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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)

CONTINUING CONNECTED TRANSACTIONS

**SUPPLEMENTAL AGREEMENT TO THE TRAVEL
SERVICES AND TECHNICAL CONSULTING SERVICES
FRAMEWORK AGREEMENT**

**SUPPLEMENTAL AGREEMENT TO THE
ADMINISTRATIVE SERVICES FRAMEWORK AGREEMENT**

AND

TRADING SERVICES FRAMEWORK AGREEMENT

INTRODUCTION

References are made to the announcement (“**Travel CCT Announcement**”) of the Company dated 2 August 2022 in relation to the Travel Services and Technical Consulting Services framework agreement (“**Travel Agreement**”) and the announcement (“**Administrative CCT Announcement**”) of the Company dated 9 March 2023 in relation to the Administrative Services framework agreement (“**Administrative Agreement**”). On 30 June 2023, the Company entered into the Supplemental Travel Agreement (as defined below), the Supplemental Administrative Agreement (as defined below) and Trading Services Framework Agreement (as defined below) with Fosun International.

I. SUPPLEMENTAL TRAVEL AGREEMENT

On 30 June 2023, the Company and Fosun International entered into a supplemental agreement (“**Supplemental Travel Agreement**”) to the Travel Agreement, pursuant to which the terms of the Travel Agreement have been revised as below:

	Original Terms	Revised Terms
Nature of transactions	: The Group provides Technical Consulting Services and Travel Services provided to Fosun International and its subsidiaries	The Group provides Technical Consulting Services and Travel Services provided to Fosun International and its <u>associates</u> ; <u>Fosun International and its associates will provide business travel related services to the Group (“Business Travel Services”).</u>
Pricing policy	:	<u>The fees under the implementation agreements for Business Travel Services will be set according to the unit price on the market, content and scale of the services, market prices of comparable service providers or a certain proportion of service commission to be charged according to the amounts of business travel related services.</u>

Save as disclosed above, all other terms of the Travel Agreement shall remain unchanged.

Historical Amount

The historical amounts for similar transactions between Fosun International and its associates and the Group for the three financial years ended 31 December 2020, 2021 and 2022 are as follows:

	For the year ended 31 December		
	2020	2021	2022
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Historical amount in relation to Technical Consulting Services	0.76	2.34	0.38
Historical amount in relation to Travel Services	1.71	4.89	16.56
Historical amount in relation to Business Travel Services	—	0.91	3.71

Annual Caps and Basis for Determining the Annual Caps

The proposed annual caps for the transactions in relation to Business Travel Services contemplated under the Travel Agreement for the two financial years ending 31 December 2023 and 2024 are set out as follows:

	For the year ending	
	31 December	
	2023	2024
	<i>RMB million</i>	<i>RMB million</i>
Annual caps in relation to Business Travel Services	18.00	25.00

In assessing the annual caps for the Business Travel Services, the Board has considered a number of factors including the historical amount of similar transactions between the Fosun International and its associates and the Group, the existing transaction amount of Business Travel Services provided by Fosun International Group and its associates to the Group, and potential cooperation opportunities between the parties.

Save as disclosed above, all other annual caps of the Travel Agreement as disclosed in the Travel CCT Announcement remain unchanged.

Reasons for and Benefits of the Transactions

The Group has entered into implementation agreements pursuant to the Travel Agreement and is actively pursuing more cooperation opportunities with Fosun International and its associates, which aligns with the Group’s principal business strategy. The Group aims to enhance its geographic coverage and bolster brand awareness for resorts in the thriving Asian tourism market. Furthermore, given the extensive resources of Fosun International and its associates, collaboration with them allows the Group to secure more favorable pricing for Business Travel Services. It also provides the Group opportunity to leverage their established network and access a diverse array of business travel-related solutions. In light of the latest discussion with Fosun International and its associates, the Company and Fosun International entered into the Supplemental Travel Agreement.

II. SUPPLEMENTAL ADMINISTRATIVE AGREEMENT

On 30 June 2023, the Company and Fosun International entered into a supplemental agreement (“**Supplemental Administrative Agreement**”) to the Administrative Agreement, pursuant to which the terms of the Administrative Agreement have been revised as below:

	Original Terms	Revised Terms
Nature of transactions	: Fosun International and its subsidiaries provide 1) information technology-related products, technical support and consulting services; 2) comprehensive management services, including recruitment services, human resources services, change of industrial and commercial information services and training services; 3) insurance services to the Group (collectively, “ Administrative Services ”).	Fosun International and its <u>associates</u> provide 1) information technology-related products, technical support and consulting services; 2) comprehensive management services, including recruitment services, human resources services, change of industrial and commercial information services and training services; 3) insurance services to the Group (collectively, “ Administrative Services ”).

Save as disclosed above, all other terms of the Administrative Agreement and annual caps of the Administrative Agreement and basis as disclosed in the Administrative CCT Announcement remain unchanged.

Historical Amount

The historical amounts for similar transactions between Fosun International and its associates and the Group for the three financial years ended 31 December 2020, 2021 and 2022 are as follows:

	For the year ended 31 December		
	2020	2021	2022
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Historical amount in relation to			
Administrative Services	1.66	1.24	8.14

Reasons for and Benefits of the Transactions

Reasons for and benefits of the transactions contemplated under the Administrative Agreement are set out in the Administrative CCT Announcement. To better supervise connected transactions between the Group and Fosun International and its associates and to improve the overall efficacy of the internal control mechanisms of the Group, the Company and Fosun International entered into the Supplemental Administrative Agreement.

III. TRADING SERVICES FRAMEWORK AGREEMENT

On 30 June 2023, the Company entered into a framework agreement (“**Trading Services Framework Agreement**”) with Fosun International, pursuant to which the Group shall supply consumer goods, gifts, tourism related products and consumer cards of shopping platforms operated by the Group to Fosun International and its associates (“**Supply of Goods**”) and/or purchase household goods, consumer goods, gifts, office supplies, consumer cards of shopping platforms operated by Fosun International and its associates, products for events and activities and building materials from Fosun International and its associates (“**Purchase of Goods**”).

The principal terms of the Trading Services Framework Agreement are set out below:

Date	:	30 June 2023
Parties	:	(i) the Company; and (ii) Fosun International.
Conditions precedent	:	(i) the Trading Services Framework Agreement and the transactions contemplated thereunder having been duly approved by the Board and the general meeting (if applicable) of Company;

- (ii) (if applicable) the Trading Services Framework Agreement and the transactions contemplated thereunder having been duly approved by the board of directors and the general meeting of Fosun International; and
- (iii) (if applicable) clearance of relevant announcement(s) and circular(s) by the Stock Exchange in relation to the Trading Services Framework Agreement and the transactions contemplated hereunder having been obtained.

Term : 30 June 2023 to 31 December 2025

Pricing policy : The Group and Fosun International or its associates shall enter into separate implementation agreements in accordance with terms of the Trading Services Framework Agreement.

Each of the Supply of Goods and Purchase of Goods transactions shall be priced in accordance with the following principles:

- at the price of such services determined by laws, regulations, decisions, orders or guidelines formulated by the PRC central government, provincial government or other regulatory authorities (“**State Price**”); and
- where there is no State Price, at the market price at which the same or comparable types of services are provided to independent third parties in the normal course of business.

The terms of each implementation agreement shall be agreed following arm’s length negotiations between the relevant parties, but in any event at terms and prices no more favourable than those offered by (or to) the Group to (or by) an independent third party in relation to the same or similar type of services.

Termination : The Trading Services Framework Agreement and the transactions contemplated thereunder may be terminated under any of the following events:

- (i) If either party to the Trading Services Framework Agreement commits material breach to the Trading Services Framework Agreement and the breaching party fails to remedy within a reasonable period specified in the written notice sent by the other party, the non-breaching party may terminate the Trading Services Framework Agreement;
- (ii) Each party to the Trading Services Framework Agreement may terminate the Trading Services Framework Agreement by sending a written notice to the other party three months in advance.

Historical Amount

The historical amounts for similar transactions between Fosun International and its associates and the Group for the three financial years ended 31 December 2020, 2021 and 2022 are as follows:

	For the year ended 31 December		
	2020	2021	2022
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Historical amount in relation to Supply of Goods	0.30	1.55	9.17
Historical amount in relation to Purchase of Goods	28.42 ^{Note}	1.64	1.38

Note: including steelwork materials for the construction of the Taicang project, details of which are disclosed in the announcement of the Company dated 21 April 2020.

Annual Caps and Basis for Determining the Annual Caps

The proposed annual caps for the transactions in relation to transactions contemplated under the Trading Services Framework Agreement for the three financial years ending 31 December 2023, 2024 and 2025 are set out as follows:

	For the year ending 31 December		
	2023	2024	2025
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Annual caps in relation to			
Supply of Goods	20.00	25.00	28.00
Annual caps in relation to Purchase of			
Goods	15.00	15.00	20.00

In assessing the annual caps for the Trading Services Framework Agreement, the Board has considered a number of factors including the historical amount of similar transactions between the Fosun International and its associates and the Group, the existing transaction amount of the Group's Supply of Goods to Fosun International and its associates and/or Purchase of Goods from Fosun International and its associates, and potential cooperation opportunities between the parties.

Reasons for and Benefits of the Transactions

Due to Fosun International's status as a leading multinational conglomerate with strong finances, the Group values the stability, reliability, and financial capacity of partnering with Fosun International and its associates. Additionally, Fosun International and its associates have investments and subsidiaries spanning various sectors, which presents the Group with diverse business opportunities and resources. The Company believes that goods offered by Fosun International and its associates are of reliable quality, competitive price, and dependable after-sales service.

GENERAL

Based on the foregoing, the Directors (including the independent non-executive Directors) are of the view that the terms of the Supplemental Travel Agreement, the Supplemental Administrative Agreement and the Trading Services Framework Agreement and the respective proposed annual caps 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 also holding directorships in Fosun International, have abstained from voting on the board resolutions approving the Supplemental Travel Agreement, the Supplemental Administrative Agreement and the Trading Services Framework Agreement and the transactions contemplated thereunder. Save as disclosed above, to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, as of the date of this announcement, none of the Directors has any material interests in the Supplemental Travel Agreement, the Supplemental Administrative Agreement and the Trading Services Framework Agreement and the transactions contemplated thereunder or shall abstain from voting in respect of the relevant resolutions.

INFORMATION OF THE PARTIES

The Group

In terms of revenue in 2019 and according to the Frost & Sullivan's report, the Group is one of the world's leading leisure-focused integrated tourism groups, and the largest leisure tourism resorts group worldwide. As a core component of the "Happiness" segment, one of Fosun's four business segments of "Health, Happiness, Wealth and Intelligent Manufacturing", Fosun Tourism is committed to leading the resort lifestyle and creating the world's leading family resort ecosystem with the mission of "Better Holiday Better Life". Fosun Tourism Group owns brands and products including Club Med, the global leader operating more than 60 resorts that offers premium "all-inclusive" holidays; Atlantis Sanya, a one-stop ocean-themed integrated high-end tourism destination; Taicang Alps Resort and Lijiang Club Med Resort, two one-stop global leisure and tourism destinations; Foryou Club that serves members of Fosun Tourism Group worldwide, etc.

Fosun International Group

Fosun International is incorporated under the laws of Hong Kong and its shares are listed and traded on the Main Board of the Hong Kong Stock Exchange (stock code: 00656). Fosun International is a global innovation-driven family consumption group with a mission to provide high-quality products and services for families around the world in four major business segments, including Health, Happiness, Wealth and Intelligent Manufacturing.

To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, as of the date of this announcement, Fosun International is directly and indirectly held by Mr. Guo Guangchang as to 73.68% of the equity interests.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Fosun International is the controlling shareholder of the Company holding 78.26% equity interests. Therefore, the transactions contemplated under the Supplemental Travel Agreement, the Supplemental Administrative Agreement and the Trading Services Framework Agreement constitute connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

As one or more applicable percentage ratios in respect of the transaction contemplated under the Supplemental Travel Agreement, the Supplemental Administrative Agreement and the Trading Services Framework Agreement exceed 0.1% but all of them are less than 5%, each of the Supplemental Travel Agreement, the Supplemental Administrative Agreement and the Trading Services Framework Agreement is therefore subject to the reporting, annual review and announcement requirements but is exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

“associate”	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);
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	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 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;
“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);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules;
“Technical Consulting Services”	technical consulting services provided by the Group to Fosun International and its associates;
“Travel Services”	venues, accommodation, transportation, catering and other services for meetings and team building activities, provide travel and vacation products and services or business travel related services, provide consulting services for the overall operation and management of projects and products planning services and provide performance planning, content production, introduction of plays or technical services provided by the Group to Fosun International and its associates;

“%”

per cent.

By order of the Board
Fosun Tourism Group
Xu Xiaoliang
Chairman

30 June 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.