FOLIDAY 复星旅文

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)

Interim Report 2019

Everyday is
FOLIDAY

CONTENTS

FINANCIAL SUMMARY

	For the six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
Revenue	**9,062,701**	6,667,416
Resorts and destination operations	**5,997,090**	5,396,340
Tourism-related property sales and construction services	**1,766,547**	18,730
Tourism and leisure services and solutions	**1,299,064**	1,252,346
Gross profit	**3,015,671**	1,798,502
Operating profit	**1,202,011**	14,562
Profit/(loss) before income tax	**819,281**	(186,084)
Profit/(loss) for the period	**502,438**	(134,614)
Profit/(loss) attributable to equity holders of the Company	**490,019**	(254,524)
Adjusted EBITDA	**1,994,213**	425,027
Adjusted net profit/(loss)	**539,164**	(53,318)
Earnings/(losses) per share – basic (in RMB)	**0.40**	(0.25)
Earnings/(losses) per share – diluted (in RMB)	**0.39**	(0.25)
Interim dividend per share (in HKD)	**0.07**	–

BUSINESS OVERVIEW AND OUTLOOK

Everyday is

FOLIDAY

Club Med Kani, Maldives

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 2018 according to Frost & Sullivan Report. Our business volume of resorts and destination operations and tourism and leisure services and solutions (collectively as "tourism operation"), at constant exchange rate, increased by 10.7% from RMB6,893.3 million for the six months ended 30 June 2018 to RMB7,629.4 million for the six months ended 30 June 2019, reached a record high in the last five years. Our revenues increased by 35.9% from RMB6,667.4 million to RMB9,062.7 million on a year-over-year basis compared with the same period last year. Gross profit increased from RMB1,798.5 million for the six months ended 30 June 2018 to RMB3,015.7[1] million for the six months ended 30 June 2019. Adjusted EBITDA increased from RMB425.0 million for the six months ended 30 June 2018 to RMB1,994.2[1] million for the six months ended 30 June 2019 with adjusted EBITDA margin leveraged to 22.0%[1]. Profit attributable to equity holders was turned around with a net profit amounted to RMB490.0[1] million for the six months ended 30 June 2019 against a net loss of RMB254.5 million for the six months ended 30 June 2018 with significant contribution of profit attributable from tourism operation.

Aquaventure Waterpark, Atlantis Sanya

1 We adopted IFRS 16 Leases on 1 January 2019 which capitalizes the present value of the remaining lease payment as right-of-use assets and calculate depreciation instead of recording lease expenses in current period. Details of IFRS 16 adoption and impact are set out in note 2.2 to financial statements. With the adoption of IFRS 16, for the six months ended 30 June 2019 gross profit increased by RMB124.8 million, adjusted EBITDA increased by RMB628.6 million, and profit attributable to equity holders decreased by approximately RMB53.3 million, respectively. Excluding the adoption impact of IFRS 16, adjusted EBITDA margin leveraged to 15.1%.

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. We continued to strengthen the attractiveness and distinctiveness of our resorts and tourism destinations with innovative and user-friendly solutions. We have further enhanced our ecosystem by offering one-stop products and solutions to meet the evolving preference of family customers and development synergies within the ecosystem. In addition, we continued to accelerate our customer-focused digital solutions with middle-office platform and intelligent hotel management systems and solutions.

Club Med La Pointe Aux Canonniers, Mauritius

RESORTS

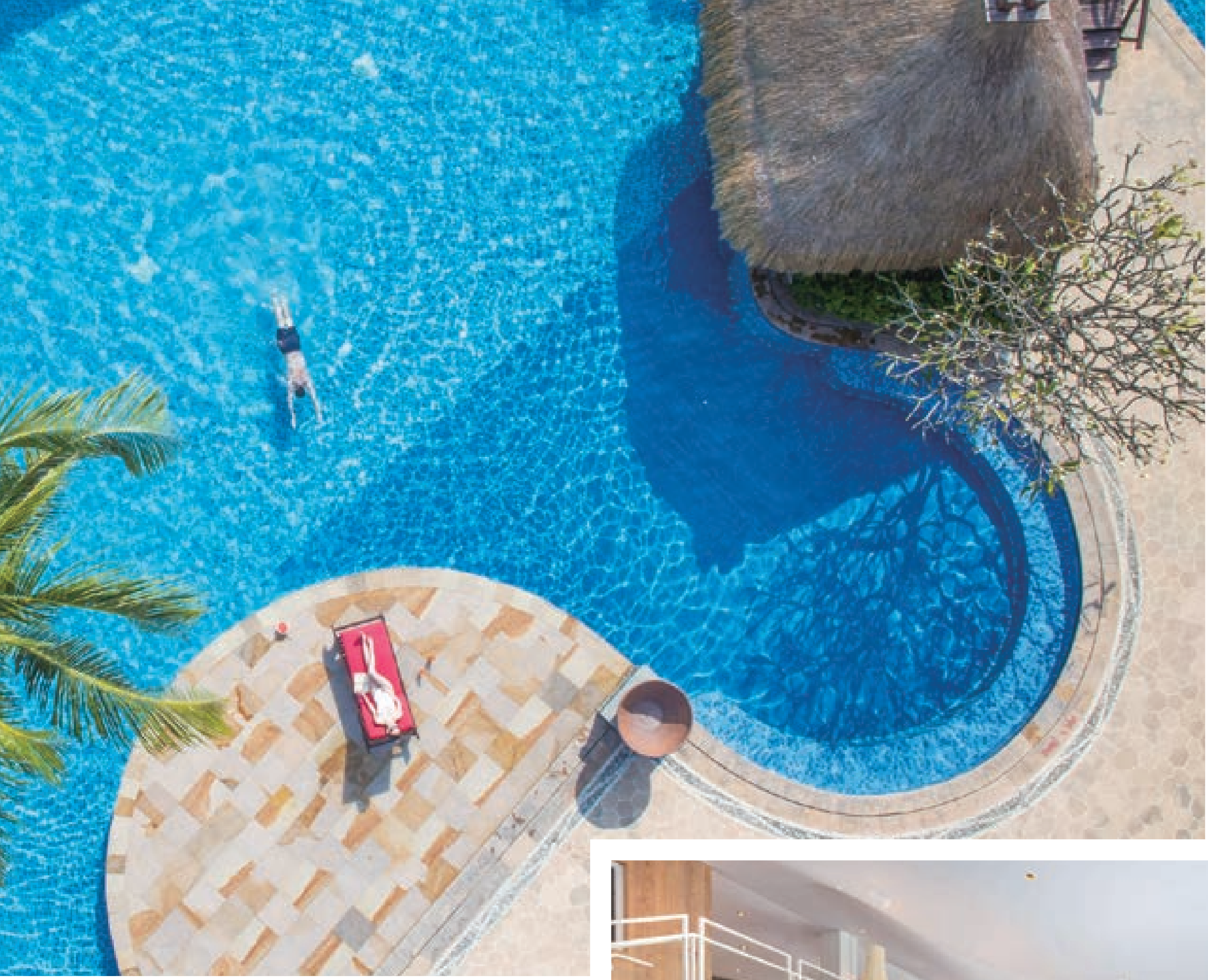
Club Med Sanya, China

Our resort business, which is operated under Club Med brand, has demonstrated a dynamic growth for the six months ended 30 June 2019. The business volume reached RMB6,929.8 million, increased by 5.0% on year-over-year and like-for-like basis. The business volume of EMEA, Americas and Asia increased by 1.4%, 14.3% and 7.9% for the first half of 2019, respectively, compared with the same period of last year. Certain key information with respect to our resort business is set out below:

	As of 30 June 2019	As of 30 June 2018
Business Volume (RMB Millions)	**6,929.8**	6,603.0
Capacity of Resorts (in thousands)	**6,219**	6,082
Occupancy Rate by Bed	**65.1%**	67.0%
Average Daily Bed Rate (RMB)	**1,388**	1,311
Revenue per Bed (RMB)	**904**	879

The dynamic growth was driven by the increase in Average Daily Bed Rate by 5.9% on a like-for-like basis as a result of popularity on the winter ski products and the increased capacities of 4&5 Trident resorts. Occupancy Rate by Bed is slightly impacted by the capacities ramp-up in 2018. The recurring EBITDA of resort operation increased to RMB1,393.6[1] million for the first half of 2019, compared to RMB728.7 million for the first half of 2018.

1 Please refer to the note on page 25 of the Management Discussion & Analysis section for detail.



Club Med Arcs Panorama, France

In light of the evolving trends in the industry, we have focused on the below initiatives:

Upscale – Enhancing upscale and offerings: We opened 5 resorts in 2018, including Club Med Arcs Panorama which opened in December 2018. In the first half of 2019, three resorts were under renovation and extension. Meanwhile, three resorts were reopened in the first half of 2019 after renovation and transformation. Two resorts with limited capacities were closed under lease agreements. The capacities with 4&5 Trident increased from 81.2% as of 30 June 2018 to 85.7% as of 30 June 2019.

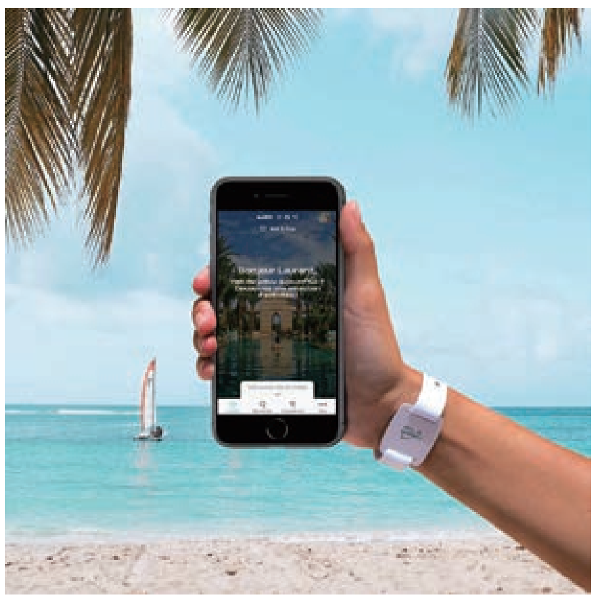
The following table sets out the Capacity of Resorts by type of resorts:

Type of resorts	As of 30 June 2019 '000	As of 30 June 2018 '000
Capacity		
Mountain	**1,509.0**	1,565.5
Sun	**4,421.9**	4,301.5
Club Med Joyview	**287.8**	215.0
Total	**6,218.7**	6,082.0
4&5 Trident %	**85.7%**	81.2%

Our capital expenditure of resort business incurred in the first half of 2019 was approximately RMB309.0 million with positive free cash flow.

Globalization – Balancing markets and destinations to secure profitability: In the first half of 2019, the number of resort customers increased to 750,000, with 86.9% of customers stayed in 4&5 Trident resorts. Customer booking outside EMEA region increased to 53.5% in the first half of 2019 from 51.6% in the first half of 2018. Customers from America and Asia Pacific increased by 6.3%, 4.8%, respectively in the first half of 2019. Customers from Greater China increased from 120,239 in the first half of 2018 to 124,627 in the first half of 2019, keeping Greater China the second largest customer-contributing market. In addition, our resort capacities in Asia Pacific increased by 4.9% in the first half of 2019.

Happy Digital & C2M Strategy – Digital on customer emotion amplification and operation efficiency: We have redesigned and innovated on customer path to facilitate the "before" and "after" stay experience. During the first half of 2019, direct sales proportion through the sales network of Club Med reached 63.5% in the first half of 2019. Conversion rates on mobile were leveraged by 20% as a result of optimization of 35 Club Med websites in 18 languages and extension of new online sales channels and platforms. In the first half of 2019, we launched a new Mobile APP program "My Happy Days", featuring resort and activity guidance, online check-ins, activities reservations and social functions. In addition, we deployed an in-house developed experience "Amazing Family" proposing unique parents-kids bonding activities, together with a strong visual identity in various resorts. We have extensively deployed digital bracelets, new mobile applications with cashless payment, easy check in/out and other innovative solutions.



Ski Ecosystem – Leverage our strength as a top ski resort provider: We are the largest ski resort provider in Europe in terms of number of resorts in 2018. We operate 16 mountain resorts of Europe and 4 of Asia. Our Average Daily Bed Rate of mountain resorts increased by 8.9% in the first half of 2019 as compared to the same period in 2018. Our Mountain resort Arcs Panorama, newly opened in December 2018, received great success in its first winter season with business volume amounted to RMB247.1 million in the first half of 2019. We plan to further leverage our strength not only in Alps region, but also in fast growing ski areas and massive potential customer markets with more mountain resorts to be opened and more related services and solutions to be provided under our strong brands. Club Med is also collaborating with global leading ski instructors, Ecole du Ski Francais (ESF), to deliver advanced skiing programs to China's winter sports enthusiasts. The first Ski Academy powered by Club Med and ESF has settled in Beijing Lianhua Mountain ski resort, which is aimed to take ski and snowboarding instruction in Beijing to a world-class level.

Club Med Joyview Yanqing Beijing, China

We opened a new Club Med Joyview resort – Yanqing in Beijing, China, in July 2019, which is a 4 Trident resort. We have strong pipelines to open new resorts in the future, including a resort in l'Alpe d'Huez in France, a new chalets-apartments in Grand Massif Samoens Morillon in France and a resort located in Miches Playa Esmeralda in the Dominican Republic which planned to open in 2019 and a seaside resort in Marbella, Spain, a resort on the Sainte Anne Island, Seychelles, a mountain resort La Rosiere in French Alps and a mountain resort in Quebec Charlevoix, Canada to open after 2019. In addition, we have signed several contracts to open new resorts in China in the next few years, including the Club Med resorts in the Lijiang and Taicang project.

As of 7 September 2019, the cumulative bookings for the six months ending 31 December 2019, expressed in terms of business volume, was up approximately 5.1% with all regions growing, compared to the bookings as of 7 September 2018, at constant exchange rate.

The resorts that we operated as of 30 June 2019 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	AGADIR	843	Permanent	374	3	Morocco	1967	Sun	Leased
2	AIME LA PLAGNE	528	Seasonal	240	3	France	1989	Mountain	Leased
3	ALBION	618	Permanent	260	5	Mauritius	2007	Sun	Leased
4	ALBION VILLAS	186	Permanent	27	5	Mauritius	2010	Sun	Leased
5	ARCS EXTREME	590	Seasonal	284	3	France	1980	Mountain	Leased
6	ARCS PANORAMA	968	Bi-seasonal	433	4+5	France	2018	Mountain	Leased
7	BODRUM	502	Seasonal	242	4	Turkey	1995	Sun	Managed
8	CAP SKIRRING	415	Seasonal	205	4	Senegal	1973	Sun	Owned
9	CARGESE	853	Seasonal	396	3	France	1971	Sun	Owned
10	CEFALU	645	Seasonal	322	5	Italy	2018	Sun	Leased
11	CERVINIA	464	Seasonal	199	4	Italy	2001	Mountain	Leased
12	CLUB MED 2	377	Permanent	184	5	CM2	1992	Sun	Owned
13	DA BALAIA	798	Seasonal	389	4	Portugal	1986	Sun	Leased
14	DJERBA LA DOUCE	1,070	Permanent	520	3	Tunisia	1975	Sun	Leased
15	GRAND MASSIF SAMOENS MORILLON	941	Bi-seasonal	420	4	France	2017	Mountain	Leased
16	GREGOLIMANO	974	Seasonal	460	4	Greece	1978	Sun	Owned
17	KAMARINA	1,472	Seasonal	620	3	Italy	1981	Sun	Leased
18	KEMER	939	Seasonal	463	3	Turkey	1977	Sun	Owned
19	LA PALMYRE ATLANTIQUE	1,169	Seasonal	404	3	France	2003	Sun	Leased
20	LA PLAGNE 2100	590	Seasonal	339	4	France	1990	Mountain	Leased
21	LA POINTE AUX CANONNIERS	873	Permanent	393	4	Mauritius	1973	Sun	Leased
22	L'ALPE D'HUEZ LA SARENNE	781	Seasonal	358	3	France	1985	Mountain	Leased
23	MARRAKECH LA PALMERAIE	870	Permanent	356	4+5	Morocco	2004	Sun	Leased
24	OPIO EN PROVENCE	910	Permanent	429	4	France	1989	Sun	Leased
25	PALMIYE	1,777	Seasonal	722	4	Turkey	1988	Sun	Managed
26	PEISEY-VALLANDRY	730	Bi-seasonal	281	4	France	2005	Mountain	Leased
27	PRAGELATO	720	Bi-seasonal	273	4	Italy	2012	Mountain	Leased
28	SAINT-MORITZ ROI SOLEIL	599	Seasonal	304	4	Switzerland	1963	Mountain	Leased
29	SANT'AMBROGGIO	729	Seasonal	290	3	France	1971	Sun	Leased
30	SERRE-CHEVALIER	991	Bi-seasonal	349	3	France	2001	Mountain	Leased
31	TIGNES VAL CLARET	498	Seasonal	228	4	France	1975	Mountain	Leased
32	VAL D'ISERE	557	Seasonal	275	4+5	France	1978	Mountain	Leased
33	VAL THORENS	776	Seasonal	384	4	France	2014	Mountain	Leased
34	VALMOREL	905	Bi-seasonal	416	4+5	France	2011	Mountain	Leased
35	VALMOREL CHALETS	311	Bi-seasonal	59	5	France	2011	Mountain	Leased
36	VITTEL ERMITAGE	200	Seasonal	104	4	France	1973	Sun	Leased
37	VITTEL LE PARC	832	Seasonal	363	3	France	1973	Sun	Leased
38	YASMINA	812	Seasonal	343	4	Morocco	1969	Sun	Leased

No.	Name Of Resort	Number of Beds	Duration[(1)]	Number of Rooms	Trident[(2)]	Location	Year of opening[(3)]	Type	Operating Model[(4)]
	Americas								
1	CANCUN YUCATAN	1,316	Permanent	502	4+5	Mexico	1976	Sun	Owned
2	COLUMBUS ISLE	536	Permanent	236	4	Bahamas	1992	Sun	Owned
3	ITAPARICA	510	Permanent	248	3	Brazil	1979	Sun	Owned
4	IXTAPA PACIFIC	793	Permanent	296	4	Mexico	1981	Sun	Owned
5	LA CARAVELLE	600	Permanent	282	4	France (Guadeloupe)	1974	Sun	Leased
6	LAKE PARADISE	968	Permanent	377	4	Brazil	2016	Sun	Leased
7	LES BOUCANIERS	646	Permanent	291	4	France (Martinique)	1969	Sun	Owned
8	PUNTA CANA	1,739	Permanent	631	4+5	Dominican Republic	1981	Sun	Owned
9	RIO DAS PEDRAS	823	Permanent	379	4+5	Brazil	1988	Sun	Owned
10	SANDPIPER	1,001	Permanent	307	4	United States of America	1987	Sun	Owned
11	TRANCOSO	595	Permanent	250	4	Brazil	2002	Sun	Owned
12	TURQUOISE, TURCS & CAICOS	582	Permanent	291	4	Turks and Caikos	1985	Sun	Leased
	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	679	Permanent	297	4	Malaysia	1979	Sun	Owned
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	GUILIN	798	Permanent	330	4	China	2013	Sun	Managed
8	KABIRA	585	Permanent	181	4	Japan	1999	Sun	Leased
9	KANI	584	Permanent	272	4+5	Maldive Islands	2000	Sun	Leased
10	KANI FINHOLU VILLAS	104	Permanent	52	5	Maldive Islands	2015	Sun	Leased
11	PHUKET	799	Permanent	340	4	Thailand	1985	Sun	Owned
12	SAHORO HOKKAIDO	659	Seasonal	208	4	Japan	1988	Mountain	Leased
13	SANYA	957	Permanent	384	4	China	2016	Sun	Managed
14	TOMAMU HOKKAIDO	964	Bi-seasonal	341	4	Japan	2018	Mountain	Managed
15	YABULI	697	Bi-seasonal	279	4	China	2010	Mountain	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.

The following maps illustrate the location of our resorts by region as of 30 June 2019:

TOURISM DESTINATIONS

Poseidon's Court, Atlantis Sanya

Poseidon Underwater-Suite, Atlantis Sanya

Atlantis Sanya[1]

As our first tourism destination project, Atlantis Sanya has become an iconic landmark for global tourists. As of 30 June 2019, there had been over 1.8 billion User Generated Contents ("UGC") themed "Atlantis Sanya" on the mobile application "Tik Tok". The business volume of tourism destination operation increased from RMB204.9 million for the six months ended 30 June 2018 to RMB656.0 million for the six months ended 30 June 2019 whilst the business volume for May and June increased by 36.6% compared with the same period last year. Customer visits to Atlantis Sanya in the first half of 2019 has increased to approximately 2.5 million from 883 thousand in the same period of 2018. In addition, the number of customer visits to Waterpark and Aquarium reached 502 thousand and 608 thousand respectively in the first half of 2019. We continue to enrich customer experiences in Atlantis Sanya with various tourism and entertainment services and solutions, including Miniversity, the resident show C in C Theatre, Foryou Ski (復遊雪) experience and entertainment events. To leverage efficiency and happy experience, we are implementing various digital solutions, including the facial recognition access to Aquarium and Waterpark and Photo (復遊拍) e-photo studios, etc.. The adjusted EBITDA of Atlantis Sanya increased to RMB282.4 million in the first half of 2019 and its operation has contributed sound profit to the Group.

1 Atlantis Sanya is owned by the Group and managed by Kerzner, except for Tang Residence. It had its soft opening in February 2018 and officially opened on 29 April 2018.

BUSINESS OVERVIEW AND OUTLOOK

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

Item	For the six months ended 30 June 2019	Period from 15 February 2018[1] to 30 June 2018
Business Volume (RMB'000)	656,034.4	204,898.6
Room Revenue (RMB'000)	349,302.7	107,733.6
Other Operating Revenue (RMB'000)[1]	306,731.7	97,165.0
Occupancy Rate by Room	62.0%	47.5%
Average Daily Rate by Room (RMB)	2,371.0	1,562.0
RevPar by Room (RMB)	1,469.0	742.0

In July 2019, the business volume of Atlantis Sanya operation increased by more than 20.0% compared with last year with robust growth in Room Revenue and Other Operating Revenue.

Atlantis Sanya includes 1,004 saleable residential vacation units, called Tang Residence, including 197 villas and 807 vacation apartments with 190 villas and 788 apartments pre-sold. We delivered 764 apartments in 2018. For the first half of 2019, we delivered 23 apartments and 118 villas and recognized RMB1,770.2 million of contract liabilities as revenue. The remaining pre-sold apartments and villas are expected to be transferred when the ownerships are transferred subject to applicable laws and regulations. For the apartments and villas sold, approximately 243 apartments and 8 villas were managed by us as accommodation facilities under Albion brand.

Lijiang FOLIDAY Town (麗江復游城)[2]

We position our Lijiang FOLIDAY Town as an international tourism destination targeting mid-to-high-end customers and plan to combine comprehensive tourism and leisure features, such as sightseeing attractions, resort and other accommodations (including a Club Med resort), leisure entertainment facilities, customized vacation inns and residences, performances, local activities and tours which could be operated and managed by us or our strategic partners. We have started the construction of Club Med resort in February 2019 and other portion was under design phase and will commence construction in stages. The project will be completed in stages starting from either late 2020 or early 2021 and achieve full completion in the following two to three years. As of 30 June 2019, the total cost incurred for the Lijiang Project was approximately RMB575.6 million.

Taicang FOLIDAY Town (太倉復游城)[3]

Our Taicang FOLIDAY Town is designed to offer various themed experiences and tourism features, including but not limited to one of the largest indoor snow slopes in East China, a sports park, a Club Med resort, a Sunwing parent-kids style hotel, a European style town, and saleable vacation units. Our indoor snow slope was under design by Compagnie des Alpes ("CDA"), one of the world's leading ski resort operators based in France, to offer facilities and services with international standards. The construction has started in January 2019 and expected to be completed in stages starting from late 2020 and achieve full completion in the following three to four years. As of 30 June, 2019, the total cost incurred for the Taicang Project was approximately RMB2,395.1 million, which was mainly the consideration paid for our land acquisitions.

Other than Lijiang FOLIDAY Town and Taicang FOLIDAY Town, we are also in discussion with other developers to explore the opportunities to provide tailor-made tourism destination design, technical support and management services. In addition, we managed and operated tourism destinations in many regions of China, such as Zhejiang, Jiangsu and Guangdong provinces under the Albion Brand.

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.
2 A tourism destination with a total GFA of approximately 350,000 square meters in Baisha town in Lijiang city, Yunnan province in Southwestern China.
3 A tourism destination with a land parcels over 483,000 square meters in total in Taicang city, Jiangsu province in East China.

Miniversity – Bund Financial Centre, Shanghai

SERVICES AND SOLUTIONS

IN VARIOUS TOURISM AND LEISURE SETTINGS


The C Theatre of Atlantis Sanya

Our services and solutions in various tourism and leisure settings grow rapidly. A modern show, the resident show C, which involves creative inputs from world-class creators and artists, integrated with advanced stage technologies, started to be performed at the C Theatre of Atlantis Sanya in February 2019. After the opening of Miniversity in Atlantis Sanya in 2018, two Miniversity[1] clubs in shopping malls located in Shanghai were launched in March 2019. In addition, we launched Foryou Ski, an indoor ski simulation center, in Atlantis Sanya. We plan to further provide extensive services and solutions to meet the customers' evolving needs and bring value-added synergies within our FOLIDAY ecosystem. In addition, the business volume of our FOLIDAY Travel Distribution Platform[2] for the six months ended 30 June 2019 increased to RMB198.1 million, up by 288.3% compared with the same period of 2018.

1 A one-stop international learning and playing club for children under the joint venture with Mattel, a global leader in learning and developing through play and the owner of the copyrights and trademarks of Fisher-Price, Thomas & Friends, MEGA, Hot Wheels, Bob the Builder and Barbie. Under the joint venture agreement, we hold 70% of equity interest in the joint venture and Mattel holds 30%.

2 Includes the FOLIDAY mobile application, Wechat account, travel agencies and the joint ventures with Thomas Cook Group plc, Kuyi International Travel Agency (Shanghai) Co., Ltd. and Kuyi International Travel Agency (Sanya) Co., Ltd.. We held an approximate 11.4% of equity interest in Thomas Cook as of 30 June, 2019.

LOYALTY PROGRAMMES MEMBERSHIP

Our loyalty programs include global Club Med Great Member loyalty program and Foryou Club membership system which has integrated members from various of our brands in the FOLIDAY ecosystem, including but not limited to members of Atlantis Sanya, Club Med's Great Members from China, FOLIDAY application and other members from various activities and services we provide. Foryou club was not only integrated with Fosun International's Youle Customer Loyalty Program, but also interacted with other strategic partners for membership benefits, including Alipay members. As of 30 June 2019, Foryou Club has accumulated approximately 3.5 million members with the average monthly purchase by the members of approximately RMB7.5 million for the first half of 2019.

INTELLIGENT MIDDLE OFFICE PLATFORM

To position us at the industry's competitive edge through implementation of innovation digital technology systems, we have launched a program to develop an integrated middle-office platform with operation functions in marketing, branding, pricing and yield management, payments and orders, sales, CRM and call centers for various business lines located in different regions. The information and data were accumulated to Artificial Intelligent Data Center for data analytics, transaction mappings and decision-making supports. In addition, we are launching the resort and tourism destination digitalization center which provide various digital solutions and management systems, including our hotel (resort) operating management system FOTEL. With the implementation of our Intelligent Middle Office Platform, we expect to further improve our capability and operational efficiency to provide convenient and fun leisure experiences to our customers.

With continuous enhancement of our FOLIDAY global ecosystem and product capabilities, the Group's business achieved a dynamic and robust growth in the first half of 2019. We will continue to strategically focus on innovation on the business models and products we provide, further strengthen globalization with brands, network and talents, reinforce ecosystem expansion with synergies in tourism and leisure settings, develop contents and distribution platforms, and seize investment, acquisition or strategic alliance opportunities to further supplement our FOLIDAY ecosystem.

AWARDS RECEIVED BY THE GROUP IN THE FIRST HALF OF 2019

Award/Recognition	Award Issuing Authority	Brand/Resort/Entity/Tourism Destination Receiving Award
#1 Family Resort in China and #1 All-inclusive Resort	TripAdvisor Traveler's choice	Club Med Sanya Resort
#1 Family Resort in Japan	TripAdvisor Traveler's choice	Club Med Sahoro
#2 Family Resort in Japan	TripAdvisor Traveler's choice	Club Med Kabira
Best Child Friendly Hotel-2018 Hainan and Best International Reception Hotel Award-2018,Hainan	Hainan Award	Club Med Sanya Resort
Best Ski Product	Belgium Travel Awards	Club Med
Best Family Resorts	Expatriates' Magazine Singapore	Club Med Bintan
Best Hotel & Tourism Resort	MIPIM	Club Med Cefalu
Best Digital Happiness Index	1to1 Monaco	Club Med B2C Websites
Best Customer Relation	Customer Relation Award	Club Med
Best Holiday Destination	2019 KOL Credibility Gold list	Club Med Joyview Anji
#26 Attractive Employer in France	Universum's ranking	Club Med
Premium Family Fun Resort of the year	Media Zaker	Club Med Sanya
The Public Prize of "Disrupt"	Tech European Award	Club Med Digital Transformation
Best Digital Transformation (Gold) & Best Global Transformation (Silver)	G20 Management Summit	Club Med
Top50 of Top Employer for all sectors from Young Graduate	Le Figaro (French newspaper)	Club Med
Platinum for Miches Resort 3D video, Gold award for Trident Brochure	Hermes Creative Awards (USA)	Club Med Miches Resort
Best Hotel above 200 Rooms	International Hotel and Property awards	Club Med Arcs Panorama
Top30 Most Popular Family Hotels 2018	HOTELWEEKEND	Atlantis Sanya

Award/Recognition	Award Issuing Authority	Brand/Resort/Entity/Tourism Destination Receiving Award
The Most Characteristic Suite	Travelling Scope	Atlantis Sanya
2018 Most Recognized New Hotel Awards	Ctrip	Atlantis Sanya
The Dining WOW--Tang	My Vacation	Atlantis Sanya
2018 Most Popular Comprehensive Tourist Destination of China	HOTELWEEKEND	Atlantis Sanya
2018 Most Influential Theme Park of Chinese Tourism	China tourism news	Atlantis Sanya
The Best Luxury Hotel in 2018	Tuniu	Atlantis Sanya
The Best Resort in China	TTG China Travel Awards	Atlantis Sanya
The Best Resort Destination in Year 2019	Credibility Golden List by China KOL	Atlantis Sanya
The Best Family Hotel Awards	Meituan	Atlantis Sanya
Annual Reader's Choice	China Feast Restaurants Award	Bread Street Kitchen & Bar, Atlantis Sanya
The Best Western Restaurant	China Feast Restaurants Award	Ossiano Underwater Restaurant & Bar, Atlantis Sanya
The Most Recommended Themed Restaurant	China Feast Restaurants Award	Crab Kitchen, Atlantis Sanya
Sanya Must-see Scenic Spot	Dianping	Atlantis Sanya
The Best Cooperative Partner in Ctrip Hotel	Ctrip	Atlantis Sanya
The Best Strategic Partner	China Travelers Forum	Atlantis Sanya
2018 Best Culture & Tourism Marketing Case Award – Atlantis Sanya Collaboration with Warner Film Aquaman to deliver Cross-border Marketing	2018 China Culture & Tourism Top Ten Business Leaders Award	Atlantis Sanya
The Most Popular Culture & Tourism Project Award	2018 China Culture & Tourism Top Ten Business Leaders Award	Atlantis Sanya
2018 Best Wedding Hotels of China	The Most Popular Culture & Tourism Project Award	Atlantis Sanya
The Sliver A' Design Award -Engineering, Construction And Infrastructure Design	A' Design Award 2018-2019 (Italy)	Atlantis Sanya
Guest Review Awards 2018	Booking.com	Atlantis Sanya
Team Award	The 8th National Cooking Skills Competition	Atlantis Sanya
Ctrip Gourmet List	Ctrip	Ossiano Underwater Restaurant & Bar, Atlantis Sanya
Top10 Hainan Cooperative Partners	Meituan	Atlantis Sanya
2019 Green Island Award	Hainan Construction Industry Association	Atlantis Sanya
Best Wedding Hotel —Hotel Awards 2019	Metropolitan	Atlantis Sanya
Best Hotel SPA—Hotel Awards 2019	Metropolitan	AHAVA SPA, Atlantis Sanya
The Best Family Hotels No.4 in Asia on Worldwide Reader Poll—Best in Travel 2019	Smart Travel Asia	Atlantis Sanya
Annual Cultural Tourism Complex Project	Continental Diamond Award	Atlantis Sanya
Top50 Xinrui New Firms	Chinese Listed Company by Brand Value in 2019	Fosun Tourism Group
Best Family Leisure Holiday Service Provider	National Tourism Fashion Awards in 2018	Fosun Tourism Group

SELECTED ITEMS OF INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	For the six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
REVENUE	9,062,701	6,667,416
Cost of revenue	(6,047,030)	(4,868,914)
Gross profit	3,015,671	1,798,502
Other income and gains, net	3,446	39,530
Selling and marketing expenses	(1,203,422)	(1,167,730)
General and administrative expenses	(613,684)	(655,740)
Finance costs	(385,522)	(198,818)
Share of profits and losses of:		
A joint venture	–	(3,435)
Associates	2,792	1,607
PROFIT/(LOSS) BEFORE TAX	819,281	(186,084)
Income tax (expenses)/credit	(316,843)	51,470
PROFIT/(LOSS) FOR THE PERIOD	502,438	(134,614)
Attributable to:		
Equity holders of the Company[1]	490,019	(254,524)
Non-controlling interests	12,419	119,910
	502,438	(134,614)

REVENUE

Our revenue increased by 35.9%, from RMB6,667.4 million for the six months ended 30 June 2018 to RMB9,062.7 million for the six months ended 30 June 2019, mainly driven by strong performance of our resorts and destination operation and tourism-related property sales and construction services.

1 Profit attributable to equity holders of the Company for the six months ended 30 June 2019 included RMB333.7 million profit arising from tourism operation and RMB156.3 million profit arising from tourism-related property sales. Loss attributable to equity holders of the Company for the six months ended 30 June 2018 included RMB199.2 million loss arising from tourism operation and RMB55.3 million loss arising from tourism-related property sales.

Revenue by business function and business segment

	For the six months ended 30 June			
	2019		2018	
	RMB'000	**%**	RMB'000	%
Resorts and destination operations	**6,051,964**	**66.8%**	5,396,340	80.9%
– Resorts	**5,378,834**	**59.4%**	5,179,783	77.7%
– Tourism destinations	**673,130**	**7.4%**	216,557	3.2%
Tourism-related property sales and construction services	**1,766,547**	**19.5%**	18,730	0.3%
– Resorts	**5,844**	**0.1%**	18,730	0.3%
– Tourism destinations	**1,760,703**	**19.4%**	–	0.0%
Tourism and leisure services and solutions	**1,303,993**	**14.4%**	1,252,771	18.8%
– Resorts	**1,218,403**	**13.4%**	1,170,057	17.5%
– Services and solutions in various tourism and leisure settings	**85,590**	**1.0%**	82,714	1.3%
Intersegment eliminations	**(59,803)**	**(0.7%)**	(425)	(0.0%)
Total revenue from contracts with customers	**9,062,701**	**100.0%**	6,667,416	100.0%

Resorts and Destination Operations: Resorts and destination operations revenue increased by 12.1% from RMB5,396.3 million for the six months ended 30 June 2018 to RMB6,052.0 million for the six months ended 30 June 2019.

Resort revenue increased by 3.8% year-over-year, from RMB5,179.8 million to RMB5,378.8 million for the six months ended 30 June 2018 and 2019, primarily driven by the increase in business volume by 5.0% compared with same period in last year on a like-for-like basis. Business volume increase was primarily contributed by higher Average Daily Bed Rate benefited from our popularity on winter ski products and increased 4&5 Trident resorts capacities under our upscale strategies, partially offset by the ramp-up of increased capacities and closed resorts of limited capacity and aging facilities.

Operation of Atlantis Sanya posted revenue growth of 220.2% to RMB656.0 million for the six months ended 30 June 2019, mainly due to, (i) room revenue resulting from higher Average Daily Rate by room; (ii) higher Occupancy Rate by Room, and (iii) the increase of other operating revenues generated from Aquarium, Waterpark and other services provided. Atlantis Sanya had its soft opening in February 2018 and official opening in April 2018 and recorded operation revenue of approximately RMB204.9 million for the six months ended 30 June 2018.

Tourism-related property sales and construction services: Revenue increased by RMB1,747.8 million, amounted to robust RMB1,766.5 million for the six months ended 30 June 2019 compared with RMB18.7 million for the same period of last year, primarily due to the delivery of property units in Tang Residence in 2019. During the Reporting Period, 141 pre-sold units in Tang Residence were delivered to customers and the contract liabilities of RMB1,770.2 million were recognized as revenue accordingly. We started to deliver the pre-sold units of Tang Residence in the second half year of 2018.

Tourism and leisure services and solutions: Revenue of tourism and leisure services and solutions increased from RMB1,252.8 million to RMB1,304.0 million year-over-year, the increase of revenue was mainly generated from: (i) transportation service of resorts and destination operations; (ii) FOLIDAY Travel Distribution Platform; (iii) kid learning and play activities and entertainment services.

COST OF REVENUE, GROSS PROFIT AND GROSS PROFIT MARGIN BY BUSINESS FUNCTION

Cost of revenue by business function

	For the six months ended 30 June			
	2019		2018	
	RMB'000	%	RMB'000	%
Resorts and destination operations	**3,915,179**	**64.7%**	3,741,765	76.9%
Tourism-related property sales and construction services	**1,066,777**	**17.6%**	14,893	0.3%
Tourism and leisure services and solutions	**1,119,780**	**18.5%**	1,112,256	22.8%
Intersegment eliminations	**(54,706)**	**(0.8%)**	–	–
Total	**6,047,030**	**100.0%**	4,868,914	100.0%

Gross profit and gross profit margin by business function

	For the six months ended 30 June			
	2019		2018	
	Gross Profit RMB'000	Gross Profit Margin %	Gross Profit RMB'000	Gross Profit Margin %
Resorts and destination operations	**2,136,785**	**35.3%**	1,654,575	30.7%
Tourism-related property sales and construction services	**699,770**	**39.6%**	3,837	20.5%
Tourism and leisure services and solutions	**184,213**	**14.1%**	140,515	11.2%
Intersegment eliminations	**(5,097)**	**N/A**	(425)	N/A
Total	**3,015,671**	**33.3%**	1,798,502	27.0%

Cost of revenue increased by 24.2% from RMB4,868.9 million for the six months ended 30 June 2018 to RMB6,047.0[1] million year-over-year, which was in line with revenue growth.

Gross profit in the first six months of 2019 was RMB3,015.7 million compared with RMB1,798.5 million during the same period of 2018, up 67.7% year-over-year. Robust performance of resorts and destination operations contributed incremental gross profit of RMB482.2 million, representing of 29.1% growth year-on-year, mainly due to resorts operation gross profit amounted to RMB1,817.6 million and Atlantis Sanya operation gross profit amounted to RMB305.6 million. Meanwhile, the tourism related property sales and construction services contributed of RMB700.5 million additional gross profits in 2019 through the delivery of certain Tang Residence units.

Gross profit margin of resorts and destination operations was 35.3% compared with 30.7% in the same period last year, primary due to the improved margin of resorts operation and Atlantis Sanya operation, which was approximately 46.6%. Gross profit margin of tourism-related property sales and construction services increased from 20.5% in the first six months of 2018 to 39.6% in the same period of 2019, primary due to the delivery of pre-sold apartment units of Tang Residence.

1 With the adoption of IFRS 16, cost of revenue decreased by approximately RMB124.8 million, and gross profit increased by RMB124.8 million for the six months ended 30 June 2019.

OTHER INCOME AND GAINS, NET

We had a net gain of RMB3.4 million in the first six months of 2019 and a net gain of RMB39.5 million in the same period last year. The decrease was primarily due to one-off gains recognized in 2018 from the reversal of provisions for litigation and resort closure costs accrued in 2017. The reversal of provisions for litigation was made due to favourable rulings ending litigation in two matters with provisions made. The reversal of provisions for village closure was due to savings from anticipated costs for the planned closure of two villages including rent savings from early termination of leases.

SELLING AND MARKETING EXPENSES

Our selling and marketing expenses grew by 3.1% from RMB1,167.7 million in the first six months of 2018 to RMB1,203.4 million in the same period of 2019, mainly due to increase in commission expenses, more advertising and promotion activities regarding resorts operation, which was partially offset by opening ceremony expenses decrease of Atlantis Sanya.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses decreased by 6.4% from RMB655.7 million in the first six months of 2018 to RMB613.7 million in the same period of 2019. The change was primarily due to one-off expenses incurred in 2018 including preparation and organization cost of Atlantis Sanya of RMB67.3 million and listing expenses of RMB17.1 million, partially offset by the increase in depreciation expenses.

OPERATING PROFIT/(LOSS) BY SEGMENT

Our segment operating profit increased by RMB1,187.4 million from RMB14.6 million in the first six months of 2018 to RMB1,202.0[1] million year-over-year.

	For the six months ended 30 June			
	2019		2018	
	RMB'000	**%**	RMB'000	%
Resorts	**561,324**	**46.7%**	436,747	2,999.2%
Tourism destinations	**762,276**	**63.4%**	(360,963)	(2,478.8%)
Services and solutions in various tourism and leisure settings	**(32,951)**	**(2.7%)**	2,484	17.1%
Eliminations and unallocated expenses	**(88,638)**	**(7.4%)**	(63,706)	(437.5%)
Total	**1,202,011**	**100.0%**	14,562	100.0%

Resorts: Operating profit increased from RMB436.7 million in the first six months of 2018 to RMB561.3 million in the same period of 2019. Excluding the non-recurring operating items and impact of implementing IFRS 16, the recurring operating profit was up 8.2% to a robust amount of RMB479.9 million, compared with RMB443.4 million in the first six months of 2018, primarily due to the improved profitability of our resorts operation. Non-recurring operating items of resorts operation included impairment and provisions, restructuring, gain/(loss) on the fair value change of investments measured at fair value through profit or loss, and disposal damage insurance.

1 With the adoption of IFRS 16, operating profit increased by RMB134.7 million for the six months ended 30 June 2019.

Tourism destinations: Operating profit/(loss) changed from operating loss of RMB361.0 million for the six months ended 30 June 2018 to operating profit of RMB762.3 million for the same period in 2019. Operation of Atlantis Sanya contributed RMB168.7 million operating profit and deliver of pre-sold units of Tang Residence contributed RMB635.2 million operating profit, respectively.

Services and solutions in various tourism and leisure settings: Operating loss for the first six months ended 30 June 2019 was RMB33.0 million compared with operating profit of RMB2.5 million for the same period in 2018. The operating loss was mainly due to (i) ramp-up of online and offline travel agency leading to more cost and expenses than revenue expansion at the early stage, (ii) start-up costs in 2019 including the resident show C in Atlantis Sanya in February and two Miniversity clubs in shopping malls in March.

FINANCE COSTS

Finance costs net of capitalized interest increased from RMB198.8 million for the first six months of 2018 to RMB385.5[1] million in the same period of 2019. The increase of RMB186.7 was mainly due to (i) RMB206.4 million finance cost on lease liabilities with the implementation of IFRS 16, (ii) decrease in capitalized interest after completion of Atlantis Sanya construction. The interest rates of borrowings as at 30 June 2019 were approximately between 2.75% and 7.37%, as compared with approximately between 2.75% and 7.00% as at 31 December 2018.

INCOME TAX EXPENSE/(CREDIT)

Income tax expense was RMB316.8 million in the first six months of 2019 compared with income tax credit RMB51.5 million in the same period of 2018. The increase in tax expenses was mainly resulted from the strong profit position in 2019.

NON-IFRS MEASURES

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

1 With the adoption of IFRS 16, finance costs increased by RMB206.4 million for the six months ended 30 June 2019.

Adjusted EBITDA

	For the six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
Income/(Loss) before income tax	**819,281**	(186,084)
Adjustment:		
Depreciation	**867,952**	303,115
Amortization	**55,042**	58,072
Finance costs	**385,522**	198,818
Land appreciation tax	**(170,310)**	–
EBITDA	**1,957,487**	373,921
Add:		
Equity-settled share-based payments	**36,726**	34,044
Listing expenses	**–**	17,062
Adjusted EBITDA(1)(2)	**1,994,213**	425,027
Arising from tourism operation(3)	**1,570,464**	430,733
Arising from tourism-related property sales(3)	**423,749**	(5,706)

Notes:

(1) With the adoption of IFRS 16, adjusted EBITDA increased by RMB628.6 million for the six months ended 30 June 2019.

(2) Adjusted EBITDA for the six months end 30 June 2018 included the preparation and operation costs of RMB187.2 million related to Atlantis Sanya before the official opening in April 2018.

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

Adjusted EBITDA increased from RMB425.0 million in the first six months of 2018 to RMB1,994.2 million in the same period of 2019. Adjusted EBITDA arising from tourism operation increased from 430.7 million for the six months ended 30 June 2018 to RMB1,570.5 million for the six months ended 30 June 2019.

The adjusted EBITDA of resorts operation increased to RMB1,340.8 million in the first six months of 2019 from RMB722.1 million in the same period of last year mainly due to the improved profitability of resort operation and the impact of implementation of IFRS 16 which capitalizes the present value of the remaining lease payment as right-of-use assets and calculate depreciation instead of recording lease expenses in current period. Excluding the change of non-recurring operating items of RMB52.8 million and IFRS 16 impact, the recurring adjusted EBITDA was up 5.5% year-over-year. Adjusted EBITDA of Atlantis Sanya operation was RMB282.4 million for the six months ended 30 June 2019, compared to RMB249.6 million losses for the six months ended 30 June 2018.

The adjusted EBITDA of tourism-related property sales in the first six months of 2019 was RMB458.6 million before net off unallocated expenses, mainly due to the delivery of pre-sold Tang Residence units.

Adjusted Net Profit/(loss)

	For the six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
Net Profit/(loss)	**502,348**	(134,614)
Add:		
Interest to related companies prior to reorganization[1]	**–**	30,190
Equity-settled share-based payments	**36,726**	34,044
Listing expenses	**–**	17,062
Adjusted Net Profit/(Loss)[2][3]	**539,164**	(53,318)

Notes:

(1) Interest to related companies included the interest on convertible bonds and convertible redeemable preferred shares of Fidelidade which was settled in May 2018.

(2) Adjusted Net Profit for the six months ended 30 June 2018 included the preparation and operation costs of RMB187.2 million related to Atlantis Sanya before the official opening in April 2018.

(3) With the adoption of IFRS 16, adjusted net profit/(loss) decreased by RMB53.4 million for the the six months ended 30 June 2019.

CAPITAL EXPENDITURES

Our major capital expenditures primarily consist of expenditures to land use rights and property, plant and equipment. We funded our capital expenditures from our internal resources, proceeds from share offerings, bank borrowings, finance leases, and related company loans. The amount of capital expenditures of the Group for the first six months ended 30 June 2018 and 2019 was RMB713.4 million and RMB567.9 million, respectively. The capital expenditures incurred in the first half of 2018 included the capital expenditure for Atlantis Sanya which is completed in 2018 and IT tools and HR tools upgrade of Club Med. The capital expenditure incurred in the first half of 2019 mainly related to capital expenditures in tourism destination projects, upgrade or renovation of existing resorts, and investments in digital technology.

INDEBTEDNESS, LIQUIDITY AND FINANCIAL RESOURCES OF THE GROUP

Our Group funds our investments and operations principally with cash generated from our operations, bank and other borrowings, funds raised from the capital market, related party borrowings and capital investments by our Controlling Shareholders.

Our indebtedness included interest-bearing bank borrowings, convertible bonds, convertible redeemable preferred shares, finance lease payable and lease liabilities. As of 30 June 2019, the total debt of the Group was RMB13,799.3 million, excluding the adoption impact of IFRS 16, which increased lease liabilities of RMB7,928.2 million, the total debt without IFRS 16 of the Group was RMB5,871.1 million, representing a decrease from RMB6,000.0 million as at 31 December 2018. As at 30 June 2019, debt of the Group over one year accounted for 86.8% of total debt, without IFRS 16 only 83.0% of total debt over one year, as opposed to 87.3% as at 31 December 2018. As at 30 June 2019, cash and cash equivalents was RMB1,715.3 million, compared with RMB1,875.0 million as at 31 December 2018, reflecting our healthy financing structure.

As of 30 June 2019, the total amount of our interest-bearing bank borrowings was RMB5,359.2 million, our available banking facilities are amounted to RMB7,971.0 million in total.

The original denomination of the Group's debt without IFRS 16 as well as cash and cash equivalents by currencies, equivalent in RMB, as at 30 June 2019, is summarized as follows:

Total debt

	For the six months ended 30 June 2019	
	RMB'000	%
RMB	**2,738,752**	**46.6%**
EUR	**2,578,427**	**43.9%**
USD	**479,854**	**8.2%**
Others	**74,046**	**1.3%**

Cash and cash equivalents

	For the six months ended 30 June 2019	
	RMB'000	%
RMB	**402,932**	**23.5%**
USD	**396,246**	**23.1%**
BRL	**245,390**	**14.3%**
HKD	**230,795**	**13.5%**
EUR	**172,054**	**10.0%**
Others	**267,838**	**15.6%**

To stabilize interest expenses, our Group endeavored to maintain appropriate borrowings at fixed interest rates and floating interest rates. We made timely adjustment to the debt structure according to the interest rate policy, seeking to optimize the interest rate level. As at 30 June 2019, 32.8% of the Group's total borrowings bore interest at a fixed interest rate.

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. Our Directors confirm that we complied with all material covenants under our loan agreements during the Reporting Period and up to 30 June 2019.

On 8 August 2019, the improvements of Club Med financial performance allowed the Company to successfully refinance leveraged buy-out debt to corporate debt with significant reduction in interest margin.

THE MATURITY PROFILE OF OUTSTANDING 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.

Outstanding borrowings classified by year of maturity as at 30 June 2019 are as follows: 18.6% of the outstanding borrowings is within one year, 10.1% of that is in the second year and 53.3% of that is in the third to fifth year, including 18.1% of that is over five years.

CAPITAL STRUCTURE

The Company continued to maintain a healthy and sound financial position. Our total assets increased from RMB29,532.3 million as of 31 December 2018 to RMB35,378.1 million as of 30 June 2019, and our total liabilities increased from RMB21,217.1 million as of 31 December 2018 to RMB26,816.2 million as of 30 June 2019.

Our current ratio decreased from 0.7 as of 31 December 2018 to 0.6 as of 30 June 2019 primarily due to decrease in the completed properties for sales and contract liabilities and increase in lease liability.

Our gearing ratio increased from 14.0% as of 31 December 2018 to 34.2% as of 30 June 2019 primarily due to increase in lease liability after the implementation of IFRS 16. Gearing ratio without accounting treatment of IFRS 16 would be 15.1% as of 30 June 2019.

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

PLEDGED ASSETS

As at 30 June 2019, the Group had pledged assets of RMB5,846.3 million (31 December 2018: RMB6,021.8 million) for bank borrowings. The decrease mainly due to (i) we have replaced certain part of bank borrowings with pledged assets by credit loan, and (ii) the completed properties for sales of Tang Residence transferred to our customers therefore the corresponding assets pledge released. Details of pledged assets are set out in note 13 to financial statements.

CASH FLOW

As of 30 June 2019, we had cash and cash equivalents of approximately RMB1,715.3 million. The following table set outs our cash flows for the periods indicated:

	For the six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
Net cash flows generated from operating activities	**1,347,843**	198,057
Net cash flows used in investing activities	**(807,676)**	(497,141)
Net cash flows (used in)/generated from financing activities	**(699,406)**	715,997
Cash and cash equivalents at end of the year	**1,715,255**	1,393,667

Cash flows generated from operating activities

Our net cash generated from operating activities of RMB1,347.8[1] million for the six months ended 30 June 2019, reflects our profit before income tax of RMB819.3 million, as adjusted by (A) the adding back of certain non-cash or non-operating items such as depreciation and amortization of RMB922.4 million, interest expenses of RMB385.5 million, and equity-settled share-based payment RMB36.7 million; (B) changes in working capital including (i) a net impact of the decrease in both contract liabilities and completed properties for sale of RMB723.0 million, mainly due to the delivery of Tang Residence units, and (ii) a decrease in other payables and accruals of RMB244.0 million, mainly reflecting the winter to summer seasonal decrease of advances from customers, which were partially offset by (i) a decrease in restricted cash of RMB227.7 million mainly due to the bank deposits decreased for construction of Atlantis Sanya and Tang Residence while almost completion of the construction, and (ii) an decrease in trade receivables of RMB171.7 million mainly due to receivables collection of Tang Residence and winter to summer seasonal fluctuation of resorts business; and (C) income tax paid of RMB255.6 million.

Cash flows used in investing activities

For the six months ended 30 June 2019, our net cash used in investing activities of RMB807.7 million, primarily reflects (i) RMB430.3 million in purchases of property, plant, and equipment items, mainly for capital expenditures in tourism destination projects, upgrade or renovation of existing resorts, and investments in digital technology, (ii) RMB198.9 million in purchases of financial assets at fair value through other comprehensive income, and (iii) RMB137.6 million in purchases of intangible assets, mainly for investments in software and IT solutions.

Cash flows used in financing activities

For the six months ended 30 June 2019, our net cash used in financing activities of RMB699.4 million, primarily reflects (i) payment of lease liabilities of RMB563.7 million; (ii) interest payment of RMB142.1 million, and (iii) net repayment of bank loans of RMB65.1 million, which mainly includes we aggregately obtained bank loans of RMB451.8 million and repaid RMB516.9 million, partially offset by funding from net IPO proceeds from partial exercise of the over-allotment option of RMB137.7 million.

1 With the adoption of IFRS 16, cash flow generated from operating activities increased of RMB563.7 million and cash flow used in financing activities also increased of RMB563.7 million for the six months ended 30 June 2019, mainly due to the lease payment reclassified from operating cash flow to financing cash flow.

Net current assets/(liabilities)

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

As of 30 June 2019, the total current assets was RMB7,900.9 million and the total current liabilities was RMB13,651.1 million. Our net current liabilities of RMB5,750.3 million as at 30 June 2019 were mainly the result of three factors. (i) We temporarily acquired part of our long-term assets from working capital to support the new tourism destination projects in the early stage. While our Taicang and Lijiang projects started the construction in 2019, we expect to obtain long-term loans related to project development within one year, to optimize our financial structure. (ii) The pre-sale of Tang Residence units and service obligation to provide the tourism operation services after receiving consideration from customers, which generated large amounts of current liabilities in the form of contract liabilities. The contract liabilities was RMB2,718.2 million as of 30 June 2019. When physical possession of the pre-sold Tang Residence units are transferred to their buyers and tourism operation services under the contract are rendered in 2019 and thereafter, the corresponding contract liabilities will be fully satisfied. The satisfaction of such contract liabilities does not require payment of cash by us. (iii) Adoption of IFRS 16 increased current lease liabilities of RMB824.7 million, which are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. Adoption of IFRS 16 only changed the accounting method of our lease contracts, the lease payment obligations and terms are the same as before, no additional contractual liabilities created after the adoption of the new IFRS.

We believe we have sufficient resources such as cash and cash equivalents, cash flow generated from operations, and available banking facilities to fund our future business. We expect our working capital position to improve as we generate more cash from our growing operations and settle contract liabilities.

LONG-TERM INVESTMENT MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

As of 31 December 2018 and 30 June 2019, our long-term investments measured at fair value through other comprehensive income were RMB309.4 million and RMB200.2 million, respectively. The change during the six months of 2019 was due to our acquisition of approximately 4.68% equity interest in Thomas Cook and the occurred loss of fair value change through other comprehensive income. As of 30 June 2019, the Group held 11.38% of Thomas Cook ‘s outstanding shares. The Acquisitions were made through the secondary market of the London Stock Exchange. We have funded this investment principally with cash generated from our operations.

In July 2019, the Group together with Thomas Cook’s core lending banks were considering a proposal made by Thomas Cook in relation to a possible recapitalization and separation of Thomas Cook. As of the date of the board meeting, there are ongoing discussions among the Group, Thomas Cook and Thomas Cook’s core lending banks on the key commercial principles on the proposal, including a substantial new capital investment as part of the proposal. The proposal is subject to certain conditions including performance conditions, due diligence, further discussion and reaching agreement with a range of Thomas Cook’s stakeholders (including the pension trustees, bondholders, other financial creditors), the approval of the Shareholders, and receipt of any regulatory and anti-trust clearances or approvals.

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 of RMB425.7 million as at 30 June 2019 comparing with RMB426.1 million as at 31 December 2018. Details of contingent liabilities are set out in note 16 to financial statements.

EXCHANGE RATE FLUCTUATION

The Group has resorts and commercial operations in over 40 countries and regions which are exposed to foreign exchange risk arising from various currency exposures. Major currencies for our commercial transaction included the Euro, U.S. dollar, British Pound, Hong Kong dollar and Canadian dollar. We engage 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. For the first six months ended 30 June, 2018 and 2019, we recorded foreign exchange gain of RMB32.3 million and RMB24.2 million respectively in other income and gains, net. In addition, we recorded loss of RMB138.1 million and gain of RMB7.5 million exchange difference on translation of foreign operations in exchange reserve in other comprehensive income for the first six months ended 30 June 2018 and 2019, respectively.

FINANCIAL 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 risks. 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 risks 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 RMB 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 currency swaps was assessed to be effective as of 30 June 2019.

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 2019 and 31 December 2018, approximately 33% and 34% 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 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 and principal amount of the interest-floating borrowings and changes in variable rates which are generally based on the Europe Interbank Offered Rate. In addition, we have entered into interest rate swaptions to manage interest rate exposures on borrowings. These interest rate swaptions are not designated for hedge purposes and are measured at fair value through profit or loss. 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, 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 2019 and 31 December 2018, 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, convertible bonds and convertible redeemable preferred shares. 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 maximise 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.

RECENT DEVELOPMENT OF THE COMPANY

Recent development of the Company is set out in note 19 and the “Business Overview and Outlook” in this interim report.

INTERIM DIVIDEND

On 19 August 2019, the Board declared an interim dividend of HKD0.07 (six months ended 30 June 2018: Nil) per ordinary share, amounting to a total of approximately HKD86,345,000 (equivalent to approximately RMB77,435,000).

FORWARD-LOOKING STATEMENTS

This interim 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 on future events and they involve known and unknown risks and uncertainties, which may cause actual results, performance or development of the situation to differ materially from the situation expressed or implied by these statements.

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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 36 to 70, which comprises the condensed consolidated statement of financial position of Fosun Tourism Group (the "Company") and its subsidiaries (the "Group") as at 30 June 2019 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 other 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 ("IASB"). 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 ("HKICPA"). 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
19 August 2019

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2019

	Notes	2019 RMB'000 (Unaudited)	2018 RMB'000 (Audited)
REVENUE	4	**9,062,701**	6,667,416
Cost of revenue		**(6,047,030)**	(4,868,914)
Gross profit		**3,015,671**	1,798,502
Other income and gains, net	5	**3,446**	39,530
Selling and marketing expenses		**(1,203,422)**	(1,167,730)
General and administrative expenses		**(613,684)**	(655,740)
Operating profit		**1,202,011**	14,562
Finance costs	6	**(385,522)**	(198,818)
Share of profits and losses of:			
A joint venture		**–**	(3,435)
Associates		**2,792**	1,607
PROFIT/(LOSS) BEFORE INCOME TAX	7	**819,281**	(186,084)
Income tax (expense)/credit	8	**(316,843)**	51,470
PROFIT/(LOSS) FOR THE PERIOD		**502,438**	(134,614)
Attributable to:			
Equity holders of the Company		**490,019**	(254,524)
Non-controlling interests		**12,419**	119,910
		502,438	(134,614)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic			
– For profit/(loss) for the period (RMB)	10	**0.40**	(0.25)
Diluted			
– For profit/(loss) for the period (RMB)	10	**0.39**	(0.25)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2019

	2019 RMB'000 (Unaudited)	2018 RMB'000 (Audited)
PROFIT/(LOSS) FOR THE PERIOD	**502,438**	(134,614)
OTHER COMPREHENSIVE INCOME		
Other comprehensive (loss)/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	**3,977**	20,422
Reclassification adjustments for (gains)/losses included in the consolidated statements of profit or loss	**(31,299)**	14,132
	(27,322)	34,554
Exchange differences on translation of foreign operations	**7,547**	(138,144)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	**(19,775)**	(103,590)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Actuarial reserve relating to employee benefits	**(29,524)**	(246)
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	**(308,689)**	(147,625)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	**(338,213)**	(147,871)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX	**(357,988)**	(251,461)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	**144,450**	(386,075)
Attributable to:		
Equity holders of the Company	**105,717**	(448,013)
Non-controlling interests	**38,733**	61,938
	144,450	(386,075)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2019

	Notes	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	11	**10,203,892**	10,153,134
Right-of-use assets		**9,881,934**	–
Prepaid land lease payments		**–**	1,339,883
Intangible assets		**2,609,942**	2,624,720
Goodwill		**1,730,637**	1,737,345
Investments in associates		**189,740**	158,586
Financial assets at fair value through profit or loss		**393,361**	363,845
Equity investments designated at fair value through other comprehensive income		**200,171**	309,438
Properties under development		**1,679,857**	1,124,014
Due from related companies		**1,321**	20,400
Prepayments, other receivables and other assets		**312,957**	1,556,763
Deferred tax assets		**273,416**	241,978
Total non-current assets		**27,477,228**	19,630,106
CURRENT ASSETS			
Inventories		**167,767**	178,640
Completed properties for sale		**211,898**	1,243,892
Properties under development		**1,107,847**	1,046,604
Trade receivables	12	**595,827**	772,353
Contract assets and other assets		**38,397**	59,313
Prepayments, other receivables and other assets		**2,013,633**	2,450,631
Due from related companies		**1,963,210**	1,933,349
Derivative financial instruments		**26,984**	54,664
Restricted cash		**60,045**	287,791
Cash and cash equivalents		**1,715,255**	1,874,998
Total current assets		**7,900,863**	9,902,235

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	Notes	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
CURRENT LIABILITIES			
Interest-bearing bank borrowings	13	**995,933**	752,377
Contract liabilities		**2,718,224**	4,434,605
Trade payables	14	**1,913,713**	1,870,767
Accrued liabilities and other payables		**4,455,253**	4,742,855
Tax payable		**748,155**	730,616
Lease liabilities		**824,677**	–
Finance lease payables		**–**	6,647
Due to related companies		**1,946,415**	1,975,348
Derivative financial instruments		**48,770**	49,516
Total current liabilities		**13,651,140**	14,562,731
NET CURRENT LIABILITIES		**(5,750,277)**	(4,660,496)
TOTAL ASSETS LESS CURRENT LIABILITIES		**21,726,951**	14,969,610
NON-CURRENT LIABILITIES			
Convertible redeemable preferred shares		**169,085**	163,136
Convertible bonds		**342,745**	330,369
Interest-bearing bank borrowings	13	**4,363,316**	4,674,114
Lease liabilities		**7,103,518**	–
Finance lease payables		**–**	73,372
Deferred income		**117,255**	120,720
Other long-term payables		**431,655**	589,646
Deferred tax liabilities		**637,445**	703,055
Total non-current liabilities		**13,165,019**	6,654,412
Net assets		**8,561,932**	8,315,198
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**182**	174
Reserves		**8,249,127**	8,036,866
		8,249,309	8,037,040
Non-controlling interests		**312,623**	278,158
Total equity		**8,561,932**	8,315,198

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2019

		Attributable to equity holders of the Company										
	Notes	Issued share capital RMB'000	Share premium* RMB'000	Statutory surplus reserve* RMB'000	Fair value reserve* RMB'000	Capital and other reserve* RMB'000	Merger reserve* RMB'000	Exchange fluctuation reserve* RMB'000	Accumulated losses* RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2019 (audited)		174	11,086,016	7,384	(768,932)	(762,504)	(159,274)	(369,263)	(996,561)	8,037,040	278,158	8,315,198
Profit for the period		–	–	–	–	–	–	–	490,019	490,019	12,419	502,438
Net changes in fair value of equity investments measured at fair value through other comprehensive income		–	–	–	(303,349)	–	–	–	–	(303,349)	(5,340)	(308,689)
Exchange differences on translation of foreign operations		–	–	–	–	–	–	(31,799)	–	(31,799)	39,346	7,547
Cash flow hedges, net of tax		–	–	–	–	(23,625)	–	–	–	(23,625)	(3,697)	(27,322)
Actuarial reserve relating to employee benefits, net of tax		–	–	–	–	(25,529)	–	–	–	(25,529)	(3,995)	(29,524)
Total comprehensive income for the period		–	–	–	(303,349)	(49,154)	–	(31,799)	490,019	105,717	38,733	144,450
Issue of shares	(i)	8	137,188	–	–	–	–	–	–	137,196	–	137,196
Dividends paid to non-controlling shareholders of subsidiaries		–	–	–	–	–	–	–	–	–	(15,350)	(15,350)
Equity-settled share-based payments	(ii)	–	575	–	–	36,521	–	–	–	37,096	–	37,096
Acquisition of additional interests in subsidiaries		–	–	–	–	(807)	–	–	–	(807)	457	(350)
Reclassification of non-controlling interests to liabilities as if the acquisition took place due to put options granted to non-controlling shareholders of a subsidiary		–	–	–	–	(66,933)	–	–	–	(66,933)	10,625	(56,308)
At 30 June 2019 (unaudited)		182	11,223,779	7,384	(1,072,281)	(842,877)	(159,274)	(401,062)	(506,542)	8,249,309	312,623	8,561,932

*: These reserve accounts comprise the consolidated other reserves of RMB8,249,127,000 in the interim condensed consolidated statement of financial position.

Notes:

(i) On 4 January 2019, the Company issued and allotted 10,332,600 shares at HKD15.60 per share due to the partial exercise of the over-allotment option. An amount of RMB8,000 was credited as issued and fully paid share capital and the remaining amount of RMB137,188,000 was credited to share premium.

(ii) According to the share option scheme of the Company, 51,210 shares were issued at the exercise price of HKD8.43 per share due to the exercise of the share option during the six months ended 30 June 2019. An amount of RMB575,000 was credited to share premium and an amount of RMB205,000 was transferred out from capital and other reserve.

The expenses recognized for the share-based payments amounted to RMB36,726,000 and were credited to capital and other reserve during the six months ended 30 June 2019.

		Attributable to equity holders of the Company									
	Notes	Issued share capital RMB'000	Share premium* RMB'000	Fair value reserve* RMB'000	Capital and other reserve* RMB'000	Merger reserve* RMB'000	Exchange fluctuation reserve* RMB'000	Accumulated losses* RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2018 (audited)		–	6,816,506	(12,257)	(404,847)	(157,474)	(326,820)	(1,297,618)	4,617,490	(70,001)	4,547,489
Loss for the period		–	–	–	–	–	–	(254,524)	(254,524)	119,910	(134,614)
Net changes in fair value of equity investments measured at fair value through other comprehensive income		–	–	(100,938)	–	–	–	–	(100,938)	(46,687)	(147,625)
Exchange differences on translation of foreign operations		–	–	–	–	–	(116,009)	–	(116,009)	(22,135)	(138,144)
Cash flow hedges, net of tax		–	–	–	23,626	–	–	–	23,626	10,928	34,554
Actuarial reserve relating to employee benefits, net of tax		–	–	–	(168)	–	–	–	(168)	(78)	(246)
Total comprehensive income for the period		–	–	(100,938)	23,458	–	(116,009)	(254,524)	(448,013)	61,938	(386,075)
Issue of shares	(i)	–	1,346,426	–	–	–	–	–	1,346,426	–	1,346,426
Issue of restricted shares under share ownership plan	(ii)	7	61,337	–	(61,344)	–	–	–	–	–	–
Equity-settled share-based payments	(ii)	–	–	–	34,044	–	–	–	34,044	–	34,044
Dividends paid to non-controlling shareholders of subsidiaries		–	–	–	–	–	–	–	–	(22,251)	(22,251)
Deemed contribution from the ultimate controlling shareholder		–	–	–	–	1,000	–	–	1,000	–	1,000
Deemed distribution to the ultimate controlling shareholder		–	–	–	–	(2,800)	–	–	(2,800)	–	(2,800)
Acquisition of additional equity interests of a subsidiary		–	–	(30,217)	(201,500)	–	(94,527)	–	(326,244)	324,077	(2,167)
Capital contribution from non-controlling shareholders of subsidiaries		–	–	–	–	–	–	–	–	5,773	5,773
Reclassification of non-controlling interests to liabilities as if the acquisition took place due to put options granted to non-controlling shareholders of a subsidiary		–	–	–	(112,537)	–	–	–	(112,537)	(36,867)	(149,404)
At 30 June 2018 (audited)		7	8,224,269	(143,412)	(722,726)	(159,274)	(537,356)	(1,552,142)	5,109,366	262,669	5,372,035

*: These reserve accounts comprise the consolidated other reserves of RMB5,109,359,000.

Notes:

(i) On 25 April 2018, 2 shares at a par value of EUR0.0001 each were allotted and issued to the controlling shareholder of the Company (the "Controlling Shareholder"), at a consideration of HKD19,319,788 (equivalent to RMB15,441,000) and EUR173,499,642 (equivalent to RMB1,330,985,000) for each share respectively. The total consideration exceeding the nominal amount of the issued share capital amounting to RMB1,346,426,000 was recorded in share premium of the Company.

(ii) On 18 June 2018, 9,038,501 shares were allotted and issued to eligible participants at a consideration of HKD8.05 per share under the share ownership plan. The total consideration was HKD72,759,933 (equivalent to RMB61,344,000). The consideration amount exceeding the share capital was included in share premium. The repurchase obligation of the Company for the restricted shares issued was recognised as a liability and debited to capital and other reserve.

The expenses recognised for the share-based payments during the six months ended 30 June 2018 amounted to RMB34,044,000 and were credited to capital and other reserve.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2019

	2019 RMB'000 (Unaudited)	2018 RMB'000 (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	**1,603,470**	544,800
Income tax paid	**(255,627)**	(346,743)
NET CASH FLOWS GENERATED FROM OPERATING ACTIVITIES	**1,347,843**	198,057
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of items of property, plant and equipment	**(430,292)**	(594,234)
Purchase of intangible assets	**(137,597)**	(119,202)
Purchase of investments measured at fair value	**(226,451)**	–
Proceeds from disposal of investments measured at fair value	**–**	141,433
Increase of prepaid land lease payments	**–**	(309)
Proceeds from disposal of intangible assets	**–**	16,435
Proceeds from disposal of items of property, plant and equipment	**3,345**	67,674
Purchase of equity interests of an associate	**(24,002)**	–
Government grant received related to items of property, plant and equipment	**–**	1,884
Loan to a related party	**–**	(20,400)
Interest received	**7,321**	9,578
NET CASH FLOWS USED IN INVESTING ACTIVITIES	**(807,676)**	(497,141)

continued/...

	2019 RMB'000 (Unaudited)	2018 RMB'000 (Audited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital contribution from non-controlling shareholders of subsidiaries	–	5,773
Deemed contribution from subsidiaries of the ultimate controlling shareholder	–	1,000
Deemed contribution to subsidiaries of the ultimate controlling shareholder	–	(2,800)
Proceeds from issue of shares due to the exercise of the over-allotment option	137,672	–
Payment of listing expenses of the initial public offering	(26,112)	–
Proceeds from issue of shares of the Company due to the exercise of the share options	370	–
New bank and other borrowings	451,794	460,000
Repayment of bank and other borrowings	(516,912)	(495,926)
Redemption of convertible bonds	–	(73,001)
Redemption of preference shares	–	(36,074)
Acquisition of additional interests in subsidiaries	(350)	(2,167)
Principal portion of lease payments	(563,733)	–
Funding (provided to)/received from related companies	(24,692)	1,040,149
Dividends paid to non-controlling shareholders of subsidiaries	(15,350)	(22,251)
Interest paid	(142,093)	(158,706)
NET CASH FLOWS (USED IN)/GENERATED FROM FINANCING ACTIVITIES	(699,406)	715,997
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(159,239)	416,913
Net foreign exchange differences	(504)	(12,969)
Cash and cash equivalents at beginning of the period	1,874,998	989,723
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	1,715,255	1,393,667

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2019

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 primarily engaged in the provision of pioneering and family-focused tourism and leisure solutions. The principal business activities are:

- Resorts
- 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, 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 2019 has been prepared in accordance with 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 2018.

The Group has net current liabilities of RMB5,750,277,000 as at 30 June 2019. Having taken into account of the expected cash flows from operating and financing activities and the fact that the contract liabilities included in current liabilities in the amount of RMB2,718,224,000 at 30 June 2019 will be recognised as revenue and not result in cash outflows in the next twelve months from the end of the period, 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 2018, except for the adoption of the new standards amendments effective as of 1 January 2019 as follows:

Amendments to IFRS 9	*Prepayment Features with Negative Compensation*
IFRS 16	*Leases*
Amendments to IAS 19	*Plan Amendment, Curtailment or Settlement*
Amendments to IAS 28	*Long-term Interests in Associates and Joint Ventures*
IFRIC Interpretation 23	*Uncertainty over Income Tax Treatments*
Annual Improvements 2015-2017 Cycle	Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23

The Group has applied, for the first time, IFRS 16 *Leases*, Amendments to IAS 28 *Long-term Interests in Associates and Joint Ventures* and IFRIC-Int 23 *Uncertainty over Income Tax Treatments*. The nature and impact of the new and revised IFRSs are described below.

Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the interim condensed consolidated financial statements of the Group.

(a) IFRS 16 replaces IAS 17 *Leases*, IFRIC-Int 4 *Determining whether an Arrangement contains a Lease*, SIC-Int 15 *Operating Leases – Incentives* and SIC-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have any financial impact on leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2019, and the comparative information for 2018 was not restated and continues to be reported under IAS 17.

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

(a) Adoption of IFRS 16 *(continued)*

New definition of a lease

Under IFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC-Int 4 at the date of initial application. Contracts that were not identified as leases under IAS 17 and IFRIC-Int 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their stand-alone prices.

As a lessee – Leases previously classified as operating leases

Nature of the effect of adoption of IFRS 16

The Group has lease contracts for various items of buildings, machinery and furniture, fixture and other equipment. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under IFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low-value assets (elected on a lease by lease basis) and short-term leases (elected by class of underlying asset). The Group has elected not to recognise right-of-use assets and lease liabilities for (i) leases of low-value assets (e.g., vehicles and furniture); and (ii) leases, that at the commencement date, have a lease term of 12 months or less. Instead, the Group recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

Impacts on transition

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019 and presented separately in the statement of financial position.

The right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 January 2019. All these assets were assessed for any impairment based on IAS 36 on that date. The Group elected to present the right-of-use assets separately in the statement of financial position. This includes the lease assets recognised previously under finance leases of RMB68,260,000 that were reclassified from property, plant and equipment.

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

(a) Adoption of IFRS 16 *(continued)*

As a lessee – Leases previously classified as operating leases *(continued)*

Impacts on transition (continued)

The Group has used the following elective practical expedients when applying IFRS 16 at 1 January 2019:

- Applied the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application
- Used hindsight in determining the lease term where the contract contains options to extend/terminate the lease
- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics
- Excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application

The impacts arising from the adoption of IFRS 16 as at 1 January 2019 are as follows:

	Increase/(decrease) RMB'000 (Unaudited)
Assets	
Increase in right-of-use assets	9,581,802
Decrease in property, plant and equipment	(68,260)
Decrease in intangible assets	(65,964)
Decrease in prepaid land lease payments	(1,339,883)
Decrease in the current portion of prepaid land lease payments in prepayments, other receivables and other assets	(34,663)
Decrease in prepayments, other receivables and other assets	(165,933)
Increase in total assets	7,907,099
Liabilities	
Increase in lease liabilities	8,200,588
Decrease in trade payables	(17,897)
Decrease in accrued liabilities and other payables	(1,988)
Decrease in other long-term payables	(193,585)
Decrease in finance lease payables	(80,019)
Increase in total liabilities	7,907,099

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

(a) Adoption of IFRS 16 *(continued)*

As a lessee – Leases previously classified as operating leases *(continued)*

Impacts on transition (continued)

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 are as follows:

	RMB'000 (Unaudited)
Operating lease commitments as at 31 December 2018	13,853,114
Less: Operating lease commitments for signed lease contract of which the lease terms were not started at 1 January 2019	(3,297,560)
Commitments relating to short-term leases and low-value leases	(10,158)
Add: Payments in optional extension periods not recognised as at 31 December 2018	570,342
Operating lease commitments as at 31 December 2018	11,115,738
Weighted average incremental borrowing rate as at 1 January 2019	5.77%
Discounted operating lease commitments as at 1 January 2019	8,120,569
Add: Commitments relating to leases previously classified as finance leases	80,019
Lease liabilities as at 1 January 2019	8,200,588

Summary of new accounting policies

The accounting policy for leases as disclosed in the annual financial statements for the year ended 31 December 2018 is replaced with the following new accounting policies upon adoption of IFRS 16 from 1 January 2019:

Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. When the right-of-use assets relate to interests in leasehold land held as inventories, they are subsequently measured at the lower of cost and net realisable value in accordance with the Group's policy for "inventories". The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term.

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

(a) Adoption of IFRS 16 *(continued)*

Summary of new accounting policies *(continued)*

Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

Amounts recognised in the interim condensed consolidated statement of financial position and profit or loss

The carrying amounts of the Group's right-of-use assets and lease liabilities, and the movement during the period are as follows:

	Right-of-use assets					
	Land RMB'000	Buildings RMB'000	Machinery RMB'000	Furniture, fixtures and other equipment RMB'000	Subtotal RMB'000	Lease liabilities RMB'000
As at 1 January 2019	1,374,546	8,111,089	78,088	18,079	9,581,802	8,200,588
Additions	740,750	114,908	1,817	2,751	860,226	114,195
Depreciation charge	(27,301)	(474,372)	(6,901)	(4,669)	(513,243)	–
Disposal	–	(11,771)	–	(406)	(12,177)	–
Interest expense	–	–	–	–	–	206,626
Payments	–	–	–	–	–	(563,733)
Exchange alignment	–	(34,593)	(258)	177	(34,674)	(29,481)
As at 30 June 2019	2,087,995	7,705,261	72,746	15,932	9,881,934	7,928,195

The Group recognised rental expenses from short-term leases and low-value assets of RMB39,119,000 and variable lease payments not based on index or rate of RMB22,056,000 for the six months ended 30 June 2019.

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

(b) IFRIC-Int 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of IAS 12 (often referred to as “uncertain tax positions”). The interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation did not have any significant impact on the Group’s interim condensed consolidated financial information.

(c) Amendments to IAS 28 clarify that the scope exclusion of IFRS 9 only includes interests in an associate or joint venture to which the equity method is applied and does not include long-term interests that in substance form part of the net investment in the associate or joint venture, to which the equity method has not been applied. Therefore, an entity applies IFRS 9, rather than IAS 28, including the impairment requirements under IFRS 9, in accounting for such long-term interests. IAS 28 is then applied to the net investment, which includes the long-term interests, only in the context of recognising losses of an associate or joint venture and impairment of the net investment in the associate or joint venture. The amendments did not have any impact on the Group’s interim condensed consolidated financial information.

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:

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

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

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

3. OPERATING SEGMENT INFORMATION *(continued)*

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment operating profits which 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 2019

	Resorts 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	6,577,106	2,404,934	80,661	–	9,062,701
Intersegment sales	25,975	28,899	4,929	(59,803)	–
Total revenue	6,603,081	2,433,833	85,590	(59,803)	9,062,701
Segment operating profit	561,324	762,276	(32,951)	–	1,290,649
Unallocated expenses*					(88,638)
Total operating profit					1,202,011
Finance costs					(385,522)
Share of profits and losses of associates					2,792
Profit before income tax					819,281

3. OPERATING SEGMENT INFORMATION *(continued)*

Six months ended 30 June 2018

	Resorts RMB'000 (Audited)	Tourism destinations RMB'000 (Audited)	Services and solutions in various tourism and leisure settings RMB'000 (Audited)	Eliminations RMB'000 (Audited)	Total RMB'000 (Audited)
Segment revenue					
External customers	6,368,570	216,557	82,289	–	6,667,416
Intersegment sales	–	–	425	(425)	–
Total revenue	6,368,570	216,557	82,714	(425)	6,667,416
Segment operating profit/(loss)	436,747	(360,963)	2,484	–	78,268
Unallocated expenses*					(63,706)
Total operating profit					14,562
Finance costs					(198,818)
Share of profits and losses of joint ventures					(3,435)
Share of profits and losses of associates					1,607
Loss before income tax					(186,084)

*: The unallocated expenses for the six months ended 30 June 2019 mainly represented the equity-settled share-based payment expenses and other employee benefit expenses (six months ended 30 June 2018: mainly represented the equity-settled share-based payment expenses and listing expenses).

Geographical information

	For the six months ended 30 June 2019 RMB'000 (Unaudited)	2018 RMB'000 (Audited)
Revenue from external customers		
Europe, Middle East and Africa	**4,215,624**	4,218,995
America	**1,453,683**	1,275,640
Asia Pacific	**3,393,394**	1,172,781
	9,062,701	6,667,416

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	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Revenue from contracts with customers		
Resorts and destination operation	**5,997,090**	5,396,340
Tourism-related property sales and construction services	**1,766,547**	18,730
Tourism and leisure services and solutions	**1,299,064**	1,252,346
	9,062,701	6,667,416

(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 2019

Segments	Resorts 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)
Type of goods or services					
Resorts and destination operation	5,378,834	673,130	–	(54,874)	5,997,090
Tourism-related property sales and construction services	5,844	1,760,703	–	–	1,766,547
Tourism and leisure services and solutions	1,218,403	–	85,590	(4,929)	1,299,064
	6,603,081	2,433,833	85,590	(59,803)	9,062,701
Intersegment sales	(25,975)	(28,899)	(4,929)	59,803	–
Total revenue from contracts with customers	6,577,106	2,404,934	80,661	–	9,062,701
Timing of revenue recognition					
Goods transferred at a point in time	–	1,760,705	930	(20)	1,761,615
Services transferred over time	6,603,081	673,128	84,660	(59,783)	7,301,086
	6,603,081	2,433,833	85,590	(59,803)	9,062,701
Intersegment sales	(25,975)	(28,899)	(4,929)	59,803	–
Total revenue from contracts with customers	6,577,106	2,404,934	80,661	–	9,062,701

4. REVENUE *(continued)*

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

For the period ended 30 June 2018

Segments	Resorts RMB'000 (Audited)	Tourism destinations RMB'000 (Audited)	Services and solutions in various tourism and leisure settings RMB'000 (Audited)	Eliminations RMB'000 (Audited)	Total RMB'000 (Audited)
Type of goods or services					
Resorts and destination operation	5,179,783	216,557	–	–	5,396,340
Tourism-related property sales and construction services	18,730	–	–	–	18,730
Tourism and leisure services and solutions	1,170,057	–	82,714	(425)	1,252,346
	6,368,570	216,557	82,714	(425)	6,667,416
Intersegment sales	–	–	(425)	425	–
Total revenue from contracts with customers	6,368,570	216,557	82,289	–	6,667,416
Timing of revenue recognition					
Services transferred over time	6,368,570	216,557	82,714	(425)	6,667,416
	6,368,570	216,557	82,714	(425)	6,667,416
Intersegment sales	–	–	(425)	425	–
Total revenue from contracts with customers	6,368,570	216,557	82,289	–	6,667,416

5. OTHER INCOME AND GAINS, NET

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

	For the six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Other income		
Interest income	**7,321**	12,615
Government grants	**18,896**	2,690
Compensation and indemnity	**–**	7,904
Others	**17,212**	1,625
	43,429	24,834
Gains		
Gain on disposal of items of property, plant and equipment	**1,438**	25,830
Gain on the fair value change of investments measured at fair value through profit or loss	**3,290**	7,868
Gain on reversal of provisions relating to:		
– Resort closure costs	***2,555***	*19,239*
– Litigation claims	***7,037***	*41,519*
Exchange gain, net	**24,197**	32,318
	38,517	126,774
Other income and gains	**81,946**	151,608
Other expenses		
Compensation costs relating to employees	**(20,409)**	(39,699)
Provision for litigation, including tax related	**(23,328)**	–
Provision for resort closure costs	**(545)**	(19,071)
Impairment loss on:		
– Intangible assets	***(5,140)***	*(15,800)*
– Property, plant and equipment	***(1,148)***	*(25,414)*
Others	**(27,930)**	(12,094)
Other expenses	**(78,500)**	(112,078)
Other income and gains, net	**3,446**	39,530

6. FINANCE COSTS

	For the six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Interest on bank borrowings	**139,994**	154,373
Interest on loans from related companies	**180**	180
Interest expense arising from revenue contracts	**38,572**	88,553
Interest on convertible bonds	**13,058**	33,065
Interest on convertible redeemable preferred shares	**6,743**	16,249
Interest on lease liabilities	**206,626**	–
Interest on finance leases	**–**	1,876
Bank charges and other financial costs	**2,099**	3,991
	407,272	298,287
Less: Interest capitalised	**21,750**	99,469
Total finance costs	**385,522**	198,818

7. PROFIT/(LOSS) BEFORE INCOME TAX

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

		For the six months ended 30 June	
		2019	2018
		RMB'000	RMB'000
	Notes	**(Unaudited)**	(Audited)
Cost of revenue		**6,047,030**	4,868,914
Depreciation of property, plant and equipment	11	**354,709**	303,115
Amortisation of prepaid land lease payments		**–**	11,110
Amortisation of intangible assets		**55,042**	46,962
Depreciation of right-of-use assets		**513,243**	–
Impairment of financial and contract assets and other assets:			
Impairment of trade receivables		***4,861***	*2,302*
Impairment/(reversal) of impairment of financial assets included in prepayments, other receivables and other assets		***154***	*(561)*
Provision/(reversal) of provision for inventories		**1,625**	(349)
Provision for impairment of items of property, plant and equipment	5	**1,148**	25,414
Provision for impairment of intangible assets	5	**5,140**	15,800
Fair value gain on financial assets at fair value through profit or loss	5	**(3,290)**	(7,868)
Fair value loss on derivative instruments, net		**23**	3,513
Operating rental expenses		**–**	676,625
Exchange gain, net	5	**(24,197)**	(32,318)
Gain on disposal of items of property, plant and equipment	5	**(1,438)**	(25,830)

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.

		For the six months ended 30 June	
		2019	2018
		RMB'000	RMB'000
	Notes	**(Unaudited)**	(Audited)
Current – France and others	(1)	**76,840**	63,231
Current – Mainland China			
Income tax in Mainland China for the period	(2)	**167,242**	70
Land appreciation tax ("LAT") in Mainland China for the period	(3)	**170,310**	–
Deferred		**(97,549)**	(114,771)
Income tax expense/(credit) for the period		**316,843**	(51,470)

Notes:

(1) The provision for income tax of Club Med Holding ("CMH") and its subsidiaries incorporated in France in the six months ended 30 June 2019 was based on a rate of 34.43% (six months ended 30 June 2018: 34.43%).

(2) The provision for Mainland China current income tax is based on the statutory rate of 25% (six months ended 30 June 2018: 25%) of the assessable profits for the six months ended 30 June 2019 of the Group as determined in accordance with the PRC Corporate Income Tax Law, which was approved and became effective on 1 January 2008.

(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

	For the six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Interim – HKD0.07 (2018: Nil) per ordinary share (Note)	**77,435**	–

Note:

On 19 August 2019, the board of directors declared an interim dividend of HKD0.07 (six months ended 30 June 2018: Nil) per ordinary share, amounting to a total of approximately HKD86,345,000 (equivalent to RMB77,435,000).

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

The calculation of the basic earnings/(loss) per share amount is based on the profit/(loss) for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,233,020,372 (six months ended 30 June 2018: 1,000,000,001) in issue during the period.

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

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

	For the six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Earnings/(loss)		
Profit/(loss) attributable to ordinary equity holders of the Company, used in the basic and diluted earnings/(loss) per share calculations	**490,019**	(254,524)

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

	Number of shares For the six months ended 30 June	
	2019	2018
	(Unaudited)	(Audited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings/(loss) per share calculation	**1,233,020,372**	1,000,000,001
Effect of dilution – weighted average number of ordinary shares:		
– Share ownership plan	**1,864,963**	1,674,626
– Share option scheme	**6,057,161**	–
Weighted average number of ordinary shares used in the calculation of diluted earnings/(loss) per share	**1,240,942,495**	1,001,674,627
Basic earnings/(loss) per share (RMB)	**0.40**	(0.25)
Diluted earnings/(loss) per share (RMB)	**0.39**	(0.25)

11. PROPERTY, PLANT AND EQUIPMENT

	RMB'000
Carrying value at 31 December 2018 (audited)	10,153,134
Reclassification to right-of-use assets upon the adoption of IFRS 16	(68,260)
Carrying value at 1 January 2019	10,084,874
Additions	441,135
Disposals	(1,907)
Depreciation charge for the period	(354,709)
Impairment charge for the period	(1,148)
Exchange alignment	35,647
Carrying value at 30 June 2019 (unaudited)	10,203,892

As at 30 June 2019, the Group's property, plant and equipment with a net carrying value of RMB4,532,112,000 (31 December 2018: RMB4,427,004,000) were pledged as security for interest-bearing bank loans as set out in note 13 to the interim condensed consolidated financial information.

12. TRADE RECEIVABLES

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

	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
Outstanding balances with ages:		
Within 90 days	**539,468**	607,716
91 to 180 days	**30,955**	17,671
181 to 365 days	**25,404**	146,966
	595,827	772,353

13. INTEREST-BEARING BANK BORROWINGS

	Notes	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
Bank loans:			
Secured	(a)	**4,541,682**	4,846,695
Unsecured		**817,567**	579,796
		5,359,249	5,426,491
Repayable:			
Within one year		**995,933**	752,377
In the second year		**539,332**	480,001
In the third to fifth years, inclusive		**2,856,424**	2,931,799
Over five years		**967,560**	1,262,314
		5,359,249	5,426,491
Portion classified as current liabilities		**995,933**	752,377
Non-current portion		**4,363,316**	4,674,114

13. INTEREST-BEARING BANK BORROWINGS *(continued)*

Notes:

(a) Certain of the Group's bank loans are secured by the pledges of assets with carrying values at the end of the Reporting Period as follows:

	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
Pledge of assets:		
Right-of-use assets – land	821,846	–
Prepaid land lease payments	–	832,932
Properties under development	261,299	282,647
Property, plant and equipment	4,532,112	4,427,004
Completed properties for sale	116,471	210,236
Equity investment designated at fair value through other comprehensive income	114,597	268,946
Total	5,846,345	6,021,765

Apart from the above, certain interest-bearing bank borrowings are secured by investments in subsidiaries as at 30 June 2019.

(b) Certain of the Group's bank loans bear interest at rates ranging from 2.75% to 7.37% per annum (31 December 2018: from 2.75% to 7.00%).

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 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
Outstanding balances with ages:		
Within 90 days	1,285,503	1,556,497
91 to 180 days	31,620	21,866
181 to 365 days	313,077	281,481
1 to 2 years	277,969	8,353
2 to 3 years	3,707	2,570
Over 3 years	1,837	–
	1,913,713	1,870,767

15. COMMITMENTS

The Group had the following capital commitments at the end of the Reporting Period:

	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
Contracted, but not provided for:	**607,178**	802,201

16. CONTINGENT LIABILITIES

The Group had the following contingent liabilities:

	Note	**30 June 2019 RMB'000 (Unaudited)**	31 December 2018 RMB'000 (Audited)
Guarantees given related to			
– qualified buyers' mortgage loans	(i)	**398,950**	396,300
– interest-bearing loans of a related company		**19,003**	21,935
– others		**7,817**	7,847
		425,770	426,082

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.

17. 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:

		For the six months ended 30 June	
		2019	2018
		RMB'000	RMB'000
	Notes	**(Unaudited)**	(Audited)
Associates:			
Bank loan guarantees provided	(i)	**18,594**	11,906
Interest expense of lease liabilities	(ii)	**4,999**	–
A joint venture:			
Service income	(iii)	**1,827**	3,830
Interest expense	(ii)	**180**	180
Loan provided to related parties	(ii)	**–**	20,400
Other related parties:			
Service income	(iii)	**56,339**	46,478
Service expense	(iv)	**7,824**	7,070
Purchase of products	(v)	**875**	455
Interest expense of lease liabilities	(ii)	**506**	–
Bank loan guarantees received	(i)	**–**	3,265,399
Interest expense	(ii)	**–**	30,190
Interest income	(vi)	**–**	1,087
Loan provided to related parties	(vi)	**–**	37

Notes:

(i) The bank loans were guaranteed by/to the related companies free of charge.

(ii) The directors consider that the applicable interest rates were determined in accordance with the prevailing market borrowing rates.

(iii) The directors consider that the revenue for services provided to the related parties were determined based on prices available to third party customers.

(iv) 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.

(v) 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.

(vi) Shanghai Fosun High Technology Group Finance Co., Ltd., a subsidiary of Fosun International Limited, provides deposit services to subsidiaries of the Group. The applicable interest rates were determined in accordance with the prevailing market rates and the transactions were carried out in accordance with normal commercial terms.

17. RELATED PARTY TRANSACTIONS *(continued)*

(b) Outstanding balances with related parties:

	Notes	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
Due from related companies:			
The holding company	(i)	**1,898,412**	1,898,412
Associates	(ii)	**5,120**	910
A joint venture	(iii)	**54,386**	46,499
Other related companies	(iv)	**6,613**	7,928
Total		**1,964,531**	1,953,749
Due to related companies:			
A joint venture	(v)	**18,703**	29,192
Other related companies	(vi)	**1,927,712**	1,946,156
Total		**1,946,415**	1,975,348
Lease liabilities:			
Associates	(vii)	**120,829**	–
Other related companies	(vii)	**23,507**	–
Total		**144,336**	–

Notes:

(i) As at 30 June 2019, the Group had an outstanding balance due from its ultimate holding company of RMB1,898,412,000 (31 December 2018: RMB1,898,412,000) 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. As at 30 June 2019, the balance mainly came from the unpaid subscription price for the shares of the Company issued to the Controlling Shareholder.

(ii) As at 30 June 2019, the Group had a balance due from its associate companies of RMB5,120,000 (31 December 2018: RMB910,000) as at the end of the Reporting Period. The balances were non-trade in nature, unsecured, interest-free and repayable on demand.

(iii) As at 30 June 2019, the balance due from a joint venture with the amount of RMB54,386,000 (31 December 2018: RMB46,480,000) was non-trade in nature, unsecured, interest-free and repayable on demand.

The remaining balances due from a joint venture as at 31 December 2018 with an amount of RMB19,000 were trade in nature, unsecured, interest-free and repayable on demand.

17. RELATED PARTY TRANSACTIONS *(continued)*

(b) Outstanding balances with related parties (continued):

Notes (continued):

(iv) As at 30 June 2019, the balances due from other related companies of RMB3,018,000 (31 December 2018: RMB1,137,000) were non-trade in nature, unsecured, interest-free and repayable on demand.

As at 30 June 2019, the balances due from other related companies with the amount of RMB3,595,000 (31 December 2018: RMB6,791,000) were trade in nature, unsecured, interest-free and repayable on demand.

(v) As at 30 June 2019, the balance due to a joint venture with the amount of RMB10,048,000 (31 December 2018: RMB9,868,000) was pledged by an investment in a subsidiary, bearing interest at a fixed interest rate of 4.00% per annum and repayable in 2019.

As at 30 June 2019, the balance due to a joint venture with the amount of RMB8,655,000 (31 December 2018: RMB19,324,000) was non-trade in nature, unsecured, interest-free and repayable on demand.

(vi) As at 30 June 2019, the balances due to other related companies include an amount of RMB15,996,000 (31 December 2018: RMB47,692,000) which was trade in nature, unsecured, interest-free and repayable on demand.

The remaining balances amounting to RMB1,911,716,000 (31 December 2018: RMB1,898,464,000) are non-trade in nature which include the amount of RMB1,898,412,000 (31 December 2018: RMB1,898,412,000) due to Zhejiang Fosun Commercial Co. Ltd. and amounts of RMB13,304,000 (31 December 2018: RMB52,000) due to fellow subsidiaries, which are under the common control of the ultimate controlling shareholder, Mr. Guo Guangchang. The balances are unsecured, interest-free and repayable on demand.

(vii) Certain subsidiaries of the Group entered into rental agreements with related parties. Upon the adoption of IFRS 16, the present value of the lease payments to be made over the lease term were recognised as lease liabilities.

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

	For the six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Short-term employee benefits	**17,856**	12,889
Post-employment benefits	**2,533**	1,040
Equity-settled share option expense	**18,496**	19,321
Total compensation paid to key management personnel	**38,885**	33,250

18. 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 2019		As at 31 December 2018	
	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	393,361	393,361	363,845	363,845
Equity investments designated at fair value through other comprehensive income	200,171	200,171	309,438	309,438
Due from related companies (non-current portion)	1,321	1,321	20,400	19,056
Financial assets included in prepayments, other receivables and other assets (non-current portion)	285,008	294,396	281,341	271,297
Derivative financial instruments	26,984	26,984	54,664	54,664
	906,845	916,233	1,029,688	1,018,300
Financial liabilities				
Interest-bearing bank borrowings (non-current portion)	4,363,316	4,358,048	4,674,114	4,663,942
Convertible redeemable preferred shares	169,085	190,767	163,136	171,031
Convertible bonds	342,745	386,696	330,369	346,358
Put options granted to non-controlling shareholders of a subsidiary included in accrued liabilities and other payables	248,270	248,270	191,962	191,962
Finance lease payables	–	–	80,019	80,019
Derivative financial instruments	48,770	48,770	49,516	49,516
	5,172,186	5,232,551	5,489,116	5,502,828

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 and 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, the amounts due to related companies, and the current portion of interest-bearing bank borrowings approximate to their carrying amounts largely due to the short-term maturities of these instruments.

18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

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 amount due from related companies and interest-bearing bank borrowings, convertible redeemable preferred shares, and convertible bonds 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 borrowings as at 30 June 2019 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 and swaptions, interest rate swaps and swaptions. As at 30 June 2019, the fair values of the forward currency contracts, foreign currency swaps and swaptions, 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 and swaptions, 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 issued by an asset management company that are not traded in an active market 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 fair value 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 the valuation techniques to determine the fair value. 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.

Significant unobservable valuation input for the put options granted to non-controlling shareholders of a subsidiary included in accrued liabilities and other payables of RMB248,270,000 (31 December 2018: RMB191,962,000) is the EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) of CMH. The increase in EBITDA of CMH will lead to increase in the liability of put options granted to non-controlling shareholders of a subsidiary included in accrued liabilities and other payables.

18. 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 2019

	Fair value measurement using			
	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)	Total RMB'000 (Unaudited)
Financial assets at fair value through profit or loss	15,521	355,749	22,091	393,361
Equity investments designated at fair value through other comprehensive income	200,171	–	–	200,171
Derivative financial instruments	–	26,984	–	26,984
	215,692	382,733	22,091	620,516

As at 31 December 2018

	Fair value measurement using			
	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)	Total RMB'000 (Audited)
Financial assets at fair value through profit or loss	–	341,692	22,153	363,845
Equity investments designated at fair value through other comprehensive income	268,946	–	40,492	309,438
Derivative financial instruments	–	54,664	–	54,664
	268,946	396,356	62,645	727,947

18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

Fair value hierarchy *(continued)*

Liabilities measured at fair value:

As at 30 June 2019

	Fair value measurement using			
	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)	Total RMB'000 (Unaudited)
Put options granted to non-controlling shareholders of a subsidiary included in accrued liabilities and other payables	–	–	248,270	248,270
Derivative financial instruments	–	48,770	–	48,770
	–	48,770	248,270	297,040

As at 31 December 2018

	Fair value measurement using			
	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)	Total RMB'000 (Audited)
Put options granted to non-controlling shareholders of a subsidiary included in accrued liabilities and other payables	–	–	191,962	191,962
Derivative financial instruments	–	49,516	–	49,516
	–	49,516	191,962	241,478

18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

Fair value hierarchy *(continued)*

The movements in fair value measurements within Level 3 during the Reporting Period are as follows:

Assets measured at fair value:

	2019 RMB'000 (Unaudited)	2018 RMB'000 (Audited)
At 1 January	62,645	208,563
Total losses recognised in other comprehensive income	(39,445)	(147,625)
Disposal	–	(2,014)
Exchange alignment	(1,109)	(3,450)
At 30 June	22,091	55,474

Liabilities measured at fair value:

	2019 RMB'000 (Unaudited)	2018 RMB'000 (Audited)
At 1 January	191,962	27,003
Addition	56,308	149,404
At 30 June	248,270	176,407

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

19. EVENTS AFTER THE REPORTING PERIOD

There have been no significant events since the end of the Reporting Period.

20. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on 19 August 2019.

INTERIM DIVIDEND PAYMENT AND CLOSURE OF REGISTER OF MEMBERS

The Board is pleased to declare an interim dividend for the six months ended 30 June 2019 (the "Interim Dividend") of HK$0.07 (six months ended 30 June 2018: nil) per Share, payable to Shareholders whose names appear on the Company's register of members at the close of business on 8 October 2019, being the record date for determination of entitlement to the Interim Dividend. The Interim Dividend represented a distribution of approximately 15.8% of the Group's profit attributable to equity holders of the Company for the six months ended 30 June 2019, which is expected to be paid on or around 18 October 2019.

The register of members of the Company will be closed from 3 October 2019 to 8 October 2019 (both days inclusive), during which period no share transfers can be registered. In order to qualify for the Interim Dividend, all share transfers, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 2 October 2019.

PRE-IPO SHARE OPTION SCHEME

The Company adopted a Pre-IPO share option scheme (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 "Circular"). Unless otherwise defined, the capitalized terms set out herein shall have the same meanings as set out in the Circular.

The Pre-IPO Share Option Scheme is designed 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 its shareholder(s) as a whole.

On 14 December 2018, the Shares were listed and traded on the Main Board of the Stock Exchange, since then, no further options (the "Option") has been or will be granted under the Pre-IPO Share Option Scheme. As of the end of the Reporting Period, 43,983,477 effective Options were outstanding.

In respect of the Options exercised during the Reporting Period, the weighted average closing price of the Shares at the date immediately before the exercise was HK$15.19.

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

Name of Grantee	Date of grant of the Options	As of 1 January 2019	Granted during the Reporting Period	Exercised during the Reporting Period	Number of the Options Expired/lapsed/ cancelled during the Reporting Period	As of 30 June 2019	Exercise period of the Options	Exercise price of the Options per Share (HKD)
Qian Jiannong	23 February 2018	20,000,000	–	–	–	20,000,000	22 February 2019 to 22 February 2026[1]	8.43
Wang Wenping	23 February 2018	536,625	–	–	–	536,625	28 December 2018 to 28 December 2021[2]	8.43
	19 November 2018	810,000	–	–	–	810,000	18 November 2019 to 18 November 2022[3]	15.60
Other Grantees	23 February 2018	10,202,372	–	51,210	256,830	9,894,332	28 December 2018 to 28 December 2021[2]	8.43
	19 November 2018	13,006,520	–	–	264,000	12,742,520	18 November 2019 to 18 November 2022[3]	15.60
Total		44,555,517	–	51,210	520,830	43,983,477		

Notes:

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

Percentage of 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 Options, being granted to Mr. Wang Wenping and other grantees on 23 February 2018 shall be vested according to the following period:

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

3. The Options, being granted to Mr. Wang Wenping and other grantees on 19 November 2018 shall be vested according to the following period:

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

The exercise of the Options by the grantees shall be subject to and conditional upon the fulfilment 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.

Save as disclosed above, there were no outstanding Options granted under the Pre-IPO Share Option Scheme during the Reporting Period.

HUMAN RESOURCES

As of 30 June 2019, the Group had approximately 16,177 employees.

During the first half of 2019, guided by our cultural values, Fosun Tourism Group's human resources division actively promoted the organization upgrading, continually attracted strategic talents, strengthened the talent echelon, and also made periodical achievements in the intelligent innovation of talent management.

We constantly optimized the talent introduction ability of the Group and strived to build an elite talent recruitment team; optimized and promoted the talent pool system of the Group, improved the talent introduction efficiency based on the integration of big data of talents; held campus recruitment to maintain the vitality of the organization; continued to focus on establishing talent echelon, strengthening talent pool, improving efficiency, and promoting the integration of talents and mechanisms among the member companies of the Group; concentrated on high-potential talents with outstanding performance by providing them more development opportunities; promoted the overall incentive framework of the Group according to different characteristics of each business to explore and implement the incentive mechanism for enterprises and constantly optimized and improved the effect and efficiency of various incentive mechanisms.

Fulfillment of the commitment to employees

The Group regards employees as its most valuable capital. Meanwhile, the Group has been aiming to provide the best platform for employees to realize their values. We fully protect the interests of employees, and we are always concerned with the personal development of our staffs. We emphasize on the importance of cultivating outstanding talents with an international perspective, and devise a career development path with the Group's characteristics to allow both the Group and our employees to develop together.

Employee caring

Guided by creating a sound enterprise atmosphere and enhancing the sense of belonging among the employees, the Group constantly optimizes, improves and innovates to strengthen the establishment of a comprehensive and diversified benefit system. Upholding the Group's cultural values, our care and service to employees are not only reflected in work, but also reflected in the Group's caring and loving towards their families.

The Group attaches great importance to employees' health management, continues to strengthen the promotion and investment of employees' health management, and innovates the health management model. In addition to covering the annual physical examination of all employees, we also encourage employees to participate in fitness activities such as Tai Chi and dance etc., and promote workplace exercises, conduct health lectures for strengthening employees' health awareness.

The Group also makes full use of self-owned products resources within the Group, allowing employees to enjoy more preferential and convenient access to all kinds of internal products, services and related resources.

Employee services

We use the Internet and various innovative channels to enrich employee services. We have further optimized and innovated the forms of benefit distribution and dissemination, such as displaying and announcing various remuneration benefits and human resources policies on the Group's intranet. We distribute employee benefits through a mobile application platform and also use the platform to provide users convenient services like online recharging and payment for meals. Meanwhile, we have established a dedicated employee service position to help staffs obtain various certificates, such as employment permits/residence permits for overseas staff, talent introduction/residence permits for employees from other provinces, college graduate settle-in and collective household affiliation, which saved employees' time and energy on certificates and was also in line with the talent introduction.

Employee learning and development

Talents are the core competitiveness of an enterprise, so the Group has always regarded the 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 teams with elitism culture. These measures allow both the Group and its staffs to build a brilliant future together.

We deepen our employees' understanding of the Group's cultural values and promote employees to practice the Group's cultural values in their daily work by establishing the corporate culture wall, value star selection, and value star story sharing etc..

In accordance with the development strategy and human resources planning requirements of the Group and taking into account the characteristics of its own development, we have established talent development and professional talent training programs for different talents. According to different development goals, we plan development paths for them. We further design training courses in accordance with the quality, capabilities and occupational requirements to help employees grow rapidly.

We built an anytime – anywhere – and – unobstructed online learning platform by utilizing fragmented time.

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.

Employee incentive

In line with strategic priorities and specific business needs, based on a large number of internal and external benchmarks, the Group has consistently implemented the incentive principles of value creation, performance orientation, profit and loss sharing, and clear reward and punishment, and continuously established and optimized the multi-level and full-coverage remuneration and incentive system. It includes employee recognition programs, bonus program for operation business, and various mid-to-long-term incentive systems to promote the concept of "sharing profits and risk". At the same time, the Group's member enterprises are empowered to drive business growth and achieve team success by effective incentives measures.

HR intelligent innovation

The human resources division of the Group keeps pace with the times and uses various intelligent innovative technologies in the practice of human resources management. We set up the human resources system and process, to systematize and standardize the information, data and process of human resources; we are committed to the basic integration of the mechanism, talent and data within the Group as a whole by using various internet technologies.

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

As of 30 June 2019, 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	21,500,804	1.74%
Henri Giscard d'Estaing	Beneficial owner	850,230	0.07%
Wang Wenping	Beneficial owner	1,746,625	0.14%
Wang Can	Beneficial owner	829	0.00%

(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	9,655,000	0.11%(1)
Henri Giscard d'Estaing	Fosun International	Beneficial owner	3,100,000	0.04%(1)
	Club Med Holding	Beneficial owner	375,000(2)	0.56%
Wang Can	Fosun International	Beneficial owner	10,035,000	0.12%(1)

Notes:

(1) The calculation is based on the total number of 8,543,652,744 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 share C of Club Med Holding.

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

As of 30 June 2019, 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	1,000,000,002	81.07%
FHL[(1)]	Beneficial owner	15,389,930	1.25%
	Interest in controlled corporation	1,000,000,002	81.07%
FIHL[(2)]	Interest in controlled corporation	1,015,389,932	82.32%
Guo Guangchang[(3)]	Interest in controlled corporation	1,015,389,932	82.32%

Notes:

(1) FHL holds approximately 70.75% 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 2019, 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
Wang Can	18 April 2019	Chief Financial Officer of Fosun International	Chief Growth Officer of Fosun International

(2) Changes in other directorships held in public companies the securities of which are listed on any securities market in Hong Kong or overseas

Name of Director	Date of change	Original position	Current position
Henri Giscard d'Estaing	7 May 2019	Observer of Casino, Guichard-Perrachon (Euronext Paris stock code CO)	–
Guo Yongqing	6 May 2019	Independent non-executive director of Chongqing Brewery Co., Ltd. (Shanghai Stock Exchange stock code 600132)	–
	29 May 2019	–	Independent non-executive director of Ribo Group Limited (Shanghai Stock Exchange stock code 603196)

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

Name of Director	Date of changes	Remuneration	Target performance related bonus[(1)]
Henri Giscard d'Estaing	1 April 2019	EUR740,580	EUR888,696
Wang Wenping	1 April 2019	RMB1,173,804	RMB489,124

Note:

(1) To be determined based on internal appraisal of various performance indicators.

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 comprises one non-executive Director, namely Mr. Wang Can and two independent non-executive Directors, namely Mr. Guo Yongqing (Chairman) and Ms. Katherine Rong Xin. The main duties of the Audit Committee are to review and monitor the financial reporting procedures, risk management and internal control system of the Company, and to provide recommendations and advice to the Board.

The interim results of the Company 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 A.2.1 of the CG Code.

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

Code provision A.2.1 of the Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. However, the Company considers that having Mr. Qian Jiannong acting as both the Chairman and Chief Executive Officer 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. Specific enquiry has been made to each of the 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.

CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Qian Jiannong *(Chairman)*
Henri Giscard d'Estaing
Wang Wenping

NON-EXECUTIVE DIRECTOR

Wang Can

INDEPENDENT NON-EXECUTIVE DIRECTORS

Allan Zeman
Guo Yongqing
Katherine Rong Xin

AUDIT COMMITTEE

Guo Yongqing *(Chairman)*
Wang Can
Katherine Rong Xin

REMUNERATION COMMITTEE

Katherine Rong Xin *(Chairman)*
Guo Yongqing
Wang Wenping

NOMINATION COMMITTEE

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

STRATEGY COMMITTEE

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

COMPANY SECRETARY

Leung Ching Ching

AUTHORIZED REPRESENTATIVES

Wang Wenping
Leung Ching Ching

AUDITORS

Ernst & Young
22/F, CITIC Tower
1 Tim Mei Avenue
Central
Hong Kong

LEGAL ADVISERS

As to Hong Kong law

Paul Hastings
21-22/F, Bank of China Tower
1 Garden Road
Hong Kong

As to Cayman Islands law

Harney Westwood & Riegels
4th Floor, Harbour Place
103 South Church Street
P.O. Box 10240
Grand Cayman KY1-1002
Cayman Islands

COMPLIANCE ADVISER

Guotai Junan Capital Limited
27/F Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

PRINCIPAL BANKERS

Standard Chartered PLC
The Hongkong and Shanghai Banking Corporation Limited
Le Crédit Lyonnais
China Development 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

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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

GLOSSARY

ABBREVIATIONS

Aquarium	the Lost Chambers Aquarium in Atlantis Sanya
Associate(s)	has the meaning ascribed thereto under the Listing Rules
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
Board or Board of Directors	our board of Directors
Capacity of Resort	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
CG Code	the Corporate Governance Code and the Corporate Governance Report 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
Club Med Holding	Club Med Holding (formerly known as Holding Gaillon II), a simplified joint-stock company *(société par actions simplifiée)* incorporated in France on 9 September 2014 and a non-wholly owned subsidiary of our Company
Company or our 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
connected person(s)	has the meaning ascribed thereto under the Listing Rules
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
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/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 our Controlling Shareholders
FIHL	Fosun International Holdings Ltd., a company incorporated in the British Virgin Islands with limited liability, and one of our Controlling Shareholders
FOLIDAY	our global ecosystem consisting of our commercially-interconnected businesses that offers a wide spectrum of tourism- and leisure-related services
Foryou Club	our membership system in China that manages and operates services and activities for members and customers under the FOLIDAY ecosystem
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 our 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
Great Members	members of Club Med's Great Member loyalty program
Group, our Group, we, or us	our Company and our subsidiaries at the relevant time or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries, the business operated by such subsidiaries or their predecessors (as the case may be)
Happy Digital	Club Med's digitalization initiatives, through which we use digital solutions to improve our guests' and employees' experience while making the technology user-friendly and seamless
HK$ or HKD or Hong Kong dollars	the lawful currency of Hong Kong
Hong Kong or HK	the Hong Kong Special Administrative Region of the PRC
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
Independent third party	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

GLOSSARY

Listing	the listing of the Shares on the Main Board
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
Macau	the Macau Special Administrative Region of the PRC
Main Board	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange
Mattel	Mattel Ventures International II Limited, a company incorporated in Hong Kong and an independent third party
Miniversity	the brand for learning and playing club for children
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rules
Occupancy Rate by Bed	the ratio expressed as a percentage between the total number of beds sold and the total number of beds available for sale over a period or year
Occupancy Rate by Room	the total number of rooms sold divided by the total number of rooms available for sale
Reporting Period	1 January 2019 to 30 June 2019
RMB	the lawful currency of the PRC
Share(s)	ordinary share(s) in the share capital of our Company
Shareholder(s)	holder(s) of the Shares
Stock Exchange	The Stock Exchange of Hong Kong Limited
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)
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
U.S.	the United States of America, its territories, possessions, and all areas subject to its jurisdiction
Waterpark	the Aquaventure Waterpark in Atlantis Sanya