Fosun Tourism Group
复星旅游文化集团

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

(Stock Code: 1992)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

FINANCIAL SUMMARY

	For the year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
		(Restated)
Revenue	**17,151,841**	13,777,710
Club Med and Others	**14,157,086**	11,579,576
Atlantis Sanya	**1,760,733**	896,851
Vacation Asset Management Center	**1,059,063**	1,121,608
Foryou Club and Other Services	**174,959**	179,675
Gross profit	**5,595,194**	3,990,350
Operating profit	**1,806,803**	593,503
Profit/(loss) before income tax	**489,175**	(403,150)
Profit/(loss) for the year	**346,010**	(531,791)
Profit/(loss) attributable to equity holders of the Company	**307,199**	(544,900)
Adjusted EBITDA	**3,729,949**	2,344,855
Adjusted net profit/(loss)	**394,557**	(497,281)
Earnings/(loss) per share — basic (in RMB)	**0.25**	(0.44)
Earnings/(loss) per share — diluted (in RMB)	**0.25**	(0.44)

BUSINESS OVERVIEW

Our Group is one of the leading leisure-focused integrated tourism groups worldwide. Throughout our mission, "Better Holiday, Better Life", we endeavor to pioneer holiday lifestyle and create a world-leading family leisure and tourism ecosystem.

In 2023, with worldwide lifting of pandemic-related restrictions and the release of strong demand for vacations after the pandemic, the Group's global business achieved a full recovery. In 2023, to better focus on the core business and optimize the synergies of internal resources, the Group reclassified its former business segments, namely "Resorts and Hotels", "Tourism Destinations" and "Services and Solutions in Various Tourism and Leisure Settings", to four business segments, namely "Club Med and Others", "Atlantis Sanya", "Vacation Asset Management Center" and "Foryou Club and Other Services". Two projects including Taicang and Lijiang under the former "FOLIDAY Town" brand were consolidated into the business segment of "Vacation Asset Management Center".

In 2023, adjustments were made to some of our businesses. The Group strategically pulled out from the scenic and entrusted management business of Albion. In May 2023, the Group entered into an equity transfer agreement with Goldman Sachs Group to sell the Casa Cook and Cook's Club brands and related overseas businesses, aiming to optimize its business portfolio and focus resources on the development of the Group's core business.

Our Business Volume[1] of Club Med and Others, Atlantis Sanya, Vacation Asset Management Center, Foryou Club and Other Services (collectively as "**tourism operation**"), at constant exchange rate, increased to RMB18,125.1 million for the year ended 31 December 2023 from RMB15,252.4 million for the year ended 31 December 2022, representing a year-on-year increase of 18.8%. Our revenue increased to RMB17,151.8 million for the year ended 31 December 2023 from RMB13,777.7 million for the year ended 31 December 2022. Gross profit increased to RMB5,595.2 million for the year ended 31 December 2023 from RMB3,990.4 million for the year ended 31 December 2022. Adjusted EBITDA increased to RMB3,729.9 million for the year ended 31 December 2023 from RMB2,344.9 million for the year ended 31 December 2022. Profit attributable to equity holders was RMB307.2 million for the year ended 31 December 2023, compared with loss attributable to equity holders of RMB544.9 million for the year ended 31 December 2022.

[1] Business Volume represents the aggregate sales of our Club Med and Others, Atlantis Sanya, Vacation Asset Management Center, Foryou Club and Other Services of the Group, regardless of whether the property is owned, leased or managed.

CLUB MED AND OTHERS

Club Med

Club Med, headquartered in France and founded in 1950, is the world leader in high-end, experience-oriented all-inclusive vacations for families and couples alike. As of 31 December 2023, Club Med has sales and marketing operations in more than 40 countries and regions across six continents, and operates 68 Resorts, of which 35 Resorts (including a cruise ship) are in EMEA, 12 Resorts are in the Americas and 21 Resorts are in the Asia Pacific region (including 10 Resorts in China). In terms of business models, 10 Resorts are under ownership model, 42 Resorts are under lease model, and 16 Resorts are under management contract model. In 2023, Direct (and semi-Direct) sales proportion through the global sales network of Club Med reached 72.8%.

In 2023, Club Med business achieved a record-breaking year, driven mainly by the significant growth in Mountain business, largely attributable to customers from EMEA and Brazil. After a strong recovery in 2022, the business in the Americas continued to show a good performance and Asia Pacific recorded a strong rebound following the lifting of travel restrictions. Following China's reopening after COVID, China encountered a domestic travel rebound in 2023.

In 2023, the Business Volume of Club Med amounted to RMB15,122.5 million, representing an increase of 19.2% compared to that of 2022, and reaching to 118.3% of that of 2019.

All three regions, namely Americas, EMEA and Asia Pacific, achieved profitable growth. Compared to 2019, the Business Volume of Club Med in the Americas increased by 62.7%, in EMEA by 10.8%, and in Asia Pacific by 1.6%. The Business Volume of Club Med in Mainland China recorded RMB752.8 million in 2023, 86.3% higher than that of 2022 and recovered to 101.2% of that of 2019, of which Mainland Chinese traveling to Chinese Resorts exceeded the level of 2019 by 39.9%.

In 2023, the capacity of Club Med increased by 6.4% as compared to that of 2022 and recovered to 97.7% compared over that of 2019. In particular, the capacity of Resorts in Asia Pacific and EMEA increased by 18.5% and 4.1% respectively while in the Americas it decreased by 0.9% as compared to that of 2022.

In 2023, the global average Occupancy Rate by Room of Club Med reached 70.0%, increasing by 3.5 percentage points compared to 2022 and showed a gap of 1.5 percentage points compared with 2019; while the Average Daily Bed Rate was RMB1,681.2, at constant exchange rate, representing an increase of about 8.5% and 30.8% as compared with 2022 and 2019 reflecting the effective advancement of the "Upscale" strategy.

The adjusted EBITDA of Resort operation increased to RMB3,207.9 million for 2023, while the adjusted EBITDA was RMB2,187.6 million for 2022.

In 2023, Club Med sustained its recovery around all the three regions, following the strong rebound in 2022, even though the business was impacted by the economic uncertainties, high inflation in all regions and China outbound business not yet at pre-pandemic level.

In respect of operating profit, Club Med business in EMEA and Americas significantly turned around as compared to that of 2022 and even exceeded that of 2019, whereas Asia Pacific was still slightly below the pre-pandemic level.

	For the year ended 31 December		
	2023	2022	2019
Business Volume[1] by customer booking locations *(RMB million)*			
EMEA	**9,125.4**	8,540.1	8,232.7
Of which France	**5,685.9**	5,372.5	5,168.5
Americas	**3,651.6**	2,957.5	2,244.0
Asia Pacific	**2,345.5**	1,193.8	2,307.6
Of which Mainland China	**752.8**	404.1	743.9
Total	**15,122.5**	12,691.4	12,784.3

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

	For the year ended 31 December		
Type of Resorts	**2023**	2022	2019
	'000	*'000*	*'000*
Capacity			
Mountain	**2,712.3**	2,382.6	2,263.7
Sun	**8,239.5**	8,060.3	9,338.1
Club Med Joyview/Urban Oasis	**1,094.6**	882.2	722.4
Total	**12,046.4**	11,325.1	12,324.2
Premium & Exclusive Collection%[2]	**97.4%**	95.2%	88.4%
Capacities of Resorts by locations			
EMEA	**5,041.3**	4,842.4	5,627.7
Americas	**3,457.5**	3,487.9	3,363.3
Asia Pacific	**3,547.6**	2,994.8	3,333.2
Total	**12,046.4**	11,325.1	12,324.2

1 At constant exchange rate.

2 Premium & Exclusive Collection percentage is based on Resorts beds capacity (including Villas & Chalets).

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

	For the year ended 31 December		
	2023	2022	2019
Number of customers by customer booking locations *(Thousands)*			
EMEA	**615**	598	681
Of which France	**391**	386	436
Americas	**393**	372	322
Asia Pacific	**510**	334	485
Of which Mainland China	**266**	163	239
Total	**1,518**	1,304	1,488

Certain key information with respect to our Resort operations in the period of January to December 2023, 2022 and 2019 is set out as below respectively:

	For the year ended 31 December		
	2023	2022	2019
Business Volume[1] *(RMB million)*	**15,122.5**	12,691.5	12,784.3
Capacity of Resorts *(in thousands)*	**12,046.4**	11,325.1	12,324.2
Average Occupancy Rate by Room	**70.0%**	66.5%	71.5%
Average Daily Bed Rate[1] *(RMB)*	**1,681.2**	1,549.5	1,285.8
Revenue per Bed[1] *(RMB)*	**1,055.9**	949.5	833.0

During 2023, the Americas region had a strong business activity, and the Business Volume increased by 23.5% as compared to that of 2022 and increased by 62.7% compared to that of 2019.

The "halo" effect of the opening of the first Resort in Canada in late 2021 has made Canada become a strategic country for Club Med and propelled the business development across the North America. The North America still achieved 15.6% growth of Business Volume, as compared to that of 2022, despite the closure of Sandpiper village in 2022.

1 At constant exchange rate.

In South America, we have successfully capitalized on the opportunities of the strong recovery of Brazilian domestic market, and the solid momentum of ski vacations in the Alps. During 2023, Brazil became the second sales market in terms of Business Volume, increasing by 39.1% and 106.8% as compared to that of 2022 and 2019 respectively.

Benefitting from our new Resort Tignes, upgraded Exclusive Collection Val d'Isère which opened in December 2022 and our renovated Resort Pragelato, the Business Volume of our EMEA region stood at RMB9,125.4 million in 2023, increasing by 6.9% and 10.8% compared to that of 2022 and 2019 respectively.

In Asia Pacific, the Business Volume in 2023 increased by 96.5% as compared with 2022 although China outbound tourism business did not reach pre-pandemic level, was at 101.6% of that in 2019, showing a strong recovery after the Pandemic.

In April 2023, we completed the sale of the Turkish Resort Kemer to the Turkish OZAK Group. This transaction brought a net cash flow of RMB240.1 million and a net gain on disposal of RMB219.4 million. During 2023, we continued to strictly manage our costs in an environment of a high inflation.

In May 2023, we completed the sale and lease back of the French West Indies village Les Boucaniers to the French Caisse des Depôts et Consignations and Invad Group. It allows a renovation of the Resort in 2023 and the extension of the Resort in 2024. This transaction brought a net cash impact of RMB148.4 million and brought a net gain on disposal of RMB63.0 million.

During 2023, the free cash flow stood at RMB2,421.2 million, increasing by 25.6% compared to 2022 thanks to the continued recovery of global business of Club Med.

Club Med further focused and enhanced the "five-pillar strategy" to continue to strengthen our Resort business:

Upscale — Upscale is the core value. During 2023, Club Med business benefited from the recently opened new Resorts in 2022 such as Changbaishan Resort in Northeast China, Marbella Resort in Spain, Thousand Islands Lake Resort in Eastern China, New Tignes and Val d'Isère Exclusive Collection in the French Alps and Kiroro Peak in Japan. In 2023, Club Med has successfully launched Urban Oasis Nanjing Xianlin and Taicang, a unique product created specifically for Chinese urban family holiday, and unveiled two new premium Resorts, Kiroro Grand in Japan and La Rosière Exclusive Collection in France. Club Med completed the sale and lease back of the French West Indies Resort Les Boucaniers and planned its renovation and extension in 2023 and 2024 to upgrade the facilities and improve client satisfaction. Club Med completed the sale of Kemer Resort in Turkey as it was no longer in alignment with the upscale strategy. As of 31 December 2023, the Premium & Exclusive Collection capacity represents 97.4% of Resorts' total capacity, showing an increase of 9.0 percentage points compared to that of 2019.

Hospitality Employer of Choice — As the tourism industry is facing workforce & talents shortage, recruitment, retention, and development of talents become more important than ever and requiring to adapt to new expectations. Club Med's ambition is to offer "life-changing experience" to its employees, through personalized management, trainings and fast-track career paths. This is the objective of Club Med global HR project "Match with us" organized in 4 streams: **Recruitment and mobility** to make the most of Club Med international footprint through global mobility to fill positions and to develop new sourcing countries, as well as G.E and G.O skills; **Foster loyalty** to make Club Med one of the greatest places to work in the hospitality industry and retain talents by addressing key priorities such as work life balance, benefits, working conditions and career; **Learning and development** to become the best place to grow in the hospitality industry and real learning facilitators, transforming the learning experience by offering omni-channel, tailor-made, certified trainings and by reinforcing managers engagement in talent development. **Management** is recognized as the reference in the hospitality industry with 2 main topics: (a) define Club Med behaviors for all employees and for managers from our 5 values (kindness, freedom, multi-culturality, pioneer spirit and responsibility); (b) deploy managerial rituals to increase and align managers' skills in Resorts and offices. Reference is made to page VI-62 to VI-64 of the Company's prospectus dated 30 November 2018 regarding "Management Equity Plan of Club Med Holding". From 19 February 2024 to 13 March 2024 (CET time), 42 participants (including connected persons) exercised their put option in respect of direct or indirect interest in Club Med Holding.

Glocalization — Balancing markets and destinations to achieve sustainable growth and to diversify regional operational risks, at the same time, further exploring the short-haul markets to support the resilience of our business in an uncertain global geopolitical, economic and climatic environment. In 2023, France remained the largest market worldwide, and contributed Business Volume of RMB5,685.9 million, accounting for 37.6% of global Business Volume; increasing by 5.8% compared to that of 2022 and 10.0% compared to that of 2019. This increase was explained by the strong rebound in demand of ski holidays and long-haul destinations.

Happy to Care — Since 2021, "Happy to Care" is a strategical pillar around our corporate social responsibility approach. For instance, we strived to make sure that all of our current Resorts are certified Green Globe[1] and we target BREEAM[2] or other equivalent eco-certifications for all our new constructions or significant renovations, to respect environment during the building and the operation phases. We aim to end

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

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

single-use plastic by deploying the project “Bye-bye Plastic” and continue to deploy agro-ecology with our historical partner Agrisud in the framework of “Green Farmer” program. In addition, in 2023, the Happy To Care roadmap is being strengthened; existing commitments are being reviewed towards higher or more precise performance targets and complemented with some new ones, including climate related ones. In this respect, a project mode approach has been launched to accelerate the ESG dynamic, restate the ambition, and include climate policy.

Happy Digital & C2M Strategy — Direct (and semi-Direct) sales proportion through the sales network of Club Med reached 72.8% in 2023, remaining flat as compared to 2022 and an increase of 7.4 percentage points compared to that of 2019. 29.4% of our individual customers chose to book online, representing an increase of 2.9 percentage points compared to that of 2022.

To enhance its customer experience and its employees’ efficiency, Club Med announced a new stage in its digital transformation with the integration of artificial intelligence (AI). In 2022, Club Med created its own Data Factory, a platform for data management. Since March 2023, Club Med has implemented a generative AI strategy (AI that uses existing content for learning purpose to generate new content — texts, sounds, images and etc.) to continue enriching the customer experience and free up the time of its teams to focus on value-driven tasks.

In 2023, Club Med has kept improving its website to provide more functionalities and services to its clients and has rolled out a new Resort application worldwide to improve customer satisfaction and in-Resort ancillary revenues.

Following a brand revamp in March 2023, Club Med has launched a new global campaign “That’s L’esprit Libre”. The campaign refreshes Club Med’s image and showcases its modern visual identity, reflecting its heritage, French expertise and international positioning.

While dealing with the business rebound, Club Med also re-adjusted its investments to secure key projects including the future opening, the maintenance and renovation of its existing Resorts. The capital expenditure of Resort operation for the year ended 31 December 2023 was RMB665.4 million, decreasing by 10.9% compared with 2022, and recovering to 96.9% compared with 2019.

As of 31 December 2023, the liquidity[1] stood at RMB1,977.5 million.

1 Liquidity refers to cash, cash equivalent, unused overdrafts and credit line.

In terms of Resort opening, by 2026, together with new opening and renovation, partially offset by closure of obsolete Resorts, we anticipate an increase of annual capacity of approximately 19% or more compared to that of 2023.

Club Med continues its development with a focus on 2 strategic products lines playing a crucial role in its business model: Mountain and Exclusive Collection.

As of 31 December 2023, Club Med operates 25 Mountain Resorts located in the heart of the most beautiful summits in the French and European Alps, as well as in China, Canada, and Japan. In 2023, the Business Volume of Club Med Mountain Resorts increased by 33.4% compared to 2022 and it represented 32% of global Business Volume. Such increase was due to the excellent all-inclusive value proposition, with an unrivalled on or off ski experience with a large range of activities for families. In 2023, Club Med Mountain Resorts received 355,000 customers from all over the world.

Another strategic product is Club Med Exclusive Collection, the luxury range with the most premium Resorts of Club Med portfolio. In 2023, this portfolio consisted of 5 Exclusive Collection Resorts, 10 Exclusive Collection Spaces, 4 addresses of Villas and Chalets, and 1 Cruise Ship Club Med 2, representing 13% of Club Med global capacity. In 2023, Club Med Exclusive Collection accounted for 18% of Club Med global Business Volume and received 139,000 customers.

It is expected to witness a sustainable growth in bookings throughout 2024 as the demand for ski and summer holidays continues to gain momentum. As of 2 March 2024, the accumulated bookings for the first half of 2024, expressed in Business Volume of Stays, Tours and Services at constant exchange rate, increasing by approximately 14% compared to that for the first half of 2023 as of 2 March 2023, and increasing by approximately 53% for the first half of 2022 as of 2 March 2022, which was during the Pandemic.

As of 2 March 2024, the cumulative bookings for the second half of 2024, expressed in Business Volume of Stays, Tours and Services at constant exchange rate, increasing by approximately 5% compared to that for the second half of 2023 as of 2 March 2023, and increasing by approximately 30% compared to that for the second half of 2022 as of 2 March 2022 which was during the Pandemic.

Miniversity

Our international learning and playing club, Miniversity (迷你營), created summer parent-child activities and Winter/Summer Camp through collaboration with the FOSUN HOLIDAY ecosystem. The Business Volume reached RMB24.7 million for the year 2023, increased by 45.8% as compared to 2022. The Winter/Summer Camp and parent-child activities were well received by consumers and grew by 55.0% in terms of the number of bookings for the Winter/Summer Camp and parent-child activities as of 31 December 2023 as compared to 2022.

ATLANTIS SANYA[1]

Atlantis Sanya[2]

Atlantis Sanya is located on the Haitang Bay National Coast of Sanya in Hainan Province, China. Atlantis Sanya (the "**Tourism Complex**") includes 1,314 guest rooms offering full ocean views and underwater-suite, natural seawater aquarium, the Atlantis Aquaventure Waterpark with an area of 200,000 square meters and a dolphin island, high-quality food and beverage services, over 5,000 square meters of space for MICE[3] activities, a shopping centre and other recreational activities such as the Show C Theatre. The Group commenced the construction of Atlantis Sanya in 2014, which was officially opened in April 2018.

In 2023, as a one-stop high-end comprehensive resort destination with marine as the theme, Atlantis Sanya presented a series of brand-new experiences for its guests through accommodation, F&B, MICE, attractions and entertainment. In January 2023, it unveiled the "Aquaventure Pink Night" (「水世界粉色之夜」), which opened a new night tour experience. In July, Atlantis Sanya officially launched its "Super Summer (超級暑假)" program by releasing China's first mermaid virtual experience officer, Seana, which leads a new trend in Sanya tourism market. The 2023 China's Mermaid Open Tournament was held at Atlantis and the international performance competition kicked off officially on 18 September and ended on 21 September, which further improved the international image of Atlantis Sanya. "Screaming Night under Deep Sea 3.0 (深海尖叫夜3.0)", a special night show project of the Lost Chambers Aquarium, was relaunched in the fourth quarter. Co-branding with renowned game IP "Honor of Kings" (王者榮耀), "Atlantis Kaihai Festival • Haidu Heroic Ceremony (亞特蘭蒂斯開海節•海都英雄盛典)" continued to light up the night show of Waterpark. During the Christmas holiday period, Atlantis Sanya invited certified Santa Claus from Finland to light up the Christmas tree on-site, further creating an international and diverse festive atmosphere.

1 It refers to Atlantis Sanya Business Segment.

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

3 Meetings, Incentives, Conferencing & Exhibitions.

In 2023, the Business Volume of Atlantis Sanya operating business increased from RMB877.2 million in 2022 to RMB1,674.9 million in 2023, increased by 90.9% as compared to the same period in 2022. The Average Daily Rate by Room was RMB2,385.5, with an average Occupancy Rate of 81.9%, up by 38.9 percentage points as compared to that of 2022. The number of visits increased to 6,077,000 as compared to 2,901,000 in 2022, reaching a new historical high. In 2023, the adjusted EBITDA was RMB744.8 million, representing an increase of 157.6% as compared to RMB289.1 million in 2022.

The following table illustrates certain key operating data of Atlantis Sanya for the year ended 31 December:

	For the year ended 31 December	
	2023	2022
Business Volume *(RMB'000)*	**1,674,939**	877,213
Occupancy Rate by Room	**81.9%**	43.0%
Average Daily Rate by Room *(RMB)*	**2,385**	2,440
RevPar by Room *(RMB)*	**1,953**	1,048

Atlantis Sanya recorded a Business Volume of RMB464.2 million for the first two months as of 29 February 2024, representing an increase of 16.5% as compared to the same period in 2023. The Average Occupancy Rate by Room reached 94.8% and the Average Daily Rate by Room was RMB2,988.9.

Fanxiu

Through the development of performances in resorts and hotels by Fanxiu Performance (泛秀演藝), we meet the needs of customers for more enriched and joyous vacation experiences and diversified lifestyles. Fanxiu Performance launched the stationed C Show in Atlantis Sanya in February 2019. It has been completely revamped with the introduction of the first immersive marine fantasy acrobatics show in China during Christmas 2021. In 2023, Fanxiu Performance recorded a Business Volume of RMB66.0 million, increased by 162.6% as compared to that of 2022. To further enrich the supply of tourism and cultural products, in 2023, Fanxiu launched "Pink Night", a year-round nighttime offering at Waterpark in Atlantis Sanya, which transformed the nighttime at the Waterpark into an ocean of fun for the sizeable parent-child customer base in China through a rich variety of performing arts.

VACATION ASSET MANAGEMENT CENTER

In 2023, we incorporated our two major projects, Taicang and Lijiang, under the former "Foliday Town" brand into our "Vacation Asset Management Center" business segment, intending to optimize our IP operations and facilitate the implementation of more asset-light projects in the future. Currently, the Vacation Asset Management Center includes Taicang Alps Resort and Lijiang Club Med Resort.

Taicang Alps Resort

Taicang Alps Resort is located in Taicang city, Jiangsu Province in Eastern China. The project is adjacent to Shanghai, located near Taicangnan Railway Station. It takes less than 30 minutes to reach Taicang Alps Resort from Shanghai Hongqiao Transportation Hub by high-speed train.

With the theme of "Alps", Taicang Alps Resort offers various themed experiences and tourism features, including but not limited to a large-scale indoor ski domain in Eastern China, Club Med Urban Oasis Taicang Resort, a themed commercial street, and saleable vacation units.

The construction of Taicang Alps Resort was completed in stages starting from 2021, among which the Alps Snow Live, Club Med Urban Oasis Taicang Resort and Alps Time commenced their business in the second half of 2023.

Our indoor ski domain of "Alps Snow Live" (阿爾卑斯雪世界) was designed by Compagnie des Alps ("**CDA**"), one of the world's leading ski domain operators based in France, which comprises two major experience areas: a ski domain and a snow-ice paradise, with a total GFA of 91,000 square meters. Not only does it highly restore the Alps scenario in several respects such as design concepts and program experience, but it also aligns with international standards in terms of quality and professionalism. The ski domain of Alps Snow Live includes five ski slopes at different slopes and with a total length of 500 meters, further combined with seven "Magic Carpets" as well as professional skiing instructors, aiming to meet the needs of skiers with different skill levels and for all ages. The snow-ice paradise of Alps Snow Live offers over ten immersive snow entertainment activities, including snow mountain crossing, ice palace exploration, interaction with penguins, etc., allowing consumers to fully experience the charm of ice and snow. The unique performance "Eurora's Dream" combines ice dance, snow flash, and aerial show, leading our guests into a romantic and beautiful dreamlike world in the Alps.

Club Med Urban Oasis Taicang Resort represents the first ice and snow resort of Club Med built on the base of an indoor ski domain in China. It is also the second urban resort under this brand in the world, following Club Med Urban Oasis Nanjing Xianlin Resort. Club Med Urban Oasis Taicang Resort includes 308 guest rooms, taking "snow mountains travel" as its design inspiration and ingeniously integrating elements such as wooden houses and snowflakes. The international buffet restaurant mainly offers exquisite Alpine cuisine, while the Top Snowy Lounge provides a unique snow mountain-themed wine menu, dinner bar cuisine and other services, complementing with dedicated service offered by G.O and wonderful performances, allowing guests to fully indulge in the tranquility and comfort of the Alps post-skiing vacation experience after their exhilarating escapades in the snow.

The light and shadow world, located in the Alps Time, welcomed its first exhibition on 29 October — the immersive art exhibition with the theme of "Cézanne|Dalí and the Alps". The exhibition includes three major chapters: "Cézanne's Four Seasons", "Exploring Dalí's Dreams", and "AI Dalí". Through cutting-edge high-definition scanning technology, CG light and shadow special effects technology, and high-definition projection display technology, it brings visitors an immersive visual feast with multi-dimension and is completely different from traditional art museum exhibitions.

As of 31 December 2023, the total cumulative cost incurred in the Taicang Alps Resort was approximately RMB6,648.3 million, which was mainly used for land acquisitions and construction costs. A project development loan amounting to RMB2,074.0 million was granted, of which RMB1,211.3 million has already been utilized. As of 31 December 2023, Taicang Alps Resort has obtained a sales (pre-sale) permit for GFA of approximately 229,275 square meters and all of which were used for sales (pre-sale) with saleable property units of 2,020 sets. As of 31 December 2023, the sales area developed for sale was 70,338.5 square meters and the sales value to be carried forward was RMB164.2 million.

As of 31 December 2023, the sold (including pre-sale) and delivered details of Taicang Alps Resort are as follows:

Periods	**Number of sets sold (including pre-sale)** *(Sets)*	**Sold value (including pre-sale)** *(RMB million)*	**Delivered sets** *(Sets)*	**Delivered GFA** *(M^2)*	**Recognized revenue** *(RMB million)*
For the year of 2023	341	878.0	371	42,563.4	878.78
Starting from pre-sale up to 31 December 2023	1,423	3,716.3	1,360	151,802.3	3,244.78

Taicang Alps Resort is in the ramp-up period since its opening in November 2023. Benefiting from the growth in demand for urban vacation and ice and snow tourism, as well as the continued enhancement of resort operations, the project performance has been steadily improving.

For the two months ended 29 February 2024, the number of sets sold in Taicang Alps Resort was 18 and the sales value was RMB44.2 million.

Lijiang Club Med Resort

Lijiang Club Med Resort is located in Baisha town in Lijiang City, Yunnan Province in Southwestern China, which is defined as an international tourism destination targeting mid-to-high-end customers, and plans to combine comprehensive tourism and leisure features, including Club Med Lijiang resort, JOY PARK Commercial Street and Snow Mountain Camp ("**Operational Section**"), and the vacation house at the foot of Jade Dragon Snow Mountain. The project was also planned to include saleable vacation houses, certain portions of which have been approved by regulatory authorities for construction and pre-sale. The saleable vacation houses will be designed as detached houses with low density and low-rise courtyard houses, and the product is defined as "The Vacation House at the Foot of Jade Dragon Snow Mountain".

We have started the construction of saleable vacation houses in 2020. The project has been completed in stages since late 2021. In the second half of 2021, Club Med Lijiang resort, Joy Holiday Hotel Lijiang, and Snow Mountain Camp have been put into operation. Among them, Lijiang Club Med Resort includes 302 guest rooms. Joy Holiday Hotel Lijiang was officially opened in January 2022. The product is positioned as a serviced holiday apartment.

Lijiang Club Med Resort was opened on 25 September 2021. In 2023, with the opening up after the pandemic and the recovery of the tourism industry, Lijiang Club Med Resort welcomed the peak of visitor traffic. During the Labour holiday in May, Lijiang Club Med Resort joined hands with Fosun Foundation to organise the Simple Holiday Life Festival in the form of "Music + Public Welfare", which achieved 15 million promotional exposure and attracted nearly 10,000 people to participate in the festival. In June, Lijiang Club Med Resort was awarded the "2022 Excellent Cultural and Tourism Project TOP 7" (2022卓越文旅項目TOP7) of the 2023 TRUE Cultural and Tourism Super Rating List (2023TRUE文旅超級評價榜), becoming one of the best residential destinations in Southwestern China and providing a one-stop holiday home. In November, "Cry Wolf", the first variety show of Wolves eSports Club, was premiered on Weibo, which was filmed at Lijiang Club Med Resort. The cumulative exposure on the entire network exceeded 200 million viewers. In December, it jointly organized the Highway Nomadic Life Festival to create a grand event for the motorbike outdoor, music and art communities. In 2023, Lijiang Club Med Resort recorded a Business Volume of RMB107.8 million with approximately 192,000 visits.

As of 31 December 2023, the operation of Lijiang Club Med Resort is as follows:

	For the year ended 31 December	
	2023	2022
Lijiang Club Med Resort[1]		
Business Volume *(RMB million)*	**107.8**	88.9
Visits *('0,000)*	**19.2**	17.4
Club Med Lijiang Resort		
Business Volume *(RMB million)*	**94.6**	78.8
Capacity *(beds)*	**650**	619
Average Occupancy Rate by Room	**43.0%**	34.7%
Average Daily Bed Rate *(RMB)*[2]	**1,000**	1,186

As of 31 December 2023, total cost incurred in Lijiang Club Med Resort was approximately RMB1,680.1 million. The approved project development loans amounted to RMB1,300.0 million and the loan balance was RMB423.9 million as of 31 December 2023. As of 31 December 2023, Lijiang Club Med Resort has obtained a sales permit for GFA of approximately 28,500 square meters, with 482 saleable sets. As of 31 December 2023, the area developed for sale was 21,194.0 square meters. The value sold to be carried forward was RMB21.5 million.

1 Formerly Lijiang FOLIDAY Town.

2 The Average Daily Bed Rate decreased by 15.7% as compared to that of 2022 due to off-season marketing strategies, meetings, incentive travel as well as an increased proportion of the large corporate convention and event exhibition business mix.

As of 31 December 2023, the sold and delivered details of the Lijiang Club Med Resort are as follows:

Periods	**Number of sets sold** *(Sets)*	**Sales value** *(RMB million)*	**Delivered sets** *(Sets)*	**Delivered GFA** *(M^2)*	**Recognized revenue** *(RMB million)*
2023	36	37.2	45	2,468.1	40.7
Starting from pre-sale up to 31 December 2023	124	145.2	106	5,944.1	113.5

For the two months ended 29 February 2024, driven by the New Year's Day and Chinese New Year holidays, Lijiang Club Med Resort recorded a Business Volume of RMB21.5 million, representing an increase of 21.4% as compared to the same period of 2023, with 35,000 visits. The number of sets sold in Lijiang Club Med Resort was 5 and the sales value was RMB6.3 million. Club Med Lijiang Resort recorded a Business Volume of RMB19.4 million. The Average Daily Bed Rate was RMB806.5 and the average Occupancy Rate by Room reached 55.1%.

In addition, we are exploring strategic partnership opportunities with other companies on the development and operation models of the Vacation Asset Management Center.

FORYOU CLUB AND OTHER SERVICES

In November 2019, we acquired the right, title and interest of Thomas Cook brand, a centennial travel brand, as well as its trademarks across most international markets upon its liquidation. In 2023, in the context of globalization, the Group deepened its localization strategy and repositioned Thomas Cook China to Foryou Club, which is dedicated to the mission of Fosun Tourism Group of "Better Holiday, Better Life", to build a scenic platform for high-quality holiday services. The Group strives to provide quality domestic and overseas holiday products and services to Foryou Club members and their families around the world. Thomas Cook UK continued to develop its online travel agency business.

Foryou Club

In 2023, we repositioned the former "Thomas Cook Lifestyle Platform" ("**TC China**") to Foryou Club as the official global membership operation platform of Fosun Tourism Group, the members of which are from Club Med, Atlantis Sanya and various business segments under Fosun Tourism Group. Adhering to the Group's mission of "Better Holiday, Better Life", Foryou Club is committed to providing high-quality domestic and international holiday products and services to its members and their families around the world by creating a scenic platform for high-quality holiday services.

As of 31 December 2023, the platform of Foryou Club had over 6,529,000 members, representing a year-on-year growth of 16.5%. In 2023, the number of paid users reached 114,000, representing a year-on-year growth of 52.6%.

In 2023, Foryou Club made strategic adjustments with focus on Return on Investment, and shifted from transaction scale orientation to membership services and experienced improvement under self-operated scenarios. Differentiated from OTA platform, Foryou Club has a profound insight into the pain points of user travelling, and is fully connected with Fosun Tourism Group's offline scenarios to provide members in the platform with differentiated member holiday products, for instance, Atlantis Sanya + surrounding resort hotels + local entertainment packages, and create an all-around skiing product matrix from indoors to outdoors, and from China to Japan and Europe by focusing on the snow and ice resources of Club Med to cater for the holiday needs of various families and groups of customers. Meanwhile, concerning the service aspect, it provided quality full-trip services covering before trips, during trips and after trips to members in the platform through the online APP tool upgrading + offline service follow-up, striving to become a "holiday butler" for the extensive household consumers and enhance the one-stop holiday experience of its members.

Foryou Club recorded a Business Volume of RMB354.7 million in 2023, representing an increase of 9.0% as compared to that of 2022, and an order volume of 849,000, representing an increase of 131.5% as compared to that of 2022.

In 2024, Foryou Club will continue its operation from the perspective of membership value and bring more quality products and good membership experiences to its members. For the two months ended 29 February 2024, during the New Year's Day and Chinese New Year holidays, Foryou Club's core business recorded a Business Volume of RMB32.7 million, representing an increase of 74.7% as compared to the same period in 2023.

Thomas Cook UK

2023 was a year of transformation for Thomas Cook after it pivoted from a focus on growth to focusing on trading profitability.

Thomas Cook's UK business, as well as its operations in Europe, have continued to invest in their digital platform with a greater focus on higher-margin hotels and long-haul holidays.

MANAGEMENT DISCUSSION AND ANALYSIS

Selected Items of Consolidated Statement of Profit or Loss

	For the year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
REVENUE	**17,151,841**	13,777,710
Cost of revenue	**(11,556,647)**	(9,787,360)
Gross profit	**5,595,194**	3,990,350
Other income and gains, net	**324,347**	103,659
Selling and marketing expenses	**(2,348,205)**	(2,005,914)
General and administrative expenses	**(1,764,533)**	(1,494,592)
OPERATING INCOME	**1,806,803**	593,503
Finance costs	**(1,305,483)**	(995,591)
Share of profits and losses of:		
Associates	**(12,145)**	(1,062)
PROFIT/(LOSS) BEFORE TAX	**489,175**	(403,150)
Income tax expense	**(143,165)**	(128,641)
PROFIT/(LOSS) FOR THE YEAR	**346,010**	(531,791)
Attributable to:		
Equity holders of the Company[1]	**307,199**	(544,900)
Non-controlling interests	**38,811**	13,109
	346,010	(531,791)

[1] Profit attributable to equity holders of the Company for the year ended 31 December 2023 included RMB600.9 million profit arising from tourism operation and RMB293.7 million loss arising from property development and sales. Loss attributable to equity holders of the Company for the year ended 31 December 2022 included RMB403.8 million loss arising from tourism operation and RMB141.1 million loss arising from property development and sales.

Revenue by business segment

Revenue: Our revenue increased by 24.5% from RMB13,777.7 million for the year ended 31 December 2022 to RMB17,151.8 million for the year ended 31 December 2023. Both global and domestic business showed a notable improvement thanks to the continued recovery from the Pandemic and the increase in travel, as well as the Group's operation efficiency.

	For the year ended 31 December			
	2023		2022	
	RMB'000	*%*	*RMB'000* (Restated)[1]	*%*
Club Med and Others	**14,176,378**	**82.7%**	11,606,385	84.2%
Atlantis Sanya	**1,768,983**	**10.3%**	917,391	6.7%
Vacation Asset Management Center	**1,062,806**	**6.2%**	1,122,437	8.1%
Foryou Club and Other Services	**220,074**	**1.3%**	201,042	1.5%
Intersegment eliminations	**(76,400)**	**(0.5%)**	(69,545)	(0.5%)
Total revenue	**17,151,841**	**100.0%**	13,777,710	100.0%

Club Med and Others: Revenue of this segment was mainly consisted of Club Med resort operation business and other relevant business such as transportation service, resort construction service, youth play and learning service. Club Med and Others revenue increased by 22.1% from RMB11,606.4 million for the year ended 31 December 2022 to RMB14,176.4 million for the year ended 31 December 2023, benefitting from the increase of the capacity by 6.4%, the increase of the average Occupancy Rate by Room by 3.5 percentage points and the increase of Average Daily Bed Rate by 8.5% in Club Med. The growth was primarily contributed by the increase in travel demand with the worldwide easing of travel restrictions and the strong operation performance.

Atlantis Sanya: Atlantis Sanya segment provided hotel operation services and various supporting tourism and entertainment services in the region, such as C show and Sanya Albion. Thanks to the strong holiday demand unleashed after resuming domestic tourism in China, Atlantis Sanya posted revenue growth of 92.8% from RMB917.4 million for the year ended 31 December 2022 to RMB1,769.0 million for the year ended 31 December 2023. The growth was driven by both increase in room revenue with much higher Occupancy Rate, and the increase in other operating revenues generated from the Aquarium, the Waterpark, the C show and other services provided.

1 Details of the restatement of the 2022 statements are set out in note 2 to the financial statements.

Vacation Asset Management Center: Revenue from Vacation Asset Management Center mainly came from property sales and construction services and operation revenue of Taicang Alps resort and Lijiang Club Med resort. Revenue of property sales and construction services decreased by 11.6% to RMB932.2 million due to the downturn of the real estate industry. Operation revenue of Lijiang Club Med increased by 21.8% to RMB74.4 million. Operation revenue of Taicang Alps resort reached RMB42.9 million from the last two month operation in 2023.

Foryou Club and Other Services: Foryou Club and Other Services mainly provided various tourism and leisure services to support membership system for our various brands. Revenue of Foryou Club and Other Services increased by 9.5% year-on-year. We strategically optimized the business structure of Foryou Club and reduced some business with low efficiency.

Cost of revenue by business segment

	For the year ended 31 December			
	2023		2022	
	RMB'000	*%*	*RMB'000* (Restated)	*%*
Club Med and Others	**10,070,160**	**87.1%**	8,456,185	86.4%
Atlantis Sanya	**884,594**	**7.7%**	627,779	6.4%
Vacation Asset Management Center	**554,078**	**4.8%**	663,054	6.8%
Foryou Club and Other Services	**107,977**	**0.9%**	82,440	0.8%
Intersegment eliminations	**(60,162)**	**(0.5%)**	(42,098)	(0.4%)
Total	**11,556,647**	**100.0%**	9,787,360	100.0%

Gross profit and gross profit margin by business segment

	For the year ended 31 December			
	2023		2022	
	Gross Profit ***RMB'000***	**Gross Profit Margin** *%*	Gross Profit *RMB'000* (Restated)	Gross Profit Margin *%*
Club Med and Others	**4,106,218**	**29.0%**	3,150,200	27.1%
Atlantis Sanya	**884,389**	**50.0%**	289,612	31.6%
Vacation Asset Management Center	**508,728**	**47.9%**	459,383	40.9%
Foryou Club and Other Services	**112,097**	**50.9%**	118,602	59.0%
Intersegment eliminations	**(16,238)**	**N/A**	(27,447)	N/A
Total	**5,595,194**	**32.6%**	3,990,350	29.0%

Cost of revenue increased by 18.1% from RMB9,787.4 million for the year ended 31 December 2022 to RMB11,556.6 million for the year ended 31 December 2023 which was in line with revenue increase.

Gross profit increased by 40.2% and gross profit margin increased from 29.0% to 32.6%. Gross profit for Club Med and Others segment increased by 30.3% comparing with last year. The increase was mainly due to continued business recovery of Club Med whose gross profit and margin rate was RMB4,075.4 million and 28.8% respectively. Gross profit and margin rate of Club Med were better than those of 2019. Gross profit of Altantis Sanya segment increased by 205.4% and gross profit margin increased from 31.6% to 50.0% year-on-year benefitting from both the recovery of revenue and operation efficiency. Gross profit of Vacation Asset Management Center increased by 10.7% and gross profit margin increased from 40.9% to 47.9% year-on-year thanks to more property units delivery with higher margin rate.

Other income and gains, net

We incurred net other income and gains of RMB324.3 million in 2023 comparing with that of RMB103.7 million in 2022. Net other income and gains in 2023 was mainly due to (i) gain from village disposal as well as sale and lease back of Club Med resorts amounted to RMB282.4 million, (ii) gain from disposal of Casa Cook and Cook's Club hotel business amounted to RMB45.1million, and (iii) net exchange gain amounted to RMB95.1 million.

Selling and marketing expenses

Selling and marketing expenses increased by 17.1% year-on-year to RMB2,348.2 million for the year ended 31 December 2023, mainly due to (i) commission on sales mainly for resorts and tourism operation and property sales increased by 29.1% year-on-year to RMB747.5 million (2022: RMB578.8 million), which was in line with the revenue increase, and (ii) advertising and promotion costs increased by RMB104.1 million as a result of continued business recovery.

General and administrative expenses

General and administrative expenses increased by 18.1% to RMB1,764.5 million in 2023. The change was primarily due to (i) management fee payable to brand licensor increased by RMB80.1 million due to incentive fee charge for business operation of Atlantis Sanya in 2023 in line with the revenue growth, (ii) IT services expenses and new resort development expenses for Club Med increased by RMB71.8 million in line with the continued business recovery as well as the increase of IT service procurement, and (iii) increase of sundry outsourcing expenses such as consulting expenses and professional expenses.

Operating profit by business segment

Our operating profit was RMB1,806.8 million in 2023, comparing with the operating profit of RMB593.5 million in 2022.

	For the year ended 31 December			
	2023		2022	
	RMB'000	*%*	*RMB'000* (Restated)	*%*
Club Med and Others	**1,547,958**	**85.7%**	661,173	111.4%
Atlantis Sanya	**510,388**	**28.2%**	63,857	10.8%
Vacation Asset Management Center	**155,494**	**8.6%**	278,440	46.9%
Foryou Club and Other Services	**(98,622)**	**(5.5%)**	(232,922)	(39.2%)
Eliminations and unallocated expenses	**(308,415)**	**(17.0%)**	(177,045)	(29.9%)
Total	**1,806,803**	**100.0%**	593,503	100.0%

Club Med and Others: Club Med and Others business incurred an operating profit of RMB1,548.0 million in 2023 comparing with an operating profit of RMB661.2 million in 2022, reflecting the continued business recovery and operation efficiency of Club Med.

Atlantis Sanya: Operation profit of Atlantis Sanya increased from RMB63.9 million in 2022 to RMB510.4 million in 2023, mainly due to growth of gross profit.

Vacation Asset Management Center: Vacation Asset Management Center incurred an operating profit of RMB155.5 million in 2023 comparing with an operating profit of RMB278.4 million in 2022. Delivery of property units of Taicang Alps resort contributed operating profit of RMB235.0 million for the year ended 31 December 2023 comparing with an operating profit of RMB373.1 million for the year ended 31 December 2022.

Foryou Club and Other Services: Operating loss for the year ended 31 December 2023 was RMB98.6 million comparing with RMB232.9 million for the year ended 31 December 2022 due to cost saving of some businesses and expenses with low efficiency.

Finance costs

Finance costs net of capitalized interest increased by RMB309.9 million from RMB995.6 million in 2022 to RMB1,305.5 million in 2023. The increase was primarily due to (i) business development led to the increase of interest on lease liabilities, and (ii) interest rates on borrowings increased which was caused by the fluctuation of overseas economic environment.

Income tax expense

Income tax expenses increased by RMB14.6 million from RMB128.6 million in 2022 to RMB143.2 million in 2023. The income tax expense of 2023 primarily comprised of PRC land appreciation tax ("**LAT**") amounted to RMB112.3 million in relation to the sales of tourism-related property sales and income tax expense amounted to RMB30.9 million.

LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sale of properties less deductible expenditures including land costs, borrowing costs and other property development expenditures. We have estimated, prepaid and accrued LAT according to the requirements set forth in the relevant Mainland China tax laws and regulations.

Non-IFRS Measures

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

ADJUSTED EBITDA

	For the year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Profit/(loss) before income tax	**489,175**	(403,150)
Adjustment:		
Depreciation	**1,863,240**	1,697,264
Amortization	**135,805**	141,863
Finance costs	**1,305,483**	995,591
Land appreciation tax	**(112,301)**	(121,223)
EBITDA	**3,681,402**	2,310,345
Add:		
Equity-settled share-based payments	**48,547**	34,510
Adjusted EBITDA	**3,729,949**	2,344,855
Arising from tourism operation	**3,713,337**	2,137,250
Arising from property development and sales	**16,612**	207,605

Adjusted EBITDA increased from RMB2,344.9 million in 2022 to RMB3,729.9 million in 2023.

Adjusted EBITDA of Club Med was RMB3,207.9 million in 2023, compared with RMB2,187.6 million in 2022, and even increased by 41.1% compared with that in 2019. Adjusted EBITDA of Atlantis Sanya segment in 2023 increased to RMB723.1 million from RMB283.4 million in 2022, primarily due to the strong tourism demand recovery in China. Adjusted EBITDA of Vacation Asset Management Center in 2023 was RMB111.4 million compared with RMB218.6 million in 2022. Of which, Taicang Alps resort contributed adjusted EBITDA of RMB126.6 million in 2023 compared with an adjusted EBITDA of RMB285.1 million in 2022.

Adjusted Net Profit/(Loss)

	For the year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Net Profit/(Loss)	**346,010**	(531,791)
Add:		
Equity-settled share-based payments	**48,547**	34,510
Adjusted Net Profit/(Loss)	**394,557**	(497,281)

Capital expenditures

Our capital expenditures primarily consisted of expenditures to land use rights and property, plant and equipment. We funded our capital expenditures from our internal resources, bank borrowings and leases. The amount of capital expenditures of the Group for the year ended 31 December 2022 and 2023 were RMB1,217.6 million and RMB1,610.7 million, respectively. The capital expenditure incurred in 2023 mainly related to capital expenditures in Taicang Alps resort, upgrade or renovation of existing Club Med resorts, development of new Club Med resorts, and investments in digital technology. For the year ended 31 December 2023, our capital expenditure for Club Med was RMB665.4 million, and increased by approximately RMB65.4 million compared with same period of last year due to continued investment in development of new resorts and upgrade or renovation of existing resorts in line with our pipeline. Meanwhile, the capital expenditure for Vacation Asset Management Center increased by RMB278.2 million, mainly due to increase in construction investment of Taicang Alps resort.

Indebtedness, liquidity and financial resources of the Group

Our Group funds our investments and operations principally with cash generated from our operations, bank and other borrowings, funds raised from the capital market and capital investments by our Controlling Shareholders. As of 31 December 2023, we had cash and bank balances of approximately RMB3.0 billion. The following table sets out our cash flows for the periods indicated:

	For the year ended 31 December	
	2023	2022
	RMB Million	*RMB Million*
Net cash flows generated from operating activities[1]	**4,043**	2,244
Net cash flows used in investing activities[1]	**(979)**	(541)
Net cash flows used in financing activities[1]	**(3,072)**	(3,267)
Cash and bank balances at end of the year	**2,992**	2,984
Analysis of cash and bank balances		
Cash and cash equivalents at end of the year	**2,556**	2,394
Add: Pledged bank balances and restricted cash for the use of construction	**376**	265
Time deposits with original maturity of more than three months	**60**	67
Restricted pre-sale proceeds	**0**	258
Cash and bank balances at end of the year	**2,992**	2,984

As of 31 December 2023, we had unused banking facilities amounted to approximately RMB2,671.7 million. Thanks to our good performance of operating cash flow, our liquidity remained healthy.

Our indebtedness included interest-bearing bank and other borrowings and lease liabilities. As of 31 December 2023, the total amount of interest-bearing bank and other borrowings was RMB11,685.3 million (31 December 2022: RMB11,961.9 million), of which RMB3,558.4 million was repayable within one year (31 December 2022: RMB2,474.5 million).

1. Excluding flow of restricted cash.

Our loan agreements may also include material financial covenants. Furthermore, we may be required to provide additional guarantees upon the lending banks' request if any changes in our guarantor adversely affect the guarantee granted by the guarantor to the lending banks. We also entered into some amendments to existing loans or facility agreements to get the covenant holiday in 2023. Our Directors confirmed that we complied with all material covenants under our loan agreements and amendments during the Reporting Period and up to the date of this announcement.

Capital Structure

The Company continued to maintain a healthy and sound financial position. Our total assets increased from RMB37,930.0 million as of 31 December 2022 to RMB38,622.8 million as of 31 December 2023, and our total liabilities increased from RMB35,298.9 million as of 31 December 2022 to RMB36,242.5 million as of 31 December 2023. We changed the net current liabilities position of RMB5,163.2 million as of 31 December 2022 to net current liabilities of RMB7,551.1 million as of 31 December 2023.

Our current ratio decreased from 0.65 as of 31 December 2022 to 0.53 as of 31 December 2023. The decrease was mainly due to the increase of Club Med's indebtedness which was repayable within one year with re-financing already completed in 2024.

Our gearing ratio slightly decreased from 53.6% as of 31 December 2022 to 53.5% as of 31 December 2023 which remained stable and healthy.

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

Exchange Rate Fluctuation

Currency fluctuation effects on transactions

The Group has resorts and commercial operations in over 40 countries and regions which are exposed to foreign exchange risks arising from various currency exposures. Major currencies for our commercial transaction included Euro, U.S. dollar, British Pound and Hong Kong dollar. We were engaged in hedging transactions to limit the impact of changes in interest rates, indebtedness and the effects of changes in foreign exchange rates on commercial operation and to reduce our exposure to market volatility. In 2023, Euro appreciated against some currencies such as Renminbi yuan and U.S. Dollar, leading to foreign currency exchange gain. For the year ended 31 December 2022 and 2023, we recorded a net foreign exchange loss of RMB37.1 million and a net foreign exchange gain of RMB95.1 million in other income and gains, net, respectively.

Currency fluctuation effects on translations

Our consolidated financial statements are prepared in RMB, our Group's reporting currency. In preparing the consolidated financial statements, the results of operations of our subsidiaries outside the PRC are translated from their functional currencies into RMB. The assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of each reporting period and their statements of profit or loss are translated into RMB at the average exchange rates for the period. Fluctuations in the value of the exchange rates of our subsidiaries from one year to the next affect our consolidated results of operations. Exchange differences on translation of foreign operations are recognized in our exchange fluctuation reserve, the movement of which is recorded in other comprehensive income. We recorded a gain of RMB277.3 million and a loss of RMB92.9 million for the year ended 31 December 2022 and 2023, respectively, which mainly came from the translation of foreign operations of Club Med.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2023

	Notes	**2023** *RMB'000*	2022 *RMB'000*
REVENUE	3	**17,151,841**	13,777,710
Cost of revenue		**(11,556,647)**	(9,787,360)
Gross profit		**5,595,194**	3,990,350
Other income and gains/(expenses), net	4	**324,347**	103,659
Selling and marketing expenses		**(2,348,205)**	(2,005,914)
General and administrative expenses		**(1,764,533)**	(1,494,592)
Operating income		**1,806,803**	593,503
Finance costs	6	**(1,305,483)**	(995,591)
Share of losses of associates		**(12,145)**	(1,062)
PROFIT/(LOSS) BEFORE INCOME TAX	5	**489,175**	(403,150)
Income tax expense	7	**(143,165)**	(128,641)
PROFIT/(LOSS) FOR THE YEAR		**346,010**	(531,791)
Attributable to:			
Equity holders of the Company		**307,199**	(544,900)
Non-controlling interests		**38,811**	13,109
		346,010	(531,791)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY:	9		
Basic			
— For profit/(loss) for the year *(RMB)*		**0.25**	(0.44)
Diluted			
— For profit/(loss) for the year *(RMB)*		**0.25**	(0.44)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2023

	2023 *RMB'000*	2022 *RMB'000*
PROFIT/(LOSS) FOR THE YEAR	**346,010**	(531,791)
OTHER COMPREHENSIVE (LOSS)/INCOME		
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:		
Effective portion of changes in fair value of hedging instruments arising during the year	**(47,112)**	95,917
Reclassification adjustments for (losses)/gains included in the consolidated statement of profit or loss	**(23,387)**	12,554
Exchange differences on translation of foreign operations	**(92,911)**	277,290
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods	**(163,410)**	385,761
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:		
Actuarial reserve relating to employee benefits	**(15,653)**	49,466
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	**5,736**	4,917
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods	**(9,917)**	54,383
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX	**(173,327)**	440,144
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	**172,683**	(91,647)
Attributable to:		
Equity holders of the Company	**122,743**	(129,614)
Non-controlling interests	**49,940**	37,967
	172,683	(91,647)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2023

	Notes	**2023** *RMB'000*	2022 *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**10,674,269**	9,786,743
Right-of-use assets		**12,535,362**	12,508,667
Intangible assets		**2,570,069**	2,508,279
Goodwill		**1,810,601**	1,714,004
Investments in associates		**261,631**	249,421
Financial assets at fair value through profit or loss		**358,461**	327,336
Properties under development		**579,816**	568,563
Due from related companies		**89,265**	81,872
Prepayments, other receivables and other assets		**380,753**	362,955
Deferred tax assets		**787,811**	289,568
Cash and bank balances		**12,468**	75,000
Total non-current assets		**30,060,506**	28,472,408
CURRENT ASSETS			
Inventories		**289,746**	269,367
Completed properties for sale		**1,219,565**	1,755,626
Properties under development		**519,066**	743,361
Trade receivables	10	**704,961**	899,069
Contract assets and other assets		**4,710**	15,478
Prepayments, other receivables and other assets		**1,895,642**	1,825,974
Due from related companies		**872,961**	879,231
Derivative financial instruments		**73,045**	158,157
Financial assets at fair value through profit or loss		**3,409**	2,177
Cash and bank balances		**2,979,236**	2,909,166
Total current assets		**8,562,341**	9,457,606

	Notes	2023 RMB'000	2022 RMB'000
CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**3,558,428**	2,474,450
Contract liabilities		**962,475**	808,606
Trade payables	11	**2,140,863**	2,643,415
Accrued liabilities and other payables		**7,078,188**	6,553,675
Lease liabilities		**944,415**	866,218
Tax payable		**397,562**	321,962
Due to related companies		**990,668**	900,336
Derivative financial instruments		**40,814**	52,187
Total current liabilities		**16,113,413**	14,620,849
NET CURRENT LIABILITIES		**(7,551,072)**	(5,163,243)
TOTAL ASSETS LESS CURRENT LIABILITIES		**22,509,434**	23,309,165
NON-CURRENT LIABILITIES			
Lease liabilities		**11,025,483**	10,411,331
Interest-bearing bank and other borrowings		**8,126,896**	9,487,485
Contract liabilities		**4,073**	4,073
Deferred income		**52,671**	106,234
Other long term payables		**286,059**	274,071
Deferred tax liabilities		**633,952**	394,874
Total non-current liabilities		**20,129,134**	20,678,068
Net assets		**2,380,300**	2,631,097
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**189**	188
Shares held for the share-based payment schemes		**(925)**	(1)
Reserves		**2,297,155**	2,458,110
		2,296,419	2,458,297
Non-controlling interests		**83,881**	172,800
Total equity		**2,380,300**	2,631,097

1.1 BASIS OF PREPARATION

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

The Group had net current liabilities of RMB7,551,072,000 as at 31 December 2023. Having taken into account the unused banking facilities and the expected cash flows from operating, investing and financing activities, the Directors consider that it is appropriate to prepare the financial statements on a going concern basis.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements.

IFRS 17	*Insurance Contracts*
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to IAS 8	*Definition of Accounting Estimates*
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to IAS 12	*International Tax Reform — Pillar Two Model Rules*

The nature and impact of the new and revised IFRSs that are applicable to the Group are described below：

(a) Amendments to IAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to IFRS Practice Statement 2 *Making Materiality Judgements* provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has disclosed the material accounting policy information in the financial statements. The amendments did not have any impact on the recognition, measurement or presentation of any items in the Group's financial statements.

(b) Amendments to IAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Group's approach and policy align with the amendments, the amendments had no impact on the Group's financial statements.

(c) Amendments to IAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in IAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions.

Upon the application of the amendments, the Group has determined the temporary differences arising from right-of-use assets and lease liabilities separately, which have been reflected in the reconciliation disclosed in the financial statements. However, they did not have any material impact on the overall deferred tax balances presented in the consolidated statement of financial position as the related deferred tax balances qualified for offsetting under IAS 12.

(d) Amendments to IAS 12 *International Tax Reform — Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Group has applied the amendments retrospectively. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates, and the legislation will be effective for the Group's financial year beginning 1 January 2024.

The Group is in scope of the new tax legislation. However, the legislations in certain jurisdictions were enacted close to the reporting date. Therefore, the Group is still in the process of assessing the potential exposure to Pillar Two income taxes. Potential exposure, if any, to Pillar Two income taxes is currently not known or reasonably estimable.

1.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following revised IFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these revised HKFRSs, if applicable, when they become effective.

Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*[1]
Amendments to IAS 1	*Classification of Liabilities as Current or Non-Current* (the "2020 Amendments")[1]
Amendments to IAS 1	*Non-current Liabilities with Covenants* (the "2022 Amendments")[1]
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*[1]
Amendments to IAS 21	*Lack of Exchangeability*[2]

1 Effective for annual periods beginning on or after 1 January 2024
2 Effective for annual periods beginning on or after 1 January 2025
3 No mandatory effective date yet determined but available for adoption

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

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

Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments are effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16 (i.e., 1 January 2019). Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period. The amendments shall be applied retrospectively with early application permitted. An entity that applies the 2020 Amendments early is required to apply simultaneously the 2022 Amendments, and vice versa. The Group is currently assessing the impact of the amendments and whether existing loan agreements may require revision. Based on a preliminary assessment, the amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Earlier application of the amendments is permitted. The amendments provide certain transition reliefs regarding comparative information, quantitative information as at the beginning of the annual reporting period and interim disclosures. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

2. OPERATING SEGMENT INFORMATION

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

(a) Club Med and others segment which comprises principally the Club Med resort operation business and other relevant business such as transportation service, resort construction service, youth play and learning service;

(b) Atlantis Sanya segment which comprises principally the hotel operation services and various supporting tourism and entertainment services in the region;

(c) Vacation asset management center segment which comprises principally the property sales and construction services and operation of Taicang Alps resort and Lijiang Club Med resort; and

(d) Foryou Club and other services segment which comprises principally the various tourism and leisure services to support membership system.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. During the year, as management changed the structure of the Group's internal organisation to match its business development strategy in a manner that caused to change the Group's composition of its reportable segments, some entities in the Group were re-allocated to reflect such change. Segment performance is evaluated based on reportable segment operating profit which is calculated based on gross profit less other income and gains, other expenses, selling and marketing expenses and general and administrative expenses. No analysis of the Group's assets and liabilities by operating segment is disclosed as it is not regularly provided to the chief operating decision-maker for review.

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

Year ended 31 December 2023

	Club Med and others *RMB'000*	Atlantis Sanya *RMB'000*	Vacation asset management center *RMB'000*	Foryou Club and other services *RMB'000*	Elimination *RMB'000*	Total *RMB'000*
Segment revenue						
External customers	**14,157,086**	**1,760,733**	**1,059,063**	**174,959**	**—**	**17,151,841**
Intersegment sales	**19,292**	**8,250**	**3,743**	**45,115**	**(76,400)**	**—**
Total revenue	**14,176,378**	**1,768,983**	**1,062,806**	**220,074**	**(76,400)**	**17,151,841**
Segment operating profit/(loss)	**1,547,958**	**510,388**	**155,494**	**(98,622)**	**(57,180)**	**2,058,038**
Unallocated expenses*						**(251,235)**
Total operating profit						**1,806,803**
Finance costs						**(1,305,483)**
Share of losses of associates						**(12,145)**
Profit before income tax						**489,175**

Year ended 31 December 2022 (Restated)

	Club Med and others *RMB'000*	Atlantis Sanya *RMB'000*	Vacation asset management center *RMB'000*	Foryou Club and other services *RMB'000*	Elimination *RMB'000*	Total *RMB'000*
Segment revenue						
External customers	11,579,576	896,851	1,121,608	179,675	—	13,777,710
Intersegment sales	26,809	20,540	829	21,367	(69,545)	—
Total revenue	11,606,385	917,391	1,122,437	201,042	(69,545)	13,777,710
Segment operating profit/(loss)	661,173	63,857	278,440	(232,922)	(61,082)	709,466
Unallocated expenses*						(115,963)
Total operating profit						593,503
Finance costs						(995,591)
Share of losses of associates						(1,062)
Loss before income tax						(403,150)

* The unallocated expenses mainly represented the impairment loss of intangible assets, equity-settled share-based payment expenses, other employee benefit expenses and other administrative expenses.

Geographical information

	2023 *RMB'000*	2022 *RMB'000*
Revenue from external customers		
Europe, Middle East and Africa	**9,053,806**	8,012,374
America	**3,455,644**	2,715,631
Asia Pacific	**4,642,391**	3,049,705
	17,151,841	13,777,710

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

	2023	2022
	RMB'000	*RMB'000*
Non-current assets		
Europe, Middle East and Africa	**14,245,440**	13,645,951
America	**3,743,624**	3,517,607
Asia Pacific	**10,502,655**	10,201,224
	28,491,719	27,364,782

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

Information about a major customer

No revenue amounting to 10% or more of the Group's revenue was derived from sales to a single customer for the year ended 31 December 2023 (2022: Nil).

3. REVENUE

An analysis of revenue is as follows:

	2023	2022
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Tourism operation and other services	**16,013,881**	12,442,217
Property sales and construction service	**1,137,960**	1,335,493
	17,151,841	13,777,710

(i) **Disaggregated revenue information**

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

For the year ended 31 December 2023

Segments	Club Med and others *RMB'000*	Atlantis Sanya *RMB'000*	Vacation asset management center *RMB'000*	Foryou Club and other services *RMB'000*	Elimination *RMB'000*	Total *RMB'000*
Types of goods or services						
Tourism operation and other services	**13,970,654**	**1,768,983**	**130,570**	**220,074**	**(76,400)**	**16,013,881**
Property sales and construction services	**205,724**	**—**	**932,236**	**—**	**—**	**1,137,960**
	14,176,378	**1,768,983**	**1,062,806**	**220,074**	**(76,400)**	**17,151,841**
Intersegment sales	**(19,292)**	**(8,250)**	**(3,743)**	**(45,115)**	**76,400**	**—**
Total revenue from contracts with customers	**14,157,086**	**1,760,733**	**1,059,063**	**174,959**	**—**	**17,151,841**
Timing of revenue recognition						
Goods transferred at a point in time	**52**	**—**	**934,154**	**37,934**	**(26,811)**	**945,329**
Services transferred over time	**14,176,326**	**1,768,983**	**128,652**	**182,140**	**(49,589)**	**16,206,512**
	14,176,378	**1,768,983**	**1,062,806**	**220,074**	**(76,400)**	**17,151,841**
Intersegment sales	**(19,292)**	**(8,250)**	**(3,743)**	**(45,115)**	**76,400**	**—**
Total revenue from contracts with customers	**14,157,086**	**1,760,733**	**1,059,063**	**174,959**	**—**	**17,151,841**

For the year ended 31 December 2022 (Restated)

Segments	Club Med and others *RMB'000*	Atlantis Sanya *RMB'000*	Vacation asset management center *RMB'000*	Foryou Club and other services *RMB'000*	Elimination *RMB'000*	Total *RMB'000*
Types of goods or services						
Tourism operation and other services	11,325,473	917,391	67,856	201,042	(69,545)	12,442,217
Property sales and construction services	280,912	—	1,054,581	—	—	1,335,493
	11,606,385	917,391	1,122,437	201,042	(69,545)	13,777,710
Intersegment sales	(26,809)	(20,540)	(829)	(21,367)	69,545	—
Total revenue from contracts with customers	11,579,576	896,851	1,121,608	179,675	—	13,777,710
Timing of revenue recognition						
Goods transferred at a point in time	534	3,233	1,054,581	21,284	(2,600)	1,077,032
Services transferred over time	11,605,851	914,158	67,856	179,758	(66,945)	12,700,678
	11,606,385	917,391	1,122,437	201,042	(69,545)	13,777,710
Intersegment sales	(26,809)	(20,540)	(829)	(21,367)	69,545	—
Total revenue from contracts with customers	11,579,576	896,851	1,121,608	179,675	—	13,777,710

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

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

	2023	2022
	RMB'000	*RMB'000*
Other income		
Interest income	**108,431**	44,679
Government grants	**121,221**	48,833
Exchange gain, net	**95,109**	—
Others	**135,168**	35,182
	459,929	128,694
Gains		
Gain on disposal of subsidiaries	**109,424**	82,488
Gain on disposal of items of property, plant and equipment	**238,456**	3,858
Gain on disposal of right-of-use assets	**—**	5,324
Gain on rent concessions as a result of the COVID-19 pandemic	**—**	78,648
Gain on the fair value change of financial assets at fair value through profit or loss	**—**	24,605
Dividends from financial assets at fair value through profit or loss	**4,187**	3,603
Gain on reversal of provisions relating to		
— *Prepayments, other receivables and other assets*	**9,385**	11,379
	361,452	209,905
Other income and gains	**821,381**	338,599
Other expenses		
Exceptional costs due to the COVID-19 pandemic*	**—**	(72,235)
Compensation costs relating to employees	**(50,844)**	1,363
Provision for litigation, including tax related	**(22,404)**	(19,419)
Provision for resort closure costs	**(160,330)**	(79,615)
Loss on the fair value change of financial assets at fair value through profit or loss	**(23,093)**	—
Loss on disposal of right-of-use assets and property under development	**(108,863)**	—
Loss on disposal of intangible assets	**(862)**	(803)
Impairment losses on:		
— *Property, plant and equipment*	**—**	455
— *Right-of-use assets*	**(1,978)**	(3,882)
— *Intangible assets*	**(89,657)**	—
Exchange loss, net	**—**	(37,051)
Others	**(39,003)**	(23,753)
Other expenses	**(497,034)**	(234,940)
Other income and gains, net	**324,347**	103,659

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

5. PROFIT/(LOSS) BEFORE INCOME TAX

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

	Note	**2023** *RMB'000*	2022 *RMB'000*
Cost of revenue		**11,556,647**	9,787,360
Employee benefit expense (including directors' and chief executive's remuneration):			
Wages and salaries		**2,932,844**	2,564,262
Accommodation benefits and others:			
— *Defined contribution fund*		**501,973**	432,905
Pension scheme costs:			
— *Defined benefit fund*		**27,861**	26,405
— *Defined contribution fund*		**133,552**	162,963
Equity-settled share-based payment expenses		**48,547**	34,510
		3,644,777	3,221,045
Auditor's remuneration		**4,200**	4,200
Depreciation of property, plant and equipment		**673,980**	646,252
Depreciation of right-of-use assets		**1,189,260**	1,051,012
Amortisation of intangible assets		**135,805**	141,863
Impairment of financial and contract assets and other assets:			
Provision for impairment of trade receivables		**6,322**	6,799
Provision for impairment of financial assets included in prepayments, other receivables and other assets		**1,298**	(12,600)
Impairment of intangible assets		**89,657**	—
Write-down of inventories to net realisable value		**1,172**	1,233
Impairment of right-of-use assets		**1,978**	3,882
Reversal for impairment of items of property, plant and equipment	4	**—**	(455)
Fair value loss/(gain) on financial assets at fair value through profit or loss	4	**23,093**	(24,605)
Lease payments not included in the measurement of lease liabilities		**154,955**	100,734
Exchange (gain)/loss, net	4	**(95,109)**	37,051
Rent concessions as a result of COVID-19 pandemic in other gains	4	**—**	(78,648)
Gain on disposal of items of property, plant and equipment	4	**(238,456)**	(3,858)
Loss/(gain) on disposal of right-of-use assets and property under development	4	**108,863**	(5,324)
Gain on disposal of subsidiaries	4	**(109,424)**	(82,488)
Loss on disposal of intangible assets	4	**862**	803
Dividends from financial assets at fair value through profit or loss	4	**(4,187)**	(3,603)

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2023	2022
	RMB'000	*RMB'000*
Interest on bank and other borrowings	**744,357**	557,343
Interest on lease liabilities	**562,113**	453,116
Bank charges and other financial costs	**25,565**	13,809
	1,332,035	1,024,268
Less: Interest capitalised	**26,552**	28,677
Total finance costs	**1,305,483**	995,591

7. INCOME TAX

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

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

	2023	2022
	RMB'000	*RMB'000*
Current — France and others	**223,988**	76,488
Current — Chinese Mainland		
Income tax in Chinese Mainland for the year	**59,962**	81,386
LAT in Chinese Mainland for the year	**112,301**	121,223
Deferred	**(253,086)**	(150,456)
Income tax expense for the year	**143,165**	128,641

The provision for income tax of Club Med Holding and its subsidiaries incorporated in France in the year of 2023 was based on a rate of 25.83% (2022: 25.83%).

The provision for Chinese Mainland current income tax is based on the statutory rate of 25% (2022: 25%) of the assessable profits of the Group for the reporting period as determined in accordance with the PRC Corporate Income Tax Law, which was approved and became effective on 1 January 2008. For Hainan Atlantis, the provision for current income tax in the year of 2023 and 2022 is based on a reduced tax rate of 15% as a qualified encouraged industrial enterprise in accordance with the Notice on the Preferential Policies for Corporate Income Tax at Hainan Free Trade Port that has come into effect on 1 January 2020.

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

8. DIVIDENDS

No dividend has been paid or declared by the Company for the year ended 31 December 2023 (2022: Nil).

9. 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 year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares of 1,242,071,824 (2022: 1,239,691,674) in issue during the year.

The calculation of the diluted earnings/(loss) per share amounts is based on the profit/(loss) for the year 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 year, as used in the basic earnings/(loss) per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

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

	2023	2022
	RMB'000	*RMB'000*
Earnings/(loss)		
Profit/(loss) attributable to ordinary equity holders of the Company, used in the basic and diluted profit/(loss) per share calculations	**307,199**	(544,900)

	Number of shares	
	2023	2022
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings/(loss) per share calculation	**1,242,071,824**	1,239,691,674
Effect of dilution — weighted average number of ordinary shares:		
— Share ownership plan*	**3,459,562**	—
— Share option scheme*	**—**	—
Weighted average number of ordinary shares used in the calculation of diluted earnings/(loss) per share	**1,245,531,386**	1,239,691,674
Basic earnings/(loss) per share *(RMB)*	**0.25**	(0.44)
Diluted earnings/(loss) per share *(RMB)*	**0.25**	(0.44)

* The potential ordinary shares of the share option scheme were excluded from the calculation of diluted earnings per share, because the exercise price of the share option scheme was higher than the average market price of the ordinary shares of the Company for the year ended 31 December 2023.

Because the diluted loss per share amount is decreased when taking the share ownership plan and the share option scheme into account, the share ownership plan and share option scheme had an anti-dilutive effect on the basic loss per share amount for the year ended 31 December 2022 and were ignored in the calculation of diluted loss per share.

10. TRADE RECEIVABLES

	2023	2022
	RMB'000	*RMB'000*
Trade receivables	**752,189**	939,667
Impairment	**(47,228)**	(40,598)
	704,961	899,069

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

The carrying amounts of the trade receivables in the consolidated statement of financial position approximate to their fair values.

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

	2023	2022
	RMB'000	*RMB'000*
Outstanding balances with ages:		
Within 90 days	**643,465**	860,840
91 to 180 days	**41,822**	28,196
181 to 365 days	**8,309**	6,643
1 to 2 years	**8,754**	3,351
2 to 3 years	**2,611**	39
	704,961	899,069

11. TRADE PAYABLES

	2023	2022
	RMB'000	*RMB'000*
Trade payables	**2,140,863**	2,643,415

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

	2023	2022
	RMB'000	*RMB'000*
Within 90 days	**1,607,981**	1,814,086
91 to 180 days	**59,396**	115,084
181 to 365 days	**47,231**	422,156
1 to 2 years	**291,331**	148,051
2 to 3 years	**22,821**	79,962
Over 3 years	**112,103**	64,076
	2,140,863	2,643,415

Trade payables are non-interest-bearing.

12. EVENTS AFTER THE REPORTING PERIOD

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

13. COMPARATIVE AMOUNTS

As stated in note 2 to the consolidated financial information, the comparative segment information has been restated to reflect the change of the reporting segments of the Group.

CORPORATE GOVERNANCE

The Company is committed to achieving high standards of corporate governance to safeguard the interests of Shareholders and to enhance its corporate value and accountability. The Board shall set the purpose, value and strategy of the Company and ensure their consistency with the culture of the Company. All Directors shall act with integrity as role models with commitment to promoting the corporate culture. Such culture should be instilled throughout the organisation and should reinforce the philosophy of "acting legally, ethically and responsibly" continually.

During the Reporting Period, the Company applied the principles of and fully complied with the provisions as set out in the CG Code except for the following deviation from provision D.1.2 of the CG Code. The Company regularly reviews its corporate governance practices to ensure compliance with the CG Code.

DEVIATION FROM CODE PROVISION

Under provision D.1.2 of the CG Code, management should provide all members of the board with monthly updates giving a balanced and understandable assessment of the issuer's performance, position and prospects in sufficient detail to enable the board as a whole and each director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules.

Therefore, during the Reporting Period, such financial statements were not provided for review by the Board every month on the misunderstanding that periodic updates suffice for such purpose. Since 30 June 2023, the Company has complied with provision D.1.2 of the CG Code.

CLARIFICATION

In the periodic results announcement and annual report of the Company for the 12 months ended 31 December 2022 (collectively, the "**Previous Disclosures**"), it was stated that excepted for provision C.2.1, the Company has complied with the CG Code during the corresponding period. The Company would like to clarify that above deviation from D.1.2 of the CG Code should have been included in Previous Disclosures and the periodic results announcement for the 6 months ended 30 June 2023. Such clarification does not affect other information contained in the Previous Disclosures, and the remaining contents remain unchanged.

MODEL CODE

The Company has adopted the Model Code. Specific enquiry has been made to all Directors and the Directors have confirmed that they have complied with the Model Code throughout the Reporting Period. The Company has also established written guidelines on no less exacting standards than the Model Code for securities transactions by the relevant employees who are likely to be in possession of unpublished inside information of the Company. No incident of non-compliance of the above-mentioned written guidelines by the relevant employees of the Company during the Reporting Period was noted by the Company.

AUDIT COMMITTEE

As at the date of this announcement, the Audit Committee comprised four independent non-executive Directors, namely Mr. Guo Yongqing (chairman), Dr. Allan Zeman, Ms. Katherine Rong Xin and Mr. He Jianmin. The main duties of the Audit Committee are to review the financial statements and reports, to review the relationship with the external auditors and to review the adequacy and effectiveness of the Company's financial reporting system, risk management and internal control system. The Company's annual results for the Reporting Period have been reviewed by the Audit Committee.

AUDITOR

The Company appointed Ernst & Young as its auditor for the Reporting Period. The Company will propose a resolution in the coming AGM (as defined below) to re-appoint Ernst & Young as the auditor of the Company.

SCOPE OF WORK OF THE COMPANY'S AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Reporting Period as set out in this announcement have been agreed by the Company's auditor to the amounts set out in the Group's consolidated financial statements for the year. The work performed by the Company's auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagement issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Company's auditor on this announcement.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**AGM**") will be held on Tuesday, 14 May 2024. The notice of AGM will be published on the websites of the Company (www.fosunholiday.com) and the Hong Kong Stock Exchange (www.hkexnews.hk) and dispatched to the Shareholders.

DIVIDEND

The Board has resolved not to declare any final dividend for the year ended 31 December 2023.

CLOSURE OF REGISTER

The register of members of the Company will be closed from Thursday, 9 May 2024 to Tuesday 14 May 2024, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates and transfer forms, if any, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 8 May 2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, the Company or any of its subsidiaries had not purchased, sold or redeemed any of the Company's listed securities.

FORWARD-LOOKING STATEMENTS

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

ANNUAL REPORT

This results announcement is published on the websites of the Company (www.fosunholiday.com) and the Hong Kong Stock Exchange (www.hkexnews.hk). The annual report will be published on both websites and despatched to the Shareholders of the Company requiring printed copy on or before 30 April 2024. For details, please refer to the circular of the Company dated 8 January 2024.

APPRECIATION

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

GLOSSARY

Aquarium	the Lost Chambers Aquarium in Atlantis Sanya
Atlantis Sanya	our tourism destination on the Haitang Bay National Coast of Sanya, Hainan province, PRC
Audit Committee	the audit committee of the Board
Average Daily Bed Rate	the business volume divided by the total number of beds sold
Board	the board of Directors of the Company
C2M	customer-to-maker
Capacity of Resorts	the total number of beds available for sale over a period or year, i.e. the number of beds, multiplied by the number of days on which resorts are open
Casa Cook	an award-winning boutique hotel brand under Thomas Cook, with a focus on design, high-quality food and wellbeing for guests
CG Code	the Corporate Governance Code set out in Appendix C1 of the Listing Rules
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
Club Med Joyview	one of the Club Med resort brands catering to the Chinese market for vacations during weekends and MICE services, to fulfill the increasing leisure and holiday needs of Chinese tourists
Company	Fosun Tourism Group (formerly known as Fosun Tourism and Culture Group (Cayman) Company Limited), an exempted company with limited liability incorporated in the Cayman Islands on 30 September 2016

Controlling Shareholder(s)	has the meaning ascribed thereto under the Listing Rules and, unless the context otherwise requires, refers to Fosun International, FHL, FIHL, and Mr. Guo Guangchang
Cook's Club	a hotel brand under Thomas Cook, designed for a new generation of travellers who want fun, lively holidays in hotels that have modern and stylish design
Director(s)	the director(s) of the Company
EBITDA	earnings before interest, taxes, depreciation and amortization
EMEA	Europe, Middle East, and Africa, which, for the Group's purposes, also includes Turkey
ESG	Environmental, social and corporate governance
FHL	Fosun Holdings Limited, a company incorporated in Hong Kong with limited liability, which is wholly owned by FIHL, and one of the Controlling Shareholders
FIHL	Fosun International Holdings Ltd., a company incorporated in the British Virgin Islands with limited liability, and one of the Controlling Shareholders
Foryou Club	the Group's membership system in China that manages and operates services and activities for members and customers under the Fosun Holiday ecosystem
Fosun Holiday	our global ecosystem consisting of our commercially interconnected businesses that offers a wide spectrum of tourism- and leisure-related services
Fosun International	Fosun International Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board (stock code: 0656), and one of the Controlling Shareholders
Frost & Sullivan Report	an independent market research report prepared by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a global market research and consulting company, which is an independent third party
G.E	G.Es (gentils employé) are local employees who perform the traditional duties of resort and logistics employees, mainly responsible for accommodation, catering and technical services

GFA	gross floor area
G.O	G.Os (gentils organisateur) can be activities leaders or customer service receptionists, as well as managerial and administrative staff at Club Med resorts, who also bear responsibility to engage with guests and make the guests feel at home
Great Member(s)	members of Club Med's Great Member loyalty program
Group, our Group, we or us	our Company and our subsidiaries at the relevant time or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries, the business operated by such subsidiaries or their predecessors (as the case may be)
Hainan Atlantis	Hainan Atlantis Business and Tourism Development Co. Ltd, a company established in the PRC with limited liability on 15 May 2013 and a wholly-owned subsidiary of the Company
Happy Digital	Club Med's digitalization initiatives, through which we use digital solutions to improve our guests' and employees' experience while making the technology user-friendly and seamless
HK$ or HKD	the lawful currency of Hong Kong
Hong Kong or HK	the Hong Kong Special Administrative Region of the PRC
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
Independent third party(ies)	an individual or a company which, to the best of our Directors' knowledge, information, and belief, having made all reasonable enquiries, is not a connected person of the Company within the meaning of the Listing Rules
Kerzner	Kerzner International Limited, a company incorporated in The Commonwealth of the Bahamas, and its subsidiaries

Listing	the listing of the Shares on the Main Board
Listing Date	14 December 2018, on which the Shares are listed on the Stock Exchange and from which dealings in the Shares are permitted to commence on the Stock Exchange
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
Main Board	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
Miniversity	the brand for learning and playing club for children of the Group
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 of the Listing Rules
Occupancy Rate	the percentage 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 2023 to 31 December 2023
Resort Revenue	the aggregate income of all resorts, including sales of all inclusive packages and revenue generated onsite out of the all-inclusive packages
Revenue per Bed	the Resort Revenue divided by the Capacity of Resorts
semi-Direct	sales through setting up official brand stores on platforms, the brand has full access to all customer information
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented, or otherwise modified from time to time
Share(s)	ordinary share(s) in the share capital of our Company
Shareholder(s)	holder(s) of the Shares

Show C	the resident Show C launched by the Atlantis Sanya
Stock Exchange or Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
Subsidiary(ies)	has the meaning ascribed thereto under section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
Tang Residence	the saleable residential vacation units in Atlantis Sanya
Thomas Cook	Thomas Cook Group plc, a company incorporated in England and Wales, the shares of which are listed on the London Stock Exchange (stock code: TCG). The company applied for liquidation on 23 September 2019. The Group acquired the main brand name, Thomas Cook, and hotel and resort brands such as Casa Cook and Cook's Club from Thomas Cook Group plc in November 2019
Waterpark	the Aquaventure Waterpark in Atlantis Sanya

By Order of the Board
Fosun Tourism Group
Xu Xiaoliang
Chairman

Hong Kong, 14 March 2024

As at the date of this announcement, the executive Directors of the Company are Mr. Xu Xiaoliang, Mr. Xu Bingbin and Mr. Choi Yin On; the non-executive Directors are Mr. Qian Jiannong, Mr. Pan Donghui and Mr. Huang Zhen; and the independent non-executive Directors are Dr. Allan Zeman, Mr. Guo Yongqing, Ms. Katherine Rong Xin and Mr. He Jianmin.