

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

### TO THE DIRECTORS OF FOSUN TOURISM GROUP

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Fosun Tourism Group (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net assets per share attributable to the equity holders of the Company as at 30 June 2024, unaudited pro forma statement of adjusted earnings per share attributable to the equity holders of the Company for the six months ended 30 June 2024 and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages II-1 to II-4 of the Company's scheme document dated 10 February 2025 (the "Scheme Document"), in connection with the proposed conditional cancellation of 257,428,981 scheme shares (the "Scheme Shares") in exchange for HK\$7.80 in cash for each Scheme Share (the "Proposal") and the cancellation of the 56,879,819 outstanding share incentive at applicable settlement prices in accordance with the arrangement as set out on pages 63 to 66 of the Scheme Document (the "Share Incentive Proposal"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages II-2 to II-4 of the Scheme Document.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Proposal and Share Incentive Proposal on the Group's financial position as at 30 June 2024 and the Group's financial performance for the six months ended 30 June 2024 as if the Proposal and Share Incentive Proposal had taken place at 30 June 2024 and 1 January 2024 respectively. As part of this process, information about the Group's financial position and the Group's earnings per share have been extracted by the Directors from the Group's financial statements for the six months ended 30 June 2024, on which a review report has been published.

### Directors' Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline ("AG") 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

### Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Reporting Accountant's Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in the Scheme Document is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Proposal and the Share Incentive Proposal as at 30 June 2024 or 1 January 2024 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.


We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Edmund M. Wang". The signature is written in a cursive style with a small ampersand between the first and last names.

*Certified Public Accountants*

Hong Kong

10 February 2025

## **Appendix**

The following are illustrative and unaudited pro forma statements of adjusted consolidated net assets per share and adjusted earnings per share (the "Unaudited Pro Forma Financial Information") of the Group attributable to the equity holders of the Company which have been prepared on the basis of the notes set out below, for the purpose of illustrating the effect of the Proposal and the Share Incentive Proposal as if it had taken place on 30 June 2024 for the unaudited pro forma adjusted consolidated net assets per share attributable to the equity holders of the Company after completion of the Proposal and the Share Incentive Proposal or 1 January 2024 for the unaudited pro forma adjusted earnings per share attributable to the equity holders of the Company after completion of the Proposal and the Share Incentive Proposal. This Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the financial position or financial results of the Group had the Proposal and the Share Incentive Proposal been taken place at 30 June 2024, 1 January 2024 or at any future date.

### **Unaudited pro forma statement of adjusted consolidated net assets per share**

	Unaudited pro forma adjusted consolidated net assets attributable to the equity holders of the Company as at 30 June 2024	Pro forma adjustments			Unaudited pro forma adjusted consolidated net assets attributable to the equity holders of the Company as at 30 June 2024
		#1 (Note 2) RMB'000	#2 (Note 3) RMB'000	#3 (Note 4) RMB'000	
Non-current assets	28,726,113	-	-	-	28,726,113
Current assets	8,720,993	(25,374)	64,762	-	8,760,381
Current liabilities	14,099,334	-	1,884,366	10,254	15,993,954
Net current liabilities (Note 7)	5,378,341	25,374	1,819,604	10,254	7,233,573
Non-current liabilities	20,703,243	-	-	7,384	20,710,627
Net assets	2,644,529	(25,374)	(1,819,604)	(17,638)	781,913
Net assets attributable to the equity holders of the Company	2,578,851	(25,374)	(1,819,604)	(17,638)	716,235
Net assets per share attributable to the equity holders of the Company (RMB)	2.07				0.73
					(Note 6)

## Unaudited pro forma statement of adjusted earnings per share

	Unaudited profits attributable to the equity holders of the Company for the six months ended 30 June 2024 (Note 1) RMB'000	Pro forma adjustments (Note 8) RMB'000	Unaudited pro forma adjusted profits attributable to the equity holders of the Company for the six months ended 30 June 2024 RMB'000
Profits attributable to the equity holders of the Company	<u>321,838</u>	(76,615)	<u>245,223</u>
Earnings per shares			
-Basic (RMB)	<u>0.26</u>		<u>0.25</u>
-Diluted (RMB)	<u>0.26</u> (Note 9)		<u>0.25</u> (Note 10)

### Notes:

- (1) The unaudited consolidated net assets of the Group attributable to the equity holders of the Company as at 30 June 2024 and unaudited net earnings attributable to the equity holders of the Company for the six months ended 30 June 2024 are extracted from the published interim results announcement of the Group for the six months ended 30 June 2024.
- (2) The pro forma adjustment represents cash payment of approximately RMB25,374,000 for the estimated transaction fees including legal, financial advisory and other professional fees incurred for the Proposal and the Share Incentive Proposal. As the transaction fees are incurred for an equity transaction, they are accounted for as a reduction from equity.
- (3) The pro forma adjustment represents:
  - Total cash consideration of approximately RMB1,819,604,000 is used to repurchase 257,428,981 Scheme Shares at the cancellation price of HK\$7.80 per share and to settle 38,571,374 outstanding vested and unvested share incentives at a nominal price of HK\$0.0001 per share. This consideration is paid as if the Proposal and Share Incentive Proposal have been completed as at 30 June 2024. The unaudited pro forma adjusted consolidated net assets attributable to the equity holders of the Company decreased by approximately RMB1,819,604,000 accordingly. Total cash consideration includes approximately RMB91,978,000 used to settle 9,606,500 unvested share options and 8,701,945 unvested share units at HK\$3.5 per share option and HK\$7.80 per share unit (the "Settlement Price"), respectively when these share incentives would have become vested according to the existing schedule and conditions of grant under respective share incentive scheme, assuming that (i) Scheme Shares are cancelled pursuant to the Proposal; (ii) none of the outstanding

- share incentives under the Share Incentive Proposal are exercised; (iii) no new shares will be issued and no new share incentives will be granted, and (iv) all share incentive holders accepted the Share Incentive Proposal as at 30 June 2024.
- The Proposal and the Share Incentive Proposal are financed by a committed term loan facility under a facility agreement dated 9 December 2024 between the Company and Crédit Agricole Corporate and Investment Bank, Hong Kong Branch, Natixis, Hong Kong Branch and Deutsche Bank AG, Hong Kong Branch. The net proceeds from the external debt financing is RMB1,911,582,000 after deduction of an upfront fee and an arrangement fee of approximately RMB27,216,000.
  - As a result, the cash and bank balances in current assets increases by approximately RMB64,762,000.
- (4) The Company offers a cash consideration to the 18,308,445 unvested outstanding share incentives. The addition of the cash consideration creates an obligation to settle outstanding share incentives in cash. As a result the Company recognizes a liability of approximately RMB17,638,000 (included in current liabilities of approximately RMB10,254,000 and non-current liabilities of approximately RMB7,384,000) as at 30 June 2024, based on the Settlement Price and the extent to which the specified services have been received.
- (5) The consolidated net assets per share attributable to the equity holders of the Company as at 30 June 2024 is calculated based on the unaudited consolidated net assets of the Group attributable to the equity holders of the Company as at 30 June 2024 of approximately RMB2,578,851,000 and 1,243,695,600 ordinary shares in issue as at 30 June 2024.
- (6) The unaudited pro forma adjusted net assets attributable to owners of the Company per share as at 30 June 2024 is approximately RMB0.73, which is calculated based on the unaudited pro forma adjusted net assets attributable to owners of the Company as at 30 June 2024 of approximately RMB716,235,000 and 987,339,132 shares in issue as at 30 June 2024. As at the Latest Practicable Date, the outstanding ordinary shares in issue is 1,244,768,113. The 987,339,132 shares are calculated based on the assumption that 1,244,768,113 ordinary shares are in issue as at 30 June 2024 and the deduction of 257,428,981 Scheme Shares cancelled under the Proposal on the same date.
- (7) The net current liabilities as at 30 June 2024 would increase from approximately RMB5,378,341,000 to approximately RMB7,233,573,000 had the Proposal and the Share Incentive Proposal been completed on 30 June 2024.
- (8) The pro forma adjustment represented the estimated finance costs of approximately RMB50,657,000 to be incurred as if the Proposal and Share Incentive Proposal, has been completed at 1 January 2024 and the expenses of approximately RMB25,958,000 (including approximately RMB8,521,000 for an acceleration of vesting when the Company settled a grant of equity instruments in advance, with a nominal price of HK\$0.0001 as at 1 January 2024 and RMB17,437,000 for the incremental expenses for the outstanding unvested share incentives recognized during the six months ended 30 June 2024, assuming that (i) Scheme Shares are cancelled pursuant to the Proposal; (ii) none of the outstanding share incentives under the Share Incentive Proposal are exercised; (iii) no new shares will be issued and no new share incentives will be granted; and (iv) all share incentive holders accepted the Share Incentive Proposal as at 1 January



2024, including the 2024 Share Options and 2024 Share Units which are assumed to be granted as at 1 January 2024.

- (9) The unaudited basic earnings per share to the equity holders of the Company for the six months ended 30 June 2024 is calculated based on (i) the unaudited consolidated net profit attributable to the equity holders of the Company for the six months ended 30 June 2024 of approximately RMB321,838,000, and (ii) weighted average number of ordinary shares of 1,243,191,887 in issue. The calculation of the unaudited diluted earnings per share amount is based on (i) the unaudited consolidated net profit attributable to equity holders of the Company for the six months ended 30 June 2024 of approximately RMB321,838,000, and (ii) the weighted average number of ordinary shares of 1,245,605,307 which is the number of ordinary shares of 1,243,191,887 in issue 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.
- (10) The unaudited pro forma adjusted basic and diluted earnings per share to the equity holders of the Company after completion of the Proposal and the Share Incentive Proposal is calculated based on (i) the unaudited pro forma adjusted consolidated net profits attributable to the equity holders of the Company for the six months ended 30 June 2024 of approximately RMB245,223,000, and (ii) the unaudited pro forma adjusted weighted average number of ordinary shares of 987,339,132 (basic)\* and 991,533,289 (diluted)\*\*, respectively.

Note\* - It is calculated based on the assumption that 1,244,768,113 ordinary shares outstanding as at the Latest Practicable Date are in issue as at 1 January 2024 after the deduction of 257,428,981 Scheme Shares cancelled under the Proposal on the same date.

Note\*\* - It is calculated based on the 987,339,132 shares used in the calculation of the unaudited proforma adjusted basic earnings per share for the six months ended 30 June 2024 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.

- (11) For the purposes of preparing this unaudited Pro Forma Financial Information, the amount denominated in Hong Kong dollars has been converted into Renminbi at an exchange rate of HK\$1.00 to RMB0.9062 at the exchange rate published by the People's Bank of China on 29 December 2023. No representation is made that the HK\$ amounts have been, could have been or may be converted to RMB, at that rate or at all.
- (12) No adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2024.