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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)

INTERIM RESULTS ANNOUNCEMENT (UNAUDITED) **FOR THE SIX MONTHS ENDED 30 JUNE 2024**

FINANCIAL SUMMARY

	For the six months ended	
	30 June	
	2024	2023
	RMB'000	RMB'000
Revenue	9,414,566	8,898,817
Club Med and Others	8,169,606	7,500,779
Atlantis Sanya	860,440	928,456
Vacation Asset Management Center	294,013	387,935
Foryou Club and Other Services	90,507	81,647
Gross profit	3,206,501	3,076,622
Operating profit	1,036,480	1,352,415
Profit before income tax	387,816	678,550
Profit for the period	317,154	490,332
Profit attributable to equity holders of the Company	321,838	471,840
Adjusted EBITDA	2,086,517	2,299,661
Adjusted net profit	332,745	513,215
Earnings per share — basic <i>(in RMB)</i>	0.26	0.38
Earnings per share — diluted <i>(in RMB)</i>	0.26	0.38
Interim dividend per share <i>(in HKD)</i>	Nil	Nil

BUSINESS OVERVIEW

Our Group is one of the worldwide leading leisure-focused integrated tourism groups with four business segments, namely “Club Med and Others”, “Atlantis Sanya”, “Vacation Asset Management Center” and “Foryou Club and Other Services”. Throughout our mission, “Better Holiday, Better Life”, we endeavor to pioneer a holiday lifestyle and create a world-leading family leisure and tourism ecosystem.

In the first half of 2024, the Group’s global business grew steadily as the tourism market continued its global recovery. The Business Volume of the Group’s tourism operation, at the constant exchange rate, of RMB10,648.8 million, representing a year-on-year increase of 10.5%. Our revenue reached RMB9,414.6 million, representing a year-on-year increase of 5.8%.

Meanwhile, macroeconomic uncertainties and geopolitical tensions continued challenging the global tourism industry. In the first half of 2024, our gross profit achieved RMB3,206.5 million, representing a year-on-year increase of 4.2%. Adjusted EBITDA reached RMB2,086.5 million. Adjusted EBITDA, excluding the one-off gain on disposal of Resorts, increased by 2.8% year-on-year. For the six months ended 30 June 2024, profit attributable to equity holders of the Company, excluding the one-off gain on disposal of Resorts, increased by 20.3% compared to the same period in 2023. Profit attributable to equity holders of the Company was RMB321.8 million (there is a one-off gain from the disposal of Kemer Resort and the sale and leaseback of Les Bouncaniers Resort for the same period in 2023).

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 30 June 2024, Club Med has sales and marketing operations in more than 40 countries and regions across six continents, and operates 67 resorts, of which 34 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, 41 Resorts are under lease model, and 16 Resorts are under management contract model. In the first half of 2024, Direct (and semi-Direct) sales proportion through the global sales network of Club Med reached 71.1%.

In the first half of 2024, Club Med business achieved another record-breaking performance, driven mainly by the significant growth in mountain business, largely attributable to customers from EMEA and Brazil. The business in the Americas continued to show a good performance and Asia Pacific achieved a strong growth following the lifting of travel restrictions. Following the recovery after reopening, China continued to witness a domestic travel rebound in the first half of 2024.

In the first half of 2024, the **Business Volume**¹ of Club Med amounted to RMB8,894.4 million, representing an increase of 10.3% as compared to that of the same period in 2023.

All three regions, namely the Americas, EMEA and Asia Pacific, achieved profitable growth. Compared to the same period in 2023, the Business Volume¹ of Club Med in the Americas increased by 9.7%, in EMEA by 5.6%, and in Asia Pacific by 32.5%. The Business Volume¹ of Club Med in Mainland China recorded RMB381.9 million in the first half of 2024, which is 20.5% higher year-on-year and 33.0% higher by excluding the non-recurring items of the same period in 2023. In terms of Business Volume¹, China outbound business increased by 5 times as compared to the same period in 2023, meanwhile inbound travel to Chinese Resorts increased by 7 times as compared to the same period in 2023.

In the first half of 2024, the **capacity** of Club Med increased by 3.6% as compared to that of the same period in 2023. In particular, the capacity of Resorts in Asia Pacific and the Americas increased by 10.3% and 3.2% respectively, and in the EMEA remained flat as compared to that of the same period in 2023.

¹ At constant exchange rate.

In the first half of 2024, the **global average Occupancy Rate by Room** of Club Med reached 70.4%, increasing by 0.8 percentage points as compared to that of the same period in 2023; while the Average Daily Bed Rate was RMB1,922.0, at constant exchange rate, representing an increase of 8.1% as compared to that of the same period in 2023, showing the effective advancement of the upscale strategy.

The adjusted EBITDA of Resort operation increased to RMB2,002.6 million for the first half of 2024, while the adjusted EBITDA was RMB1,987.2 million for the same period in 2023.

In the first half of 2024, Club Med sustained its recovery around all three regions, following the strong rebound in 2023, 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, each Club Med business in EMEA, the Americas and Asia Pacific continued to improve as compared to that of the same period in 2023.

	For the six months ended 30 June	
	2024	2023
Business Volume ¹ by customer booking locations (<i>RMB million</i>)		
EMEA	5,038.0	4,772.5
Of which France	2,992.4	2,796.3
Americas	2,420.9	2,205.9
Asia Pacific	1,435.5	1,083.7
Of which Mainland China	381.9	317.0
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Total	8,894.4	8,062.1
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¹ At constant exchange rate.

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

Type of Resorts	For the six months ended 30 June	
	2024 '000	2023 '000
Capacity		
Mountain	1,783.9	1,745.5
Sun	3,991.8	3,897.7
Club Med Joyview/Club Med Urban Oasis	617.7	525.4
Total	<u>6,393.4</u>	<u>6,168.6</u>
Premium & Exclusive Collection% ¹	<u>99.2%</u>	<u>96.9%</u>
Capacities of Resorts by locations		
EMEA	2,609.2	2,624.0
Americas	1,835.2	1,778.2
Asia Pacific	1,949.0	1,766.4
Total	<u>6,393.4</u>	<u>6,168.6</u>

¹ 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 six months ended 30 June	
	2024	2023
Number of customers by customer booking locations (<i>Thousands</i>)		
EMEA	310	314
Of which France	191	191
Americas	213	207
Asia Pacific	255	245
Of which Mainland China	128	127
	<hr/>	<hr/>
Total	778	766
	<hr/> <hr/>	<hr/> <hr/>

Certain key information with respect to our Resort operations in the period of January to June 2024 and 2023 is set out as below respectively:

	For the six months ended 30 June	
	2024	2023
Business Volume ¹ (<i>RMB million</i>)	8,894.4	8,062.1
Capacity of Resorts (<i>in thousands</i>)	6,393.4	6,168.6
Average Occupancy Rate by Room	70.4%	69.6%
Average Daily Bed Rate ¹ (<i>RMB</i>)	1,922.0	1,777.8
Revenue per Bed ¹ (<i>RMB</i>)	1,188.8	1,100.7

In the first half of 2024, the Americas region had a strong business activity, and the Business Volume¹ increased by 9.7% as compared to that of the same period in 2023.

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. In the first half of 2024, the North America achieved 8.1% growth of Business Volume¹, as compared to that of the same period in 2023.

In South America, Club Med has successfully capitalized on the opportunities of the strong recovery of Brazilian domestic market, and the solid momentum of ski vacations in the Alps. In the first half of 2024, Brazil became the second sales market in terms of Business Volume¹, increasing by 6.0% as compared to that of the same period in 2023.

¹ At constant exchange rate.

Benefiting from our new La Rosière Exclusive Collection Space in the French Alps, which is composed of 43 suites attached to the La Rosière Resort; the Business Volume¹ of our EMEA region stood at RMB5,038.0 million in the first half of 2024, increasing by 5.6% as compared to that of the same period in 2023.

In Asia Pacific, the Business Volume¹ in the first half of 2024 increased by 32.5% as compared to that of the same period in 2023.

In April 2024, we completed the sale of the French Resort Cargese. This transaction brought a net cash flow of RMB77.8 million and a net gain on disposal of RMB14.7 million.

In the first half of 2024, the free cash flow stood at RMB785.2 million, remaining flat as compared to that of the same period in 2023.

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

Upscale — Upscale is the core value. In the first half of 2024, 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 La Rosière Exclusive Collection Space in the French Alps, which is composed of 43 Suites attached to the La Rosière Resort; and Kiroro Grand Resort in Hokkaido, Japan. As of 30 June 2024, the Premium & Exclusive Collection capacity represents 99.2% of Resorts’ total capacity, showing an increase of 2.3 percentage points compared to the same period in 2023.

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 3 streams: **Teams Engagement**, its goal is to attract the G.Os best suited to Club Med thanks to a new candidate and recruiter experience, inspire Club Med teams around Club Med Mission, Spirit and Values and create the best conditions to retain, engage and develop our teams; **Leadership** model is to clarify what is a leader at Club Med and better develop our future leaders; and **Efficiency** to improve our tools and report in order to boost the efficiency of our HR organizations. 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 30 June 2024 (CET time), 56 participants (including connected persons) exercised their put option in respect of direct or indirect interest in Club Med Holding.

¹ At constant exchange rate.

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 the first half of 2024, France remained the largest market worldwide, and contributed Business Volume¹ of RMB2,992.4 million, accounting for 33.6% of global Business Volume; increasing by 7.0% as compared to that of the same period in 2023. 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 strategic pillar around our corporate social responsibility approach. For instance, Club Med strived to make sure that all of our current Resorts are certified Green Globe² and we target BREEAM³ or other equivalent eco-certifications for all our new constructions or significant renovations, to protect the environment during the building and the operation phases. Club Med aims to cease using single-use plastic and reduce plastic water bottle consumption by deploying the project “Bye-bye Plastic” and to limit our food waste production.

Furthermore, contribution to local development is key in our Happy to Care strategy, through natural levers such as local purchasing, employment and through our Foundation, in support of vulnerable youth and environmental protection, including the accelerated development of agro-ecological supply chains around our Resorts through our “Green Farmer” program.

In addition, in the first half of 2024, the Happy to Care roadmap is being strengthened; existing commitments are being reviewed towards higher or more precise performance targets and complemented with new targets related to climate. In this respect, a project-based 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 71.1% in the first half of 2024, remaining flat as compared to that of the same period in 2023. 27.3% of our individual customers chose to book online, representing an increase of 2.7 percentage points compared to the same period in 2023.

¹ At constant exchange rate.

² 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.

³ 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.

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 the first half of 2024, Club Med launched a new conversational Bot on WhatsApp, developed with artificial intelligence, for customers in Brazil, to answer questions regarding Resort information, prices and etc. This new BOT met with strong success for the Brazilian customers and will be deployed to other markets in the second half of 2024.

In the first half of 2024, Club Med worked on a new booking engine for its direct sales teams and indirect commercial partners, to improve technical performance and experience and thus allow a smoother reservation process. The deployment is finalized in all markets.

In the first half of 2024, Club Med finalized the launch of its new website, with the new brand identity at the core. This website will be specific in every country, to strengthen its global and international brand image. The user experience has also been improved for greater fluidity, and performance has been optimized. The website will be fully deployed in 30 markets by September 2024.

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 six months ended 30 June 2024 was RMB317.0 million, decreasing by 4.2% as compared to that of the same period in 2023.

As of 30 June 2024, the liquidity¹ stood at RMB1,673.5 million.

In terms of Resort opening, we newly opened Club Med Joyview Heilongtan Resort in July 2024, making debut of Club Med Joyview collection in Southwestern China. By 2026, together with new opening and renovation, partially offset by closure of obsolete Resorts, Club Med anticipates an increase of annual capacity of approximately 13% compared to that in 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.

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

As of 30 June 2024, Club Med operates 24 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 the first half of 2024, the Business Volume¹ of Club Med Mountain Resorts increased by 21.7% as compared to that of the same period in 2023 and it represented 45% 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 the first half of 2024, Club Med Mountain Resorts received 239,000 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 the first half of 2024, 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% global capacity of Club Med. In the first half of 2024, Club Med Exclusive Collection accounted for 17% of Club Med global Business Volume and received 73,000 customers.

It is expected to witness a sustainable growth in bookings in the second half of 2024 and the first half of 2025 as the demand for summer holidays and ski season of next year continues to gain momentum. As of 3 August 2024, the accumulated bookings for the second half of 2024, expressed in Business Volume of Stays, Tours and Services at constant exchange rate, increasing by approximately 6% compared to that for the second half of 2023 as of the same period in 2023. As of 3 August 2024, the cumulative bookings for the first half of 2025, expressed in Business Volume of Stays, Tours and Services at constant exchange rate, increasing by approximately 11% compared to that for the first half of 2024 as of the same period in 2023.

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 RMB9.2 million in the first half of 2024, increased by 52.5% as compared to that of the same period of 2023. The Winter/Summer Camp and parent-child activities were well recognized by consumers and achieved a growth of 46.7% in terms of the number of bookings for the Winter/Summer Camp and parent-child activities as of 30 June 2024 as compared to that of the same period of 2023.

¹ At constant exchange rate.

ATLANTIS SANYA¹

Atlantis Sanya²

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 suites, 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 MICE³, shopping center and other recreational activities such as the C Show Theatre. The Group commenced the construction of Atlantis Sanya in 2014, which was officially opened in April 2018.

In the first half of 2024, 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, food and beverage, MICE, attractions and entertainment. In January, it officially launched the new multi-functional event venue, The ONE Water Wedding Hall, creating a brand new wedding experience. During the Spring Festival, Atlantis Sanya hosted a series of exciting events, including the projection show of “Mountains and Seas Wonderland, Chinese New Year Dragon Dance”, the “Special Exhibition under the Theme of Honor of Kings”, the “Mermaid Show for Year of the Dragon”, “Underwater Dragon Dance” and others. In May, Atlantis Sanya celebrated its sixth anniversary with the theme of “Encountering the Mountains and the Seas”, and for the first time joined hands with Atlantis Dubai to create the “A Bite in Two Cities”, which was accompanied by stunning fireworks, technological water curtains and other colorful designs, adding vitality to Sanya’s tourism market during the Labor Day Holiday. In the first half of 2024, Sanya Atlantis ranked No.1 in the Trending List and The Most Searched List of Accommodation in Sanya on Douyin’s Eat, Drink and Play — Popularity List.

The C Show in Atlantis Sanya, created by Fanxiu Performance with a Chinese team and international standard production, has been completely revamped with the introduction of the first immersive marine fantasy acrobatics show in China during Christmas 2021. The C Show Theater is Hainan’s first semi-open theater with a land, water and aviation 3D water stage, a 1,200-inch giant curved movable video wall, 7,000 cubic meters of water stage with central special effects, and a three-sided immersive seating, that can accommodate about 1,800 audiences. In the first half of 2024, C Show Performance recorded a Business Volume of RMB34.0 million, increased by 4.0% as compared to that of the same period in 2023. During the Reporting Period, it launched the “Pink Night”,

¹ It refers to Atlantis Sanya Business Segment.

² It refers to Atlantis Sanya, including individual business of Atlantis Sanya, C Show and Foryou Photo (复遊拍).

³ Meetings, Incentives, Conferencing & Exhibitions.

a year-round offering at the Waterpark in Atlantis Sanya, which transformed the nighttime at the Waterpark into an ocean of family fun through a rich variety of performing arts.

In the first half of 2024, being affected by the evolving supply and demand trend in the domestic travel and accommodation market, the Business Volume of Atlantis Sanya operating business amounted to RMB866.2 million, representing a decrease of 5.0% as compared to that of the same period in 2023. The average Occupancy Rate by Room reached a record high of 89.6%, representing an increase of 3.4 percentage points as compared to that of the same period in 2023, and the number of visits increased to 3,435,000 as compared to 3,395,000 in the same period in 2023, breaking the historical record. To maintain our competitive edge of products, the Group proactively adopted flexible pricing tactics, the Average Daily Rate by Room was RMB2,043.8, representing a decrease of 15.1% as compared to that of the same period in 2023. In the first half of 2024, the adjusted EBITDA was RMB293.7 million, which is 23.4% lower year-on-year by excluding the non-recurring items of the same period in 2023.

The following table illustrates certain key operating data of Atlantis Sanya for the six months ended 30 June 2024:

	For the six months ended 30 June	
	2024	2023
Business Volume (<i>RMB'000</i>)	866,168	912,143 ¹
Average Occupancy Rate by Room	89.6%	86.2%
Average Daily Rate by Room (<i>RMB</i>)	2,044	2,408
Revenue Per Available Room (<i>RMB</i>)	1,831	2,075

¹ Figure for the first half of 2023 has been restated, including individual business of Atlantis Sanya, C Show and Foryou Photo (复遊拍).

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 operating segment of Taicang Alps Resort, including the Alps Snow Live, Club Med Urban Oasis Taicang Resort and Alps Time, has commenced their business in the second half of 2023.

The 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. The ski domain 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 offers over ten immersive snow entertainment activities, including snow mountain crossing, ice palace exploration, original performance of “Aurora’s Dream”, interaction with penguins, etc., allowing consumers to fully experience the charm of ice and snow.

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 complementing with dedicated services offered by the international buffet restaurant, the Top Snowy Lounge and the caring services and wonderful performances of G.O, allowing guests to fully indulge in the tranquility and comfort of the Après Ski vacation experience after their exhilarating escapades in the snow.

Since commencing its business in November 2023, Taicang Alps Resort has been enriching the entertainment experience of its guests and promoting brand awareness through diversified marketing strategies, such as celebrity interactions, brand cooperation and tournaments. In the first half of 2024, Wu Chun, a famous actor and singer, became the brand ambassador of the resort. Xu Mengtao, the Winter Olympics champion, was invited as the “Recommender of Ski Life in the Alps” to kick off the “Ski Life Season — More Than SKI”. The first “Pond Skimming Festival” was organized in cooperation with renowned ski and outdoor clubs, Spaders Academy and Baiju Skiing Club, to hold the ski season opening ceremony. The Alps Summer Ice Season was created by integrating entertainment events such as ice and snow paradise, water carnival and the Alps Wishing Duck to start the summer promotion.

In June 2024, the phase II of Taicang Alps Resort project was officially signed. With a total investment of over RMB5 billion, the project is invested by the Taicang Government and operated and managed by the Group, which is a new milestone of implementing the asset-light strategy of the Group. The total area of the phase II of the snow field is about 190,000 square meters. In addition to the snow field, a snowview hotel, theme hotel, waterpark, amusement park, aquarium and other leisure and entertainment facilities will be built to provide a rich and diversified ice and snow themed holiday experience.

In the first half of 2024, Taicang Alps Resort project was undergoing a ramp-up period of the business. Benefiting from the growing demand for urban vacations and ice and snow tourism as well as its continuous strengthening of resort operations, the project’s performance has steadily improved. The operating Business Volume of Taicang Alps Resort amounted to RMB112.9 million, and the number of visits was 290,000.

In the second half of 2024, Taicang Alps Resort will continue its strategic goal of becoming the top destination for domestic ice and snow vacations, and accelerate the expansion of potential source markets by leveraging the continuous enhancement of the IP-based branding and diversified marketing scenarios.

As both the property section and the phase I of the project operation have been completed, it is no longer in the investment and development stage and shall focus on strengthening our operating capabilities and developing potential markets in the future. As of 30 June 2024, a project development loan amounting to RMB2,074.0 million was granted, of which RMB1,282.8 million has already been utilized. As of 30 June 2024, Taicang Alps Resort has obtained a sales (pre-sale) permit for GFA of approximately 229,275 square meters, all of which were used for sales (pre-sale) with total property units of 2,020 sets. As of 30 June 2024, the sales area developed for sale was 67,593.07 square meters and the sales value to be carried forward was RMB9.1 million.

In the first half of 2024, property sales were affected by the changes in real estate industry trends and consumer demand fluctuations. As of 30 June 2024, 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 (m²)	Recognized revenue (RMB million)
First half of 2024	24	58.2	51	5,678.5	120.4
Starting from pre-sale up to 30 June 2024	1,447	3,774.5	1,411	157,480.9	3,365.1

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 Holiday Hotel Lijiang, JOY PARK Commercial Street and AMAZE 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 Snow Mountain”.

The saleable property section of the project has been completed, and its operational sections, including Club Med Lijiang Resort, Joy Holiday Hotel Lijiang, and Snow Mountain Camp have been put into operation in the second half of 2021. Among them, Club Med Lijiang 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. To enhance the holiday experience and create a differentiated scene of contents, the resort upgraded the brand of Snow Mountain Camp to “AMAZE” by transforming its original natural resources in the first half of 2024. AMAZE Camp quickly became popular after its launch, ranking second and fourth on the Lijiang Favorite Attraction List and Best-seller List of Douyin’s Eat, Drink and Play — Popularity List respectively, and was specifically reported as “Lijiang’s Newest Hit Spot” by the “Zhaowen Tianxia” program of China Central Television. In March, in response to China’s favorable policies in welcoming

inbound visitors, Club Med launched its 2024 global brand promotion campaign in China to invite nearly 100 industry peers and media from overseas to visit Club Med Lijiang Resort, leading to a significant increase in the number of inbound tourists received.

In the first half of 2024, Lijiang Club Med Resort recorded a Business Volume of RMB45.7 million with 107,000 visits, representing a year-on-year growth of 15.3% and 67.4% respectively.

As the operational and property sections of the project have been completed, it is no longer in the investment and development stage and shall focus on operational enhancement in the future. As of 30 June 2024, the approved project development loans and other loans amounted to RMB1,585.0 million, of which RMB637.6 million has already been utilized. As of 30 June 2024, Lijiang Club Med Resort has obtained a sales permit for GFA of approximately 28,500 square meters, with the number of total sets of 482. As of 30 June 2024, the developed area left for sale was 18,331.69 square meters. The value sold to be carried forward was RMB30.8 million.

As of 30 June 2024, the sold and delivered details of the Lijiang Club Med Resort are as follows:

Periods	Number of sets sold <i>(sets)</i>	Sales value <i>(RMB million)</i>	Delivered sets <i>(sets)</i>	Delivered GFA <i>(m²)</i>	Recognized revenue <i>(RMB million)</i>
First half of 2024	30	38.0	23	1,854.0	26.3
Starting from pre-sale up to 30 June 2024	154	183.2	129	7,798.1	139.8

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 Thomas Cook brand, a centennial travel brand, as well as its right, title and interest 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 global membership 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 overseas holiday products and services to its members and their families around the world by creating a scenic platform for high-quality holiday services.

In the first half of 2024, focusing on the strategic positioning of the global membership platform of Fosun Tourism Group, Foryou Club continued to exert its core strengths in platform membership operation and digitalization. On the one hand, by focusing on Atlantis Sanya, we gained a profound insight into the full-trip needs of our members before, during and after their stay, and elevated our online and offline services and experience through digitalization. On the other hand, by focusing on the core product lines of Club Med China and the Asia-Pacific region, we offered differentiated membership products to cater to the holiday needs of various families and groups of customers. On the membership side, in addition to introducing more member benefits from Fosun’s ecosystem, Foryou Club has also kept on bolstering cross-sectoral cooperation with banks, leading internet platforms, and airlines, among others, which brought more premium benefits to members of Fosun Tourism Group to attract new customers and expand membership base, and to boost member transactions and re-purchases. As of 30 June 2024, the platform of Foryou Club had over 6.902 million members, representing a year-on-year growth of 12.6%. Foryou Club recorded a Business Volume of RMB172.7 million in the first half of 2024, which remained flat as compared to that of the same period in 2023.

Thomas Cook UK

Thomas Cook UK has performed well in the first half of 2024, leading to an increase in Business Volume year-on-year.

Thomas Cook UK is reaping the benefits of focusing on its products of long-haul holidays with optimized marketing spending to achieve higher margin.

MANAGEMENT DISCUSSION & ANALYSIS

Selected Items of Consolidated Statement of Profit or Loss

	For the six months ended	
	30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
REVENUE	9,414,566	8,898,817
Cost of revenue	<u>(6,208,065)</u>	<u>(5,822,195)</u>
Gross profit	3,206,501	3,076,622
Other income and gains, net	121,443	384,472
Selling and marketing expenses	(1,316,740)	(1,201,982)
General and administrative expenses	(974,724)	(906,697)
Finance costs	(646,433)	(660,282)
Share of profits and losses of:		
Associates	<u>(2,231)</u>	<u>(13,583)</u>
PROFIT BEFORE TAX	387,816	678,550
Income tax expense	<u>(70,662)</u>	<u>(188,218)</u>
PROFIT FOR THE PERIOD	<u>317,154</u>	<u>490,332</u>
Attributable to:		
Equity holders of the Company ¹	321,838	471,840
Non-controlling interests	<u>(4,684)</u>	<u>18,492</u>
	<u>317,154</u>	<u>490,332</u>

¹ Profit attributable to equity holders of the Company for the six months ended 30 June 2024 included RMB490.0 million profit arising from tourism operation and RMB168.2 million loss arising from property development and sales. Profit attributable to equity holders of the Company for the six months ended 30 June 2023 included RMB645.8 million profit arising from tourism operation and RMB174.0 million loss arising from property development and sales.

Revenue by business segment

Revenue: Our revenue increased by 5.8% from RMB8,898.8 million for the six months ended 30 June 2023 to RMB9,414.6 million for the six months ended 30 June 2024. Our revenue showed a steady growth thanks to the continued recovery of global tourism market, as well as the Group's operation efficiency.

	For the six months ended 30 June			
	2024		2023	
	RMB'000	%	RMB'000	%
Club Med and Others	8,193,194	87.0%	7,506,818	84.4%
Atlantis Sanya	867,740	9.2%	937,461	10.5%
Vacation Asset Management Center	294,242	3.1%	389,914	4.4%
Foryou Club and Other Services	134,432	1.4%	104,542	1.2%
Intersegment eliminations	(75,042)	(0.7%)	(39,918)	(0.5%)
Total revenue	9,414,566	100.0%	8,898,817	100.0%

Club Med and others: Club Med and others revenue increased by 9.1% from RMB7,506.8 million for the six months ended 30 June 2023 to RMB8,193.2 million for the six months ended 30 June 2024, benefitting from the increase of the capacity by 3.6%, the increase of occupancy rate by 0.8 percentage points and the increase of Average Daily Bed Rate by 8.1% in Club Med. The growth was sustained even through the business was impacted by the economic uncertainties, high inflation and China outbound business not yet at pre-pandemic level.

Atlantis Sanya: Atlantis Sanya recorded revenue decrease of 7.4% from RMB937.5 million for the six months ended 30 June 2023 to RMB867.7 million for the six months ended 30 June 2024. The decrease was due to (1) the impact from the fall of Average Daily Rate by 15.1%, partially offset by the increase of occupancy rate by 3.4 percentage points. The Group optimized its pricing strategy on Atlantis Sanya business to keep balance between its market competitiveness and revenue management; and (2) we optimized our relatively inefficient business operation in Albion Sanya at the end of 2023 and its revenue amounted to RMB23.7 million in the first half of 2023.

Vacation Asset Management Center: Revenue from Vacation Asset Management Center mainly came from property sales, construction services and operation revenue of Taicang Alps Resort and Lijiang Club Med Resort. Impacted by fluctuation in real estate industry trend and domestic consumer demand, revenue of property sales and construction services decreased by 58.8% to RMB147.6 million as we delivered 51 and 23 property units from Taicang Alps Resort and Lijiang Club Med Resort respectively. Operation revenue of Taicang Alps Resort reached RMB109.2 million for the six months ended 30 June 2024. Operation revenue of Lijiang Club Med Resort increased by 18.0% to RMB31.1 million.

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 28.6% year-on-year.

Cost of revenue by business segment

	For the six months ended 30 June			
	2024		2023	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Club Med and Others	5,500,885	88.6%	5,138,494	88.3%
Atlantis Sanya	447,664	7.2%	441,225	7.6%
Vacation Asset Management Center	246,095	4.0%	228,951	3.9%
Foryou Club and Other Services	49,325	0.8%	45,062	0.8%
Intersegment eliminations	(35,904)	(0.6%)	(31,537)	(0.6%)
Total	6,208,065	100.0%	5,822,195	100.0%

Gross profit and gross profit margin by business segment

	For the six months ended 30 June			
	2024		2023	
	Gross Profit <i>RMB'000</i>	Gross Profit Margin <i>%</i>	Gross Profit <i>RMB'000</i>	Gross Profit Margin <i>%</i>
Club Med and Others	2,692,309	32.9%	2,368,324	31.5%
Atlantis Sanya	420,076	48.4%	496,236	52.9%
Vacation Asset Management Center	48,147	16.4%	160,963	41.3%
Foryou Club and Other Services	85,107	63.3%	59,480	56.9%
Intersegment eliminations	(39,138)	N/A	(8,381)	N/A
Total	3,206,501	34.1%	3,076,622	34.6%

Cost of revenue increased by 6.6% from RMB5,822.2 million for the six months ended 30 June 2023 to RMB6,208.1 million for the six months ended 30 June 2024 which was in line with revenue increase.

Gross profit increased by 4.2% and gross profit margin slightly decreased from 34.6% to 34.1%. Gross profit for Club Med and Others segment increased by 13.7% compared with same period of last year. The increase was mainly due to continued business growth of Club Med whose gross profit and margin rate was RMB2,673.0 million and 32.7% respectively. Gross profit of Altantis Sanya decreased by 15.3% and gross profit margin decreased from 52.9% to 48.4% year-on-year mainly due to the fall of Average Daily Rate by Room. Gross profit of Vacation Asset Management Center decreased by 70.1% and gross profit margin decreased from 41.3% to 16.4% year-on-year. The decrease of gross profit margin was mainly due to difference of revenue structure. Operation revenue of Taicang Alps Resort, with a lower gross profit ratio compared with that of revenue of property sales and construction services, accounted for 37.1% of total revenue in Vacation Asset Management Center segment.

Other income and gains, net

We incurred a net income of RMB121.4 million in the first six months of 2024 comparing with a net income of RMB384.5 million in the same period of last year. Net income in the first half of 2024 was mainly due to (i) reversal of provision for litigation of a Club Med village amounted to RMB142.3 million, and (ii) net exchange loss amounted to RMB47.2 million.

Selling and marketing expenses

Selling and marketing expenses increased by 9.5% year-on-year to RMB1,316.7 million for the first six months ended 30 June 2024, mainly due to (i) commission on sales mainly for resorts and tourism operation increased by 11.0% year-on-year to RMB444.4 million (the first half of 2023: RMB400.5 million), which was in line with the revenue increase, and (ii) advertising and promotion costs increased by RMB67.9 million as a result of continued business growth.

General and administrative expenses

General and administrative expenses increased by 7.5% to RMB974.7 million in the first six months of 2024. The change was primarily due to (i) employee costs of Club Med increased by RMB83.5 million, and (ii) decrease of sundry outsourcing expenses such as consulting expenses and professional expenses.

Operating profit by business segment

Our operating profit was RMB1,036.5 million in the first six months of 2024, comparing with the operating profit of RMB1,352.4 million in the same period of last year.

	For the six months ended 30 June			
	2024		2023	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Club Med and Others	1,145,355	110.5%	1,177,309	87.1%
Atlantis Sanya	177,418	17.1%	346,769	25.6%
Vacation Asset Management Center	(106,456)	(10.3%)	74,898	5.5%
Foryou Club and Other Services	2,054	0.2%	(34,893)	(2.6%)
Eliminations and unallocated expenses	(181,891)	(17.5%)	(211,668)	(15.6%)
Total	<u>1,036,480</u>	<u>100.0%</u>	<u>1,352,415</u>	<u>100.0%</u>

Club Med and Others: Club Med and Others business incurred an operating profit of RMB1,145.4 million in the first six months of 2024 compared with an operating profit of RMB1,177.3 million in the same period of 2023. Operating profit of Club Med excluding the one-off gain on disposal of resorts for the first six months of 2024 was higher than the same period of 2023.

Atlantis Sanya: Operation profit of Atlantis Sanya decreased from RMB346.8 million in the first six months of 2023 to RMB177.4 million in the same period of 2024, mainly due to (i) the decrease of gross profit by RMB76.2 million, and (ii) there was a one-off gain from government subsidies amounting to RMB78.4 million in the first half of 2023.

Vacation Asset Management Center: Vacation Asset Management Center incurred an operating loss of RMB106.5 million in the first six months of 2024 compared with an operating profit of RMB74.9 million in the same period of 2023. The decrease was mainly impacted by decrease of revenue.

Foryou Club and Other Services: Operating profit for the first six months ended 30 June 2024 was RMB2.1 million compared with operating loss of RMB34.9 million for the same period of 2023 benefiting from high operation efficiency in the first half of 2024.

Finance costs

Finance costs net of capitalized interest slightly decreased by RMB13.9 million from RMB660.3 million for the first six months of 2023 to RMB646.4 million in the same period of 2024. Our indebtedness balance as of 30 June 2024 also slightly decreased by RMB39.1 million compared with the balance as of 30 June 2023.

Income tax expense

Income tax expenses decreased by RMB117.5 million from RMB188.2 million in the first six months of 2023 to RMB70.7 million in the same period of 2024. The income tax expense for the six months ended 30 June 2024 primarily comprised of income tax expense amounted to RMB96.5 million in relation to Club Med business and PRC land appreciation tax (“LAT”) amounted to RMB12.3 million in relation to the sales of tourism-related property sales.

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. We adjusted EBITDA and net profit to eliminate the effect of certain non-cash items and one-time events, including the 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 six months ended	
	30 June	
	2024	2023
	RMB'000	RMB'000
Profit before income tax	387,816	678,550
Adjustment:		
Depreciation	978,604	898,036
Amortization	70,355	78,336
Finance costs	646,433	660,282
Land appreciation tax	(12,282)	(38,426)
EBITDA	2,070,926	2,276,778
Add:		
Equity-settled share-based payments	15,591	22,883
Adjusted EBITDA	2,086,517	2,299,661
Arising from tourism operation	2,178,182	2,288,633
Arising from property development and sales	(91,665)	11,028

Adjusted EBITDA decreased from RMB2,299.7 million in the first six months of 2023 to RMB2,086.5 million in the same period of 2024.

Adjusted EBITDA of Club Med was RMB2,002.6 million in the first six months of 2024, compared with RMB1,987.2 million in the same period of last year. Adjusted EBITDA ratio excluding the one-off gain on disposal of resorts for the first six months of 2024 increased compared with that for the first six months of 2023. Adjusted EBITDA of Atlantis Sanya segment in the first six months of 2024 decreased to RMB281.1 million from RMB452.5 million in the same period of 2023, mainly due to (i) the decrease of gross profit by RMB76.2 million, and (ii) there was a one-off gain from government subsidies amounting to RMB78.4 million in the first half of 2023. Adjusted EBITDA of Vacation Asset Management Center in the first six months of 2024 decreased to negative RMB54.5 million from positive RMB67.2 million in the same period of 2023.

Adjusted Net Profit

	For the six months ended	
	30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Net Profit	317,154	490,332
Add:		
Equity-settled share-based payments	<u>15,591</u>	<u>22,883</u>
Adjusted Net Profit	<u>332,745</u>	<u>513,215</u>

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 first six months ended 30 June 2023 and 2024 were RMB746.1 million and RMB546.5 million, respectively. The capital expenditure incurred in the first half of 2024 was mainly related to capital expenditures in Taicang Alps Resort, upgrade or renovation of existing resorts, development of new resorts, and investments in digital technology. For the six months ended 30 June 2024, our capital expenditure for Club Med was RMB317.0 million, representing a decrease of approximately RMB13.7 million as compared with same period of last year. Meanwhile, the capital expenditure for Vacation Asset Management Center decreased by RMB222.7 million. The Group's objective is to focus on asset-light management and reduce capital expenditure accordingly.

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 30 June 2024, we had cash and bank balances of approximately RMB3.5 billion. The following table sets out our cash flows for the periods indicated:

	For the six months ended	
	30 June	
	2024	2023
	<i>RMB Million</i>	<i>RMB Million</i>
Net cash flows generated from operating activities ¹	1,195	1,652
Net cash flows used in investing activities ¹	(415)	(251)
Net cash flows used in financing activities ¹	(189)	(1,103)
	<u>3,541</u>	<u>3,302</u>
Cash and bank balances at end of the period		
Analysis of cash and bank balances		
Cash and cash equivalents at end of the period	3,380	2,621
Add: Pledged bank balances and restricted cash for the use of construction	159	604
Time deposits with original maturity of more than three months	—	61
Restricted pre-sale proceeds	2	16
	<u>3,541</u>	<u>3,302</u>
Cash and bank balances at end of the period		

As of 30 June 2024, we had unused banking facilities amounted to approximately RMB3,256.9 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 30 June 2024, the total amount of interest-bearing bank and other borrowings was RMB12,862.8 million (31 December 2023: RMB11,685.3 million), of which RMB3,379.4 million was repayable within one year (31 December 2023: RMB3,558.4 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. 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 decreased from RMB38,622.8 million as of 31 December 2023 to RMB37,447.1 million as of 30 June 2024, and our total liabilities also decreased from RMB36,242.5 million as of 31 December 2023 to RMB34,802.6 million as of 30 June 2024. We changed the net current liabilities position of RMB7,551.1 million as of 31 December 2023 to net current liabilities of RMB5,378.3 million as of 30 June 2024.

Our current ratio increased from 0.53 as of 31 December 2023 to 0.62 as of 30 June 2024, reflecting a healthy and sound financial position.

Our gearing ratio slightly increased from 53.5% as of 31 December 2023 to 55.1% as of 30 June 2024 which remained 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 and lease liabilities, 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. During the first half of 2024, Euro depreciated against some currencies such as Renminbi yuan and U.S. Dollar, leading to foreign currency exchange loss. For the six months ended 30 June 2023 and 2024, we recorded a net foreign exchange gain of RMB70.3 million and a net foreign exchange loss of RMB47.2 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 RMB62.4 million and a loss of RMB83.5 million for the six months ended 30 June 2023 and 2024, respectively, which mainly came from the translation of foreign operations of Club Med.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

	<i>Notes</i>	For the six months ended 30 June	
		2024 <i>RMB'000</i> (Unaudited)	2023 <i>RMB'000</i> (Unaudited)
REVENUE	3	9,414,566	8,898,817
Cost of revenue		<u>(6,208,065)</u>	<u>(5,822,195)</u>
Gross profit		3,206,501	3,076,622
Other income and gains, net	4	121,443	384,472
Selling and marketing expenses		<u>(1,316,740)</u>	<u>(1,201,982)</u>
General and administrative expenses		<u>(974,724)</u>	<u>(906,697)</u>
Operating income		<u>1,036,480</u>	<u>1,352,415</u>
Finance costs	5	(646,433)	(660,282)
Share of profits and losses of:			
Associates		<u>(2,231)</u>	<u>(13,583)</u>
PROFIT BEFORE INCOME TAX	6	387,816	678,550
Income tax expense	7	<u>(70,662)</u>	<u>(188,218)</u>
PROFIT FOR THE PERIOD		<u>317,154</u>	<u>490,332</u>
Attributable to:			
Equity holders of the Company		321,838	471,840
Non-controlling interests		<u>(4,684)</u>	<u>18,492</u>
		<u>317,154</u>	<u>490,332</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic			
— For profit for the period (<i>RMB</i>)	9	<u>0.26</u>	<u>0.38</u>
Diluted			
— For profit for the period (<i>RMB</i>)	9	<u>0.26</u>	<u>0.38</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
PROFIT FOR THE PERIOD	<u>317,154</u>	<u>490,332</u>
OTHER COMPREHENSIVE INCOME		
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:		
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments arising during the period	3,450	(14,328)
Reclassification adjustments for loss/(income) included in the consolidated statement of profit or loss	<u>4,235</u>	<u>(22,878)</u>
	7,685	(37,206)
Exchange differences on translation of foreign operations	<u>(83,465)</u>	<u>62,424</u>
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods	<u>(75,780)</u>	<u>25,218</u>
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Actuarial reserve relating to employee benefits	5,044	(2,321)
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	<u>1,507</u>	<u>5,636</u>
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	<u>6,551</u>	<u>3,315</u>
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX	<u>(69,229)</u>	<u>28,533</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>247,925</u>	<u>518,865</u>
Attributable to:		
Equity holders of the Company	264,164	486,004
Non-controlling interests	<u>(16,239)</u>	<u>32,861</u>
	<u>247,925</u>	<u>518,865</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2024

	30 June	31 December
	2024	2023
<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	10,303,244	10,674,269
Right-of-use assets	11,803,309	12,535,362
Intangible assets	2,500,031	2,570,069
Goodwill	1,766,850	1,810,601
Investments in associates	247,289	261,631
Financial assets at fair value through profit or loss	353,742	358,461
Properties under development	589,684	579,816
Due from related companies	5,634	89,265
Prepayments, other receivables and other assets	384,366	380,753
Deferred tax assets	771,964	787,811
Cash and bank balances	—	12,468
	<hr/>	<hr/>
Total non-current assets	28,726,113	30,060,506
CURRENT ASSETS		
Inventories	253,392	289,746
Completed properties for sale	1,192,603	1,219,565
Properties under development	446,819	519,066
Trade receivables	511,833	704,961
Contract assets and other assets	1,739	4,710
Prepayments, other receivables and other assets	1,770,021	1,895,642
Due from related companies	948,327	872,961
Derivative financial instruments	55,334	73,045
Financial assets at fair value through profit or loss	—	3,409
Cash and bank balances	3,540,925	2,979,236
	<hr/>	<hr/>
Total current assets	8,720,993	8,562,341

	30 June	31 December
	2024	2023
<i>Notes</i>	RMB'000	RMB'000
	(Unaudited)	(Audited)
CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	3,379,379	3,558,428
Contract liabilities	829,136	962,475
Trade payables	1,993,625	2,140,863
Accrued liabilities and other payables	5,751,317	7,078,188
Tax payable	271,915	397,562
Lease liabilities	994,426	944,415
Due to related companies	871,550	990,668
Derivative financial instruments	7,986	40,814
	<u>14,099,334</u>	<u>16,113,413</u>
Total current liabilities	14,099,334	16,113,413
NET CURRENT LIABILITIES	(5,378,341)	(7,551,072)
TOTAL ASSETS LESS CURRENT LIABILITIES	23,347,772	22,509,434
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	9,483,374	8,126,896
Lease liabilities	10,317,960	11,025,483
Contract liabilities	4,073	4,073
Deferred income	49,078	52,671
Other long-term payables	284,401	286,059
Deferred tax liabilities	564,357	633,952
	<u>20,703,243</u>	<u>20,129,134</u>
Total non-current liabilities	20,703,243	20,129,134
Net assets	2,644,529	2,380,300
EQUITY		
Equity attributable to equity holders of the Company		
Share capital	190	189
Shares held for the share-based payment schemes	(24)	(925)
Reserves	2,578,685	2,297,155
	<u>2,578,851</u>	<u>2,296,419</u>
Non-controlling interests	65,678	83,881
Total equity	2,644,529	2,380,300

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2023.

The Group had net current liabilities of RMB5,378,341,000 as at 30 June 2024. Having taken into account the available 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 accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following revised International Financial Reporting Standards (“IFRSs”) for the first time for the current period’s financial information.

Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the “2020 Amendments”)
Amendments to IAS 1	<i>Non-current Liabilities with Covenants</i> (the “2022 Amendments”)
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

The nature and impact of the revised IFRSs are described below :

- (a) 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. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) 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 Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) 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. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the interim condensed consolidated financial information.

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 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 various tourism and leisure services to support the 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. 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.

Six months ended 30 June 2024

	Club Med and others <i>RMB'000</i> (Unaudited)	Atlantis Sanya <i>RMB'000</i> (Unaudited)	Vacation asset management center <i>RMB'000</i> (Unaudited)	Foryou Club and other services <i>RMB'000</i> (Unaudited)	Elimination <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Segment revenue						
External customers	8,169,606	860,440	294,013	90,507	—	9,414,566
Intersegment sales	23,588	7,300	229	43,925	(75,042)	—
Total segment revenue	<u>8,193,194</u>	<u>867,740</u>	<u>294,242</u>	<u>134,432</u>	<u>(75,042)</u>	<u>9,414,566</u>
Segment operating profit/(loss)	<u>1,145,355</u>	<u>177,418</u>	<u>(106,456)</u>	<u>2,054</u>	<u>(46,049)</u>	<u>1,172,322</u>
Unallocated expenses*						<u>(135,842)</u>
Total operating profit						1,036,480
Finance costs						(646,433)
Share of profits and losses of associates						<u>(2,231)</u>
Profit before income tax						<u>387,816</u>

Six months ended 30 June 2023

	Club Med and others <i>RMB'000</i> (Unaudited)	Atlantis Sanya <i>RMB'000</i> (Unaudited)	Vacation asset management center <i>RMB'000</i> (Unaudited)	Foryou Club and other services <i>RMB'000</i> (Unaudited)	Elimination <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Segment revenue						
External customers	7,500,779	928,456	387,935	81,647	—	8,898,817
Intersegment sales	6,039	9,005	1,979	22,895	(39,918)	—
Total segment revenue	<u>7,506,818</u>	<u>937,461</u>	<u>389,914</u>	<u>104,542</u>	<u>(39,918)</u>	<u>8,898,817</u>
Segment operating profit/(loss)	<u>1,177,309</u>	<u>346,769</u>	<u>74,898</u>	<u>(34,893)</u>	<u>(30,892)</u>	<u>1,533,191</u>
Unallocated expenses*						<u>(180,776)</u>
Total operating profit						1,352,415
Finance costs						(660,282)
Share of profits and losses of associates						<u>(13,583)</u>
Profit before income tax						<u>678,550</u>

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

Geographical information

	For the six months ended 30 June	
	2024 <i>RMB'000</i> (Unaudited)	2023 <i>RMB'000</i> (Unaudited)
Revenue from external customers		
Europe, Middle East and Africa	5,045,002	4,631,679
America	2,294,589	2,079,227
Asia Pacific	2,074,975	2,187,911
Total	<u>9,414,566</u>	<u>8,898,817</u>

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

3. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2024 <i>RMB'000</i> (Unaudited)	2023 <i>RMB'000</i> (Unaudited)
<i>Revenue from contracts with customers</i>		
Tourism operation and other services	9,251,920	8,486,668
Property sales and construction services	162,646	412,149
Total	<u>9,414,566</u>	<u>8,898,817</u>

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

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

For the period ended 30 June 2024

Segments

	Club Med and others <i>RMB'000</i> (Unaudited)	Atlantis Sanya <i>RMB'000</i> (Unaudited)	Vacation asset management center <i>RMB'000</i> (Unaudited)	Foryou Club and other services <i>RMB'000</i> (Unaudited)	Elimination <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Types of goods or services						
Tourism operation and other services	8,178,125	867,740	146,665	134,432	(75,042)	9,251,920
Property sales and construction services	15,069	—	147,577	—	—	162,646
	8,193,194	867,740	294,242	134,432	(75,042)	9,414,566
Intersegment sales	(23,588)	(7,300)	(229)	(43,925)	75,042	—
Total	<u>8,169,606</u>	<u>860,440</u>	<u>294,013</u>	<u>90,507</u>	<u>—</u>	<u>9,414,566</u>
Timing of revenue recognition						
Goods transferred at a point in time	2	—	150,455	33,016	(26,813)	156,660
Services transferred over time	8,193,192	867,740	143,787	101,416	(48,229)	9,257,906
	8,193,194	867,740	294,242	134,432	(75,042)	9,414,566
Intersegment sales	(23,588)	(7,300)	(229)	(43,925)	75,042	—
Total	<u>8,169,606</u>	<u>860,440</u>	<u>294,013</u>	<u>90,507</u>	<u>—</u>	<u>9,414,566</u>

For the period ended 30 June 2023

Segments

	Club Med and others <i>RMB'000</i> (Unaudited)	Atlantis Sanya <i>RMB'000</i> (Unaudited)	Vacation asset management center <i>RMB'000</i> (Unaudited)	Foryou Club and other services <i>RMB'000</i> (Unaudited)	Elimination <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Types of goods or services						
Tourism operation and other services	7,453,024	937,461	31,559	104,542	(39,918)	8,486,668
Property sales and construction services	53,794	—	358,355	—	—	412,149
	<u>7,506,818</u>	<u>937,461</u>	<u>389,914</u>	<u>104,542</u>	<u>(39,918)</u>	<u>8,898,817</u>
Intersegment sales	<u>(6,039)</u>	<u>(9,005)</u>	<u>(1,979)</u>	<u>(22,895)</u>	<u>39,918</u>	<u>—</u>
Total	<u><u>7,500,779</u></u>	<u><u>928,456</u></u>	<u><u>387,935</u></u>	<u><u>81,647</u></u>	<u><u>—</u></u>	<u><u>8,898,817</u></u>
Timing of revenue recognition						
Goods transferred at a point in time	52	—	358,352	15,253	(11,711)	361,946
Services transferred over time	7,506,766	937,461	31,562	89,289	(28,207)	8,536,871
	<u>7,506,818</u>	<u>937,461</u>	<u>389,914</u>	<u>104,542</u>	<u>(39,918)</u>	<u>8,898,817</u>
Intersegment sales	<u>(6,039)</u>	<u>(9,005)</u>	<u>(1,979)</u>	<u>(22,895)</u>	<u>39,918</u>	<u>—</u>
Total	<u><u>7,500,779</u></u>	<u><u>928,456</u></u>	<u><u>387,935</u></u>	<u><u>81,647</u></u>	<u><u>—</u></u>	<u><u>8,898,817</u></u>

4. OTHER INCOME AND GAINS, NET

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

	For the six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Other income		
Interest income	47,925	57,993
Government grants	13,703	89,805
Others	34,014	47,648
Total	95,642	195,446
Gains		
Gain on disposal of subsidiaries	—	113,921
Gain on disposal of items of property, plant and equipment	10,616	217,747
Gain on disposal of items of right-of-use assets	2,788	—
Reversal of provision for impairment of prepayments, other receivables and other assets	740	—
Gain on the fair value change of financial assets at fair value through profit or loss	—	1,602
Dividends from financial assets at fair value through profit or loss	77	—
Exchange gain, net	—	70,322
Reversal of provision for closing of villages	142,340	7,485
Others	3,319	10,807
Total	159,880	421,884
Other income and gains	255,522	617,330

	For the six months ended 30 June	
	2024	2023
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
Other expenses		
Compensation costs relating to employees	(45,563)	(20,493)
Provision for resort closure costs	(8,041)	(49,315)
Provision for litigation, including tax related	(14,006)	(14,639)
Loss on the fair value change of financial assets at fair value through profit or loss	(1,824)	—
Loss on the fair value change of derivative financial liabilities	—	(34,018)
Impairment losses on		
— <i>Intangible assets</i>	—	(87,891)
— <i>Other receivables</i>	—	(11,876)
Exchange loss, net	(47,204)	—
Others	(17,441)	(14,626)
	<u>(134,079)</u>	<u>(232,858)</u>
Other expenses		
	<u>(134,079)</u>	<u>(232,858)</u>
Other income and gains, net	121,443	384,472
	<u>121,443</u>	<u>384,472</u>

5. FINANCE COSTS

	For the six months ended 30 June	
	2024	2023
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
Interest on bank and other borrowings	351,061	388,107
Interest on lease liabilities	281,993	269,451
Bank charges and other finance costs	13,379	18,120
	<u>646,433</u>	<u>675,678</u>
Less: Interest capitalised	—	15,396
	<u>—</u>	<u>15,396</u>
Total finance costs	<u>646,433</u>	<u>660,282</u>

6. PROFIT BEFORE INCOME TAX

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

	Notes	For the six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Cost of revenue		6,208,065	5,822,195
Depreciation of property, plant and equipment		376,803	324,991
Amortisation of intangible assets		70,355	78,336
Depreciation of right-of-use assets		601,801	573,045
Impairment of financial and contract assets and other assets:			
<i>Provision for impairment of trade receivables</i>		2,220	6,193
<i>(Reversal of provision)/provision for impairment of financial assets included in prepayments, other receivables and other assets</i>	4	(740)	11,876
Write-down of inventories to net realisable value		559	1,014
Provision for impairment of intangible assets	4	—	87,891
Fair value loss/(gain) on financial assets at fair value through profit or loss	4	1,824	(1,602)
Loss on the fair value change of derivative financial liabilities	4	—	34,018
Exchange loss/(gain), net	4	47,204	(70,322)
Gain on disposal of right-of-use assets	4	(2,788)	—
Gain on disposal of items of property, plant and equipment	4	(10,616)	(217,747)
Dividends from financial assets at fair value through profit or loss	4	(77)	—
Gain on disposal of a subsidiary	4	—	(113,921)
		<u> </u>	<u> </u>

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.

	<i>Notes</i>	For the six months ended 30 June	
		2024	2023
		<i>RMB'000</i>	<i>RMB'000</i>
		(Unaudited)	(Unaudited)
Current — France and others	(1)	134,278	119,355
Current — Chinese Mainland			
Income tax in Chinese Mainland for the period	(2)	206	24,934
Land appreciation tax (“LAT”) in Chinese Mainland for the period	(3)	12,282	38,426
Deferred		(76,104)	5,503
		<hr/>	<hr/>
Total Income tax expense for the period		70,662	188,218
		<hr/> <hr/>	<hr/> <hr/>

Notes:

- (1) The provision for income tax of Club Med Holding (“CMH”) and its subsidiaries incorporated in France for the six months ended 30 June 2024 was based on a rate of 25.83% (six months ended 30 June 2023: 25.83%).
- (2) The provision for Chinese Mainland current income tax is based on the statutory rate of 25% (six months ended 30 June 2023: 25%) of the assessable profits for the six months ended 30 June 2024 of the Group as determined in accordance with the PRC Corporate Income Tax Law, which was approved and became effective on 1 January 2008. For Hainan Atlantis Commerce and Tourism Development Co., Ltd. (“Hainan Atlantis”), the provision for current income tax 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.
- (3) LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sale of properties less deductible expenditures including land costs, borrowing costs and other property development expenditures. The Group has estimated, made and included in taxation a provision for LAT according to the requirements set forth in the relevant 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 six months ended 30 June 2024 (Six months ended 30 June 2023: Nil).

9 EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,243,191,887 (six months ended 30 June 2023: 1,241,763,222) in issue during the period.

The calculation of the diluted earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	For the six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic and diluted earnings per share calculations	<u>321,838</u>	<u>471,840</u>

	Number of shares	
	For the six months	
	ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	1,243,191,887	1,241,763,222
Effect of dilution — weighted average number of ordinary shares:		
— Share award scheme	2,413,420	3,715,220
— Share option scheme	—	2,845,247
	<u>1,245,605,307</u>	<u>1,248,323,689</u>
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	<u>1,245,605,307</u>	<u>1,248,323,689</u>
Basic earnings per share (<i>RMB</i>)	<u>0.26</u>	<u>0.38</u>
Diluted earnings per share (<i>RMB</i>)	<u>0.26</u>	<u>0.38</u>

10. TRADE RECEIVABLES

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.

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

	30 June	31 December
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Outstanding balances with ages:		
Within 90 days	444,977	643,465
91 to 180 days	43,157	41,822
181 to 365 days	18,974	8,309
1 to 2 years	2,832	8,754
2 to 3 years	1,726	2,611
Over 3 years	167	—
	<u>511,833</u>	<u>704,961</u>
Total	<u>511,833</u>	<u>704,961</u>

11. TRADE PAYABLES

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

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Outstanding balances with ages:		
Within 90 days	1,575,890	1,607,981
91 to 180 days	155,317	59,396
181 to 365 days	103,808	47,231
1 to 2 years	19,305	291,331
2 to 3 years	49,189	22,821
Over 3 years	90,116	112,103
	<hr/>	<hr/>
Total	1,993,625	2,140,863
	<hr/> <hr/>	<hr/> <hr/>

12. EVENTS AFTER THE REPORTING PERIOD

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

INTERIM DIVIDEND PAYMENT

The Board has not recommended the payment of an interim dividend for the six months ended 30 June 2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Shares during the Reporting Period.

REVIEW OF INTERIM RESULTS

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, to review the adequacy and effectiveness of the Company's financial reporting system, risk management and internal control system, and to provide recommendations and advice to the Board.

The interim results of the Group for the Reporting Period are unaudited but have been reviewed by the Audit Committee. The Audit Committee does not have any disagreement with the accounting treatment adopted by the Company.

CORPORATE GOVERNANCE PRACTICES OF THE COMPANY

The Company is committed to achieving high standards of corporate governance to safeguard the interests of Shareholders and to enhance its corporate value and accountability. 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. The Company regularly reviews its corporate governance practices to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

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

PUBLICATION OF INTERIM RESULTS

This results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.fosunholiday.com). The interim report will be published on both websites and/or despatched to the Shareholders on or before 30 September 2024.

FORWARD-LOOKING STATEMENTS

This 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 for 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.

Save as disclosed in this announcement, from 1 January 2024 to 30 June 2024, there were no other material changes in respect of the Company that needed to be disclosed under paragraph 46 of Appendix D2 to the Listing Rules.

GLOSSARY

Alpes Snow World	an indoor ski domain of the Group, designed by Compagnie des Alpes (“CDA”), one of the world’s leading ski domain operators based in France, to offer facilities and services with international standards
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
Average Occupancy Rate by Bed	the total number of beds sold divided by the total number of beds available for sale
Average Daily Rate by Room	the business volume divided by the total number of rooms sold
Board	our 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 lifestyle hotel brand under Thomas Cook, with a focus on design, high-quality food and wellbeing
CG Code	the Corporate Governance Code set out in Appendix C1 of the Listing Rules
China or PRC	the People’s Republic of China, but for the purpose of this announcement and for geographical reference only and except where the context requires, references in this Announcement to “China” and the “PRC” do not apply to Hong Kong, Macau and Taiwan

Club Med	Club Med SAS (formerly known as Club Méditerranée SA), a simplified joint-stock company (société par actions simplifiée) incorporated in France on 12 November 1957 and a non-wholly owned subsidiary of our Company. The Group focuses on global leisure tourism resort with “all-inclusive” innovative holiday Concepts
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 amortisation
EMEA	Europe, Middle East, and Africa, which, for our purposes, also includes Turkey
EUR or Euro	the lawful currency of the European Union
FHL	Fosun Holdings Limited, a company incorporated in Hong Kong with limited liability, which is wholly owned by FIHL, and one of 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
Fosun Holiday	our global ecosystem consisting of our commercially interconnected businesses that offers a wide spectrum of tourism- and leisure-related services

Foryou Club	our membership system in China that manages and operates services and activities for members and customers under the Fosun Holiday ecosystem
Fosun International	Fosun International Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board (stock code: 0656), and one of 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
GFA	gross floor area
G.E	G.Es (gentils employé) are local employees who perform traditional resort and back office duties, and are mainly responsible for accommodation, catering and technical services
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 programme
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 limited liability company established in the PRC on 15 May 2013 and a wholly-owned subsidiary of the Company
Happy Digital	Club Med's digitalisation 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 Rules	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
Miniversity	the Group's brand for learning and playing club for children
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 of the Listing Rules
Occupancy Rate	by Bed the ratio expressed as a percentage between the total number of beds sold and the total number of beds available for sale over a period or year
Occupancy Rate by Room	the total number of rooms sold divided by the total number of rooms available for sale
Reporting Period	1 January 2024 to 30 June 2024
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
RMB	the lawful currency of the PRC

semi-Direct	sales through setting up official brand stores on platforms, the brand has full access to all customer information
Share(s)	ordinary share(s) in the share capital of the Company
Shareholder(s)	holder(s) of the Shares
Show C	a resident show launched by 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
Trident	the measurement unit used by Club Med to indicate the level of each Club Med resort, which is similar to "star" used for traditional hotel ratings
USD or U.S. dollar	the lawful currency of the United States of America
Waterpark	the Aquaventure Waterpark in Atlantis Sanya

By Order of the Board
Fosun Tourism Group
Xu Xiaoliang
Chairman

Hong Kong, 22 August 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.