Resorts and Hotels	412,497	143.9%	(1,803,435)	130.7%
Tourism destinations	117,252	40.9%	590,035	(42.8%)
Services and solutions in various tourism and leisure settings	(123,034)	(42.9%)	(89,345)	6.5%
Eliminations and unallocated expenses	(120,141)	(41.9%)	(77,362)	5.6%
Total	286,574	100.0%	(1,380,107)	100.0%

Resorts & Hotels: Resorts and hotels business recorded an operating profit of RMB412.5 million in the first six months of 2022 compared with an operating loss of RMB1,803.4 million in the same period of 2021, reflecting the business recovery of Club Med.

Tourism destinations: Operating profit decreased from RMB590.0 million to RMB117.3 million in the first six months of 2022. Operation profit of Atlantis Sanya decreased from RMB293.5 million in the first six months of 2021 to RMB97.1 million in the same period of 2022, mainly due to the Pandemic resurgence in China. Delivery of Taicang FOLIDAY Town units contributed operating profit of RMB47.4 million for the first six months ended 30 June 2022 compared with an operating loss of RMB40.9 million in the same period of last year.

Services and solutions in various tourism and leisure settings: Operating loss for the first six months ended 30 June 2022 was RMB123.0 million compared with RMB89.3 million for the same period of 2021, which was due to an increase of the development and promotion costs of Thomas Cook China and Thomas Cook UK during the period of rapid business growth.

Finance costs

Finance costs net of capitalized interest slightly increased by RMB0.4 million from RMB483.5 million for the first six months of 2021 to RMB483.9 million in the same period of 2022. Our indebtedness balance as of 30 June 2022 kept steady, which decreased by RMB865.3 million compared with the balance as of 31 December 2021.

Income tax expenses

Income tax expenses decreased by RMB189.1 million from RMB199.7 million in the first six months of 2021 to RMB10.6 million in the same period of 2022. The income tax expenses for the six months ended 30 June 2022 primarily comprised of PRC land appreciation tax ("LAT") amounted to RMB18.5 million in relation to the sales of tourism-related property sale and deferred income tax gains amounted to RMB12.0 million in relation to deductible tax loss of Atlantis Sanya.

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. We have estimated, prepaid and accrued LAT according to the requirements set forth in the relevant Mainland China tax laws and regulations.

Non-IFRS Measures

We supplemented the presentation of our historical financial information with certain non-IFRS accounting measures including EBITDA, adjusted EBITDA, and adjusted net profit/(loss). We adjusted 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 six months ended	
	30 June	
	2022	2021
	RMB'000	RMB'000
Loss before income tax	(197,877)	(1,865,301)
Adjustment:		
Depreciation	827,026	889,694
Amortization	85,748	77,137
Finance costs	483,944	483,475
Land appreciation tax	(18,454)	(160,740)
EBITDA	1,180,387	(575,735)
Add:		
Equity-settled share-based payments	14,677	10,764
Adjusted EBITDA	1,195,064	(564,971)
Arising from tourism operation ⁽¹⁾	1,186,336	(687,565)
Arising from tourism-related property sales ⁽¹⁾	8,728	122,594

Note:

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

Adjusted EBITDA

Adjusted EBITDA increased from negative RMB565.0 million in the first six months of 2021 to RMB1,195.1 million in the same period of 2022.

Adjusted EBITDA arising from tourism operation was RMB1,186.3 million in the first six months of 2022, compared with negative RMB687.6 million in the same period of 2021. Adjusted EBITDA of Club Med was RMB1,165.3 million in the first six months of 2022, compared with negative RMB991.6 million in the same period of last year, and recovered to 86.9% of that of the same period of 2019. Adjusted EBITDA of Atlantis Sanya in the first six months of 2022 decreased to RMB206.8 million from RMB410.9 million in the same period of 2021, primarily due to the Pandemic resurgence in China. In particular, for the first two months of 2022, adjusted EBITDA of Atlantis Sanya was RMB209.4 million, compared with RMB138.0 million in the same period of last year.

Adjusted Net Loss

	For the six months ended	
	30 June	
	2022	2021
	RMB'000	RMB'000
Net Loss	(208,444)	(2,065,032)
Add:		
Equity-settled share-based payments	14,677	10,764
Adjusted Net Loss	(193,767)	(2,054,268)

Capital expenditures

Our capital expenditures primarily consisted of expenditures to land use rights and property, plant and equipment. We funded our capital expenditures from our internal resources, bank borrowings, leases, and related company loans. The amount of capital expenditures of the Group for the first six months ended 30 June 2021 and 2022 were RMB417.0 million and RMB587.5 million, respectively. The capital expenditure incurred in the first half of 2022 mainly related to capital expenditures in tourism destination projects, upgrade or renovation of existing resorts, development of new resorts, and investments in digital technology. For the six months ended 30 June 2022, our capital expenditure for resorts increased by approximately RMB144.3 million compared with same period of last year due to increase in our investment in development of new resorts and upgrade or renovation of existing resorts in line with the recovery of business. Meanwhile, the capital expenditure for tourism destination increased by RMB39.5 million, mainly due to increase in construction investment of Taicang FOLIDAY Town project.

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 and capital investments by our Controlling Shareholders.

Our indebtedness included interest-bearing bank and other borrowings and lease liabilities. As of 30 June 2022, the total debt of the Group was RMB21,809.3 million. The total debt excluding lease liabilities was RMB12,018.9 million, representing a decrease from RMB13,263.5 million as at 31 December 2021.

As of 30 June 2022, excluding lease liabilities, the indebtedness of the Group over one year accounted for 92.0% of the total indebtedness as opposed to 83.6% as at 31 December 2021. As of 30 June 2022, cash and bank balances decreased by RMB1,086.2 million to RMB3,449.2 million as compared with RMB4,535.4 million as at 31 December 2021, in line with our decrease of indebtedness. Our undrawn banking facilities as of 30 June 2022 amounted to RMB4,332.2 million in total.

The original denomination of the Group's total debt excluding lease liabilities as well as cash and bank balances by currencies, equivalent in RMB, as of 30 June 2022, is summarized as follows:

THE TOTAL DEBT EXCLUDING LEASE LIABILITIES

	For the six months ended 30 June 2022	
	RMB'000	%
RMB	7,623,809	63.4%
EUR	4,015,891	33.4%
USD	302,013	2.5%
GBP	77,167	0.7%

CASH AND BANK BALANCES

	For the six months ended 30 June 2022	
	RMB'000	%
RMB	1,499,467	43.5%
EUR	991,521	28.7%
GBP	268,374	7.8%
BRL	241,923	7.0%
CAD	199,216	5.8%
USD	130,843	3.8%
Others	117,868	3.4%

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 loans or facility agreements to get the covenant holiday in the first half year of 2022. Our Directors confirmed that we complied with all material covenants under our loan agreements and amendments during the Reporting Period and up to the date of this report.

The maturity profile of outstanding interest-bearing bank and other borrowings

The Group sought to manage and extend the maturity of outstanding borrowings, so as to ensure that the outstanding borrowings of the Group due to mature every year would not exceed the expected cash flow of that year and the Group has the re-financing ability for the relevant liabilities in that year.

As at 30 June 2022, the total amount of interest-bearing bank and other borrowings was RMB12,018.9 million, within which RMB958.6 million was repayable within one year. Our undrawn banking facilities as of 30 June 2022 amounted to RMB4,332.2 million in total.

Outstanding interest-bearing bank and other borrowings classified by year of maturity as at 30 June 2022 were as follows: 8.0% of the outstanding borrowings was within one year, 8.9% of that was in the second year, 32.8% of that was in the third to fifth year, and 50.3% of that was over five years.

Capital Structure

The Company continued to maintain a healthy and sound financial position. Our total assets slightly decreased from RMB37,284.7 million as of 31 December 2021 to RMB36,728.2 million as of 30 June 2022, and our total liabilities decreased from RMB34,292.8 million as of 31 December 2021 to RMB33,421.3 million as of 30 June 2022. We improved the net current liabilities position of RMB3,311.7 million as of 31 December 2021 to net current liabilities of RMB2,024.6 million as of 30 June 2022.

Our current ratio slightly increased from 0.75 as of 31 December 2021 to 0.83 as of 30 June 2022, reflecting a healthy and sound financial position.

Our gearing ratio slightly increased from 48.7% as of 31 December 2021 to 50.0% as of 30 June 2022 which remained stable and healthy.

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 and lease liabilities, less cash and bank balances.

Pledged assets

As at 30 June 2022, the Group had pledged assets of RMB5,450.7 million (31 December 2021: RMB5,649.5 million) for bank and other borrowings. Details of pledged assets are set out in note 13 to financial statements.

Cash flow

As of 30 June 2022, we had cash and bank balances of approximately RMB3,449.2 million. The following table sets out our cash flows for the periods indicated:

	For the six months ended	
	30 June	
	2022	2021
	RMB'000	RMB'000
Net cash flows generated from operating activities	1,321,633	1,162,665
Net cash flows generated from investing activities	2,453	979,169
Net cash flows used in financing activities	(2,058,546)	(263,439)
Cash and cash equivalents at end of the period	3,019,661	4,663,888
Analysis of cash and bank balances		
Cash and cash equivalents at end of the period	3,019,661	4,663,888
Add: Pledged bank balances	150,073	7,276
Time deposits with original maturity of more than three months	67,147	200,161
Restricted pre-sale proceeds	212,331	286,227
Cash and bank balances at end of the period	3,449,212	5,157,552

CASH FLOWS GENERATED FROM OPERATING ACTIVITIES

Our net cash flows generated from operating activities of RMB1,321.6 million for the six months ended 30 June 2022, reflected our loss before income tax of RMB197.9 million, as adjusted by (A) adjustments including certain non-cash or non-operating items such as depreciation and amortization of RMB912.8 million, interest expenses of RMB483.9 million, non-cash gain of RMB98.1 million from rent concessions, and non-cash gain of RMB86.2 million from disposal of one Club Med village; (B) paid income taxes of RMB348.1 million primarily due to LAT payment of Holiday Towns; (C) changes in working capital including (i) an increase in contract liabilities of RMB320.6 million, primarily due to the increased advances received from customers of Club Med and Holiday Towns; (ii) a decrease of restricted cash of RMB291.3 million, primarily due to the decrease of pre-sales proceeds of Holiday Towns; and (iii) an increase in other payables and accruals of RMB118.6 million, primarily due to the increase in payables to Club Med operating supplier in line with Club Med's business recovery.

CASH FLOWS GENERATED FROM INVESTING ACTIVITIES

For the six months ended 30 June 2022, our net cash flows generated from investing activities of RMB2.5 million, primarily reflected (i) RMB495.5 million in purchases of property, plant, and equipment items, primarily for capital expenditures in tourism destination projects, upgrade or renovation of existing resorts and development of new resorts; (ii) RMB92.0 million in purchases of intangible assets, primarily for investments in digital technology of resorts software, IT solutions and Thomas Cook lifestyle platform for tourism operation; (iii) RMB463.7 million from disposal of one Club Med village whose details are set out in note 15 to financial statements.

CASH FLOWS USED IN FINANCING ACTIVITIES

For the six months ended 30 June 2022, our net cash flows used in financing activities of RMB2,058.5 million, primarily reflected (i) payment of lease liabilities of RMB500.9 million; (ii) interest payment of RMB288.8 million; partially offset by (iii) net decrease of bank loan and other borrowings of RMB1,139.7 million.

Net Current Assets/(Liabilities)

Our current assets consist principally of cash and bank balances, prepayments, deposits and other receivables, amounts due from related companies, properties under development, and completed properties for sale. The key components of our current liabilities are accrued liabilities and other payables, interest-bearing bank and other borrowings, trade payables, contract liabilities, amounts due to related companies, and lease liabilities.

As of 30 June 2022, the total current assets was RMB9,934.0 million and the total current liabilities was RMB11,958.6 million. We improved the net current liabilities of RMB3,311.7 million as of 31 December 2021 to net current liabilities of RMB2,024.6 million as of 30 June 2022. Our current ratio slightly increased from 0.75 as of 31 December 2021 to 0.83 as of 30 June 2022, reflecting a healthy and sound financial position. We had cash and bank balances of RMB3,449.2 million, undrawn bank facilities of RMB4,332.2 million, and interest-bearing bank and other borrowings within one year of RMB958.6 million. We believe we have sufficient resources such as cash and bank balances, positive free cash flow generated from operations, and available banking facilities to fund our future business.

Contingent Liabilities

During the Reporting Period, we provided guarantees mainly in favor of certain customers in respect of mortgage loans provided by banks to these customers for their purchases of developed properties where the underlying real estate certificates can only be provided to the banks in a time delayed manner due to PRC administrative procedures. These guarantees provided will be released when the customers pledge their real estate certificates as security to the banks for the mortgage loans granted by the banks. In case of a default in payments, the net realizable value of the relevant properties can cover the outstanding mortgage principal together with the accrued interest and penalties and therefore we made no provision for such guarantees.

The Group's contingent liabilities were RMB526.2 million as at 30 June 2022 comparing with RMB475.3 million as at 31 December 2021. Details of contingent liabilities are set out in note 17 to financial statements.

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 risks arising from various currency exposures. Major currencies for our commercial transaction included Euro, U.S. dollar, British Pound and Hong Kong 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. During the first half of 2022, Euro depreciated against some currencies such as Renminbi yuan, Hong Kong dollar, U.S. dollar, leading to foreign currency exchange losses. For the six months ended 30 June 2021 and 2022, we recorded foreign exchange loss of RMB79.2 million and RMB54.0 million in other income and gains/(expenses), net, 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 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 RMB218.7 million and a gain of RMB441.8 million for the six months ended 30 June 2021 and 2022, respectively, which mainly came from the translation of foreign operations of Club Med.

FINANCE POLICIES AND RISK MANAGEMENT

We are exposed to various types of financial risks, including market risk (covering currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. Our overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. Below is a summary of our approach to managing various types of financial risks.

Market risk

CURRENCY RISK

We operate resorts all over the world and are exposed to the risk of fluctuations in foreign exchange rates. We have transactional currency exposures arising from the sales or purchases by operating entities and investing and financing activities by investment holding entities in currencies other than such entities' functional currencies. The major subsidiaries exposed to such currency risks use EUR or CNY as their functional currencies. We use forward currency contracts and currency swaps to hedge against the transaction currency risk arising from the future sales cash flows denominated in a currency other than the functional currency of the selling entities within our Group. The balances of the forward currency contracts and currency swaps vary with the levels of expected foreign currency transactions and changes in foreign exchange forward rates. We also use currency swaps to hedge against the currency risk on the fair value of intercompany financing denominated in a currency other than the functional currency of the borrowing entities within our Group. The hedge of the forward currency contracts and the currency swaps was assessed to be effective as of 30 June 2022.

INTEREST RATE RISK

Our exposure to the risk of changes in market interest rates relates primarily to the long-term debt obligations with floating interest rates. Our policy is to manage interest cost using a mix of fixed and variable rate debts. At 30 June 2022 and 31 December 2021, approximately 55.2% and 49.9% of the Group's interest-bearing borrowings bore interest at fixed rates after hedging, respectively.

We also carried out hedging activities by entering into interest rate swap on certain variable rate debts. In interest rate swaps, we receive interest at variable rates and pay interest at fixed rates. The interest rate swaps are designated as hedging instruments in respect of forecast future interest expenses on interest-floating borrowings to which we have firm commitments. The balances of the interest rate swaps vary with the terms, principal amount of the interest-floating borrowings and changes in variable rates which are generally based on the Europe Interbank Offered Rate. Changes in the fair value of non-hedging interest rate derivatives were charged to the consolidated statement of profit or loss.

In order to exercise prudent management against interest rate risks, we continue to review market trends against its business operations and financial position in order to arrange the most interest rate risk management tools.

Credit risk

We have no significant concentration of credit risk due to the large number of our customers. The carrying amounts of cash and cash equivalents, restricted cash, trade receivables, contract assets, deposits and other receivables, and amounts due from related parties included in our statements of financial position represent our maximum exposure to credit risk in relation to our financial assets.

As at 30 June 2022 and 31 December 2021, all restricted cash and cash and cash equivalents were deposited in high quality financial institutions without significant credit risk.

Liquidity risk

The liquidity of our Group is primarily dependent on our ability to maintain adequate cash inflows from operations to meet debt obligations as they fall due and our ability to obtain external financing to meet committed future capital expenditures. Our objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing loans and other borrowings, amounts due to related companies, and convertible bonds. Our policy is to regularly monitor current and expected liquidity requirements by preparing and reviewing monthly cash flow forecasts and our compliance with lending covenants to ensure that we maintain sufficient reserves of cash on demand and adequate committed lines of funding from major financial institutions to meet our liquidity requirements in the short and longer terms.

The primary objectives of our Group's capital management are to safeguard our ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize shareholders' value. We manage our capital structure and makes adjustment to it in light of changes in economic conditions. To maintain or adjust the capital structure, we may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the Reporting Period.

Hedging measures

We operate business all over the world and are exposed to the risk of fluctuations in foreign exchange rates. To manage exposure to foreign exchange rate fluctuations, we engage in forward currency contracts and currency swaps with third parties to mitigate the transaction currency risk arising from future cash flows denominated in currencies other than functional currencies. The balances of the forward currency contracts and currency swaps vary with the levels of expected foreign currency transactions and changes in foreign exchange forward rates. The terms of the above hedging instruments seek to match the expected highly probable forecast transactions. We also engage in currency swaps which are designated as hedging instruments in respect of the currency risk on intercompany financings denominated in a currency other than the functional currency of the lending entities within the Group.

To manage our exposure to the risk of changes in the market interest rates from primarily long-term debt obligations with floating interest rates, we carry out hedging activities by entering into interest rate swaps on certain variable rate debts. Our management believes the risk of default under these hedging contracts is remote and, in any event, would not be material to the consolidated financial results. We do not utilize derivative financial instruments for speculative purposes.

INDEPENDENT REVIEW REPORT



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To the board of directors of Fosun Tourism Group
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 51 to 81, which comprises the condensed consolidated statement of financial position of Fosun Tourism Group (the "Company") and its subsidiaries (the "Group") as at 30 June 2022 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Certified Public Accountants
Hong Kong
22 August 2022

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2022

	Notes	For the six months ended 30 June	
		2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
REVENUE	4	6,416,543	2,781,466
Cost of revenue		(4,523,397)	(2,186,293)
Gross profit		1,893,146	595,173
Other income and gains/(expenses), net	5	70,274	(616,791)
Selling and marketing expenses		(978,730)	(631,231)
General and administrative expenses		(698,116)	(727,258)
Operating income/(loss)		286,574	(1,380,107)
Finance costs	6	(483,944)	(483,475)
Share of profits and losses of: Associates		(507)	(1,719)
LOSS BEFORE INCOME TAX	7	(197,877)	(1,865,301)
Income tax expense	8	(10,567)	(199,731)
LOSS FOR THE PERIOD		(208,444)	(2,065,032)
Attributable to:			
Equity holders of the Company		(196,644)	(2,004,796)
Non-controlling interests		(11,800)	(60,236)
		(208,444)	(2,065,032)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic			
— For loss for the period (RMB)	10	(0.16)	(1.62)
Diluted			
— For loss for the period (RMB)	10	(0.16)	(1.62)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2022

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
LOSS FOR THE PERIOD	(208,444)	(2,065,032)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments arising during the period	11,246	11,758
Reclassification adjustments for losses included in the consolidated statement of profit or loss	25,612	6,509
	36,858	18,267
Exchange differences on translation of foreign operations	441,806	218,743
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	478,664	237,010
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Actuarial reserve relating to employee benefits	31,758	14,900
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	4,837	—
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	36,595	14,900
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	515,259	251,910
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	306,815	(1,813,122)
Attributable to:		
Equity holders of the Company	299,299	(1,755,865)
Non-controlling interests	7,516	(57,257)
	306,815	(1,813,122)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2022

	Notes	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	11	9,257,876	9,677,294
Right-of-use assets		11,214,571	10,820,996
Intangible assets		2,505,025	2,570,354
Goodwill		1,622,236	1,669,017
Investments in associates		243,795	235,559
Financial assets at fair value through profit or loss		245,852	175,295
Properties under development		565,397	1,199,877
Due from related companies		2,238	3,537
Prepayments, other receivables and other assets		919,368	802,473
Deferred tax assets		217,786	172,588
Total non-current assets		26,794,144	27,326,990
CURRENT ASSETS			
Inventories		212,636	207,622
Completed properties for sale		861,566	1,015,457
Properties under development		1,627,590	775,815
Trade receivables	12	540,657	562,933
Contract assets and other assets		781	781
Prepayments, other receivables and other assets		1,949,296	1,975,069
Due from related companies		850,784	849,243
Derivative financial instruments		87,284	32,896
Financial assets at fair value through profit or loss		2,273	2,578
Cash and bank balances		3,449,212	4,535,362
Non-current assets classified as held for sale		351,962	—
Total current assets		9,934,041	9,957,756
CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	13	958,578	2,179,351
Contract liabilities		1,349,996	1,029,417
Trade payables	14	2,353,863	2,348,620
Accrued liabilities and other payables		5,486,703	5,618,677
Tax payable		130,272	415,554
Lease liabilities		779,969	770,781
Due to related companies		855,316	858,514
Derivative financial instruments		43,904	48,509
Total current liabilities		11,958,601	13,269,423
NET CURRENT LIABILITIES		(2,024,560)	(3,311,667)
TOTAL ASSETS LESS CURRENT LIABILITIES		24,769,584	24,015,323

continued/...

INTERIM CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION

30 June 2022

	Notes	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	13	11,060,302	11,084,191
Lease liabilities		9,010,435	8,640,306
Contract liabilities		4,073	4,073
Deferred income		108,178	119,683
Other long-term payables		837,849	728,384
Deferred tax liabilities		441,872	446,733
Total non-current liabilities		21,462,709	21,023,370
Net assets		3,306,875	2,991,953
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		187	186
Reserves		3,148,268	2,819,215
Non-controlling interests		3,148,455	2,819,401
		158,420	172,552
Total equity		3,306,875	2,991,953

Qian Jiannong
Director

Choi Yin On
Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

For the six months ended 30 June 2022

	Note	Attributable to equity holders of the Company									Total RMB'000
		Issued share capital	Share premium*	Fair value reserve*	Capital and other reserve*	Merger reserve*	Exchange fluctuation reserve*	Accumulated losses*	Subtotal	Non controlling interests	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
At 1 January 2022 (audited)		186	11,191,253	(1,305,184)	(705,001)	(159,274)	(619,302)	(5,583,277)	2,819,401	172,552	2,991,953
Loss for the period		—	—	—	—	—	—	(196,644)	(196,644)	(11,800)	(208,444)
Exchange differences on translation of foreign operations		—	—	—	—	—	423,931	—	423,931	17,875	441,806
Cash flow hedges, net of tax		—	—	—	36,135	—	—	—	36,135	723	36,858
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax		—	—	4,742	—	—	—	—	4,742	95	4,837
Actuarial reserve relating to employee benefits, net of tax		—	—	—	31,135	—	—	—	31,135	623	31,758
Total comprehensive gain for the period		—	—	4,742	67,270	—	423,931	(196,644)	299,299	7,516	306,815
Dividends paid to non-controlling shareholders of subsidiaries		—	—	—	—	—	—	—	—	(9,194)	(9,194)
Equity-settled share-based payments	(i)	1	12,884	—	4,416	—	—	—	17,301	—	17,301
Reclassification of non-controlling interests to liabilities as if the acquisition had taken place due to put options granted to non-controlling shareholders of a subsidiary		—	—	—	12,454	—	—	—	12,454	(12,454)	—
At 30 June 2022 (unaudited)		187	11,204,137	(1,300,442)	(620,861)	(159,274)	(195,371)	(5,779,921)	3,148,455	158,420	3,306,875

* These reserve accounts comprise the consolidate reserves of RMB3,148,268,000 in the interim condensed consolidated statement of financial position.

Note:

(i) During the period ended 30 June 2022, the Company issued and allotted 503,927 shares pursuant to the 2018 free share ownership plan. An amount of RMB355 was credited as share capital, an amount of RMB7,347,000 was credited to share premium and an amount of RMB7,347,000 was transferred out from capital and other reserve.

During the six months ended 30 June 2022, according to the share option scheme of the Company, 681,148 shares and 47,500 shares were issued at the exercise price of HKD8.43 and HKD8.37 respectively due to the exercise of the share option. An amount of RMB522 was credited as share capital, an amount of RMB5,537,000 was credited to share premium and an amount of RMB2,879,000 was transferred out from capital and other reserve.

The expenses recognized for the share-based payments amounted to RMB14,642,000 and were credited to capital and other reserve during the six months ended 30 June 2022.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

For the six months ended 30 June 2021

	Note	Attributable to equity holders of the Company										
		Shares held for the		Share premium*	Fair value reserve*	Capital and other reserve*	Merger reserve*	Exchange fluctuation reserve*	Accumulated losses*	Subtotal	Non-controlling interests	Total
		Issued share capital	share-based payment schemes									
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2021 (audited)		183	(3,004)	11,145,648	(1,296,072)	(701,541)	(159,274)	(911,218)	(2,948,528)	5,126,194	217,692	5,343,886
Effect of changes in accounting policies	(i)	—	—	—	—	7,471	—	2,464	77,289	87,224	2,682	89,906
At 1 January 2021 (audited) (restated)		183	(3,004)	11,145,648	(1,296,072)	(694,070)	(159,274)	(908,754)	(2,871,239)	5,213,418	220,374	5,433,792
Loss for the period		—	—	—	—	—	—	—	(2,004,796)	(2,004,796)	(60,236)	(2,065,032)
Exchange differences on translation of foreign operations		—	—	—	—	—	—	216,508	—	216,508	2,235	218,743
Cash flow hedges, net of tax		—	—	—	—	17,857	—	—	—	17,857	410	18,267
Actuarial reserve relating to employee benefits, net of tax		—	—	—	—	14,566	—	—	—	14,566	334	14,900
Total comprehensive loss for the period		—	—	—	—	32,423	—	216,508	(2,004,796)	(1,755,865)	(57,257)	(1,813,122)
Dividends paid to non-controlling shareholders of subsidiaries		—	—	—	—	—	—	—	—	—	(4,362)	(4,362)
Equity-settled share-based payments	(ii)	2	—	34,133	—	(12,919)	—	—	—	21,216	—	21,216
Reclassification of non-controlling interests to liabilities as if the acquisition had taken place due to put options granted to non-controlling shareholders of a subsidiary		—	—	—	—	(40,943)	—	—	—	(40,943)	40,943	—
At 30 June 2021 (unaudited)		185	(3,004)	11,179,781	(1,296,072)	(715,509)	(159,274)	(692,246)	(4,876,035)	3,437,826	199,698	3,637,524

* These reserve accounts comprise the consolidate reserves of RMB3,440,645,000 in the interim condensed consolidated statement of financial position.

Note:

- (i) In April 2021, the IFRS Interpretations Committee provided clarifications on how to determine the periods to which retirement benefit is attributed for some defined benefit plans. The changes in accounting policy has been accounted for retrospectively last year and the comparative figures for the corresponding comparative prior periods have been restated. The change in accounting policy resulted the increase of RMB87,224,000 and RMB2,682,000 in the opening balance of the reserves and non-controlling interests, respectively.
- (ii) During the period ended 30 June 2021, the Company issued and allotted 1,207,412 shares pursuant to the 2018 free share ownership plan. An amount of RMB942 was credited as share capital, an amount of RMB17,603,000 was credited to share premium and an amount of RMB17,604,000 was transferred out from capital and other reserve.

According to the share option scheme of the Company, 1,490,035 shares were issued at the exercise price of HKD8.43 per share due to the exercise of the share option. An amount of RMB1,162 was credited as share capital, an amount of RMB16,530,000 was credited to share premium and an amount of RMB6,079,000 was transferred out from capital and other reserve.

The expenses recognized for the share-based payments amounted to RMB10,764,000 and were credited to capital and other reserve during the six months ended 30 June 2021.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

	Notes	For the six months ended 30 June	
		2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		(197,877)	(1,865,301)
Adjustments for:			
Depreciation of items of property, plant and equipment	7	316,845	336,272
Depreciation of right-of-use assets	7	510,181	553,422
Amortisation of intangible assets	7	85,748	77,137
Provision for impairment of items of property, plant and equipment	7	3,737	9,347
Provision for impairment of right-of-use assets	7	2,167	—
Provision for impairment of trade receivables	7	3,316	6,241
Reversal of the provision for impairment of prepayments, other receivables and other assets	7	(12,699)	—
Write-down of inventories to net realisable value	7	751	2,034
Deferred income		(4,216)	(4,029)
Gain on the fair value change of financial assets at fair value through profit or loss	5	(25,148)	(3,238)
Interest income	5	(16,874)	(21,303)
Interest expenses		483,944	483,475
Gain on disposal of items of property, plant and equipment	5	(1,577)	(898)
Gain on disposal of a subsidiary	5	(86,203)	—
Equity-settled share-based payments		14,642	10,764
COVID-19-related rent concessions from lessors		(98,084)	(67,071)
Gain on deemed disposal of interests in an associate	5	—	(2,893)
Gain on sales and leaseback transaction		—	(1,396)
Share of profits and losses of associates		507	1,719
CASH INFLOWS/(OUTFLOWS) BEFORE WORKING CAPITAL CHANGES		979,160	(485,718)

continued/...

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

	Notes	For the six months ended 30 June	
		2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES (continued)			
Decrease in completed properties for sale		153,891	186,955
Increase in properties under development		(212,211)	(205,497)
Increase in inventories		(5,597)	(16,294)
Increase in deferred income		2,837	281
Decrease in contract assets		—	4,544
Decrease in trade receivables		20,217	8,113
(Increase)/Decrease in prepayments, other receivables and other assets		(1,391)	35,858
Decrease/(Increase) in restricted cash		291,256	(157,527)
Decrease/(Increase) in amounts due from related companies		1,873	(4,859)
Increase in trade payables		5,541	327,511
Decrease in amounts due to related companies		(4,457)	(5,259)
(Decrease)/increase in other long-term payables		(573)	3,918
Increase in contract liabilities		320,579	980,799
Increase in other payables and accruals		118,614	539,332
CASH GENERATED FROM OPERATIONS		1,669,739	1,212,157
Income tax paid		(348,106)	(49,492)
NET CASH FLOWS GENERATED FROM OPERATING ACTIVITIES		1,321,633	1,162,665

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF
CASH FLOWS

For the six months ended 30 June 2022

	Notes	For the six months ended 30 June	
		2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of items of property, plant and equipment		(495,501)	(315,182)
Purchase of intangible assets		(92,005)	(86,425)
Prepayment for the addition of right-of-use assets		—	(15,417)
Purchase of financial assets at fair value through profit or loss		(34,856)	(75,000)
Proceeds from dividends of financial assets at fair value through profit or loss		—	3,142
Decrease in time deposits with original maturity of more than three months		133,004	1,426,758
Disposal of a subsidiary	15	463,661	—
Proceeds from disposal of items of property, plant and equipment		11,276	47,622
Purchase of equity interests in an associate		—	(27,632)
Interest received		16,874	21,303
NET CASH FLOWS GENERATED FROM INVESTING ACTIVITIES		2,453	979,169

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares of the Company due to the exercise of the share options	2,659	10,452
Increase in restricted cash	(75,000)	—
New bank and other borrowings	751,563	2,684,140
Repayment of bank and other borrowings	(1,891,277)	(2,136,886)
Prepayment for the addition of right-of-use assets	(46,789)	(20,216)
Principal portion of lease payments	(500,873)	(528,158)
Funding provided to related companies	(856)	(1,540)
Funding repaid to related companies	—	(1,057,771)
Funding repaid by related companies	—	1,057,771
Dividends paid to non-controlling shareholders of subsidiaries	(9,194)	(4,362)
Repayment of financial liabilities measured at fair value through profit or loss	—	(2,000)
Interest paid	(288,779)	(264,869)
NET CASH FLOWS USED IN FINANCING ACTIVITIES	(2,058,546)	(263,439)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(734,460)	1,878,395
Net foreign exchange differences	(2,430)	(22,861)
Cash and cash equivalents at beginning of the period	3,756,551	2,808,354
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	3,019,661	4,663,888
CASH AND BANK BALANCES AT END OF THE PERIOD	3,449,212	5,157,552
Less: Pledged bank balances	150,073	7,276
Time deposits with original maturity of more than three months	67,147	200,161
Restricted pre-sale proceeds	212,331	286,227
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	3,019,661	4,663,888

1. CORPORATE AND GROUP INFORMATION

Fosun Tourism Group (the “Company”, formerly known as Fosun Tourism and Culture Group (Cayman) Company Limited) is a limited liability company incorporated in the Cayman Islands on 30 September 2016. The registered company name was changed to Fosun Tourism Group on 2 August 2018. The registered address of the Company is Harneys Fiduciary (Cayman) Limited, 4th Floor, Harbour Place, 103 South Church Street, P. O. Box 10240, Grand Cayman KY1-1002, Cayman Islands.

The Company is an investment holding company. During the period, the Group was primarily engaged in the provision of pioneering and family-focused tourism and leisure solutions. The principal business activities cover:

- Resorts and hotels,
- Tourism destinations, and
- Services and solutions in various tourism and leisure settings

In the opinion of the directors, the holding company and the controlling shareholder is Fosun International Limited (the “Controlling Shareholder”), which is incorporated in Hong Kong. The ultimate holding company of the Company is Fosun International Holdings Limited. The ultimate controlling shareholder of the Company is Mr. Guo Guangchang.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2022 has been prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2021.

The Group had net current liabilities of RMB2,024,560,000 as at 30 June 2022. Having taken into account the available banking facilities and the expected cash flows from operating and financing activities, the directors consider that it is appropriate to prepare the financial statements on a going concern basis.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of the following revised International Financial Reporting Standards (“IFRSs”) for the first time for the current period’s financial information.

Amendments to IFRS 3
Amendments to IAS 16
Amendments to IAS 37
Annual Improvements to IFRSs 2018–2020

Reference to the Conceptual Framework
Property, Plant and Equipment: Proceeds before Intended Use
Onerous Contracts — Cost of Fulfilling a Contract
Amendments to IFRS 1, IFRS 9, Illustrative Examples
accompanying IFRS 16, and IAS 41

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(Continued)*

The nature and impact of the revised IFRSs are described below :

- (a) Amendments to IFRS 3 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 has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there were no contingent assets, liabilities and contingent liabilities within the scope of the amendments arising in the business combination that occurred during the period, the amendments did not have any impact on the financial position and performance of the Group.
- (b) 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 Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2021. Since there was no sale of items produced while making property, plant and equipment available for use on or after 1 January 2021, the amendments did not have any impact on the financial position or performance of the Group.
- (c) 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 Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.
- (d) *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 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. The Group has applied the amendment prospectively to financial liabilities that are modified or exchanged on or after 1 January 2022. As there was no modification of the Group's financial liabilities during the period, the amendment did not have any impact on the financial position or performance of the Group.
 - 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.

3. 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:

- The resorts and hotels segment which comprises principally the operation and management of resorts and hotels which offer vacation resort services at a package rate and other hotel services;
- 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
- The services and solutions in various tourism and leisure settings segment which comprises principally the development and promotion of 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 profit which is 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.

Six months ended 30 June 2022

	Resorts and hotels RMB'000 (Unaudited)	Tourism destinations RMB'000 (Unaudited)	Services and solutions in various tourism and leisure settings RMB'000 (Unaudited)	Eliminations RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue					
External customers	5,566,815	722,758	126,970	—	6,416,543
Intersegment sales	2,567	29,776	13,692	(46,035)	—
Total revenue	5,569,382	752,534	140,662	(46,035)	6,416,543
Segment operating profit/(loss)	412,497	117,252	(123,034)	(28,801)	377,914
Unallocated expenses*					(91,340)
Total operating profit					286,574
Finance costs					(483,944)
Share of profits and losses of associates					(507)
Loss before income tax					(197,877)

3. OPERATING SEGMENT INFORMATION *(Continued)*

Six months ended 30 June 2021

	Resorts and hotels RMB'000 (Unaudited)	Tourism destinations RMB'000 (Unaudited)	Services and solutions in various tourism and leisure settings RMB'000 (Unaudited)	Eliminations RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue					
External customers	1,221,291	1,483,111	77,064	—	2,781,466
Intersegment sales	1,985	27,508	8,518	(38,011)	—
Total revenue	1,223,276	1,510,619	85,582	(38,011)	2,781,466
Segment operating (loss)/profit	(1,803,435)	590,035	(89,345)	(4,729)	(1,307,474)
Unallocated expenses*					(72,633)
Total operating loss					(1,380,107)
Finance costs					(483,475)
Share of profits and losses of associates					(1,719)
Loss before income tax					(1,865,301)

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

Geographical information

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Revenue from external customers		
Europe, Middle East and Africa	3,869,295	633,291
America	1,491,455	523,202
Asia Pacific	1,055,793	1,624,973
	6,416,543	2,781,466

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

4. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
<i>Revenue from contracts with customers</i>		
Resorts and destination operation	5,158,385	1,881,790
Tourism-related property sales and construction services	273,106	658,935
Tourism and leisure services and solutions	985,052	240,741
	6,416,543	2,781,466

(i) Disaggregated revenue information from contracts with customers

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

For the period ended 30 June 2022

Segments	Services and solutions in various tourism and leisure settings				
	Resorts and hotels RMB'000 (Unaudited)	Tourism destinations RMB'000 (Unaudited)	Eliminations RMB'000 (Unaudited)	Eliminations RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Types of goods or services					
Resorts and destination operation	4,653,003	537,725	—	(32,343)	5,158,385
Tourism-related property sales and construction services	58,297	214,809	—	—	273,106
Tourism and leisure services and solutions	858,082	—	140,662	(13,692)	985,052
	5,569,382	752,534	140,662	(46,035)	6,416,543
Intersegment sales	(2,567)	(29,776)	(13,692)	46,035	—
Total revenue from contracts with customers	5,566,815	722,758	126,970	—	6,416,543
Timing of revenue recognition					
Goods transferred at a point in time	—	214,809	15,432	(1,319)	228,922
Services transferred over time	5,569,382	537,725	125,230	(44,716)	6,187,621
	5,569,382	752,534	140,662	(46,035)	6,416,543
Intersegment sales	(2,567)	(29,776)	(13,692)	46,035	—
Total revenue from contracts with customers	5,566,815	722,758	126,970	—	6,416,543

4. REVENUE *(Continued)*

(i) Disaggregated revenue information from contracts with customers *(Continued)*

For the period ended 30 June 2021

Segments	Resorts and hotels RMB'000 (Unaudited)	Tourism destinations RMB'000 (Unaudited)	Services and solutions in various tourism and leisure settings RMB'000 (Unaudited)	Eliminations RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Types of goods or services					
Resorts and destination operation	1,024,796	886,487	—	(29,493)	1,881,790
Tourism-related property sales and construction services	34,803	624,132	—	—	658,935
Tourism and leisure services and solutions	163,677	—	85,582	(8,518)	240,741
	1,223,276	1,510,619	85,582	(38,011)	2,781,466
Intersegment sales	(1,985)	(27,508)	(8,518)	38,011	—
Total revenue from contracts with customers	1,221,291	1,483,111	77,064	—	2,781,466
Timing of revenue recognition					
Goods transferred at a point in time	—	624,132	3,327	—	627,459
Services transferred over time	1,223,276	886,487	82,255	(38,011)	2,154,007
	1,223,276	1,510,619	85,582	(38,011)	2,781,466
Intersegment sales	(1,985)	(27,508)	(8,518)	38,011	—
Total revenue from contracts with customers	1,221,291	1,483,111	77,064	—	2,781,466

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

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

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Other income		
Interest income	16,874	21,303
Government grants	15,878	85,972
Others	21,473	5,426
	54,225	112,701
Gains		
Gain on disposal of a subsidiary	86,203	—
Gain on disposal of items of property, plant and equipment	1,577	898
Reversal of impairment of prepayments	12,699	—
Rent concessions as a result of COVID-19 pandemic	46,259	55,556
Gain on the fair value change of financial assets at fair value through profit or loss	25,148	3,238
Reversal of provisions relating to litigation claims	—	12,581
Gain on deemed disposal of interests in an associate	—	2,893
Others	2,506	1,670
	174,392	76,836
Other income and gains	228,617	189,537
Other expenses		
Exceptional costs due to COVID-19 pandemic*	(39,352)	(582,228)
Compensation costs relating to employees	(9,540)	(71,937)
Provision for resort closure costs	(30,034)	(31,519)
Provision for litigation, including tax related	(10,282)	(14,504)
Impairment losses on		
— Property, plant and equipment	(3,737)	(9,347)
— Right-of-use assets	(2,167)	—
Exchange loss, net	(53,999)	(79,242)
Others	(9,232)	(17,551)
Other expenses	(158,343)	(806,328)
Other income and gains/(expenses), net	70,274	(616,791)

* Exceptional costs due to COVID-19 pandemic primarily comprised operating costs of resorts and other facilities during their closure when they should have been 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.

6. FINANCE COSTS

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Interest on bank and other borrowings	278,236	268,760
Interest on convertible bonds	—	165
Interest on lease liabilities	212,256	238,527
Bank charges and other financial costs	5,763	3,808
	496,255	511,260
Less: Interest capitalised	12,311	27,785
Total finance costs	483,944	483,475

7. LOSS BEFORE INCOME TAX

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

	Notes	For the six months ended 30 June	
		2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Cost of revenue		4,523,397	2,186,293
Depreciation of property, plant and equipment	11	316,845	336,272
Amortisation of intangible assets		85,748	77,137
Depreciation of right-of-use assets		510,181	553,422
Impairment of financial and contract assets and other assets:			
<i>Provision for impairment of trade receivables</i>		3,316	6,241
<i>Reversal of provision for impairment of financial assets included in prepayments, other receivables and other assets</i>		(12,699)	—
Write-down of inventories to net realisable value		751	2,034
Provision for impairment of items of property, plant and equipment	5	3,737	9,347
Provision for impairment of items of right-of-use assets	5	2,167	—
Fair value gain on financial assets at fair value through profit or loss	5	(25,148)	(3,238)
Exchange loss, net	5	53,999	79,242
Rent concessions as a result of COVID-19 pandemic in other gains	5	(46,259)	(55,556)
Gain on disposal of items of property, plant and equipment	5	(1,577)	(898)
Gain on deemed disposal of interests in an associate	5	—	(2,893)
Gain on disposal of a subsidiary	5	(86,203)	—

8. 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.

	Notes	For the six months ended 30 June	
		2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Current — France and others	(1)	39,579	413
Current — Mainland China			
Income tax in Mainland China for the period	(2)	3,285	77,465
Land appreciation tax ("LAT") in Mainland China for the period	(3)	18,454	160,740
Deferred		(50,751)	(38,887)
Income tax expense for the period		10,567	199,731

Notes:

- (1) The provision for income tax of Club Med Holding ("CMH") and its subsidiaries incorporated in France for the six months ended 30 June 2022 was based on a rate of 25.83% (six months ended 30 June 2021: 32.02%).
- (2) The provision for Mainland China current income tax is based on the statutory rate of 25% (six months ended 30 June 2021: 25%) of the assessable profits for the six months ended 30 June 2022 of the Group as determined in accordance with the PRC Corporate Income Tax Law, which was approved and became effective on 1 January 2008. For Hainan Atlantis Commerce and Tourism Development Co., Ltd. ("Hainan Atlantis"), the provision for current income tax is 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 has come into effect on 1 January 2020.
- (3) 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. The LAT provision is subject to the final review and approval by the local tax bureau.

9. DIVIDENDS

No dividend has been paid or declared by the Company for the six months ended 30 June 2022 (Six months ended 30 June 2021: Nil).

10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share amount is based on the loss for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,238,914,279 (six months ended 30 June 2021: 1,235,843,660) in issue during the period.

The calculation of the diluted loss per share amount is based on the loss for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the weighted average number of ordinary shares in issue during the period, as used in the basic loss per share calculation, plus 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 per share are based on:

	For the six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to ordinary equity holders of the Company, used in the basic and diluted loss per share calculations	(196,644)	(2,004,796)

	Number of shares For the six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic loss per share calculation	1,238,914,279	1,235,843,660
Basic loss per share (RMB)	(0.16)	(1.62)
Diluted loss per share (RMB)	(0.16)	(1.62)

Since the diluted loss per share amount decreased when taking the share ownership plan and share option scheme into account, the share ownership plan and share option scheme had an anti-dilutive effect and were ignored in the calculation of diluted loss per share for the period.

11. PROPERTY, PLANT AND EQUIPMENT

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Carrying value at beginning of the period (audited)	9,677,294	9,913,468
Additions	360,711	114,280
Disposals	(9,699)	(46,724)
Disposals of a subsidiary (note 15)	(254,179)	—
Reclassification as held for sale	(351,962)	—
Depreciation charge for the period (note 7)	(316,845)	(336,272)
Impairment charge for the period (note 5)	(3,737)	(9,347)
Exchange alignment	156,293	(97,293)
Carrying value at end of the period (unaudited)	9,257,876	9,538,112

As at 30 June 2022, the Group's property, plant and equipment with a net carrying value of RMB3,736,947,000 (31 December 2021: RMB3,819,598,000) were pledged as security for interest-bearing bank and other borrowings as set out in note 13 to the interim condensed consolidated financial information.

12. TRADE RECEIVABLES

The Group seeks to maintain strict control over its outstanding receivables to minimise the credit risk. Overdue balances are reviewed regularly by 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 trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Outstanding balances with ages:		
Within 90 days	501,783	525,975
91 to 180 days	33,099	10,396
181 to 365 days	3,580	11,505
1 to 2 years	2,191	14,942
2 to 3 years	4	115
	540,657	562,933

13. INTEREST-BEARING BANK AND OTHER BORROWINGS

	Notes	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Bank loans:			
Secured	(i)	3,038,884	3,426,346
Unsecured		2,887,089	3,743,308
		5,925,973	7,169,654
Other borrowings:			
Commercial mortgage-backed security	(ii)	6,092,907	6,093,888
Total		12,018,880	13,263,542
Repayable:			
Within one year		958,578	2,179,351
In the second year		1,067,618	887,657
In the third to fifth years, inclusive		3,943,520	4,183,100
Over five years		6,049,164	6,013,434
		12,018,880	13,263,542
Portion classified as current liabilities		958,578	2,179,351
Non-current portion		11,060,302	11,084,191

Notes:

- (i) Certain of the Group's bank loans are secured by the pledge of assets with carrying values at the end of the reporting period as follows:

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Pledge of assets:		
Pledged bank balances	75,000	—
Right-of-use assets — land	197,184	199,904
Property, plant and equipment	588,760	590,807
Properties under development	322,167	498,856
Completed properties for sales	364,189	364,885
Total	1,547,300	1,654,452

Apart from the above, certain interest-bearing bank borrowings are secured by investments in subsidiaries as at 30 June 2022.

13. INTEREST-BEARING BANK AND OTHER BORROWINGS *(Continued)*

Notes: *(Continued)*

- (ii) The Group issued asset-backed securities which were backed by the Atlantis Sanya hotel and water park as mortgages, and the 100% equity interest in Hainan Atlantis and operating revenue of Atlantis Sanya as a pledge. The fund raised by the Group from the third-party investors was recorded as other borrowings as at 30 June 2022.

The pledged assets with carrying values at the end of the reporting period are as follows:

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Pledge of assets:		
Right-of-use assets — land	755,181	766,292
Property, plant and equipment	3,148,187	3,228,791
Total	3,903,368	3,995,083

- (iii) Certain of the Group's bank loans bear interest at rates ranging from 0.75% to 5.74% per annum (31 December 2021: from 0.25% to 5.94%).

14. TRADE PAYABLES

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

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Outstanding balances with ages:		
Within 90 days	1,760,723	1,854,083
91 to 180 days	206,205	56,882
181 to 365 days	155,905	128,366
1 to 2 years	129,392	166,205
2 to 3 years	33,852	39,828
Over 3 years	67,786	103,256
	2,353,863	2,348,620

15. DISPOSAL OF SUBSIDIARIES

On 23 June 2022, the Group completed the disposal of its 100% equity interests in a subsidiary, Evia Property, at a consideration of EUR66,390,000 (equivalent to RMB470,543,000). CM Greece SA was engaged in the operation of Gregolimano Resort in Greece. The Group then entered into a lease contract with the buyer for the leaseback of the assets of Gregolimano on a 15-year term and continued to operate the resort. The Group measured the right-of-use assets arising from the leaseback for the proportion that relates to the right of use retained by the Group and recognised the amount of the gain that relates to the rights transferred to the buyer.

15. DISPOSAL OF SUBSIDIARIES *(Continued)*

The total net assets disposed of in respect of the disposal of the subsidiary during the reporting period were as follows:

	RMB'000
Property, plant and equipment (note 11)	254,179
Cash and bank balances	6,882
Prepayments and other receivables	284
Trade payables	(298)
Deferred tax liabilities	(9,830)
Accrued liabilities and other payables	(15,011)
Deferred income	(8,278)
	227,928
Portion relating to the right of use retained in the leaseback	153,459
Provision for disposal costs	2,953
Gain on disposal of a subsidiary (note 5)	86,203
	470,543
Satisfied by:	
Cash	470,543

An analysis of the cash flows in respect of the disposal of CM Hellas is as follows:

	RMB'000
Cash consideration	470,543
Disposed of:	
Cash and cash equivalents	(6,882)
	463,661
Net inflow of cash and cash equivalents included in cash flows from investing activities	463,661

16. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Contracted, but not provided	1,996,435	2,472,222

17. CONTINGENT LIABILITIES

The Group had the following contingent liabilities:

	Note	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Guarantees given related to			
— qualified buyers' mortgage loans	(i)	514,461	460,145
— interest-bearing loans of a related company		11,746	15,136
		526,207	475,281

Note:

- (i) The Group provided guarantees in favour of their customers in respect of mortgage loans provided by banks to these customers for their purchases of the Group's developed properties where the underlying real estate certificates can only be provided to the banks in a time-delayed manner due to administrative procedures in the People's Republic of China. These guarantees provided by the Group will be released when the customers pledge their real estate certificates as security to the banks for the mortgage loans granted by the banks.

The directors consider that in case of default in payments, the net realisable value of the related properties can cover the outstanding principal together with the accrued interest and penalties and therefore no provision has been made in the financial statements for the guarantees.

18. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the period:

	Notes	For the six months ended 30 June 2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
The holding company:			
Service expense	(i)	—	17
Associates:			
Bank loan guarantees provided	(ii)	11,746	15,540
Service expense	(i)	—	2,014
Other related parties:			
Service income	(iii)	19,989	6,880
Service expense	(i)	2,925	1,131
Purchase of products	(iv)	1,251	3,361

18. RELATED PARTY TRANSACTIONS *(Continued)*

- (a) In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the period: *(Continued)*

Notes:

- (i) The directors consider that the service charge for the service provided by the related parties was determined based on prices available to third party customers.
- (ii) The guarantee with related companies was free of charge.
- (iii) The directors consider that the income for services provided to the related parties was determined based on prices available to third party customers.
- (iv) The directors consider that the purchases were undertaken on commercial terms similar to those offered by unrelated suppliers in the ordinary course of business of the relevant companies.

- (b) Outstanding balances with related parties:

	Notes	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Due from related companies:			
The holding company	(i)	840,641	839,382
Associates	(ii)	4,683	3,827
Other related companies	(iii)	7,698	9,571
Total		853,022	852,780
Due to related companies:			
The holding company	(iv)	2,322	2,282
Other related companies	(v)	852,994	856,232
Total		855,316	858,514
Lease liabilities:			
Associates	(vi)	80,309	83,608
Other related companies	(vi)	11,263	24,113
Total		91,572	107,721

Notes:

- (i) As at 30 June 2022, the Group had an outstanding balance due from its ultimate holding company of RMB840,641,000 (31 December 2021: RMB839,382,000) as at the end of the reporting period. The balance due from the holding company was non-trade in nature, unsecured, interest-free and repayable on demand. The balance mainly arose from the unpaid subscription price for the shares of the Company issued to the Controlling Shareholder.
- (ii) As at 30 June 2022, the Group had a balance due from its associate companies of RMB4,683,000 (31 December 2021: RMB3,827,000) as at the end of the reporting period. The balance was trade in nature, unsecured, interest-free and repayable on demand.

18. RELATED PARTY TRANSACTIONS *(Continued)*

(b) Outstanding balances with related parties: *(Continued)*

Notes: *(Continued)*

(iii) As at 30 June 2022, the balances due from other related companies of RMB6,625,000 (31 December 2021: RMB8,562,000) were trade in nature, unsecured, interest-free and repayable on demand.

As at 30 June 2022, the balances due from other related companies with the amount of RMB1,073,000 (31 December 2021: RMB1,009,000) were non-trade in nature, unsecured, interest-free and repayable on demand.

(iv) As at 30 June 2022, the balance due to its ultimate holding company with the amount of RMB2,322,000 (31 December 2021: RMB2,282,000) was trade in nature, unsecured, interest-free and repayable on demand.

(v) As at 30 June 2022, the balances due to other related companies include an amount of RMB10,013,000 (31 December 2021: RMB16,850,000) which was trade in nature, unsecured, interest-free and repayable on demand.

The remaining balances amounting to RMB842,981,000 (31 December 2021: RMB839,382,000) due to other related companies were non-trade in nature, unsecured, interest-free and repayable on demand.

(vi) Certain subsidiaries of the Group entered into rental agreements with related parties. The amounts of lease liabilities by the Group to the related parties under the leases were determined with reference to the amounts charged by the third parties.

(c) Compensation of key management personnel of the Company:

	For the six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Short-term employee benefits	20,214	19,289
Post-employment benefits	1,160	949
Equity-settled share option expense	6,694	6,158
Total compensation paid to key management personnel	28,068	26,396

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	As at 30 June 2022		As at 31 December 2021	
	Carrying amounts RMB'000 (Unaudited)	Fair values RMB'000 (Unaudited)	Carrying amounts RMB'000 (Audited)	Fair values RMB'000 (Audited)
Financial assets				
Financial assets at fair value through profit or loss	248,125	248,125	177,873	177,873
Financial assets included in prepayments, other receivables and other assets (non-current portion)	369,961	361,329	399,713	423,843
Due from related companies (non-current portion)	2,238	2,238	3,537	3,537
Derivative financial instruments	87,284	87,284	32,896	32,896
	707,608	698,976	614,019	638,149
Financial liabilities				
Interest-bearing bank and other borrowings (non-current portion)	11,060,302	11,613,629	11,084,191	12,803,473
Financial liabilities included in other long-term payables	28,000	28,000	28,000	28,000
Derivative financial instruments	43,904	43,904	48,509	48,509
	11,132,206	11,685,533	11,160,700	12,879,982

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Management has assessed that the fair values of cash and cash equivalents, restricted cash, trade receivables, the current portion of financial assets included in prepayments, other receivables and other assets, amounts due from related companies, trade payables, financial liabilities included in accrued liabilities and other payables other than put options granted to non-controlling shareholders of a subsidiary, amounts due to related companies, and the current portion of interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's corporate finance team is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The corporate finance team reports directly to the chief financial officer. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of interest-bearing bank and other borrowings, and financial liabilities included in other long-term payables have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for the non-current portion of interest-bearing bank and other borrowings as at 30 June 2022 was assessed to be insignificant.

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with high credit ratings. Derivative financial instruments include forward currency contracts, foreign currency swaps, interest rate swaps and swaptions. As at 30 June 2022, the fair values of the forward currency contracts, foreign currency swaps, interest rate swaps and swaptions were measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties and interest rate curves. The carrying amounts of the forward currency contracts, foreign currency swaps, interest rate swaps and swaptions are the same as their fair values.

The fair values of listed equity investments are based on quoted market prices. The fair values of unlisted equity investments and unlisted wealth management products are determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instruments are included in Level 2. If one or more of the significant inputs are not based on observable market data, the instruments are included in Level 3.

For Level 3 financial assets, the Group adopts valuation techniques to determine the fair value. The valuation techniques include the market comparison approach, income approach, etc. The fair value measurement of these financial instruments may involve unobservable inputs such as the discount rate and long-term growth rate. The Group periodically reviews all significant unobservable inputs and valuation adjustments used to measure the fair values of financial assets in Level 3.

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 30 June 2022

	Fair value measurement using			Total RMB'000 (Unaudited)
	Quoted prices in active markets (Level 1) RMB'000 (Unaudited)	Significant observable inputs (Level 2) RMB'000 (Unaudited)	Significant unobservable inputs (Level 3) RMB'000 (Unaudited)	
Financial assets at fair value through profit or loss	2,263	196,181	49,681	248,125
Derivative financial instruments	—	87,284	—	87,284
	2,263	283,465	49,681	335,409

As at 31 December 2021

	Fair value measurement using			Total RMB'000 (Audited)
	Quoted prices in active markets (Level 1) RMB'000 (Audited)	Significant observable inputs (Level 2) RMB'000 (Audited)	Significant unobservable inputs (Level 3) RMB'000 (Audited)	
Financial assets at fair value through profit or loss	2,568	150,010	25,295	177,873
Derivative financial instruments	—	32,896	—	32,896
	2,568	182,906	25,295	210,769

Liabilities measured at fair value:

As at 30 June 2022

	Fair value measurement using			Total RMB'000 (Unaudited)
	Quoted prices in active markets (Level 1) RMB'000 (Unaudited)	Significant observable inputs (Level 2) RMB'000 (Unaudited)	Significant unobservable inputs (Level 3) RMB'000 (Unaudited)	
Derivative financial instruments	—	43,904	—	43,904

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value hierarchy *(Continued)*

Liabilities measured at fair value: *(Continued)*

As at 31 December 2021

	Fair value measurement using			Total RMB'000 (Audited)
	Quoted prices in active markets (Level 1) RMB'000 (Audited)	Significant observable inputs (Level 2) RMB'000 (Audited)	Significant unobservable inputs (Level 3) RMB'000 (Audited)	
Derivative financial instruments	—	48,509	—	48,509

The movements in fair value measurements within Level 3 during the reporting period are as follows:

Assets measured at fair value:

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
At 1 January	26,020	27,872
Change in fair value	25,380	(687)
Exchange alignment	(1,719)	(1,154)
At 30 June	49,681	26,031

20. EVENTS AFTER THE REPORTING PERIOD

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

21. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved and authorised for issue by the Board on 22 August 2022.

RECENT DEVELOPMENT OF THE COMPANY

The recent development of the Company is set out in note 19 to financial statements and the “Business Overview” in this interim report.

FORWARD-LOOKING STATEMENTS

This report 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 for 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.

INTERIM DIVIDEND

The Board has not recommended the payment of an interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: nil).

PRE-IPO SHARE OPTION SCHEME

The Company adopted the Pre-IPO Share Option Scheme on 29 December 2017 and the shareholders of Fosun International approved the said scheme on 23 February 2018. The following detailed information in relation to the Pre-IPO Share Option Scheme is set out in the circular of Fosun International dated 1 February 2018 (the “2018 Circular”). Unless otherwise defined, the capitalized terms set out herein shall have the same meanings as set out in the 2018 Circular. The major terms of the Pre-IPO Share Option Scheme are as follows:

- 1) The purpose of the Pre-IPO Share Option Scheme is to provide the participants with the opportunity to acquire proprietary interests in the Company and to encourage the participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and the Shareholder(s) as a whole.
- 2) The participants of the Pre-IPO Share Option Scheme include (i) any full-time employee(s) of the Company or of any of its subsidiaries; (ii) directors of the Company or of any of its subsidiaries; and (iii) any person(s) whether or not an employee(s) or officer(s) of the Company or of any of its subsidiaries who the Board, or the duly authorized committee thereof, considers to be able to enhance the operations or value of the Group.
- 3) The total number of the Shares which may be issued upon exercise of all options to be granted under the Pre-IPO Share Option Scheme (the “Pre-IPO Option(s)”) and other share option schemes of the Company shall not exceed 10% of the number of the relevant class of the Shares in issue as of the adoption date of the Pre-IPO Share Option Scheme on 29 December 2017 (being 100,000,000 Shares). 30,738,997 and 13,816,520 Pre-IPO Options were granted on 23 February 2018 and 19 November 2018, respectively. No further Pre-IPO Options have or will be granted under the Pre-IPO Share Option Scheme subsequent to the above grant dates. As of 30 June 2022, the number of underlying Shares pursuant to the outstanding Pre-IPO Options (excluding those lapsed/cancelled/expired) amounts to 30,844,394 Shares, representing approximately 2.49% of the issued Shares as of 30 June 2022.

- 4) The total number of the Shares which may be issued and to be issued upon exercise of the Pre-IPO Options granted and to be granted to each participant or grantee (as the case may be) (including both redeemed and outstanding Pre-IPO Options) in any 12-month period shall not exceed 1.0% of the number of the relevant class of the Shares in issue as of the proposed date of grant; unless any further grant of Pre-IPO Options (including redeemed, cancelled and outstanding Pre-IPO Options) to the participant or the grantee exceeding the 1.0% limit is made in compliance with the requirements under the Listing Rules (including the prior approval by the shareholders of Fosun International).
- 5) The exercise period of any Pre-IPO Options granted under the Pre-IPO Share Option Scheme must not be more than ten years commencing on the date of grant.
- 6) The exercise price for the grant of Pre-IPO Options shall be determined by the Board or the duly authorized committee thereof from time to time. The offer of a grant of Pre-IPO Options may be accepted within 5 business days from the date of offer, upon payment of a nominal consideration of RMB1 (or any other amount as determined by the Board) in total by the grantee.
- 7) The exercise prices of the 30,738,997 and 13,816,520 Pre-IPO Options granted respectively on 23 February 2018 and 19 November 2018 under the Pre-IPO Share Option Scheme are HK\$8.43 per Share and the offer price of the global offering of HK\$15.60 per Share, respectively. The exercise price of Pre-IPO Options shall be determined solely by the Board, or the duly authorized committee thereof, with reference to factors which may include business performance and value of the Company and individual performance of the relevant grantee. No option may be granted at an exercise price lower than the new issue price (if any) either after the Company resolves to seek a listing or during the period commencing six months before the lodgment of an application with the relevant stock exchange for the listing up to the date of listing. In such event, the Board, or the duly authorized committee thereof, shall have the discretion to adjust the exercise price of options granted during such period to not lower than the new issue price (if any). For the avoidance of doubt, no further Pre-IPO Options have or will be granted under the Pre-IPO Share Option Scheme subsequent to the above grant dates.
- 8) The Board, or the duly authorized committee thereof, shall determine and inform the grantee of the option period, during which a grantee may exercise the Pre-IPO Options in accordance with the terms of the Pre-IPO Share Option Scheme, provided that in no event shall such period be more than ten (10) years from the date of grant. A Pre-IPO Option shall be vested after meeting the vesting period and vesting conditions. The Board, or the duly authorized committee thereof, shall determine and inform the grantee of the option period, and determine other terms and conditions relating to the grant of Pre-IPO Options including (i) any minimum periods for which a Pre-IPO Option must be held; and/or (ii) minimum performance targets or other criteria (including a vesting period) that must be reached before the Pre-IPO Options can be vested/exercised in whole or in part; and/or (iii) such other terms as may be imposed at the discretion of the Board, or the duly authorized committee thereof, either on a case-by-case basis or generally which in the opinion thereof are fair and reasonable but not being inconsistent with the rules and procedures applicable to the Pre-IPO Share Option Scheme or the relevant requirements under applicable laws or the Listing Rules.
- 9) Subject to the termination provisions under the Pre-IPO Share Option Scheme, under no circumstance shall the life of the Pre-IPO Share Option Scheme be more than 10 years from its adoption date. No further Pre-IPO Options shall be granted after the date immediately preceding the date of listing of the Shares of the Company on the Stock Exchange, but the provision of the Pre-IPO Share Option Scheme shall remain in full force and effect in all other respects.

On 14 December 2018, the Shares were listed and traded on the Main Board of the Stock Exchange, since then, no further Pre-IPO Option has been or will be granted under the Pre-IPO Share Option Scheme.

The following table discloses movements in the Pre-IPO Options under the Pre-IPO Share Option Scheme of the Company during the Reporting Period.

Type of grantees/ Name of grantee	Date of grant of the Pre-IPO Options	As of 1 January 2022	Granted during the Reporting Period	Exercised during the Reporting Period ⁽⁴⁾	Number of the Pre-IPO Options		As of 30 June 2022	Vesting period of the Pre-IPO Options	Exercise period of the Pre-IPO Options	Exercise price of the Pre-IPO Options per Share (HKD)
					Expired/ lapsed/ cancelled during the Reporting Period ⁽⁷⁾					
Qian Jiannong	23 February 2018	20,000,000	—	0	0	20,000,000	23 February 2018 to 21 February 2026 ⁽¹⁾	22 February 2019 to 22 February 2028	8.43	
Xu Bingbin	23 February 2018	775,125	—	0	0	775,125	23 February 2018 to 27 December 2021 ⁽²⁾	28 December 2018 to 22 February 2028	8.43	
	19 November 2018	742,500	—	0	0	742,500	19 November 2018 to 17 November 2022 ⁽³⁾	18 November 2019 to 18 November 2028	15.60	
Other grantees (being other employees of the Group)	23 February 2018	4,276,037	—	681,148	0	3,594,889	23 February 2018 to 27 December 2021 ⁽²⁾	28 December 2018 to 22 February 2028	8.43	
	19 November 2018	6,448,780	—	0	716,900	5,731,880	19 November 2018 to 17 November 2022 ⁽³⁾	18 November 2019 to 18 November 2028	15.60	
Total		32,242,442	—	681,148	716,900	30,844,394				

Notes:

1. The Pre-IPO Options, being granted to Mr. Qian Jiannong on 23 February 2018 shall be vested according to the following schedule:

Percentage of Pre-IPO Options to be vested	Vesting Date
20%	22 February 2019
20%	22 February 2020
20%	22 February 2021
20%	22 February 2022
5%	22 February 2023
5%	22 February 2024
5%	22 February 2025
5%	22 February 2026

2. The Pre-IPO Options, being granted to Mr. Xu Bingbin and other grantees on 23 February 2018 shall be vested according to the following schedule:

Percentage of Pre-IPO Options to be vested	Vesting Date
25%	28 December 2018
25%	28 December 2019
25%	28 December 2020
25%	28 December 2021

3. The Pre-IPO Options, being granted to Mr. Xu Bingbin and other Grantees on 19 November 2018 shall be vested according to the following schedule:

Percentage of Pre-IPO Options to be vested	Vesting Date
25%	18 November 2019
25%	18 November 2020
25%	18 November 2021
25%	18 November 2022

4. The weighted average closing price of the shares immediately before the dates on which options were exercised during the Reporting Period was HK\$11.55.
5. No share option was granted to the suppliers of goods or services of the Company under the Pre-IPO Share Option Scheme. Save as disclosed above, there is no any other information required to be disclosed pursuant to Rule 17.07 of Listing Rules.
6. Except for the vesting period, there is no minimum holding period before the exercise of the Pre-IPO Options.
7. During the Reporting Period, no Pre-IPO Option was canceled/expired.

The exercise of the Pre-IPO Options by the grantees shall be subject to and conditional upon the fulfillment of certain performance targets as the Board, or the duly authorized committee thereof, may determine at its sole discretion in accordance with the Pre-IPO Share Option Scheme.

2019 SHARE OPTION SCHEME

The Company adopted the 2019 Share Option Scheme on 19 August 2019 and the shareholders of Fosun International and the Company approved the said scheme on 30 October 2019 and 27 November 2019, respectively. The following detailed information in relation to the 2019 Share Option Scheme is set out in the circular of the Company dated 7 November 2019 (the "2019 Circular"). Unless otherwise defined, the capitalized terms set out herein shall have the same meanings as set out in the 2019 Circular. The major terms of the 2019 Share Option Scheme are as follows:

- 1) The purpose of the 2019 Share Option Scheme is to enable the Group to grant Post-IPO Options to the eligible participants as incentives or rewards for their contribution to the Group. The Directors believe the 2019 Share Option Scheme will enable the Group to reward the employees, the Directors and other eligible participants for their contributions to the Group.
- 2) The participants of the 2019 Share Option Scheme include (i) any directors (including executive Directors, non-executive Directors and independent non-executive Directors, where applicable) and employees of any member of the Group; and (ii) any advisors, consultants, distributors, contractors, customers, suppliers, agents, business partners, joint venture business partners, service providers of any member of the Group.
- 3) The maximum number of the Shares which may be issued in respect of which options (the "Post-IPO Option(s)") may be granted under the 2019 Share Option Scheme shall not exceed 5.0% of the Shares in issue on the adoption date of the 2019 Share Option Scheme (representing 61,752,269 Shares), and, when aggregated with the maximum number of Shares which may be issued in respect of any options to be granted under any other share option scheme of the Company shall not exceed 10.0% of the Shares in issue on the adoption date of the 2019 Share Option Scheme. As of 30 June 2022, the number of underlying Shares pursuant to the outstanding Post-IPO Options (excluding those lapsed/cancelled/expired) amounts to 14,488,500 Shares, representing approximately 1.17% of the issued Shares as of 30 June 2022.

- 4) The total number of Shares issued and to be issued upon exercise of the Post-IPO Options granted and to be granted under the 2019 Share Option Scheme and any other share option scheme of the Group (including both exercised and outstanding options) to each participant in any 12-month period shall not exceed 1.0% of the issued share capital of the Company for the time being (the "Individual Limit"). Any further grant of options to a participant in aggregate in excess of the Individual Limit in any 12-month period up to and including the date of such further grant shall be subject to the issue of a circular containing the requisite information in accordance with the note to Rule 17.03(4) of the Listing Rules to be sent to the shareholders of Fosun International and the Company prior to respective general meetings with such participant and his close associates abstaining from voting. The number and terms (including the exercise price) of options to be granted to such participant must be fixed before approvals of the shareholders of Fosun International and the Company and the date of board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under note (1) to Rule 17.03(9) of the Listing Rules.
- 5) The 2019 Share Option Scheme will remain in force for a period of 10 years commencing on its adoption date. A Post-IPO Option may be exercised in accordance with the terms of the 2019 Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than ten (10) years from the date of grant of the option subject to the provisions for early termination under the 2019 Share Option Scheme.
- 6) The exercise price per Share under the 2019 Share Option Scheme will be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant in respect of such Post-IPO Option, which must be a Business Day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the date of grant in respect of such Post-IPO Option; and (iii) the nominal value of a Share. The offer of a grant of Post-IPO Options may be accepted within 5 business days from the date of offer, upon payment of a nominal consideration of RMB1 (or any other amount as determined by the Board) in total by the grantee.
- 7) The Company by ordinary resolution in a general meeting or the Board may at any time terminate the 2019 Share Option Scheme and in such event no further Post-IPO Options shall be offered or granted in accordance with the 2019 Share Option Scheme but the provisions of the 2019 Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Post-IPO Options (to the extent not already exercised) granted prior to the termination of the 2019 Share Option Scheme or otherwise as may be required in accordance with the provisions of the 2019 Share Option Scheme. Post-IPO Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the 2019 Share Option Scheme.
- 8) For the following details, the conditions that must be met before the Company issues any shares, the conditions that must be met before a third party may require the Company to issue any shares, and any monetary or other consideration that the Company has received or will receive under the agreement, please refer to the 2019 Circular.

The following table discloses movements in the Post-IPO Options under the 2019 Share Option Scheme during the Reporting Period.

Type of grantees/Name of grantee	Date of grant of the Post-IPO Options	As of 1 January 2022	Number of the Post-IPO Options					As of 30 June 2022	Vesting period of the Post-IPO Options	Exercise period of the Pre-IPO Options	Exercise price of the Post-IPO Options per Share (HKD)
			Granted during the Reporting Period	Closing price of the securities immediately before the date on which the Post-IPO Options were granted (HKD)	Value of the Post-IPO Options granted (RMB)	Exercised during the Reporting Period ⁽⁹⁾	Expired/lapsed/cancelled during the Reporting Period ⁽¹¹⁾				
Qian Jiannong	28 August 2020	500,000	—	8.25	—	0	0	500,000	28 August 2020 to 30 June 2024 ⁽¹⁾	1 July 2021 to 27 August 2030	8.37
	20 August 2021	500,000	—	9.71	—	0	0	500,000	20 August 2021 to 30 June 2025 ⁽²⁾	1 July 2022 to 19 August 2031	9.37
	28 April 2022	—	500,000	10.70	1,448,900	0	0	500,000	28 April 2022 to 27 April 2026 ⁽³⁾	28 April 2023 to 27 April 2032	10.69
Xu Bingbin	28 August 2020	200,000	—	8.25	—	0	0	200,000	28 August 2020 to 30 June 2024 ⁽¹⁾	1 July 2021 to 27 August 2030	8.37
	20 August 2021	320,000	—	9.71	—	0	0	320,000	20 August 2021 to 30 June 2025 ⁽²⁾	1 July 2022 to 19 August 2031	9.37
	28 April 2022	—	260,000	10.70	753,400	0	0	260,000	28 April 2022 to 27 April 2026 ⁽³⁾	28 April 2023 to 27 April 2032	10.69
Choi Yin On	20 August 2021	300,000	—	9.71	—	0	0	300,000	20 August 2021 to 30 June 2025 ⁽²⁾	1 July 2022 to 19 August 2031	9.37
	28 April 2022	—	210,000	10.70	608,500	0	0	210,000	28 April 2022 to 27 April 2026 ⁽³⁾	28 April 2023 to 27 April 2032	10.69
Xu Xiaoliang	20 August 2021	150,000	—	9.71	—	0	0	150,000	20 August 2021 to 30 June 2025 ⁽²⁾	1 July 2022 to 19 August 2031	9.37
	28 April 2022	—	180,000	10.70	521,600	0	0	180,000	28 April 2022 to 27 April 2026 ⁽³⁾	28 April 2023 to 27 April 2032	10.69
Pan Donghui	20 August 2021	70,000	—	9.71	—	0	0	70,000	20 August 2021 to 30 June 2025 ⁽²⁾	1 July 2022 to 19 August 2031	9.37
	28 April 2022	—	70,000	10.70	202,800	0	0	70,000	28 April 2022 to 27 April 2026 ⁽³⁾	28 April 2023 to 27 April 2032	10.69
Other grantees (being other employees of the Group)	28 August 2020	2,936,500	—	8.25	—	47,500	442,500	2,446,500	28 August 2020 to 30 June 2024 ⁽¹⁾	1 July 2021 to 27 August 2030	8.37
	20 August 2021	4,813,000	—	9.71	—	0	465,000	4,348,000	20 August 2021 to 30 June 2025 ⁽²⁾	1 July 2022 to 19 August 2031	9.37
	28 April 2022	—	4,434,000	10.70	12,848,800	0	0	4,434,000	28 April 2022 to 27 April 2026 ⁽³⁾	28 April 2023 to 27 April 2032	10.69
Total		9,789,500	5,654,000			47,500	907,500	14,488,500			

Notes:

- The Post-IPO Options, being granted to such grantee(s) on 28 August 2020 shall be vested according to the following schedule:

Percentage of Post-IPO Options to be vested	Vesting Date
25%	1 July 2021
25%	1 July 2022
25%	1 July 2023
25%	1 July 2024

2. The Post-IPO Options, being granted to such grantee(s) on 20 August 2021 shall be vested according to the following schedule:

Percentage of Post-IPO Options to be vested	Vesting Date
25%	1 July 2022
25%	1 July 2023
25%	1 July 2024
25%	1 July 2025

3. The Post-IPO Options, being granted to such grantee(s) on 28 April 2022 shall be vested according to the following schedule:

Percentage of Post-IPO Options to be vested	Vesting Date
25%	28 April 2023
25%	28 April 2024
25%	28 April 2025
25%	28 April 2026

4. For details of the cancellation of certain options and share units granted on 25 August 2020, please see the Company's announcement dated 28 August 2020.
5. On 20 August 2021, the Board granted 6,233,000 share options to certain eligible participants of the 2019 Share Option Scheme who are non-executive Directors or employees of the Group. For details, please see the Company's announcement dated 20 August 2021.
6. On 28 April 2022, the Board granted 5,654,000 share options to certain eligible participants of the 2019 Share Option Scheme who are non-executive Directors or employees of the Group. For details, please see the Company's announcement dated 28 April 2022.
7. No share option was granted to the suppliers of goods or services of the Company under the 2019 Share Option Scheme. Save as disclosed above, there is no any other information required to be disclosed pursuant to Rule 17.07 of Listing Rules.
8. Except for the vesting period, there is no minimum holding period before exercise of the post-IPO Option.
9. The weighted average closing price of the shares immediately before the dates on which shares options were exercised during the Reporting Period was HK\$10.82.
10. The aggregate fair value of the share options granted during the Reporting Period amounted to approximately RMB16,384,000. The value of post-IPO Options granted was estimated based on the fair value of the options at the date of grant according to the terms and conditions to grant the share options by using the binomial tree model and the factors such as risk-free interest rate, share price, volatility, expected life of options and dividend were also considered. The fair value of options are subject to a number of assumptions and limitations that may be subjective and uncertain.
11. During the Reporting Period, no Post-IPO Option was canceled/expired.

HUMAN RESOURCES

As of 30 June 2022, the Group had approximately 16,875 employees.

In the first half of 2022, as guided by “serving global family clients and making global families happier”, the Human Resources Centre of the Group constantly consolidated the base of culture and values to further improve in-depth industry operation capabilities. During the Reporting Period, the Group comprehensively promoted the global building-up of organizational capabilities, optimized the efficiency and vitality through strategy implementation on top-level design and organisational mechanism optimisation and ensured organisational agility and high efficiency by the establishment of digital and high-tech system. We aimed to enhance the organisational health and form an organisational ecology with a large number of talents and a long-lasting foundation by establishing and optimising culture and values, partnership models, talent pipelines, etc.

In 2022, the Group continued to deepen the construction of globalised organisation structure, integrate global resources, and accelerate the win-win construction of an open ecosystem of Fosun Tourism. In terms of management mechanism, we have systematically deployed the executive management committee and the talent committee platform for efficient and collective decision making, while continuously increased the delegation of customer-oriented first line business organisations with the quality process operation system for mechanism guarantee. Through the systematic talent mapping and succession planning mechanism, we have increased the engagement and attention on key talents by the business leaders. We continuously provided more promotion and development opportunities for young talents with high performance and high potential, actively tapped the all-round potentials of employees, and provided multi-dimensionally matrixed talent development programs for high potentials at all levels. Meanwhile, we opened up the internal lines of the corporate to exchange talents between the Group and members and encouraged the flow of talents to form a common and sharing talent ecosystem within the Group. We upgraded the global human resources shared service platform to constantly fine-tune talent pool system and information construction of ONE Fosun. In line with the Group’s business strategy upgrading, we actively designed and optimised various incentive mechanism. According to the specific characteristics of different businesses, we adjusted the incentive proposals from the top level to the first line, and actively explored innovative tools and ideas to improve the accuracy of incentives, and also facilitated subordinate companies to formulate and implement long-term incentive mechanism to promote a stable team and form a synergy.

Fosun Tourism Partnership System

The partners and their successors are the core leaders in the entrepreneurial philosophy of the Group. And the partnership system is the core system to recruit and operate the key talents in the Group. Since 2022, the Group updated the evaluation, incentive and exit mechanisms for partners, and implemented the coopetition development at the partner level, and further played the value of Fosun partners in ecosystem construction, customer satisfaction, innovation leadership and talent development, etc. and jointly built up the prosperous global ecosystem of Fosun Tourism Group by the team of partners with their great entrepreneurship.

Fulfillment of Our Commitment to Employees

The Group regards employees as the most valuable assets, and we also strive to serve as the best platform which allows employees to realize their values. We fully protect the interests of employees and care about their personal development. With an emphasis on cultivating outstanding talents equipped with an international perspective, we offered a career development path that aligns with the Group’s characteristics, aimed at achieving mutual development of the Group and employees.

Employee Care and Services

The Group focused on creating a sound corporate atmosphere and enhancing the sense of belonging among employees, we constantly optimised, innovated, and strengthened the establishment of a comprehensive and diversified benefit system. Upholding the Group's cultural values, we not only reflected our care and service to employees at work but towards their families.

The Group attaches great importance to employees' health management, constantly strengthens the promotion and investment of employees' health management as well as introducing an innovative model on health management. In addition to the annual physical examination covering all employees, we also encouraged employees to participate in fitness activities such as Tai Chi and jogging, and provided health and wellness tips on a regular basis, organized health lectures that strengthened employees' health awareness. We continuously optimised and increased the content and limit of insurance guarantee, and provided services such as online consultations, online appointments for medical examinations, and online medical insurance claims, and have established different care plans targeted for various employee groups.

We utilised the internet and various innovative channels to enrich the service content of our employees. We further optimised and innovated the form of benefit distribution and publicity. We pushed the introduction of employee benefits, various remuneration benefits and personnel policies via the Group's own mobile terminal application. Employees may inquire about various benefits through the self-developed mobile application platform, perform online point recharge and pay for meals and other convenient services. Meanwhile, the Group's the human resources global sharing centre continues to integrate various domestic and international resources to better serve employees from all over the world.

Employee Learning and Development

Talents are the core competitiveness of an enterprise, so the Group has always regarded the common development of both the Company and its staffs as one of the most important responsibilities, and provided the employees with more opportunities for career development and better working conditions through sustained efforts. With continuous growth and structural improvement, we have promoted the integration and cooperation among team members, created value and built learning-oriented teams. These measures allow both the Group and its staffs to build a brilliant future together.

The Group's innovation & leadership center has established different echelon talent development and professional talent training programs based on the Group's development strategy and human resource planning requirements based on its own development characteristics. There are industrial empowerment centers, high-potential training centers, cultural exchange centers, and innovation experiment centers. Based on different development goals, we plan our own development path, design training courses according to ability quality and professional requirements, and set up coach clubs, chairman's lecture, major projects sharing and CXO special camps. We select 40 to 50 high-potential talents for special training every year, help to achieve the rapid growth of employees while solving specific business problems, so as to develop a core talent pipeline for the Group systematically and ensure efficient organisational development.

Employment and Labour Standards

Our employees are our most valuable asset and also the core of competitive advantages of the Group. The Group has been adhering to the principle of "attracting people with development, uniting people by career, training people with work and appraising people with performance" and advocating fair competition and objecting to discrimination. All employees and job applicants are not confined by factors such as gender, age, race, skin colour and religious belief. The establishment of all human resources policies strictly complies with all rules and relevant regulations in connection with remuneration and dismissal, recruitment and promotion, employee schedule, equal opportunities, diversity, working hours, rest periods and other benefits in countries/regions where our operations are located.

During the Reporting Period, all employees of the Group met the minimum working age requirements set out in the relevant laws of the countries/regions where our operations were located and the employment of child labor or forced labor was prohibited.

Remuneration Policy and Employee Incentive

The remuneration policy and package of the Group's employees are periodically reviewed based on the basis of their performance, experience and current industry practice. In line with the strategic focus and specific business needs, we adhere to the incentive principles of value creation, performance orientation, profit and loss sharing, and clear reward and punishment. Oriented by strategy implementation and employee development, the Group continuously optimizes the multi-level and full-coverage remuneration system to update mid-to-long-term incentive system. Through the flexible and comprehensive incentives, together with different business demands and incentive tools, we encourage innovation and entrepreneurship, empower the ecosystem of the Group and motivate the team.

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES AND DEBENTURES

As of 30 June 2022, the interests or short positions of the Directors or chief executive of the Company in the Shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the Securities and Future Ordinance ("SFO")) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

(i) Interests in the Shares

Name of Director/Chief executive	Nature of interests	Number of Shares/ underlying Shares interested	Approximate percentage in relevant class of Shares
Qian Jiannong	Beneficial owner	23,850,804	1.92%
Henri Giscard d'Estaing	Beneficial owner	1,516,897	0.12%
Xu Bingbin	Beneficial owner	2,917,625	0.24%
Choi Yin On	Beneficial owner	710,000	0.06%
Xu Xiaoliang	Beneficial owner	552,328	0.04%
Pan Donghui	Beneficial owner	240,000	0.02%

(ii) Interests in associated corporation

Name of Director/Chief executive	Name of associated corporation	Nature of interests	Number of shares/ underlying shares interested	Approximate percentage in relevant class of shares
Qian Jiannong	Fosun International	Beneficial owner	9,275,000	0.11% ⁽¹⁾
Henri Giscard d'Estaing	Fosun International	Beneficial owner	2,480,000	0.03%
	Club Med Holding	Beneficial owner	375,000 ⁽²⁾	0.20%
Xu Bingbin	Fosun International	Beneficial owner	18,663	0.00%
Xu Xiaoliang	Fosun International	Beneficial owner	23,131,800	0.28%
Pan Donghui	Fosun International	Beneficial owner	12,497,384	0.15% ⁽¹⁾

Notes:

- (1) The calculation is based on the total number of 8,342,760,924 shares of Fosun International in issue as of the end of the Reporting Period.
- (2) Including 257,813 ordinary shares of Club Med Holding and 117,187 preferred shares C of Club Med Holding.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES

As of 30 June 2022, so far as was known to the Directors, the persons or entities, other than a Director or chief executive of the Company, who had an interest or a short position in the Shares or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Name of Shareholder	Nature of interests	Number of Shares/ underlying Shares interested	Approximate percentage in relevant class of Shares
Fosun International	Beneficial owner	996,634,002	80.38%
FHL ⁽¹⁾	Beneficial owner	15,389,930	1.24%
	Interest in controlled corporation	996,634,002	80.38%
FIHL ⁽²⁾	Interest in controlled corporation	1,012,023,932	81.62%
Guo Guangchang ⁽³⁾	Interest in controlled corporation	1,012,023,932	81.62%

Notes:

- (1) FHL holds approximately 72.45% equity interest in Fosun International, and is therefore deemed to be interested in the Shares directly held by Fosun International.
- (2) FIHL holds 100% equity interest in FHL, and is therefore deemed to be interested in the Shares which FHL is deemed to be interested in.
- (3) Guo Guangchang holds 85.29% equity interest in FIHL, and is therefore deemed to be interested in the Shares which FIHL is deemed to be interested in.

Save as disclosed above, so far as was known to the Directors, as of 30 June 2022, the Company has not been notified by any persons (other than a Director or chief executive of the Company) who had an interest or a short position in the Shares or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

CHANGES IN DIRECTORS' INFORMATION

Pursuant to Rule 13.51B of the Listing Rules, the changes in the information of the Directors during the Reporting Period are set out below:

(1) Change in the significant positions held within the Group

Name of Director	Date of Change	Original Position	Current Position
Choi Yin On	2 June 2022	Executive Director Chief financial officer Vice president Vice president and chief financial officer of Thomas Cook Group Director of Club Med Holding	Executive Director Chief financial officer Vice president Vice president and chief financial officer of Thomas Cook Group Director of Club Med Holding Director of Thomas Cook Group

(2) Changes in Directors' remuneration with effect during the Reporting Period

Name of Director	Date of Change	Remuneration	Target Performance Related Bonus ⁽¹⁾
Henri Giscard d'Estaing	1 April 2022	EUR759,300 ⁽²⁾	N/A

Notes:

- (1) To be determined based on internal appraisal of various performance indicators.
- (2) As at 1 April 2022, base salary has been increased by 2.5% comparing with the same period of last year.

Save as disclosed herein, there is no information required to be disclosed pursuant to Rule 13.51B of the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Shares during the Reporting Period.

REVIEW OF INTERIM RESULTS

The Audit Committee comprised three independent non-executive Directors, namely Mr. Guo Yongqing (chairman), Dr. Allan Zeman and Ms. Katherine Rong Xin. The main duties of the Audit Committee are to review the financial statements and reports, to review the relationship with the external auditors, to review the adequacy and effectiveness of the Company's financial reporting system, risk management and internal control system, and to provide recommendations and advice to the Board.

The interim results and this interim report of the Group for the Reporting Period are unaudited but have been reviewed by the Audit Committee. The Audit Committee does not have any disagreement with the accounting treatment adopted by the Company.

CORPORATE GOVERNANCE PRACTICES OF THE COMPANY

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 C.2.1 of the CG Code.

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

CG Code provision C.2.1 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 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 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.

The Company regularly reviews its corporate governance practices to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code. Having made specific enquiry of all Directors, and the Directors have confirmed that they have complied with the Model Code throughout the Reporting Period. The Company has also established written guidelines on no less exacting terms than the Model Code for securities transactions by the 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.

EXECUTIVE DIRECTORS

Qian Jiannong (*Chairman and Chief Executive Officer*)
Henri Giscard d'Estaing (*Vice Chairman and Deputy Chief Executive Officer*)
Xu Bingbin (*Executive President and Chief Executive Officer of Club Med China*)
Choi Yin On (*Vice President and Chief Financial Officer*)

NON-EXECUTIVE DIRECTORS

Xu Xiaoliang
Pan Donghui

INDEPENDENT NON-EXECUTIVE DIRECTORS

Allan Zeman
Guo Yongqing
Katherine Rong Xin

AUDIT COMMITTEE

Guo Yongqing (*Chairperson*)
Allan Zeman
Katherine Rong Xin

REMUNERATION COMMITTEE

Katherine Rong Xin (*Chairperson*)
Guo Yongqing
Xu Bingbin

NOMINATION COMMITTEE

Qian Jiannong (*Chairperson*)
Allan Zeman
Katherine Rong Xin

STRATEGY COMMITTEE

Qian Jiannong (*Chairperson*)
Henri Giscard d'Estaing
Allan Zeman

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Guo Yongqing (*Chairperson*)
Katherine Rong Xin
Henri Giscard d'Estaing

COMPANY SECRETARY

Kam Mei Ha Wendy⁽¹⁾

AUTHORIZED REPRESENTATIVES

Choi Yin On
Kam Mei Ha Wendy⁽¹⁾

AUDITORS

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

LEGAL ADVISERS

As to Hong Kong law

Paul Hastings
22/F, Bank of China Tower
1 Garden Road
Hong Kong

As to Cayman Islands law

Harney Westwood & Riegels
3rd Floor, Harbour Place
103 South Church Street
Grand Cayman
P.O. Box 10240, KY1-1002
Cayman Islands

Note:

(1) Ms. Kam Mei Ha Wendy has been appointed as Company Secretary and authorized representative of the Company with effect from 22 August 2022.

PRINCIPAL BANKERS

Bank of China Limited
China Construction Bank
The Hongkong and Shanghai Banking Corporation Limited
Bank of East Asia
Standard Chartered Bank (China) limited
Natixis Bank

REGISTERED OFFICE

Harneys Fiduciary (Cayman) Limited
4th Floor, Harbour Place
103 South Church Street
P.O. Box 10240
Grand Cayman KY1-1002
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Rooms 808 & 2101-06
ICBC Tower
3 Garden Road
Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

Harneys Fiduciary (Cayman) Limited
4th Floor, Harbour Place
103 South Church Street
P.O. Box 10204
Grand Cayman, KY1-1002
Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor Hopewell Centre
183 Queen's Road East, Wanchai
Hong Kong

STOCK CODE

01992

WEBSITE

<http://www.fosunholiday.com>

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
Audit Committee	the audit committee of the Board
Average Daily Bed Rate	the business volume divided by the total number of beds sold
Average Daily Rate by Room	the business volume divided by the total number of rooms sold
Board	our board of Directors
C2M	customer-to-maker
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 report and for geographical reference only and except where the context requires, references in this report 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. The Group focuses on global leisure tourism resort with "all-inclusive" innovative holiday Concepts
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
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, FHL, FIHL, and Mr. Guo Guangchang
Cook's Club	a 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
EUR or Euro	the lawful currency of the European Union

FHL	Fosun Holdings Limited, a company incorporated in Hong Kong with limited liability, which is wholly owned by FIHL, and one of the Controlling Shareholders
FIHL	Fosun International Holdings Ltd., a company incorporated in the British Virgin Islands with limited liability, and one of the Controlling Shareholders
FOLIDAY	our global ecosystem consisting of our commercially interconnected businesses that offers a wide spectrum of tourism- and leisure-related services
FOLIDAY Town	the Group's brand name for major comprehensive tourism destinations
Foryou Club	our membership system in China that manages and operates services and activities for members and customers under the FOLIDAY ecosystem
Fosun International	Fosun International Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board (stock code: 0656), and one of the Controlling Shareholders
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
G.O	G.Os (gentils organisateur) can be activities leaders or customer service receptionists, as well as managerial and administrative staff at Club Med resorts, who also bear responsibility to engage with guests and make the guests feel at home
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)
Hainan Atlantis	Hainan Atlantis Business and Tourism Development Co. Ltd, a limited liability company established in the PRC on 15 May 2013 and a wholly-owned subsidiary of the Company
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 or HK	the Hong Kong Special Administrative Region of the PRC
IAS	International Accounting Standards
IASB	International Accounting Standards Board
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
Miniversity	the Group's 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 Bed	the total number of beds sold divided by the total number of beds available for sale
Occupancy Rate by Room	the total number of rooms sold divided by the total number of rooms available for sale
Reporting Period	1 January 2022 to 30 June 2022
Resort Revenue	the aggregate income of all resorts, including sales of all inclusive packages and revenue generated onsite out of the all-inclusive packages
Revenue per Bed	the Resort Revenue divided by the Capacity of Resorts
RMB	the lawful currency of the PRC
Share(s)	ordinary share(s) in the share capital of the Company
Shareholder(s)	holder(s) of the Shares
Show C	a resident show launched by Atlantis Sanya
Stock Exchange or Hong Kong 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. The Group acquired the main brand name, Thomas Cook, and hotel and resort brands such as Casa Cook and Cook's Club from Thomas Cook Group plc in November 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