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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 WALL REPAIR SERVICES**

#### **INTRODUCTION**

The Board hereby announces that on 14 April 2023, each of Yuehao and Yuexue (as the principals), both of which are wholly owned subsidiaries of the Company, entered into the Wall Repair Agreements with Hangzhou Yueying (as the repairer), pursuant to which Hangzhou Yueying will provide wall repair services in relation to Property A and Property B owned by Yuehao and Yuexue, respectively.

#### **THE WALL REPAIR AGREEMENTS**

The principal terms of the Wall Repair Agreements are set out below:

- Date : 14 April 2023
- Parties : (i) Yuehao and Yuexue (as the principals); and  
(ii) Hangzhou Yueying (as the repairer).
- Term : Contract term of Property A is from 14 April 2023 to 30 June 2024  
Contract term of Property B is from 14 April 2023 to 31 May 2024
- Project : Property A and Property B are the Plot No. 11 and Plot No. 20 in Taicang Foliday Town, located in the southern suburb of Chengxiang Town, Taicang City, Jiangsu Province, the PRC. Each of Plot No.11 and Plot No.20 has a GFA of approximately 93,433 sqm and approximately 101,028 sqm respectively.

Hangzhou Yueying will provide wall repair services for the residential properties of Property A and Property B.

Consideration : The total consideration of the Wall Repair Agreements is RMB19,123,188.57, among which RMB9,783,855.51 shall be paid by Yuehao and RMB9,339,333.06 shall be paid by Yuexue.

The consideration is determined based on the GFA of the properties 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 types of services supplied by or offered to other independent third parties in the vicinity of the properties.

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 payments shall be made as below:

- (i) Payment of 20% of the total consideration shall be made by Yuehao and Yuexue to Hangzhou Yueying as prepayments within 15 working days after the Wall Repair Agreements are signed;
- (ii) Payment of 85% of the consideration for the completed works that meet the quality acceptance requirements shall be made by Yuehao and Yuexue 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 Yuehao and Yuexue;
- (iii) Payment up to 95% of the total consideration shall be made by Yuehao and Yuexue upon project completion and all legal and compliant payment application information is provided by Hangzhou Yueying;
- (iv) As a quality guarantee, the payment of 5% of the total consideration shall be made interest-free upon the expiration of the two-year warranty period (from the date of the completion to the satisfaction of the principals).

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE WALL REPAIR AGREEMENTS**

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

Hangzhou Yueying 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 is able to meet the Group's overall requirements for project quality, project progress and cost control, and thereby create a synergetic effect.

Based on the foregoing, the Directors (including the independent non-executive Directors) are of the view that the terms of the Wall Repair Agreements 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, Mr. Huang Zhen and Mr. Pan Donghui, being Directors, who also hold directorship in Fosun International, have abstained from voting on the board resolution approving the Wall Repair Agreements. 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 Wall Repairment Agreements or shall abstain from voting in respect of the relevant resolutions.

## **INFORMATION OF THE PARTIES TO THE WALL REPAIR AGREEMENTS**

### **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.

Yuehao is a wholly owned subsidiary of the Company and is principally engaged in the construction, development and operation of tourism industry, construction, development and operation of the water world, construction, development and operation of hotels, construction, development and operation of cultural industry, and organisation and planning of cultural activities and other businesses.

Yuexue is a wholly owned subsidiary of the Company and is principally engaged in the construction, development and operation of tourism industry, construction, development and operation of ski domain, construction, development and operation of cultural industry, and organisation and planning of cultural activities and other businesses.

### **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 held by Fosun International as to 91.85% and by Yuyuan as to 8.15%, respectively.

Yuyuan is a non-wholly owned subsidiary of Fosun International. Yuyuan is indirectly held by Fosun International as to approximately 61.79% equity interests. Fosun International is a global innovation-driven consumer group with the 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 directly and indirectly held by Mr. Guo Guangchang as to 73.54% of equity interest.

### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Hangzhou Yueying is a non-wholly owned subsidiary of Fosun International which is the controlling shareholder of the Company with 78.13% equity interests. Therefore, the transactions contemplated under the Wall Repair Agreements 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 Wall Repair Agreements entered into by Yuehao and Yuexue have been aggregated. After aggregation, as one or more applicable percentage ratios in respect of the transactions contemplated under the Wall Repair Agreements exceed 0.1% but all are less than 5%, those agreements, therefore 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;
“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 options market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM 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”	11 plots of land of Yuehao New Residential Project, which is located at Taicangnan Railway Station, Suzhou City, Jiangsu Province, the PRC;
“Property B”	20 plots of land of Yuexue New Residential Project, which is located in the southern suburb of Chengxiang Town, Taicang City, Jiangsu Province, the PRC;
“RMB”	Renminbi, the lawful currency of the PRC;
“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 metres;
“Stock Exchange”	the Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules;
“Wall Repair Agreements”	the wall repair agreements entered into between Hangzhou Yueying with each of Yuehao and Yuexue on 14 April 2023;
“Yuehao”	Yuehao (Taicang) Tourism and Culture Development Co., Ltd.* (悦浩(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;
“Yuexue”	Yuexue (Taicang) Tourism and Culture Development Co., Ltd.* (悦雪(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**  
**Xu Xiaoliang**  
*Chairman*

14 April 2023

*As at the date of this announcement, the executive Directors of the Company are Mr. Xu Xiaoliang, Mr. Henri Giscard d'Estaing, 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.*