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Fosun Tourism Group **复星旅游文化集团**

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

(Stock Code: 1992)

CONNECTED TRANSACTIONS IN RELATION TO DECORATION AND DESIGN SERVICES

INTRODUCTION

The Board hereby announces that on 4 November 2022, Yue Ou (as the principal), a wholly owned subsidiary of the Company, entered into the Decoration Agreement with Hangzhou Yueying (as the contractor), pursuant to which Hangzhou Yueying will provide fine decoration services in relation to Property A owned by Yue Ou.

On 19 July 2022, Yue Zhou (as the principal), another wholly owned subsidiary of the Company, entered into the Design Agreement with Shanghai Fuchuang (as the designer), pursuant to which Shanghai Fuchuang shall provide architectural scheme design services in relation to Property B owned by Yue Zhou.

THE DECORATION AGREEMENT

The principal terms of the Decoration Agreement are set out below:

Date : 4 November 2022

Parties : (i) Yue Ou (as the principal); and
(ii) Hangzhou Yueying (as the contractor).

Term : from 30 September 2022 to 23 February 2023;

Project : Property A is a new commercial, catering, hotel and other facilities (inseverable sales) project of Yue Ou (commercial building on I-04-02 plot, commercial building on I-04-0506 plot, commercial building of phase II on I-05-0203 plot, commercial building on I-05-0607 plot), located at the north of Taicang Zhengfu Road and the east of Jiangshen Avenue, Suzhou City, Jiangsu Province, the PRC. In Property A, the decorated area of the commercial building on I-04-02 plot is about 4,531.88 sqm; the decorated area of the commercial building on I-04-0506 plot is 5,903.26 sqm; the decorated area of the commercial building of phase II on I-05-0203 plot is 2,856.14 sqm; the decorated area of the commercial building on I-05-0607 plot is 2,138.16 sqm.

Hangzhou Yueying will provide fine decoration services for Property A.

Payment terms : The payment shall be made as below:

- (i) Payment of 70% of the consideration for the completed works that meet the quality acceptance requirements shall be made by Yue Ou to Hangzhou Yueying as progress payment on a monthly basis upon the submission of the project completion report for the month by Hangzhou Yueying to Yue Ou;
- (ii) Payment up to 80% of the total consideration shall be made by Yue Ou upon project completion and the acceptance form for quality inspection is obtained and all legal and compliant payment application information is provided by Hangzhou Yueying;
- (iii) Payment up to 90% of the total consideration shall be made upon the filing of the overall project completion is conducted;
- (iv) Payment up to 95% of the total consideration shall be made upon the settlement approval is completed and all legal and compliant payment application information is provided by Hangzhou Yueying;
- (v) As quality guarantee, payment of 3% of the total consideration shall be made upon the expiration of two-year warranty period for decoration works;

(vi) As waterproof leakage warranty, payment of 2% of the total consideration shall be made upon the expiration of five-year warranty period for waterproof leakage.

Total consideration : Not exceeding RMB18,700,000 (including the contract amount of RMB13,656,832.06 and the settlement amount of the project order (if any))

Pricing policy : The pricing policy of the Decoration Agreement is for the parties to negotiate and agree on the relevant price while ensuring the relevant price is set with reference to market prices, such that the relevant price shall be no less favorable to the Group than market prices agreed by or with independent third parties. The market price is determined according to the market guidance price given by the local government. The pricing basis is the total price of the tentative engineering volume based on the bidding drawings on a lump-sum basis. The market prices of the unit price of main materials, equipment and labor are based on other ongoing projects in Taicang Foliday Town between the Group and other independent third parties.

The pricing policy is agreed by parties following arm's length negotiations, in any event no less favourable than those offered by an independent third party in relation to the same or similar services.

THE DESIGN AGREEMENT

The principal terms of the Design Agreement are set out below:

Date : 19 July 2022

Parties : (i) Yue Zhou (as the principal); and
(ii) Shanghai Fuchuang (as the designer).

Term : from 25 July 2022 to 23 October 2022, subject to an extension up to 4 months to 23 February 2023 as agreed by Yue Zhou

Project : Property B is Yue Zhou G-12-0405 New Plot (悦洲新建 G-12-0405地塊), located at southern suburb of Chengxiang Town, Taicang City, Jiangsu Province, the PRC. Property B has a GFA of approximately 51,400 sqm, consists of underground garage of 19,800 sqm, commercial buildings of 9,000 sqm and apartments of 22,600 sqm.

Shanghai Fuchuang will provide architectural scheme design services for commercial and apartment premises on Property B.

Consideration : RMB2,245,200

The consideration is determined based on the GFA of Property B multiplied by the fixed unit price which is based on the market price. When determining the market price, the business team of the Group will compare the price of similar type of services supplied by or offered to other independent third parties in the vicinity of Property B. The total GFA is subject to the project planning license.

The pricing policy is agreed by the parties following arm's length negotiations, in any event no less favorable than those offered by an independent third party in relation to the same or similar type of services.

Payment terms : The payment shall be made as below:

- (i) payment of 20% of the total consideration shall be made to Shanghai Fuchuang as prepayments before Shanghai Fuchuang starts design work;
- (ii) payment of 15% of the total consideration shall be made after Shanghai Fuchuang has submitted a conceptual scheme design and such design has been approved by Yue Zhou;
- (iii) payment of 35% of the total consideration shall be made after Shanghai Fuchuang has submitted the scheme design and such design has been approved by relevant government authority and confirmed by Yue Zhou;
- (iv) payment of 20% of the total consideration shall be made after Shanghai Fuchuang has submitted the advanced scheme design and such design has been confirmed by Yue Zhou and local construction drawing design institute;
- (v) payment of 5% of the total consideration shall be made after construction drawing for the whole project has been completed with the guidance of Shanghai Fuchuang, which shall be approved by the relevant government authority and confirmed by Yue Zhou; and

- (vi) the remaining 5% of total consideration shall be made after the completed construction has passed the quality check and been confirmed by Yue Zhou.

As of the date of this announcement, Shanghai Fuchuang has been conducting a design proposal and such design has not been submitted with the relevant government authorities for approval.

REASONS FOR AND BENEFIT OF ENTERING INTO THE DECORATION AGREEMENT AND THE DESIGN AGREEMENT

Hangzhou Yueying has a class I qualification for decorative construction and a class II qualification for decorative design.

Each of Hangzhou Yueying and Shanghai Fuchuang is a member of Fosun International Group, which will be more familiar with the concept, idea, spirit and practice of Taicang Foliday Town compared to other third party companies. The Group expects that Hangzhou Yueying and Shanghai Fuchuang are able to meet the Group's overall requirements for project quality, project progress and cost control, and thereby create synergetic effect.

Based on the foregoing, the Directors (including the independent non-executive Directors) are of the view that the terms of the Decoration Agreement and the Design Agreement were determined after arm's length negotiation, and the transactions contemplated thereunder are conducted in the ordinary and usual course of business of the Company and are on normal commercial terms or better, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Mr. Xu Xiaoliang, being a Director also holding directorship in Fosun International, has abstained from voting on the board resolution approving the Decoration Agreement. Save as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as of the date of this announcement, none of the Directors has any material interests in the Decoration Agreement or shall abstain from voting in respect of the relevant resolutions.

INFORMATION OF THE PARTIES TO THE DECORATION AGREEMENT AND THE DESIGN AGREEMENT

The Group

The Group is one of the world's leading leisure-focused integrated tourism groups, and the largest leisure tourism resorts group worldwide, in terms of revenue in 2019 according to Frost & Sullivan's report. The Group provides a wide range of tourism and leisure services which comprise its three main business sectors: (i) resorts, including brands like Club Med, Club Med Joyview, as well as Casa Cook and Cook's Club acquired in 2019; (ii) tourism destinations, which the Company develops, operates and manages, including

Atlantis Sanya, and Lijiang FOLIDAY Town, Taicang FOLIDAY Town, which are developed and operated under self-owned brand “FOLIDAY Town”; and (iii) services and solutions in various tourism and leisure settings.

Each of Yue Ou and Yue Zhou is a wholly owned subsidiary of the Company and is principally engaged in construction, development and operation of tourism industry, hotel and cultural industry, organization and planning of cultural activities, conference and exhibition services, tourism project planning.

Fosun International Group

Hangzhou Yueying is principally engaged in indoor and outdoor decoration engineering, landscaping engineering design, construction (engaged in business with qualification licence), building material and other businesses. Hangzhou Yueying is indirectly owned by Fosun International as to 91.85% and by Yuyuan as to 8.15%, respectively.

Shanghai Fuchuang is principally engaged in various engineering construction activities, construction engineering design and planning and design management, technology development, technical consultation and technical services in the field of construction science and technology, engineering cost consultation, business information consulting (excluding investment consulting) and computer graphic design and production.

Shanghai Fuchuang is a wholly owned subsidiary of Yuyuan, the shares of which are listed on the Shanghai Stock Exchange with stock code 600655. The businesses of Yuyuan mainly comprise of business segments such as jewellery fashion, cultural business, cultural catering, food and beverage, Chinese fashion trend watches, beauty and health, cultural creativity, business management, and real estates with composite functions.

Yuyuan is a non-wholly owned subsidiary of Fosun International. Yuyuan is indirectly owned by Fosun International as to approximately 61.93% equity interests. Fosun International is a global innovation-driven consumer group with mission to provide high quality products and services for families around the world in Health, Happiness, Wealth and Intelligent Manufacturing business segments.

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, as of the date of this announcement, Fosun International was indirectly held by Mr. Guo Guangchang as to 73.38% of equity interest.

LISTING RULES IMPLICATIONS

As at the date of this announcement, each of Shanghai Fuchuang and Hangzhou Yueying is a non-wholly owned subsidiary of Fosun International which is the controlling shareholder of the Company with 78.06% equity interests. Therefore, the transactions contemplated under the Decoration Agreement and the Design Agreement constitute connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

For the purpose of Rules 14A.81 and 14A.82 of the Listing Rules, the transactions under the Decoration Agreement and Design Agreement have been aggregated. After aggregation, as one or more applicable percentage ratios in respect of the transactions contemplated under the Decoration Agreement and the Design Agreement exceed 0.1% but all are less than 5%, those agreements are subject to the reporting, annual review and announcement requirements but are exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors of the Company;
“Company”	Fosun Tourism Group, a company incorporated under the laws of the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 1992);
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Decoration Agreement”	the decoration agreement entered into between Yue Ou and Hangzhou Yueying on 4 November 2022;
“Design Agreement”	the design agreement entered into between Yue Zhou and Shanghai Fuchuang on 19 July 2022;
“Director(s)”	the director(s) of our Company;
“Fosun International”	Fosun International Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 656);
“Fosun International Group”	Fosun International and its subsidiaries;

“GFA”	gross floor area;
“Group”	the Company and its subsidiaries from time to time;
“Hangzhou Yueying”	Hangzhou Yueying Decoration Engineering Co., Ltd. (杭州越穎裝飾工程有限公司), a company incorporated in the PRC with limited liability;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“independent third party(ies)”	has the meaning ascribed to it under the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified 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 Growth Enterprise Market of the Stock Exchange;
“normal commercial terms or better”	has the meaning ascribed to it under the Listing Rules;
“PRC” or “China”	the People’s Republic of China, and for the purposes of this announcement only, excluding Hong Kong, Macau and Taiwan;
“Property A”	a new commercial, catering, hotel and other facilities (inseverable sales) project of Yue Ou (commercial building on I-04-02 plot, commercial building on I-04-0506 plot, commercial building of phase II on I-05-0203 plot, commercial building on I-05-0607 plot), located at the surrounding area of Taicang South Railway Station, Suzhou City, Jiangsu Province, the PRC;
“Property B”	Yue Zhou G-12-0405 New Plot (悦洲新建G-12-0405地塊), located at the southern suburb of Chengxiang Town, Taicang City, Jiangsu Province, the PRC;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shanghai Fuchuang”	Shanghai Fuchuang Architectural Planning and Design Co., Ltd. (上海復創建築規劃設計有限公司), a company incorporated in the PRC with limited liability;

“Share(s)”	ordinary share(s) in the share capital of the Company with a par value of EUR0.0001 each;
“Shareholders”	holder(s) of our Share(s);
“sqm”	Square meters;
“Stock Exchange”	the Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules;
“Yue Ou”	Yue’ou (Taicang) Tourism Culture Development Co., Ltd.* (悅歐(太倉)旅遊文化開發有限公司), a company incorporated in the PRC with limited liability and is a wholly owned subsidiary of the Company;
“Yue Zhou”	Yuezhou (Taicang) Tourism Culture Development Co., Ltd.* (悅洲(太倉)旅遊文化開發有限公司), a company incorporated in the PRC with limited liability and is a wholly owned subsidiary of the Company;
“Yuyuan”	Shanghai Yuyuan Tourist Mart (Group) Co., Ltd. (上海豫園旅遊商城(集團)股份有限公司), a company whose shares are listed on the Shanghai Stock Exchange with stock code 600655; and
“%”	per cent.

* *For identification purposes only*

By order of the Board
Fosun Tourism Group
Qian Jiannong
Chairman

4 November 2022

As at the date of this announcement, the executive directors of the Company are Mr. Qian Jiannong, Mr. Henri Giscard d’Estaing, Mr. Xu Bingbin and Mr. Choi Yin On; the non-executive directors are Mr. Xu Xiaoliang and Mr. Pan Donghui; and the independent non-executive directors are Dr. Allan Zeman, Mr. Guo Yongqing and Ms. Katherine Rong Xin.