



世联资产

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Report Number: 世联资产评估字SZ2025H(2)010001

Respected:

**Regarding: Valuation of Lijiang FOLIDAY Mediterranean International Resort Construction Project (the Property) in Baisha Town, Yulong County, Lijiang City, Yunnan Province, People's Republic of China**

Thank you for your commission. Following the instructions of Fosun Tourism Group, we have evaluated the property held by your group and its subsidiary Lijiang Fosun Tourism Culture Development Co., Ltd. (hereinafter referred to as "the Group") in the People's Republic of China (China). We have carried out inspections, made relevant enquiries, and obtained other relevant data that we consider necessary for the purpose of providing the Group with our opinion of the values of the property as of November 30, 2024 (the valuation date).

#### **Valuation Basis**

Our valuation of each of the properties represents its market value which in accordance with The HKIS Valuation Standards 2020 Edition issued by the Hong Kong Institute of Surveyors is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

In addition, market value is understood as the estimated value of assets or liabilities, which excludes buying and selling (or transaction) costs and does not offset any related or potential taxes.

Our valuation is based on The HKIS Valuation Standards 2020 Edition ("International Valuation Standards") issued by the Hong Kong Institute of Surveyors ("HKIS") and, if applicable, relevant supplementary data from HKIS or jurisdictions. We have also complied with the requirements set forth in Chapter 5 and Practice Note 12 of the Rules governing the Listing of Securities published by the Stock Exchange of the Hong Kong Limited. Furthermore, we observe the Takeovers Code issued by the Securities and Futures Commission.

## **Valuation Assumptions**

Unless otherwise specified, when valuing properties in China, we rely on the legal opinion provided by Shanghai Allbrightlaw Offices, the Chinese legal adviser hired by your group. And our valuation is based on the fact that after paying the land transfer fee and annual symbolic land use fee, we have obtained the transferable land use rights of the property for its specific land use period, and any premium payable has already been fully paid. The Chinese legal adviser of the group also opines that the project company of your group has obtained the land use rights and property ownership covered by the real estate right certificate, and has not found any restrictions on selling or renting these parts. Therefore, unless otherwise specified, our valuation basis is also based on the complete legal title of the property owned by the property owner, who has free and uninterrupted rights to occupy, use, transfer, lease or assign the properties for the whole of the unexpired term as granted.

No allowances have been made in our valuations for any charges, mortgages or amounts owing on the properties nor any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of any onerous nature which could affect their values.

## **Method of Valuation**

When valuing the properties in Group I held by your group for further development in China and in Group III held by your group for investment in China, there is no relevant market data that can be used to obtain the market value of the properties through market evidence. We use the depreciated replacement cost method to value the properties, which requires the use of market comparison method to evaluate the market value of the land for existing purposes. We refer to comparable sales evidence in the relevant market and make appropriate adjustments based on (including but not limited to) location, convenient transportation, scale, and other related factors.

The construction costs and related parameters of similar buildings in the area can be obtained, and deductions can be made for the age, condition and outdated functions of the buildings. The depreciated replacement cost method is used to determine the market value, which only applies to the whole property as a single interest and does not assume fragmented transactions of the property.

When valuing the properties held for sale by Group II in China, we have used Market Comparison Method assuming sale of each of these properties in its existing state, with reference to comparable sales evidence in the relevant market, subject to appropriate adjustments including but not limited to location, convenient transportation, scale and other relevant factors. This method is in line with market practices.

## **Source of Information**

In the process of valuation, we have relied to a considerable extent on the information provided by your group and have accepted advice on such matters as planning approvals, statutory notices, real estate right certificates (real estate certificate number, owner, co ownership, right type, nature of rights, purpose, term of use, parcel area, building area, other status of rights, attachments, etc.), number of floors, decoration, construction costs, management and marketing agreements, occupancy details, development plans, total construction costs and unpaid construction costs, cumulative completion percentage, estimated completion date, site and floor areas and all other relevant materials. Dimensions, measurements and areas included in the valuation report are based on the data contained in the documents we have obtained. We have not carried out on-site measurements. Dimensions, measurements and areas stated in the valuation report are only approximations. We have taken all reasonable and prudent measures in checking the information provided to us and making relevant inquiries. We have no reason to doubt the authenticity and accuracy of the significant information provided by your group in relation to the valuation. We were also advised by your group that no material facts have been omitted from the information provided. We consider that we have been provided with sufficient information to reach an informed view.

## **Title Investigation**

As far as the property in China is concerned, we have obtained a copy of the real estate right certificate of the relevant property and the Real Estate Registration Query Result issued by the Real Estate Registration Center of Yulong Naxi Autonomous County. However, we did not check the original documents to verify ownership or determine whether there were any amendments other than those contained in the copies of the document we obtained. In the process of valuation, we relied on the data and suggestions provided by your group, as well as the opinions of the copy of the Special Legal Opinion on the Property of Fosun Tourism Group in China issued by Shanghai Allbrightlaw Offices.

## **Site inspection**

We inspected the exterior and wherever possible, the interior of the properties. In December 2024, our appraiser, Ms. Qin Ying (who has 8 years' experience in valuation in China), made an on-site inspection of these properties, examining the visible parts of the exterior and, if possible, the interior decoration and indoor and outdoor pollution of the properties. We did not inspect the parts of the property that were covered, unexposed or inaccessible, and assumed that these parts were in a reasonable condition. We have not conducted detailed on-site measurements to verify the accuracy of the property area. We assume that the area shown on the title document submitted to us is correct. All documents and contracts are for reference only, and the dimensions, measurements, and areas stated are approximate only. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during the construction period.

During the inspection process, we did not find any serious damage. However, we have not carried out structural survey, and are therefore not able to report whether the properties are free of rot, infestation or any other structure defects. We have not tested any facilities either.

### **Currency**

Unless otherwise stated, all monetary amounts stated in our valuation report are in Renminbi (RMB), the official currency of the PRC.

### **Exchange rate**

For reference purpose, we have also stated the markets in Hong Kong Dollars in the report. The exchange rate adopted as at the Valuation Date was HK\$1=RMB0.9309.

### **Potential Tax Liabilities**

As advised by the Group, the potential tax liabilities which would arise on the direct disposal of interests in the PRC properties held by the Group at the amounts valued by us mainly comprise the following :

- Value - added tax at the rate of 9%
- Stamp duty at the rate of 0.05% of the contract price
- Land appreciation tax at progressive rates ranging from 30% to 60% on the appreciated amount (being the proceeds of sales of the property less deductible expenditure including costs of land, development and construction)
- Corporate income tax at the rate of 25% on the gain

In respect of the PRC properties, according to the information provided by the Group, the likelihood of the relevant tax liabilities being crystallised is remote as the Group have no plans for the disposal of such properties yet. In respect of the Group II properties held for sale, it is likely that the relevant tax liabilities will crystallise upon sale.

According to our established practice, in the course of our valuation, we have neither verified nor taken into account such tax liabilities. The precise tax implication will be subject to prevailing rules and regulations at the time of disposal.

### **Other disclosures**

We are independent of your group and its subsidiaries. As far as we know, there are no circumstances that may lead to potential conflicts of interest between WorldUnion Asset Appraisal Co., Ltd or Ms. Cao Yakun in this work. We confirm that we are independent qualified valuers as described in Rule 5.08 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and that both WorldUnion Asset Appraisal Co., Ltd and Ms. Cao Yakun can provide an objective and fair valuation of the property.

We enclose herewith the valuation summary and our valuation report.

The directors

Fosun Tourism Group

16th Floor, T1 Building, 118 Feihong Road, Hongkou District, Shanghai  
China

Cao Yakun, Vice General Manager  
For and on behalf of  
Shenzhen WorldUnion Asset Appraisal Co., Ltd

A handwritten signature in black ink that reads "Cao Yakun". The signature is written in a cursive, flowing style.

10 February 2025

*Note:* Ms. Cao Yakun is a Registered Professional Surveyor and also a professional member of The Hong Kong Institute of Surveyors with over 24 years of experience in property valuation in China and Hong Kong.

## Summary of Valuations

### Group I – Properties held by the Group for future development in China

### Group II – Properties held by the Group for sale in China

### Group III – Properties held by the Group for investment in China

Serial Number	Property	Market value in existing state of Group I as of November 30, 2024 RMB	Market value in existing state of Group II as of November 30, 2024 RMB	Market value in existing state of Group III as of November 30, 2024 RMB	Total Market value in existing state as of November 30, 2024 RMB
1	Club Med Lijiang Resort located at the intersection of Xinshan Village and Yulong Village in Baisha Town, Yulong County, Lijiang City, Yunnan Province, China	880,974,738	Not Applicable	Not Applicable	880,974,738
2	298 vacation homes available for sale located at the intersection of Xinshan Village and Yulong Village in Baisha Town, Yulong County, Lijiang City, Yunnan Province, China	Not Applicable	330,884,800	Not Applicable	330,884,800
3	4 buildings and 5 pieces of land located at the intersection of Xinshan Village and Yulong Village in Baisha Town, Yulong County, Lijiang City, Yunnan Province, China	Not Applicable	Not Applicable	588,256,438	588,256,438
<b>Total:</b>		<b>880,974,738</b>	<b>330,884,800</b>	<b>588,256,438</b>	<b>1,800,115,976</b>

Notes: 1. The total market value in the existing state as of November 30, 2024, is equivalent to HKD 1,933,737,218.

## Valuation Report

### Group I – Properties held by the Group for future development in China

Serial Number	Property	Overview and Duration	Particulars of occupancy	Market value in existing state as of November 30, 2024
1	Club Med Lijiang Resort located at the intersection of Xinshan Village and Yulong Village in Baisha Town, Yulong County, Lijiang City, Yunnan Province, China	<p>The total site area of the Lijiang FOLIDAY Mediterranean International Resort construction project (this development project) is approximately 695,404.74 square meters.</p> <p>Club Med Lijiang Resort is the Lijiang Mediterranean International Resort within this development project, with a total building area of approximately 56,785.45 square meters. It is built on a piece of land with a site area of approximately 87,554.21 square meters and consists of 6 buildings (forming the Club Med Hotel). The completion acceptance and filing were completed on September 1, 2021.</p> <p>The land use right of the property has been granted for hotel use. The land use right will expire on April 9, 2060. The property is used for commercial services.</p>	<p>As of the valuation date, the property is managed and operated by Kemeide for use as a hotel resort.</p> <p>The owner signed a management agreement and marketing agreement with Shanghai Kemeide Holiday Travel Agency Co., Ltd. (Kemeide) on June 30, 2024. According to the agreement, Kemeide provides exclusive management, operation, and marketing services for Club Med Lijiang Resort, and performance guarantees are agreed in the agreement.</p>	<p>RMB 880,974,738 (eight hundred and eighty million nine hundred and seventy four thousand seven hundred and thirty eight yuan)</p> <p style="text-align: right;">(Equivalent to HKD 946,368,824 )</p>

#### Notes:

1. According to the Real Estate Right Certificate - Yun (2022) Yulong County Real Estate Right No. 0000482, the land use right of a piece of land with a site area of 87,554.21 square meters has been granted to Lijiang Fosun Tourism and Cultural Development Co., Ltd., a wholly-owned subsidiary of Fosun Tourism Group, which will expire on April 9, 2060 and be used as hotel land. The ownership of the property (with a building area of 56,785.45 square meters) belongs to Lijiang Fosun Tourism and Cultural Development Co., Ltd. for commercial service purposes.

2. We have obtained a legal opinion issued by your group's Chinese legal adviser regarding the property ownership, which includes (among others) the following information:

i. The Real Estate Right Certificate No. 0000482 of Yun (2022) Yulong County Real Estate Right held by Lijiang Fosun Tourism and Culture Development Co., Ltd. has been mortgaged, and the mortgagee is Bank of East Asia (China) Co., Ltd. Kunming Branch. The corresponding principal debt amount is RMB 399,000,000, and the principal debt term is one year from the date of signing the independent debt contract (November 28, 2024)/the debtor (i.e. Lijiang Fosun Tourism and Culture Development Co., Ltd.)'s first withdrawal under the principal debt contract.

ii. Lijiang Fosun Tourism and Cultural Development Co., Ltd. has legally obtained the land use



right and property ownership of the property mentioned in the above real estate right certificate.

iii. There are no restriction on the sale or lease of the property as indicated in the real estate right certificate.

3. We also appraised the property on November 30, 2024, with a market value of RMB 880,974,738 as of November 30, 2024.

## Valuation Report

### Group II – Properties held by the Group for sale in China

Serial Number	Property	Overview and Duration	Particulars of occupancy	Market value in existing state as of November 30, 2024
2	298 vacation homes available for sale located at the intersection of Ninshan Village and Yulong Village in Baisha Town, Yulong County, Lijiang City, Yunman Province, China	<p>The total site area of the Lijiang FOLIDAY Mediterranean International Resort construction project (this development project) is approximately 695,404.74 square meters.</p> <p>298 sets of available vacation homes are vacation homes within the development project, with a total building area of approximately 16,544.24 square meters. They are built on a piece of land with a site area of approximately 61,141.92 square meters, consisting of 28 buildings (forming the Yunshang Ju and Yuanzhuge vacation home clusters), and were completed in December 2020.</p> <p>The land use right of the property has been granted for hotel use. The land use right will expire on April 9, 2060. The property is used for commercial services.</p>	On the valuation date, the property was partially rented out and partially vacant.	<p>RMB 330,884,800 (three hundred and thirty million eight hundred and eighty four thousand eight hundred yuan)</p> <p>(Equivalent to HKD 355,446,127)</p>

#### Notes:

1. According to the Real Estate Right Certificate - Yun (2020) Yulong County Real Estate Right No. 0002780, the land use right of a piece of land with a site area of 61,141.92 square meters has been granted to Lijiang Fosun Tourism and Cultural Development Co., Ltd., a wholly-owned subsidiary of Fosun Tourism Group, which will expire on April 9, 2060 and be used as hotel land. The ownership of the property (with a building area of 16,544.24 square meters) belongs to Lijiang Fosun Tourism and Cultural Development Co., Ltd for commercial service purposes. The property has been completed the first real estate registration. It can be sold or rented separately according to the real estate division unit.

2. We have obtained a legal opinion issued by your group's Chinese legal adviser regarding the property ownership, which includes (among others) the following information:

i. Lijiang Fosun Tourism and Cultural Development Co., Ltd. has legally obtained the land use right and property ownership of the property mentioned in the above real estate right certificate.

ii. There are no restriction on the sale or lease of the property as indicated in the real estate right certificate.

iii. According to the relevant information provided by your group, Group II - the properties held

for sale by your group in China are delivered with fine decoration.

iv. The property is free from any mortgage, freeze, or any form of encumbrance.

3. We also appraised the property on November 30, 2024, with a market value of RMB 330,884,800 as of November 30, 2024.

## Valuation Report

### Group III – Properties held by the Group for investment in China

Serial Number	Property	Overview and Duration	Particulars of occupancy	Market value in existing state as of November 30, 2024
3	4 buildings and 5 pieces of land located at the intersection of Xinshan Village and Yulong Village in Baisha Town, Yulong County, Lijiang City, Yunnan Province, China	<p>The total site area of the Lijiang FOLIDAY Mediterranean International Resort construction project (this development project) is approximately 695,404.74 square meters. The properties included in Group III are the self-use part of the development project, with a total building area of approximately 8,302.80 square meters. They are built on 5 plots of land with a total area of approximately 546,708.61 square meters. There are totally three completed buildings (including the tourist center, GO dormitory, and Xueshan Lane Commercial Street Phase I), which were completed between 2020 and 2024. According to the "Situation Explanation" provided by your group, the cumulative completion percentage of the ongoing construction project of Xueshan Lane Commercial Street Phase II is 60%.</p> <p>The land use right of the property has been granted for hotel use. The land use right will expire on April 9, 2060. The property is used for commercial services.</p>	As of the valuation date, the property is for personal use and some of the plots are vacant and have not been developed or constructed.	588,256,438 (five hundred and eighty eight million two hundred and fifty six thousand four hundred and thirty eight yuan)  (Equivalent to HKD631,922,267)

#### Notes:

1. According to the Real Estate Right Certificate – Yun (2020) Yulong County Real Estate Right No. 0003036, Yun (2020) Yulong County Real Estate Right No. 0003999, Yun (2021) Yulong County Real Estate Right No. 0001356, Yun (2021) Yulong County Real Estate Right No. 0003946, Yun (2022) Yulong County Real Estate Right No. 0000201, the land use rights of five plots of land with a site area of 546,708.61 square meters have been granted to Lijiang Fosun Tourism and Cultural Development Co., Ltd., a wholly-owned subsidiary of Fosun Tourism Group, which will expire on April 9, 2060 and be used as hotel land.

2. We have obtained a legal opinion issued by your group's Chinese legal adviser regarding the property ownership, which includes (among others) the following information:

i. Lijiang Fosun Tourism and Cultural Development Co., Ltd. has legally obtained the land use right of the property mentioned in the above real estate right certificate.

ii. There are totally three completed buildings (including the tourist center, GO dormitory, and Xueshan Lane Commercial Street Phase I), which were completed in December 2020. According to the "Situation Explanation" provided by your group, the cumulative completion percentage of the ongoing construction project of Xueshan Lane Commercial Street Phase II is 60%.

iii. There are no restriction on the sale or lease of the property as indicated in the real estate right certificate.

iv. The property is free from any mortgage, freeze, or any form of encumbrance.

3. Based on the information provided by your group, including the "Real Estate Right Certificate", "Construction Land Planning Permit", "Investment Project Filing Certificate", "Construction Project Completion Acceptance Filing Form", "Lijiang FOLIDAY Mediterranean International Resort Construction Project Completion Measurement Report", "Lijiang FOLIDAY Mediterranean International Resort (commercial facilities in Phase II-Section 2) Buildings 2-9 and 11 Surveying and Mapping Report (Forecast)", "Situation Explanation", "Sales Control Table", and the legal opinion issued by your group's Chinese legal adviser regarding the property ownership, details of site area and building area of the property are as follows:

Property	Site area (square meters)	Overview	Building area (square meters)
the parcel of land belonging to the tourist center	10,805.71	There is one building on the ground, which serves as a tourist center and was completed and registered in February 2022.	2,380.73
land to be developed in Phase II-Section II	100,086.93	Vacant, undeveloped and not constructed	-
land to be developed in Phase II-Section III	53,107.44	Vacant, undeveloped and not constructed	-
land to be developed in Phase II-Section IV	379,344.44	There are two completed buildings on the ground, namely GO Dormitory and Xueshan Lane Commercial Street Phase I. GO Dormitory was completed and registered in June 2022. Xueshan Lane Commercial Street Phase I was completed and registered in June 2024. There is one building under construction on the ground, which is a construction work in process of Xueshan Lane Commercial Street project Phase II. It has obtained the "Construction Permit for Building Projects" and is currently under development and construction. According to the "Situation Explanation" provided by your group, the cumulative completion percentage of the project is 60%.	GO Dormitory: 2,698.72 Xueshan Lane Commercial Street Phase I: 1,803.39 construction work in process of Xueshan Lane Commercial Street project Phase II: 1,419.96
peripheral land to be developed in Phase III	3,364.09	Vacant, undeveloped and not constructed	-
<b>Total</b>	<b>546,708.61</b>		<b>8,302.80</b>

4. We also appraised the property on November 30, 2024, with a market value of RMB 588,256,438 as of November 30, 2024.