

Tax Guiding Principles of Fosun Tourism Group

Fosun Tourism Group ("FOLIDAY", "we" or "the group", 01992.HK) is one of the world's leading leisure-focused integrated tourism groups and has been listed on the mainboard of the Hong Kong Stock Exchange since December 2018.

Our Tax Guiding Principles:

As a responsible business, we manage our global tax responsibilities in keeping with our mission and values. Our approach to tax aims to align with the needs and long-term interests of our various stakeholders - including governments, shareholders, colleagues at Fosun Tourism Group (i.e., employees) and the communities where we operate:

- ✧ Fosun Tourism Group acts as a responsible global tax citizen, striving to comply with applicable tax laws and regulations in respective jurisdictions that we operate in.
- ✧ We conduct ethical and transparent tax strategy aligning with business substances.
- ✧ We maintain honest and open dialogue with tax authority and tax policy maker.
- ✧ We report and disclose our tax position in accordance with applicable domestic and international tax regulation.

Tax Code of Conduct and Tax Policy at Fosun Tourism Group

Under the supervision of the Boards, we are committed to provide transparent and accessible information to tax administrations in order to facilitate an understanding of our tax strategy and the underlying business models. We promote an open and honest dialogue between tax policy makers and businesses as the basis for our daily work.

To effectively prevent tax compliance risks, Fosun Tourism Group implements a comprehensive tax compliance strategy. We regularly review our tax policies to ensure they are in line with the latest domestic and international tax laws and regulations. Our measures to strengthen compliance include conducting regular training programs to enhance employees' understanding of and ability to respond to tax regulations. Additionally, through regular internal audits and risk assessments, we identify and address potential tax issues. These steps help us reduce tax risks while ensuring the transparency and legality of our business operations.

To ensure the effectiveness of our tax management practices, Fosun Tourism Group continuously reviews and optimizes our tax processes. We regularly evaluate the simplicity, accuracy, and timeliness of processes, ensuring all activities comply with tax regulations. We use efficient tax tools and technologies to enhance process automation and accuracy. Additionally, by continuously monitoring key tax indicators, we ensure the efficiency and transparency of our tax operations, contributing to the Group's robust financial management.

We meet internationally recognized standards by applying transfer pricing policy. We strive to apply arm's length principle to related party transactions in accordance with OECD transfer pricing guideline and domestic transfer pricing regulations.

We hold our operation and tax status transparent in accordance with various international, regional and domestic tax compliance requirements such as Country-by-Country report, Common Reporting Standard, Mandatory Disclosure Regime, etc.

Responding to coordinated international rules and eliminating tax avoidance such as OECD's Base Erosion and Profit Shifting action plan, we spare no effort to align our tax payment with profit generating activity and refrain from using tax structure without business substance.

We act in accordance with the letter and the spirit of all relevant tax laws and regulations in the countries where we operate, as well as with international treaties and international tax guidelines. We pay the right amount of tax at the right time, in the countries where we create value.

We do not use so-called 'tax havens' in order to avoid taxes on activities which take place elsewhere. Entities which are based in low, or zero tax rate jurisdictions exist for substantive and commercial reasons.

Our tax colleagues work together with finance, legal and business teams to optimize business efficiency by aligning location of value creation with our business model according to OECD guideline and local tax laws. This may include the identification of tax efficiencies such as use of applicable conventional and domestic tax incentives, reliefs, or exemption which legally and economically permissible. However, tax holds no decisive role therein. In addition, tax policy is ultimately overseen at board level.

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